

Improving Market Conditions

From a Canadian perspective, recent trends are also encouraging. Two significant long-term investments by Canadian mining firms in Tanzania (Barrick Gold) and South Africa (Placer Dome) at the close of the 1990s are only the most visible evidence of growing Canadian interest. In West Africa, Hydro-Québec International beat out other foreign competitors and became the lead strategic partner in the privatization of the SENELEC, Senegal's power producer.

Banking and Finance

In many former colonies, the local banking system is tied directly to the banks of the former colonial power; this can result in a loss in confidentiality to the advantage of competitors from the parent country. Canadian firms face strong competition from European firms that have access to their own export credit agencies and to the local branches of national banks, often with favourable terms. Canada's Export Development Corporation (EDC) supported \$509 million worth of transactions in 31 African markets during 1999, up from \$356 million in 1998. In Sub-Saharan Africa, EDC's most active markets were Côte d'Ivoire, Ghana, Kenya, South Africa, and Tanzania. In contrast, Canadian chartered banks have shown little interest in participating in the African market.

Almost all of our competitors from other OECD (Organization for Economic Co-operation and Development) countries have access to equity capital through development financial institutions, such as the Britain's Commonwealth Development Corporation (CDC), Germany's Investment and Development Company (DEG), the Netherlands' Development Finance Company (FMO), and the United States' Overseas Private Investment Corporation (OPIC). Canadian exporters that have done substantial business in Sub-Saharan Africa have repeatedly called for Canada to establish her own development financial institutions to help them compete in developing markets.

Trade Data

Canadian bilateral merchandise trade with Sub-Saharan Africa peaked in 1998 at over \$2.1 billion, dropping slightly in 1999 to \$1.8 billion. (These statistics do not capture the whole story, however, as they miss much transit trade, especially in West Africa, where significant exports from Canada are routed through Europe and are not counted in direct-export statistics.) Canadian exports comprise a mix of primary commodities (e.g., wheat and wood pulp) and, increasingly, high-value manufactured products (e.g., aircraft and parts, machinery, motor vehicles, and mining equipment). The terms of merchandise trade remain in Africa's favour, with a Canadian trade deficit of about \$580 million. However, this excludes Canadian exports of services and consulting,

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