
II. *DOING BUSINESS IN URUGUAY*

The Market

The market in Uruguay can be described as open and competitive. Several years of market development, investment or technology transfer by the exporter and a local partner are usually necessary before results can be expected.

The Uruguayan economic policy is based on an export-oriented strategy, and is committed to world trade liberalization and Latin American integration. Non-discrimination and freedom from quantitative restrictions characterize the import policy. The tariff structure ranges from 10 per cent for raw materials and capital goods not produced in the country to 45 per cent for finished goods. Quotas and non-tariff barriers do not exist, with the exception of provisions against unfair trade practices. The import licence plan is automatic and operates solely to record statistics.

Before entering the Uruguay market, Canadian firms should consider the export credit insurance available through the Export Development Corporation (see Chapter IV). Canadian companies may also consider projects financed by institutions such as the World Bank or the Inter-American Development Bank. Project summaries are available from the headquarters of these institutions in Washington, D.C.

Merchandise and Distribution

Some foreign firms in Uruguay use trading houses to market products or operate subsidiaries, but the majority do business through a local representative. Canadian exporters should visit Uruguay and observe the local market and consult with the Commercial Division of the Canadian Embassy in Buenos Aires, Argentina before selecting a representative. The ideal candidate should have considerable sales experience and a technical background. If your agent will not represent you exclusively, he/she should at least sell products that complement rather than compete with your product. Maintaining close contact with your agent and clients is very important when doing business in any foreign country.