

**Processed Foods and Beverages,
Food-processing Equipment and Agri-food
Biotechnology**

Good opportunities exist in Mexico for beverages and processed food such as high-quality, deli-type cold cuts, pasta, frozen prepared meals, microwave entrées, and biscuits and crackers. Brazil, Argentina, Chile, the Caribbean and Colombia are emerging markets for value-added foods and food-processing equipment and technology. Research links are well-established between Canada and Latin America in agri-food biotechnology and there is increasing interest in finding capable local partners in the region.

Oil and Gas

Demand for primary energy in Latin America is expected to grow substantially because of increasing urbanization and consumer demand. Producing countries in South America continue to encourage foreign participation and are reducing restrictions on investment and imports of petroleum equipment.

The major export market opportunities for Canada in exploration development, production and pipeline investments will be in Mexico, Colombia, Argentina, Peru and Bolivia. In Mexico, the NAFTA provisions on government procurement also create significant opportunities with *Petróleos Mexicanos* (PEMEX).

The increasing privatization of Argentina's oil and gas industry will create an annual need of up to \$3 billion for expansion and upgrading over the next several years. This will improve the prospects for exports of gas processing, compression and transportation equipment, oil field control and monitoring equipment, and oil field services. In Brazil, Venezuela, Bolivia, Peru and Colombia, there are opportunities for sales of oil production, refinery and maintenance equipment, exploration software, training, and in the expanding natural gas sector, for pipeline and distribution systems. Proposed gas pipeline projects from Bolivia to Brazil and from Argentina to Chile will present numerous opportunities for Canadian suppliers of gas pipeline products and services, including off-highway vehicles, well services and consulting services.

**Transportation (Air, Rail, Bus and
Automotive)**

Privatization is creating new opportunities for the supply of rail equipment and transit consulting services. In Mexico, there is a need to upgrade

the transportation infrastructure and to increase its automotive capacity, which should provide sourcing and investment opportunities for both assemblers and parts suppliers. Brazil and Argentina have substantial but protected automotive industries, but with the potential for freer trade with this area these markets should be watched closely. In Argentina, the railway and subway systems have been privatized and the airport system will be privatized in the near future. This is creating opportunities in consulting and operations for airport signalling, communications, and rail equipment and rolling stock. The increasing use of North American cars and trucks bodes well for Canadian spare or replacement parts companies. In Chile, investments of over \$43.5 billion are planned for rail, road, airport, port, and related transportation systems. In Colombia, there is a major rail and port rehabilitation program under way, creating opportunities for consulting services, construction management, railway, rolling stock, signalling and maintenance equipment, and locomotive and car parts.

Environment

Social pressures are dictating that increased attention be paid to preserving the environment throughout Latin America and the Caribbean. Market priorities for Canada's rapidly growing environmental sector include waste control systems, land-use and urban management systems, and air pollution control.

Canadian companies can bid on environmental projects in developing countries that are funded by multilateral development banks (MDBs). In 1994, 71 environmental projects funded by the World Bank and the Inter-American Development Bank were valued at US\$1.2 billion. In 1995, 23 projects worth \$645 million were given consideration. Significant environmental component projects in other sectors are estimated at about US\$1 billion. The World Bank's projects have focussed on natural resource conservation, improvement of the urban environment, pollution control, and the strengthening of local government institutions. Financing is being made available for projects in Argentina, Brazil, Venezuela and Chile where good opportunities exist in industrial pollution control, basic sanitation (water and sewage), waste management, ecosystem coastline protection, irrigation, oil and gas, institutional development and training. In Mexico, the NAFTA provisions on government procurement will help to increase opportunities.