



Overview of Latin America and the Caribbean

Updated December 2010

The Canadian Trade Commissioner Service presents
a Global Commerce Strategy Priority Market

From resource-rich South America to the resorts of the Caribbean and Central America, Latin America and the Caribbean is a vast and diverse market.¹ In recent years, economic and legal reforms have helped create a more predictable environment for commercial engagement. Global direct investment is flowing to the region, a reflection of its growing significance as home and host to multinational corporations. In fact, foreign investment has been a significant driver of rapid development in the telecommunications sector, which in turn is expected to help raise productivity and living standards throughout the hemisphere. Growing trade with Asia is also providing strong incentives for investment in innovation and infrastructure. Commercial opportunities for Canadian business are plentiful and wide ranging. In Central America and the Caribbean, for example, the tourism industry and infrastructure projects are creating opportunities for



Lima, Peru

environmental services. As well, the mineral and energy-rich Andean countries are important to Canadian extractive industries and offer strong growth potential for Canadian suppliers of related information and communication technologies and environmental products and services. The Government of Canada and Canadian companies play a key role in the promotion of Corporate Social Responsibility (CSR) in the region. Most recently the Government of Canada has announced a CSR strategy for the Canadian International Extractive Sector.

Commercial Relations, 2009

- Canadian merchandise exports reached \$4.4 billion, while imports reached \$10.3 billion.
- Canadian services exports² were \$2.8 billion in 2007, a significant portion of which was in the form of commercial services provided to the Caribbean. Services exports increased by 10.3 . percent from 2002 to 2007.

Fast Facts

Combined Population (est): 260.7 million (Same IMF Apr 2010)

Combined GDP (est): \$1.7 trillion (Same IMF Apr 2010)

Main Canadian Exports (Millions): Cereals (\$944.7), Machinery (\$703.4), Paper and paperboard (\$357.0), Mineral fuels and oils (\$309.4), Electrical and electronic equipment (\$207.3)

Major Canadian Imports (Millions): Precious stones and metals (\$3.6 billion), Mineral fuels and oils (\$1.5 billion), Fruits and nuts (\$944.8), Mineral ores (\$436.7), Copper and copper articles (\$385.3)

suppliers of building products and construction, and

¹ Unless otherwise stated, all data is for 2009 and expressed in Canadian dollars. All data based on latest available national statistics drawn from a variety of sources, including Statistics Canada, Export Development Canada, Bank of Canada, IMF WEO, UNCTAD.

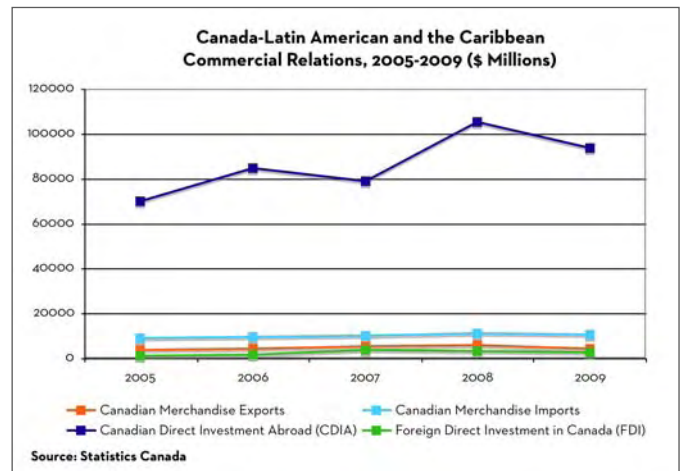
² Services exports to South America, Central America and the Caribbean, excluding Brazil, Mexico and Bermuda.

- Canada is currently a major source of foreign direct investment³, with some \$93.4 billion in holdings at the end of 2009. Extractive industries constitute an important area of Canadian investment in the region.

Market Opportunities

The Government of Canada has identified Latin America and the Caribbean as a GCS priority market—based on extensive consultation with government, academic and Canadian business and industry representatives—and has developed a comprehensive Market Plan that identifies the following sectors as offering clear market opportunities well suited to Canadian capabilities and interests in the region:

- Building Products and Construction:** Specific opportunities for projects, public-private partnerships, and concessions are present in infrastructure projects and value-added products. Tourism projects, notably in the Caribbean, are coming back on track following the recession. Reconstruction in Haiti following the January 2010 earthquake is another important opportunity.
- Electric Power Equipment and Services:** Important opportunities come from the generation and transmission sectors through the sale of equipment and engineering services. The countries of Venezuela, Chile and Peru also offer significant growth potential.
- Environmental Industries:** Argentina, Barbados, Chile, Ecuador, Guatemala, and Trinidad and Tobago rank among the largest markets for Canadian environmental industries. Across the region, commercial opportunities are evident in water treatment, wastewater management (domestic, commercial, industrial, agricultural), solid waste treatment and studies for project sponsors and financiers.
- Information and Communication Technology (ICT):** A broad range of commercial opportunities exist throughout the region in mobile and fixed



telephony, infrastructure, internet provision, specialized software and IT services sub-sectors.

- Oil and Gas Equipment and Services:** While Venezuela's massive oil reserves dominate this market, other countries of note include Cuba, Colombia (large oil and gas reserves), Trinidad and Tobago (world-leading exporter of ammonia, methanol and liquefied natural gas), Ecuador and Guyana.
- Mining and Minerals:** Canadian mining companies have a significant presence in many countries of the region. This provides opportunities for Canadian suppliers of mining-related goods and services.

Government Leadership and Support

The Government of Canada's overarching objective for Latin America and the Caribbean is to help build a more prosperous, democratic and secure hemisphere and boost Canada's presence in the region. Canadian commercial engagement is a key mechanism for achieving this. In addition to the NAFTA (1994), Canada has ratified Free Trade Agreements (FTAs) in the Americas with Chile (1997), Costa Rica (2002), and Peru (2009). Canada recently signed FTAs with Colombia and Panama.

Canada remains committed to concluding ongoing Free Trade Agreement negotiations with, the Dominican Republic, the Caribbean Community and Common Market (CARICOM) and the Central America Four

³ FDI to South America, Central America and the Caribbean, excluding Brazil, Mexico and Bermuda.

(CA4) countries of Guatemala, El Salvador, Nicaragua and Honduras. As these efforts continue, Canadian officials are also working to monitor and influence commercial policies and regulations in favour of Canadian interests. The Canadian Trade Commissioner Service (TCS) will continue to facilitate Canadian commercial engagement in the region by actively promoting two-way trade, investment, and science and technology exchanges and by supporting Canadian investors already active in the region.

Market Access

Canada has a number of bilateral trade and investment policy instruments in place that are helping to facilitate and support Canadian commercial engagement in the region:

- 1976 Canada-Dominican Republic Double Taxation Agreement (DTA)
- 1978 Canada-Jamaica DTA
- 1980 Canada-Barbados DTA
- 1985 Canada-Guyana DTA
- 1993 Canada-Argentina Foreign Investment Promotion and Protection Agreement (FIPA)
Canada-Argentina DTA
- 1996 Canada-Trinidad and Tobago FIPA

- 1997 Canada-Barbados FIPA
Canada-Chile Free Trade Agreement (FTA)
Canada-Ecuador FIPA
- 1998 Canada-Panama FIPA
Central America Memorandum of Understanding on Trade and Investment (Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua)
Southern Cone Common Market (MERCOSUR) Trade and Investment Cooperation Arrangements (Brazil, Argentina, Paraguay and Uruguay)
Canada-Venezuela FIPA
Canada-Chile DTA
- 1999 Canada-El Salvador FIPA
Andean Community Trade and Investment Cooperation Arrangement (Bolivia, Colombia, Ecuador, Peru and Venezuela)
Canada-Uruguay FIPA
- 2001 Canada-Ecuador DTA
Canada-Venezuela DTA
- 2002 Canada-Costa Rica FTA
- 2007 Canada-Peru FIPA
- 2008 Canada-Colombia FTA (signed)
- 2009 Canada-Peru FTA
- 2010 Canada-Panama (signed)

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For further information about Latin America and the Caribbean, visit the Foreign Affairs and International Trade Canada website at www.international.gc.ca or contact the Trade Commissioner Service at 1-888-306-9991.

The Government of [Canada's Market Plan for Latin America and the Caribbean](#) is available on the Virtual Trade Commissioner website at www.tradecommissioner.gc.ca.

Read the Market Sector Reports, prepared by the Canadian Trade Commissioner Service, related to [Latin America and the Caribbean](#).