

3. RECOMMENDATIONS.

This final chapter assesses the opportunities and suitable strategic approaches to the Brazilian telecommunications market.

Market strategies for the Brazilian telecommunications market must be carefully analyzed prior to implementation, considering political and economic uncertainties, and the lack of accurate market data. Canadian companies wishing to approach the Brazilian market, be it for services, consulting, sales, transfer of technology or manufacture of equipment, will have to take a careful approach and follow a sequence of steps to avoid problems - over and above the usual measures taken.

In all cases, after the preliminary steps of market investigation have been completed, legal counsel should be sought, in order to ensure that all negotiations are conducted within legal parameters with regard to both Canadian and Brazilian laws and regulations.

Several points must be considered when discussing the suitability of any given product in the Brazilian telecommunications marketplace. Successful business initiatives will include:

- Short, medium and long term market perspectives.
- An analysis of the compatibility of products with local requirements and regulations.
- An analysis of pricing and quality vis-a-vis comparable, locally manufactured products.
- The nomination of a suitable representative/agent in Brazil.
- The availability of specialized labour, for either manufacture or maintenance.
- The availability of components from local industry, to keep costs down.

If considering investment in Brazil, the following factors must also be analyzed:

- The regulation governing foreign capital participation.
- The level of investment required to initiate business.
- The outcome of the revision of the Brazilian Constitution in 1993 to abolish government monopoly in telecommunications services.

Without discrimination between direct sales to the Brazilian market or investment in Brazil to supply the market locally, there are several market segments that show promise for Canadian suppliers.

Success will depend on the technology available and the aggressiveness of the marketing approach taken. It must be remembered, however, that the investments for operation of