

CANADA - COLOMBIA TRADE

Canada's trade relationship with Colombia is one of its most successful in South America. On a regional basis, Colombia is Canada's fourth largest export market and one of the most promising in all of Latin America. The full potential of this bilateral trade, however, has yet to be realized, due in part to an ambitious economic liberalization and privatization program where specific opportunities are still being defined.

Two-way trade between Canada and Colombia grew slowly during the 1970's but achieved a new high of \$357 million in 1987, only to decline to \$273 million in 1991. However, we have noticed an increase in 1992 of 32% to \$359 million from 1991.

Over the three year period from 1989 to 1991, Colombian exports to Canada declined each year, from \$157.3 million to \$137.0 million. Canadian exports over the same period fluctuated from \$164 million in 1989 to \$191 million in 1990 to \$137 million in 1991 and then increased by 67% to \$229 million in 1992. Statistics for the first three months of 1993 show a 62% increase over the same period in 1992, mostly due to sharp increases in sales of wheat, bars & rods, newsprint, asbestos and parts of gas turbines.

In 1992, coffee accounted for approximately 42% of Colombia's exports to Canada. The mix of Colombian exports to Canada is diversifying. Colombia's second most important exports to Canada are bananas and plantains, which recorded totals of \$15.4 million in 1988 and of \$20.3 million in 1992. Crude oil and cut flowers are becoming increasingly prominent in Colombia's shipments to the north. Other notable additions to the Colombian export list have been articles of clothing, towels, cotton and cotton fabrics.

Canadian exports to Colombia have traditionally been dominated by wheat and newsprint. These two commodities accounted for 46% of Canada's 1992 exports. Wheat sales have decreased since 1986 but surged in 1992 after the privatization of wheat purchasing in Colombia.

In 1991, Colombia imported 9.8% of Canada's annual South American exports. During the same time period, Canada's average imports from Colombia represented approximately 7.2% of that country's total exports.

The Canadian Government has recognized the growth potential of the Colombian market. Canada's Export Development Corporation (EDC) negotiated a \$10 million line of credit with *ECOPETROL*, Colombia's national petroleum company. EDC currently has a \$45 million line of credit in place with *CARBOCOL*, the national coal company, and is interested in supporting additional projects and export transactions directly or through its already established lines of credit, including one with the Andean agency, CAF, based in Caracas, Venezuela.