

50 percent, and exports amounted to some \$230 million, making Venezuela Canada's second most important market in South America.

Canadian sales of minerals and mining equipment to Chile were approximately US\$70 million in 1990, and total trade expanded by 71 percent. Canadians were the largest investors in Chile in 1990 (\$492 million), mainly in the mining sector.

Canadian oil and gas companies and consulting firms are negotiating contracts related to the privatization of large government utilities in Argentina. Communication companies are following the same process in Uruguay, Venezuela and Paraguay.

MEXICO: NEW OPPORTUNITIES, NEW APPROACHES

Mexico ranked as Canada's largest trading partner in Latin America and the Caribbean, with two-way trade exceeding \$2.3 billion in 1990. Canadian exports totalled nearly \$600 million.

Canadian exporters recorded significant new sales in the Mexican agricultural, telecommunications, environmental and plastics machinery sectors:

- Canadian cellular telephone equipment will be used in five of the nine cellular concessions awarded by Telemex to private operators.
- Environmental protection and control technologies are being applied to air, water and waste management projects in major urban centres such as Mexico City and Guadalajara, as well as in the Gulf Coast.
- Canadian swine and dairy cattle entered Mexico in record numbers to help improve local herd performance.

Canadian exporters maintained market leadership positions as suppliers of many bulk commodities including cereal grains, pulses, sulphur, wood pulp and skim milk powder.

NORTH AMERICAN FREE TRADE

In February 1991, Canada, Mexico and the United States announced that they would enter into negotiations for a North American Free Trade Agreement (NAFTA). Such an agreement would create a market of over 360 million inhabitants and a cumulative gross domestic product approaching US\$7 trillion.

Canadian exporters are visiting Mexico in record numbers and are finding that, in light of economic reform policies and trade liberalization measures implemented since the late 1980s, Mexico is a market where Canadians can compete successfully.

THE CARIBBEAN

The centuries-old trading relationship between Canada and the Caribbean basin countries totalled \$1.8 billion in 1990 with exports amounting to \$850 million, an increase of 7 percent from the previous year. Imports increased by over 12 percent in the same period.

In 1990, the Export Development Corporation entered into Line of Credit Agreements with borrowers in Barbados, Jamaica, and Trinidad and Tobago to facilitate sales of some \$30 million of Canadian goods and services.

Northern Telecom, Mitel and Larcam Communications won a number of equipment supply contracts in the Caribbean. Agreement was reached on the sale of five Boeing de Havilland Dash-8 Series 300 aircraft to Bahamasair of Nassau.

In 1991, new Bilateral Agreements for the Seasonal Agricultural Workers Program were concluded, allowing the organized movement of foreign workers to meet seasonal needs of Canadian agricultural employers. The participating countries include Mexico, Jamaica, Barbados, and Trinidad and Tobago.

AFRICA

An area of high priority in Canadian foreign policy, Africa continued to provide both challenges and new reasons for optimism. Twenty-five African countries have undertaken economic structural adjustment programs, aided by the International Monetary Fund (IMF), the World Bank and the donor community. Most countries have taken specific and sometimes dramatic steps towards

democratization, and there were notable positive developments in South Africa.

Although several countries in the region are afflicted by civil wars and famines, Canada encouraged the growing recognition of the interrelationship between economic and social reforms, and the respect for fundamental rights and freedoms and democratic institutions.