

CANADA - BOLIVIA TRADE

Bolivia's recently instituted economic recovery strategy has harnessed inflation, reduced bank debt and facilitated trade and investment flows. The "New Economic Policy" is predicated on industrial expansion and foreign trade. As a result, medium to large scale development projects are now being undertaken which are, in turn spawning lucrative trade and investment opportunities. Canada is eager to assist Bolivia in its economic restructuring efforts and to build upon the modest bilateral trade which now exists between the two countries.

During the six year period from 1982 to 1987, exports from Bolivia to Canada have consistently averaged approximately \$8.0 million per year.

The volume and value of Canada's exports to Bolivia have swung dramatically from year to year over the course of this period. In 1982 the value of export trade was \$9.1 million. In 1983, this fell to \$3.8 million but recovered to \$10.6 million in 1984. The late 1980's have been characterized by little or no growth in bilateral trade as Bolivia confronted very serious economic problems.

Bolivian exports to Canada are heavily laden with metals and ores. Of the total value of \$22.6 million for all Bolivian exports to Canada in the year 1988, \$20 million was attributable to gold in unwrought forms. Tin, silver ores and concentrates, and lead ores and concentrates comprised an additional \$2 million in exports in the same year. Brazil and cashew nuts, lumber and non-coniferous products constituted the remainder of exports for 1988.

The composition of Canada's export trade with Bolivia is very diverse ranging from raw materials to semi-processed goods and fully manufactured products. Wheat shipments accounted for \$2.7 million of the \$5.5 million for all products in 1988. Mining machinery and parts, and woodland log handling equipment were exported to Bolivia in the same year at a value of \$.22 million.

External Affairs and International trade Canada has initiated a market development strategy focusing on the mining and petroleum sectors in response to the export trade opportunities that Bolivia's economic recovery has fostered.

In September 1989, building on the success of a November 1988 trade development initiatives in the mining sector, seven Bolivians were sponsored to attend Mintec' 89, a mining symposium largely funded and organized by External Affairs in Val D'Or, Quebec. Two additional trade missions to Bolivia, one in mining, the other in petroleum, have visited the country and have identified promising sectoral opportunities.

Bolivia's economic recovery, predicated on policies of industrial expansion and export-led economic growth, coupled with Canadian expertise in the mining, forestry, telecommunications and transportation sectors, forecast a bright future for the economic relationship between the two countries.