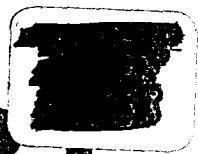


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# CANADEXPORT



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## Canada-Chile Forging Mutually Rewarding Relations

*From export trade and investment interests to ministerial meetings, trade delegations, and negotiations on free trade, Canada and Chile are forging stronger ties – many of which are outlined here and which are likely to be enhanced during Chilean President Eduardo Frei's forthcoming visit to Canada.*

### Canada-Chile Relations

Relations between Canada and Chile are excellent and have been expanding steadily since Chile's return to democracy in March 1990.

Some seven high-level visits, in the last two years alone, reflect the depth and breadth of the growing relationship, the most noteworthy perhaps being Prime Minister Jean Chrétien's January 1995 official visit to Chile – the first ever by a Canadian Prime Minister.

Chrétien, leading this Team Canada Latin America Mission, was accompanied by Minister for International Trade Art Eggleton, the Secretary of State (Latin America and Africa) Christine Stewart, and more than 250 business people representing more than 185 companies.

During the mission, 33 Canadian business people signed deals worth more than \$1.7 billion, including \$918 million in contracts and \$846 million in agreements in principle with Chilean partners.

Cultural and academic links have been growing stronger as well. In September 1994, Canada and Chile signed a film and television co-operation agreement allowing for joint film and television ventures by the Canadian

and Chilean film industries.

### Trade and Investment

Canadian-Chilean trade has more than doubled in the past eight years – from \$301.5 million in 1988 to a high of \$666 million in 1995. Canadian exports to Chile in 1995 totalled \$387 million, an increase of almost 23 per cent over 1994.

Currently, Canadian commercial objectives in Chile centre on the country's mining, forestry, power and energy, and communications sectors. The informatics, agriculture and environmental sectors are also of interest.

Canada's reputation as a supplier in these sectors encourages the transfer of technology and the sale of goods and services between Canada and Chile.

More than 50 Chile-Canada joint ventures operate in Chile, ranging from fighting forest fires to building industrial machinery.

Canadian investments in Chile have increased sharply in recent years, making Canada Chile's largest foreign investor in 1990, 1992, and 1995. The cumulative total of actual and planned investment exceeds \$7 billion.

Most of these funds are invested in mine development, although interest in banking, communications and energy is increasing.

### Trade Negotiations

A proposed interim trade agreement between Canada and Chile would enhance trade and investment between the two countries and provide a bridge to Chile's joining the *North American Free Trade Agreement*.

Canada and Chile have been negotiating an interim bilateral free trade agreement as a bridge to Chile's joining *NAFTA*.

More than eight rounds of Canada-Chile negotiations have taken place and the two countries announced February 29, 1996 that they would negotiate parallel agreements on environment and labour co-operation as part of the interim free trade

*Continued on page 3 – Canada*

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### INSIDE

SHARING TRADE SECRETS.....	2
TRADE FAIRS .....	4-5
BUSINESS OPPORTUNITIES .....	6
PUBLICATIONS .....	7
BUSINESS AGENDA.....	8