

Peru's comeback *Procurement Opportunities in Upcoming IDB Loan for Agriculture Upgrade in Chile*

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funding from international agencies and substantial debt rescheduling expected this year. The prospect of trade integration among Andean Pact nations (Peru, Colombia, Ecuador, Bolivia and Venezuela) should spur local industry toward greater productivity.

Areas of opportunities for Canadian companies in Peru will reside both in traditional sectors (mining) and in new sectors (petroleum, health and water management).

Mining has been declining in the last two years because of strike activities and plunging world prices for metals. The Government hopes to avoid another disaster by putting on the block the state-owned mineral company, Centromin, and more than 500 specific mine concessions.

Indeed, the Canadian Embassy in Peru has vetted the preceding list and has identified 100 concessions that could be of interest to Canadian investors.

(This list is available through External Affairs and International Trade Canada. See contact at end of article).

Also on the positive side, the resolution in 1991 of a long-standing legal dispute between the Government and the Southern Peru Copper Corporation, Peru's largest private mining company, will bring in \$300 million in investment for the firm during the next five years.

Petroleum production is expected to reach 150,000 barrels per day this year. Key agreements with foreign oil companies will boost investment in this sector.

Upcoming projects include a \$16.6 million exploration contract with Eurocan (Canada/Switzerland) and a \$60 million investment by Occidental Petroleum. Again, the state-owned petroleum company,

Many Canadian companies can benefit from the upcoming International Development Bank \$28.5 million loan to Chile intended to modernize and improve the agriculture sector in the country.

The loan will serve to finance the purchase of various goods and services, including a new geographical information system (GSI) that could provide an excellent opportunity for Canadian firms that have demonstrated expertise and experience in Latin America and in Chile.

The project will require equipment, services and technical assistance (consulting and training) related to the design, start-up and operation of the GIS. It will also include procurement of computer equipment, software, remote sensing technology, mapping and aerial photography, satellite data images. This sub-program will be dedicated to institutional strengthening of the research and budget division.

The program includes modernization of an agroforestry health protection system (\$13.5 million)

and technology research and transfer system (\$10 million).

Livestock laboratory equipment and related services, provision and installation of agriculture quarantine and livestock quarantine stations, equipment for plant and animal health checkpoints and control posts and numerous consultancies, also will be needed.

Vehicles, tractors and related equipment and tools for the construction of laboratories and for assistance to small farmers, institutions and some environmental conservation work will be in great demand.

The main project agency will be the Chilean Ministry of Agriculture through the Agricultural Service (SAG), the Agriculture Research Institute (INIA) and the Research and Budget Division (DEP).

Companies should express interest and solicit further details from these agencies and establish contact with the Commercial Division, Canadian Embassy, Casilla 771, Santiago, Chile. Fax: (011-56-2) 696-0738. Telex: (destination code 34) 240341 (240 341 DMCAM CL).

Petro-Peru, prepared an attractive package to draw participation by foreign companies in drilling projects.

The recent outbreak of the cholera epidemic in Peru has demonstrated the need to focus on water treatment, purification and management, and on the health sector generally—a focus the Government of Peru is now responding to.

Next month, External Affairs and International Trade Canada will be organizing a mission to Latin

America, including Peru, to study the participation of Canadian companies in the efforts of the Peruvian government to improve its health environment.

For more information on potential business opportunities in Peru, contact Georges Lemieux, Latin America and Caribbean Trade Division (LGT), External Affairs and International Trade Canada, 125 Sussex Drive, Ottawa K1A 0G2. Tel.: (613) 996-5548. Fax: (613) 943-8806.