

CANADA-COSTA RICA TRADE RELATIONS

Trade between Canada and Costa Rica is governed by a commercial agreement entered into on November 17, 1950. The Agreement provides for a reciprocal exchange of most favoured nation treatment. In addition, a technical cooperation agreement between the governments of Canada and Costa Rica was signed in San José on July 24, 1973.

During the economic growth of the 1970s, annual Canadian exports to Costa Rica grew from \$7 million to reach \$35.6 million in 1979. However, due to the economic difficulties during 1979-82, Canadian exports fell to a low of \$15.9 million in 1982. Reflecting the improved Costa Rican economy, Canadian exports gradually increased during the 1980s and reached \$30 million in 1987. Our main exports continue to be fertilizers, newsprint and paper, machinery, plastic (resins and sheets), food products and pharmaceuticals.

Costa Rica continues to offer an attractive, if limited, market for Canadian exports. Resource development, agro-industry and infrastructure projects offer important opportunities. Other sectors of future interest are indicated by planned improvements to Costa Rica's agricultural and livestock industries and possible large investments in gold mining.

Imports from Costa Rica consist almost entirely of bananas and coffee and have fluctuated between \$40 and \$63 million, depending on the level of imports of these commodities. In 1988, Canada imported bananas valued at \$28.5 million and coffee valued at \$13 million.

Tourism has become the third most important foreign exchange earner and is growing. New tourist facilities are being rapidly developed to handle the increased volume. Canadian tour operators have established charters from Toronto, Montreal and Vancouver, which are operating with capacity loads. By the end of this winter season, it is expected that almost 10,000 Canadians will have visited Costa Rica.