

## CANADA - COLOMBIA TRADE

Canada's trade relationship with Colombia is one of its most successful in South America. On a regional basis, Colombia is Canada's third largest export market and one of the most promising in all of Latin America. The full potential of this bilateral trade, however, has yet to be realized, due in part, to the general recession in Latin America in the last decade.

Two-way trade between Canada and Colombia grew slowly during the 1970's but achieved a new high of \$357 million in 1987.

Over the seven years period from 1982 to 1988, Colombian exports to Canada increased steadily each year, from \$92 million to \$138 million. The trend of Canadian exports over the same period was also one of stable, consistent growth totalling \$177 million in 1988.

The composition of Colombia's exports to Canada has traditionally been dominated by one significant commodity: coffee. In 1988, coffee accounted for approximately 55% of Colombia's exports to Canada. While remaining Colombia's number one export, it has diminished in importance from \$89.9 million in 1986 to \$75.7 million in 1988. The trend is also evident in the trade figures of Colombia's second most important export to Canada: bananas and plantains, which recorded totals of \$16.8 million in 1986; \$22 million in 1987 and \$15.4 million in 1988.

The mix of Colombian exports to Canada is diversifying. Crude oil and cut flowers are becoming increasingly prominent in Colombia's shipments to the north. Trade in both of these commodities has shown steady, significant growth since 1986.

Other notable additions to the Colombian export list have been towels, cotton and cotton fabrics, and precious or semi-precious stones.

Canadian exports to Colombia have traditionally been dominated by wheat and newsprint. These two commodities accounted for 40% of Canada's 1988 exports. Wheat sales have grown markedly since 1986, while shipments of newsprint have remained steady with some fluctuations over the same period.

A variety of Canadian products have shown a similar pattern of growth. Trade in motor vehicles, parts and accessories amounted to \$38 million in 1986, rising to \$44 million in 1987. Aircraft engines and parts registered \$1.5 million in trade in 1986, but increased dramatically to \$12.3 million the following year.

Other commodities now contributing significantly to Canada's exports include dried lentils and peas, synthetic rubber, corrugated board and polyethylene.