

Sub-Saharan Africa is a region composed of some 45 countries with a 1990 population estimated at 500 million. With countries smaller than Mauritius (with a population of 1 million) and as large as Nigeria (population in excess of 100 million), generalizations about the region are difficult to make and indeed are misleading.

Known mostly as a recipient of development assistance, the economies of Sub-Saharan Africa offer a multitude of opportunities, albeit not without challenge. Sub-Saharan Africa imports approximately \$100 billion in goods and services per annum. Of that, Canada has traditionally supplied \$1 billion. With a market share of approximately 1%, significant growth potential exists in this highly diverse continent. Nonetheless, almost 10% of Canada's top ten export markets are in the Sub-Saharan Africa Region.

Canada has been involved in Sub-Saharan African markets for some time. Our commercial exchanges in goods, equipment and services over the last three decades have been highly diversified. The most active periods were in the late 1970s and the early 1980s. Two way merchandise trade has since held at around \$600 million annually.

Canada's largest trading partners in Sub-Saharan Africa are: South Africa (\$130 M merchandise exports per year, even with sanctions); Nigeria (at \$50 M in 1992, up 70% from \$30 M in 1991); Ghana (\$25 - \$30M per annum, with significant potential foreseen); Kenya (at \$26 M in 1992, despite significant decreases in aid).

The economic development of Sub-Saharan Africa continues to offer opportunities for Canadian exports of goods and services. With Canada's active role in the Commonwealth and La Francophonie and the support provided to Africa through bilateral and multilateral development assistance programs, the Canadian image in Africa has been positive.

Structural adjustment programs implemented throughout Sub-Saharan Africa during the 80's and early 90's are resulting in significant reforms offering new opportunities to Canadian exporters. Most countries are diversifying and restructuring their economic infrastructure and reinforcing their private sectors; there is a renewed emphasis on education and training; and interesting new opportunities in consulting, training, management and financial services are opening as a result of major privatization programs.

With increasingly limited trade promotion resources directed towards Africa, the challenge facing interested Canadian firms is to obtain maximum benefit for limited investment in an environment that demands commitment. It is clear that successful firms develop partnerships with their clients, involving themselves in joint ventures, technology transfer and investment opportunities.

The African Development Bank (AFDB) and the World Bank continue to be major sources of financing, particularly for projects that are part of national economic reform and industrial restructuring programs. Although serious potential exists for Canadian contracts financed by the World Bank and/or the African Development Bank, it is increasingly the case that winners of these contracts have established relationships with the client.

The limitations to Export Development Corporation's (EDC) activities in the region, resulting from the debt situation of many African countries and the restricted access to concessional financing, mean that other financial sources must be tapped.

Based on the premise that significant potential trade exists within the region, the following areas have been targeted for Trade promotion support: notably in the oil and gas, telecommunications, transportation (road and rail), and the mining sectors. In addition to the natural linkage between African need and Canadian expertise, in many projects in these sectors, private financing and/or foreign exchange earnings provide the basis for Canadian interest.