Guatemala

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nology and equipment—are likely to be declared national priorities and proceed to tender as soon as bid documents and specifications are completed

Guatemala, with high unemployment, low labour costs, and a low tax burden, has become an attractive destination for foreign investment, particularly in the manufacturing sector.

The government offers tax incentives to foreign investments in export industries.

When it comes to marketing, it is most important for exporters and would-be exporters to visit the marketplace: to meet with prospective representatives, distributors and customers; to study the competition and, if the prospects are promising, to repeat the procedure. It usually takes from two to three visits before some success is achieved.

For further information on commercial opportunities, information and project updates, contact the Commercial Section, Canadian Embassy, 7A Avenida 11-59, Zona 9, Edificio Galerias Espana, 6 nivel, Guatemala City, Guatemala. Tel.: (011-502-2) 321411/321418/321426. Fax: (011-502-2) 321419.

Embassies

Canadian Embassy, Apartado Postal 10303-1000, San Jose, Costa Rica. Tel.: (011-506) 55-35-22. Fax: (011-506) 23-23-95. Telex: (Destination code 376) 2179 (DOMCAN CR).

Canadian Embassy, P.O. Box 400, Guatemala City, Guatemala. Tel.: (011-502-2) 321411/321413/321426. Fax: (011-502-2) 321419. Telex: (Destination code 372) 5206 (5206 CANADA GU).

Trade, Investment Climate Hospitable in El Salvador

Canada's export performance in El Salvador, the smallest and most densely populated (5.3 million people) country in Central America, swings widely from year to year because of fluctuations in supply and price competitiveness.

In 1990, Canadian exports totalled $15.2 million, with big volume and traditional items being bulk agricultural commodities, industrial raw materials, newsprint, chemicals and plastics.

The market now is open to other Canadian commodities, including building products, tools, structural materials, telecommunications equipment and electronic goods.

There are also opportunities in the export of agricultural inputs, including agrochemicals, genetic material and veterinary supplies. And the national telephone company, Antel, may purchase new lines and switching equipment.

IFI pipeline projects are relatively small in the short-term but the Inter-American Development Bank is active in such sectors as electricity, road building and education. With an end to civil strife, El Salvador will be in line for infrastructure projects of interest to Canada.

Civil and commercial laws make for an hospitable trade and investment climate and the government attitude is open and fair regarding foreign ownership and investment, capital, dispute settlement, and repatriation of capital.

The country has an active investment promotion infrastructure providing incentives (tax holidays, free zones, export tax drawback) to manufacturers wishing to establish in the country—particularly if the industry will earn export revenues.

Normal precautions should be taken in conducting business affairs and it is worth noting that Canada has no bilateral investment protection agreement with El Salvador.

Patience Pays in Honduras

Honduras imports about US$1 billion a year, indicating that opportunities exist—particularly in the private sector which is beginning to reinvest.

Canadian exports in 1990 totaled $10 million and consisted primarily of paper products (linerboard, newsprint), food products (processed fish/seafood, milk powder), and industrial chemicals and plastics.

For the patient and persistent, who can provide delivery and service superior to the competition, possibilities are numerous.

These are in the supply of agricultural inputs, including agrochemicals, fertilizers, breeding stock, a wide variety of industrial raw materials, and electronic/telecommunications apparatus (to keep the existing infrastructure running and to build new export-based industries which the government is strongly promoting through the establishment of tax-free manufacturing zones).

Investment incentives include tax holidays and export tax drawbacks and are geared to export-oriented industries.

IFI pipeline projects are relatively large: in transportation (roads, bridges, ports); water treatment; electricity generation; and environment. New IFI projects are likely to begin in the hydro, transportation, health and education sectors.