

Statement

Department of
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Discours

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CHECK AGAINST DELIVERY

Speaking notes

for the Honourable Pat Carney,

Minister for International Trade,

to the Canadian Council for the Americas

Chateau Laurier, OTTAWA

February 3, 1988.

Minister for
International
Trade

Ministre du
Commerce
extérieur

Canada

Thank you. It is indeed a pleasure to be here today and to have the opportunity to address this forum organized by the Canadian Council for the Americas. I am very happy to see the reemergence of a broadly based business association with strong interests in the Caribbean and Latin America and we look forward to working closely with you.

I am particularly pleased to see the support and participation on your board of directors of representatives of the Canadian Exporters' Association, the Canadian Importers Association and the Canadian Chamber of Commerce which is also acting as your secretariat. My department is prepared to work closely with you to broaden our relations and expand our trade in the region.

Today's meeting is a welcome initiative and we look forward to an on-going dialogue with you. As a good neighbour in this hemisphere, Canada has a natural political and economic stake in Latin America and the Caribbean.

Current debt problems notwithstanding, the region's economies are dynamic with potential for growth. Latin America and the Caribbean represents a total merchandise import market of \$110 billion. In absolute terms, Canada's exports to the region in 1986 were in excess of \$3 billion - representing a 2.7 percent share of the total regional market - a very solid performance in comparison with our 1.5 percent share of worldwide markets, other than the United States.

Our exports to Brazil alone exceed our exports of goods and services to Australia, India, or Saudi Arabia. Markets in Mexico, Colombia, Venezuela, Cuba, Chile, Puerto Rico and Argentina also offer significant potential for Canadian exporters.

Overall, Latin America and the Caribbean account for approximately 12 percent of our total exports to markets outside the United States. However, this figure does not fully reflect the region's real significance for Canadian companies in selected sectors. For example, energy development, transportation, telecommunications, mining, and agriculture are areas where current needs correspond with Canadian capabilities and expertise. It is important to note also that the Latin American and Caribbean region has proven to be an extremely successful market for the Canadian consulting services industry.

Canadian consulting engineers have in recent years designed and built gas pipelines in Colombia, mining facilities in Peru and Chile, hydroelectric generation and transmission facilities in Argentina, Venezuela and Colombia. They are currently leading candidates for the design and construction of major transport and forestry projects in Latin America.

Canadian companies, many represented here today, recognize the importance of this market and are successfully pursuing opportunities there. Businessmen and women have been able to deal with undeniably serious financing problems in parts of the region. I am pleased to say in this regard that you have been aggressively pursuing export and joint venture opportunities as well as approaches involving countertrade and barter.

A recent survey we undertook in conjunction with our embassies and consulates produced a listing of more than 1500 Canadian firms which have concluded agreements with local agents or distributors in the region. This list is not exhaustive. Latin America and the Caribbean also rank as the favorite destination after the U.S. for Canadian direct investment. Canadian investment in Brazil alone amounts to \$1.5 billion.

Turning now to Government Initiatives, the Government of Canada has been actively supporting the marketing efforts of our exporters in Latin America and the Caribbean.

Most visible perhaps is our Trade Fairs and Missions Programme. It has enabled us to introduce numerous new Canadian exporters to the region, while maintaining our market position in key sectors of Canadian capability. Last year the Department of External Affairs introduced 421 Canadian firms to the region in 61 events, resulting in on site sales of \$4.5 million, with a forecasted possibility of \$192 million follow-on sales within a year. Our PEMD programme has been redesigned to better accommodate Canadian firms not previously covered by the programme - including small businesses, non-profit organizations and trading houses.

Canadian companies investigating industrial cooperation opportunities in the region, have found a strong ally in CIDA's industrial cooperation program.

Although Canada's ties with Latin America were founded on trade and investment links, we know that commercial relationships do not grow in a vacuum and can in fact flounder without a strong political relationship. Indeed, positive political relations can be indispensable in creating the receptive environment that is so vital in today's highly competitive world. We place significant importance on supporting and promoting political stability, peace and security in the region. It is through economic growth, investment and trade that we can achieve this objective.

We have also placed special emphasis in recent years on developing and expanding our bilateral political relations, ensuring that we have regular exchanges at all levels. We are currently consulting with our colleagues in the region on vital issues such as debt, the new MTN round, the world crisis in the agricultural trade sector and on global trade issues.

Indicative of the importance we assign to the region is the number of visits to Latin America by senior Canadian ministers. These have included the visit by the Right Honourable Joe Clark to Venezuela, Argentina and Uruguay in September 1986; the visit by the Honourable John Wise to Mexico in the fall of 1986; the Honourable Marcel Masse's visit to Colombia, Venezuela and Mexico in April of 1987; and the recent visit to Bolivia by the Honourable Jake Epp. Finally, the Right Honourable Joe Clark visited the five countries of Central America in late November of last year.

It is not my intention to inundate you with facts and figures. Suffice it to say that Latin America and the Caribbean region represents a major long term market for Canada and through events such as this conference and efforts of business persons such as yourselves we can strengthen our commercial links with the region and realize a larger share of this market.

I am particularly pleased with the progress achieved by the Council for the Americas since its recent inception. The Council can serve as an important voice for the views and concerns of a broad and expanding segment of the Canadian business community. It is our hope that you can establish a dialogue and a close working relationship with your members and your colleagues in the private sector. We ask you to inform us of their specific interests and concerns with respect to their business activities in your region. We also plan to consult with you on the broader policy issues affecting our trading relationship.

We are looking to the Council to provide an added and necessary dimension to the social, political and economic contacts that are made between government officials on the one hand and individual buyers and sellers on the other. The Council is a tangible sign of Canada's ongoing interest in and concern for our Latin American neighbours.

I congratulate you on your achievement in founding the Canadian Council for the Americas and wish you success in your future endeavours.