

RPT81

## TRADE AND INVESTMENT PROMOTION PLANNING SYSTEM

## 89/90 TRADE AND ECONOMIC OVERVIEW

Mission: HARARE

Country: ZIMBABWE

ANGOLA: THE ANGOLAN ECONOMIC INFRASTRUCTURE, WITH THE EXCEPTION OF THE PETROLEUM INDUSTRY, HAS BEEN VIRTUALLY DESTROYED BY MORE THAN FIFTEEN YEARS OF WAR. EDC SIGNED A LINE OF CREDIT FOR \$31 MILLION WITH CHEVRON AND THE ANGOLAN STATE OIL COMPANY FOR THE SUPPLY OF OILFIELD AND RELATED EQUIPMENT IN 1987. DUE TO PROBLEMS OF DISTANCE AND COMMUNICATION, POST EFFORTS IN ANGOLA WILL BE LIMITED TO SUPPORTING EXPORTERS SELLING TO THE PETROLEUM INDUSTRY. CANADIAN EXPORTS IN 1987: \$4.7M (TALLOW, ASBESTOS).

BOTSWANA: THIS LARGE, SPARSELY POPULATED (ONE MILLION) COUNTRY IS THE ONLY ONE IN THE POST TERRITORY WITH SIGNIFICANT RESERVES OF FOREIGN EXCHANGE, A CONVERTIBLE CURRENCY AND NO FOREIGN EXCHANGE RESTRICTIONS. BOTSWANA'S ECONOMY IS, HOWEVER, CLOSELY LINKED TO SOUTH AFRICA THROUGH A CUSTOMS AND TARIFF UNION. THUS, TRADE OPPORTUNITIES FOR CANADIAN EXPORTERS ARE LIMITED NOT ONLY BY THE MINISCULE SIZE OF THE MARKET BUT ALSO BECAUSE CHANNELS OF DISTRIBUTION ARE ALMOST EXCLUSIVELY THROUGH RSA. THERE ARE A NUMBER OF CIDA AND MULTILATERAL PROJECTS WHICH THE POST PURSUES. THERE ARE ALSO CURRENT OPPORTUNITIES FOR LOCOMOTIVES AND TELECOMMUNICATIONS EQUIPMENT.

MALAWI: CANADIAN EXPORTS TO MALAWI WERE \$3.7 MILLION IN 1987, PRIMARILY FERTILIZER AND PHARMACEUTICALS. AN INFUX OF REFUGEES HAS DESTABILIZED THIS FRAGILE, LARGELY AGRARIAN ECONOMY. THE POST PURSUES OPPORTUNITIES IN A NUMBER OF MULTILATERAL PROJECTS IN HEALTH, EDUCATION AND ROADS.

MOZAMBIQUE: ANOTHER VICTIM OF INTERNAL CONFLICT AND REGIONAL DESTABILIZATION, MOZAMBIQUE'S ECONOMY IS IN RUINS. CANADIAN EXPORTS IN 1987 TOTALLED \$18.4 MILLION, MOSTLY CIDA FUNDED RAILWAY EQUIPMENT. AS THE CIDA PROGRAM EXPANDS, SO WILL OPPORTUNITIES FOR CANADIAN EXPORTS.

ZAMBIA: NOT EVEN IMPROVED COPPER PRICES HAVE HELPED THIS FOUNDERING ECONOMY. ZAMBIA HAS NOT YET RE-ESTABLISHED RELATIONS WITH THE IMF (BROKEN OFF IN 1987) AND AID FLOWS, INCLUDING THE CIDA PROGRAM, HAVE DECLINED SIGNIFICANTLY. CANADIAN EXPORTS WERE \$18.9 MILLION IN 1987, MOSTLY AID RELATED, (TELECOMMUNICATIONS, WHEAT). WHEN THE CIDA PROGRAM (INCLUDING A PRIVATE SECTOR LINE OF CREDIT) IS REINSTATED, OPPORTUNITIES FOR CANADIAN PRODUCTS WILL IMPROVE.

ZIMBABWE: THE PREDOMINANT ECONOMY IN OUR TERRITORY, ZIMBABWE IS ENJOYING A YEAR OF RECOVERY BASED ON IMPROVEMENT IN AGRICULTURAL OUTPUT AND STRONG PRICES FOR ITS MINERAL EXPORTS. FOREIGN EXCHANGE REMAINS TIGHTLY CONTROLLED HOWEVER AND OPPORTUNITIES FOR NEW SUPPLIERS ARE LIMITED. POST EFFORTS WILL CONTINUE TO FOCUS ON THE CIDA AND MULTILATERAL PROJECTS: PULP AND PAPER, URBAN TRANSIT, POWER DEVELOPMENTS AND TRANSPORTATION INDUSTRIES. CONSIDERABLE EFFORT WILL CONTINUE TO BE DEVOTED TO THE EFFICIENT USE OF THE CIDA GENERAL LINE OF CREDIT (GLOC). THE GLOC PROVIDES THE BEST OPPORTUNITY TO INTRODUCE CANADIAN PRODUCTS TO THIS MARKET. CANADIAN EXPORTS IN 1987 WERE \$ 8.8 MILLION (WHEAT, RESINS, AIRCRAFT ENGINES).