

Canadian medical device firms that have already established themselves in the U.S. should be able to use their links to U.S. hospitals and medical university installations to advantage in South Korea.

### Business Environment

Although quality and durability are slowly being factored into Koreans' purchasing decisions, price remains the prime consideration.

Generally, imports are financed through an at-sight Letter of Credit. Canadians are advised to be wary of buyers who suggest delayed methods of payments, particularly for initial transactions.

Due the high cost of financing, few agents or distributors are able to maintain substantial inventories, and are unable to take advantage of credit terms which a supplier may offer.

### Buyers and Distribution Channels

Local presence in any form is essential for success in this market. Although few Canadian companies will want to open their own office in Korea, an effective agent is necessary to secure sales. Agents have proficiency in the Korean language (English is understood but not widely spoken), are able to respond quickly to inquiries and make regular and consistent sales calls necessary to generate sales.

An agent should already represent complementary products. A small turnover will increase the agent's markup and reduce the competitiveness of the supplier's products. Similarly, if the products are too diverse, the agent will divide his efforts among too many different industries and fail to serve any of them effectively.

Among domestic manufacturers there is an extreme shortage of expertise and resources to meet the rising demand for advanced medical equipment. Because local competition in most areas is limited, Canadian companies would have considerable advantage over their domestic counterparts.

An aggressive, competitive and competent Canadian company allied with a strong local partner in a joint venture could very easily become a major player in this industry within a very short time.