

November 96. COMINESA will also start its bismuth processing plant at the end of 1996.

Bolivia represents an increasingly significant market for mining equipment and services. Competitive, competently represented foreign companies willing to invest the necessary commitment and creativity will certainly have a role to play. It has an open economy with low import duties (5% for equipment and 10% for consumables) and a convertible currency. These factors, plus a small and incipient local industry, mean that mining firms can freely import their equipment requirement.

The main foreign suppliers are from Sweden, U.S.A., Finland, Canada, Peru, Chile, Brazil, Germany, Japan and China.

The strongest competitor in the market of drilling equipment, air compressors, pumps and special mining vehicles is Atlas Copco from Sweden. This company has a manufacturing facility (Atlas Copco Boliviana), which was built during the late 70's and enjoyed a sort of monopoly for the Andean Group countries (Venezuela, Colombia, Ecuador, Peru and Bolivia) due to the possibility of exporting its products to all these countries at zero custom duties. That over protection disappeared when the free market concept was established in Bolivia. The NPE reduced the previous custom duties to one of 10%, "across the board" for all foreign imports, and that made the market open and competitive. The Swedish company is, however, a very important force in the Bolivian mining scenario.

A competent local agent or distributor is an indispensable factor in selling into the Bolivian market. The Mining Directory included in this report contains the references of several of the better known firms.

Since local mining companies have a strong preference for the distributors that have local service facilities and can supply spare parts and specialized labor in a short notice, it is important for the Canadian exporters interested in the Bolivian market to bear that factor in mind when choosing their local agent.