foreign trade

Department of Industry, Trade and Commerce, Canada

Central America and Panama

Where's the Action?

Take the First Step

December 20/69

In This Issue

In mid-May 1968 we published an issue that concentrated on Central America and Panama. It created so much interest that requests for extra copies came in long after these had disappeared. If this is a true indication of greater Canadian attention to this region, this number should also receive a warm welcome from our readers.

The time seemed to be ripe for concentrating on this area because **on October first the Canadian Embassy in Guatemala City moved into new quarters.** The Commercial Division is now able to invite Canadian businessmen visiting Central America to use this office as their base of operations. For pictures of the offices and of the officers who are waiting to serve you, turn to page 24.

The opening article highlights the main developments in the region within the past year and also in each of the individual countries. It is followed by an outline of the Central American Common Market and of the institutions through which it works. Then we get down to cases as **John Tennant discusses, sector by sector, trading opportunities for Canadian firms.** Some of the illustrations prove that Canadians are already doing business—for example, the arrival of a shipment of Holstein Friesians (page 18) and the picture of the port of Acajutla, where the first phase of an expansion project is almost completed, under the supervision of a Vancouver consulting firm and financed by Canadian aid.

Charles Plaxton of the Electrical and Electronics Branch of the Department went down to Central America in September and travelled throughout the five countries and Panama, studying the present electric power supply and the projected future needs. A shortened version of his report on his three-week trip appears on page 13. Our cover picture shows work going forward on one of the hydroelectric projects completed several years ago—the Guayabo plant in El Salvador. Many more are needed.

The search for photographs to illustrate the articles in this issue involved correspondence with a number of organizations and private firms.
We would like to acknowledge the following photo credits: front cover, World Bank and back cover, Pan American Union; page 3, the Pan American Union; page 5, Standard Oil of New Jersey; page 6, United Nations and United Fruit Company; page 9, the World Bank; page 10, CIDA and the World Bank; page 11, Pan American Union, and page 20, United Fruit.

This issue may not reach our readers until Christmas is over—after all, Santa Claus has priority once a year! We hope, however, that it will arrive in time to convey our best wishes for 1970 to you all.

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Minister without Portfolio

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Central America and Panama

Articles

Departments

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Cash crops like coffee, being dried in a Salvadorian coffee yard, are still the mainstay of the Central American economies.

CENTRAL AMERICA & PANAMA

The five countries of Central America and Panama differ in their degree of development, potential and needs but together make up an interesting market.

S. G. TREGASKES
Commercial Counsellor, Guatemala City

The five countries of the Central American Common Market (Guatemala, El Salvador, Honduras, Nicaragua, and Costa Rica) and Panama in 1967 had a combined population of nearly 19 million, a gross national product of about U.S.$5 billion, and offered an import market of more than U.S.$1.3 billion. Trade between members of CACOM accounted for about one-fifth of the area's imports; four-fifths were imported from outside countries. Of this (approximately U.S. $1 billion) the United States supplied more than 50 per cent, Germany and Japan about 10 per cent each, and Britain, Spain, Italy, Mexico, Netherlands, Sweden, France and Switzerland most of the remaining 30 per cent.

Canada provided less than 1½ per cent of total imports or slightly less than Cdn. $18 million in 1968. Principal exports from Canada were malt, steel products, paper (mainly newsprint), machinery, textiles, pharmaceuticals, chemicals and metals. A wide variety of other Canadian products found a small market in Central America. In 1968 Canada imported from the six countries products valued at $42 million and each individual country in Central America enjoyed a favorable balance with Canada. There is no reason why the Canadian exporting community, with application and cultivation, could not develop a market in Central America at least three to four times larger.

Although the six countries of Central America have many characteristics in common, each is a distinct entity and should be treated as such. Canadian firms wishing to do business in Central America should appoint representatives in each country and not expect one firm in one country to cover the six. Spanish is a common denominator throughout, but there are marked variations in economic and other indices for the six countries. For example, per capita income in 1967 in U.S. dollars was estimated as follows: Panama $510, Costa Rica $421, Nicaragua $370, Guatemala $303. El Salvador $283 and Honduras $227. The literacy rates were: Costa Rica 84 per cent, Panama 55, Nicaragua 50, El Salvador 48, Honduras 45 and Guatemala 38. The average life expectancy in years was: Costa Rica 63, El Salvador 60, Panama 56, Nicaragua 54, Guatemala 49, Honduras 46. Motor vehicles registered in Central America in 1967 totalled more than 250,000.

Central America has experienced a number of natural and manmade disasters in 1969 that have had their effect on the economy of the whole region. Hurricanes in Guatemala and Honduras and torrential rains in El Salvador and Costa Rica damaged the agricultural cash crops on which their economies depend, and to alleviate human misery and rebuild damaged roads, bridges, power stations, sanitation and water purification facilities, etc., has required a diversion of human and material resources. In July an outbreak of hostilities between El Salvador and Honduras caused physical suffering and structural damage and again, a diversion of scarce resources from development purposes. The long-term effects of this enmity between two member countries of CACOM may be to jeopardize seriously the future of the Common Market (see separate article on page 7.) Outbreaks of encephalitis in Guatemala and Honduras have affected the equine population and the disease has been transmitted to humans as well. In Panama the economy is still recovering from the most active political year (1968) in its history and from the military coup in October.

In spite of these serious setbacks, **the six countries continue to show underlying economic strength.** The gross national product of Central America may improve by perhaps 5 per cent this year over 1968, with an import demand from outside countries of close to U.S.$1.1 billion. There is no doubt that export competition from other countries is keen and Canadian companies must devote time and personal effort to studying this market to achieve sales. They must also be prepared to quote c.i.f. prices, to accept small orders, to offer terms of payment that are at least as good as their principal foreign competitors, and to provide service to their customers. (See following articles on a number of specific commodity opportunities.) **Generally, the market in Central America for consumer products is a difficult one,** partly because of the very high rates of duty and the import replacement programs which have encouraged overseas manufacturers of consumer products to set up subsidiary plants within the area. Yet even here desk logic cannot be applied and Canadian manufacturers would be well advised to seek advice on the market potential for their consumer products from the Canadian Embassy in Guatemala. The products and services that seem to us to offer the best opportunities include agricultural equipment (especially for poultry, dairy and livestock operations), dairy and beef cattle, paper products, industrial machinery, telecommunications equipment, educational equipment for primary and secondary schools, road building and maintenance machinery, certain building products and hardware, metals and raw materials, fertilizers, lumbering machinery and equipment, engineering and consulting services, and heavy electrical and mining equipment. The Embassy in Guatemala, which has the responsibility of promoting Canadian commercial interests throughout the six countries, is ready to assist Canadian firms.

WHAT'S THE PICTURE IN...

COSTA RICA

Costa Rica produces hemp and in plants like this one it is made into cordage, sacks, rugs, and other useful products. Much of the machinery used in this factory is locally made.

1. The boom of 1968 has carried over into 1969, at a slightly slower pace; is expected to continue through 1970.

2. Foreign trade in 1969, both imports and exports, may reach a record but torrential rains in September and October have seriously affected several cash crops.

3. Government budgetary position weak and deficit expected in 1969.

4. Exchange position has created delays in obtaining approval from Central Bank to discharge international commercial obligations, but credit reputation of Costa Rican commercial community continues to be one of the best in all Latin America. Liberal extension of credit will continue to be one of prime factors in ability of Canadian exporters to compete with foreign suppliers. Government-sponsored campaign to attract retired U.S. pensioners has succeeded and is providing additional source of U.S. dollars.

5. Building activities at high level, including industrial plants, canneries, road maintenance and expansion, residential and office building, schools, motels and hotels.

6. Mineral and petroleum exploration franchises have been secured or are being sought by several overseas firms.

7. Tourism, growing each year, may experience a boom in 1970 and subsequent years, with encouragement for its development coming from government.

8. Trade with Canada in 1970 likely to expand. In 1968 Costa Rica's exports to Canada totalled $9.7 million, of which bananas contributed $7.6 million and coffee $1.8 million. Canada's exports to Costa Rica in 1968 were valued at $2.8 million and included malt, leather, newsprint, paper products, yarns and thread, steel products, zinc, machinery, communications equipment and office machines.

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EL SALVADOR

Keeping the quality of Salvadorian coffee going to foreign markets high is partly the responsibility of this coffee taster, whose skill has been developed over the years.

1. Smallest country in Central America but one of most heavily industrialized.

2. Economy disrupted by six-day war with Honduras in July. Aftermath is affecting Salvador's economy because some Central American countries, particularly Honduras, are reluctant to purchase Salvadorian products.

3. Credit, which was fairly tight in 1968 and first half of 1969, is becoming increasingly difficult to obtain.

4. The building trades are active in public and private sectors, with emphasis on road maintenance and construction, irrigation and water projects, hospitals and schools, urban renewal projects, new office buildings, and hotels.

5. Economy was given boost in November 1968 through success of Third International San Salvador Trade Fair in which 23 countries participated. Large orders were placed on the spot. The Fair is a biennial event and the next one will be held in November 1970. Canadian firms interested in participating can obtain full details from the Embassy.

6. Building of second jetty in major Pacific port of Acajutla (largely financed by Canadian aid money) continued in 1969. It should be in operation in early 1970.

7. In 1968 El Salvador exported to Canada goods to value of \$3.3 million of which coffee contributed \$3 million and sugar \$226,000. It imported from Canada in 1968 goods valued at \$3.2 million; the principal items were wheat, malt, newsprint and paper products, metals, hardware, electrical parts, electric stoves, textiles, and hospital equipment.

GUATEMALA

These sheep are being herded down a country road in Guatemala; they are raised on pasture in certain regions of the country, though wool does not figure largely in trade.

1. Guerilla terrorist activities lessened through 1968 and the situation has improved further in 1969. An early March 1970 election may tend to slow down the business pace.

2. Emphasis during next few months will be on repairing damage caused by Hurricane Francelia and subsequent torrential rains and floods. The cotton crop was an almost complete write-off and some damage may have been done to coffee and sugar crops. Livestock and poultry lost in flooding must be replaced.

3. Building activity, relatively slow for a number of years, is picking up strongly and plans are under way for several high-rise apartments, hotels and office buildings in Guatemala City and for industrial plants. In the public sector new schools, roads, hydroelectric projects, railway improvements, port expansion and water purification and irrigation programs will be active in 1970.

4. Forecasters anticipate good business conditions in 1970 but a rise in business activity is probable after March election.

5. International Nickel Co.'s subsidiary in Guatemala, EXMIBAL, may be able to activate its $180 million project in 1970, with construction starting not only of mining, processing and power plants but of a modern community and its attendant facilities needed to service the complex.

6. Canadian trade with Guatemala is likely to show good increase in 1970 over 1969, which was about 25 per cent better than 1968.

7. Guatemalan exports to Canada in 1968 were valued at $3.1 million; coffee ($2.4 million), cotton ($250,000) and bananas ($223,000) were the major items.

8. Canadian exports at $2.5 million included malt, asbestos, newsprint and paper products, yarns, threads and textiles, plastic sheet, metal products, electrical apparatus, industrial machinery, business machines, pharmaceuticals.

HONDURAS

Honduras has still to develop a country-wide network of all-season roads and air transportation fills the gap. This plane load is just ready for takeoff at the SAHSA airport at La Ceiba, the banana-shipping port on the Caribbean.

1. Business boom has continued through 1969, dampened down to some extent by the hostilities with El Salvador in July, and the havoc caused by Hurricane Francelia in September.

2. Gross national product in 1969 likely to be at rate of about 7 per cent above 1968 at current prices. Building both in private and public sector is at high rate.

3. Lempira (national currency unit) continues to be one of hardest currencies in world.

4. Earnings from cotton, one of few cash crops, declined in 1969, mainly because of depressed world price and adverse weather.

5. Bananas, contributing about 60 per cent of all Honduran exports, are expected to show a drop in earnings in 1969 because of substantial hurricane damage.

6. Highway construction is important factor in public sector, supplemented by new port construction and expansion, power plant, school construction and grain storage silos. In private sector, housebuilding, hospitals, hotels, new industrial plants and erection of stores and office buildings have continued at a good pace. Increasing attention is being paid to tourism on the secluded Bay Islands on the Caribbean coast. This may be the first stage of substantial exploitation of good beaches on northern shore.

7. Competition in Honduras is extremely keen, with salesmen from Europe and Japan everywhere in evidence. Honduras is experiencing boom conditions and needs all the materials and equipment necessary for a frontier economy.

8. Prospects for expanded Canadian trade good, if firms are prepared to put time and effort into it. In 1968 Canada imported $10.5 million worth of goods from Honduras, of which bananas contributed over $10 million. Other products were shrimp, pineapples and other tropical fruits, nuts, coffee and mahogany.

9. Canada exported to Honduras in 1968 goods to the value of only $1.4 million, giving Honduras a favorable trade balance in the ratio of 9 to 1. Principal Canadian exports included canned sardines, flour, asbestos, chemicals, steel products, wire and cable, mining machinery, tires, medicines and pharmaceuticals, and electrical fittings.

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NICARAGUA

The Government of Nicaragua is giving particular attention to improving public services and to developing new industries. This young woman is working in a footwear factory, La Lorena, established some years ago in Masaya.

1. Cotton, one of staple cash crops, has suffered from low prices in 1969; this has depressed business activity. Growth rate in 1969, however, may be 5 per cent above 1968.

2. Imports probably did not increase in 1969, but total value of exports, despite lower cotton earnings, may have gone up because of rise in shipments of shrimp, meat, tropical woods and chemicals.

3. Government has continued its tight fiscal and monetary policies of 1968 but also devotes funds to projects likely to contribute to development. These include improvements and expansion in agriculture, transport, power developments, telecommunications, irrigation systems, roads, etc.

4. From private sector, finance has become available for new hospital and equipment, several industrial plants, hotels, offices and residential buildings.

5. Geographical position of Canada vis-à-vis Nicaragua, plus fund of goodwill towards Canada, should place our suppliers in good position to expand their exports, but credit restraints, taxes on imports and keen competition from major suppliers make this a challenging market.

6. Nicaraguan exports to Canada in 1968 were valued at $2.24 million; shrimp, bananas, coffee, oilseeds, cotton and lumber were the major commodities.

7. Canadian exports to Nicaragua in 1968 were valued at $2.2 million. Communications and electrical equipment, office machines, malt, newsprint and paper products, chemicals, aluminum, hardware items, steel and agricultural machinery were principal items.

PANAMA

One of the important occupations in Panama is fishing, and particularly for shrimp, which has become one of the important Panamanian exports. The photograph shows a part of the shrimp fishing fleet at anchor.

1. Has one of highest growth rates in Latin America. Gross national product increased by nearly 12 per cent in 1966 and 1967 but by only 6 per cent in 1968. An 8 to 10 per cent increase is predicted for 1969.

2. A building boom is on; includes new hotels, international trade center plus facilities for exhibitions and conventions, office buildings, shopping centers, industrial and power plants, hydroelectric extensions, airport expansion.

3. Future development now planned includes improvement of Panama as a transportation, distribution and entrepôt center. Already served by 64 shipping lines and 26 scheduled airlines, it will attempt to attract more foreign companies to the Colon Free Zone, an agency of the Panamanian Government, where already more than 500 foreign firms are established. Canadian firms seeking information on the advantages of the Free Zone as a base from which to serve all of Central and South America can write direct to the Manager, Colon Free Zone, P.O. Box 1118, Colon, Republic of Panama.

4. With abundant cruise and air services already operating from several parts of the world to Panama, the tourist potential is large and one day tourism may be the major industry. The Government has recognized its importance.

5. Large and valuable bodies of copper ore in which many overseas companies have shown interest in obtaining franchises are being exploited. In trade with Canada, Panama enjoys a favorable balance of nearly 2½ to 1. In 1968 exports valued at more than $12.5 million went to Canada. Bananas contributed $8.5 million, oil and products $2.5 million, and drug products more than $1 million. Canadian exports in 1968 totalled $5.5 million, including aircraft, tires, communication equipment, office machines, pharmaceuticals and medicines, electrical equipment, paper and newsprint, malt, whisky, textiles, steel and products, etc.

Liberty Plaza in San Salvador. Two of the Central American organizations discussed in this article have offices there.

HOW CACOM IS ORGANIZED

Here is a brief outline of the present structure and objectives of the Central American Common Market, which achieved total membership in 1963.

ALAN L. LYONS
Assistant Commercial Secretary, Guatemala City

The movement towards economic integration of the Central American Republics has been impeded at least temporarily by the conflict and consequent severance of diplomatic and trade relations between Honduras and El Salvador. According to Dr. Carlos Manuel Castillo, Secretary-General of SIECA, (the permanent secretariat for CACOM), this development does not endanger the continued existence and furtherance of the objectives of the Common Market, but may bring about alterations in and additions to it.

In stressing that the economic integration program will continue to evolve, Dr. Castillo points out that the Salvadorian-Honduran conflict has disrupted only the flow of commerce between those two countries and created temporary difficulties in the physical movement of Salvadorian goods southward to Nicaragua and Costa Rica, and of Honduran goods northward to Guatemala.

Considered by many as the best-researched effort towards a common market, CACOM **was given birth and is governed by the General Treaty of Central American Integration which came into effect for Guatemala, El Salvador and Nicaragua in 1961,** Honduras in 1962, and Costa Rica in 1963. The agreements reached include not only abolition of internal tariffs and setting up a common external tariff, but integration of industrial development and incentives, co-ordination of communication, transportation and electric power, stabilization of balance of payments, and other schemes.

The administration and direction of CACOM and the integration movement in general come under a number of bodies whose functions are described below.

Central American Economic Council—Made up of the Ministers of Economy of the member countries, this body is really the policy-making organ of CACOM and is responsible for the direction and control of economic integration policies. It meets as required at the request of a member country. It has no fixed headquarters.

The Executive Council—Composed of a delegate (the Vice-Minister of Economy) and an alternate from each member country and meeting as necessary at the request of a member country or the permanent secretariat (SIECA), the Executive Council administers the General Treaty and takes all steps to achieve economic union according to the policies established by the Economic Council.

Permanent Secretariat for the General Treaty (SIECA)—Headed by a Secretary-General appointed for a three-year term by the Economic Council, this body is CACOM's administrative center, with offices in Guatemala City. Its main function is to ensure correct application of the General Treaty and to enforce resolutions of both the Economic and the Executive Council. Other major responsibilities are compiling statistics, carrying out studies, and advising CACOM on commercial policy and development planning.

The former Joint Programming Mission for Central America was disbanded in 1966 and its chief function, development planning in such fields as industry, agriculture, infrastructure, fiscal and balance-of-payments matters, program budgeting, and others is now carried out by SIECA.

Organization of Central American States (ODEGA)—This body was originally established in 1951 and has undergone changes since the creation of CACOM. It consists of the Ministers of Foreign Affairs of each country and meets every two years or on call. Its broad aim is the political, economic and social integration of the member countries. This body is in a state of flux and its office in San Salvador is now administered by a Council composed of the ambassadors to ODECA of the member nations, rather than by a Secretary General.

Central American Bank for Economic Integration (CABEI)—Created in 1961 and situated in Tegucigalpa, Honduras, its primary function is to help finance economic growth in the member countries and promote economic integration through a balanced economic development program. The Bank's capital comes from equal contributions by each member country. It has also received long-term credits from the Inter-American Development Bank (IADB) and the U.S. Agency for International Development (AID).

Central American Clearing House—This was created by the five Central Banks in 1961 with offices in Tegucigalpa, Honduras. Its function is to expedite payments for intra-regional trade and promote closer co-operation among the Central Banks.

Central American Monetary Union—This body was created in 1964 to foster co-ordination and uniformity of the monetary exchange and credit policies of the member countries. Other objectives are the creation of a common stabilization fund and a common currency. It consists of a Monetary Council made up of the presidents of the five Central Banks who elect a president annually, several committees, and an Executive Secretary appointed for a two-year term by the Monetary Council. He is responsible for preparing technical studies and co-ordinating the activities of the various committees.

On October 15 the Government of Guatemala was the first to ratify the agreement of the five Central Banks to form the Central American Fund for Monetary Stabilization (or FCAEM in Spanish) and since then the other four governments have followed suit, thus bringing it into being. It will be capitalized at $20 million with equal contributions from each country, and the first contribution of $1 million will be forthcoming immediately on creation of the fund. It is hoped that other countries, including Canada, will also contribute to the fund, whose main purpose is to protect and stabilize the Central American balance of payments.

Central American Institute of Research and Industrial Technology (ICAITI)—This body was set up in 1956 by the five countries to promote industrial growth and improvement. Its director is based in Guatemala City.

Federation of Central American Industrial Chambers and Associations (FECAICA)—Founded in 1960, with headquarters rotating among Central American capitals, this body is really a private organization whose membership comprises the Chambers of Industry.

Central American Air Navigation Service Corporation (COCESNA)—This organization provides flight information, aeronautical communications and radio aid services to all aircraft in Central America and has operations in the airports of the capital of each country.

Regional Plant and Animal Sanitation Organization (OIRSA)—In addition to the five Republics, Mexico and Panama are members. Its purpose is to combat plant and animal diseases and insects in the area, and to establish quarantine procedures. Its office is in San Salvador.

Institute of Nutrition of Central America and Panama (INCAP)—Founded in 1949 and consisting of the Directors of Public Health of the six member nations as well as a representative of the Pan American Sanitary Bureau, its purpose is to help solve nutritional problems in the area.

Superior Council for Central American Universities (CSUCA)—A non-government organization, its aim is to develop an integrated university system for the five countries. It has an office in San José, Costa Rica.

Central American Institute for Public Administration—This organization has received United Nations support for its program since its inception in 1951. It offers public administration courses to civil servants in the countries of Central America and Panama. Its office is in San José.

The most notable accomplishment of the integration movement to date has been the almost total elimination of internal duties on goods originating within CACOM. Disruption of the free flow of goods between countries has occurred, however—at least to the extent mentioned in the second paragraph of this article. A single uniform external tariff has been almost totally realized. A notable feature in connection with the external tariff was the imposition in June 1968 of a general 30 per cent tariff surcharge on all imports from outside CACOM, except for a number of essential items.

Development of needed new industries to be situated in each country to serve the others without duplication has been a key objective but unfortunately has not yet met with great success. **The development of a sound infrastructure, however, such as telecommunications, highways, ports, etc., is going forward** at a rapid pace and offers opportunities for foreign exporters and investors.

Another aim—closer ties with the other Latin American states—remains largely unfulfilled. Panama attends meetings of a number of CACOM bodies as an observer, but because of its relatively more developed economy, higher labor costs and other factors, it has not sought full membership in the CACOM to date.

Despite the problems and setbacks that CACOM has experienced, particularly recently, it is a noteworthy example of research, planning and organization for the attainment of economic integration. The next few years will reveal its full effectiveness and its ability to adapt to changing circumstances.

WHERE'S THE ACTION?

Exporters looking at this area want to know what the six countries are planning to develop their resources and what this means in trade opportunities.

JOHN D. TENNANT
Assistant Commercial Secretary, Guatemala City

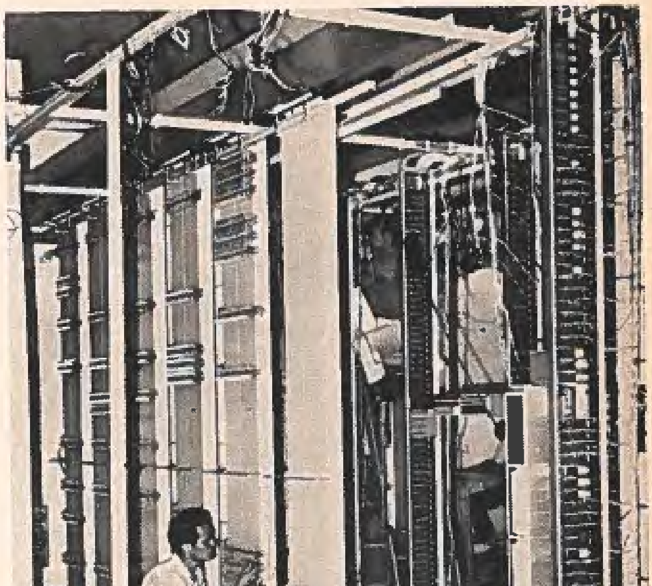
A Canadian drilling expert (left) and a Guatemalan geologist examine a core sample. Foreign consultants find it advantageous to associate themselves with local firms in Central America.

What are the principal trading opportunities for Canadian companies in Central America and Panama? In general, the emphasis is on infrastructure development and it is the various sectors under this general heading, as given below, that are most worth investigating.

Consulting Engineering—There are excellent opportunities for consultants in Central America, but success in this highly competitive market will not come quickly or easily. Canadian firms have learned that meticulous market development—including regular visits to the market and close liaison with financing agencies—is essential. Coupled with an expansion of both private and public Canadian financing, plus financing from untied sources, opportunities are well worth pursuing.

Most development planning for major projects is now coordinated regionally but basic decisions are made nationally, or as a consensus of the views of individual countries. For this reason, consultants must give attention to each of the countries individually.

Local associates are frequently a prerequisite to obtaining a contract and are essential to contract implementation. Nevertheless, the relative lack of suitable associates by comparison with the number of interested overseas firms normally leads most foreign firms to count on regular visits by their own personnel to develop business, using a local associate as liaison or only in the final stages.



Telecommunications is one of the fields in which there is great activity; the five countries expect to spend U.S. $65 million on it in the next four years. Here a technician is busy installing telephone equipment in Costa Rica.

Of principal importance are ports, highways, electricity, railways, mining and industrial development projects, forestry, agriculture, and tourism.

Telecommunications—The projected five-year expenditure (1969-1973) on telecommunications in the five Central American countries (excluding Panama) is U.S.$65 million. This includes the cost of a regional microwave network, a ground station, and improvement and expansion of national systems.

The Costa Rican and probably the Salvadorian and Guatemalan national expansions will be financed by the World Bank.

Even with the planned national expansions, many less densely populated areas of these countries will still not be adequately serviced and therefore additional important contracts will follow the current ones. Assembly of telecommunications equipment is already being done in Central America and the need to establish some local manufacturing will have to be considered when major contracts are involved.

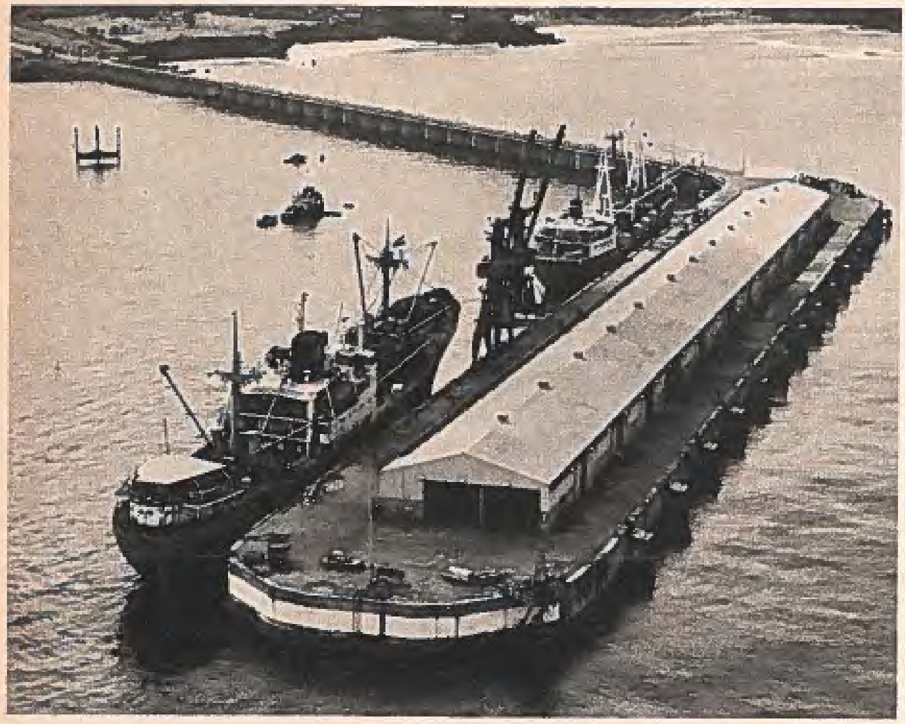
Ports—Current plans for port expansion in Central America total U.S.$80 million and are a key part of the total infrastructure development. Canada's capabilities have been displayed to good advantage at the Port of Acajutla in El Salvador which is being financed by a U.S.$3.5 million loan from the Canadian International Development Agency. The present phase of the project should be completed in early 1970.

Major developments include:

1. The proposed reconstruction of the Port of Champerico (Pacific coast of Guatemala), studies for which are just beginning.

2. Increased bulk storage for Puerto Santo Tomas de Castilla, formerly known as Matias de Galvez (Atlantic coast of Guatemala) where additional warehousing facilities and rail facilities have recently been opened.

3. A Pacific Coast port in Honduras on the Gulf of Fonseca, studies for which will be completed soon under World Bank financing (estimated total cost U.S.$9 million).



This is the deepwater port at Acajutla in El Salvador, where new facilities are being installed. These are financed by a Canadian loan and undertaken by a Vancouver consulting firm, Swan Wooster.

4. An Atlantic port and canal in Nicaragua with World Bank support, estimated to cost U.S.$8 million.

5. A Pacific bauxite-loading port related to the proposed ALCOA development in Costa Rica.

Heavy equipment is one of the requirements for carrying out many of the development projects. Here are earthmoving machines at work on the site of a major hydroelectric station built recently about 30 miles south of Guatemala City.

Expansion of or improvements to present ports include projects at Puerto Cortes (Honduras), La Ceiba (Honduras), Corinto (Nicaragua), Limon (Costa Rica), and Puntarenas (Costa Rica).

This is the international airport, "La Aurora", in Guatemala. A modern airport is badly needed at Tegucigalpa in Honduras and the expansion of certain others in Central America is being planned.

These are some of the huge logs being handled at a mill yard in Guatemala. The picture itself shows why there is a market for forestry equipment in the region.

Highways—Central America has made outstanding progress in the past ten years in highway construction. The Pan-American Highway is now paved through Mexico and all the Central American countries to San José, Costa Rica. The link between Costa Rica and Panama is good gravel. The 200-mile "Darien Gap" between Panama and Colombia is not yet bridged.

Despite this progress, highways remain a major development priority, to the extent that capital expenditure of close to U.S.$500 million is projected for roads under construction or to be begun in the five-year period 1969-1973. This includes an additional $68 million for the Pan-American Highway. Most highway construction to date has been financed by U.S. AID or the IADB. However, some World Bank financing has been used and the terms of reference for the Canadian (CIDA) loan of U.S.$35 million to CABEI include highways.

Good opportunities exist for construction equipment. Government Roads Departments normally purchase equipment without special financing, thus leaving the door ajar for aggressive Canadian firms.

Airports—Most Central American capitals have adequate and modern airports. Tegucigalpa is one exception and MacCreary Koresky Engineers of the U.S. have prepared plans for a new site; total cost is estimated at U.S.$14 million. Financing is being sought.

Larger aircraft will require airport expansion in Panama, including increased facilities for air cargo. Possibly El Salvador or Guatemala could later be a regional gathering-point for Central American traffic. Improvements in smaller national airports and in equipment are another major priority. U.S. AID has been the predominant source of funds to date.

Railways—Central American railways were originally built to haul the traditional crops—bananas and coffee—and to link the inland capitals with the major ports. Most therefore run across rather than up and down the isthmus.

Although no substantial expansions are planned, several railways are in need of re-equipping, including the failing Guatemalan section of International Railways of Central America, which was recently taken over by the Guatemalan Government; the Acajutla to San Salvador railway, and railways from San José to the Caribbean coast in Costa Rica. A rough estimate of total expenditures over the next five years is U.S.$20 million. Canada should be well placed to assist.

Education—A high priority in all Central American countries is given to education. Although immediate plans tend simply to stress the need for more classrooms, desks, blackboards and instructors, there are some opportunities in small experimental programs for more sophisticated equipment. Pursuit of these limited opportunities would mean important market penetration early in the game.

Costa Rica generally has a higher level of education than most of the other countries and in many cases can be an effective starting point. World Bank loans are supporting expansions in El Salvador and Guatemala.

Forestry—With the exception of El Salvador, all countries in the isthmus have important forestry resources. In most, UNDP/FAO studies have been made or are under way as a prelude to more extensive development.

Honduras will be the site of a U.S.$75 million pulp and paperboard plant (COPINO); the majority of shares will be held by International Paper, with United Fruit, Standard Fruit, ADELA and the Banco Nacional de Fomento of

Honduras dividing the remainder. The site is now being selected and the project is expected to be fully under way within two years. More developments of this magnitude will probably follow.

This early stage of development is an ideal time for Canadian firms to get in on the ground floor for investment, consulting studies, equipment sales and even sources of tropical hardwoods. In the longer run, an aggressive approach might even develop substantial interest in wider use of timber for construction and, through the use of certain associated Canadian techniques, provide a market for ancillary equipment and building materials.

Mining—Three major mining projects are under way or in sight in Central America. The International Nickel Company, in conjunction with Hanna Mining, has already invested U.S.$15 million in a Guatemalan laterite nickel deposit on Lake Izabal. The project, estimated at U.S. $180 million, is awaiting the signing of a currency exchange agreement with the Guatemalan Government, covering loans from the EXIMBANK and Mining Finance Corporation. Gibson Hill and Utah Construction are involved. Letters of intent for the thermal power plant have been signed, including one with a Canadian company.

ALCOA is currently negotiating with the Costa Rican Government to mine bauxite at San Isidor, and awaiting full government approval. The project will include 30 kilometers of highway and a port at Puerto Uvita. The Panamanian Government has called for proposals for the development of a copper deposit. Mining exploration done by the UNDP indicates a large-size ore deposit. Proposals were to have been made by early December. Other smaller established developments scattered through the area also offer potential to Canadian suppliers to the mining industry.

Hotels—The development of the tourist potential of Central America—ideally situated next to the booming Mexican and Caribbean markets—is only just beginning.

To date, most development has been in the capital cities, each of which now has at least one first-class hotel. Some smaller resort developments away from the capitals have been established and others planned. There are several smaller and a few larger projects which offer Canadians an excellent chance to build a reputation that will help them to capitalize later on larger projects.

The area offers a diversity of attractions, including some excellent beaches and off-the-beaten-track tropical islands; cool, high plains set amid spectacular volcanic scenery; indigenous Indians who make excellent textiles and other traditional handicrafts and who have a rich archaeological heritage; excellent hunting and fishing; and an architecturally exciting Colonial past. Commercial-term finance is an essential adjunct to sales. The potential is excellent and firms showing interest now will benefit in the future. (See also article in *Foreign Trade* of July 5, 1969.)

Industrial Raw Materials and Equipment—The establishment of the Central American Common Market in 1961 brought substantial industrial development which, after an initial spurt, has cooled somewhat and will undoubtedly be hindered, at least in the short term, by the current impasse between Honduras and El Salvador.

Nevertheless, industrialization has created an important market for raw materials which many Canadian firms are overlooking. Central American importers have definitely switched their focus from finished products to supplying the new industries and they are seeking new and more diverse sources of supply.

There are also important opportunities for equipment sales for developments in agricultural diversification and expansion. These include meat packing, dairying, tobacco, tea and cotton. Fishing, particularly shrimp, is also likely to gain a new lease on life, based in part on the UNDP/FAO Regional Fisheries Study.

Wheat—Canada has an established reputation for its quality wheat but in the last four years has lost most of its market in Central America—once valued at nearly $2 million a year. This loss is attributed to the following:

1. The high cost of transportation from the east and west coasts of Canada to the west coast port of Acajutla and to the east coast port of Puerto Barrios. This is not in line with the rate that Central American millers are paying from Pacific and Gulf ports. Chartered ships are being used from U.S. ports; the rate is from U.S.$6.50 to $7.00 per long ton of wheat. Canadian agents able to arrange charters by grouping shipments might overcome this problem.

2. At present buyers are paying by letter of credit for 180 days or by draft with the guarantee of a local bank for the same term. Prices from the U.S. have usually been lower, due to U.S. exporters supplying wheat under the U.S. barter program.

All countries in Central America are self-sufficient in flour production with the exception of Honduras, where some flour is still imported. All these countries, except Guatemala, import their total wheat requirements. In Guatemala, soft wheat is grown and the millers obtain import quotas which assure full sale of the local crop. Millers could be influenced to purchase Canadian wheat if prices and shipping were more competitive and more sales effort were made.

For more information on any of the above opportunities, contact the Canadian Embassy in Guatemala. Our new mailing address is Apartado Postal 3-A, Guatemala, C.A.

Jamaica Joins the Decimal Group

Jamaica, after using British currency for 130 years, changed to the decimal monetary system on September 8, 1969. The new Jamaican dollar is worth ten shillings in relation to sterling currency, or approximately one dollar and twenty cents United States, or one dollar and thirty cents Canadian. There are one hundred cents to the dollar. New notes have been introduced—fifty cents, one dollar, two dollars, and ten dollars—which are exact equivalents of the existing Jamaican notes of five shillings, ten shillings, one pound, and five pounds. Similarly, the new five-cent, ten-cent, twenty-cent, and twenty-five-cent coins are equivalent to the sixpence, one shilling, two shilling, and half-crown coins. The only coin not equivalent is the one-cent which has a slightly higher value than the old penny.

ELECTRIC POWER

Many electric power developments now in planning stage in Central America offer opportunities for Canadian companies.

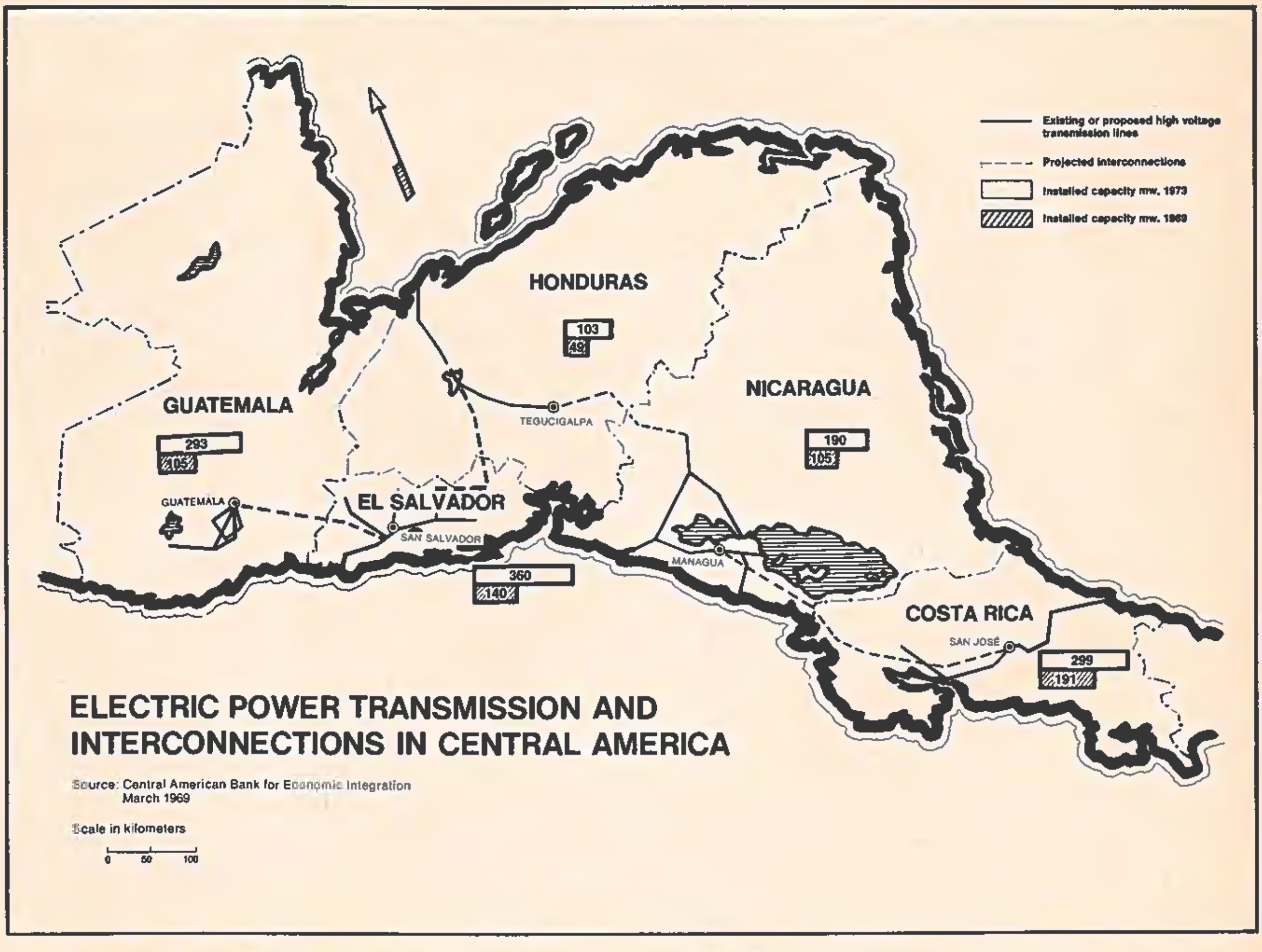
C. G. PLAXTON
Electrical Division

The countries of Central America and Panama, recognizing that improvement in basic electric power service is a primary requisite for faster economic growth, are striving to expand electrical generation and transmission capacity as well as distribution facilities in an effort to provide their industries, farms, homes and communities with adequate supplies of this type of useful energy.

The growth of installed generating capacity in the Central American isthmus has increased at an annual rate of 10.3 per cent to a level of 1,021 mw. during the period 1960–1967 (see Table 1). Even so, only 23.2 per cent of the population in the area is served with electricity. About one-half of the capacity represents hydroelectric development, and makes use of only 5 to 10 per cent of the estimated available waterpower resources. The region has no other significant energy resource for power development; oil exploration is being carried out and studies are under way to investigate the feasibility of using geothermal energy in El Salvador and Guatemala.

Thermal plants in Central America are dependent upon crude oil imports, primarily from Venezuela and Colombia. Residual oil from local refineries is used to fire the boilers in most steam plants; recent installations are in the 30 to 40 mw. size.

The expansion of national systems between 1969 and 1973 will increase capacity by 846 mw. The construction of major generating plants under this program totals U.S. $230 million, of which U.S. $148 million will be financed from outside the area (see Table 2). Except for projects



ELECTRIC POWER TRANSMISSION AND INTERCONNECTIONS IN CENTRAL AMERICA

Source: Central American Bank for Economic Integration March 1969 scheduled for completion in 1973, major contracts for equipment and construction have been awarded, mainly to European and Japanese suppliers.

Many projects are now in the planning stages for commissioning in the period 1973–78, based on a 10 to 12 per cent yearly growth rate forecast in electric energy consumption. These will offer excellent opportunities for Canadian consultants, construction firms and equipment suppliers.

Co-ordination of national electric generation and transmission programs was discussed as early as 1952, when the first concrete steps was taken towards economic integration of Central America, leading ultimately to the formation of the Central American Common Market (CACOM). The priority to date, however, has consisted of national improvements rather than extensive interconnections or other joint programs. Under a program financed largely by the United Nations Special Fund, heads of the respective national electricity authorities formed the Subcomite Centroamericano de Electricacion y Recursos Hidraulicos. Key working groups have been organized to deal with the regional aspects of electrical interconnections, hydraulic resources, rates and tariffs, and standards.

The United Nations Economic Commission for Latin America (ECLA), based in Mexico, and the Central American Bank for Economic Integration (CABEI) have been the principal sources of assistance in planning and developing regional co-operation.

A general study for the regional interconnection of the five national systems in the region was completed by ECLA in August 1969. The study concludes that there will be economic justification in the period 1973–77 for interconnection of two different blocks of the national systems: Guatemala, El Salvador and Honduras as one unit; Costa Rica and Nicaragua, with eventual ties to Panama, as the other. Later on, as the two systems expand and the advantages of pooling reserves and interchange of energy become clear, the two blocks can be connected to form one integrated system. Transmission voltages of 138 kv. and 230 kv. (60–150 mw. capacity) are expected to be sufficient for the initial interties (see Table 3).

The large amount of investment required to implement the projects will come partly through surpluses from current operations but the greater part will come from central government transfers and external borrowing. Most of the major expansion of capacity so far has been financed by the World Bank complemented by local resources.

Distribution expansions and rural electrification programs have been largely financed with loans from the Inter-American Development Bank and the U.S. Agency for International Development, with a high participation by local companies. CABEI is now making available development loans for specific electric power projects based on the regional integration program priorities. The Central American Bank is also establishing lines of credit with supplier countries that can be used to finance successful tenders for selected electrical equipment needs in member countries.

The Instituto Nacional de Electrificacion (INDE), a decentralized state entity, is responsible for the supply of electric power in Guatemala. The central interconnected system is formed by the generation, transmission and distribution facilities of INDE and those of Empresa Electrica de Guatemala S.A. (EEG), a privately-owned subsidiary of EBASCO of New York. The installed capacity of the central system is 105 mw. and 50 mw. (INDE) and 55 mw. (EEG).

To cope with the large increase in consumption (13 to 14 per cent annual growth), INDE has instructed its consultants, Electrowatt of Switzerland, to report on the feasibility of the Atitlan (2 × 50 mw.—first stage) hydroelectric project. This report will be submitted to the World Bank in the near future as a basis for negotiating the financing of foreign exchange requirements.

EEG's role will be confined to development of distribution facilities in the greater Guatemala City region. The company annually buys about $500,000 of distribution equipment and materials from North American suppliers.

In El Salvador, the Comision Ejecutiva Hidroelectrica del Rio Lempa (CEL), an autonomous government agency, was established to carry out the national program for generation, transmission and distribution of electric energy. Installed capacity totals about 140 mw. and most of the energy generated is sold in bulk to Compania de Alumbrado Electrico de San Salvador (CAESS), a Canadian-owned utility, which is responsible for distribution in the central and southern regions of El Salvador.

CEL plans include the purchase of two 16.5 mw. gas turbine units for the San Salvador substation. Harza Engineering of Chicago, general consultants to CEL, is drawing up specifications and tenders are expected to be called early in 1970. A third unit of 63 mw. is planned for the Acajutla thermal plant to be commissioned in 1973.

Studies of geothermal resources in the northern part of El Salvador and other hydroelectric developments on the Rio Lempa—including the proposed 250 mw. El Silencio hydro plant—are being made to determine the next step in CEL's power development program.

CAESS buys about $500,000 of distribution equipment through the offices of C.I. Power Services Limited in Montreal. Canadian suppliers have had good success in winning orders for the expansion of CAESS's distribution systems.

The generating capacity of Empresa Nacional de Energia Electrica (ENEE), the chief electricity supply authority in Honduras, will be nearly doubled by the two 20 mw. Rio Lindo hydroelectric project scheduled for completion in 1971. Demand for electric power on ENEE's interconnected system is expected to rise to 55.8 mw. in 1971 (representing an average yearly increase of 18.3 per cent) and to reach 114 mw. by 1977.

To provide for this expected increase in demand, in addition to Rio Lindo, a 15 mw. gas turbine unit for the San Pedro Sula substation will be installed in 1970, a third 15 mw. unit will be ordered in 1972 for the Canaveral hydroelectric plant, and a new hydroelectric scheme with an initial capacity of at least 30 mw. will be commissioned by 1975. Motor-Columbus of Switzerland has started the studies for the latter project.

Electric Power in Central America and Panama

TABLE 1 INSTALLED CAPACITY AND GENERATION 1967

Country	Capacity installed mw.	Generation Gwh.	Capacity installed watts/capita	Generation per year kwh./capita	Medium price per kwh. cents (U.S.)*	Percentage of serviced population
Guatemala	131.0	531.0	28.2	114	3.33	16.6
El Salvador	171.7	516.2	55.3	166	2.88	28.1
Honduras	77.2	231.8	31.1	93	3.43	12.0
Nicaragua	155.4	397.3	89.4	228	3.90	27.6
Costa Rica	232.6	752.0	146.9	475	1.95	55.1
Panama†	253.1	1,151.3	166.0	755	3.80	44.9
Central American Isthmus	1,021.0	3,579.6	68.3	239	3.03	23.2
Growth rate (%) 1960–67	10.3	10.3	6.8	6.9	1.2	

*Only public service utilities †Includes Canal Zone

TABLE 2 NATIONAL PROGRAMS

Country and Project	Start-up date	U.S.$'000 Amount	Local funds	Foreign exchange
Guatemala				
Guacalate thermal plant, 33 mw.	1971	7,600	1,490	6,110
Jurun-Marinala hydroelectric plant, 60 mw.	1970	15,584	6,587	8,997
Atitlan hydroelectric plant, 95 mw.	1973	25,370	9,084	16,286
El Salvador				
Acajutla thermal plant No. 2, 33 mw.	1969	5,220	1,220	4,000
Acajutla thermal plant No. 3, 63 mw.	1971	10,800	3,240	7,560
El Silencio hydroelectric plant, 126 mw.	1973	42,280	14,680	27,600
Honduras				
Tegucigalpa diesel plant, 8 mw.	1970	2,400	1,400	1,000
Rio Lindo hydroelectric plant, 40 mw.	1970	11,952	2,352	9,600
Zona Sur diesel plant, 5.2 mw.	1969	—	—	—
Nicaragua				
Managua thermal plant, 40 mw.	1969	8,194	2,466	5,728
Sta. Barbara hydroelectric plant, 45 mw.	1971	13,640	4,261	9,379
Costa Rica				
Rio Macho hydroelectric plant Tapanti, 60 mw.	1972	18,045	10,030	8,015
Cachi hydroelectric plant, 8 mw.	1973	3,459	2,706	753
Moin thermal plant, 40 mw.	1973	4,120	1,639	2,481
Panama				
Las Minas thermal plant No. 3, 40 mw.	1970	8,200	1,640	6,560
Canal Zone thermal plant, 33 mw.	1971	9,000	—	9,000
Bayama hydroelectric plant, 200 mw.	1973	44,500	20,000	24,500
Total		**230,364**	**82,795**	**147,569**

TABLE 3 PROPOSED INTERCONNECTIONS

	Longitude	Maximum transmitted charge	Tension of operation	Estimated Costs, U.S.$'000 Lines	Sub-stations	Total
Panama—San José	700 km.	150 mw.	230* kw.	18,000	2,000	20,000
Panama—David	300			7,800	1,000	8,800
David—San José	400			10,400	1,000	11,400
San José—Managua		90	230†	7,000	1,000	8,000
Managua—Tegucigalpa	280	60	138†	3,100	700	3,800
Tegucigalpa—San Salvador	260	60	138†	2,900	700	3,600
San Salvador—Guatemala	280	120	138†	3,100	1,200	4,300
Total	**2,620**			**52,300**	**7,600**	**59,900**

*Dual circuit †Single circuit

Source: CABEI

Expansion of transmission and distribution lines to areas not now served by the ENEE's central system will be undertaken during 1970-1974 with the assistance of a $7 million World Bank loan. R. W. Beck & Associates of Phoenix, Arizona, has been retained by ENEE to design and supervise the project. Turnkey bids for construction of lines from 138 kv. to 13 kv. will be called in 1970 as part of this program.

Empresa Nacional de Luz y Fuerza (ENALUF), a government-owned power corporation, serves the major population centers of Nicaragua through an interconnected transmission network supplied from hydro and thermal generating sources. ENALUF also operates a number of small isolated systems. Generating facilities in 1968 totalled 105 mw. Generation and peak demand are expected to double during the period 1967-1974, reaching 555 Gwh.* and 142 mw. respectively. ENALUF is expected to invite tenders early in 1970 for one 15 mw. gas turbine generating unit.

A third 40 mw. unit is under construction at the Managua steam power plant and two 25 mw. units at the Santa Barbara hydro station on the Viejo River.

World Bank financing is expected to be obtained to cover the foreign costs of the construction of three 138 kw. transmission lines designed by Electroconsult of Italy, consultants to ENALUF. International tenders were called in October 1969 and completion is scheduled for 1972. Electroconsult is also conducting feasibility studies on a 40 mw. Nicaragua hydroelectric plant scheduled for 1975 and a 138 kv. transmission line between Managua and Leon to be commissioned in 1974. World Bank financing will probably be requested for both projects.

Long-range plans covering the period 1974–1979 total U.S. $38 million and include a 60 mw. thermal plant at Managua scheduled for 1977, and a second unit of 50 mw. at the same location scheduled for 1979. Also included are 69 kv. transmission lines and modernization of the distribution system at Managua proposed for 1974. Rural electrification and transmission line interconnections totalling U.S. $3.7 million are scheduled for completion in 1976.

Instituto Costarricense de Electricidad (ICE) is a government-owned autonomous organization established in 1949 to plan and carry out a co-ordinated program of electrification in Costa Rica. ICE and its subsidiary distribution entity, Cia. Nacional de Fuerza y Luz (CNFL), formerly owned by EBASCO, are the principal suppliers of electric power in Costa Rica. Total installed capacity in 1967 was 216 mw. Generation has increased at an annual rate of about 9 per cent during the period 1962–1967. ICE's power expansion program during 1968–1975 is estimated to cost U.S. $75 million.

ICE has retained Sofrelec, a French consultant, to review its system development program to 1975. It is expected to include the start of construction in 1972 of a new 40 mw. thermal plant at Puerto Limon and a new 120 mw. hydro plant for service in 1975 and 1977 respectively; construction of a 138 kv. transmission line to connect Puerto Limon with the central system; construction of transmission and distribution lines to meet system demand and to extend the central system to the more remote areas.

CNFL buys power in bulk from ICE and serves San José and the surrounding area. It operates as a separate organization and purchases distribution equipment regularly for replacement purposes and expansion of its system.

New development of major generation and transmission of electric power in Panama is the responsibility of Instituto Recursos Hidraulicos y Electrificacion (IHRE), a government agency. Apart from isolated small hydro and diesel generator plants totalling 9,000 kw., IHRE commissioned the first 40 mw. unit of the new Bahia Las Minas steam thermal plant located near Colon in May 1969. Output from this plant is sold in bulk to the Panama Canal Company in the Canal Zone and to CPFL (Cia Panamena de Furza y Luz).

IRHE's next major project is the 200 mw. (three 50 mw. units initially) Bayano hydroelectric development. The project will include a 230 kv. 80-kilometer transmission line to connect the station with the interconnected central system. Estudios Proyectos Technicos Industriales S.A. (EPTISA) of Spain has been retained by IRHE to carry out design and construction supervision of the project. IRHE expects approval in December 1969 of a $25 million World Bank loan to assist in financing foreign costs. International tenders for major contracts will be called in early 1970. The project is scheduled for commissioning in 1975. IRHE's investment program from 1969 to 1975, including the Bayano project, totals $75 million, of which $52 million is earmarked for foreign currency requirements covering generation, transmission, substation and distribution equipment, and engineering services.

The 150–200 mw. Fortuna hydroelectric project in the northern province of Chiriqui and the transmission line to connect the station with the central system are in the planning stage. IRHE hopes to obtain approval in 1970 to proceed with implementation of this project.

Cia. Panamena de Fuerza y Luz (CPFL), a privately owned subsidiary of EBASCO, serves the cities of Panama and Colon with electricity, gas and telephone services. Power sales in 1968 amounted to 397 Gwh. and installed generating capacity from thermal plants was 87 mw. The annual growth of electric energy consumption in CPFL's operating area is expected to be at least 12 per cent over the next five years. Future expansion will mainly involve extending the distribution network. CPFL's equipment inquiries are sent directly to approved suppliers in the U.S. and Canada with copies to its Panamanian representatives for followup. Purchases of electrical equipment and materials total about $1 million annually.

The bulk of equipment requirements for the many projects undertaken by electric utilities in Central America is imported from North American, European and Japanese suppliers. There are exceptions and although tariff preferences within CACOM are extended to protect local manufacturers, limited capacity, product range and high cost leaves much of the market open to foreign suppliers.

* Gigawatt hour

Canadian firms will have little difficulty in meeting technical standards and specifications as they are based on North American practice. System frequency throughout the region is standardized at 60 cycles and nominal transmission and utilization voltages are the same as in the U.S. Government-owned utilities normally allow one to two months for routine tender submissions. Almost all distribution equipment requests for tenders are advertised in local newspapers. On large requirements and projects financed by the World Bank, tender notices are sent to local embassies and advertisements are placed in international publications.

Manufacturers and consultants interested in this market should first register their firms with the procurement departments of the electricity supply authorities in each country. This can be done by writing to the organizations, introducing the company's product line and providing specifications and c.i.f. prices. Brochures and other information about the company are helpful.

A strong and aggressive local associate is essential in securing business. Local agents usually have advance knowledge of upcoming tenders and can provide sufficient lead time for the preparation of complex proposals; they also help with translation of documents and advise on the correct procedure for presenting proposals to the appropriate authority. It is often required that a representative be present at public tender openings. For assistance in locating suitable agents, contact the Commercial Counsellor of the Canadian Embassy in Guatemala City or the Electrical and Electronics Branch of the Department of Industry, Trade and Commerce in Ottawa.

Rapid expansion of the electric power development program in Central America and Panama is opening up increasing opportunities for sales of equipment and contracts for engineering services. A sustained and vigorous export marketing program—including regular personal visits to the area and the appointment of a qualified agent—is the key to success in this market.

Pharmaceuticals for Brazil

R. G. SANDOR
Assistant Commercial Secretary, Rio de Janeiro

The Brazilian pharmaceutical market could offer many opportunities to Canadian suppliers if they will undertake aggressive product promotion and quote competitive prices. This is the view of the Brazilian Association of the Pharmaceutical Industry (ABIF) and is corroborated by most pharmaceutical laboratories in Brazil.

In terms of number, fully-owned Brazilian laboratories dominate the industry, but the fewer but larger foreign-owned laboratories have the main share of the market. In fact, about 70 per cent of all laboratories are fully Brazilian but at the same time, 70 per cent or more of the net profits are reaped by the foreign-owned firms.

There are no specific or rigid purchasing policies and with the exception of certain patented drugs from a foreign laboratory, a Brazilian affiliate is not bound in any way to import from its parent company and is free to purchase at the most competitive prices from any source, with the sole exception of brand-name drugs. As a rule, approximately 10 per cent of raw materials are imported from parent companies as well as 10 per cent of final products—such as granules which are sold in capsules. For the remaining 80 per cent, this varies from company to company, but an average of 40 to 50 per cent is usually imported from overseas, from any supplier.

Quality is most important and even if there is a local product, if it does not meet the quality standards established the subsidiary may import freely. The same applies to the Brazilian-owned firm.

According to ABIF, there are no import restrictions other than higher customs tariffs on products similar to those already manufactured domestically.

Although a great variety of raw materials is imported, antibiotics and all kinds of sulfas are in particular demand. For imports of powerful drugs such as narcotics, the Brazilian Drug Inspection Service of the Health Ministry first requires samples. In certain cases, the Central Analysis Laboratory of the Brazilian Customs may retain drugs to be analyzed if they are suspected to be dangerous or imported under a false classification. In all other instances, imports are the sole responsibility of the individual laboratories and the Health Ministry's only jurisdiction is the final inspection of the end products they sell. Because of this, samples are usually required before purchases are made in quantity from a new supplier.

Brazilian authorities do not require labelling of imported products to be in Portuguese because the import licence, which is controlled by the Bank of Brazil's Foreign Trade Bureau (CACEX), must be in Portuguese and must contain a breakdown of the product's components.

At the present time, Brazil's main suppliers of drugs and raw materials for the pharmaceutical industry are Germany, the United States, Japan and Italy. It is generally considered here that prices of raw materials from the U.S. are very high and laboratories are turning more and more to European suppliers. One example of this is that until recently sulfas were the exclusive patents of American laboratories. Now Denmark has begun producing them at more favorable prices and many Brazilian subsidiaries of U.S. laboratories have been importing them from Scandinavia.

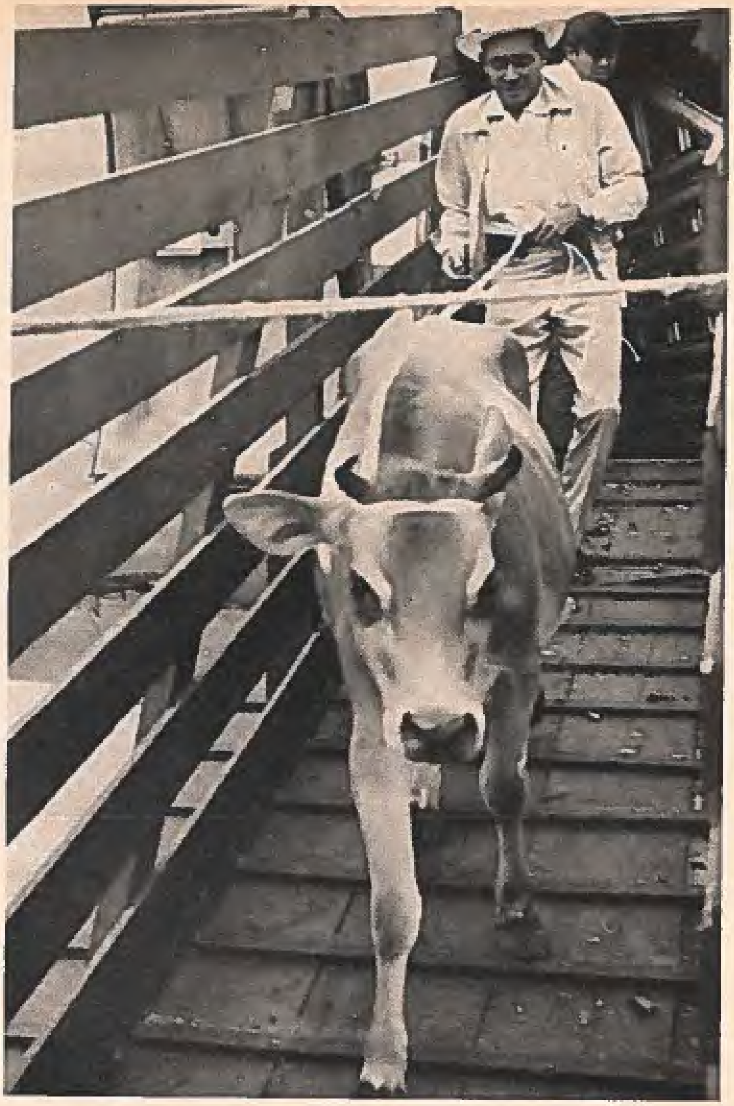
Small- and medium-size laboratories in Brazil prefer to buy their raw materials and imported drug components from local importers who keep large stocks. Although they may pay a slightly higher price as a result, it saves them the trouble of contacting a foreign supplier, obtaining an import licence and foreign exchange, and then awaiting the arrival of the shipment. It is therefore important for suppliers who are interested in the Brazilian market to appoint agents who will negotiate with the large importers.

The Brazilian Association of the Pharmaceutical Industry (ABIF) publishes two monthly bulletins—one on drugs and raw materials for the pharmaceutical industry, the other on equipment and materials for the laboratory—listing trade opportunities in Brazil and from abroad. They will be pleased to publish information on Canadian products submitted to them through the Canadian Embassy in Rio de Janeiro. If attractive offers are made at competitive prices, Canada could have a fair share of this market.

BEEF AND DAIRY CATTLE

Shipments of Canadian dairy and beef cattle to Central America and Panama are on the increase. Cattle shows in area are one way for Canadian breeders to exhibit their stock.

WALTER KUHN
Commercial Assistant, Guatemala City



Guatemala, here I come! Stepping bravely down the ramp, this Canadian Jersey leads the way for its companions in a shipment to the Arrivillaga ranch.

Canada's exports of dairy and beef cattle to Central America and Panama during the last 15 years have been practically nil. The breeders in the territory covered by this office are not familiar with the quality breeds tbat Canada has to offer. All imports of registered cattle have been made from the United States: beef from Texas and Florida and dairy from the Northern States.

The first contact with breeders was made in November 1968, when a five-member mission from Honduras and Guatemala, sponsored by the Canadian Government, visited the Royal Winter Fair and saw what breeders in the Toronto area had to offer. The visit proved to be fruitful and the first cattle shipments have arrived in Guatemala and Honduras.

During the month of August a group of breeders from Costa Rica, including two officials from the Ministry of Agriculture and Livestock, visited Ottawa, Toronto, Calgary and Vancouver. All were very pleased with the quality of Canadian cattle they saw. They exchanged ideas and information on feeds, pasture and handling of the different breeds. The visit may result in a good number of catttle being sent to Costa Rica.

Cattle shows abroad offer an excellent opportunity for promoting Canadian breeds. In 1970 each country will hold a national show plus a number of regional shows. A Central America Show is programmed every year. The following shows have been announced for 1970:

Central America Show: Managua, Nicaragua
April 19 to 26

Guatemala National Show: Guatemala City
April 5 to 12

Costa Rica National Show: San José, Costa Rica
Not specified at present

El Salvador National Show: Santa Ana
Last week of July

Honduras National Show: San Pedro Sula
Month of June

El Salvador holds its show during the annual celebrations of the city of Santa Ana. Panama holds no cattle shows. The predominant cattle breed in the area is the popularly named "native" breed, so-called because of its resistance to heat and disease. The Santa Gertrudis and Brahma breeds have been performing very well. Since their introduction years ago, Brahmas, crossed with the "native", have resulted in a crossbreed able to grow bigger and gain more weight.

Black Angus and Charolais have been introduced at altitudes of 1,500 feet or more. Breeders will be watching their progress and it is hoped that better quality cattle will be bred in the future. Meat is becoming an important export item for these countries and is improving their economies.

Canada could export Black Angus, Hereford, Charolais, Shorthorn, as the farmers know these hreeds and are prepared to adapt to breeds other than Brahmas.

Milk production in the area is too low to keep up with demand; it is low because the number of cows is insufficient and most of them are the "native" cows with a production of about four liters a day. Governments have not been prepared to support the dairy breeders either with technical assistance or with tariff protection. As a result, Central America and Panama have been importing quantities of milk powder. Costa Rica is the only country in the area which is self-sufficient in milk production and for the last few years has managed to industrialize its surplus production. Co-operative Dos Pinos—an organization established by dairy farmers—has advanced considerably both milk production and the diversification of milk products.

Costa Rica exports dairy cattle to South American countries and to others within the Central American Common Market. **Canadian hreeders should consider exporting good quality cattle to Costa Rica to help improve its domestic stock.**

Central American countries and Panama are importing Holstein-Friesian, Jersey, Brown Swiss, Guernsey and Ayrshire; the latter has a limited market.

Central American countries want to improve their cattle herds and Canada has an excellent opportunity of obtaining a reasonable share of the market. This office will be pleased to assist any incoming mission or individual exporter who may be looking for potential customers.

EXPORTS OF FROZEN MEAT

From	U.S.$ million 1966	1967
Guatemala	5.3	7.9
El Salvador	0.1	0.1
Honduras	3.9	4.3
Nicaragua	10.2	12.5
Costa Rica	5.5	8.7
Panama	0.9	1.2
Total f.o.b.	**25.9**	**34.7**

At the ranch, a welcoming committee for the Jerseys, the first shipment of this breed from Canada to Guatemala in a long time. Left to right, Mrs. Stuart Tregaskes, wife of the Commercial Counsellor for Canada in Guatemala; Walter Kuhn, Commercial Officer in the Canadian trade office; the son of the ranch owner; Stuart Tregaskes; Pedro Arrivillaga, who imported the cattle, and Ing. Eduardo Castillo. The Jerseys are from the Don Head Farms, Richmond Hill, Ontario.

VISITING THE SIX

In two weeks, you can cover the major cities in Central America and Panama, explore the potential for your product, and become acquainted with six interesting countries.

In Guatemala, you can travel by launch to Lake Izabal, (not far from Puerto Barrios, the Caribbean port), where you can visit the old colonial Spanish fort of San Felipe.

A. L. LYONS
Assistant Commercial Secretary, Guatemala City

Profitable markets and a variety of outstanding tourist attractions, including breathtaking scenery, a good climate and evidence of a rich cultural and historical heritage, await the business visitor to Central America and Panama. The Department of Industry, Trade and Commerce and the Canadian Embassy in Guatemala can help you become familiar with this area and its potential for your products.

Actually you should begin investigating the potential before making plans to travel south. Your first contact should be with the Department in Ottawa or the Regional Office nearest you. You can also write to us at the Commercial Division of the Canadian Embassy in Guatemala, which represents Canadian trade interests in Panama, the Canal Zone, and the five Central American republics. We are well geared to conduct a preliminary investigation for you and put you in initial touch with suitable contacts. To help us, you should provide us with as much information as possible about your product, including descriptive literature, export prices (preferably c.i.f. Panama and Central American ports) and, where possible, samples. Incidentally, the metric system of weights and measures is obligatory on all customs documents, although in Guatemala and El Salvador some old Spanish measures and in Panama and the Canal Zone United States standards are also used.

Because financing often plays a vital part in selling in these countries, your preparations should also include acquiring some background knowledge of projects financed through the World Bank and the Inter-American Development Bank that are open to Canadians, and procedures for bidding or making submissions. The Department can assist and can also fill you in on applicable projects financed by the Canadian International Development Agency. The Export Development Corporation can provide information on its facilities for insuring or financing your sales to Central America and Panamanian importers.

The best time for your trip to Central America and Panama is probably from November to May, the dry season, though you will want to avoid Holy Week, when there is either a three-day holiday or, in Nicaragua, a whole week. The holidays in addition to Easter and Christmas that are observed in each country are listed in the accompanying box. If this is your first visit, **you should probably plan to spend two or three days in each of the capital cities of the six countries and also in San Pedro Sula.** (For most products, it is essential to appoint separate agents in each country.) For each country, you will need a passport, a visa or tourist card (business visas are usually valid for 30 days) and a

Most of Panama is modern, as you can see, and you will find comfortable accommodation in hotels such as the El Panama Hilton (left center) and the Continental (right center).

The oxcart and the mule are still the main transport in many areas of Honduras, which has only 250 miles of paved roads. This pack train is passing near the magnificent Mayan ruins of Copan; note the carved column at the left.

smallpox vaccination certificate, not more than three years old. The currencies in use are:

Guatemala: quetzal; on par with U.S. dollar, divided into 100 centavos.

El Salvador: colon; 2.50 colones equal one U.S. dollar. Divided into 100 centavos.

Honduras: lempira (or peso); one lempira equals U.S.$0.50. Divided into 100 centavos.

Nicaragua: cordoba; 7.05 cordobas equal one U.S. dollar. Divided into 100 centavos.

Costa Rica: colon; 6.65 colones equal one U.S. dollar. Divided into 100 centimos.

Panama: balboa; at par with U.S. dollar. Silver coins are used interchangeably with U.S. currency. There is no paper money.

The climate in the seven major cities varies from temperate the year round in Guatemala City, San Jose and Tegucigalpa to warmer in San Salvador, and hot and humid in San Pedro Sula, Managua, and Panama City. For excursions outside the metropolitan areas, the climate varies from hot and humid on the coast and in low-lying areas to very cold in the high altitudes. The rainy season is from April to mid-October and a light plastic raincoat and umbrella are useful then. The best idea is to draw up your itinerary and then decide upon what type of clothing you will need.

The best way of getting from Canada to Central America is by air; Canadian Pacific Airlines has regular flights from Vancouver, Toronto and Montreal to Mexico City and Aviateca then goes on to Guatemala City. Or you can fly from several Canadian cities to Miami, New Orleans, San Francisco, Los Angeles, or Houston and find onward flights to Guatemala and other Central American capitals offered by a number of airlines. Your travel agent can advise you.

If you have enough time and want to see more of the country, you can motor through the United States, Mexico, and southward all the way to San José, Costa Rica, on first-rate paved highways, and even the unpaved stretch from San José to Panama is quite satisfactory.

Hotel accommodation in most of these countries is excellent but you should have your travel agent make your reservations well in advance. Among the leading hotels that the Embassy recommends are:

Guatemala City—El Camino Real, Guatemala Biltmore, Hotel Maya Excelsior, Ritz Continental, Palace Hotel, and Hotel Pan American.

San Salvador—El Salvador Intercontinental, the Gran Hotel.

Honduras—San Pedro Sula (the major commercial center in Honduras)—Gran Hotel Sula, new and first-class and Hotel Bolivar, older but certainly adequate.

Tegucigalpa—(Honduran capital and second commercial center)—Hotel Prado and Gran Hotel Lincoln.

Managua, Nicaragua—Gran Hotel. Several newer hotels are under construction.

San José, Costa Rica—Hotel Europa, Royal Dutch, President, Balmoral, and Gran Hotel de Costa Rica.

Panama City—Hotel El Continental and El Panama Hilton.

There are a number of good restaurants which the Embassy can recommend in addition to those at the hotels listed.

As an indication of the cost of your trip, the return flight, economy, 21-day excursion from Montreal to Mexico City is $238 and from Mexico City to Guatemala return, economy, varies from $91.90 to $107.03. First class hotel rooms range from U.S.$12 to $18 per day single and U.S. $14 to $24 double. In the better restaurants meals cost U.S.$3 to $7, including drinks, but the visitor can eat well, American style, on U.S.$10 a day. The normal tip for waiters, taxi-drivers, etc., is 10 per cent of the bill.

If your itinerary is well organized, **you should be able to fit in up to eight calls a day,** provided none of these is too long. Travelling time between appointments need not exceed 15 minutes because the cities are not large and taxis are easy to find. You may also wish to entertain your business contacts at lunch or dinner in the better restaurants.

For travelling between the various capitals, air service is excellent, with several connections per day. If time is not a factor, roads between the cities are adequate and cars are available for rent at close to the Canadian rates.

Hours of business vary somewhat from city to city, as shown below:

Guatemala—Business and government offices: 8 a.m. to 12 and 2 to 6 p.m. Monday through Friday. Government offices are also open Saturday morning 8 a.m. to 12.

San Salvador—Business: 8 a.m. to 12 and 2 to 6 p.m. Monday through Friday, and 8 a.m. to 12 on Saturday. Government offices: 7:30 a.m. to 12.30 and 3:00 to 5:30 p.m., Monday through Friday.

Honduras—Tegucigalpa. Business and government offices: Monday through Friday 8 a.m. to 12 and 2 to 6 p.m.

San Pedro Sula. Business hours: 7 a.m. to 11 and 1 to 5 p.m.

Nicaragua—Managua: Business: 8 a.m. to 12 and 2:30 to 5:30 or 6:00 p.m. Government offices usually closed in afternoon.

Costa Rica—San José: Business: 8 a.m. or 8:30 to 11 or 11:30 and 1 to 5 or 5:30 p.m. Government offices: 7 to 11 a.m. and 1 to 5 p.m.

If you wish to show samples or put up a display of your products, the new premises of the Canadian Embassy in Guatemala has adequate space, but you must reserve it well in advance.

La Aurora, an international airport, is located in Parque Aurora at the southern end of Guatemala City. This interior view shows an eye-catching mural decoration.

The major trade fair in this territory is the International San Salvador Trade Fair held every second year. The next one will be held in November 1970 and could be a useful medium for introducing your product to the Central American market. For details on this event, as well as on various smaller exhibitions such as Dairy Shows held in several of the Republics, write to the Embassy.

The opportunities for sightseeing and the tourist attractions are many and the choice depends on the amount of leisure time you have. There is big game hunting and both freshwater and deepsea fishing if you are sports-minded, or if you are less athletic, breathtaking scenery which ranges from volcanic mountains (some still active) to beautiful lakes such as Guatemala's Lake Atitlan, and huge freshwater Lake Nicaragua containing sharks and other deepsea fish, to beautiful beaches, and to the famous Mayan ruins of Tikal, Guatemala, and Copan, Honduras. The old colonial Guatemalan capital of Antigua, the fascinating Indian market, and the combination of Indian and Catholic rituals practised at the cathedrals in Chichicastenango can easily be included in weekend excursions. If time permits, a visit to the Bay Islands, Honduras, will satisfy you if you are seeking relaxation in an exotic yet tranquil atmosphere.

For shopping, local markets for handicrafts and the stores of Panama City for a wide range of merchandise from all over the world, at reasonable (but not duty-free) prices, are recommended.

Make the Embassy in Guatemala City your first stop to finalize your itinerary and obtain last-minute information and advice. Spanish is the official language in all countries and a knowledge of it is useful, but you will find that most businessmen understand and speak sufficient English for you to communicate with them.

Let us help you make your stay in Central America and Panama an enjoyable and profitable experience.

Public Holidays in Central America and Panama

Guatemala

January 6, Epiphany
May 1, Labor Day
June 30, Revolution Day
August 15, Guatemala City only
September 15, Independence Day
October 12, Discovery of America
November 1, All Saints
The business community does not observe as holidays June 30, October 12 or December 24.

El Salvador

April 14, Pan-American Day
May 1, Labor Day
May 10, Mother's Day
August 3, Employee's Day
August 5 and 6, Feast of San Salvador
September 15, Independence Day
October 12, Day of the Race
November 2, All Souls Day
November 5, Anniversary of First Declaration of Independence
December 14, Anniversary of the Revolution.

Honduras

April 14, Pan-American Day
May 1, Labor Day
September 15, Independence Day
October 3, Francisco Morazan Day
October 12, Columbus Day
October 21, Army Day

Nicaragua

February 1,
May 1, Labor Day
May 27, Army Day
August 1, from noon, local fiesta
August 10, local fiesta of Santo Domingo
September 14, Battle of San Jacinto
September 15, Independence Day
October 12, Columbus Day
November 1, All Saints Day, afternoon
December 8, Immaculate Conception, afternoon

Costa Rica

March 19, Saint Joseph
April 11, Battle of Rivas
May 1, Labor Day
June, Corpus Christi
June 29, St. Peter and St. Paul
July 25, Guanacaste Day
August 2, Virgin of Los Angeles
August 15, Mother's Day
September 15, Independence Day
October 12, Columbus Day
December 8, Immaculate Conception Day

Panama

January 2, only government offices and banks
February 22, Canal Zone only, Washington's Birthday
March 1, Constitution Day
May 1, Labor Day, Republic of Panama
May 30, Canal Zone only
July 4, Canal Zone only
August 15, Panama City only
September, Labor Day, Canal Zone
October 12, Columbus Day
November 1, All Saints Day, only government offices and banks closed
November 2, All Souls Day, only government offices and banks closed
November 3, Independence from Colombia Day
November 4, Flag Day, only government offices and banks closed.
November 5, Canal Zone only
November 10, first call of Independence
November 11, Canal Zone only
November, Thanksgiving, Canal Zone
November 28, Independence Day from Spain
December 8, Mother's Day

The Canadian Embassy is now located in efficient modern offices on the seventh and top floor (left) of the Edificio Etisa.

CANADIAN EMBASSY OPENS NEW OFFICES

STUART G. TREGASKES
Commercial Counsellor, Guatemala City

The Canadian Government first appointed a Trade Commissioner to Guatemala in 1946 and the Trade Office was elevated to an Embassy in 1962. The Canadian Ambassador to Mexico (resident in that country) is also accredited as Ambassador to Guatemala and in his absence the Commercial Counsellor acts as Chargé d'Affaires of the Embassy.

The Embassy offices, formerly located in a modern building in the heart of Guatemala City, became too congested and a move was made in October 1969 to more commodious quarters in what is perhaps one of the most modern buildings in the country, Edificio Etisa, Zona 9, where the Embassy now occupies one-half of the seventh (and top) floor. (The other half is occupied by the Inter-American Development Bank.) The new telephone numbers are 67-2-27, 61-0-05 and 61-5-60. The mail address has been changed to Apartado 3-A but the cable address, "Canadian", remains the same, as does the telex, 206 DOMCAN GU.

The new Embassy offers excellent facilities to the visiting Canadian businessman and we hope that the Canadian exporting community will take advantage of these services. There are two business offices ready for Canadians to use at all times to interview local representatives, to display samples, or to discuss business with buyers or prospective clients. Stenographic and secretarial services can also be made available within reason, using the Embassy's small staff. For the longer term or more extensive requirements, secretarial services can be engaged from local private companies. A seminar-conference-library-film room of about 600 square feet, called the "Beaver Room", can also be

Stuart G. Tregaskes, Chargé d'Affaires and Commercial Counsellor, dictates to his private secretary, Mrs. Gloria Serrano, who has worked for the Canadian Embassy for a period of twenty years.

John D. Tennant, Assistant Commercial Secretary, (at desk) talks business with Mr. Freeman, (right), a representative of several Guatemalan manufacturers. At left is the Commercial Officer, Walter Kuhn.

Alan L. Lyons, Assistant Commercial Secretary, who was posted recently to Guatemala from London, with his secretary, Myrna Salguero.

Miss Simone Morel is the Attaché and Vice Consul at the Canadian Embassy. Miss Morel has been in the Foreign Service for 12 years, with previous postings in the Congo (Kinshasa) and Paris.

used; it can seat 60 people. If a larger area is required, the Beaver Room and the reception room can be made into one large area of more than 1,200 square feet, suitable for small exhibitions, displays, etc., and up to 100 people can be seated. Individual companies, trade associations and exporting groups in Canada will find this space useful for showing films, holding seminars, conferences or round-table talks, or for putting on small exhibitions, photographic displays, etc. The staff of the Embassy can assist in making necessary arrangements, including the preparation of invitation lists, press liaison and publicity, display backgrounds, the arranging of catering services, etc. (Light refreshments can be offered.) The Canadian Embassy in Guatemala stands ready to prepare for the businessman's arrival by making hotel reservations for him and by scheduling his appointments. It should be noted that the office in Guatemala has responsibility for Canadian commercial developments in the other countries of Central America (El Salvador, Honduras, Nicaragua, Costa Rica) and for Panama and the Canal Zone and that it can offer the same service for those countries. December to May are the most delightful months of the year in the countries of Central America. The rainy season has ended, the maximum daytime temperatures range from 75 to 90 degrees, there are first-class hotels in all major cities, and interconnecting air services are frequent and regular. A combination business visit-holiday in Central America, one of the most scenic and colorful areas in the Western Hemisphere, may pay off not only in business but also in rest and relaxation. Be sure to let the Canadian Embassy in Guatemala help you make your visit the best possible by getting in touch with us well in advance of your trip.

SHOW OF THE MONTH

Three European scientists and D. H. Hillen of Velan Engineering Companies of Montreal (right), talk about Velan's range of pumps and nuclear valves. The large valve on the left is being shipped to Osaka, Japan, and will be placed on display in the Canadian Pavilion at Expo '70.

Dr. G. A. Pon of Atomic Energy of Canada Limited of Ottawa (second from left), explains the model of AECL's medical products sterilization plant to Dr. M. Tribus, Assistant Secretary of Commerce for Science and Technology, Washington, D.C. (third from left). Looking on is H. E. Campbell, Commercial Counsellor in Berne (far left), and G. F. G. Hughes, Minister-Counsellor (Commercial) in Rome. The model illustrates the Cobalt 60 unit seen in the background.

H. E. Campbell (right) and Dr. M. Tribus (center) discuss the scale model of Rio-Algom's Nordic Mine Mill which produces U_3O_8 (yellow-cake) in concentrate form. Miss Shelly Roland, a Canadian studying in Lausanne, served as an interpreter at NUCLEX for Rio Algom Mines Limited of Toronto.

Canada was given a full-scale opportunity to show its development in the nuclear field at the Second International Nuclear Industries Fair held in Basel, Switzerland, October 6 to 11. Nine Canadian companies exhibited nuclear power technology under the auspices of the Department of Industry, Trade and Commerce. Graphic displays showed Canadian expertise in the mining and processing of uranium, in the manufacture of nuclear valves, seals, and instrumentation, and in the commercial application of Canadian-produced radioisotopes. NUCLEX '69 provided Canadian firms with the opportunity to contact prospective buyers and to prepare for further negotiations and follow-up visits.

The first NUCLEX fair was held in 1966 with some 250 exhibitors from 16 countries, including national exhibits from Canada, France, the United States and Britain. This year's fair drew 317 exhibitors from 22 countries. Some 18,000 business and public visitors attended compared with 12,000 in 1966. Nine technical meetings for the attending engineers and scientists were held in conjunction with the fair. Five Canadian nuclear scientists presented papers at these meetings which attracted 1,844 technical specialists from 33 countries. The next Nuclear Industries Fair will be held in Basel within 22 months from October 16 to 21, 1972.

TAKE THE FIRST STEP

L. A. FURLONG
President, Cultique Marble Products Ltd.

Early in 1967, representatives of our two companies—Waterline Products and Cultique Marble Products—went to Ottawa to talk with officers of the Department of Trade and Commerce. We were interested in selling overseas one of our products, riot shields made of fiberglass. We also mentioned during our conversations that we had recently developed a new item, vanity basins. These were made of a composition of ground silica sands and dust and limestone that, when combined with polyester resins and poured into moulds, took on the appearance of natural marble but was actually seven times stronger. The people to whom we talked were quick to suggest that we take these basins abroad too. We at once began to confer with them on plans for doing this.

Our first step was to arrange, with the co-operation of the Department, for a showing of the basins at the Canadian Consulate in Detroit. The Canadian Consul there sent out engraved invitations to selected manufacturers' agents in Detroit and district to attend a showing of our product. On two evenings the Consulate staff assisted us in describing our basins and the process by which they were made to 70 persons who accepted the invitation.

Later, on the basis of our own first impressions of the people whom we had met and also drawing from a list of recommended agents and distributors that the Consulate prepared, we interviewed six persons from among those who had expressed interest in handling our product and chose one of them as our agent in Detroit. This whole procedure cost us nothing but a little time, our travel expenses, and the supplies for the bar during the showing.

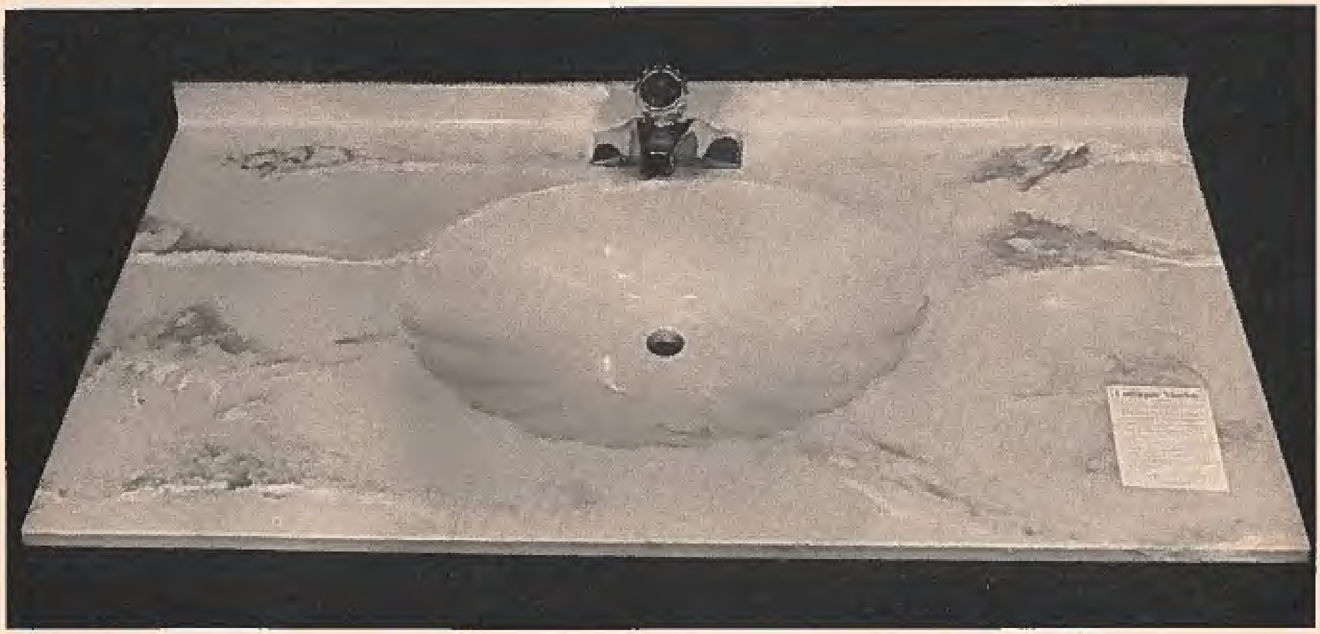
There were lessons for us in this experience. **In the past two years we have introduced our Cultique basins into 15 countries.** In every case, we have made our preliminary investigation of the market by using the Canadian Trade Commissioners' service and research facilities in each of these countries. Similarly, the Ontario Department of Trade and Development has helped us, through a trade mission, to contact the company that will probably become our biggest customer in the United States. They have also provided us with considerable information and advice.

By this time we had learned that there is an easy, efficient, and economical way of penetrating other markets. We **soon developed the following formula of approach.**

1. Begin by working through the Canadian Government's Trade Commissioner Service or Ontario Government trade missions. Make full use of their familiarity with market conditions and put yourself on all mailing lists that promise to provide interesting ideas.

2. Plan for Embassy- or Consulate-based displays in other countries. Send copies of literature to Canadian Trade Commissioners throughout the world, asking them for information about possible opportunities. (Every week someone, somewhere, replies.)

3. Select certain target areas and interview established and reputable agents or distributors in each.



This is the Royal Shell vanity basin, the Cultique model that is selling widely in the United States and the Caribbean.

4. Make a further check on these agents with some of their customers to verify their standing and reputation. The Trade Commissioners can also help in carrying out this check.

5. Insure all exports through the Export Development Corporation, and thus protect the firm against non-payment by the foreign customer.

6. Select a good representative—and hope for a happy marriage with him.

Since we began using this formula, our export sales of the marble basin have risen remarkably—from 4 per cent of total sales in 1967 to almost 25 per cent in 1968 and to 48 per cent this year. Our markets too have diversified.

There is, of course, much more to a successful sales effort abroad than merely being fathered by the Government in making initial contacts, in learning about market conditions, and in holding one's showings in the prestigious surroundings of a Canadian Consulate. In reviewing our own approach, we have concluded that **there are four tests of efficiency for a business organization in any export market,** or four important impressions by which it will be judged. These are, in order of sequence, excellent product literature, a superior product, a rational and intelligible price structure, and a good record of company performance.

To examine each of these briefly, we concluded very early that it was the worst kind of economy to cut back on the quality of our descriptive literature. **We soon learned that prospective customers and agents and government itself tended to equate the quality of our products with the quality of our literature.** It was not necessary to lavish money on this literature. We produced a good four-color illustration of our basin on a single sheet of high-quality stock at a relatively low cost. On the front and back of this sheet we confined ourselves to a terse list of the specifications. There was no overt salesmanship, other than that conveyed by the attractive photo; the product sold itself. In using this format, we had an eye to general distribution, high visibility, maximum impact, and a minimum of translation in foreign markets.

The second point is a superior product. If the product is not superior—or at least serviceable in standard ways—it will soon win for the manufacturer or supplier a different kind of reputation than the long-term one he should be working steadily to achieve.

In dealing with the third point, price structure, we found that we could contribute greatly to the prospective agent's or distributor's understanding of how our product would fit into his own marketing pattern at slight inconvenience to ourselves. When shipping to the U.S., we simply quote a price with duty, brokerage and freight included, payable in U.S. funds. This gives the customer his landed cost at a glance. **In overseas markets, we quote the price c.i.f. to port of entry.** This too is a service to the customer.

Company performance, the fourth point, must, like the product, speak for itself. If a company has not and does not maintain a good record for products and services, the foundations so carefully laid by literature and correspondence and further followup are inevitably going to collapse.

We have learned that it is possible to export while keeping one foot securely in the door of the Canadian market. In an export program, the quality of one's information is all-important. We have learned always to measure the opportunities of entering another market against the hazards of unlimited competition and to be careful about the auspices and affiliations through which we get involved. We have learned not to be careless about checkable facts—which often means little more than a telephone call or a letter to a government agency or its representatives abroad.

We have learned as well that Canadian businessmen and Canadian-made goods are generally extremely well received in foreign markets. We have found this to be true in such disparate overseas countries as Greece, Portugal and Bahrain, as well as in the United States. South and Central America have become important markets for us and we are now looking with particular interest to the Caribbean.

We exported our first product (the riot shield) because there was a negligible market for it in Canada, and our second as a hedge against increased domestic competition. Before that, we seemed to be subject to what appears to be a common illusion that the matter of exports could always be put off because the proper time for it would come, and the common experience of finding that, after all, there was no time. Now, almost imperceptibly, we have been made aware that it is a large world and that our interests and responsibilities extend to every part of it. As a result, our plans and efforts are now reaching out increasingly toward this world.

Export begins in the mind—with a decision. There seem to be too many secondary manufacturers and others in Canada who are capable of exporting but who have not made this necessary effort of the mind. Their attitude may be based partly on a few false assumptions. One of these is that it is extremely difficult, costly and time-consuming to export. It is not. With proper precautions, it can be as safe, easy and economical as doing business at home.

A second false assumption is that Canadian manufacturers and distributors, because of their own high costs, just can't compete efficiently in other markets, particularly in the United States. By carefully selecting our products and our target areas, we have proven to our own satisfaction that this is wrong. **There are only two essential ingredients in an active export program: a good product and the willingness to take the first step.** If anything is to be learned from our own experience, it is that the other steps seem to follow by themselves.

Exports are bound to play an increasingly important role in Canadian development. In many cases it will only be through exports, both to developing countries and to other advanced countries, that adequate markets will be found to support greater industrialization. Exports are not just tomorrow's problem and tomorrow's opportunity; both the problem and the opportunity confront us today.

We at Cultique Marble have today a leverage in the export market and we are going to use it. It is no longer for us a question of whether, but one of where, when and how soon. Today the world has become our market and we are happy to be part of that larger world.

PETROLEUM AND PETROCHEMICALS

Our December 6 issue discussed the four major foreign-owned oil companies in Venezuela and what Canadian firms might sell to them. This one deals with the Government's oil company and petrochemical complex and sales to them.

F. M. G. SULLIVAN
Assistant Commercial Secretary, Caracas

The Corporacion Venezolana del Petroleo (CVP) is a Venezuelan type of crown corporation charged with developing the country's petroleum resources in accordance with the policies of the Ministry of Mines and Hydrocarbons.

CVP is deeply involved in exploring and producing oil as well as marketing a full range of petroleum products and LPG and will be processing and marketing aviation fuels for the domestic market in the immediate future.

Production of petroleum by the corporation, at approximately 40,000 barrels a day, will be increased to over 100,000 barrels a day before mid-1971 by means of expansion of facilities in Bajo Grande. In the early stages of expansion, it plans to build a special products refinery in Boscan, which could turn out 150,000 barrels a day.

CVP may be able to use a patent held by the Canadian Petrofina Co. for a joint venture with this company for a proposed vanadium extraction plant in Venezuela. The project plans are currently before the executive committee of the Ministry of Mines and Hydrocarbons.

The seismic exploration and analysis of the Gulf of Venezuela and the southern part of Lake Maracaibo were recently completed by the corporation. Sizable oil deposits were discovered but no specific figures are yet available.

CVP is now engaged in the exploration for crude in the Sema Casmas area near Barinas, in Eastern Venezuela, and it is expected that additional developments will be forthcoming off the eastern coast of Venezuela in the Caribbean. It expects to install new facilities during 1969-1970, in addition to a considerable amount of new drilling.

CVP has an extensive natural gas distribution system throughout Venezuela. It has five main distribution lines: 26-inch natural gas main line from Anaco to Caracas (327 kilometers); 20-inch line from Caracas to Valencia (157 kilometers); 12-inch gas line from Guacara to Moron (70 kilometers); 10-inch natural gas line from Moron to Barquisimeto (50 kilometers); 20-inch natural gas line from Anaco to Puerto Ordaz (225 kilometers). CVP gas plants process approximately 3,360 thousand cubic feet a day. The 20-inch gas pipeline from Anaco to Puerto Ordaz will supply the new U.S. Steel iron-pelletizing plant with its complete power needs for the foreseeable future.

CVP is participating with the Venezuelan Petrochemical Institute (IVP) in a natural gas processing plant to supply ethane, propane, butane and natural gas to IVP. Construction contracts are still open for subcontracts. The project will involve three compressor stations with a total potential of 22,000 h.p.; the design pressures range from 60 to 2,000 pounds per square inch. The new CVP plant is scheduled to be completed by January 1972. CVP officials are studying recent offers by the private oil companies for the pending new contracts. The first contracts were expected to be made public by December 1969.

Canadian suppliers of equipment and Canadian companies wishing to offer services to CVP should not only have established local representatives but they should be registered with the corporation's legal department. **To qualify for contracts, Canadian companies must be registered under Venezuelan law and associate with Venezuelan companies.** CVP advertises both new projects and large equipment purchases in the local Venezuelan press, in the New York and Paris press, and in several U.S. oil journals and publications in the oil equipment centers of the United States.

Canadian companies wishing to participate in the upcoming CVP engineering projects, expansion of process plants, etc., should contact the Caracas office of the CVP through the Canadian Embassy. CVP has an engineering department which carries out a considerable percentage of the groundwork for the smaller engineering projects and then calls on the local supply companies for recommendations and modifications. Therefore, Canadian companies should make their initial contacts with local equipment and material supply companies in the Maracaibo region, with the assistance of the Canadian Embassy in Caracas.

CVP exploration crews are currently in the Boscan area, which the corporation hopes to develop in the near future and which will require a considerable amount of imported production equipment. In addition, CVP foresees a requirement in the near future for compressor equipment

(16,000 bhp*) for its Lake Maracaibo operations. It plans to build two new compressor stations in 1970 and the details will be available to any interested Canadian companies.

The Instituto Venezolano de Petroquimica already mentioned is the Venezuelan public corporation responsible for the planning, promotion and administration of the Venezuelan petrochemical industry.

IVP is currently engaged in 12 petrochemical projects. The total cost is in the vicinity of Bs2.2 billion (approximately Cdn.$550 million). It is known that only about 5½ per cent of these funds has been committed to projects which are in the early stages of development. **Substantial opportunities exist for Canadian consultants on chemical and petrochemical plants** and Canadian manufacturers of refinery and petrochemical equipment in connection with the Institute's intensive investment programs.

IVP is also planning an 80-megawatt power generating station to produce electricity and 600,000 pounds of steam pressure an hour to supply El Tablazo at the northern end of Lake Maracaibo. The estimated cost of this plant is U.S.$13 million and the projected completion date is mid-1972. The electrical distribution system will be integrated with the existing power network in the El Tablazo area. The new electrical installations at El Tablazo will be administered by the Compania Anonima de Administracion y Fomento Electrico (CADAFE), a large private power company distributing electric power to large regions, mainly in Western Venezuela.

* bhp: brake horsepower

IVP is searching for foreign partners with the technical knowhow to carry out these projects, and at the same time partners with established international markets for the products which will eventually be available for export from the El Tablazo petrochemical complex. Another requisite for foreign companies wishing to participate directly with IVP on a joint-venture basis is the ability to provide financing for the new projects up to a limit of 50 per cent.

Inquiries about IVP should be directed to the Commercial Counsellor, Canadian Embassy, Apartado 62302, Caracas, Venezuela.

IVP Projects Open for Participation with Foreign Partners

C_2 plant
68,000 metric tons per year.

Chlorine plant
3,000 metric tons per year.

Natural gas plant
90 million standard cubic feet per day (s.c.f.d.) for ammonium plant feed.

Gas feed plant to CVP
165 million s.c.f.d.

Methane plant for combustion fuel
12.5 million s.c.f.d.

Ammonium and urea plant

Ethylene plant
150,000 metric tons per year.

Propylene plant
85,000 metric tons per year.

Butane plant
106,000 metric tons per year.

Methane plant
44.5 million cubic meters per year.

Pentane plant
740,000 metric tons per year.

Propane plant
84,000 metric tons per year.

Trade and Tariff Regulations

The Ecuadorian Government has adopted a new system of import deposits. Under the new regulations, effective October 27, 1969, the percentages of prior deposits for List 1 and List 2 imports will fluctuate with the level of Central Bank's foreign exchange reserves, depending upon the reserves of the preceding month. The rates established for the month of November were as follows: (the old rates are shown in parentheses) 30 per cent (35) for List 1 and 60 per cent (70), 115 per cent (130), 160 per cent (170) and 240 per cent (250) for the different items on List 2.

The system is also designed to vary in relation to payment terms granted by the foreign supplier, i.e., the base rates are reduced according to the credit terms obtained by the importer. The prior deposits payable on goods for items of 0 to 90 days are decreased in stages to complete exemption for payment conditions of five years or more.

Unchanged are the customs deposit of 15 per cent of the duties for List 1 and 70 per cent for List 2, the Monetary Stabilization Surcharge of 10 per cent for List 1 and 20 per cent for List 2, and the Special Tax of 15 or 20 per cent for specified products on List 2.

Further information is available from the Latin American Division, Office of Area Relations, Department of Industry, Trade and Commerce.

Exporters to Finland are advised that the requirements of paragraph 105, clauses 1-5, of the Finnish Cnstoms Regnlations are to he more stringently enforced as of January 2, 1970. These regulations pertain to the information that must by law be included in invoices of goods imported into Finland. The regulations are too lengthy to reproduce here, but information regarding them and the sanctions to be applied for failure to comply may be obtained from the European Division, Office of Area Relations, Department of Industry, Trade and Commerce, Ottawa.

An Appeal Court decision that the "Buy America" law passed hy the California Legislature in 1933 was unconstitutional was affirmed by the Supreme Court of California on November 12. The Court declined to hear an appeal of the lower court decision, and thus confirmed the decision that the law was unconstitutional. The appellant has 90 days after the decision of the California Supreme Court to request a hearing of the case by the United States Supreme Court. This decision will permit Canadian and other foreign suppliers to offer their products and services to the State and its subsidiary jurisdictions, such as municipalities, public works authorities, and school boards.

A number of interpretations and statements of general policy under the United States Fair Packaging and Lahelling Act have been issued hy the Federal Trade Commission. The Act became effective September 10, 1969. The term "consumer commodity" has been defined as: (1) any food, drug, device or cosmetic, and (2) any other article or product customarily for sale through retail sales agencies for consumption by individuals which is (i) usually expended in such consumption, (ii) for purposes of personal care, (iii) used in the performance of services ordinarily rendered within the household.

Specifically excluded from the scope of the Act are: (1) meats, poultry, and tobacco; (2) economic poisons and biologics for animals; (3) prescription drugs; (4) alcoholic beverages, and (5) agricultural and vegetable seeds. The legislative history of the Act demonstrates the intent of Congress not to consider the following articles as consumer commodities under the Act: (1) durable articles or commodities; (2) textiles or items of apparel; (3) household appliances, equipment, and furnishings; (4) bottled gas; (5) paints and similar products; (6) flowers, fertilizers, garden and lawn supplies; (7) pet care supplies, and (8) stationery and writing supplies, pens and pencils.

After receiving a number of questions on individual products the Federal Trade Commission has stated that, in its opinion, the following products *are "consumer commodities":*

Adhesives and sealants
Aluminum foil cooking utensils
Aluminum wrap
Camera supplies
Christmas decorations
Cordage
Disposable diapers
Dry cell batteries
Light bulbs
Liquefied petroleum gas for other than heating and cooking
Lubricants for home use
Pressure sensitive tapes, excluding gift tapes
Solvents and cleaning fluids for home use
Sponges and chamois
Waxes for home use

The Commission has also listed products which in its opinion are *not "consumer commodities"* as follows:

Artificial flowers and parts
Automotive chemical products
Bicycle tires and tubes
Books
Brooms and mops
Cameras
Cigarette lighters
Compacts and mirrors
Diaries and calendars
Flower seeds
Footwear
Garden tools
Gift ties and tapes
Greeting cards
Hand tools
Handicraft and sewing thread
Hardware
Household cooking utensils
Inks
Jewellery
Luggage
Magnetic recording tape
Musical instruments
Painting and wall plaques
Pictures
Plastic tablecloths, plastic placemats and plastic shelf-paper
School supplies
Sewing accessories
Silverware, stainless steelware and pewterware
Souvenirs
Sporting goods
Toys
Typewriter ribbons
Woodenware

Trade Lines

Czechoslovakia does not have enough meat at the moment and has to import substantial quantities from abroad. Domestic supplies in the first eight months of 1969 fell considerably below those in the same period of 1968; beef supplies were down 10,000 tons and pork 34,000 tons. The importing monopoly in Prague is looking for quotes on Canadian pork for delivery before the shipping season closes in Montreal—Prague.

Peru plans to install 15 plants to refrigerate and distribute fish for the table throughout the country. EPSAP, a government entity responsible for purchasing and distributing agricultural and fisheries products, is administering the Cdn. $1 million project. Denmark is supplying the machinery and equipment under a Danish government loan to Peru. The project is expected to be completed by July 1970—Lima.

West Germany, one of the chief exporters of machinery, is also becoming a major importer. Machinery exports in the first quarter of 1969 totalled DM5,174 million (Cdn.$1.4 billion), a 4 per cent increase over the same period in 1968. Imports of machinery of all kinds for the same period in 1969 were worth DM1,461 million (Cdn.$396 million), 30 per cent more than in the first quarter of 1968—Duesseldorf.

The first unit of the pelletizing plant of Cia. Vale do Rio Doce will be operating in the near future with a production capacity of two million tons of pellets. This further processing means that the pellets are worth twice as much per ton as untreated ore. The Brazilian company is one of the five chief exporters of iron ore in the world—Rio de Janeiro.

A British engineering mission visited Johannesburg recently. Called "Engtrade Ten", it represented 20 small- and medium-sized British firms. The engineering trade representatives returned to South Africa because their mission in 1968 had been an outstanding success, according to the head of the mission. The British Engineering Industries Association is now planning a third mission for 1971—Johannesburg.

Some 7.8 million Swedes consumed 360,000 tons of meat in 1968. This cost them $1 billion, over one-fifth of total food expenditures. Sweden's 29 chief meat wholesalers had a turnover of $150 million, 12 per cent more than in 1967. Most imports are top-grade meat and come from the U.S., Ireland, Scotland, New Zealand, Australia and Argentina. Main imports from Canada included 3,860 metric tons of edible offals ($2.5 million, c.i.f.) and 176 metric tons of horsemeat ($100,000, c.i.f.). Sweden plans to improve its meat packaging, transportation and freezing methods. Meat companies are expected to be fewer and larger—Stockholm.

Japan's rice crop is expected to reach some 14 million metric tons in 1969, the third largest in its history. Production of paddy rice is estimated at 13.8 million metric tons and upland rice 220,000 metric tons. The 1969 crop will exceed Japan's average annual demand by about two million metric tons. The addition to rice stocks will produce a surplus of approximately 7 million metric tons—Tokyo.

Chile's National Atomic Energy Commission is undertaking a preliminary feasibility study on nuclear-powered desalinisation equipment for Antofagasta. The hope is to provide fresh water and possibly electricity for the city—Santiago.

Nippon Electric Co. Ltd., Japan's largest telecommunications group, plans to build a multi-million-dollar complex in Melbourne, Australia, to produce microwave and carrier telecommunications equipment. At present Australia imports all of this type of equipment—Melbourne.

West Germany plans to donate a complete telecenter to Brazil to serve as a laboratory for local educational TV. The equipment will be given through Brazil's Fundacao Centro Brasileira de TV Educativa. West Germany will send four technicians to install the equipment, considered to be the most advanced of its kind in Europe—Rio de Janeiro.

Exports from the Bahamas went up by more than 58 per cent in 1968 because of growth in the manufacturing sector. The main products exported were cement from Grand Bahama, rum processed in New Providence, and pulpwood from the pine forests of Andros. Together these showed an increase of about 30 per cent over 1967. The most striking percentage increase in exports was achieved by the salt industry which doubled its shipments to B$2½ million—Kingston.

Euclid off-highway earthmoving vehicles (dumpers) will be manufactured in Belgium and sold in Europe and other countries under an agreement in principle between La Brugeoise et Nivelles, a subsidiary of a Belgian company, and White Motor Corporation of

Cleveland, Ohio. A jointly-owned Belgian selling company will be set up. Brugeoise et Nivelles also manufactures containers and a complete range of transport and handling equipment. For many years it has built under licence from a U.S. firm various types of work trucks, such as "Clark" forklifts and van carriers and "Michigan" tractors, shovels and dozers—Brussels.

Peru's coffee production is estimated at 58,000 metric tons for the year 1968/69, 6.5 per cent more than in 1967/68. Exports in 1968 were worth U.S.$14 million and totalled 46,800 metric tons, 26.8 per cent above 1967. The greater volume is a result of larger exports to traditional markets—Lima.

The Bank of Brazil has received a new line of credit of £3 million from Baring Brothers Bank in Britain. It will be used to finance purchases of goods and services from Britain. Brazil has received credits amounting to $150 million from Britain in the last 12 months—Rio de Janeiro.

Downtowner Corp. of Memphis, Tennessee, plans to build an $8 million, 400-room luxury hotel in downtown Dallas. Construction is expected to begin in six months and will be completed in about two years. This is the first of eight new hotels planned by Downtowner Corp. in major U.S. cities in the next 12 months—Dallas.

Trade Commissioners on Tour

Temporary Duty in Ottawa

Trade Commissioners on temporary duty in Ottawa may be contacted through the Trade Commissioner Service, phone 992-9930 (area code 613).

M. A. Brault
Assistant Trade Commissioner
Johannesburg, South Africa
February 1–7

In Territory

Businessmen who would like Trade Commissioners to undertake assignments for them should write to the post as soon as possible.

Afghanistan
H. W. Guy, Assistant Commercial Secretary in Islamabad, Pakistan, will visit Kabul March 23–27.

Bulgaria, Hungary, Romania
Trade Commissioners in the Vienna, Austria, office make frequent visits to these countries, but often there is not time to publish their itineraries in advance. Therefore, Canadian businessmen who would like the Trade Commissioners to undertake assignments for them in these East European countries are advised to write to the Vienna office immediately.

Colombia
J. A. Elliott, Commercial Secretary in Bogota, will visit Cartagena, Barranquilla and Santa Marta January 26–30.

Costa Rica
A. L. Lyons, Assistant Commercial Secretary in Guatemala City, will visit Costa Rica February 2-7.

Cyprus
An officer from the Tel Aviv, Israel, office will visit Cyprus every month for at least three days, usually in the second half of the month.

El Salvador
J. D. Tennant, Assistant Commercial Secretary in Guatemala City, will visit El Salvador March 16-20.

Guyana
Officers of the Port-of-Spain, Trinidad, office will visit Guyana as follows:

J. M. C. Lavoie, Assistant Commercial Secretary, January 26-30.

D. J. McJanet, Commercial Secretary, February 16-20.

D. Hobson-Garcia, Commercial Officer, March 16-20.

Honduras
S. G. Tregaskes, Commercial Counsellor in Guatemala City, will visit Honduras February 23-28.

Nicaragua
W. Kuhn, Commercial Officer in Guatemala City, will visit Nicaragua January 26-31.

Pakistan
Officers at the Islamabad office will make the following visits:

Karachi—M. Y. Farooqui, Commercial Officer, January 19-23.

Lahore—J. E. G. Gibson, Commercial Secretary, March 2-4.

Dacca—H. W. Guy, Assistant Commercial Secretary, March 9-13.

Panama
S. G. Tregaskes, Commercial Counsellor in Guatemala City, will visit Panama January 11-15.

Taiwan
D. S. Baker, Consul and Assistant Trade Commissioner in Manila, Philippines, will visit Taiwan February 2-11.

Trinidad
Officers of the Port-of-Spain office will visit North and South Trinidad as follows:

North Trinidad

D. J. McJanet, Commercial Secretary, February 25.

South Trinidad

J. A. Ahow, Commercial Officer, March 25.

Foreign Exchange Rates

These nominal quotations may help exporters in checking prices. but they should consult their banks before making any firm commitments. When more than one rate is shown, the one to be used depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the Office of Area Relations, Department of Industry, Trade and Commerce, Ottawa.

The mid market rates only are quoted, except when buying and selling rates are specified. The buying rate is that at which banks purchase exchange from exporters; the selling rate is that at which banks sell exchange to importers.

Rates used exclusively in non-merchandise trading are *not* included in this table.

For conversion of column one to the U.S. dollar equivalent, *multiply* by .92. **To convert column two, *divide* by .92.**

Country and Currency	Value of foreign currency unit in Canadian dollars at December 4	Value of Canadian dollar in foreign currency units
Algeria Dinar	.1946	5.13
Argentina Peso (free)	.0030	333.33
Australia Dollar	1.204	.8340
Austria Schilling	.0415	24.03
Bahamas Dollar	1.054	.94
Belgium and Luxembourg Franc	.0216	46.72
Bermuda Pound	2.572	.39
Bolivia Peso	.0906	11.06
Brazil Cruzeiro (official free)	.2510	3.98
Britain Pound	2.572	.38
British Honduras Dollar	.5369	1.86
Burma Kyat	.2255	4.43
Ceylon Rupee	.1804	5.54
Chile Escudo (bank rate)	.1086	9.20
(free)	.0942	10.61
China, Republic of New Taiwan Dollar (official)	.027	37.04
Colombia Peso (fixed)	.062	15.87
Congo (Kinshasa) Zaire	2.154	.4651
Costa Rica Colon	.1627	6.14
Cuba[1] Peso	....	....
Czechoslovakia Koruna	.1491	6.70
Denmark Krone	.1434	6.98
Dominican Republic Peso	1.078	.93
Ecuador Sucre (official)	.0599	16.72
(free)	.0536	18.65
El Salvador Colon	.4295	2.32
Fiji Pound	1.232	.81
Finland Markka	.2557	3.91
France, Monaco, etc.[2] Franc	.1929	5.18
Franco-African Republics[3] Franc	.0039	256.4
French Pacific[4] Franc	.0107	93.44
Germany D Mark	.2926	3.41
Ghana New Cedi	1.056	.94
Greece Drachma	.0359	27.93
Guatemala Quetzal	1.073	.93
Guyana Dollar	.5395	1.85
Haiti Gourde	.2148	4.65
Honduras Lempira	.5369	1.86
Hong Kong Dollar	.1772	5.64
Hungary Forint (official)	.0921	10.85
Iceland Krona (official)	.0122	81.96
India Rupee	.1425	7.01
Indonesia[5] Rupiah	....	....

Country and Currency	Value of foreign currency unit in Canadian dollars at December 4	Value of Canadian dollar in foreign currency units	Country and Currency	Value of foreign currency unit in Canadian dollars at December 4	Value of Canadian dollar in foreign currency units
Iran Rial	.0142	70.42	**Peru** Sol (free)	.0248	40.65
Iraq Dinar	3.006	.33	**Philippines** Peso (free)	.2748	3.63
Ireland Pound	2.572	.38	**Poland** Zloty (fixed basic rate)	.2700	3.71
Israel Pound	.3068	3.25	**Portugal & Colonies**[6] Escudo	.0375	26.66
Italy Lira	.0017	588.23	**Saudi Arabia** Riyal	.2066	4.84
Jamaica Dollar	1.286	.77	**Sierra Leone** Leone	1.502	.66
Japan Yen	.0030	333.33	**Singapore** Dollar	.3525	2.85
Kenya Shilling	.1526	6.55	**South Africa** Rand	1.502	.66
Lebanon Pound (free)	.3329	3.00	**Spain & Dependencies** Peseta	.0155	64.93
Malaysia Dollar	.3508	2.85	**Sweden** Krona	.2083	4.80
Mexico Peso	.0859	11.64	**Switzerland** Franc	.2495	4.00
Morocco Dirham	.2218	4.50	**Syria** Pound (free)	.2819	3.55
Netherlands Florin	.2980	3.35	**Thailand** Baht (free)	.0523	19.15
Netherlands Antilles Florin	.5694	1.75	**Trinidad & Tobago**[7] Dollar	.5392	1.85
New Zealand Dollar	1.204	.82	**Tunisia** Dinar	2.055	.48
Nicaragua Cordoba	.1534	6.51	**Turkey** Lira	.1199	8.35
Nigeria Pound	3.017	.33	**United Arab Republic** Pound (official)	2.482	.40
Norway Krone	.1502	6.65	**United States** Dollar	1.078	.92
Pakistan Rupee	.2255	4.43	**Uruguay** Peso (free)	.0043	232.56
Panama Balboa	1.073	.93	**Venezuela** Bolivar (official free)	.2405	4.17
Paraguay Guarani (free)	.0086	116.28	**Yugoslavia** Dinar (official)	.0863	11.61

1. There is no trading in Cuban pesos in U.S. or Canadian banks at present.

2. Franc is also used in French Guiana, Guadeloupe and Martinique.

3. Chad, Central African Republic, Congo (Brazzaville), Dahomey, Gabon, Ivory Coast, Islamic Republic of Mauretania, Niger, Senegal, Upper Volta, Cameroons, Togoland, and Malagasy. Also Reunion, Comoro Islands, St. Pierre and Miquelon.

4. New Caledonia, New Hebrides, French Polynesia.

5. Because of the complexity of the Indonesian exchange rate system, it is impractical to quote a single representative rate for the rupiah.

6. Approximately same rate for Portuguese territories in Africa.

7. Also used in Barbados. Leeward and Windward Islands.

Marketing Data Sheet

Czechoslovakia

Area
49,000 square miles.

Climate
Average temperature 9.7°C in Prague and 10.3°C in Bratislava. Average annual rainfall 491 mm. in Prague and 683 mm. in Bratislava. Temperature fluctuates from −10°C in winter to +25°C in summer. Centigrade scale is used.

Population
14.2 million (1966)—6.9 million males and 7.3 million females. There were 2.4 million aged between 15 and 24, 1.8 million between 25 and 34, and 6.5 million aged 35 and over.

Income
255.3 billion korunas* (1968), 233.9 billion korunas (1967). Per capita income 17,700 korunas (1968), 16,300 korunas (1967). Average wage in manufacturing 1,613 korunas per month (1966). This increased by 25 per cent in 1968.

Retail Sales
142.8 billion korunas (1968), 125.1 billion korunas (1967). Per capita retail sales 9,900 korunas (1968), 8,700 korunas (1967).

Motor Vehicles
1968, 598,581 passenger vehicles, 178,675 commercial vehicles and 898,009 motorcycles and scooters.

Telephones
1967, 90 per thousand persons.

Radio and Television
1967, 3.2 million radio licences issued, 2.6 million television receiver licences issued. Radio and television broadcasting facilities (625 lines per picture) are publicly owned.

*One koruna equals Cdn. $0.1497.

Water Supply
Safe to drink.

Electric Power
50-cycle, one- and three-phase, 220/360 volts, parts of Prague 110 volts. Domestic cost averages 0.30 korunas per kwh. Frequency stability is excellent. A grounding conductor is required in the electrical cord attached to an appliance. In 1966, national capacity was 37,844 million kwh. (consumption) and 9.149 mw. (installed capacity).

Coal
Lignite, hard and brown available. Consumption in 1967 included hard 28.5 million tons, brown 74.4 million tons and coke 7.3 million tons. Production in 1966, lignite 4.3 million tons, brown 69.9 million tons and hard 26.7 million tons. Reserves are extensive.

Gas
Mainly manufactured but changing over to natural. In 1966, 251,000 domestic customers, 1,500 commercial customers. Consumption is increasing and changing from manufactured to Soviet supplied natural gas.

Petroleum
Gasoline (maximum oxtane 96) available. Crude production 190,000 tons in 1966.

Weights and Measures
Metric.

Screw Thread
Metric.

Down Mexico Way

Down Mexico way—that's where these crawler tractors are headed. Loaded on flat cars, they will go by rail all the way to their destination. Designed and built by International Harvester in its Hamilton plant, they are equipped with three-point hitches and bull-grader blades. This means that they can tackle a variety of jobs for the Mexican farmer, including loading, blade and other agricultural work.

The first model of the crawler tractor was produced in 1959 and soon found a market abroad. Today the 500 Series C sells in Australia and New Zealand, South America, Britain, the United States, the Caribbean, and North Africa, in the face of stiff competition from American, British and Italian producers of this type of equipment.

Fishing for sharks in the Gulf of Fonseca, El Salvador, calls for both endurance and skill.