

Climate improves for exports to Latin America

Canada is increasing its trade efforts in the Latin American region which includes Mexico, Central and South America and the Caribbean, as the region experiences what trade officials describe as a "recovery wave".

In an effort to capitalize on a growing demand for Canadian manufactured goods and technologies in Latin America and to help Canadian exporters compete for sales in those markets, the Department of External Affairs is expanding two key market development strategies — the Program for Export Market Development (PEMD) and a Trade Fairs and Missions Program.

Canadian manufacturers will be well represented over the next 15 months at trade fairs and missions planned for the Latin American region. A series of meetings and conferences is also planned with Latin American business representatives to help foster closer economic ties.

Trade officials at External Affairs say Canadian domestic exports to a number of countries in the region, especially Brazil, Colombia and Chile, climbed steadily through 1983 and show promise of continuing the

trend. Exports to Brazil were up 12.7 per cent by mid 1984 and had surpassed 1983 totals by the end of October. Sales climbed 14.1 per cent to Colombia and more than 30 per cent to Chile.

Canada's over-all export performance in South America during the first half of 1984 showed an 8.6 per cent improvement over 1983 sales for the same period. Sales in Western Europe climbed 8.2 per cent.

The composition of trade in Latin America, officials add, is highly favourable to Canadian exporters, with manufactured goods accounting for 63 per cent of sales and with a large portion of other trade activities focused on sales of advanced technologies.

The main exports include wheat, automotive parts, newsprint, coal, asbestos, fertilizers, transportation equipment, telecommunications equipment, agricultural products and a variety of industrial machinery and consulting services. Canada's largest markets in the region are Brazil, Mexico, Cuba, Venezuela and Colombia. Peru, Argentina, Trinidad and Tobago and Chile are also important trading partners.

Some key trade fairs and missions

General

- Canacintra Exposition — Mexico, July 1985.
- FISA 85 — Santiago, Chile, October 30—November 10, 1985 — Mining, telecommunications, agricultural and forestry equipment services.
- EXPOCOMER 86 — Panama, March 1986 — Auto parts, medical equipment, hardware, sporting goods and food products.

Agriculture

- Incoming mission to Western Canada Farm Progress Show — Regina, Saskatchewan, June 19-22, 1985.
- Incoming mission to Agribition — Regina, Saskatchewan, November 30—December 6, 1985.

Communications

- TECHNOTRON 85 — Lima, Peru, April 15-21, 1985 — Telecommunications equipment and services.
- Telecommunications Seminar — Peru, April 1985.
- INFORMATICA 85 — São Paulo, Brazil, October 1985 — Videotex equipment and services.

More information on these events can be obtained from Paul Schutte, External Affairs South America Trade Development Division, 125 Sussex Drive, Ottawa, Canada, K1A 0G2 or the Trade Information Centre, at the same address.

Consumer products

- Hardware Products Mission to Havana, April 1985.

Forestry

- Forestry Equipment Services Solo Catalogue Show — Santiago, Chile, April 15-16, 1985.
- Incoming Mining and Forestry Buyers from Peru, June 1985.
- IX World Forestry Congress Exhibition — Mexico City, Mexico, July 1-7, 1985 — Forest harvesting equipment and services.

Mining

- Mining Equipment and Services Mission/Seminar to Chile, May 4-18, 1985.
- Incoming Mining and Forestry Buyers from Peru, June 1985.
- Mexican Mining Congress and Exposition — Mazatlan, Mexico, October 27-31, 1985 — Mining equipment and services.

Oil and Gas

- Solo Oil and Gas Equipment Show and Seminar — Mexico, February 1986.

Support for small business

The government recently introduced legislation to continue support for small business financing under the Small Businesses Loans Act (SBLA). A five-year extension of the federal loan guarantee program from April 1, 1985, to March 31, 1990, and amendments to eligibility under the Act are proposed in the new legislation.

Making the announcement on behalf of Minister of Regional Industrial Expansion Sinclair Stevens, Minister of State for Small Business André Bissonette said that "the government recognizes the major role small business plays in our economy" and it is working to establish "a stable policy framework for lenders and borrowers using the program".

The new legislation defines a small business as one with gross revenue not exceeding \$2 million in the year of application, instead of the previous \$1.5-million limit.

In addition, the legislation increases the existing loan ceiling by \$300 million to \$1.8 billion to meet demand for the current lending period which ends March 31, 1985.

The proposed amendments to the Act also introduce other program modifications and the option to accommodate further changes that will result from future consultations or program monitoring and evaluation. New features introduced include cost-sharing measures with participating lending institutions.

The Small Businesses Loans Act underwrites losses of business improvement loans made by chartered banks and other designated lenders to small businesses. Loan funds under SBLA can be used to purchase equipment; purchase, build, or modernize business premises; and buy land for the operation of a business. The loans must be secured and repaid within ten years, and the maximum interest rate that lenders may charge is bank prime plus 1 per cent, the rate floating with the bank's prime for the term of the loans. Mr. Bissonette said the changes would not create additional costs to small businesses using the program.

Since SBLA was enacted in 1961, more than 170 000 loans totalling \$4 billion have been authorized under the Act.

Lending activity under the SBLA increased significantly from 1983 to 1984. The number of loans increased 20 per cent to 31 000 and their dollar value increased 25 per cent to about \$900 million, according to preliminary data for 1984 from authorized lenders. With this growth in program use, the \$1.5-billion lending ceiling was reached two months before the lending period expired.