



CANADA-ARGENTINA TRADE

While modest, trade between Argentina and Canada has been increasing markedly in recent years. Canadian exports to Argentina were stagnant throughout the 1980s, but began to recover in 1990 as the Argentine economy turned around. In 1993, our two-way trade totalled \$251 million, an 18 per cent increase over 1992. Canadian exports reached \$135.3 million, an increase of 34 per cent over 1992 and over twice the value of 1991. Imports from Argentina totalled \$115.7 million, a three per cent improvement over 1992.

Canadian investment in Argentina has also reinforced commercial ties between the two countries. In 1992, Canadian direct investment in Argentina totalled US \$175 million, representing about eight per cent of total Canadian investment in Central and South America. Canadians have invested heavily in the Argentine privatization program, concentrating in the energy and telecommunications sectors. While Canadian investment is still relatively small, Canadian firms are playing a growing role and are now served by a Foreign Investment Protection Agreement (FIPA) between the two countries.

There are significant opportunities for Canadian firms in the following sectors: oil and gas; power generation, distribution, and transmission; telecommunications and informatics; transportation; food processing; packaging and plastics processing. The mining sector is also beginning to emerge. Its potential could be comparable to Chile, where Canadian companies have planned investments of over \$3 billion. These are all industries in which Canadian companies have developed substantial expertise and have much to offer in the way of technology, equipment and services.

With the success of Argentina's economic reform program, the Export Development Corporation (EDC) has resumed support to Canadian companies in the Argentine market. In 1993, EDC established two \$10 million lines of credit, one with Banco de Galicia, and another with Banco Rio de la Plata. Earlier this year, EDC concluded a \$25 million telecommunications line of credit with Telecom Argentina. EDC is working to establish other lines of credit with banks and private companies in Argentina. Results have been very encouraging. Total business volume increased from \$18 million in 1992 to \$174 million in 1993; 1994 has started strongly, totalling \$102 million in business volume as of May 15, 1994.

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