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Visit to Canada of President Menem
of Argentina : June 20-22, 1994.
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VISIT TO CANADA
OF
PRESIDENT MENEM OF ARGENTINA

Dept. of External Affairs
Min. des Affaires extérieures

JUN 30 1994

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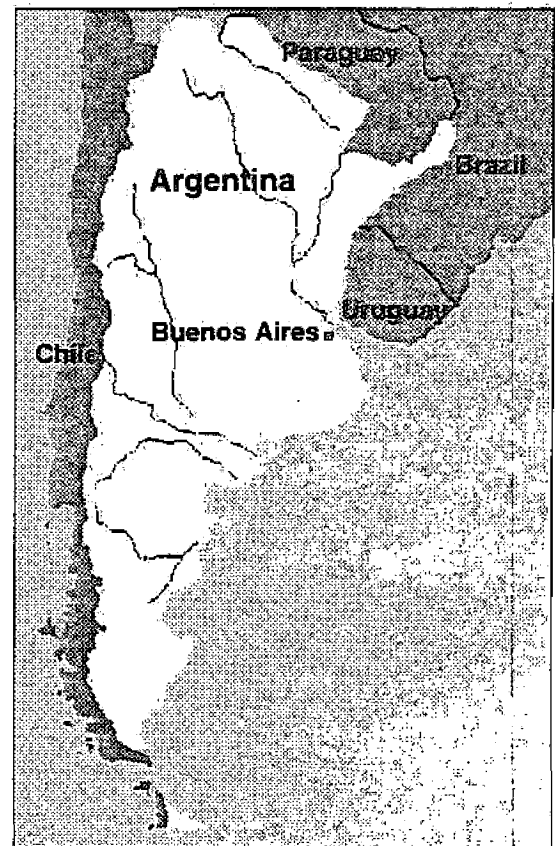


OVERVIEW OF CANADA-ARGENTINA RELATIONS

Canada and Argentina enjoy excellent bilateral relations, which have been enriched by Argentina's new attitude of co-operation with the industrialized world, as well as its domestic economic transformation. The visit of President Carlos Saúl Menem is the first Argentine presidential visit to Canada since 1961, and signals a renewed priority on the part of both countries.

The scope of Canada-Argentina bilateral relations has been steadily growing since 1990. A Foreign Investment Protection Agreement (FIPA) entered into force on April 29, 1993. Airline Services and Double-Taxation agreements have been signed. Commercial co-operation is expanding quickly. The Canadian public service is providing Argentina with expertise and training in statistics, financial management, information technology, and postal services.

Relations have been further reinforced by recent high-level contacts. The Argentine Minister of Economy, Dr. Domingo Cavallo, visited Toronto and Ottawa in January 1993, and the Minister for International Trade Roy MacLaren met in January with Dr. Cavallo during the Davos Symposium. Mr. MacLaren also met with the Argentine Foreign Minister, Dr. Guido Di Tella, while in Marrakesh, Morocco in April for the signing of the Uruguay Round of the General Agreement of Tariffs and Trade. In September 1993, both Deputy Minister for International Trade Allen Kilpatrick and Quebec Minister for International Affairs John Ciaccia visited Argentina. Canada and Argentina also hold regular policy consultations.



Canada's cultural activities and exchanges with Argentina over the past few years have been modest, but growing. While Canada does not have a bilateral cultural agreement with Argentina, a co-production treaty covering film and television was signed in 1988. To date, Canada and Argentina have co-produced two feature films and a television series. Private sector co-operation has also been expanding, notably in the publishing industry. Canada also supports a network of six Canadian studies centres, and a scholarship/academic exchange program.

June 1994



SIGNATURE OF CANADA/ARGENTINA NUCLEAR CO-OPERATION AGREEMENT

The new Nuclear Co-operation Agreement (NCA) negotiated by Canada and Argentina is one of 17 such Agreements Canada has with other countries. Its purpose is to permit bilateral nuclear co-operation between the two countries. It ensures that nuclear-related trade is carried out in a manner consistent with Canada's nuclear non-proliferation policy, which requires that such co-operation is for peaceful purposes only.

Nuclear co-operation between Canada and Argentina has been limited to the sale by Canada of a CANDU reactor (at Embalse) and exports necessary for the safe and efficient operation of the reactor over its lifetime. The new agreement will enable a full range of nuclear co-operation. The Canadian nuclear industry is very interested in expanding its activities in Argentina and is well-placed to provide equipment, services and expertise.

Argentina has recently strengthened its commitments to nuclear non-proliferation. It has ratified the Treaty on the Prohibition of Nuclear Weapons in Latin America and the Caribbean (known as the Treaty of Tlatelolco), entered into a full-scope safeguards agreement with the International Atomic Energy Agency and become a member of the Nuclear Suppliers Group. Canada looks forward to a fruitful nuclear partnership with Argentina.

June 1994



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.

June 1994

ARGENTINA

GENERAL DESCRIPTION

Population: 33.56 million (1993)
Capital: Buenos Aires (13.9 million (1991))
Pop. Growth Rate: 1.3%

Total Area: 2 766 88 km²
Currency: C\$1 = 0.722 pesos
 (April 15, 1994)
 US\$1 = 0.998 pesos
 (December 1993)

Language: Spanish (official)
Literacy: 96%M/95%F
Life Expectancy: 67M/74F
National Day: May 25 (1810 Revolution Day)

POLITICAL DATA

Type of Government:
 The Argentine Republic; federal republic; bicameral national congress with 46-member Senate and 254-member Chamber of Deputies; deputies serve 4 years and senators 9 years.

Head of State:
 President Carlos Menem (since May 1989) (member of Partido Justicialista)
 Minister of Foreign Affairs: Guido di Tella
 Minister of Economy: Domingo Cavallo

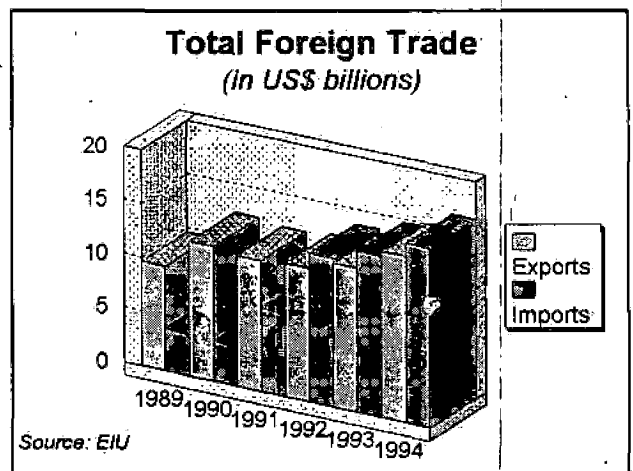
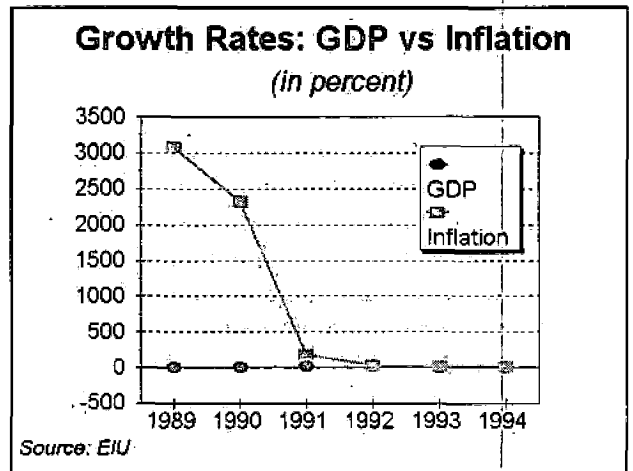
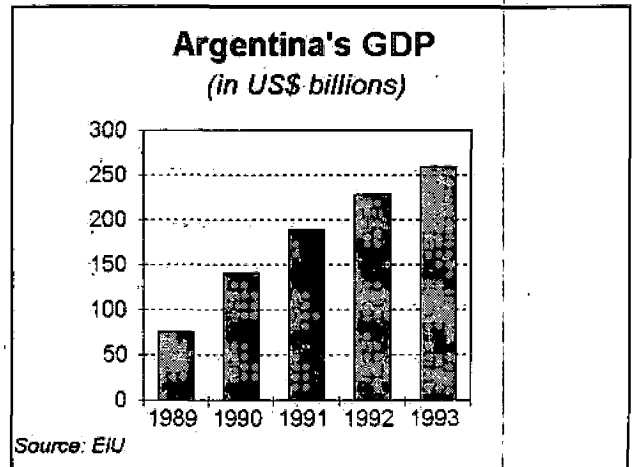
Main Political Parties: (no. of Chamber seats)
 PJ-Partido Justicialista: 119
 UCR-Unión Cívica Radical: 85
 Ucedé-Unión del Centro Democrático: 10
 Others: 45

Next Elections: December 1994 (presidential)
 1995 (legislative)

Memberships: ECLAC, G-77, GATT, IMF, INTERPOL, MERCOSUR, OAS, RIO Group, UN, UN Security Council

ECONOMIC DATA

GDP: \$228.8 billion; \$260 billion (1993e)
GDP Growth Rate: 9.0%; 6.5% (1993e)
GDP per Capita: \$6 190; \$7 745 (1993e)
Inflation Rate: 7.6% (1993e)
Unemployment Rate: 6.9%; 10% (1993e)



Total External Debt: \$67.6 billion (1993e)

Debt Held by Canada: \$499 million

Trade with Canada:

(C\$ millions)	1991	1992	1993
EXP. to Argentina:	61.7	101.2	135.3
IMP. from Argentina:	130.0	112.2	115.7
Balance:	-68.3	-11.0	19.6

Major Canadian Imports from Argentina:

Fresh fruits and fruit juices, leather, ground nuts, beef, machine parts.

Major Canadian Exports to Argentina:

Newsprint, crude sulphur, machinery, nylon yarn, telephone, radio and TV broadcast equipment.

Canadian Direct Foreign Investment (DFI): US\$538.7 million (1993)

Visitors from Canada: 6 100

Visitors to Canada: 14 721 (1993)*

Immigration to Canada: 354 (1993)*

* based on number of visas issued in 1993.

DIPLOMATIC REPRESENTATION

The Canadian Embassy in Argentina:

2828 Tagle, 1425

(Casilla de Correo 3898, 1000)

Buenos Aires, Argentina

Tel: (011-54-1) 805-3032 Telex: 21383

Fax: (011-54-1) 806-1209

Ambassador: Robert J. Rochon

The Argentine Embassy in Canada:

Royal Bank Centre, 90 Sparks Street, Suite 620,

Ottawa, Ontario K1P 5B4

Tel: (613) 236-23651 Fax: (613) 235-2659

Ambassador: Lillian de Alurralde (Mrs.)

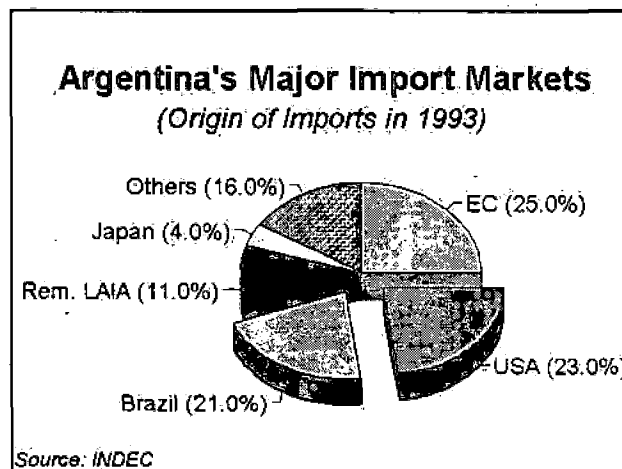
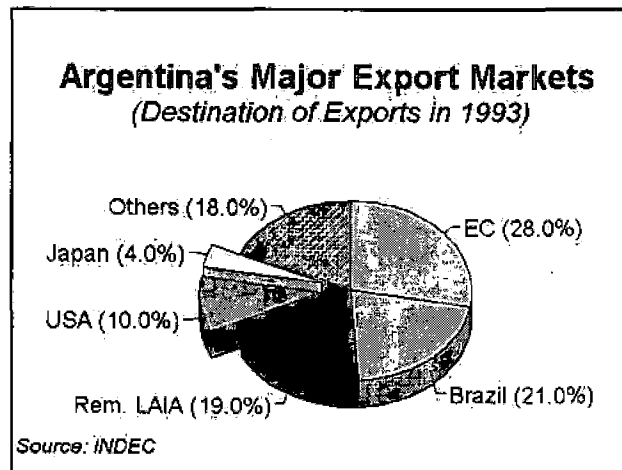
Notes:

GDP - Gross Domestic Product.

e - estimate

Canadian DFI includes two major projects recently undertaken by TransAlta and International Musto.

All statistics in 1992 figures and currency in US\$ unless otherwise indicated.



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