

Africa and Middle East Report

CANADA'S COMMERCIAL RELATIONS WITH SUB-SAHARAN AFRICA

This report has been prepared by the Africa and Middle East Trade Development Division, Department of Foreign Affairs and International Trade. Other articles on Africa and the Middle East will be featured in future issues of CANADEXPORT.

As the first in our series of quarterly reports on Canada's commercial relations with the 45 diverse countries that make up Sub-Saharan Africa, it seems only fitting to begin with a description of our overall commercial strategy in the region.

In Sub-Saharan Africa, we face special challenges, including the breadth and complexity of the territory, a lack of traditional forms of financing, debt-burdened governments, political instability, social and cultural diversity, a lack of understanding and/or limited knowledge of the markets and only one Canadian Trade Commissioner in Abidjan (a small team of locally-engaged commercial officers spread thinly in the region). The South African case is a special one for us, in that we have recently opened a Trade Office in Johannesburg staffed by two Canadian Trade Commissioners with two locally-engaged commercial officers.

Given the limited available resources for this region, by necessity we have focussed all proactive trade support on three key sectors and are in the process of considering a fourth.

The sectors have been chosen on the basis of financing, the significance of the opportunities and, of course, the demonstrated

Canadian capability and comparative advantage. The sectors we have chosen are mining, telecommunications, and oil and gas. We are considering adding the education and training sector based on the results of a study currently being undertaken.

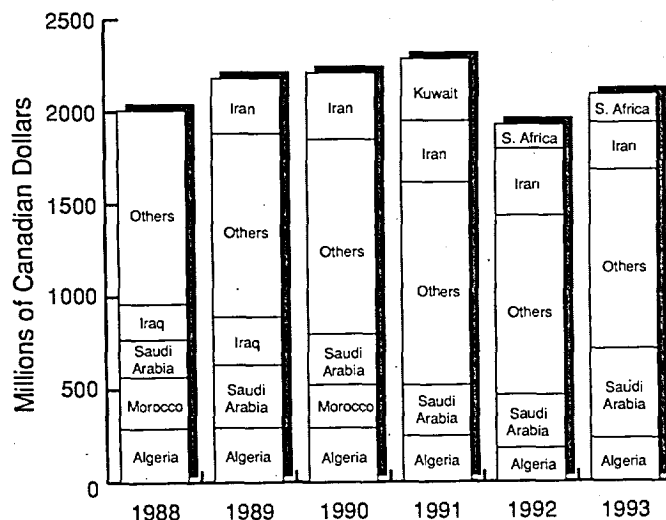
Mining generates significant foreign exchange (FX) throughout Africa and is largely private-sector driven. Telecommunications is an important FX earner and receives significant International Financial Institution (IFI) funding support, especially as several countries move toward privatization. Oil and gas are key export earners and receive considerable multi national financing. The need in education and training is

immense; the sector is the beneficiary of core IFI funding and is recognized as a priority area by the World Bank; and in the technical training area, Canadian capability can reinforce our strategy in our other core sectors.

Having chosen these sectors, our strategy has been to build corporate knowledge in these sectors, both in the field and at headquarters. We are developing and maintaining a knowledge base about specific relevant Canadian expertise and specific opportunities throughout this diverse region. Part of this process has been to support only a limited number of key proactive trade initiatives in these sectors and build upon them.

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Canada's Merchandise Exports to the Middle East and Africa



Source: Statistics Canada