

**CANADA - CHILE TRADE AND ECONOMIC RELATIONS
MEDIA BACKGROUNDER**

Chile is fast becoming one of Canada's most important trading partners in Latin America. Two-way trade has increased over the past six years from \$204.2 million in 1983 to \$284 million in 1989.

In 1989, Canadian exports to Chile totalled Cdn \$110 million, while Chilean exports to Canada registered Cdn \$174 million. Major Canadian exports include mining machinery and parts, molybdenum ores, coal sulphur and potassium chloride.

Chilean exports to Canada have also shown sustained growth in the period since 1985, particularly seasonal (winter) shipments of fresh fruits and vegetables. Copper ores and concentrates, fish meal, and Chilean wine have also established a strong position in the Canadian market.

Canadian exporters are actively pursuing sales of machinery, equipment and consulting services across a wide range of sectors, including mining, forestry and telecommunications. Export opportunities exist in agriculture, transportation aquaculture and the environment.

The availability of export financing has been critical to the success of Canadian exporters in Chile, and will continue to play a key role in maximizing emerging opportunities. The Export Development Corporation (EDC) has been active in Chile for 25 years signing 87 financing agreements in support of Canadian sales to local buyers.

The Industrial Cooperation Programme of the Canadian International Development Agency (CIDA) supports joint ventures, technology exchanges and investment between Canadian and Chilean public and private sectors. In the last eight years, the Programme has financed over 40 projects valued at Cdn \$4 million.

Chile is second only to Brazil as the most favored destination for Canadian investment in South America. Canadian investment in the mining sector exceeds US \$1 billion. Approximately 85% of Canadian investment in Chile has occurred over the past three years following the 1987 signing of the Foreign Investment Insurance Agreement.

June 1990