

CANADA - BOLIVIA TRADE

Bolivia's recently elected new President Gonzalo Sanchez de Lozada has stated publicly that he will further enhance Bolivia's economic program by providing a more favourable climate for industrial expansion and foreign trade. In recent years medium to large scale development projects have been undertaken mostly in the mining sector; however the key project for Bolivia remains the proposed gas pipeline planned between Santa Cruz and Sao Paulo, Brazil. Although a memorandum of understanding and a gas supply contract have been signed between the two countries, financing for this billion dollar project has not yet been secured.

Economic growth reached almost 4% in 1992; this rate, coupled with an extremely low inflation rate by South American standard of 9% and a devaluation of 7.6% during the same period provided a much improved economic performance over the last few years.

The volume of Canada's exports to Bolivia reached \$14.8 million in 1992, a substantial improvement over 1990 of \$5.1 million and 1991 of \$4.5 million. The main exports were wheat, telecommunications and oil and gas equipment. Bolivian exports to Canada have been mostly in raw materials, tin (\$3.75 million), followed by lumber and Brazil nuts.

External Affairs and International Trade Canada have initiated a market development strategy for Bolivia which focuses mainly on the mining, petroleum and telecommunications sectors. The stated goals of the new government towards more involvement by the private sector and the furthering of the privatization process (while not as advanced as other neighbouring countries) bodes well for interested Canadian companies.

Bolivia's economic future will depend on a more efficient process in their traditional resource sector and increased support for joint-ventures and foreign investment. This coupled with Canadian expertise in the mining, telecommunications and oil and gas sector has the potential to increase our commercial relationship in the not so distant future.