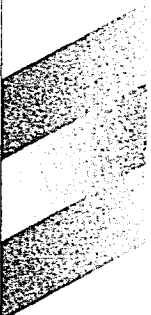


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CANADIAN TRADE AND  
INVESTMENT OBJECTIVES  
IN LATIN AMERICA  
AND THE CARIBBEAN

External Affairs and  
International Trade Canada

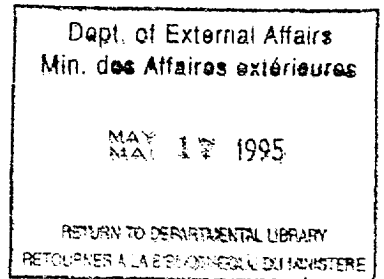


Canada

**CANADIAN TRADE AND INVESTMENT OBJECTIVES**

**IN LATIN AMERICA AND THE CARIBBEAN**

**JUNE 1993**



**LATIN AMERICA TRADE DIVISION (LGT)**

**EXTERNAL AFFAIRS AND INTERNATIONAL TRADE (EAITC)**

43 272 240

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**OVERVIEW OF CANADA'S TRADE WITH  
LATIN AMERICA AND THE  
CARIBBEAN**

# CANADIAN TRADE AND INVESTMENT OBJECTIVES IN LATIN AMERICA AND THE CARIBBEAN

Latin America is on the move. And the resulting developments in the region's economic and trade environments are having major implications for Canada's trade relations in the area. With the impending implementation of the NAFTA, and with trade and investment assuming higher profiles in the region, Canada's private sector is positioning itself to challenge these emerging regional market opportunities. The 1993 regional forecast is still higher growth and much lower inflation.

Two-way trade between Canada and the region surpassed \$9.0 billion in 1992. Canadian commercial and investment interests in Latin America and the Caribbean continue to grow. **For 1992, Canadian exports to the region increased by 7.21% over 1991.** Exceptional increases were registered in Canadian exports to:

**Mexico** by 37.4% to \$770.6 million from \$560.7 million,  
**Colombia** by 67.0% to \$228.8 million from \$137 million, and to  
**Argentina** by 64% to \$101.2 million from \$61.76 million.

The first three months of 1993 reflect a similar trend, with Canadian exports to the region increasing 19.61% when compared to the same period of 1992.

## BACKGROUND

Significant progress has been made towards trade liberalization and concomitant measures of structural adjustment, privatization of state enterprises and other market-oriented economic reforms in Latin America and the Caribbean. Tariffs, having replaced licences as the principal measure of import control, are undergoing scheduled reductions in many countries. All major Latin American countries are now members and subject to GATT disciplines, and there are a number of accessions underway.

Latin America and the Caribbean's 1992 economic situation mirrored that of 1991, as the region's economic expansion exceeded population growth, and as the trend towards lower inflation rates continued. Preliminary figures indicate the region's 1992 gross domestic product increased by 2.4%, albeit at a slower pace than the 3.5% registered in 1991. Although more and more countries in the region have progressed in consolidating their adjustment processes, 1992 was marked by widening variances in the performances of many of the region's economies. The regional output for the economies of Latin America (excluding Brazil) and the Caribbean increased by 4.3% (compared to 5% in 1991).

**Inflation** continues to retreat; only five countries experienced significant increases when compared to 1991, and only Brazil posted inflation over three digits. Fiscal austerity is being pursued as government budget surpluses are realized. Brazil remains the subject of contrary scenarios. On **debt**, negotiations with the Paris Club and private bankers are in various stages.

The value of the region's merchandise exports increased by 4%, reaching US\$126 billion. Though modest, this expansion was accompanied by a significant net inflow of financial resources for the second year in a row, surpassing US\$ 57 billion in 1992 (compared with US\$ 40 billion in 1991, and US\$ 13.5 billion in 1990). Key contributing factors include the widening differentials between the real interest rates and those prevailing in the United States, and the extraordinary rates of return derived from the economic recovery and privatization processes. Still noticeable is the increased commitment to alleviate **poverty, illiteracy and corruption**, though again more in some countries than others.

### LATIN AMERICA AND THE CARIBBEAN HIGHLIGHTS

Optimism about Canadian export and investment prospects in Latin America is increasing. It is based on indications that Latin America is making clear progress in addressing the economic problems that plagued the region in the last decade. Positive signs include:

- debt reduction plans with Mexico, Venezuela, Costa Rica, Uruguay, Brazil and Argentina;
- Chile, Venezuela, Dominican Republic and Nicaragua along with Bolivia, Mexico and Panama have relatively stable currencies. Argentina, Mexico and Venezuela have virtually abandoned exchange controls. Chile, Colombia, the Dominican Republic, El Salvador, Guatemala, Nicaragua, Peru and now Jamaica all have substantially convertible currencies;
- market-based economic reforms including liberalized import regimes are well underway; Argentina, Bolivia, Venezuela, Chile, Mexico have average tariffs in the 9-12% range; inflation is being reduced (e.g. Argentina from 1344% in 1990 to 20% in 1992);
- the successful re-entry of some countries, notably Mexico and Chile, into international capital markets. Mexico and Chile, with several others, have raised over \$5 billion mainly through bond issues of private and state-owned companies;
- in August 1992, Chile became the first of Latin America's 1980s problem debtors to meet international standards of creditworthiness (Standard and Poor BBB investment grade). Last year **Mexico was removed from Canada's list of countries requiring risk provisional financing, as was Chile early in 1993.**

## **THE CANADIAN RESPONSE TO OPPORTUNITIES IN THE REGION:**

Emerging from the changing business environment are significant new market and investment opportunities. Through the 1980s, the principle client in the region was "the government". Being strengthened are the links with the region's re-emerging private sector. With the privatization process broadening, Canadians are building those company-to-company links, considered key to being a "contender" and partner in the region.

Canadian interest in the region, once strong and confident, had grown more cyclical. Turning that uncertainty and reluctance into a market commitment is difficult. And yet, changing structural developments and curiosity about potential market opportunities during the trilateral FTA negotiations with Mexico and the U.S.A. rekindled interest.

The expansion of this interest is being confirmed by Canadian business. Upwards of 135 Canadian exporters participated at **CANADA EXPO '93**, held January 25-28, 1993 in Caracas, Venezuela, an horizontal sector event which followed the acclaimed success of 206 Canadian firms at the first **CANADA EXPO** held in January 1992 in Monterrey. Mexico City will be the location for **CANADA EXPO '94** next spring. This solo exhibit is expected to draw over 500 Canadian companies interested in marketing goods and services into the region's expanding marketplace.

Also planned are a wide range of promotional projects for Latin America and the Caribbean that target specific industry and service sectors. Information on these are available by contacting:

**Latin America and Caribbean Trade Division (LGT),**  
Department of External Affairs and International Trade (EAITC),  
Ottawa, Ontario K1A 0G2  
Tel: 613-996-5548; Fax: 613-943-8806

or

**Info Export at EAITC,**  
Tel: 1-800-267-8376 (toll-free);  
Fax: 613-996-9709

For Canada, the **buzz-words** are strategic partnering, joint venturing, competitive, flexible financing, business leadership, and targeted market niche sectors. Canada's strategy is to design different strategies for different products for select markets, build on the experiences of those familiar with the region, and promote longer-term business relationships.

June 1993

**LATIN AMERICA AND CARIBBEAN TRADE DIVISION**  
**EXPORT AND IMPORT STATISTICS (\$ millions)**

COUNTRY		1991	1992	Change	January - March		Change
					1992	1993	
Argentina	EX	61.7	101.2	64.0%	17.4	18.8	8.0%
	IM	130.0	112.2	- 13.7%	22.3	26.6	19.3%
Bolivia	EX	4.5	14.8	228.9%	5.3	3.0	- 43.4%
	IM	5.1	4.9	- 3.9%	1.5	2.4	1.6%
Brazil	EX	617.1	620.6	0.57%	132.5	142.9	7.8%
	IM	706.2	715.2	1.27%	172.4	166.5	- 3.4%
Caribbean, Commonwealth	EX	285.5	239.4	- 16.15%	48.4	77.2	59.5%
	IM	298.3	336.7	12.87%	64.3	90.7	41.0%
- Jamaica	EX	73.3	64.6		11.3	16.9	
	IM	158.8	173.9		32.1	49.7	
- Trinidad & Tobago	EX	56.2	53.7		10.5	14.6	
	IM	40.9	38.2		4.6	5.2	
- Other	EX	156.0	121.1		26.6	45.7	
	IM	98.6	124.6		27.6	35.8	
Caribbean, Non- Commonwealth	EX	641.3	482.3	- 24.79%	94.0	118.6	26.0%
	IM	563.6	711.7	26.28%	167.8	185.8	10.7%
- Cuba	EX	130.9	113.0		18.2	33.5	
	IM	153.8	256.1		59.5	39.5	
- Dominican Republic	EX	59.5	66.0		17.0	17.2	
	IM	36.8	33.0		7.6	9.7	
- Haiti	EX	14.8	8.4		1.8	2.3	
	IM	11.4	0.8		0.1	0.0	
- Puerto Rico	EX	411.9	222.7		46.0	57.1	
	IM	334.9	405.9		93.0	136.4	
- Other	EX	24.2	72.2		11.0	8.5	
	IM	26.7	15.9		7.6	0.2	



COUNTRY		1991	1992	Change	January - March		Change
					1992	1993	
Central America	EX	94.6	97.9	3.49%	22.0	34.4	56.4%
	IM	215.8	246.3	14.13%	71.4	66.9	- 6.3%
- Costa Rica	EX	21.1	24.1		5.1	7.4	
	IM	87.9	131.8		35.6	36.2	
- El Salvador	EX	13.7	11.1		3.4	3.0	
	IM	15.9	12.5		2.2	4.5	
- Guatemala	EX	22.9	22.6		4.6	7.1	
	IM	39.8	41.8		13.1	13.2	
- Honduras	EX	5.3	12.6		2.9	4.1	
	IM	15.3	21.9		5.8	5.1	
- Nicaragua	EX	13.3	9.8		2.5	8.0	
	IM	42.8	32.0		12.1	5.4	
- Panama	EX	18.3	17.7		3.5	4.8	
	IM	14.1	6.3		2.6	2.5	
Chile	EX	145.9	145.1	- 0.55%	22.2	38.7	74.3%
	IM	183.5	202.0	10.1%	72.3	96.5	33.5%
Colombia	EX	137.0	228.8	67.0%	30.0	48.6	62.0%
	IM	135.7	130.5	- 3.83%	31.7	39.1	23.3%
Ecuador	EX	44.4	68.0	53.2%	22.5	11.0	- 51.1%
	IM	149.6	107.9	- 27.9%	31.3	42.6	36.1%
Mexico	EX	560.7	770.6	37.4%	154.5	179.2	16.0%
	IM	2,579.8	2,751.1	6.6%	628.1	719.4	14.5%
Paraguay	EX	1.9	4.2	121.0%	0.3	0.1	- 66.7%
	IM	0.2	0.7	250.0%	1.6	0.4	- 75.0%

COUNTRY		1991	1992	Change	January - March		Change
					1992	1993	
Peru	EX	75.0	88.5	18.0%	14.4	20.2	40.3%
	IM	71.5	95.1	33.0%	23.5	16.8	- 28.5%
Uruguay	EX	12.7	11.9	- 6.3%	3.5	4.9	40.0%
	IM	20.7	20.5	-0.97%	4.3	4.7	9.3%
Venezuela	EX	301.0	325.1	8.0%	64.7	69.5	7.4%
	IM	483.1	334.6	-30.7%	67.1	76.3	13.7%
TOTAL	EX	2,983.3	3,198.4	7.21%	633.4	757.6	19.61%
	IM	5,543.1	5,769.4	4.08%	1,357.9	1,544.2	13.72%

Caribbean, Commonwealth - Other:

Anguilla, Antigua-Barbuda, Bahamas, Barbados, Belize, Bermuda, British Virgin Islands, Cayman Islands, Dominica, Grenada, Guyana, Montserrat, St. Kitts-Nevis, St. Lucia, St. Vincent-Grenadines, and Turks and Caicos.

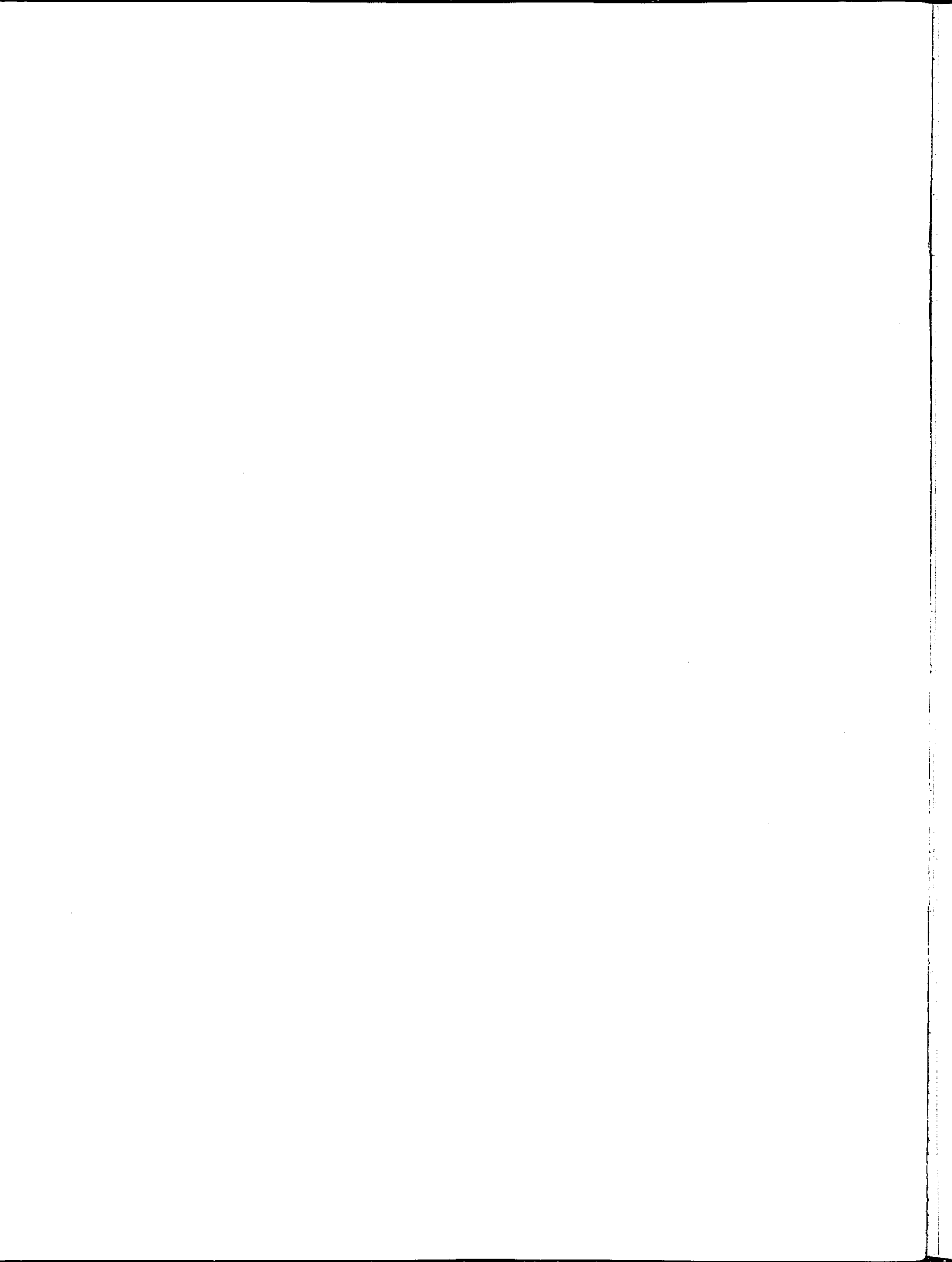
Caribbean, Non-Commonwealth - Other:

French Guina, Guadeloupe, Martinique, Netherlands Antilles and Surinam.

Source: Statistics Canada, Merchandise Trade Statistics

-- Exports and Imports by Country.

**MEXICO**



## CANADA-MEXICO TRADE RELATIONS

Canadian business interest in Mexico is at an unprecedented level because of the exposure given to that emerging market during the North American Free Trade Agreement (NAFTA) negotiations. The reduction of Mexican barriers to be achieved through NAFTA will provide further new opportunities for Canadian goods and services. Canadian firms will be able to expand sales in sectors that were previously highly restricted, such as autos, financial services, trucking, energy and fisheries. Mexican tariffs and import licensing requirements will be **eliminated** -- some immediately on implementation of the NAFTA, and others over 5 to 10 years -- providing barrier-free access to over 85 million consumers.

Mexico is already Canada's largest trading partner in Latin America. Two-way trade totalled over \$3.5 billion in 1992 and has grown appreciably since the mid-1980s. Canada's export performance has been strong in 1993, reaching \$179 million in the first 3 months of the year; an increase of 16% from the same period in 1991.

Canada-Mexico commercial relations have been enhanced by Mexico's accession to the General Agreement on Tariffs and Trade (GATT) in 1986. Since 1988, the Government of Mexico, under the leadership of President Carlos Salinas de Gortari, has initiated a number of important measures to reform the previously closed economy. As a result of these policies, inflation has been reduced from 159 per cent in 1987 to near 10 per cent, and economic growth has been averaging 4 per cent per year. Capital inflows, some of it the repatriation of Mexican capital, have increased to over \$4 billion per year. Total imports grew by nearly 22 per cent in 1991, making Mexico a market of immediate opportunity for Canadian exporters and one of the fastest growing markets in the world.

Canadian business has already begun to take advantage of these new trade measures to increase their presence in Mexico. In 1992, over 4,500 exporters visited the commercial division of the Canadian Embassy in Mexico City. International Trade Minister Wilson officially opened a Canadian trade office in Monterrey, Nuevo Leon, on January 26, 1993 to assist the growing number of Canadians pursuing business in Mexico's industrial north. Increased business interest in Mexico augurs well for the expanded sales of Canadian products and services. This trend will continue. Market reforms and a desire by the Mexican private sector to upgrade its technological capability and global competitiveness will result in increased opportunities for Canadian technologies, products and services. For example, Canadian exports to Mexico of manufactured products increased at a rate of nearly 15 per cent in 1992 and will continue to accelerate over the next decade. Canadian telecommunications, plastics, automotive, machine tooling and metalworking companies have also demonstrated that they can effectively penetrate the Mexican market, with notable sales resulting from increased marketing efforts. Agro-industrial products, particularly processed foods and similar high-end consumer goods, also offer significant market opportunities for Canadian firms.

Expanding Canadian manufactured exports to Mexico have benefited from strong support from External Affairs and International Trade Canada (EAITC). Government-initiated trade promotion activities have been organized across sectoral lines, with mining equipment, telecom, computer software, agriculture and food products, plastics, metalworking and machine tooling, and advanced technologies, which include geographic information systems, featured prominently in the activities and events implemented annually in Mexico by the Department. This program has been a key element in introducing small- and medium-sized Canadian firms to the Mexican market, where most future export growth will occur.

The highly successful Canada Expo '92, held in Monterrey in January 1992, proved that Canadian companies can compete effectively in the Mexican market. Many of the over 206 participating companies forged important linkages with potential private-sector customers in Mexico's industrial north. A total of 25 sectoral promotional initiatives directed at similar clients in Mexico City, Guadalajara, the Gulf Coast (oil and gas) and other key industrial centres are planned in 1993 and 1994. In addition, the Canadian Embassy will host numerous business missions organized by provinces, industry associations and Chambers of Commerce. Canada Expo '94 which will be held in Mexico City next Spring, is expected to have over 500 Canadian exhibitors.

The Export Development Corporation (EDC) also plays a key role in supporting Canadian marketing efforts. EDC currently has available over US\$750 million in commercial lines of credit with Mexican commercial banks, development banks and state corporations, such as PEMEX and CFE, the state oil and electrical companies respectively, to facilitate the procurement of Canadian products and services. These financing mechanisms have proved particularly crucial in supporting market entry by new exporters, who have been able to direct their customers to Mexican banks in order to access EDC credit facilities.

The Business Co-operation Program of the Canadian International Development Agency (CIDA/Inc) has also assisted a growing number of Canadian firms in Mexican market efforts. The usefulness of engaging in joint venture and technology transfer agreements with Mexican partners has, in particular, emerged as a key consideration for Canadian firms seeking to expand into Mexico. Strategic partnerships intended to improve local technological capabilities through a long-term presence by Canadian experts or the transfer of necessary technology with commensurate training of Mexican staff are increasingly the modus operandi for commercial relationships between the private sectors in both countries.

CIDA/Inc has also played an important role in support of project preparation work by Canadian consulting engineers in Mexico. Of particular note have been several environmental protection and control projects related to air and water pollution, hazardous waste disposal and rehabilitation of wetlands in proximity to industrial and residential areas. It is hoped that studies assisted by CIDA/Inc will become projects implemented with financing from international financial institutions, such as the World Bank and the Inter-American Development Bank, or other sources, such as private Canadian and Mexican banks and the EDC.

An important measure in the expansion of Canada-Mexico economic relations is the anticipated increase in Canadian direct investment, which will expand exports and commercial linkages between our respective private sectors. Canadian direct investment in Mexico continued to grow in 1992 and now totals over \$500 million. New opportunities resulting from the privatization program of the Salinas administration, which has so far seen the sale of over 1,000 state enterprises, are expected to attract increased Canadian capital to Mexico. The most likely sectors of concentration for Canadian entrepreneurs are mining, agro-industry, food, transportation, the environment and tourism development. Investment Canada is also developing a program to encourage Mexican investment in Canada. The improving economic climate in Mexico, coupled with continued market reforms and the streamlining of regulations covering trade and investment anticipated under the NAFTA, make this a key market of opportunity for Canadians "in our own backyard". EAITC has organized a trade promotion program in Mexico directed at specific sectoral opportunities, to introduce as wide a cross section as possible of potential exporters to the marketplace.

**CANADA-MEXICO EXPORT/IMPORT STATISTICS**  
**January to March, 1993 (\$,000 Cdn)**

EXPORTS TO MEXICO	1992*	1993*
Motor Vehicle Parts	32,730	37,540
Wheat	0	16,790
Telecommunication Equip. and Parts	6,540	15,760
Rape or Colza Seeds	3,650	12,315
Meat and Livestock	6,680	10,780
Copper	0	9,810
Parts of Steam and Vapour Gen. Equip.	10	9,670
Wood Pulp	2,490	8,960
Newsprint	6,890	7,070
Flat Rolled Steel Products	11,130	6,270
Sub-Total	70,120	134,965
Others	84,370	44,255
<b>TOTAL EXPORTS</b>	<b>154,490</b>	<b>179,220</b>

IMPORTS FROM MEXICO	1992*	1993*
Motor Vehicles and Parts	294,615	268,650
Petroleum Oils	21,770	77,825
Seats and Parts of Seats	7,220	42,660
Radio and Television Equip.	31,760	42,600
Vegetables -not prepared	22,470	34,170
Ignition Wiring Sets	32,070	30,660
Engines and Parts	24,280	30,580
Air Conditioners and Parts	17,600	13,860
Fruits and Nuts	9,990	13,230
Data Processing Machines and Parts	26,640	13,190
Sub-Total	488,415	567,425
Others	139,650	151,985
<b>TOTAL IMPORTS</b>	<b>628,065</b>	<b>719,410</b>

\* January to March only

Source: Statistics Canada, Merchandise Trade Statistics



**CENTRAL AMERICA AND THE CARIBBEAN**

## CANADA - BAHAMAS TRADE

Canada and the Bahamas have a long trade and economic relationship dating from the 19th century. Current activity indicates that this tradition will continue to grow and prosper to the mutual benefit of both countries.

Bilateral trade amounted to \$71 million in 1992, down from a level of \$87 million the previous year. However, Canada's exports decreased by 56% to \$21 million, and imports increased by 34% to \$50 million.

Canadian exports have increased every year since 1985 except in 1989. Our exports in 1992 included aircraft, petroleum oils, telecommunications equipment, and various agri-food products. Imports were composed primarily of industrial acids, petroleum products, seafood and pharmaceuticals.

The Bahamas and other Commonwealth Caribbean countries qualify for the CARIBCAN program which provides duty-free access to the Canadian market for a wide range of products manufactured in program beneficiary countries.

Nearly one hundred thousand Canadian tourists visit the Bahamas annually, providing that country with significant foreign exchange revenues. This volume represents almost one-fourth of our tourist visits to the entire Commonwealth Caribbean region.

Canadians have invested over \$450 million in the Commonwealth Caribbean countries. In the Bahamas, Canadian investments are centred in the financial services sector.

## CANADA - BARBADOS

Canada and Barbados have a tradition of excellent and long standing relations based upon trade, investment, tourism and other linkages.

The balance of bilateral merchandise trade has been strongly in favour of Canada since the mid-1980's. While the two-way trade level amounted to \$49 million in each of 1990 and 1991, this fell to \$26 million in 1992 with exports accounting for \$20 million.

Canada's exports include telephone equipment, potatoes, newsprint, meat products and oil field supplies. Canadian consulting engineer and construction firms are also winning service contracts in such sectors as coastal conservation and water & sewage. These projects are financed by the World Bank, Inter-American Development Bank and Caribbean Development Bank. Export Development Corporation (EDC) services continue to play a role in supporting Canadian exports to this market.

Canadian imports from Barbados include electrical components, molasses and rum.

Barbados and other Commonwealth Caribbean countries qualify for the CARIBCAN program which provides duty-free access to the Canadian market for a wide range of products manufactured in program beneficiary countries.

Some sixty-five thousand Canadian tourists visit Barbados annually, providing that country with significant foreign exchange revenues.

Canadian investments in Barbados are centred on financial institutions, electronic component manufacturing, transportation, and flour milling and other agri-food processing.

## CANADA - COSTA RICA TRADE

Canada-Costa Rica trade relations have developed steadily over the course of forty years that date from the signing of the Commercial Agreement on November 17, 1950.

In the 1970s and 1980s two-way trade grew significantly. By 1992, Costa Rican exports reached \$131.8 million, while Canadian exports climbed to \$30.7 million in 1987 before falling to \$21.1 million in 1991. Canadian exports did increase to \$24.1 million in 1992 with two way trade also increasing to \$155.9 million from \$109 million in 1991.

Costa Rican exports to Canada are dominated by two agricultural products: bananas and coffee. Costa Rica's total exports to Canada in 1992 amounted to \$131.8 million. Canada's main exports to Costa Rica continue to be fertilizers, newsprint and paper, machinery, plastic resins and sheets, textile fabrics, food products and pharmaceuticals for a total of \$24.1 million.

The mainstays of Costa Rica's economy are now being challenged by tourism which is now the country's principal foreign currency earner. New tourist facilities are being rapidly developed to handle an ever increasing volume. Canadian tour operators have established charters from Toronto, Montreal and Vancouver all of which are operating at capacity loads.

Costa Rica represents an attractive market to Canadian exports in the agriculture, livestock industries, building products, telecommunications and gold mining sectors. Resource development and infrastructure projects also offer important opportunities.

The development and expansion of the Costa Rican economy has opened many trade opportunities for both partners in the Canada-Costa Rica trading relationship. Built on over forty years of steady growth, it is expected that this partnership will continue to expand in the 1990's.

**CANADA-COSTA RICA EXPORT/IMPORT STATISTICS**  
**January to March, 1993 (\$,000 Cdn)**

EXPORTS TO COSTA RICA	1992*	1993*
Paper	850	2,060
Newsprint	1,370	1,980
Corsets, Braces...	30	435
Medicaments	50	330
Sub-Total	2,300	4,805
Others	2,830	2,635
<b>TOTAL EXPORTS</b>	<b>5,130</b>	<b>7,440</b>

IMPORTS FROM COSTA RICA	1992*	1993*
Bananas	24,820	22,450
Coffee	3,380	4,890
Melons	1,390	1,210
Brassieres	800	1,200
Article of Clothing -Other than Brassieres	580	1,190
Fruits - Other than Bananas and Melons	940	1,165
Wate and Scrap of Gold	210	1,020
Sub-Total	32,120	33,125
Others	3,450	3,075
<b>TOTAL IMPORTS</b>	<b>35,570</b>	<b>36,200</b>

\* January to March only

Source: Statistics Canada, Merchandise Trade Statistics.

## CANADA - CUBA TRADE

Since the beginning of the century, Canada and Cuba have maintained strong trade and commercial ties.

In 1992, the level of our bilateral trade amounted to \$369 million with Canadian exports accounting for \$113 million, and imports for \$256 million. Of all of Cuba's major hard currency trading partners, Canada was the number one importer and number four exporter with Cuba.

Major Canadian exports to Cuba in 1992 comprised of agri-food products, industrial material, paper products and telecommunication equipment. Our imports focused on sugar and related products, as well as nickel mineral, which together accounted for more than 93% of our imports from Cuba that year.

After the sugar industry, the tourism industry has been the second largest earner of hard currency for Cuba, bringing more than US\$ 250 million into the Cuban economy in 1990. In 1992, 26% of the 420,000 visitors were Canadians who spent more than \$100 million. Cuban authorities have placed a high priority to the development for the tourism industry and are seeking to rapidly increase the accommodation network, opening up opportunities for Canadian businesses to supply equipment, services and consummables. Within other sectors there are opportunities for agri-food products especially for tourist industry, building materials and hardware, equipment and services for the mining and petroleum industries.

Whereas in 1988 Cuba conducted 85% of its trade with the East-European Bloc countries, Cuba has had to modify its trade and economic policies to take into account the current global commerce conditions where business must be conducted on an open-market basis.

*External Affairs and International Trade Canada* promotes sales of Canadian goods and services through government-initiated and industry-initiated programs in sectors such as tourism, hardware, industrial products and agri-food products. The Canadian Government has supported efforts of exporters to the extension of credit facilities. The *National Bank of Canada* has also financed sales of Canadian products to this market.

Canada maintains normal commercial relations with Cuba and consistently resists any effort by third parties to constrain trade and commercial initiatives of firms resident in Canada.

**CANADA-CUBA EXPORT/IMPORT STATISTICS**  
**January to March, 1993 (\$,000 Cdn)**

EXPORTS TO CUBA	1992*	1993*
Milk Powder	0	5,840
Wheat	1,035	4,970
Swine Carcasses	0	2,390
Maize	0	2,240
Paper & Paper Products	100	1,920
Food Preparation	60	1,600
Potassium Chloride	0	1,250
Patatoes	1,820	800
Sub-Total	3,015	21,010
Others	15,165	12,500
<b>TOTAL EXPORTS</b>	<b>18,180</b>	<b>33,510</b>

IMPORTS FROM CUBA	1992*	1993*
Nickel	26,250	36,800
Shrimps and Prawns	1,090	1,230
Rock Lobster	1,160	615
Men Clothing	500	340
Rum	800	280
Cigars, cheroots and cigarillos	110	130
Sub-Total	29,910	39,395
Others	29,620	110
<b>TOTAL IMPORTS</b>	<b>59,530</b>	<b>39,505</b>

\* January to March only

Source: Statistics Canada, Merchandise Trade Statistics.

## CANADA - DOMINICAN REPUBLIC TRADE

Trade between Canada and the Dominican Republic began in colonial times with the importation of molasses and spices, and the export of grains and dried or smoked fish. Over the years through expansion and diversification, bilateral trade in 1992 reached \$98.9 million. Exported goods of fish, grain, paper and cardboard, as well as machinery and electrical equipment, totalled \$65.9 million, while imported goods of clothing, metals, cocoa, coffee, fruit and vegetables reached \$33 million.

Following several years of hyperinflation, the government of the Dominican Republic introduced draconian measures to restore the economy. On the advice of the International Monetary Fund (IMF), the authorities liberalized the tariff system, introduced new fiscal and monetary policies, and reviewed the labour code. As a result, inflation was only nine percent in 1992, compared to over 100 percent in 1990.

Thanks to this recovery, the country has been able to reschedule its debt with its main creditors. This includes the Paris Club and an agreement under the USA's Enterprise for the Americas Initiative (EAI), giving the Paris Club greater access to the United States market.

Manufacturing and tourism are two key areas that have been targeted by the government due to their hard currency earning potential. The government anticipates doubling the capacity of the country's 30,000-room hotel system within the next five years, and adding other duty-free manufacturing zones to the existing ones. In the near future, a number of turn-key projects will be tendered on the international market, offering interesting opportunities for Canadian companies, who are especially competitive in the areas of construction and services.

Economic reforms will favour investment in several sectors of the economy. Gold and gypsum deposits are expected to be mined. In telecommunications, the government-run system Codetel plans to invest more than \$100 million for the purchase and installation of equipment for upgrading. The country's electrical utility, Corporacion Dominica de Electricidad, should triple its production capacity and its distribution network with a loan of US \$149 million, which has already been approved by the Interamerican Development Bank.

Between 1992 and 1994, the Interamerican Development Bank plans to approve loans totalling nearly \$1 billion for projects to improve and develop infrastructure in the Dominican Republic. A significant portion of the funds will be spent in the transportation, health, education and urban sectors.

Through a series of sector targeted trade fairs and missions funded by the Program for Export Market Development (PEMD), External Affairs and International Trade Canada (EAITC) promotes Canadian companies interested in exporting to the Dominican Republic.



The Export Development Corporation (EDC) also provides insurance, guarantees and funding which, alongside its consultative and credit arrangements, enables exporters of Canadian goods and services to compete with foreign companies. The Canadian International Development Agency (CIDA) offers an annual program of bilateral aid, and through its Industrial Cooperation Branch also provides assistance for Canadian companies wishing to expand into this region through joint ventures and technology transfer with Dominican Republic partners.

**CANADA-DOMINICAN REPUBLIC EXPORT/IMPORT STATISTICS**  
**January to March, 1993 (\$,000 Cdn)**

EXPORTS TO DOMINICAN REPUBLIC	1992*	1993*
Fish	6,850	8,880
Paper	920	2,170
Newsprint	1,890	970
Parts of Electrical Apparatus for Line	140	520
Telephone Sets	0	450
Low Value Export. Transaction	560	440
Polyethylene	720	430
Vaccines	0	400
Sub-Total	11,080	14,260
Others	5,940	2,900
<b>TOTAL EXPORTS</b>	<b>17,020</b>	<b>17,160</b>

IMPORTS FROM DOMINICAN REPUBLIC	1992*	1993*
Coffee	660	2,345
Articles of Clothing	1,220	3,040
Fruits and Nuts	1,310	1,500
Balls	0	500
Cocoa Beans	810	470
Sub-Total	4,000	7,855
Others	3,570	1,795
<b>TOTAL IMPORTS</b>	<b>7,570</b>	<b>9,650</b>

\* January to March only

Source: Statistics Canada, Merchandise Trade Statistics.

## CANADA - EL SALVADOR TRADE

Canada-El Salvador bilateral trade is on a steady path of growth and diversification. Canada's exports to El Salvador which increased and diversified during the 1980's; have over the past four years, averaged anywhere from \$10-15 million. The end of the civil war and signing of a peace accord in 1992 will undoubtedly improve and increase the trade environment between Canada and El-Salvador.

El Salvadorian reconstruction offers interesting opportunities for Canadian exporters especially for industrial raw materials such as chemicals and plastics, newsprint and parts for machinery. Opportunities for increased exports also exist in the agricultural sector, specifically, agrochemicals, genetic material and veterinary medicines and equipment. The market is also open to many other products, in particular, construction materials, medical supplies, transport, telecommunications equipment and electronic goods. Canada has a good reputation in El Salvador and, while exporters have to be imaginative when it comes to transport, this market of 5.3 million people could be interesting and lucrative for those able to respond to El Salvadorian needs.

Total El Salvadorean exports to Canada in 1992 amounted to \$12.5 million, a fall of 21% compared to 1991. The overall composition of El Salvador's exports to Canada has traditionally been dominated by agricultural products; however, there are indications that this commodity structure is diversifying. This seems to be apparent in the manufacturing sector, which is growing in strength and garnering an increasing share of total exports in electrical parts and textiles.

**CANADA-EL SALVADOR EXPORT/IMPORT STATISTICS**  
**January to March, 1993 (\$,000 Cdn)**

EXPORTS TO EL SALVADOR	1992*	1993*
Newsprint	1,370	1,460
Potassium Chloride	0	280
Printing Machine	0	220
Asbestos	180	175
Pumos	0	170
Vaccines	0	160
Sub-Total	1,550	2,465
Others	1,835	535
<b>TOTAL EXPORTS</b>	<b>3,385</b>	<b>3,000</b>

IMPORTS FROM EL SALVADOR	1992*	1993*
Coffee and Coffee Extract	980	3,540
Electrical Capacitors	590	420
Melons	150	220
Clothing	290	180
Sub-Total	2,010	4,360
Others	190	100
<b>TOTAL IMPORTS</b>	<b>2,200</b>	<b>4,460</b>

\* January to March only

Source: Statistics Canada, Merchandise Trade Statistics

## CANADA - GUATEMALA

Guatemala is the most populous of all the countries of Central America. It is third in area, being somewhat smaller than Honduras and Nicaragua, but considerably larger than these latter two in terms of its population of 9.5 million and its GDP.

Guatemala's broad economic base; its diverse endowment of rich agricultural land, hydroelectric potential, energy and mineral wealth, offer innumerable opportunities to its trading partners.

Throughout the early 1980's, Canada's exports to Guatemala expanded considerably. Prominent in this trade were Canadian engineering skills, construction expertise, oil drilling and management services. In 1992 however Canadian exports declined slightly to \$22.6 million compared to the \$22.9 million in 1991.

Guatemala's exports to Canada averaged \$35 million for much of the late 1980's and reached \$41.8 million in 1992. Coffee, fruit and clothing are the major export commodities accounting for 90% of total sales to Canada. Exports of non-traditional products including winter fruits and vegetables for the North American market and processed agricultural products are increasing. Canada's exports to Guatemala consisted primarily of agricultural, chemical, and mineral products, including wheat, milk powder, polyethylene resin, fertilizer, newsprint, telecommunications equipment, and aluminum.

Guatemala's recent economic recovery has resulted in improved market opportunities in a number of sectors, particularly construction and tourism. The heightened demand for consumer goods, agricultural products and raw materials, and the greater diversification of the Guatemalan economy in general, signify real growth potential in the two-way trade between our countries.

**CANADA-GUATEMALA EXPORT/IMPORT STATISTICS**  
**January to March, 1993 (\$,000 Cdn)**

<b>EXPORTS TO GUATEMALA</b>	<b>1992*</b>	<b>1993*</b>
Newsprint	805	2,160
Potassium Chloride	580	1,085
Polyethylene	240	510
Paper	220	460
Parts of Electrical Apparatus for line	0	260
Boring or Sinking Machinery	0	210
Sub-Total	1,845	4,685
Others	2,745	2,435
<b>TOTAL EXPORTS</b>	<b>4,590</b>	<b>7,120</b>

<b>IMPORTS FROM GUATEMALA</b>	<b>1992*</b>	<b>1993*</b>
Coffee	8,90	6,650
Clothing	2,040	1,320
Bananas	380	1,260
Peas	820	1,050
Toilet Soap	110	930
Sesamum Seeds	365	740
Sub-Total	4,605	11,950
Others	8,455	1,285
<b>TOTAL IMPORTS</b>	<b>13,060</b>	<b>13,235</b>

\* January to March only

Source: Statistics Canada, Merchandise Trade Statistics

## CANADA - HAITI TRADE

In the wake of the military coup d'état that resulted in the overthrow of Jean-Bertrand Aristide, the democratically-elected President, and in concert with the Organization of American States, the Canadian government has placed a financial, economic and trade embargo on the Republic of Haiti. Import or export permits are now required for all transactions.

Haiti and Canada have had trade relations ever since the colonial era, when spices and molasses were traded for smoked fish and tools. Trade in 1992 fell drastically by 65% when compared to 1991. Bilateral trade decreased from \$26.2 million in 1991 to \$9.2 million in 1992. Of Canada's exports, \$8.4 million consisted of merchandise including food commodities, electrical equipment, vehicles and related products, paper and textiles. In return, Canada imported clothing, sporting goods and fruit.

With more than 80% of the population living in the rural areas, agriculture is the main economic activity of Haiti, although it represents only 30% of the GNP. Manufacturing has increased to an unprecedented degree in the past decade. It now generates more than 15.3% of the GNP and accounts for 70% of the country's exports.

When the country's political condition returns to normal, there will undoubtedly be sustainable development projects funded by organizations such as the **World Bank** and the **Interamerican Development Bank**. Interesting possibilities should arise as concerns projects to restore the electrical network and in construction and transportation, education and health. The little-developed mining industry holds significant potential regionally, promising an influx of hard currency.

The support programs for Canadian exporters have been suspended, but should resume when the embargo is lifted. **External Affairs and International Trade Canada (EAITC)** will again provide assistance through the Program for Export Market Development (PEMD), as will the **Canadian International Development Agency (CIDA)** through its Industrial Cooperation Branch, which provides considerable support for Canadian companies wishing to expand their commercial interests in Haiti. Finally, through the **Export Development Corporation (EDC)**, Canadian companies receive assistance in the form of insurance, guarantees and funding to help them cope with foreign competition.

**CANADA-HAITI EXPORT/IMPORT STATISTICS**  
January to March, 1993 (\$,000 Cdn)

EXPORTS TO HAITI	1992*	1993*
Low Value Export. Transactions	0	1,570
Fish	490	370
Herrings	660	360
Sub-Total	1,150	2,300
Others	680	10
<b>TOTAL EXPORTS</b>	<b>1,830</b>	<b>2,310</b>

IMPORTS FROM HAITI	1992*	1993*
Guavas	30	6
Balls	0	3
Low Value Import. Transactions	1	2
Sub-Total	31	11
Others	35	1
<b>TOTAL IMPORTS</b>	<b>66</b>	<b>12</b>

\* January to March only

Source: Statistics Canada, Merchandise Trade Statistics



## CANADA - HONDURAS TRADE

Canada's two-way trade with Honduras has been greatly affected by the recent contraction of the Honduran economy.

Although modest in volume, Honduras has held the advantage in the trade balance between our countries since the mid-1980's. Honduran imports totalled \$21.9 million in 1992, up from 1991, while Canada's exports to Honduras also increased to a total of \$12.6 million in 1992.

The Honduran economy is agriculturally based and, consequently, its exports to Canada are comprised primarily of bananas, melons, coffee and wood. Shrimp, lobster and clothing are other important export commodities.

Canadian exports include newsprint, wheat, milk powder, electricity meters, chemicals and pharmaceutical products.

Honduras' wealth of natural resources, including Central America's largest forest reserves, hydroelectric potential and minerals, represent opportunities for Canadian suppliers of forest machinery, mining equipment, agro-chemicals and fertilizers.

The record of the Canada-Honduras bilateral trade relationship is one of modest expansion. The development of the Honduran economy, particularly the realization of its resource potential, will result in expanded trade opportunities in the future. The Honduran market offers several opportunities to Canadian exporters. Health, education, water and power sectors offer the best possibilities for export sales of goods and services. In fact, projects for preinvestment studies in health, medical and educational sectors allow a good scope of opportunities for Canadian consultants. In terms of possible Canadian investments to service third party export markets, some interesting possibilities are offered in food producing, basic electronics and auto parts assembling.

However, the difficulties in conducting business in Honduras should not be discarded. For Canadian exporter to operate successfully requires personal business visits and research, selection of appropriate and well-connected agent and, in case of investment, influential legal adviser.

**CANADA-HONDURAS EXPORT/IMPORT STATISTICS**  
**January to March, 1993 (\$,000 Cdn)**

EXPORTS TO HONDURAS	1992*	1993*
Wheat and Meslin	0	2,600
Newsprint	270	630
Mackerel	0	450
Sub-Total	270	3,680
Others	2,640	430
<b>TOTAL EXPORTS</b>	<b>2,910</b>	<b>4,110</b>

IMPORTS FROM HONDURAS	1992*	1993*
Melons	2,530	2,740
Bananas	1,310	1,005
Coffee	840	490
Clothing	370	295
Sub-Total	5,050	4,530
Others	780	580
<b>TOTAL IMPORTS</b>	<b>5,830</b>	<b>5,110</b>

\* January to March only

Source: Statistics Canada, Merchandise Trade Statistics

## CANADA-JAMAICA TRADE

Canada and Jamaica have benefitted from a steady expansion in their bilateral trade. Growth in commercial exchanges continued in the latter half of the 1980's and into the 1990's.

Canadian exports to Jamaica averaged \$108 million over the period 1988 to 1992, and included wheat, pulp and paper, and telecommunications equipment.

Canada's imports from Jamaica averaged \$165 million over the same period. Of 1992 exports (\$174 million), some 79% was attributable to shipments of alumina bauxite. The remainder of our imports from Jamaica consisted largely of rum, fruits and vegetables, and clothing.

Export opportunities for Canadian firms in the Jamaican market are excellent, particularly in the areas of construction and building materials, processed, semi-processed and fresh food products and telecommunications equipment and consulting services, particularly in the areas of public utilities, health and education. A Canadian firm recently won the project management and consulting services contract for an InterAmerican Development Bank (IADB) Electricity Rehabilitation and Improvement Project, which augers well for further technology transfer exports to the market.

Canada-Jamaica trade has shown steady and consistent growth based on an expanding product base. Both nations look forward to the continuation of this advantageous relationship.

**CANADA-JAMAICA EXPORT/IMPORT STATISTICS**  
**January to March, 1993 (\$,000 Cdn)**

EXPORTS TO JAMAICA	1992*	1993*
Paper	1,150	2,570
Low value export transactions	3,130	1,900
Meat and Fish	540	1,830
Parts of Electrical Apparatus for line	330	1,420
Potassium Chloride	0	1,115
Medicaments	230	590
Prep. of Cereals	0	530
Newsprint	20	475
Sub-Total	5,400	10,430
Others	5,930	6,480
<b>TOTAL EXPORTS</b>	<b>11,330</b>	<b>16,910</b>

IMPORTS FROM JAMAICA	1992*	1993*
Aluminium Oxide	18,660	40,370
Article of Clothing	1,340	3,830
Alcohol	2,100	2,570
Nuts	600	610
Vegetables	280	520
Fruits, prepared	540	340
Biscuits and Wafers	90	190
Fruit, fresh	210	180
Sub-Total	23,820	46,043
Others	8,300	3,607
<b>TOTAL IMPORTS</b>	<b>32,120</b>	<b>49,650</b>

\* January to March only

Source: Statistics Canada, Merchandise Trade Statistics.

## CANADA-NICARAGUA TRADE

Nicaragua went through a ten year period of disinvestment and rampant inflation which ended shortly after the election of the current government, in 1990. Many businesses were nationalised during that decade and the current government will move to privatize the country in line with other economies of the region.

What was a closed economy with most imports handled by state organizations is rapidly reverting to a private sector driven economy. Most of the state companies will be sold or dissolved by the government over the next year or two. Private sector reinvestment is gradually beginning and the degree of confidence necessary to rebuild this tattered economy is slowly returning.

The Nicaraguan government limits foreign currency expenditures to essentials; however annual imports, even at their all time low of \$600 million, still greatly exceed export earnings which declined steadily for 10 years and were only \$320 million in 1990. The government is heavily indebted but has recently put forward a program of debt rescheduling which will allow new borrowing. This, combined with foreign assistance from the USA and other industrialized countries, will help to get a number of urgent sectors back to work. The IFI funds are needed for the country's infrastructure renewal and development. With a looming energy shortage and major requirement for infrastructure upgrading in the transport, water, sewage, environmental and educational sectors, the future should bring internationally financed projects which will be of interest to Canadian firms.

The Foreign Investment Law in Nicaragua is favourable to foreign investors but extremely open ended leaving virtually all issues for negotiation with the government on a case by case basis. The current government has plans to change the Law into a more clear cut mechanism for attracting foreign investment. The government will actively seek increased technology transfer and investment over the years to come. Education is compulsory and the literacy rate is 80%. There are two major universities in the country. There are about 40 multinationals now operating in Nicaragua however this is beginning to increase quite rapidly. Canada has no foreign investment protection agreement with Nicaragua at the present time.

**CANADA-NICARAGUA EXPORT/IMPORT STATISTICS**  
**January to March, 1993 (\$,000 Cdn)**

EXPORTS TO NICARAGUA	1992*	1993*
Petroleum Oils	0	6,660
Parts of use with Apparatus	0	320
Cereal Flour and Prep. of Cereals	570	270
Poles	0	250
Transmission Apparatus for Radio-Telephone	4	240
Sub-Total	574	7,740
Others	1,926	290
<b>TOTAL EXPORTS</b>	<b>2,500</b>	<b>8,030</b>

IMPORTS FROM NICARAGUA	1992*	1993*
Gold	3,490	4,290
Rock Lobster and other sea crawfish	60	550
Bovine Cuts Boneless	8,280	380
Sub-Total	11,830	5,220
Others	220	170
<b>TOTAL IMPORTS</b>	<b>12,050</b>	<b>5,390</b>

\* January to March only

Source: Statistics Canada, Merchandise Trade Statistics

## CANADA - PANAMA TRADE

Panama and Colon Free Zone (CFZ) represent both an attractive domestic market and a convenient distribution centre for Canada's exporters.

Over the course of the 1980's and early 1990's the balance of trade between our two countries has been in Canada's favour due to a recession in the Panamanian economy.

The composition of Panama's exports to Canada closely approximate that of its immediate Central American neighbours, in spite of the fact that its economy is considerably more diversified. Bananas, coffee, pharmaceuticals and shrimp are the principal Panamanian exports to Canada which totalled \$6.3 million in 1992.

Despite Panama's economic difficulties, Canada exported \$17.7 million worth of paper (newsprint), gold, chemicals, meat, lentils, pharmaceuticals, fabrics, telephone apparatus and other consumer goods to the market in 1992. Compared to 1991, 1992's exports slightly decreased by 3%. Although exports have increased over 1990 to 1991, they are still below the \$40 million shipped in 1986 before the removal of the Noriega government in December 1989.

The anticipated resurgence of the Panamanian economy presents excellent opportunities for Canadian suppliers to re-establish themselves in this trading relationship. Agricultural commodities, foodstuffs, construction materials, telecommunication equipment, autoparts and consumer goods are only a few of the items Panamanian importers will be shopping for in the international market. Canada is well-positioned to meet this demand.

**CANADA-PANAMA EXPORT/IMPORT STATISTICS**  
**January to March, 1993 (\$,000 Cdn)**

EXPORTS TO PANAMA	1992*	1993*
Apparatus based on the use of Alpha Beta	0	505
Rowing Boats	220	420
Swine, Meat and Fish	280	410
Medicaments	110	395
Sub-Total	610	1,730
Others	2,910	3,070
<b>TOTAL EXPORTS</b>	<b>3,520</b>	<b>4,800</b>

IMPORTS FROM PANAMA	1992*	1993*
Coffee	520	1,855
Shrimps	245	200
Melons	210	160
Antisera and other blood fractions	290	120
Sub-Total	1,265	2,335
Others	1,285	155
<b>TOTAL IMPORTS</b>	<b>2,550</b>	<b>2,490</b>

\* January to March only

Source: Statistics Canada, Merchandise Trade Statistics



## CANADA - PUERTO RICO TRADE

Canada's trade relations with the Commonwealth of Puerto Rico date back to colonial times, when there were regular maritime links between the West Indies and the North American colonies. Two-way trade has increased steadily and have now reach unprecedented levels.

In 1992, the total value of bilateral trade amounted to \$634.6 million. Canada exported \$222.7 million worth of goods and imported \$411.9 million.

The export figures provided by Statistics Canada do not reflect Canadian goods trans-shipped through the U.S.A.

Canadian exports consisted of automotive parts, paper, foodstuffs, petroleum products, wood and finished consumer goods. Imports included pharmaceuticals, fruit and vegetables, chemicals, electronic parts, refrigeration systems and clothing.

More than half of the economic activity is generated by manufacturing, while the mercantile and financial sectors account for 36% of the GNP. Through its special trade relationship with the United States, the Associated Commonwealth of Puerto Rico has unlimited access to the American market, with which it carried out more than 78% of its bilateral trade in 1991.

The Puerto Rican market affords numerous outlets for Canadian companies. Aside from the traditional sectors, the public sector seems especially propitious, given the massive investments planned by the government to help the island emerge from the North America-wide recession. The Puerto Rican government plans to develop the road network to encourage industrial development beyond the metropolitan area of San Juan, the capital. Modernizing the urban infrastructures seems to be a priority among the politicians, who are allocating considerable funding for this purpose.

In addition to External Affairs and International Trade Canada, (EAITC) which affords a full range of programs to assist Canadian companies facing foreign competition, the Export Development Corporation (EDC) provides insurance, guarantees and funding. With a growing population of 3.6 million and a US \$5.5 billion trade surplus with the United States, its main trading partner, Puerto Rico is a promising market for Canadian companies.

**CANADA-PUERTO RICO EXPORT/IMPORT STATISTICS**  
**January to March, 1993 (\$,000 Cdn)**

EXPORTS TO PUERTO RICO	1992*	1993*
Petroleum Oils	50	13,910
Newsprint	8,660	10,260
Carton Boxes	2,510	3,480
Paper and Paper Products	4,380	3,350
Patatoes, fresh and prepared	1,720	3,230
Aluminium	2,490	3,080
Fish, Herring and Cod	2,150	2,570
Lumber	2,840	1,880
Sub-Total	24,800	41,760
Others	21,150	15,380
<b>TOTAL EXPORTS</b>	<b>45,950</b>	<b>57,140</b>

IMPORTS FROM PUERTO RICO	1992*	1993*
Medicaments, in dosage	16,350	27,780
Herbicides	7,240	18,570
Food Preparations	11,710	10,610
Heterocyclic	1,230	5,330
Chemical Products	2,870	5,120
Composite Diagnostic	3,370	4,490
Cyclic Amides	3,500	4,090
Naphthylamine	0	3,860
Sub-Total	46,270	79,850
Others	46,680	56,570
<b>TOTAL IMPORTS</b>	<b>92,950</b>	<b>136,420</b>

\* January to March only.

Source: Statistics Canada, Merchandise Trade Statistics

## CANADA-TRINIDAD AND TOBAGO TRADE

During the period 1988-92, Canada's annual exports to Trinidad and Tobago have remained fairly constant, in the range of \$55 million, although, including products transhipped through the USA, actual Canadian exports are closer to \$90 million.

At the same time Trinidad and Tobago's exports to Canada have fluctuated quite widely, ranging from \$53 million in 1988, down to \$25 million in 1990, up to \$41 million in 1991, and down again to \$38 million in 1992.

Canada's main exports to Trinidad and Tobago consist of potatoes and dried peas, newsprint and other paper products, pharmaceuticals, telephone equipments, rubber, and plastic articles & industry machinery. Canadian engineering consultants and equipment supplies have won multilaterally financed business in health care system development , water and sewage.

Supply opportunities for Canadian firms include telecommunications, equipment and services, agri-food products, pharmaceuticals, oil and gas equipment and plastic processing equipment.

Principal exports from Trinidad and Tobago to Canada include petroleum products, iron and iron products, and fish.

In April 1993, the annual exports to Trinidad and Tobago government lifted exchange controls and floated the TT dollar.

While Trinidad is not a major tourist destination compared with other Caribbean islands, Tobago is becoming better known for its tourism facilities. In 1991 some 26, 923 Canadians visited Trinidad and Tobago, up from 23,200 in 1988.

Canada's long-standing relationship with Trinidad and Tobago represents a solid base of friendship and commercial exchange upon which both nations will endeavour to build.

**CANADA-TRINIDAD & TOBAGO EXPORT/IMPORT STATISTICS**  
**January to March, 1993 (\$,000 Cdn)**

EXPORTS TO TRINIDAD & TOBAGO	1992*	1993*
Paper	925	1,800
Patatoes	1,260	1,110
Part of Electrical Apparatus for Line	1,270	1,050
Wheat	210	920
Bovine, Meat and Fish	440	900
Agglomerated dolomite	0	550
Low Value Export. Transaction	0	550
Safety Glasses	30	520
Sub-Total	4,135	7,400
Others	6,315	7,190
<b>TOTAL EXPORTS</b>	<b>10,450</b>	<b>14,590</b>

IMPORTS FROM TRINIDAD & TOBAGO	1992*	1993*
Petroleum Oils	3,320	3,510
Fish and Shrimps	665	550
Ureas	0	520
Cocoa Beans	125	130
Sub-Total	4,110	4,710
Others	530	440
<b>TOTAL IMPORTS</b>	<b>4,640</b>	<b>5,150</b>

\* January to March only

Source: Statistics Canada, Merchandise Trade Statistics.

**SOUTH AMERICA**

## CANADA - ARGENTINA TRADE

The Argentine market is sophisticated and, in response to the implementation of strict government economic programmes in 1990 and 1991, has been showing a remarkable vitality. Agriculture, including agro-industries, remains the main productive sector, but manufacturing and processing industries account for a considerable volume and variety of products which reflect a high level of technological development.

Trade between Canada and Argentina has fluctuated markedly in recent years. Exports to Argentina in 1991 grew to \$61.7 million, and reached \$101.2 million in 1992, an increase of 64%.

Argentina is currently going through a massive privatization process in which assets held by the public sector are being either sold outright to, or placed in long-term concessions managed by, private entrepreneurs. The sectors involved include air transportation, communications, ports, rail and urban transit, petrochemicals, defence, oil and gas, electricity, water distribution and sewage treatment, and the highway system. The process opens considerable new opportunities for Canadian firms to market their products and services to the new and dynamic private sector owners and operators. Canadian investors are also showing renewed interest in Argentina, especially since the signature of the Canada-Argentina Double Taxation Agreement (DTA) and the ratification of the bilateral Foreign Investment Protection Agreement (FIPA) in April 1993.

Opportunities for sales of goods and services also exist in the following areas: environment; financial services sector; animal genetics; food processing and packaging technology and equipment; consumer products, in particular, specialty food items and cosmetics; biological products; and technical training.

The government continues to be firmly committed to move rapidly from a closed, statist, import-substitution model to a more open, market-driven, economy. Tariffs and other barriers have been reduced considerably. Current duty levels average about 20% for finished goods, 5 - 15% for production inputs, and 5% for primary products.

Argentina, Brazil, Paraguay and Uruguay have agreed to establish, by 1 January 1995, a Common Market of the Southern Cone (MERCOSUR) which will result in substantial reductions in tariffs and non-tariff barriers to trade between its member countries. The process was started by Argentina and Brazil in 1986. Late in 1990, Uruguay and Paraguay become involved in the process and will have one extra year to remove their product exemptions from Mercosur's global, linear and automatic tariff reduction schedule.

**CANADA-ARGENTINA EXPORT/IMPORT STATISTICS**  
**January to March, 1993 (\$,000 Cdn)**

EXPORTS TO ARGENTINA	1992*	1993*
Radio and Telephone Equip.	1,980	2,870
Radio Active Elements	0	1,650
Natural Uranium	0	960
Rowing Boats	0	830
Polyvinyl/Chloride	50	820
Self-Adhesive Plates, Sheets,...	200	760
Seeds for Sowing	1,340	680
Instruments and Apparatus	0	555
Kitchen Furniture	0	500
Sub-Total	3,570	9,625
Others	13,860	9,135
<b>TOTAL EXPORTS</b>	<b>17,430</b>	<b>18,760</b>

IMPORTS FROM ARGENTINA	1992*	1993*
Leather	7,060	6,850
Groundnuts	1,015	3,850
Fruit, fresh and prepared	2,430	2,980
Meat, Fish & Shellfish	1,010	2,200
Fruit & Vegetable Juices	1,790	1,780
Waste and Scrap of Gold	170	1,410
Storage Units	740	1,150
Brake System Parts	20	1,000
Polyisobutylene	0	705
Sub-Total	14,235	21,925
Others	8,035	4,685
<b>TOTAL IMPORTS</b>	<b>22,270</b>	<b>26,610</b>

\* January to March only

Source: Statistics Canada, Merchandise Trade Statistics

## CANADA - BOLIVIA TRADE

Bolivia's recently elected new President Gonzalo Sanchez de Lozada has stated publicly that he will further enhance Bolivia's economic program by providing a more favourable climate for industrial expansion and foreign trade. In recent years medium to large scale development projects have been undertaken mostly in the mining sector; however the key project for Bolivia remains the proposed gas pipeline planned between Santa Cruz and Sao Paulo, Brazil. Although a memorandum of understanding and a gas supply contract have been signed between the two countries, financing for this billion dollar project has not yet been secured.

Economic growth reached almost 4% in 1992; this rate, coupled with an extremely low inflation rate by South American standard of 9% and a devaluation of 7.6% during the same period provided a much improved economic performance over the last few years.

The volume of Canada's exports to Bolivia reached \$14.8 million in 1992, a substantial improvement over 1990 of \$5.1 million and 1991 of \$4.5 million. The main exports were wheat, telecommunications and oil and gas equipment. Bolivian exports to Canada have been mostly in raw materials, tin (\$3.75 million), followed by lumber and Brazil nuts.

External Affairs and International Trade Canada have initiated a market development strategy for Bolivia which focuses mainly on the mining, petroleum and telecommunications sectors. The stated goals of the new government towards more involvement by the private sector and the furthering of the privatization process (while not as advanced as other neighbouring countries) bodes well for interested Canadian companies.

Bolivia's economic future will depend on a more efficient process in their traditional resource sector and increased support for joint-ventures and foreign investment. This coupled with Canadian expertise in the mining, telecommunications and oil and gas sector has the potential to increase our commercial relationship in the not so distant future.



**CANADA-BOLIVIA EXPORT/IMPORT STATISTICS**  
**January to March, 1993 (\$,000 Cdn)**

<b>EXPORTS TO BOLIVIA</b>	<b>1992*</b>	<b>1993*</b>
Parts of Electrical Apparatus	890	2,100
Rape and Colza	0	445
Automated Data	0	140
Sub-Total	890	2,685
Others	4,350	335
<b>TOTAL EXPORTS</b>	<b>5,240</b>	<b>3,020</b>

<b>IMPORTS FROM BOLIVIA</b>	<b>1992*</b>	<b>1993*</b>
Tin	1,180	2,070
Transmission Apparatus for Radio-Teleph.	40	180
Brazil Nuts	120	100
Sub-Total	1,340	2,350
Others	140	80
<b>TOTAL IMPORTS</b>	<b>1,480</b>	<b>2,430</b>

\* January to March only

Source: Statistics Canada, Merchandise Trade Statistics

## CANADA - BRAZIL TRADE

After several years of significant deficits, Canada's balance of trade with Brazil improved again in 1992. Canadian exports to Brazil increased from \$617.1 million in 1991 to \$620.6 million in 1992, while Brazilian exports to Canada reached \$715.2 million, also up from the \$706.2 million registered in 1991.

The composition of Brazilian sales to Canada has remained relatively constant over the years. In 1992, fruit juices again topped the list at \$116.3 million, followed by footwear (\$62.2 million), iron ore and steel products (\$57.9 million) and aluminium (\$52.7 million).

Canadian exports to Brazil have consisted primarily of commodities such as wheat, sulphur, potash, newsprint, paper products and coal, with turbines and turbo-propellers accounting for the largest segment of manufactured goods sales. For the year 1992, wheat was Canada's top export to Brazil at \$248.4 million (\$148.5 million in 1991), while sales of advanced technology (X-ray, chemical analysis, data processing and telecommunications equipment, and animal genetics) increased in response to Brazilian government trade liberalization measures.

Since early in 1990, the Brazilian government has instituted a series of trade liberalization reforms which have had a significant impact on Brazil's international trade. In addition to measures aimed at boosting Brazilian exports, the long-protected domestic economy is gradually being opened up to international competition. Import bans that affected about 1,800 products have been lifted, and "market reserves" on computer software and hardware were ended. Red tape and restrictions on hard currency payments to foreigners have been eased, and the Law of National Similars was repealed. This law prohibited the importation of any product for which a Brazilian-made similar could be found. Tariff rates are being reduced at an accelerated pace. By January 1994, the highest tariff will be 35% and the average rate will be 14.3%, compared with January 1992 levels of 65% maximum and 21% average.

As a result of these trade liberalization measures, Canadian exports increased by about 25% between 1990 and 1991, and maintained the new level in 1992. The upward trend was again apparent in the first quarter of 1993 when Canadian exports increased by 8% above the level attained in the first quarter of 1992. The outlook is also positive for exports in sectors such as telecommunications, transportation, oil and gas, pulp and paper, electronics, biotechnology and the environment.

Other areas subject to reform include: foreign investment laws, patent and trade mark licensing procedures, foreign royalty and dividend remunerations, technology transfer and import licensing procedures, and state monopolies/subsidy programs (notably in the steel, informatics, agriculture, aircraft and telecommunications sectors).

Canadian registered investment in Brazil is approximately \$US 2.4 billion making Brazil the third largest recipient of Canadian investment abroad, after the United Kingdom and the United States. Canadian-controlled assets in Brazil are, however, estimated to be considerably higher, probably in the order of \$US 4.0 billion. Brazil ranks third (behind the United Kingdom and the United States) among destinations of Canadian investment abroad. Canada accounts for nearly 6% of total foreign investors in that country.

Brazil, Argentina, Paraguay and Uruguay have agreed to establish, by 1 January 1995, a Common Market of the Southern Cone (MERCOSUL) which will result in substantial reductions in tariffs and non-tariff barriers to trade between its member countries. The Mercosul concept evolved from the Act for Argentine-Brazilian Integration which the two countries signed in July 1986. Late in 1990, Uruguay and Paraguay became involved in the process, but will have one extra year to remove their product exemptions from Mercosul's global, linear and automatic tariff reduction schedule.

The Canadian and Brazilian business communities maintain close relations through, for example, the Brazil-Canada Chamber of Commerce and its Brazilian counterpart, the Camara de Comercio Brasil-Canada. These organizations hold regular events designed to stimulate trade and investment. It is through channels such as these that both Canadian and Brazilian companies have been successful in concluding joint ventures and transfers of technology agreements in a wide range of sectors.

**CANADA-BRAZIL EXPORT/IMPORT STATISTICS**  
**January to March, 1993 (\$,000 Cdn)**

EXPORTS TO BRAZIL	1992*	1993*
Wheat	39,975	48,440
Parts of electrical apparatus for line	1,370	15,615
Newsprint	13,990	14,730
Turbo-Propellers	1,100	8,990
Potassium Chloride	7,980	7,690
Bituminous Coal	22,370	7,315
Chemical Wood Pulp	5,410	5,920
Malt	0	3,590
Articles of Rubber	2,140	2,990
Sulphur	17,100	9,800
Sub-Total	111,435	125,080
Others	21,085	17,800
<b>TOTAL EXPORTS</b>	<b>132,520</b>	<b>142,880</b>

IMPORTS FROM BRAZIL	1992*	1993*
Footwear	22,215	23,450
Fruit Juices	25,710	20,370
Cocoa and Chocolate	3,680	7,900
Coffee	12,520	6,220
Yarn and Fabric	6,490	5,970
Aluminum	7,995	5,760
Clothing	6,015	5,640
Petroleum	0	5,320
Radio Receiver	2,780	4,710
Fruits and Nuts	4,230	4,085
Sub-Total	91,635	89,425
Others	80,795	77,115
<b>TOTAL IMPORTS</b>	<b>172,430</b>	<b>166,540</b>

Source: Statistics Canada, Merchandise Trade Statistics

\* January to March only

## CANADA-CHILE TRADE

Two-way Canadian-Chilean trade has experienced steady and substantive growth over the past eight years, from a total of \$202.4 million in 1983 to a high of \$347.1 million in 1992. During that same period, Canadian exports of motor vehicles & parts as well as wheat, pulp & paper machinery and iron & steel products increased by several hundred percent. Traditionally, Canadian companies shipped primarily resource products to Chile; however, as the 1990 trade figures indicated Canadian forestry and mining equipment have enjoyed a strong market.

Canadian investment in Chile is valued at over \$2 billion. The bulk of these funds are located in the mining sector, where it is estimated that a total of \$1.7 billion has been invested by Canadian firms -- chiefly in mine development. Translating this investment into a discernible trend in mining equipment and services purchases from Canada is as yet not evident, although significant opportunities exist in this area.

The Central Bank of Chile's reserve requirement of 20% for one year for all foreign investment continues to be a mild irritant for investors, as is the stamp tax placed on investments of approximately 0.1% per month to a maximum of 12 months or 1.2%. Nevertheless, Chile's robust economic record of an average of 5% real growth per annum for nine straight years plus stable politics and rich natural resources, means foreign investment will continue to increase.

On investment protection, the substantive holdings of Canadian investment in Chile -- which is unfortunately not listed as Canadian by the Chilean authorities -- has placed a priority on addressing possible bilateral instruments to protect more effectively these investments in the medium to long-term. Currently investment in Chile is eligible for foreign investment insurance from the Export Development Corporation (EDC). EDC also has a number of trade financing lines of credit (two with Chilean banks and one with CODELCO -- Chile's state owned copper producer). An agreement of the avoidance of double taxation has been authorized but not yet signed. High priority has also been given to negotiating with Chile to facilitate better investment and to protect Canadian private sector interests.

Canadian commercial objectives centre on the Chilean mining, forestry, power generation, communications and environmental sectors. Not only do Canada and Chile's resource-based economies have much in common, Canada enjoys an excellent reputation as a sophisticated supplier, which enhances the potential for goods and services sales and technology transfer. Indications are that the Chilean-Canadian commercial relationship will continue to expand. The limitations of Chile's relative small population of 14 million and geographic distance from Canada, can be overcome when one considers the possibilities Chile offers as a base for third country operations as well as the sophisticated industry and rich resource base enjoyed by that country. It is interesting to note that in 1991 and 1992, record breaking numbers of Canadian firms attended Chilean trade fairs focused on forestry, aerospace and mining. CIDA's Industrial Cooperation Division also has a very active program to support technology transfer and Chile-Canada Joint Ventures.

Both countries have recently made commitments toward a number of cooperative pacts and joint endeavours. In June 1991, a *Memorandum of Understanding (MOU)* was signed to establish a Chile-Canada Joint Economic and Trade Council. The first meeting of the Joint Council on Commercial Relations and Investment with Chile was held in Santiago in April 1992. Last October, a team of Chilean negotiators visited Ottawa to discuss a number of bilateral and multilateral trade and environment issues. And just last April, the Honorable Michael Wilson, Minister of International Trade & Industry, Science and Technology led a trade mission to Chile and Argentina of 55 Canadian manufactures and service companies, represented by over 85 business leaders.

Several sectors have already begun the process towards greater cooperation: the *Canadian Manufacturers Association (CMA)* and *SOFOPA (the Chilean equivalent)* have established a formal relationship and a high-level CMA mission was in Chile in September 1992; *CANMET of Energy, Mines and Resources Canada* and *CIMM (the Chilean mining and metallurgy institute)* signed an MOU in August 1991 to pursue cooperative research in mining technology; the *Pacific Research Centre of Forestry Canada* and *INFOR (the Chilean forestry research institute)* have begun a seed exchange program; and the *Canadian Centre for Remote Sensing of Energy Mines and Resources Canada* and the *Instituto Geografico Militar (Chile's cartographic agency)* intend on signing an MOU on technical exchanges in the near future.

Currently Canada has no trade irritants with Chile. The Chilean economy is remarkably open and has been called an economic model for Latin America by the IMF. The generalized import tariff is set at 11% CIF and there is an 18% sales tax.

**CANADA-CHILE EXPORT/IMPORT STATISTICS**  
January to March, 1993 (\$,000 Cdn)

EXPORTS TO CHILE	1992*	1993*
Contractors Equip.	10	4,680
Potassium Chloride	0	4,570
Parts of Electrical Apparatus for line	110	4,500
Molybdenum	640	3,730
Bituminous Coal	3,665	2,700
Asbestos	1,150	1,180
Parts of Cranes	420	1,060
Vacuum Pumps	0	670
Sub-Total	5,995	23,100
Others	16,225	15,580
<b>TOTAL EXPORTS</b>	<b>22,220</b>	<b>38,680</b>

IMPORTS FROM CHILE	1992*	1993*
Grapes	42,080	45,250
Other Fruit	16,920	17,210
Copper	0	15,290
Grape Wines	3,360	4,570
Flours, Meals and Pellets of Fish	1,510	4,000
Gold Compounds	0	2,410
Sugar Confectionery	20	860
Footwear	1,110	700
Sub-Total	64,990	90,290
Others	7,290	6,200
<b>TOTAL IMPORTS</b>	<b>72,280</b>	<b>96,490</b>

\* January to March only.

Source: Statistics Canada, Merchandise Trade Statistics

## CANADA - COLOMBIA TRADE

Canada's trade relationship with Colombia is one of its most successful in South America. On a regional basis, Colombia is Canada's fourth largest export market and one of the most promising in all of Latin America. The full potential of this bilateral trade, however, has yet to be realized, due in part to an ambitious economic liberalization and privatization program where specific opportunities are still being defined.

Two-way trade between Canada and Colombia grew slowly during the 1970's but achieved a new high of \$357 million in 1987, only to decline to \$273 million in 1991. However, we have noticed an increase in 1992 of 32% to \$359 million from 1991.

Over the three year period from 1989 to 1991, Colombian exports to Canada declined each year, from \$157.3 million to \$137.0 million. Canadian exports over the same period fluctuated from \$164 million in 1989 to \$191 million in 1990 to \$137 million in 1991 and then increased by 67% to \$229 million in 1992. Statistics for the first three months of 1993 show a 62% increase over the same period in 1992, mostly due to sharp increases in sales of wheat, bars & rods, newsprint, asbestos and parts of gas turbines.

In 1992, coffee accounted for approximately 42% of Colombia's exports to Canada. The mix of Colombian exports to Canada is diversifying. Colombia's second most important exports to Canada are bananas and plantains, which recorded totals of \$15.4 million in 1988 and of \$20.3 million in 1992. Crude oil and cut flowers are becoming increasingly prominent in Colombia's shipments to the north. Other notable additions to the Colombian export list have been articles of clothing, towels, cotton and cotton fabrics.

Canadian exports to Colombia have traditionally been dominated by wheat and newsprint. These two commodities accounted for 46% of Canada's 1992 exports. Wheat sales have decreased since 1986 but surged in 1992 after the privatization of wheat purchasing in Colombia.

In 1991, Colombia imported 9.8% of Canada's annual South American exports. During the same time period, Canada's average imports from Colombia represented approximately 7.2% of that country's total exports.

The Canadian Government has recognized the growth potential of the Colombian market. Canada's Export Development Corporation (EDC) negotiated a \$10 million line of credit with *ECOPETROL*, Colombia's national petroleum company. EDC currently has a \$45 million line of credit in place with *CARBOCOL*, the national coal company, and is interested in supporting additional projects and export transactions directly or through its already established lines of credit, including one with the Andean agency, CAF, based in Caracas, Venezuela.



Agriculture Canada and the Canadian International Development Agency (CIDA) have entered into technical cooperation agreements with Colombia. CIDA is sponsoring Canadian petroleum experts to *ECOPETROL* and has a line of contributions with the same national firm.

From the Canadian perspective, Colombia is a market of great size, sophistication, and economic vitality. Opportunities for expansion of bilateral trade abound. Over the past several years, the pursuit of major infrastructure projects by Canadian business has expanded from hydroelectric power, mining and gas transmission to railway transportation, rural telecommunications and thermal power.

Canada continues to work actively to promote the export of high-technology, value-added products to the Colombian market. A stable, well-managed local economy augurs well for increased market penetration in the mid 1990's. However, the unstable security situation in Colombia continues to warrant caution when travelling to the country.

Colombia is actively trying to attract foreign investment in its fast developing petroleum, mining, industrial, transportation, communications and tourism sectors. A number of Build-Own-Operate-Transfer (B.O.O.T.) projects are being proposed.

Canada and Colombia are working towards the negotiation of Foreign Investment Protection and Double Taxation Agreements.

**CANADA-COLOMBIA EXPORT/IMPORT STATISTICS**  
**January to March, 1993 (\$,000 Cdn)**

EXPORTS TO COLOMBIA	1992*	1993*
Wheat and Meslin	0	15,440
Newsprint	6,050	9,370
Bars and Rods	0	3,090
Asbestos	640	1,920
Parts of Gas Turbines	10	1,820
Potassium Chloride	2,090	1,480
Helicopters	0	1,315
Copper Wires	0	1,210
Gas Powered Trucks	510	1,110
Printing Machinery	0	1,090
Sub-Total	9,300	37,845
Others	20,680	10,725
<b>TOTAL EXPORTS</b>	<b>29,980</b>	<b>48,570</b>

IMPORTS FROM COLOMBIA	1992*	1993*
Coffee and Extracts	14,460	15,930
Bananas	4,730	10,550
Cut Flowers and Flower Buds	4,930	7,730
Fungicides	380	1,100
Articles of Clothing	1,970	690
Footwear	284	420
Table, Toilet and Kitchen Linen	1,310	360
Yarns and Fabrics	837	290
Low Value Imports	272	280
Sugar Confectionery	108	220
Sub-Total	29,281	37,570
Others	2,399	1,530
<b>TOTAL IMPORTS</b>	<b>31,680</b>	<b>39,100</b>

\* January to March only

Source: Statistics Canada, Merchandise Trade Statistics

## CANADA - ECUADOR TRADE

Canadian exports to Ecuador showed a remarkable growth from \$4.4 million in 1988 to \$68 million in 1992. Ecuadorian exports to Canada also increased in this period from \$8.5 million in 1988 to \$108 million in 1992. Canadian firms have remained active in the market, particularly in projects related to petroleum exploration, mining, power transmission and telecommunications. Ecuadorian exports decreased by 28% in 1992 compared with 1991 while Canadian exports increased by 54%.

Ecuador's principal exports to Canada include bananas, shrimp, petroleum oils and cocoa beans. Canada's major exports to Ecuador include wheat, newsprint, paper, barley and malt, sodium triphosphate, rubber and aluminum and zinc products.

In spite of the economic difficulties, Ecuador is a market in which Canadian firms have identified significant export opportunities. Canada is confident that, with stable oil prices, and successful economic reforms, bilateral trade will continue to increase.

In the last few years, bilateral trade between Canada and Ecuador has steadily increased. The reason for this are twofold: first, a more stable political situation and economy in Ecuador favourable to trade and investment as exemplified by new investment, in addition to new mining, oil and gas laws; second, a diversification from sole reliance on oil and gas to mining and in shellfish farming.

**CANADA-ECUADOR EXPORT/IMPORT STATISTICS**  
**January to March, 1993 (\$,000 Cdn)**

EXPORTS TO ECUADOR	1992*	1993*
Wheat and Meslin	10,250	4,800
Newsprint	2,795	1,325
Paper	1,340	710
Rubber	485	540
Staple Fibres of Polyesters	0	540
Sodium Triphosphate	370	450
Sub-Total	15,240	8,365
Others	7,205	2,645
<b>TOTAL EXPORTS</b>	<b>22,445</b>	<b>11,010</b>

IMPORTS FROM ECUADOR	1992*	1993*
Petroleum Oils	0	17,220
Bananas	21,730	16,940
Shrimps	6,710	6,540
Cocoa and Chocolate	1,330	680
Cut Flowers and Buds	190	560
Fruits -Other then bananas	560	222
Sub-Total	30,520	42,162
Others	810	428
<b>TOTAL IMPORTS</b>	<b>31,330</b>	<b>42,590</b>

\* January to March only

Source: Statistics Canada, Merchandise Trade Statistics

## CANADA-PARAGUAY TRADE

Canada's bilateral trade with Paraguay during the 1980s and into the 1990s has been modest in volume. The total two way trade in 1991 amounted to \$2.2 million and to \$4.9 million in 1992, representing an astounding 45% increase. By March of 1993, Canadian exports to Paraguay have already totalled \$1.6 million, compared to \$0.3 million for the same period in 1991. This variation is due primarily to the growth of Canadian exports to Paraguay.

Paraguay's exports to Canada are dominated by coffee; it is the dramatic decline in this commodity that has been responsible for the sharp reversal witnessed in the balance of trade between the two countries. In 1986, Paraguay shipped \$6.2 million worth of coffee to Canada; just two years later that figure had fallen to \$1.8 million.

Leather, meat and fish extracts, juices, chinawood oil or tung oil and tea complete the list of Paraguay an exports to Canada.

In 1992, the principal Canadian export items to Paraguay included telephone equipment (\$0.34 million); woven fabrics (\$0.25 million); and parts and accessories of chain saws (\$0.2 million).

Traditionally Canada-Paraguay trade has been modest, given the limited contact between our two countries. Canada has been endeavouring to foster more trade links with Paraguay to respond better to emerging market opportunities.

**CANADA-PARAGUAY EXPORT/IMPORT STATISTICS**  
**January to March, 1993 (\$,000 Cdn)**

EXPORTS TO PARAGUAY	1992*	1993*
Graders and Levellers	0	354
Video Games	0	296
Art. Funfair, Games	0	275
Parts of Hydraulic	0	194
Flat Rolled Product	0	188
Sub-Total	0	1,307
Others	250	273
<b>TOTAL EXPORTS</b>	<b>250</b>	<b>1,580</b>

IMPORTS FROM PARAGUAY	1992*	1993*
Twill Weave Cotton Fabrics	0	191
Leather	0	112
Maté	0	39
Tung Oil	65	0
T-Shirts	52	0
Sub-Total	117	342
Others	13	3
<b>TOTAL IMPORTS</b>	<b>130</b>	<b>345</b>

\* January to March only

Source: Statistics Canada, Merchandise Trade Statistics

## CANADA - PERU TRADE

Canada-Peru bilateral trade in the 1980's was marked by fluctuations resulting from both domestic and international economic factors. The annual volume of trade between Canada and Peru has ranged from \$150.4 million in 1988 to \$183.6 million in 1992.

Peru's major exports to Canada in recent years have consisted of ores and concentrates of silver, lead, zinc, precious metals, coffee, and cotton (both yarns and fabrics), as well as wool fabrics. This mixture of commodities represents approximately 93% of Peru's sales to Canada.

Canadian exports to Peru during this period have included wheat, asbestos, milk, peas, telecommunications equipment, pharmaceutical products, tire cord fabrics, lentils and wood pulp. Canadian firms have also been active in the mining, hydroelectric and telecommunications sectors. Certain exports, such as wheat have fallen from a high of \$48 million in 1987 to \$9 million in 1990, bouncing back to \$23 million in 1991. Others, such as, newsprint exports remained relatively steady over the same period totalling approximately \$8 million in 1992.

Canada has had a long history of contributing to Peru's economic development. Canadian firms financed and built the Tintaya copper mine, assisted in the development of major electrical transmission lines and central telephone exchanges, and worked with Petroperu on major oil and gas exploration initiatives.

The serious economic difficulties which Peru experienced in the last few years have impinged on its international trade relations. Canada-Peru bilateral trade however remains strong, diverse and important to Canada's commercial linkages with Latin America. Peru now has what can be described as one of the best investment regime in South America. It has a large reservoir of undeveloped natural resources which offer enormous potential; private investors are welcome in all sectors of the economy.

Peru has also embarked on a major program of privatization of state enterprises. Already, major concerns in mining, oil and gas, and transportation have been sold to private investors. Other enterprises which will be sold in the course of 1993 include the telephone and electrical companies, and several mining interests. Exports from Canada to Peru have grown steadily since 1989 from a low of \$56.6 million to \$88.5 million in 1992. These prevailing facts are encouraging for the increased development of bilateral trade.

**CANADA-PERU EXPORT/IMPORT STATISTICS**  
**January to March, 1993 (\$,000 Cdn)**

EXPORTS TO PERU	1992*	1993*
Copper	0	8,770
Parts of Electrical Apparatus for Line	20	5,200
Tire Cord Fabric	560	960
Lentils	1,070	510
Asbestos	590	505
Hair Shampoo	140	455
Rape, Colza or Mustard Oil	3,250	440
Tobacco	80	350
Polyethylene	60	310
Sub-Total	5,770	17,500
Others	8,630	2,645
<b>TOTAL EXPORTS</b>	<b>14,400</b>	<b>20,145</b>

IMPORTS FROM PERU	1992*	1993*
Gold in Unwrought Forms	15,010	8,980
Silver Ores & Concentrates	950	1,520
Cotton Yarn & Fabrics	1,910	1,500
Coffee	1,120	1,430
Woven Fabrics of Wool•Animal Hair	510	880
Articles of Clothing	650	700
Lead Ores & Concentrates	0	400
Fruits & Nuts	300	340
Cut Flowers & Buds	200	230
Sub-Total	20,650	15,980
Others	2,860	820
<b>TOTAL IMPORTS</b>	<b>23,510</b>	<b>16,800</b>

\* January to March only

Source: Statistics Canada, Merchandise Trade Statistics



## CANADA - URUGUAY TRADE

Canada-Uruguay trade links, although modest in volume, date from the post-war era.

Bilateral trade between the two countries reached \$65 million in 1990, but fell to \$33 million in 1991 and slightly more in 1992 (\$32.4 million). Uruguay's low growth rate averaging at 1.3% over the last three years and depressed prices for Uruguay's main commodities exports may explain this trade pattern. Canada's imports consist mainly of leather, woven fabrics, ceramics and oranges, while its exports embody newsprint, polyethylene and potatoes. Primary exports to Uruguay included polyethylene and related products, food products, newsprint and yarn. Exports in 1992 totalled \$11.9 million. In part, bilateral trade has been limited by the lack of complementarity of the economic structures of the two countries. Future opportunities for Canadian exporters will include specialty areas such as agri-food, mining and forestry.

Uruguay's modernization efforts are visible through two major endeavours: the first is the ratification of the Mercosur Agreement with Paraguay, Brazil and Argentina. The MERCOSUR is the southern cone economic-commercial union that aims to reduce tariff and duties to zero by December 31, 1994 with an extra year being granted to Uruguay and Paraguay. The second is the privatization bill which will likely impact on their airline, telephone, utility and ports industries.

Canada will assist Uruguay in its objective to modernize and industrialize its economy. In so doing, Canada will develop potential opportunities for the export of Canadian goods and services through the transfer of technology and joint ventures. In 1991, Canada signed a Foreign Investment Protection Agreement with Uruguay, its first in Latin America.

Canada is confident that the provisions of such agreements will lead to an expansion of trade opportunities for both countries and sustainable long-term growth in bilateral trade.

**CANADA-URUGUAY EXPORT/IMPORT STATISTICS**  
**January to March, 1993 (\$,000 Cdn)**

EXPORTS TO URUGUAY	1992*	1993*
Patatoes Seeds, fresh or chilled	1,130	1,390
Newsprint	0	960
Yarns & Fabrics	200	470
Cigarettes	0	560
Patatoes, fresh or chilled	700	360
Low Value Export Transactions	30	130
Sub-Total	2,060	3,870
Others	1,430	980
<b>TOTAL EXPORTS</b>	<b>3,490</b>	<b>4,850</b>

IMPORTS FROM URUGUAY	1992*	1993*
Leather & Articles of Leather	1,830	2,510
Woven Fabrics pf Wool • Animal Hair	1,290	1,200
Seeds	220	420
Tiles & Ceramics	325	230
Apparel & Clothing Access. of Furskin	20	70
Needles, Catheters, Cannulae	80	60
Sub-Total	3,765	4,490
Others	545	190
<b>TOTAL IMPORTS</b>	<b>4,310</b>	<b>4,680</b>

\* January to March only

Source: Statistics Canada, Merchandise Trade Statistics

## CANADA-VENEZUELA TRADE

Venezuela was among foremost Latin American countries in terms of economic performance in the last three years. After a recession in 1988-89, the Gross Domestic Product increased by 5.3% in 1990, 9.2% in 1991 and 7.3% in 1992. Local inflation remains high. Despite Venezuelan government's resolve in 1991 to lower the inflation rate to 15-20%, the rate remained at 30-35% in the last two years. The freely convertible currency, the bolivar, has appreciated by about 3% in 1992 despite continuing devaluations versus the US dollar.

The economy is fuelled mainly by heavy outlays in the petroleum sector. The oil sector accounts for 28% of the country's GDP (and 80% of its exports value), manufacturing for 15%, services for 45% and agriculture 5%. **Trade liberalization caused imports to explode in 1991 and 1992.** The balance of payment posted a US\$ 3.7 billion deficit in 1992 caused by a US\$ 0.8B decrease in exports and a US\$ 2.3B increase in imports. However, Venezuela can easily finance its current-account deficit with a \$1.5B net capital inflow in 1992.

The government's deficit, a record 7% of GDP in 1992, induced a reduction of government spending, firmer tax collection and financial constraints imposed on Petroleos de Venezuela (PDVSA). PDVSA's expansion plans valued at US\$48 billion will spread over 7-8 years. These will be financed partly from external sources, in part by Canada's Export Development Corporation line of credit being doubled to \$50 million. In 1992, PDVSA's external financing accounted for 80% of the country's borrowing of \$US 2.75B.

During the 1970's, trade between Canada and Venezuela more than quadrupled due primarily to the global increase in petroleum prices. Total bilateral trade peaked in 1981 at \$2.9 billion. The trade surplus, which Venezuela has traditionally enjoyed with Canada, declined during the past decade, from a high of \$1.8 billion in 1982 to a low of \$91 million in 1988. The trade balance in Venezuela's melted to \$9.5 million in 1992.

Two-way trade between Canada and Venezuela amounted to \$660 million in 1992, down from the \$782 million posted in the previous year. Canada's exports which had ended 1991 with a strong 30% increase over 1990 to \$300 million finished 1992 with a 8% increase to \$325 million. Major Canadian exports include wheat, newsprint and wood pulp, parts of motor vehicles and of gas turbines, potatoes and pulses and products of iron and steel. Venezuelan exports to Canada continued their downslide, decreasing by 31% compared to the previous year. This was caused by serious downfalls in exports of petroleum and steel products.

Canada's penetration rate of Venezuela's import market is low at about 3%. The potential for Canadian primary materials remains important. However, the potential for enhanced trade of machinery and equipment, Venezuela's main import ticket sector valued at US\$3 billion, is being targeted. Expert services also face a promising potential through joint ventures. Market penetration by Canadian goods and services in Venezuela has slightly improved but is still considered lagging compared to its major competitors.

Venezuela did liberalize its import regime when it joined the GATT in 1990. Venezuela further simplified and eased its import trade in March 1992 when it adopted a four-step tariff schedule 5-20% depending on degree of manufacture. The previous requirement of import licences has now lapsed, except for food products.

Canadian companies are well positioned to take advantage of these new opportunities in Venezuela. Venezuela is diversifying its economy especially in the resources based sectors, is improving (and continues to privatize) its telecommunications and transportation networks and is developing its light industry. Construction is booming. Apart from PDVSA's ambitious seven year oil and gas expansion program, ambitious plans exist for the agriculture, mining, tourism, health and environment sectors.

The Canadian government has planned for 1993/94 an important trade promotion programme into Venezuela. Promotions in terms of organizing trade fairs and missions are principally aimed at the agriculture and food products, environmental equipment and services, oil and gas equipment and services, high technology (telecommunications and informatics) and packaging, mining and metallurgical equipment and services. Other government agencies and provinces are also planning promotional activities in the agriculture, oil and gas and engineering sectors.

External Affairs and International Trade Canada organized in January 1993 its largest trade promotion ever held in South America. Canada Expo '93 celebrated the bilateral partnership in industrial development. Initiated by private initiatives, projects get support from government programs. An impressive number of 135 Canadian exporters in the petroleum, packaging, plastic, mining, telecom, informatics and environment sectors showed their products and services. The next major event held in Caracas consisted in a national pavilion at Comexpo'93 Telecom show in May.

Next promotional events include national pavilions at the Second International Food Show in Caracas in July and at Inforven'93 and VI Packaging exhibitions in late September. The Commercial section of the Canadian Embassy in Caracas also plans to participate in various local events, particularly in the oil and gas, industrial, agricultural mining and health care fields. The major planned market survey is the oil and gas industry review and market potentials to be issued by the Embassy in late Summer 1993.

**CANADA-VENEZUELA EXPORT/IMPORT STATISTICS**  
**January to March, 1993 (\$,000 Cdn)**

EXPORTS TO VENEZUELA	1992*	1993*
Wheat	15,520	16,685
Motor Vehicles and Parts	5,900	11,720
Newsprint	7,600	10,700
Potatoes	2,340	6,250
Wood Pulp	5,160	5,220
Peas, Beans and Lentils	3,280	2,500
Sub-Total	39,800	53,075
Others	24,880	16,445
<b>TOTAL EXPORTS</b>	<b>64,680</b>	<b>69,520</b>

IMPORTS FROM VENEZUELA	1992*	1993*
Petroleum	64,220	71,550
Phthalic Anhydride	380	1,045
Motor Vehicle Parts	890	1,970
Fruits	150	501
Balls	0	380
Sub-Total	65,640	75,446
Others	1,410	879
<b>TOTAL IMPORTS</b>	<b>67,050</b>	<b>76,325</b>

\* January to March only

Source: Statistics Canada, Merchandise Trade Statistics

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