

Streamlined investment regulations, with reasonable provisions for profit and capital repatriation, and more equitable taxation policies, have attracted foreign capital to the area. In fact, the Latin American and the Caribbean region is the third leading destination for Canadian overseas investment after the U.S.A. and Europe. It is estimated that over \$3 billion in Canadian capital is at work in the region with Brazil a notable location of Canadian controlled assets.

Canada's success in Latin American and the Caribbean markets is the result of a convergence of our unique export capabilities and the region's requirements for traditional and value added products. The region has and will continue to present significant opportunities to Canadian exporters in sectors as diverse as petroleum exploration and development, telecommunications, hydroelectric power generation and transmission, agro-industrial products, livestock and related services, bio-technologies, natural resource development including mining and forestry, and transportation equipment.

New projects either awarded or under pursuit such as satellite and cellular telephony procurement in Brazil, polyethylene manufacturing in Venezuela, nuclear research reactors in Colombia, a forestry technology development centre in Chile, helicopter sales to Mexico and aircraft sales to the Bahamas all point to additional market penetration by Canadian products and services in the coming years.

As a traditional supplier, proud of its historical ties with Latin America and the Caribbean States, Canada is anxious to pursue additional market opportunities as economic circumstances improve in the region. Sustained market development support to Canadian industry by External Affairs and International Trade Canada, the Export Development Corporation (EDC), and the Canadian International Development Agency (CIDA) is essential to the success of these initiatives, as are the long term commitments of Canadian exporters in realizing fully trade opportunities.

In keeping with this concerted effort, Canada implemented the CARIBCAN program in July, 1986, as a vehicle to facilitate trade, investment and industrial cooperation between Canada and the Commonwealth Caribbean. The principal program feature is unilateral extension by Canada of duty-free treatment on a wide range of goods produced in eighteen beneficiary countries in the Caribbean. Currently, a review of this program is underway with the intent of improving its Canadian market access elements.

Canada believes that the 1990's will signal a more mature trading relationship with Latin America and the Caribbean, one in which Canada will be poised to become a more active partner in the region's economic development. The lending program of the Inter-American Development Bank, in addition to Canadian trade and export financing initiatives, will be important tools in the success of these efforts.