

News Release

Minister for
International
Trade



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CROSBIE TO VISIT CHILE

International Trade Minister John C. Crosbie announced today he will hold meetings with Chilean government leaders July 6-9 to discuss enhanced bilateral trade and economic relations. The Minister will be accompanied by his Parliamentary Secretary, Mr. Jack Shields, the Member of Parliament for Athabasca.

Noting Chile's recent return to democracy, Minister Crosbie looks forward to strengthening formal relations between Canada and the newly-elected civilian government. "Chile is one of Latin America's most dynamic economies and is fast becoming one of Canada's most important trading partners in the region," Mr. Crosbie said. "The market-oriented economic policies of President Aylwin provide incentives for increased trade and investment between Canada and Chile."

In 1989, two-way trade reached \$284 million with Canadian exports of \$110 million and imports of \$174 million. Canadian investments in Chile exceed \$1.2 billion and are primarily concentrated in the mining sector. The major sectors in Chile's economy which present excellent export opportunities for Canadian business are: transportation, telecommunications, forestry, agriculture, aquaculture, and environmental products and services.

Mr. Crosbie will meet with President Patricio Aylwin and senior ministers in the Chilean government, including: Minister of Foreign Affairs Enrique Silva Cimma; Minister of Finance Alejandro Foxley Rioseco; Minister of the Economy Carlos Ominami Pascual; and Minister of National Planning Sergio Molina Silva. Minister Crosbie will also meet with Chile's business leaders.

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The Minister plans to sign a bilateral Air Transport Agreement. To facilitate investment ties, Canada is placing high priority on finalizing a double taxation agreement and negotiating a foreign investment protection agreement with Chile.

Minister Crosbie's bilateral visit to Chile follows his participation in the Cairns Group Ministerial meeting in Santiago, Chile, July 4-6. The Cairns Group was established at the beginning of the Uruguay Round of the MTN with a view to achieving fundamental reform of the agricultural trading system.

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For more information, media may contact:

Media Relations Office
External Affairs and
International Trade Canada
(613) 995-1874

**CANADA - CHILE TRADE AND ECONOMIC RELATIONS
MEDIA BACKGROUNDER**

Chile is fast becoming one of Canada's most important trading partners in Latin America. Two-way trade has increased over the past six years from \$204.2 million in 1983 to \$284 million in 1989.

In 1989, Canadian exports to Chile totalled Cdn \$110 million, while Chilean exports to Canada registered Cdn \$174 million. Major Canadian exports include mining machinery and parts, molybdenum ores, coal sulphur and potassium chloride.

Chilean exports to Canada have also shown sustained growth in the period since 1985, particularly seasonal (winter) shipments of fresh fruits and vegetables. Copper ores and concentrates, fish meal, and Chilean wine have also established a strong position in the Canadian market.

Canadian exporters are actively pursuing sales of machinery, equipment and consulting services across a wide range of sectors, including mining, forestry and telecommunications. Export opportunities exist in agriculture, transportation aquaculture and the environment.

The availability of export financing has been critical to the success of Canadian exporters in Chile, and will continue to play a key role in maximizing emerging opportunities. The Export Development Corporation (EDC) has been active in Chile for 25 years signing 87 financing agreements in support of Canadian sales to local buyers.

The Industrial Cooperation Programme of the Canadian International Development Agency (CIDA) supports joint ventures, technology exchanges and investment between Canadian and Chilean public and private sectors. In the last eight years, the Programme has financed over 40 projects valued at Cdn \$4 million.

Chile is second only to Brazil as the most favored destination for Canadian investment in South America. Canadian investment in the mining sector exceeds US \$1 billion. Approximately 85% of Canadian investment in Chile has occurred over the past three years following the 1987 signing of the Foreign Investment Insurance Agreement.

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