

Bolivia's New Law Designed to Attract Foreign Investment

The Bolivian government's recently introduced New Law on Investments represents a "significant step" in the country's process of structural and liberalization reforms.

It also means that foreign and national investment is placed on an equal footing — the intent being to attract foreign investment to help the country raise the growth rate of its Gross National Product.

Among the many clauses within the new law, the following may be of interest to Canadian investors/exporters:

- Foreign investors are recognized to have the same rights, obligations and guarantees as local investors;
- Joint ventures among local and/or foreign companies are specifically recognized;
- Foreign investment guarantees will be backed by bilateral or multilateral instruments that Bolivia has agreed to or may agree to with other nations or international organizations;
- Free currency exchange is guaranteed;
- Private investment does not require either previous authorization or additional registry; and
- The freedom to import and export goods and services — excepting those determined to affect public health or state security — is guaranteed.

Two other laws — aimed at modernizing Bolivia and making the country a more attractive site for foreign investment — are expected to be passed in the near future. They deal with a revised mining code and a revised law on hydrocarbons. Both will be dealt with when the information is received.

For further information on this aspect of the Law of Investments or for information on trade opportunities in Bolivia, contact Georges Lemieux, EAITC, South America and Mexico Trade Division (LST), 125 Sussex Drive, Ottawa K1A 0G2. Tel.: (613) 996-5548. Fax: (613) 996-0677.

New EDC Lines of Credit

A US \$15 million line of credit, valid for two years, has been established between the Export Development Corporation (EDC) and the Central Bank of Trinidad and Tobago. The new credit facility will enable buyers of Canadian goods in the country to finance their imports for up to 85 per cent of the sale price.

EDC and the Canadian International Development Agency (CIDA) have established a joint US \$14 million credit facility for Oil India Limited, a state-owned company involved in the exploration, recovery and transportation of oil. Under the facility, EDC will finance 62 per cent of the sale price of goods and services, while CIDA will cover the remaining

portion through a contribution to the Indian government.

The EDC has established a number of credit facilities with various Mexican banks. The Crown corporation recently doubled its US \$ 15 million line of credit with Banco Nacional de Comercio Exterior, S.N.C. and renewed, for a period of two years, four existing lines of credit, two for \$10 million each, with Banco Nacional de Mexico, S.N.C., and Banca Serfin, S.N.C.; and two for \$5 million each, with Multibanco Comermex, S.N.C.; and Banco Internacional S.N.C. In addition, a line of credit worth US \$5 million has also been established with Banco del Atlantico, S.N.C.

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markets, Canadian trade with the EC may be limited by EMU.

The creation of a single EC currency could also be expected to affect Canada's access to international capital markets to the extent that portfolios are re-balanced towards securities denominated in ECUs and away from securities denominated in Canadian dollars.

The political and economic effects of EMU will have to be closely monitored in order to determine which paths they are taking and to ensure that Canada takes an active role in making its interests known both in Brussels and within the G-7 exercise.

For more details on Europe 1992 and EMU, consult the interdepartmental *Europe 1992 Working Group Report on European Economic and Monetary Union*, available from Info Export. (see bottom of page 16 to order).

For more information on Europe 1992, contact EAITC's European Community Trade and Economic Relations Division (REM). Tel.: (613) 996-2727. Fax: (613) 995-1277.

Numbers to Note

The new fax number for the Canadian High Commission in Colombo, Sri Lanka is (94-1) 687049.

Following are the temporary address, telephone, telex and fax numbers for the new Consulate General in Kiev, USSR: Canadian Consulate General, c/o Zhowtneva Hotel, Room 808, Corpus 1, 5 Rosa Luxembourg Street, Kiev 22 252021, USSR. Tel.: 011-7-044-291-8978 (office); 011-7-044-291-8858 (Nestor Gayowsky, Consul General); 011-7-044-291-8903 (Ron Waugh, Administration). Telex: 131479 UYUTSU. Fax: 044-291-54-68.