

CANADA - PERU TRADE

Canada-Peru bilateral trade in the 1980's has been marked by fluctuations resulting from both domestic and international economic factors.

Since the beginning of the decade, the annual volume of trade between Canada and Peru has ranged from \$138 million in 1982, to a low of \$114 million in 1985. Two-way trade in 1988 stood at \$150.4 million.

Peru's major exports to Canada in recent years have consisted of ores and concentrates of lead, zinc, copper, precious metals, coffee, and cotton (both yarns and fabrics), as well as wool fabrics. This mixture of commodities represents approximately 80% of Peru's sales to Canada.

Canadian exports to Peru during this period have included wheat, milk powder, mining machinery and parts, and machinery for the transportation of textile sectors. Canadian firms have been particularly active in the mining, hydroelectric, telecommunications and agricultural sectors.

From 1986 to 1988, milk powder exports averaged approximately \$17 million while wheat fell from a high of \$48 million in 1987 to \$9 million a year later. Newsprint exports remained relatively steady over the same period totalling approximately \$8 million in 1988.

Canada has a long history of contributing to Peru's economic development. Canadian firms financed and built the Tintaya copper mine, assisted in the development of major electrical transmission lines and central telephone exchanges, and worked with Petroperu on major oil and gas exploration initiatives.

The serious economic difficulties which Peru has recently experienced have impinged on its international trade relations. Canada-Peru bilateral trade, however, remains strong, diverse and important to Canada's commercial linkages with Latin America.