

Canadian services contracts with Africa was some \$500 million.

Over 50 percent of Canada's exports to the continent go to North Africa. These include cereals, dairy products, sulphur, lumber and minerals, as well as a wide array of manufactured products such as locomotives, telecommunications equipment, helicopters, construction machinery, chemical products, oil and gas and hydro-electricity generation and transmission equipment. North Africa is also an important market for Canadian services (engineering, consulting, education, health care, computer, financial services, etc.).

Canada's commercial involvement in Africa has increased remarkably over the past 25 years. Our development assistance programs, the funding programs of the Export Development Corporation (EDC), our involvement in la Francophonie and the Commonwealth, our initiatives with respect to fighting apartheid and forgiving the debts of a number of African countries, have reinforced Canada's positive image on the continent. The fact that Canada is a bilingual country, and the complementary nature of these countries' needs and Canada's sectoral expertise, give Canadian exporters a further advantage.

In recent years, an increasing number of African countries have adopted political and economic reforms to establish multipartite systems, liberalize foreign trade, streamline public finances and develop the private sector. These reforms (which Canada actively supports) have served to create many new business opportunities for equipment, services and investment. Various privatization programs have also led to a renewed emphasis on education and training, and important new business opportunities in consulting, training, management and financial services. Many of the reform initiatives that are being implemented have been financially supported by the World Bank and the African Development Bank, with additional support from the Canadian International Development Agency.

Government activities in Africa are designed to take advantage of trade and investment opportunities arising from the various economic restructuring programs that are under way. Priority will be placed on developing commercial and investment relations with the emerging private sector of these countries and on opportunities funded by international financial institutions (IFIs). Export development initiatives will be complemented with activities to promote opportunities for joint ventures and technology transfers.

Export financing is an issue in many African countries. Exporters therefore often consider seeking offshore guarantees, and focus on revenue-generating sectors and/or development initiatives supported by IFIs.

Market Opportunities

Sectors offering the most promising opportunities for Canadian exporters in each country are:

- **South Africa:** The dismantling of Canada's trade restrictions continues to spur rapid growth in Canadian exports in a wide range of sectors. In the first half of 1994, Canadian exports were valued at \$105 million — an increase of 76 percent over the same period last year. (Before the sanctions, the export market was valued at \$500 million.) A significant proportion of Canadian products sold are manufactured and high-tech products. The prospects for future business opportunities are also bright. As South Africa becomes more fully integrated into the regional and global economies, new business opportunities will emerge in the fields of mining, telecommunications and informatics, geomatics, environment, security products and medical products and services.
- **Algeria:** This is Canada's single-largest market on the continent. Significant opportunities exist in oil and gas, transportation, construction, telecommunications, irrigation, agriculture, industrial development and services