
VENEZUELA

Venezuela, with the highest per capita income in Latin America and a stable democratic political system, remains a major supplier of petroleum and Canada's largest trading partner in Latin America. Since the 1973 petroleum boom, Venezuela has sustained an average growth rate of nearly 7 per cent. The country's extensive industrial and agricultural development projects and significant consumer goods market provides continued excellent sales prospects for Canadian business. Although balance of payments and inflation difficulties have arisen in recent years, the Herrera Administration, which came to power in March 1979, has returned the country to a more disciplined economic management.

Canada-Venezuela two-way trade increased sixfold between 1970 and 1980 reaching a total of nearly \$2.9 billion in 1981. Oil continues to dominate the terms of Canadian-Venezuelan trade accounting for nearly 99 per cent of imports valued at \$2.34 billion in 1981. Canadian exports, which totalled \$545 million in 1981, are dominated by automotive products comprising more than 70 per cent of total exports followed by forestry products (newsprint) and equipment for the resource sector. The 1982 January — September figures show Cdn. \$352.7 million of exported commodities to Venezuela against \$1,391 billion of imports for the same period.

The publication of the "Sixth National Development Plan 1981-1985" stated Venezuela's intentions to embark upon a major program of industrial expansion, directed toward a diversification of its industrial base away from the petroleum sector thus offering excellent opportunities for Canadian manufacturers.

In February 1981, Venezuelan Foreign Minister Jose Alberto Zambrano made an official visit to Canada. This visit was reciprocated by Minister of State for International Trade Ed Lumley in July 1981 on the occasion of the inauguration of the new Telidon terminal. In January 1982, the Secretary of State for External Affairs, the Honourable Mark MacGuigan, visited Venezuela. It is expected that further ministerial visits will occur in 1982-1983 underlying the high priority Canada and Venezuela are now placing on bilateral relations.

In addition to government-to-government contacts, meetings have recently taken place in Toronto sponsored by CALA