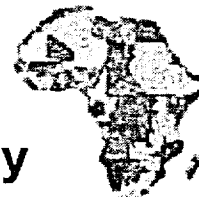


1. The Sub-Saharan Africa Trade Strategy



The question that sparked this trade strategy is fairly simple: How can we improve the performance of Canadian industry in a region offering many opportunities and needs that match Canadian industry capabilities?

Our Strengths and Potential...

- 1) Canadian products, services, and capabilities are well matched to Africa's needs;
- 2) Canadians are well regarded in Africa; this, combined with the capacity to work in both French and English, gives Canadian firms a comparative advantage over their competitors;
- 3) Some Canadian companies are already successfully exporting their products or consulting services to, or investing in, Africa, making the continent an important and growing business partner relative to other emerging markets that have a higher profile or receive more dedicated trade support resources;
- 4) Much of Africa is growing economically and looking outward, generating higher demands for imported products and services, joint ventures, and investment; and
- 5) Return on investment on African projects is relatively high; official U.S. statistics show return on investment for U.S. firms in Africa (excluding South Africa) averaging 29% over the period 1990-1997, higher than anywhere else including Asia or Latin America.

These facts should lead Canadian business to be more active in Africa, but other factors have historically dissuaded many Canadians from considering Africa. The dominant image remains one of poverty and conflict: Africa is seen as a region where only high-risk corporate adventurers—after gold, diamonds, or oil—have a chance to succeed.

With This Trade Strategy . . .

Once the varied nature of this huge continent is realized, its emerging opportunities profiled, and a co-ordinated strategy delineated, Canadian business will be poised to participate in the lucrative emerging markets of Sub-Saharan Africa. The Trade Commissioner Service of the Department of Foreign Affairs and International Trade (DFAIT) has recently launched some important initiatives to help Canadian companies take advantage of opportunities in the region.

The International Monetary Fund forecasts that Africa's overall gross domestic product should grow by 5% in 2000, an improvement from 3.1% in 1999.