

CANADA - PERU TRADE

Canada-Peru bilateral trade in the 1980's was marked by fluctuations resulting from both domestic and international economic factors. The annual volume of trade between Canada and Peru has ranged from \$150.4 million in 1988 to \$183.6 million in 1992.

Peru's major exports to Canada in recent years have consisted of ores and concentrates of silver, lead, zinc, precious metals, coffee, and cotton (both yarns and fabrics), as well as wool fabrics. This mixture of commodities represents approximately 93% of Peru's sales to Canada.

Canadian exports to Peru during this period have included wheat, asbestos, milk, peas, telecommunications equipment, pharmaceutical products, tire cord fabrics, lentils and wood pulp. Canadian firms have also been active in the mining, hydroelectric and telecommunications sectors. Certain exports, such as wheat have fallen from a high of \$48 million in 1987 to \$9 million in 1990, bouncing back to \$23 million in 1991. Others, such as, newsprint exports remained relatively steady over the same period totalling approximately \$8 million in 1992.

Canada has had 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 experienced in the last few years 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. Peru now has what can be described as one of the best investment regime in South America. It has a large reservoir of undeveloped natural resources which offer enormous potential; private investors are welcome in all sectors of the economy.

Peru has also embarked on a major program of privatization of state enterprises. Already, major concerns in mining, oil and gas, and transportation have been sold to private investors. Other enterprises which will be sold in the course of 1993 include the telephone and electrical companies, and several mining interests. Exports from Canada to Peru have grown steadily since 1989 from a low of \$56.6 million to \$88.5 million in 1992. These prevailing facts are encouraging for the increased development of bilateral trade.