

Automobile Spare Parts**Canada Could Get Better Share of Guatemala Market**

Five-year import statistics (1987-1991) show Guatemala has a 'healthy' import replacement parts market, with imports in 1991 totalling US\$20,512,481.00.

The same statistics reveal that Canadian sales in that period were merely 1 per cent or less in terms of market share.

These are among the findings in *Automobile Spare Parts: An Overview of the Market — Guatemala*, a review prepared by the Trade Division, Canadian Embassy, Guatemala City.

The review also notes: "There is no reason why, in a \$20-million-a-year consumer market in which Canadian manufacturers have proven expertise, in which geographic proximity and a devalued dollar are added incentives, Canada cannot increase its export participation in direct competition with countries like Sweden, Mexico, Italy, Spain and South Korea."

This is all the more noteworthy, considering that the market is likely to expand. That's because "the vehicle population is increasing dramatically", meaning that, in the short- and medium-term, the market for replacement parts will increase accordingly.

Furthermore, a survey undertaken by the Embassy indicates that about 15 per cent of dealers' stocks are purchased from independent exporters. "This is the share of the market that Canadian exporters should concentrate on," the review suggests.

Other positive factors for Canadians interested in penetrating this market:

- local manufacturing is not a factor that could affect Canadian participation in the Guatemalan marketplace;
- the Guatemalan market is easily

accessible as the government does not require importers to meet any special regulations, such as import licenses or labelling in Spanish, or any special packaging regulations.

The review also covers such areas as import tariffs, price quotations, terms and methods of payment, shipping services, distribution channels, and lists the automobile spare parts most requested by Guatemalan importers.

It concludes with some helpful advice.

"For Canadian companies interested in the Guatemalan market, we suggest that working with an established and aggressive representative/agent is the most effective way of penetrating the market.

"This approach is further enhanced if the manufacturer renders continuous support to his representative by keeping in contact with the customers by mailing catalogues and updated information and by making periodic visits to the mar-

ketplace to coordinate activities with his agent and to make joint calls on local customers.

"A genuine interest in servicing and working with the importers is still the number one marketing tool in this marketplace."

Copies of the report, quoting code number 66LA, may be obtained from Info Export (see box at the bottom of page 12).

Further information on trade matters relating to Guatemala is available from Tom Bearss, Latin America and Caribbean Trade Division (LGT), External Affairs and International Trade Canada, 125 Sussex Drive, Ottawa K1A 0G2. Tel.: (613) 995-0460. Fax: (613) 943-8806.

Interested parties may also wish to contact directly the Commercial Division, Canadian Embassy, P.O. Box 400, Guatemala City, Guatemala. Fax: (011-502-2) 321419. Telex: (Destination code 372) 5206 (5206 CANADA GU).

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