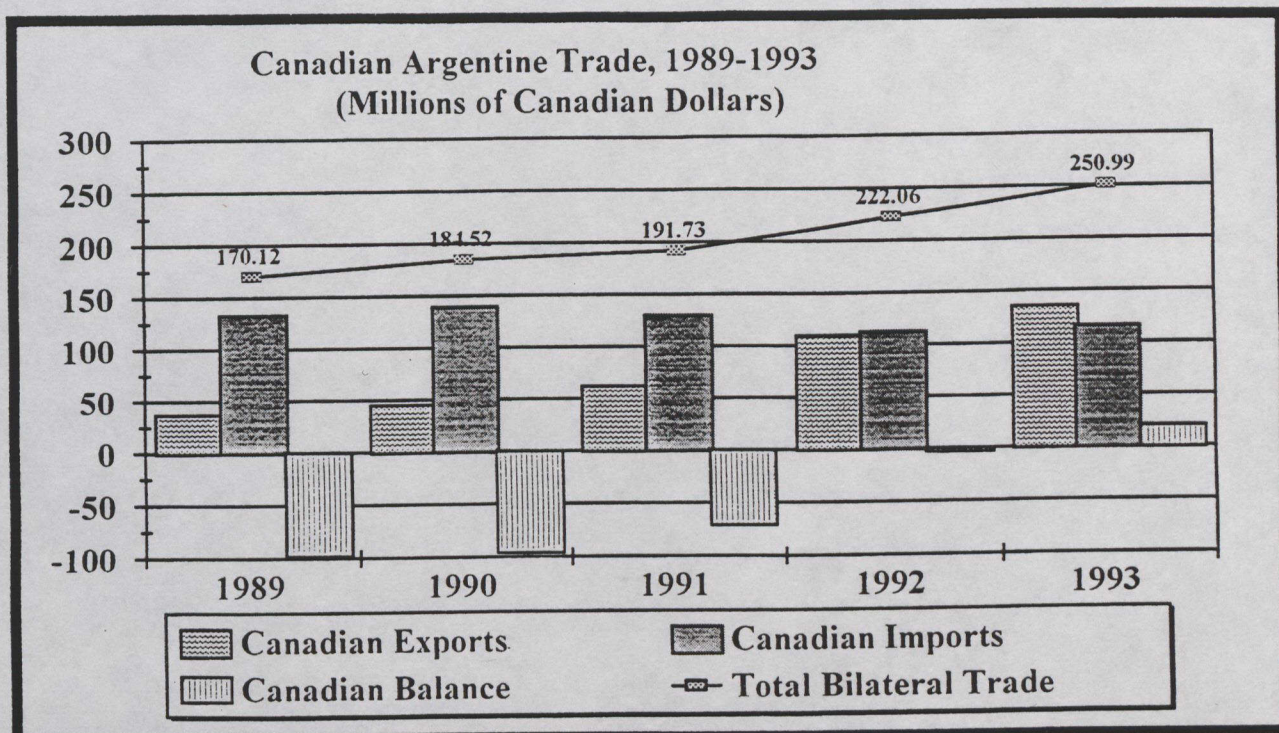


Market Study on the Automotive and Auto Parts Industry in Argentina

trade deficit came about from a 26.6% increase in capital goods imports. This serves as a good indicator of investment activity. The difference between automobile imports and exports is one of the main reasons for Argentina's growing trade deficit. In the first five months of 1994 it was 374% greater than last year's, reaching almost US\$ 2.9 billion.

Total Canadian exports to Argentina amounted to C\$135,311,000, while total Canadian imports from Argentina were valued at C\$115,678,000.



Source: Statistics Canada, Merchandise Trade Statistics

4. MERCOSUR

For the past decade, Argentina and Brazil have been leading the way toward integration in the Southern Cone. Plans for this integration revolve around Mercosur, the South American Common Market, together with the participation of neighbouring countries Paraguay and Uruguay.

Since the creation of Mercosur, trade between Argentina and Brazil has reached US\$ 3.5 billion, while total exports from the four member countries amounts to approximately US\$ 50 billion. The trade policy of Mercosur is intended to increase the economic openness of the member countries, which account for about 50% of the domestic gross product of Latin America and 67% of its territory.