HOW TO DO BUSINESS IN THE OIL AND GAS SECTOR

STEP A: CHOOSING A RELIABLE LOCAL AGENT

Foreign companies are required to have a legal representative or local agent to do business with PETROECUADOR and its subsidiaries.

The Canadian Consulate in Quito maintains regular contact with agents in this sector and may assist in the selection process. A list of potential agents is provided at the end of this report.

STEP B: REGISTRATION WITH PETROECUADOR

Companies interested in supplying equipment and/or services to PETROECUADOR should be registered in the appropriate supplier and/or contractor index. Normally only registered companies receive specifications and invitations to bid.

STEP C: PATIENCE, FOLLOW-UP AND PERSISTENCE

The Ecuadorian petroleum sector market cannot be penetrated overnight. Competitors, many from the United States, are deeply entrenched and difficult to displace. Patience and a long-term commitment to this market are essential prerequisites for success. Your agent should receive appropriate support to promote your products or services on your behalf. It is not unusual for a first sale to come only after many months or several years of sustained promotion and repeated visits to potential clients. Inform yourself about financing support available from the Export Development Corporation, World Bank or Andean Development Corporation (CAF - see above).

You should also keep government contacts (including the Canadian Consulate, the local International Trade Centre, and provincial government trade development officers) informed of your interests and sales strategy so they can offer you maximum support with sectoral intelligence and by inviting your firm to participate in marketing programs such as missions, incoming visits, etc. in this sector.

All market entry avenues should be explored. These include joint ventures and technology transfer agreements, for which you may be eligible for support from the Canadian International Development Agency Industrial Cooperation Program.