

foreign trade

Department of Industry, Trade and Commerce, Canada

**Canada and the
Caribbean –
Where Opportunities Lie**

November 21/70



In This Issue

You might not think so from the cover that we have chosen for this issue, but there's much more to the Commonwealth Caribbean than beaches where northerners can forget the snows and slush of winter. Tourists are, of course, vital to the economy; in Antigua, for example, the tourist trade brings in 89 per cent of the island's income. This trade has become important to Canadian exporters too, offering opportunities to build and furnish hotels, to engineer and equip airports to handle the big jets, to provide food and other products that the visitors need and want, and to enter into joint ventures. If you are interested in any of these fields, see the articles on pages 15, 19, 20 and 27.

But the tourist-eye view isn't the only one. There's education, for instance. Anyone who has visited these islands and seen the young West Indians going off to school in the neatest of uniforms knows that there is a stress on better

education. Much of the \$24 million in external aid that Canada channelled to the Commonwealth Caribbean in 1969-70 went into the building and equipping of schools (many of them prefabs). This activity means a market for educational equipment (see pages 10 and 28) to help update teaching systems and methods.

Once educated, the need of the young West Indian is for jobs, and this fact underlies the campaigns for industrial development that are being pursued vigorously. Jamaica embarked in 1969 on a new Five Year Plan and has established a Jamaican Development Bank; to find what Trinidad is doing, see the article on page 23. Deeply involved also is the Caribbean Development Bank that began operations last December, and whose role includes the co-ordination of development plans and advising on how to use resources to the best effect.

Don't make the mistake of thinking that these islands aren't "au fait" with the newest methods of market research, marketing, and promotion. We were interested to discover that Jamaica has no less than 13 advertising agencies ready to serve both domestic and foreign clients (see the article on page 7).

Altogether, this issue attempts to present a factual, up-to-date picture of the problems and the possibilities in this part of the world, not neglecting the smaller islands like the Caymans and the Turks and Caicos group. When last year we ran an article on the Caymans, we received immediate inquiries from several businessmen.

The cover? It's Grand Anse Beach on Grenada. It is just as beautiful as it looks. We know, because we spent our vacation on it last year.

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The Hon. Jean-Luc Pepin, Minister

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Canada and the Caribbean. — Traditional Trade Partners



The Canadian presence in the Commonwealth Caribbean is evident in these two banks on the main street of Belize.

G. R. GOUGH
Caribbean Division
Office of Area Relations

The Commonwealth Caribbean has been a market for Canadian exporters for over 150 years. We are the third largest supplier to the area accounting for about 9 per cent of its total imports.

Canadian exports to the Commonwealth Caribbean averaged slightly over \$100 million annually during the latter 1960's but rose to \$113 million in 1969 and in the first six months of 1970 were running at a rate that would give an annual amount of more than \$160 million.

Traditionally the West Indies has been a market for Canadian flour, fish, meats, processed foodstuffs, lumber and newspaper. While these still form

a large part of our trade, increasing industrialization in the area has, in recent years, resulted in substantial sales of such items as textile fabrics, insulated wire and cable, telecommunications equipment, aluminum fabricating materials, and various forms of capital equipment. In addition, the area is importing a wide range of fully manufactured goods from Canada.

Shipments from the Commonwealth Caribbean to Canada have been rising steadily in recent years also, from \$81 million in 1965 to \$106 million in 1969. However, in the first six months of 1970 imports from the Commonwealth Caribbean declined to \$38 million from \$50 million in the same period last year, largely due to reduced shipments of sugar and alumina from Jamaica and of petroleum and cutting,

penetrating and lubricating oils from Trinidad.

Commonwealth Caribbean exports to Canada are narrowly based, with bauxite and alumina, sugar, petroleum, molasses, rum and citrus juices accounting for the major portion.

In addition to the traditional trade ties between Canada and the Commonwealth Caribbean, Canadian investment in the area is estimated at over \$500 million. Although dominated by aluminum interests in Jamaica and Guyana, Canadian investors are also involved in a wide range of secondary manufacturing activities. Canadian commercial banks and insurance companies have been important factors in the financing of primary exports and in providing general banking and insurance facilities in the region.

Jamaican Market Still Strong

There should be a growing demand for the material and equipment needed by the manufacturing sector as the country continues its policy of industrialization.

DONALD H. LEAVITT, Commercial Secretary, Kingston

The Jamaican economy continued buoyant in 1969, although some sectors did not do as well as in the previous year. The output of alumina expanded rapidly, due to earlier investment in this commodity, but agriculture, manufacturing, construction and installation, and tourism failed to maintain the momentum of 1968.

Weather, labor and transport problems in agriculture were partly to blame for this, as were the smaller increase in gross domestic investment and the relative slump in tourism in the western hemisphere. (This last is said to be due to lower transatlantic air fares that allowed Europe to become more competitive as a tourist attraction.) Other factors contributing to the decline in these sectors were the restrictive economic policies in the U.S. and the lack of new opportunities such as became apparent with the formation of CARIFTA in 1968 and that contributed to the Jamaican growth in that year.

Canada, despite all this, was able to increase its sales to Jamaica and the prospects are that we should be able to do so again this year.

National Accounts—National income, (the income from resources owned by persons ordinarily resident in Jamaica, comprising mainly wages and salaries, income of unincorporated enterprises, rental incomes, corporate projects and net interest) amounted to J\$721.5 million in 1969. This represents an increase of 8.4 per cent over the \$665.4 million reached in 1968, which had increased by 10 per cent over the 1967 figure. Per capita income increased by 6.7 per cent for 1969 compared with 8.3 per cent in 1968 and was due to the smaller growth rate of national income. In 1969 per capita national income



A Canadian contractor (white hat), helps Jamaican workmen install a precast concrete facing on the wall of an office building in Jamaica. Building products of many types are regularly sold in the Jamaican market by Canadian firms.

reached J\$369.3 compared with \$346.0 recorded for 1968.

The gross national product (the value at current market prices of all final goods and services produced during the calendar year by resources owned by persons ordinarily resident in Jamaica) amounted to J\$886.5 million in 1969. This represents a growth of 9.8 per cent over the \$807.2 million attained in 1968, which was a 10.4 per cent expansion over the 1967 GNP. This decrease in the rate of expansion is attributable mainly to the slower growth of domestic investment.

The gross domestic product (the value of output of goods and services attributed to factors of production located within the country and measured in terms of the current cost of factors) was J\$828.2 million in 1969, an increase of \$71.3 million, or 9.4 per cent, over the revised 1968 estimate of \$756.9 million, which, in turn, was an increase of 10.4 per cent over 1967.

Agriculture—Agricultural output, both for export and for domestic consumption, continued to decline in 1969, with the sector's contribution to GDP falling by 3.5 per cent from J\$77.5 million in 1968 to \$74.8 million in 1969. The decline in output for domestic consumption was partially mitigated by the increased production of meat and dairy products.

The fall in exports of Jamaica's two major crops, sugar and bananas, resulted from adverse weather conditions and organizational problems within the industries concerned. The export of citrus and citrus products yielded increased earnings over the previous year, due mainly to a shift away from fresh fruit to processed products; it is estimated that the level of output was maintained in 1969. Pimento exports and earnings increased in 1969, although purchases by the Government (an indication of output) were reduced sharply from the previous year. Output and exports of cocoa and ginger fell from 1968 levels, but improved prices led to considerably higher earnings from these crops in 1969.

The output of crops for the domestic market again declined in 1969, although production of tree fruit crops increased. Increases were also recorded in the output of meat, milk and eggs.



Freighters and trading vessels in the harbor in Kingston, Jamaica. Industrialization is going ahead but much equipment and material for this manufacturing sector has to be imported and Jamaica should prove a ready market for Canadian suppliers.

Mining—Jamaica is the largest producer of bauxite in the world and the leading exporter of alumina. Production of bauxite and alumina in 1969 increased by nearly 25 per cent over the 1968 level. This was attributable to the opening of a new alumina processing plant operated by Alumina Partners of Jamaica, and to the expansion of plant capacity in 1968 by Alcan Jamaica Ltd. Equally as important as the increased production was the progress in the construction of additional alumina processing facilities by Revere Jamaica Alumina Ltd., and Alcoa International Limited. The country hopes to triple the 1968 level of alumina production by 1973.

Production of bauxite for the year was 10,333,000 long tons, a 23.1 per cent increase over the 1968 figure of 8,391,000 long tons. Exports of unprocessed bauxite to the U.S. totalled 7,905,000 long tons in 1969, a 27.3 per cent increase for the year. Another 2,731,000 tons of bauxite were processed into alumina.

Alumina production for 1969 amounted to 1,138,000 long tons, an increase of 25.1 per cent over 1968, while exports rose by 35.8 per cent from 867,000 tons in 1968 to 1,177,000 tons in 1969.

Earnings from exports of bauxite and alumina increased by 33.5 per cent over 1968 to J\$118,645,000. Bauxite earnings rose by 27.3 per cent, alumina earnings by 38.2 per cent.

Manufacturing—The Government has achieved a marked degree of success in its industrialization program. During 1969, 33 companies were granted approval under the incentive laws. Fifteen factories—14 of them new enterprises—began production, and at the end of 1969 there were 185 firms operating under the incentive laws.

Government controls over imports have also been steadily intensified as a means of encouraging the establishment of manufacturing industries and stimulating agricultural production. Items such as refrigerators, electrical switchgear, car tires, imitation jewellery, cosmetics, wooden furniture, plastic products, hosiery, jams and jellies, soups, fresh and frozen vegetables, fruit juices, confectionery, biscuits, pork products and refined salt—about 170 items altogether—are now subject to varying degrees of import control. In some instances quotas have been established ranging from 30 to 100 per cent of the previous level of imports. In others there is

practically complete prohibition. The aim in all cases has been to protect the local manufacturer already in operation or about to go into operation. These import controls have adversely affected Canada's trade with Jamaica and there is no reason to expect that additional exporters will not be shut out of this market in future.

The contribution of the manufacturing and processing sector to the gross domestic product in 1969 was J\$121.1 million, or 14.6 per cent of the total GDP. This was sufficient to permit the sector to maintain its position as the leading contributor to the GDP, but growth of the sector (5.1 per cent in 1969) was less than half the 1968 figure of 11.6 per cent. This reduction is partly attributable to the fall in the production of sugar, wood and wood products, leather and leather products.

Exports—In 1969, earnings from domestic (merchandise) exports amounted to J\$207.8 million, an increase of \$28.4 million, or 15.8 per cent on the figure for 1968, and the largest percentage increase in the sixties. This outstanding performance resulted mainly from increased sales of alumina and bauxite.

Increased earnings from exports of citrus products, cocoa products, pimento, beverages, manufactures of tobacco, gypsum, petroleum products, chemicals, manufactures of paper, manufactures of metals, electric apparatus and appliances, and clothing also contributed to the over-all growth in the value of exports.

Ecological factors and, in some instances, labor and transportation difficulties adversely affected the level of production of some of the major agricultural commodities, notably sugar and bananas.

Imports—With continued expansion of the economy and increased demand, total Jamaican imports rose from J\$320.4 million in 1968 to \$369.4 million in 1969.

The import bill for capital goods rose to J\$136.2 million in 1969 from \$116.2 million in 1968 and \$84.2 million in 1967. The period since 1966 has been one of heavy capital expenditure in the bauxite and alumina industry, in public utilities such as electricity and tele-

phones, in land development, highway construction and buildings, and in air, rail and road transport.

Imports of consumer goods in 1969 amounted to J\$132.6 million, an increase of 15.9 per cent over the \$114.4 million in 1968. Imports of consumer goods as a percentage of total imports, however, remained fairly constant at just under 36 per cent.

The value of food imports (excluding animal feeds, unmilled wheat, unmilled corn, eggs in shell for hatching) showed no change from 1968 and amounted to J\$47.2 million. Over the years the country's food processing industry has been expanding and now raw materials are imported in preference to finished or semi-finished commodities.

Imports of consumer durables rose significantly to J\$51.4 million in 1969, an increase of 31.8 per cent on the \$39.0 million in 1968. This increase was due mainly to the J\$14 million bill for motor cars (\$8.9 million in 1968). In addition, imports of a wide range of manufactures including rubber manufactures, glassware and pottery, furniture and fixtures, travel goods, radios and refrigerators, hand and electro-mechanical tools, toys and games and printed matter also increased.

Non-durable consumer goods (excluding food) imported in 1969 were valued at J\$34.2 million, compared with \$28.4 million in 1968 and \$22.8 million in 1967. The 1969 increase was reflected mainly in larger imports of textiles, footwear, medicinal and pharmaceutical products and beverages.

In 1969 the value of imports of raw materials amounted to J\$99.6 million, compared with \$89.2 million in 1968 and \$71.0 million in 1967. A wide variety of imported raw materials contributed to the 1969 increase, the foremost being raw materials for food, fuels, synthetic plastic materials, insecticides and miscellaneous chemical products, paper and paper products, tar oils and other crude chemicals, crude fertilizers and crude minerals (particularly mica and rock salt), and textile yarns and fabrics. The increases ranged from J\$626,000 for textile yarns and fabrics to \$2,926,000 for food. The value of imports of soya beans and peanuts, insulated cables and wire,

leather, rubber fabricated materials and fertilizers (manufactured) also showed large increases.

As local production expanded, imports of animal feeds, and bottles, flasks, etc. of glass, fell. It is expected that, as the nation's manufacturing activities are extended and diversified, an increasing proportion of imports will be in the form of raw materials.

Direction of Trade—The value of total merchandise trade (imports plus domestic exports plus re-exports) in 1969 was J\$582.8 million, an increase of 15.8 per cent on the 1968 figure of \$503.4 million. The dollar area had the largest share of this trade, J\$334.4 million or 57.4 per cent in 1969 compared with \$274.6 million (54.5 per cent) in 1968. The proportion of total trade with the sterling area, the ECM, and other countries fell.

Trade within CARIFTA expanded significantly in 1969, the first full year of operation of this association. Total trade with CARIFTA countries amounted to J\$12.4 million, with domestic exports rising to \$7.2 million from \$4.8 million in 1968, and imports increasing to \$4.9 million from \$3.1 million in 1968. Re-exports amounted to J\$260,000 in 1969, against \$308,000 in 1968. The range of products sold in this market also increased.

In 1969 Trinidad and Guyana together supplied 97.4 per cent of imports from CARIFTA countries, a reduction on the 98.6 per cent in 1968. Trinidad, Guyana and Barbados together accounted for 79.6 per cent of Jamaica's sales to CARIFTA in 1969, against 78.1 per cent in 1968.

Balance of Payments—Preliminary estimates of the balance of payments for 1969 indicate an over-all deficit of J\$11.5 million, compared with a surplus of \$28.2 million in 1968. The current account deficit rose by J\$1.6 million to \$90.2 million, due mainly to increases in the merchandise trade deficit and investment income payments to foreign residents. There was remarkable improvement in the non-merchandise accounts, particularly in non-merchandise insurance transactions and in the transportation section of the "freight and other transportation" item. Tourism, although showing an increase over 1968, was less than might

have been expected. Transfers (i.e. remittances in the form of personal and institutional gifts and funds from pools and sweepstakes) showed significant improvement over 1968.

Canada-Jamaica Trade—Total trade with Canada in 1969 was valued at J\$70.8 million (Jamaican statistics), with exports accounting for \$35.9 million and imports \$34.9 million. It was the first year since 1965 that there was a surplus on the balance of visible trade with Canada.

The marked increase of 38.5 per cent in the value of exports to Canada in 1969 resulted mainly from larger sales of alumina, which rose to approximately 523,400 tons, valued at J\$21,316,000 in 1968. In response to a buoyant demand for alumina and aluminum products the smelters of the Aluminum Company of Canada Ltd. were used to capacity for primary metal production throughout the year. Their output was raised to nearly 968,700 tons, approximately 100,000 tons above the 1968 figure, necessitating substantial increases in purchases of alumina. Earnings from exports of beverages, fruits and vegetables and re-exports

of transport equipment also contributed to the sharp growth in export earnings. On the other hand, there was a substantial decline in sales of sugar to Canada, J\$1.04 million in 1969 compared with \$3.3 million in 1968.

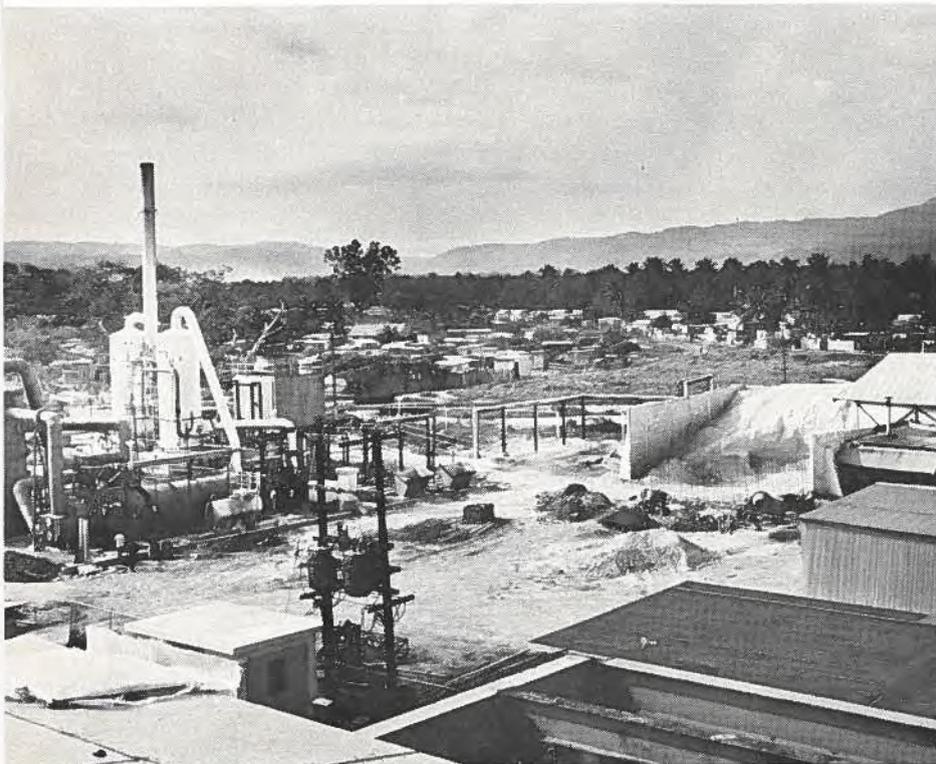
The value of imports from Canada showed an increase of J\$4.4 million, 14.3 per cent over 1968. Some of the main categories of imports making for this increase were electrical machinery, apparatus and appliances, transport equipment, base metals, fish and fish preparations, paper and paper products and wood and cork manufactures. Imports of flour declined as local production of baking flour rose to meet the demand.

Sales Prospects—The level of economic activity should remain strong throughout this year and demand for imports will consequently continue at a high level. Canadian exporters enjoy a 5 to 10 per cent margin of preference on most items brought into this country. Shipping services to Jamaica are adequate and a great deal of goodwill exists for Canada. At the same time, however, the pace of local manufacturing will continue and broaden the

range of products manufactured here, thus excluding imports.

Goods that should sell here in increasing quantities include semi-processed foodstuffs, juice concentrates, soup bases, etc. for the local food processing industry, electrical and plumbing fixtures, institutional and hotel equipment, chemicals and chemical products, medical supplies and—most important of all—the material and equipment required by the growing manufacturing sector in Jamaica. In the latter category the following are among the fastest developing industries in this country: furniture manufacturing, food processing, plastics, clothing, packaging, cosmetics, shoe manufacturing and manufacture of metal products.

If your company is able to supply raw materials, equipment, sub-assemblies, or components for any of these industries there could very well be an outlet in Jamaica, as this country must import most of the materials and equipment for its manufacturing industries. If Canadian firms are able to establish themselves as suppliers to local factories this could result in important and continuing business for them.



Shown here is Industrial Chemical Company's new 100-tons-a-day sulphuric acid plant in Jamaica. Industries like this will eventually help the country's balance-of-payments problems by cutting down imports. Sulphuric acid is used mainly in fertilizers.

Media Carries the Message

Modern marketing techniques are becoming more common in Jamaica as the country grows into a sophisticated marketing area.

KEN PRICE
Commercial Officer, Kingston

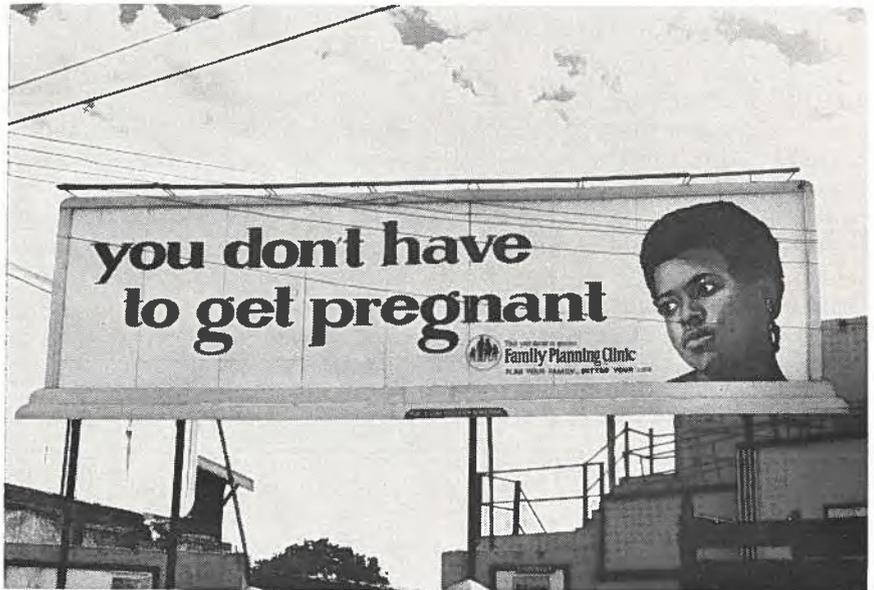
In the past decade, enormous changes have taken place within the Jamaican distributive system. Part of this change can be attributed to the rapid pace of industrialization resulting from the Government's import-substitution program while the wide-spread application of import restrictions and price controls has also hastened these changes.

Ten years ago, a handful of local importers/commission agents, through a large network of wholesalers, catered to Jamaican needs. They tended to look to Britain as their principal and traditional supplier. Trade links had been established with North America—principally with Canada, although there was a growing interest in goods available from the U.S.

For the most part, the importer was content to distribute his products through the existing wholesale networks, and his only yardstick for judging performance was present year's sales vis-a-vis those of the preceding year. Little or no attention was given to after-sales service, stock rotation or promotion unless the principal was insistent—and this occurred all too infrequently.

The emphasis was placed squarely on personal selling and "seat of the pants" judgment of potential.

Ten years ago, the only mass media available to the prospective advertiser were a daily newspaper, a radio station, which also offered rediffusion facilities, and a chain of cinemas scattered throughout the island. Coverage was inadequate and spotty, nothing was known of circulation, readership, listening patterns or attendance and neither the media owners nor the advertisers seemed particularly alarmed over the situation. International com-



North American advertising ideas do not always prove effective in Jamaica, and billboards are used more generally than they are in North America. Radio ads provide the best coverage but the printed media should also be used.

panies, who were showing an increasing interest in Jamaica as a possible manufacturing base, were the few notable exceptions.

A handful of advertising agencies had sprung into being, but generally speaking, the staffs employed were inexperienced and had little to offer in the way of services. However, as more international companies moved into the area bringing with them their own "professional" managers so, too, did branches of the larger, internationally recognised agencies. Immediately standards were generally raised.

Following independence in 1962, the Government's import substitution policy got into its stride and, concurrently, the generous incentives offered to overseas manufacturers to set up operations in Jamaica were taking effect. Local merchants and entrepreneurs were exposed for the first time to the thinking of top European and North American business-

men, particularly in the areas of marketing and financial planning, and gradually sought to apply the methods and techniques they had acquired to their own businesses.

At about the same time, a profound change was taking place in retailing. The wholesaler, traditionally the middleman in Jamaican commerce, was alarmed by declining margins, the mounting cost of distribution and the tendency of the manufacturer/importer to sell direct to the retailer. He saw also the potential offered by super-market-type operations and thus abandoned his traditional role to enter large-scale retailing with the economies of scale this activity would provide.

The importance of the influence that exposure to North American business thinking has had on the mercantile/manufacturing sector cannot be over-emphasized, nor can the effect of these newly-developed attitudes on the infrastructure generally. Education, for

example, was given added impetus when it was recognized that business was severely hampered by a shortage of skilled clerical, technical and managerial personnel. Professional bodies have evolved, all of whom have priorities in the field of management education. Among them are the Jamaica Advertisers' Association; the Jamaica Institute of Management; the Advertising Agencies Association of Jamaica; the Administrative Management Society; Sales and Marketing Executives (Jamaica Chapter).

The tools of modern marketing management are to be found in the Jamaica of the 70's, and the necessary skills are being acquired. Data processing equipment is in use at many of the larger businesses, although, as yet, the application is limited. Several research companies now have offices in Jamaica and some U.S. companies have field supervisors resident in the island. A second radio station came into operation in 1960 and commercial television was introduced in 1963. Surveys of press readership, listening and viewing patterns have been undertaken and a nation-wide Neilson-type store audit is foreseen shortly.

Total advertising expenditures have risen from some \$2.4 million in 1960 to \$10.8 million in the current year and, although a part of this increase can be directly attributed to higher rates, the increase largely reflects the growing awareness of advertising's effectiveness. Promotional activity has also shown a dramatic increase although no figures are available in this connection. Contests, couponing, premium offers, "off-label" deals, specials, spectaculars are all regarded as essential weapons in the merchandising armory.

There are now some 13 advertising agencies serving 300 clients in Jamaica. Several are branches of international agencies, including McCann-Erikson; Kenyon and Eckhardt; Norman, Craig and Kummel and Lonsdale-Hands. Their services include advertising, marketing, public relations, market research, sales promotion and merchandising.

Media facilities available include press, publications, commercial radio and television, cinema and outdoor advertising.

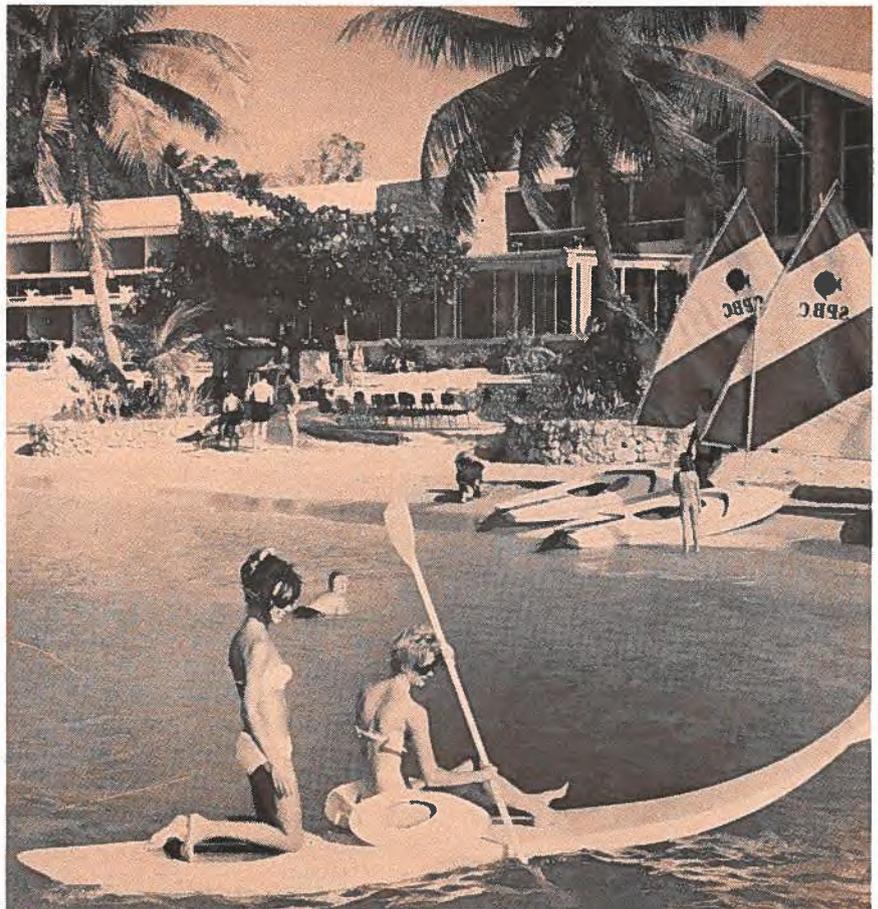
Canadian exporters thinking of accord- ing some degree of advertising /promotional support to their products in the Jamaican market would be well advised to seek the guidance of a local advertising agency. Still the most important medium in terms of penetration and coverage is radio and the use of this medium is absolutely imperative if advertisers are to achieve maximum mileage from their advertising dollars. Television is a most effective vehicle, but the extremely high cost and relatively limited coverage provided by the medium suggests minimum use and only to launch a campaign and establish brand /product identification. On the other hand, television reaches the socio-economic group with the greatest purchasing power in the island and, for this reason, should certainly be employed to some degree.

To all intents and purposes one has to discount the power of magazine advertising and concentrate on the daily press. Once again, print advertising should be used essentially as an introductory or supporting vehicle of the main campaign, which should be mounted on radio. Cinema advertising

is another useful support vehicle, but advertisers should be warned that coverage is limited and that the cost per thousand is extremely high. This form of advertising, together with outdoor advertising, should only be employed to support a launch or, providing the budget is big enough, sustain the program in radio and television.

Canadian-produced material for radio and television can be used in Jamaica, but it is suggested that prospective advertisers pre-test copy themes before utilizing these in Jamaican media. Many overseas advertisers have simply transposed their North American or European campaign to Jamaica and this has not always proven effective. There is, too, agitation among advertising agencies locally that all advertising material should have a high Jamaican content and this has been supported by Government. However, production costs, particularly for television commercials, are extremely high and the local film production companies are not yet highly proficient in producing this material.

Though industrialization is proceeding rapidly, the Caribbean still depends heavily on tourism, aided by attractive hotels like this one at Ochos Rios in Jamaica.



Carpeting Prospects in Jamaica

Canadian investment in hotel and office construction should open up avenues for manufacturers of better quality carpets.

J. P. LEFEBVRE, Assistant Commercial Secretary, Kingston

Carpeting domestically and in offices and hotels has become fairly widespread in Jamaica as a result of a shift in living styles to the North American pattern. It is no longer unusual to find middle and upper class living rooms carpeted wall to wall, and some carpet dealers are now offering plans for carpeting entire houses.

Until recently the traditional users of wall to wall carpeting were mainly the more luxurious hotels, nightclubs and restaurants. The volume of annual imports of carpets and rugs has averaged 140,000 square yards between 1963 and 1967. In 1964, imports went as high as 177,000 square yards. Since there has been up to now no local production, the volume of imports gives a good indication of the market size.

The accompanying table shows the quantity and value of carpets and rugs imported from 1963 to 1967 and the countries of origin. It is readily seen that the United States is the leading supplier followed by Britain and Japan. Proximity and price are the two main reasons for the United States predominance. To quote a leading dealer: "You can simply telephone your order to Miami and have it delivered by air. You need not carry large stocks." As

individual customer tastes and requirements vary a lot, this is a distinct advantage. Obviously, because of longer delivery schedules, Canada is at a disadvantage in this respect.

Another factor which has no doubt favored the United States and Britain as sources of supply is the fact that the bulk of foreign capital being put into large-scale hotel construction is from these two countries. This implies that fittings and furnishings such as carpets and drapery are most likely to be obtained directly from suppliers in these countries. It is, therefore, reasonable to expect that increased Canadian financing of hotels and offices will benefit Canadian manufacturers of carpets, hotel kitchen equipment and other commodities. In fact, two leading Canadian carpet manufacturers, taking advantage of the 10 per cent preferential treatment given to Commonwealth countries, have recently made inroads in the Jamaican market.

At present, there are two firms dealing mainly in carpets and drapery. A third that deals mainly in furniture and appliances, also stocks carpets as a supporting line. The major carpet dealers offer a cleaning and maintenance service in addition to installation.

There are a number of furniture dealers who would be willing to stock small amounts of carpets as a subsidiary line. The best way to exploit this possibility is probably for the Canadian exporter to appoint an already established dealer as sales agent, thus gaining access to a number of small to medium sized accounts. Being on the spot, the local representative ought to be able to capture some of the larger accounts such as hotels, institutions, and offices.

"Tufted" carpets are growing in popularity in Jamaica, displacing the demand for traditional types, and are bought by roughly 90 per cent of the consumers. Prices vary from \$2.90 c.i.f. per square yard for the "needle punch tufting" to \$25.00 c.i.f. for the "woollen tufting". The bulk of the market is held by tufting grades in the \$6.50 per square yard range.

The biggest Jamaican carpet distributor will be starting his own "tufting" manufacturing operations in November of this year. Under licence from Monsanto and E. I. DuPont, the plant will be producing 15 types of carpets in 25 different colors and patterns. Within one year the plant will be able to

CARPET AND RUG IMPORTS, 1963-1967

	1963		1964		1965		1966		1967	
	Sq. yds.	Value (£)								
Britain	24,912	17,900	24,889	22,751	32,346	29,953	21,288	26,116	17,884	20,224
Canada	1,774	3,583	2,511	3,175	1,731	803	1,222	2,083	4,170	2,607
U.S.	36,243	15,212	43,194	30,444	66,723	45,072	76,208	64,553	98,796	82,502
India	8,251	4,260	23,724	6,815	16,168	3,646	7,064	5,664	12,219	7,142
Japan	19,083	2,018	61,576	6,498	23,850	1,185	*	*	50	10
Others	10,615	21,355	21,060	5,601	19,340	6,908	14,092	8,440	9,924	14,591
Total	100,878	64,328	176,954	75,284	160,158	87,567	119,874	106,856	143,043	127,076

*Import Ban; Rate of Duty—Preferential Tariff 20 per cent; General Tariff 30 per cent.

NOTE:—In September 1969 Jamaica changed from the pound sterling to the dollar currency. Jamaican £1 in December 1967 was worth Cdn. \$2.60.

supply the complete Jamaican market. The manufacturer also intends to export to the CARIFTA market the finished product and sell to the U.S. and Canada at the semi-manufactured stage. He will operate under Government industrial incentive and is pro-

tected from imports of carpet competing with his line.

Canadian exporters, therefore, may have to concentrate on the smaller market segment for Axminster, hand woven or other types not produced

locally. But they should study the economics of importing semi-manufactured products, and the possibilities of reciprocal trading interests that would enhance their chances of supplying lines the Jamaican manufacturer is missing.

Jamaica Seeks Teaching Aids

Canadian educational equipment has already won acceptance in some areas of Jamaica's program to update educational facilities, but the need is far from being satisfied.

J. P. LEFEBVRE, Assistant Commercial Secretary, Kingston

The program launched by Jamaica in 1967 to improve educational facilities is moving ahead now to a successful conclusion. The Government, aided by joint efforts of the World Bank Group (International Bank for Reconstruction and Development, IBRD), the Canadian International Development Agency (CIDA), the United Nations Development Program (UNDP), has added 100 primary and 50 junior secondary schools to the country's educational system and expanded facilities for teacher training and for agricultural, technical and scientific education.

Canadian school building contractors have been outstandingly successful in all individual programs. Canadian manufacturers of school furniture, in competition with international firms, have secured several contracts individually and in joint ventures with local firms. Canadian teaching aids have also been judged of a high standard and realistically priced by various school boards.

With this race against illiteracy now nearing the finish, the demand for teaching aids is at its peak. Buyers include IBRD, UNDP, the Jamaican Government, individual high schools, and CIDA.

CIDA has budgeted some \$375,000 for the purchase of teaching equipment and aids to be used in junior secondary schools, comprehensive and technical

high schools and vocational high schools.

CIDA advisers, in collaboration with officials of the Jamaican Ministry of Education, study the requirements and draw up lists of items needed for eventual financial support.

The list of material, now being finalized, will be sent to CIDA headquarters in Ottawa for sourcing from Canadian suppliers. Purchasing will be undertaken by the Procurement Division of the Canadian Department of Supply and Services. The list includes aids normally used at the high school level in Canada for teaching electrical, machinery, drafting, woodworking, welding and the automotive trades.

The two most active Government ministries in the field of vocational training are the Ministry of Labor and the Ministry of Education.

The Ministry of Labor is involved with Trade Training Centers. The Trade Training Centers are designed to provide unemployed and untrained people with a trade skill. These centers have been staffed up to now by overseas volunteers, who normally come to Jamaica on two-year contracts and leave upon expiration. Often this occurs before a local replacement is available and results in a lack of continuity in the training centers. With the help of instructors from the In-

dustrial Vocational Training Center, to be built and equipped under the UNDP, the curriculum will be formalized and the gaps in training should disappear.

Nine Trade Training Centers are in use and 12 more will be opened by July 1971. Not all will have qualified instructors in every skill taught at the Industrial Vocational Training Center. The number and qualifications of the instructors will vary according to the needs of each center's geographical location with the greatest demand for instructors in the building, metal and electrical trades. The Ministry of Labor is responsible for the specification of the teaching aids to be used in the new centers.

The Ministry of Education's requirements are for the regular Jamaican education system. The Ministry is responsible for vocational schools, comprehensive and technical high schools, which usually lead a student to the College of Arts, Science and Technology or to university, and for the junior secondary schools where an element of technical education will be introduced.

The technical high schools will, on occasion, purchase teaching aids out of annual operational budgets. However, because of the importance of the immediate expenditures required to update the supply of teaching aids,

CIDA has decided to co-operate with the Jamaican Government in financing these purchases.

One of the UNDP's executing agents, the International Labor Organization (ILO), has a team of experts in Jamaica, studying needs in the field of vocational training. Five experienced ILO advisers work closely with the Jamaican Ministry of Labor, under a budget of approximately \$1.2 million to build and equip an Industrial Vocational Training Center. Cost of the building is estimated at \$400,000 and equipment at \$175,000. The equipment will be sourced and purchased by the ILO headquarters in Geneva.

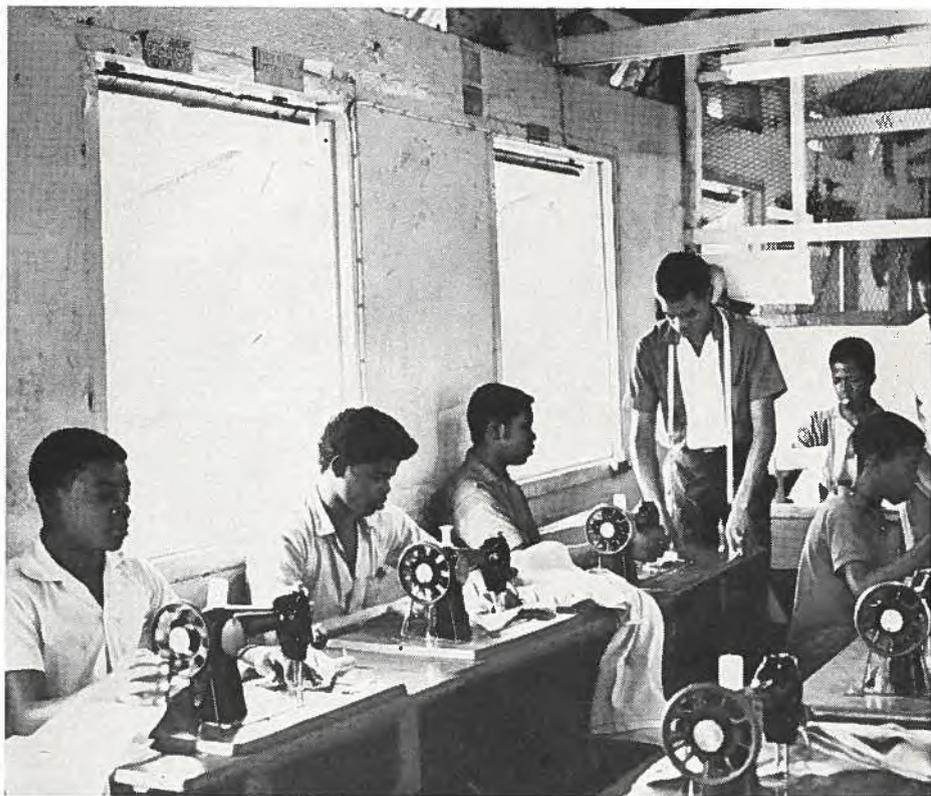
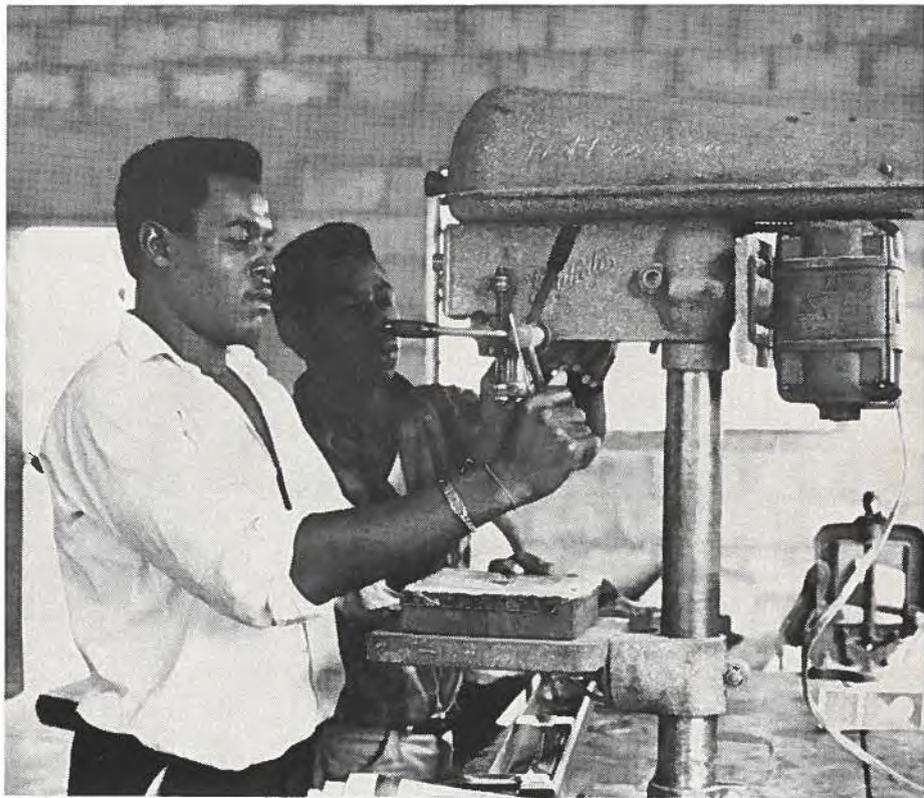
This Center will have the necessary equipment for training experienced tradesmen to become instructors in vocational schools (under the Ministry of Education), in Trade Training Centers (under the Ministry of Labor), or in private training schools (organized by Jamaican industries).

The scheme is similar to the instructor training program set up by the Government of Ontario in the early 1960's. The main skills to be developed are for the building trades (carpentry, masonry, plumbing, rigging), the electrical trades (industrial and maintenance), radio and television, the metal trade (fitter-millwrights, welding) and for auto mechanics and electricians.

All candidates will receive formal training in the Center and will undertake practical work for four hours a day in government workshops or with selected private companies. The latter consideration will influence the type of teaching aids and equipment to be purchased for the Center and equipment specified will be used to demonstrate broad concepts, rather than to perform specific and practical work.

In addition to the equipment related directly to skills' training, the Center has to equip its "curriculum laboratory" with aids such as duplicating and photography equipment, screen and overhead projectors. The curriculum laboratory will provide the instructors with up-to-date information on teaching aids available from companies around the world.

The World Bank's particular interest now is to equip the College of Arts,



Canadian equipment being used in the Cobbla Youth Camp in central Jamaica. The camp is one of several to help school dropouts learn a trade. As well as teaching motor mechanics, welding, electrical and plumbing work and sewing, the camp has a farm where the boys learn to grow vegetables and look after cattle. The Canadian International Development Agency has budgeted \$375,000 for the purchase of teaching equipment for Jamaica, where Canadian supplies always prove popular.

Science and Technology (CAST), and it has set aside \$281,648 for this purpose. Emphasis will be on the furnishing of the main departments. The building technology department needs, principally, a science laboratory, a concrete technology laboratory, plumbing and pipe-fitting equipment and a workshop. The commerce department will be equipped with instructional equipment. The electrical and mechanical technology department will be provided with a machine shop, an internal combustion laboratory, a steam and hydraulic laboratory, an engineering science laboratory, a general electrical laboratory, an electronics and telecommunications laboratory and a high voltage laboratory. Finally, the institutional management department will be supplied with kitchen, laundry and sewing equipment.

Considering the limited amount of money available there is no room for highly sophisticated and expensive training aids. International tenders will be called by the Crown Agents Overseas in Britain. Canadian manufacturers of these items have to be registered with the latter organization to be invited to bid on CAST's requirements.

Jamaica is standardizing all trade training and apprenticeship activities in the country. To this end a National Board has been formed and will be officially empowered by legislation in early 1971. In addition to looking after standardization, the Board will be responsible for co-ordinating all training activities, now under the individual responsibility of four Ministries, several international and national organiza-

tions, private firms, and even of schools within the Ministry of Education. •

This Board will be an important contact for all Canadian manufacturers of teaching aids since it will know, at all times, what types of aids are required and where. This office will inform interested exporters whenever this authority is instituted.

Any company interested in some of the developments actually taking place in the field of teaching aids and teaching equipment in Jamaica should write the Commercial Secretary, Office of the High Commissioner for Canada, P.O. Box 1500, Kingston 10, Jamaica. Appointments with useful contacts will also be arranged by this office if, as it is advised, a firm decides to have a representative visit the market.



The Bahamas - Next Door

Canadian exporters should regard Bahamians as next-door neighbors because of their preference for North American quality goods.

J. P. LEFEBVRE, Assistant Commercial Secretary, Kingston

Are you promoting construction materials or hardware? Are you seeking new outlets for apparel, hosiery, boots and shoes, bags and trunks? Would you like to expand your sales of jewellery, haberdashery and novelties? If your answer to any of these questions is yes, this article concerns you.

The Bahamas market is small in absolute terms: 169,000 inhabitants concentrated in New Providence, with Nassau the capital and business centre, and Grand Bahama with Freeport the main city. Add to this, however, 1.3 million visitors a year, who spend an average of three and a half days each in the country and this brings the number of consumers to a sizable figure. The 1969 tourist expenditure was estimated at \$235 million.

Canadian firms can readily penetrate the Bahamian market either by offering fashion conscious tourists and local residents quality clothes, or by supplying items for daily maintenance and simple construction for the hotel trade, for tourist residences, and for local homeowners.

Although the large hotel developments make their major purchases of materials abroad, they depend on local hardware stores for the above items, and this segment of the market is too often overlooked.

Bimini Island, part of the Bahamas, is a world-famous fishing resort only 40 miles from Florida. This aerial view (left) shows the Bimini Club Hotel in the foreground, with docks and marinas stretching down the coast. Shipments of goods to the Bahamas need little documentation and usually enter under preferential tariff rates.

Traditionally, local firms purchased these goods through agents or went abroad to replenish stocks. Now salesmen call with displays and landed prices for the trade to check firsthand without the time-consuming writing for sourcing, ordering and maintaining adequate supplies. The number of salesmen registered in the Bahamas has increased by more than 100 per cent in the last two years. Most of them represent U.S. firms, but there are Canadian salesmen accredited here too.

The Canadian salesman can walk through Bahamian immigration without a passport (for up to a 21-day visit) or visa if he carries a valid identification card. No vaccination certificate is required if he arrives from North America. He does not even have to adjust his watch if he is on eastern standard time.

He may have left from Canada, U.S., Jamaica, London, Luxembourg, or Bermuda on one of the daily flights linking the Bahamas to these countries. His U.S. or Canadian dollars can be spent without any need to change to local currency. He can buy a Canadian, U.S. or British daily newspaper on his way to his \$17 hotel room; they are available in most bookstores.

If it is his first visit to the Bahamas he will then have to pay for a work permit and obtain a licence, just as one pays municipal taxes when doing business across Canada. It will take him one working day if he has the following documents ready to be compiled by the Immigration Department:

Completed form supplied by the Immigration Department with two passport size photographs and a police certificate.

A letter addressed to the Immigration Department, Nassau, from his employer stating that he is travelling to the

Bahamas to sell on behalf of the named company.

A letter from one or more firms in the same type of business in the Bahamas, sponsoring him as a salesman.

A list of accounts that he will be calling on.

U.S. \$150 for his initial work permit, good for a year, and U.S. \$75 annually for renewal (work permits costing U.S. \$37.50 can be issued for three months).

Once the permit is in hand, it is only a formality to stop by the Licensing Authority to obtain a free licence.

When selling to the Bahamas, customs duties are the responsibility of the importer and payable by him in Bahamian currency. It is, however, important for a Canadian company to stress to the eventual customer the tariff advantages in buying from his firm rather than from a U.S. competitor; it is even worthwhile, in quoting your prices, to go further than figuring the c.i.f. cost: you should compute the duty that will have to be paid on goods of Canadian origin. Too few Bahamian firms, although aware of the preferential tariff on goods coming from Canada, will take the trouble of calculating its impact on final prices. They will determine most often the competitiveness of your product by basing their judgment on the c.i.f. figures quoted.

The Bahamian tariff system contains the schedules "General Tariff" and "Preferential Tariff". The latter applies to Commonwealth countries and is usually half the general tariff.

Duties on most of the goods mentioned in this article are assessed on an "ad valorem" basis, i.e. the c.i.f. value at the port of entry. Exceptions to this general rule are cotton or man-made fiber rope, nails, iron or galvanized,

wood and asphalt shingles which are dutiable by quantity or net weight, on a "specific" basis. The type or weight of the packing is not a factor in computing the duty but the net weight should be accurately stated.

An additional duty of 7½ per cent is levied on the c.i.f. value of all the goods we are concerned with. A charge of one per cent also affects all imports entering a bonded warehouse. A deposit of 2½ per cent on all goods imported for temporary use is requested; the deposit is refunded when the goods are re-exported.

This latter regulation on "temporary imports" should not be confused with the one affecting samples and advertising matter. Advertising circulars and posters of no commercial value are admitted duty free. Sales samples of commercial value will be admitted under bond or deposit which is refunded when they are re-exported. Free advertising matter may be brought in duty free.

The Office of Area Relations, Department of Industry, Trade and Commerce, Ottawa, or this Mission are usually in a position to inform you on the customs classification of a particular item. For borderline cases, the Comptroller of Customs, Customs House, Nassau will provide an advance ruling. Samples of the item should then be made available or, if impractical, detailed catalogues and descriptive material should be forwarded.

Depending on the type of merchandise several means of reaching the Bahamian market are at your disposal, from bonded carriers to merchant vessels.

There are two shipping lines that provide direct service from Canada. Saguenay Shipping Ltd., the only Canadian line, provides service every two weeks from Montreal and Halifax to Nassau during the summer, and from Halifax to Nassau after the closing of navigation in the St. Lawrence River. This line uses the economic palletized system. The Kimberly Line takes general cargo from Halifax to Nassau and eastern and western Caribbean countries approximately every 35 days.

The Florida Refrigerated Service Incorporated offers bonded motor carrier service with daily delivery of both

dry and refrigerated cargo from Montreal and Toronto to Florida ports.

Atlantic Lines Ltd. runs from New York to Freeport and Nassau weekly, with cargo on pallets and regular container service. Refrigerated space is available.

Tropical Shipping Company runs from West Palm Beach to Freeport daily, and to Nassau, three days a week.

Kimberly Line: New York (only) to Nassau. Arison Bahama Lines, Ltd.: Jacksonville (every Friday) to Nassau.

Norwegian Caribbean Lines: unitized containerized roll-on, roll-off service, Miami to Nassau.

Air Canada flights to Nassau and Freeport from Montreal and Toronto provide an excellent service for high value, perishable and fragile goods. During the summer months there are six flights to Nassau weekly and three to Freeport from both Montreal and Toronto; from October to December, one flight weekly from Montreal to Nassau and four flights weekly from Toronto to Nassau and Freeport; in the winter months flights from Montreal and Toronto to Nassau and Freeport serve the Bahamas.

No consular documents are required in making shipments to the Bahamas. No special form is specified for commercial invoices which should show the consignee's name and address, marks, quantities and kinds of packages, place of origin and description of the merchandise. It is essential to fill out correctly the section of the invoice concerning the country of origin to claim preferential tariff treatment. The standard bill of lading is accepted.

Indonesian Oil Service Base

Construction of a major oil industry service base on Merak Island, in the Bay of Djakarta, has been started by Japanese, U.S. and Indonesian oil companies.

The joint undertaking is being carried out by the Japanese Toyo Menka Company and the U.S. Santa Fe International Oil Company in close co-operation with the Indonesian state-owned PERTAMINA oil monopoly. The Indonesian Government has granted permission that Merak Island, under the control of PERTAMINA,

HOLIDAYS

New Year's Day—January 1
Good Friday
Easter Monday
Commonwealth Day—May 24
Labor Day—June 7
Queen's Birthday—by proclamation
Whit Monday—8th Monday after Easter
Discovery Day—October 12
Christmas Day—December 25
Boxing Day—December 26

There are no official stipulations on labelling and marking requirements, but shipping practice should be followed.

Import licences are freely issued by the Comptroller of Customs.

If you already have salesmen across Canada or in the U.S. and you want to extend your territory, then the Bahamas is the most logical place for your activities. There are no quotas, no import restrictions, minimum paperwork, only an immigration control to protect your firm as well as the Bahamian purchasers.

Maybe your firm or potential sales volume is too small to afford the visit of a salesman to the Bahamas; if so, excellent Canadian manufacturers' representatives travel throughout the United States and the Bahamas and could add a non-conflicting line to their goods. The Jamaican office is at your disposal to supply you with names of contacts or sponsors for your initial trip. We can also, for most items, give you an idea of the potential to expect.

We are convinced that after two trips you will agree that the Bahamas is a domestic market in a foreign country.

be converted into an oil service base by the two foreign companies. When completed the base will extend a wide range of services to oil companies engaged in oil exploration and exploitation in the booming Indonesian oil industry.

At present more than 35 major oil companies from countries around the world have joined in the search for low sulphur crude in the Indonesian Archipelago and the neighbouring countries of South East Asia.

Bahama Tourists Want Food Too



Canadian food exporters introduced some of their products to the Bahamas earlier this year in a Floating Food Fair. (Left to right) R. G. Woolham, Commercial Secretary, Kingston, at the time; Mrs. Jacques Graf, whose husband is co-owner of a Nassau hotel; D. Turner, vice-president of Avon Foods; Mrs. R. A. McDonald, and P. Coakley, Bahamas Business League.

DONALD H. LEAVITT
Commercial Secretary, Kingston

Many Canadian exporters have discovered that the Bahamas offers a continuing and profitable market. Some took advantage of the Department's Floating Food Fair earlier in the year to test Bahamian reaction to their food products and beverages. As a result of this and of previous visits by Trade Commissioners from this office, Canada is increasing the range of food products sold. More can still be accomplished. As in Canada, the supermarkets also sell house and kitchen wares and household chemical specialties,

and manufacturers of these products also should not overlook this market.

Although part of the Caribbean, the Bahamas is in many ways an extension of North America. It is relatively affluent and attuned to the types of products Canadian food producers manufacture. The food stores and supermarkets are not unlike those found in any Canadian city and Bahamians buy many of the same brands that are well known to Canadians.

In 1969 Canada exported \$13.83 million worth of goods to the Bahamas, compared with \$7.81 million in 1965.

Of this more than \$5 million is accounted for by food products, mainly evaporated milk, flour, whisky, fresh or cured sausages, sugar, soup and soup mixes, cheese, vegetables and frozen meats.

The Bahamian market is highly competitive. The United States, not surprisingly, is the main supplier, selling about \$211.67 million worth of goods in 1969. It is also the largest supplier of foodstuffs. This is inevitable, with Florida on the Bahamas' doorstep and with Miami-based firms being able to offer daily trailer service to the main centers, Nassau and Freeport. U.S.

companies are also prominent shareholders in two of the largest supermarket chains. There is also a spillover of advertising, particularly on television, as the Bahamas receives five Florida channels, although it has no station of its own.

Britain, like Canada, enjoys Commonwealth preferences and sold \$26.61 million worth of goods in 1969. The Bahamas, not entirely independent as yet, still has many ties with Britain, including long-established trading ones.

There are no prohibitive restrictions on imports in the Bahamas. Although the Government is attempting to promote the production of local foodstuffs, encouragement has so far taken the form of tariff protection rather than an outright prohibition of imports. For example, there is a seasonal duty on tomatoes and eggs. Local production, however, will increase—a brewery is to be built and there are rumors that interest is being shown in a flour mill. Even with the protective duty foreign suppliers still export to the Bahamas, especially when local production is insufficient to meet demands.

Canadian firms have demonstrated against formidable competition that they are competitive. A number of international food companies ship from their Canadian plants to the Bahamas for this reason. Bahamians especially appreciate the fast service and careful documentation they receive from Canadian suppliers. Firms presently exporting to this market, however, should not take their sales for granted. This is a dynamic and changing market, particularly the food trade, which is now dominated by supermarkets that were virtually unknown several years ago. Canadian exporters should review their present agency arrangements in light of market changes. If possible, personal visits on a regular basis should be made to tie in, perhaps, with visits being made in the U.S. or elsewhere in the Caribbean. Some exporters might consider providing agents with an advertising allowance and ensuring that it is used effectively. Some agents book blocks of radio time for the lines they represent.

Both the Bahamian Government and the consumer are extremely concerned with the cost of living, particularly with food prices. This makes the trade

very cost conscious and anxious to buy from the lowest price source. Canadian producers of food items enjoy, on average, the advantage of a 10 per cent Commonwealth preference over non-Commonwealth suppliers. This advantage is further enhanced by the fact that Canadian exporters, by and large, have earned a reputation for efficient handling of export orders.

Exporters should not overlook the potential offered by the institutional market. More than one million tourists visit the Bahamas annually looking for sun, sea and sand. They also look for food. Until recently the institutional market has been almost exclusively supplied from Miami because of the lack of warehousing and cold storage facilities in the Bahamas and because of the inability of local firms to meet the often 90-day credit terms offered by stateside suppliers.

Over the past few years, however, local firms have ventured into this field, especially as Miami firms have shown a tendency to extend their credit terms. However, an agent finds it difficult to break into this market when the larger hotels have daily trailer loads of meat, produce and other foodstuffs shipped to their doors from the U.S. But several Bahamian firms have expressed an interest in broadening their range of institutional products.

Some Canadian companies have been faced with the question of whether to sell direct or appoint an agent. The larger food chains prefer to buy direct rather than through agents and are always on the look-out for suppliers not already represented. Naturally

agents object to this. An exporter has to balance this preference of the chains against the potential available through an agent, considering whether it is possible to find an agent and whether or not he is particularly aggressive. Some exporters have sold direct to smaller firms only to find difficulty in collecting their accounts. It is a problem to which there is no clear-cut answer and one which depends on the circumstances of the individual exporter.

If one does sell direct it is extremely important to verify the credit worthiness of the account, as there are no collection agencies in the Bahamas, and there are almost no lawyers (whose fees, in any case, are high) who will take on this work. There are a few large well-established agency firms, who are always on the look-out for something new, but they usually already represent lines of most items. There are also several smaller, newer firms that appear to be quite successful and who are looking for good selling lines. But, in general, most agents will not take on a line involving rack-jobbing because of the difficulty in getting staff.

If you are not yet selling in this market, or wish to review your present arrangements, please contact us. We will be pleased to provide the names of potential agents or conduct an initial market survey for a product during one of our periodic visits to the Bahamas. Our address is: Commercial Secretary, Office of the High Commissioner for Canada, P.O. Box 1500, Tobago Road, corner Trafalgar Road and Knutsford Boulevard, Kingston 10, Jamaica.

Dutch Iron and Steel Output Up

Net production of crude iron and crude steel by Koninklijke Nederlandsche Hoogovens & Staalfabrieken N.V. (Blast Furnaces and Steel Mills) of IJmuiden in the first six months of 1970 rose more sharply, compared with the same period of 1969, than the production in other EEC countries, according to figures provided by the Bureau of Statistics of the European Communities.

Hoogovens' crude iron production increased by 11.1 per cent. Total net production in the EEC rose by 5.1 per cent.

The increases for West Germany, France, Italy and Luxembourg were 5.5, 7.6, 1.8 and 6.6 per cent respectively, while production in Belgium declined by 0.3 per cent.

Hoogovens' production of crude steel rose by 12.7 per cent. The increase percentage of the whole of the EEC was 4.4 per cent. In West Germany, France, Belgium and Luxembourg production increased by 5.3, 7.1, 2 and 6.4 per cent respectively. Italy's crude steel production declined by 2.2 per cent.

British Honduras

Warms to Canadian Products

Exporters should take a serious look at this market where Canadian goods are accepted with the warmth of the climate.

D. H. LEAVITT
Commercial Secretary, Kingston

British Honduras, whether you call it that or use the new name of Belize, is a country that Canadian exporters should not overlook. If you are interested in a market where you have about a 10 per cent tariff advantage over your principal competitors, where there is a great deal of goodwill towards Canada and a genuine desire to establish closer trading relations, and where there is a ready acceptance of Canadian goods, then, with the help of a Canadian Trade Commissioner, have a close look at the market in British Honduras.

Belize, as your baggage sticker will tell you, is "the new Central American nation in the heart of the Caribbean

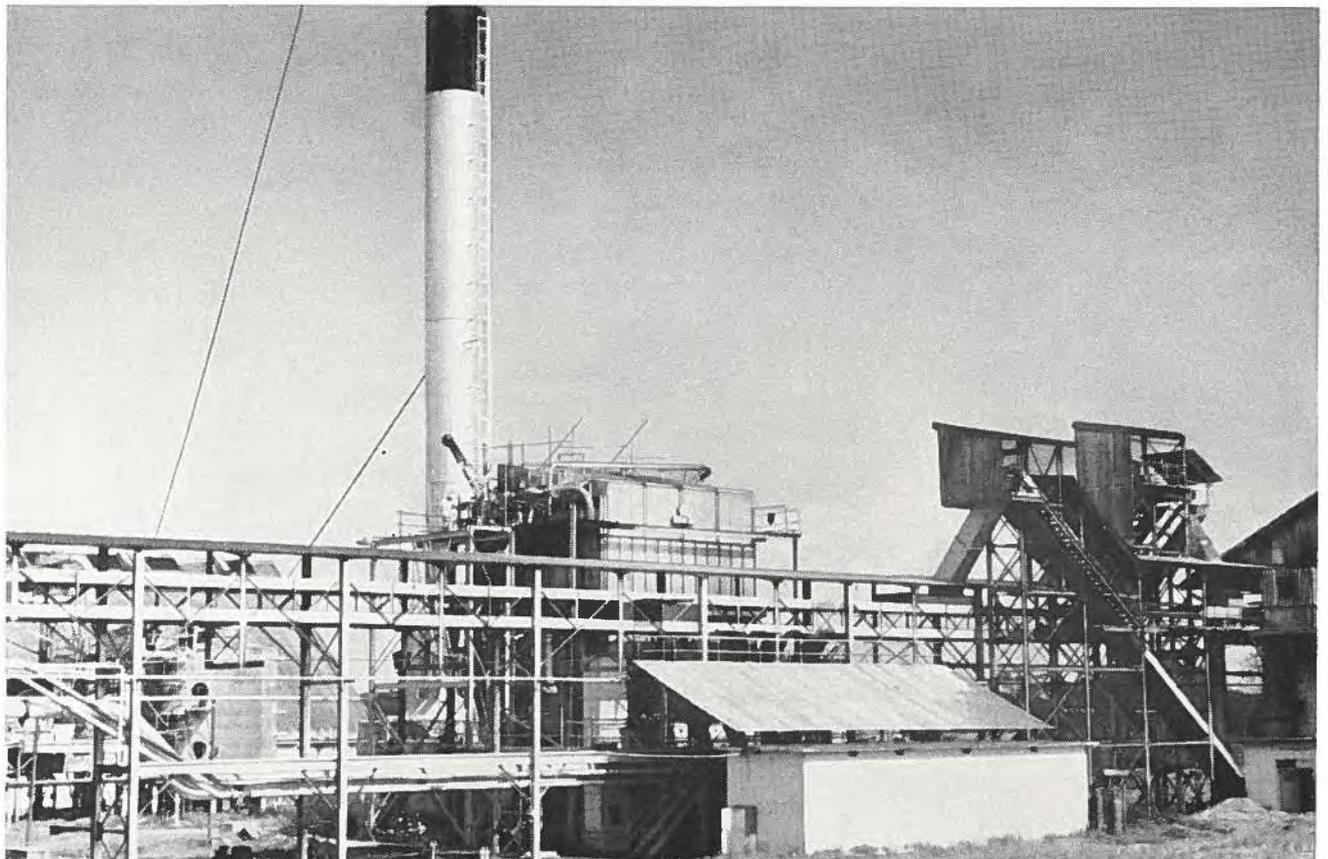
basin." These origins are reflected in the racial blend of the population—Negro, Spanish and Mayan. It is also seen in the likelihood of the country's joining the Caribbean Free Trade Association (CARIFTA) while at the same time maintaining an interest in joining the Central American Common Market and the Organization of American States. Geographically it is bounded on the south and west by Guatemala, on the north by Mexico and on the east by the Caribbean Sea.

Although still a British colony, the country's new name "Belize" is being used more frequently, which, with the interest in CARIFTA and the recent membership in the Caribbean Development Bank, are signs of a growing independence. A border dispute with Guatemala has been one of the main

reasons that independence has not yet been achieved. The country's capital has been moved from Belize City to the new town of Belmopan some 50 miles inland and civil servants have begun occupying new accommodation there. The site of the new capital will ensure that, unlike Belize City, Belmopan will not be flooded in the event of a hurricane.

Agriculture is the basis of the country's economy and land is undoubtedly the nation's primary natural resource. British Honduras has an estimated two million acres of land suitable for agriculture, of which only some 200,000 acres—or about 10 per cent—are developed and in use. Sugar, citrus, chicle and hardwood are the main products exported. In 1968 sugar and citrus accounted for 79 per cent of

This three-year-old factory of the Belize Sugar Industries is of unique design: some 50 per cent of the plant is open to the sky. Sugar and citrus are two of the country's main exports, but tourism is a coming industry and so is the fisheries.



exports. The country has an important and growing fishing industry, with lobster being the main type of fish caught.

Tourism is just beginning and there are hopes of it developing. In 1960 there were 4,500 visitors; in 1968, 28,000. The country is ideally suited for tourism, located only two hours by air from the southern part of the United States. In addition to its combination of sun, sea and sandy beaches, British Honduras has Mayan ruins, caves, a variety of wildlife, hunting and fishing. But present facilities are limited, with a minimum number of hotels, restaurants and suitable roads to points of interest. The Government, since it does not have the necessary funds for the construction of tourist facilities or to carry on a full-scale promotion scheme, would prefer these to be handled mainly by private interests. To encourage this the Government offers tax exemptions and duty free privileges to sound tourist development projects. To date development tied to gambling operations or casinos has been rejected. But the country is still an ideal place for anyone who enjoys sunshine and the outdoor life and who wants to get away from crowds. The mean average temperature is 79 degrees, and the country boasts the second largest reef in the world (more than 178 miles in length) with more than 150 cays (islands).

British Honduras is 174 miles from north to south and 68 miles from east to west and covers an area of 8,866 square miles, and its population is only about 120,000. The small population means that there is not the same reluctance shown, as in some other parts of the world, to the mechanization of industry, but it also means a limited domestic market, which is not conducive to the establishment of industry.

In addition to the country's agriculture and fishing industries there is a steel rolling mill and light industries that include sawmilling, shipbuilding, beverage bottling, butane and oxy-acetylene bottling, a garment factory, an abattoir/meat packing plant, fish freezing and packing plants. A brewery and flour mill are possible additions.

Because of the small population it is unlikely that Canadian exporters will be shut out of the domestic market by local manufacturing to the same extent

as in some other parts of the Caribbean. Generally speaking, it is agreed that the country's future lies in stepping up beef and agricultural production for the domestic and export markets.

Imports into British Honduras in 1968 amounted to \$23.6 million, a 140 per cent increase over 1960. As could be expected, the bulk of these imports were consumer goods, items required to supply agriculture and the growing transportation and communication needs of the country, as well as materials and equipment needed for the building of Belmopan.

Canadian exports to Belize have risen gradually from \$835,000 in 1962 to \$1.7 million in 1969. The main items include grain, canned sardines, soups, fabrics, tires, files and newsprint. Because the range of export items is extensive, Canadians should be able to do better.

Shipping is a problem, particularly from the West Coast of Canada. However, there is a service approximately every six weeks offered by Transocean Shipping and Chartering Company Inc. from Montreal. Shaw Steamship Company Limited, Halifax, also offers occasional service. In addition, exporters transship via New York, New Orleans or truck their goods to Miami and transship from there. Also, depending on the nature of the merchandise, there is the possibility of shipping all the way by air (i.e. Air Canada to Miami and then on by connecting air service to Belize). Canadian firms interested in this market should consider all methods when facing the problem of establishing c.i.f. prices Belize or delivering the goods there.

Canadian exporters can expect strong competition from U.S. firms. These are located close to the market and have good shipping services. British firms usually have long established connections. Nevertheless, Canadian companies do have a number of factors working in their favor. To begin with, Canadian exports receive the benefit of the Commonwealth preferential tariff and therefore enjoy, on the average, a 10 per cent ad valorem tariff advantage over non-Commonwealth suppliers. North American products and standards are increasingly finding acceptance in this pre-

viously British oriented market and Canadian suppliers will therefore, if they are competitive, find acceptance for their products. Added to this is the considerable amount of good will the people of British Honduras feel towards Canada. Since Canada, in the last few years, has usually purchased more from British Honduras (sugar, citrus concentrates, bananas) than it has sold there, both the Government and the individual businessman are receptive to the idea of the development of further sales.

It is, of course, recognized that for many individual products British Honduras represents a limited outlet. In addition, business tends to be dominated by a few large well-established agent/wholesalers, who may already be representing certain lines. It is not uncommon, however, for these companies to carry competing lines. In view of this it is a market that can often be serviced successfully by export houses, export agents, or even by wholesalers in Canada.

British Honduras is a growing market and an outlet for many of the types of products in which Canada has demonstrated its capabilities. Now is the time for Canadian firms to get in on the ground floor and to grow with the country. Initial sales may be small, but a worthwhile and lasting business can be developed for companies ready to make the effort. If a representative of a Canadian firm is already visiting the Caribbean or Central America, a trip to Belize may prove profitable without incurring a great deal of extra expense.

The Commercial Division, Canadian High Commission, Kingston 10, Jamaica, is responsible for this territory and will be pleased to advise on market prospects and a suitable representative or purchasers. Send several copies of your literature, prices and, if possible, samples. It would be preferable if c.i.f. Belize prices could be quoted, but if this presents any problem, then f.o.b. prices port of exit Canada would be acceptable initially. With this information our office will undertake a market survey and will report to the Canadian firm what follow-up action might be worthwhile or necessary. Remember, we are as near as your postbox—P.O. Box 1500, Kingston 10, Jamaica.

Cayman Islands

Look for Building Materials

J. P. LEFEBVRE, Assistant Commercial Secretary, Kingston

The Cayman Islands, the most isolated point in the Caribbean, has been through eight years of fierce land speculation, but prices now seem to have reached a plateau and the 120-square mile island is getting over the "paper transactions" before the implementation of building developments.

Caymanians enjoy full employment and have the highest per capita income in the Caribbean (\$1,040 a year) and a standard of living unequalled in most countries. The vast majority of the 10,000 residents own their own homes and land. The colony has no construction materials industry with the exception of one concrete block-making plant, importing Portland cement from Colombia and Jamaica. Massive imports of all required construction materials come from the United States, Britain, Jamaica, the Middle East and Canada.

Private residences are built from concrete blocks with reinforcing steel

(deformed bars in 20 foot lengths and diameters of $\frac{3}{8}$ ", $\frac{1}{2}$ ", $\frac{5}{8}$ " and $\frac{3}{4}$ "). Plywood sheeting is widely used and costs \$3.71 f.o.b. Miami for 48" x 96" x $\frac{5}{8}$ " C/D grade. Exterior fir plywood, good one side, A/C grade varies from \$3.10 for $\frac{1}{4}$ " sheets, to \$5.12 for $\frac{1}{2}$ " sheets and \$5.86 for $\frac{3}{8}$ " sheets f.o.b. Miami. Roofs are made of corrugated steel (26 gauge \$1.60 per ton c.i.f. Jamaica in 8, 10 and 12-foot lengths).

There is a tendency to use asphalt shingles in areas where spring water is available or where wells have been dug because collection from roofs is less important. A local construction firm has had on hand red cedar shingles for over a year, but these are not used in Cayman.

The interior of the houses is plastered or finished with rough concrete. There is a trend towards using colorful panelling with matching trims, corners, baseboards, crown and coves in upper/middleclass houses and offices. Lamin-

ated plastics (Arborite, Formica) are also current. The bulk of this is coming from Israel, but alternative sources are now being sought.

Central American pine and Southern yellow pine from the United States are the main species of lumber used in Cayman. Importers stock up when prices quoted on a weekly basis, out of New Orleans, are most favorable. There is a certain interest in alternating Southern yellow pine requirements with Canadian eastern spruce, provided regular price schedules are supplied by Canadian firms.

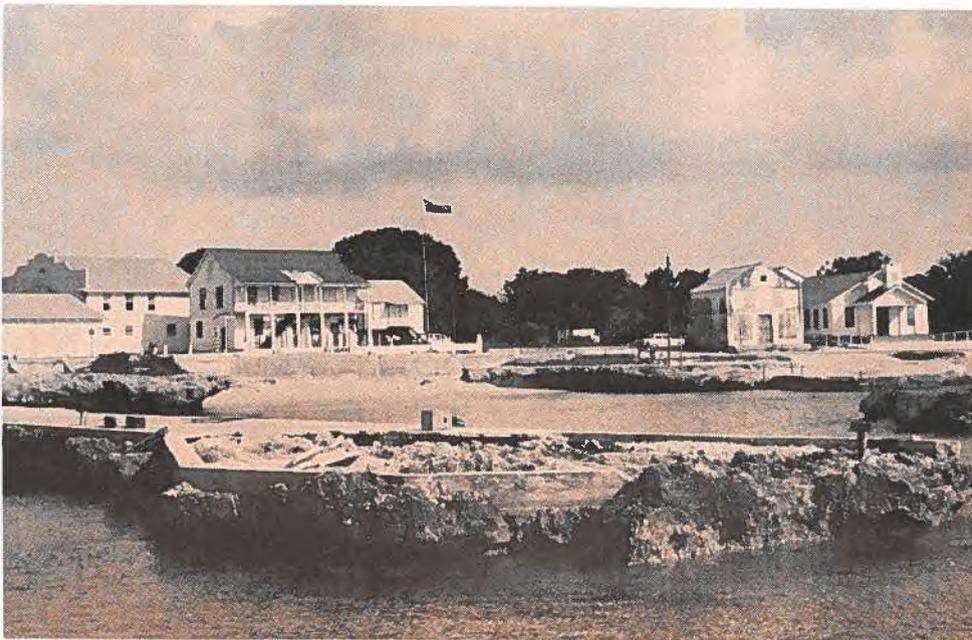
Fittings and plumbing supplies are imported from the United States and Britain. Plumbers are interested in obtaining quotations from Canada.

There are two main construction material distributors in Grand Cayman. They sell to the household market and occasionally to the major contracting firms. The latter group, however, prefers to do its own purchasing abroad whenever this is warranted. Linoleum and terrazzo are used for flooring. For this, as well as for any other construction materials, prices have to be quoted c.i.f. Miami or Tampa, Florida (rather than Jamaica) which is preferred because of the lower numbers of incidents of pilferage and breakage. Trucking service is available from Toronto or Montreal to Florida.

Unfortunately, Canada does not benefit from any tariff preferences on construction materials, generally speaking. Roofing iron is the only item where Commonwealth suppliers have an advantage (preferential tariff 15 per cent, general tariff 20 per cent).

Any interested Canadian exporters should contact the office of the High Commissioner for Canada at P.O. Box 1500, Kingston 10, Jamaica, for pertinent names of Caymanian importers.

This is part of Grand Cayman Island, which is 20 miles long and up to seven wide.





Cows are curious—even on the Turks and Caicos islands. The author took this shot as proof.

White Sands and Coral Reefs

DONALD H. LEAVITT, Commercial Secretary, Kingston

If you didn't learn about the Turks and Caicos Islands in your geography class at school—don't worry, you are not the only one. Nowadays, however, more and more land developers, knowledgeable tourists and exporters are exploring this little-known corner of the Caribbean.

The Turks and Caicos Islands lie in the southeastern extremity of the Bahamas chain and are composed of six principal islands. The Turks Islands (Grand Turk, Salt Cay) lie east of the 22-mile-wide Turks Island Passage. The Caicos Islands (South, East, North, West and Middle Caicos, plus Providenciales) lie to the west of the Passage. Land area totals about 166 square miles.

In 1960, the population of the islands was 5,668 of whom all but 17 were of African or mixed ancestry. Children numbered 2,557. Despite a high birth-rate, the population has remained fairly constant over the past half century at least. Today's population is estimated at about 6,500. Grand Turk, the capital, has about 2,500 people, South Caicos 1,000 and the other four islands have about 500 to 600 each. At the time of the last census there were 122 females for every 100 males. It is estimated that there are 12,000 nationals altogether, about half of whom live elsewhere.

Discovered by Ponce de Leon in 1512, the islands were settled on a seasonal basis in 1678 by Bermudians who sailed down annually with their slaves to rake salt in the local ponds. The name Turks derives from a local cactus which resembles a fez. Caicos is from cayos, the Spanish word for cay. In 1766, the

islands became an English colony and 1799 saw them annexed to the Bahamas. In 1848, after local salt proprietors got into a dispute with their Bahamian counterparts, they successfully petitioned the Crown to again become a separate colony. In 1873, suffering from a depression brought about in part by the disastrous hurricane of 1866, they successfully petitioned to be annexed to the Crown Colony of Jamaica. When Jamaica was granted independence in 1962, they again became a separate British colony.

The Turks and Caicos Islands are governed under a British Administrator, who must assent to all legislation passed by the local Legislative Assembly. The British Governor of the Commonwealth of the Bahamian Islands is also their Governor. They are tied to the Bahamas court system by sharing a Common Court of Appeal, but prisoners convicted and sentenced to long terms are sent to Jamaica to serve their sentences. The Jamaican dollar is the legal tender in the islands.

The main exports are shellfish, salt and sisal. Salt raking, traditionally the most important industry, is proving uncompetitive with sources elsewhere, and now exists only on Salt Cay and is subsidized by the Government. The main contributors to the economy are the United States Military and Coast Guard installations on Grand Turk and South Caicos.

The island is also a logical refuelling point for civil and military ships and aircraft en route between Puerto Rico and the United States. Britain provides two thirds of the current and all the

capital balance, which amounts to \$350,000 recurrent and about \$140,000 capital per annum.

The promise of development lies in tourism. The climate and fishing are excellent: rainfall averages only 26 inches and the trade winds provide comfort in summer. There is a shortage of potable water. Rainwater catchment systems are used for the most part, although a desalination unit is operating on South Caicos and others are contemplated elsewhere.

There are a number of developers active in the islands. The majority are American, although there is a large British consortium, Morris Wigram, consisting of three merchant banks, interested in developing Providenciales.

A Canadian company, W. N. Axford & Associates, has development rights on North Caicos.

Turks Island Development Company Limited (TIDCO) was formed last year to serve as a holding company for various subsidiaries to develop Grand Turk, though some subsidiaries will also serve other islands in the Turks and Caicos group.

One of the best known developments is on South Caicos where the Caicos Company (formerly Caicos Holdings Limited) has freehold rights to between 2,000 and 3,000 acres. The company also has rights on Providenciales and Middle Caicos, and has been operating in the islands since 1961. On South Caicos it operates the airport, Air Caicos, the hotel, the power company and the marina, as well as cement and

lumber warehouses, the hardware store, and the food and liquor retail and wholesale outlets.

Other companies with rights in the islands are the West Caicos Development Company, the Provident Company, Caicos Dredging Company, Cays Development Company, IMBT, East Caicos Development Company and Solar Enterprises.

In the capital, Cockburn Town, on Grand Turk, there is a five-room hotel in a century-old building. There is a 27-room hotel on South Caicos and a seven-room hotel on Providenciales. Bahamas Airways provides a thrice-weekly air service from Nassau. Two local carriers, Air Caicos and Caicos Airlines, provide inter-island service, charters and cargo connections with the United States.

About 5-10 per cent of Grand Turk and South Caicos is Crown land, compared with about 75 per cent of the other islands. Developers either buy

from local people or obtain concessions from the Government in return for developing the infrastructure and providing essential services. Two years ago, the best acreage with perfect beaches could be purchased for \$50 per acre. Now the Government is selling what good beach lands it has at \$1,000 per acre. Completely undeveloped land on undeveloped islands is going for between \$150 and \$250 per acre. Developers are asking from \$2,000 to \$7,000 per acre for land.

Another feature is the absence of direct taxation. Although there is no legislative guarantee, the Government has stated that it is not its intention to levy direct taxes. It is possible that legislation to this effect will eventually be passed. In any event the islands hope to attract banks and trust companies.

Barclays Bank D.C.O. currently has a five-year monopoly on the banking business in the islands which ends in April 1971. The only other company allowed to carry on banking operations

is the Caribbean Finance Trust Company on South Caicos. If another bank took over this operation and did not change the name, it could begin operations immediately.

The Patent Law of Jamaica is extended to the Turks and Caicos Islands and consequently a patent for invention granted in Jamaica extends to and has effect in the islands. There is no trademark law and Jamaican law does not apply.

Cable & Wireless operates the external communications and is anticipating a growth in demands on the system. Telex is being installed and existing equipment replaced. The telephone system is currently owned by the Government: the prisoners in the jail operate the switchboard.

The future development of the islands has been the subject of much study. Two reports have been issued, the first prepared by a British firm under assignment from the British Ministry

Tourism is the main development potential on these islands. Shown below is the only hotel in Grand Turk, the Turk's Head.



of Overseas Development, and the second under the chairmanship of Sir Derek Jakeway, former Governor of Fiji. Both are written with the intention of avoiding mistakes made elsewhere in development.

The Jakeway report recommends the formation of a development unit consisting of four experts and a leader to supervise development. It proposes that the Commonwealth Development Corporation should develop the utilities and the infrastructure, and should take part in negotiations with private developers. In this way the Government would be unable to give away large tracts of land to private interests in return for promises to develop the essential services.

Obviously, the islands offer Canadian investors the opportunity of participating in the growth of a new tourist

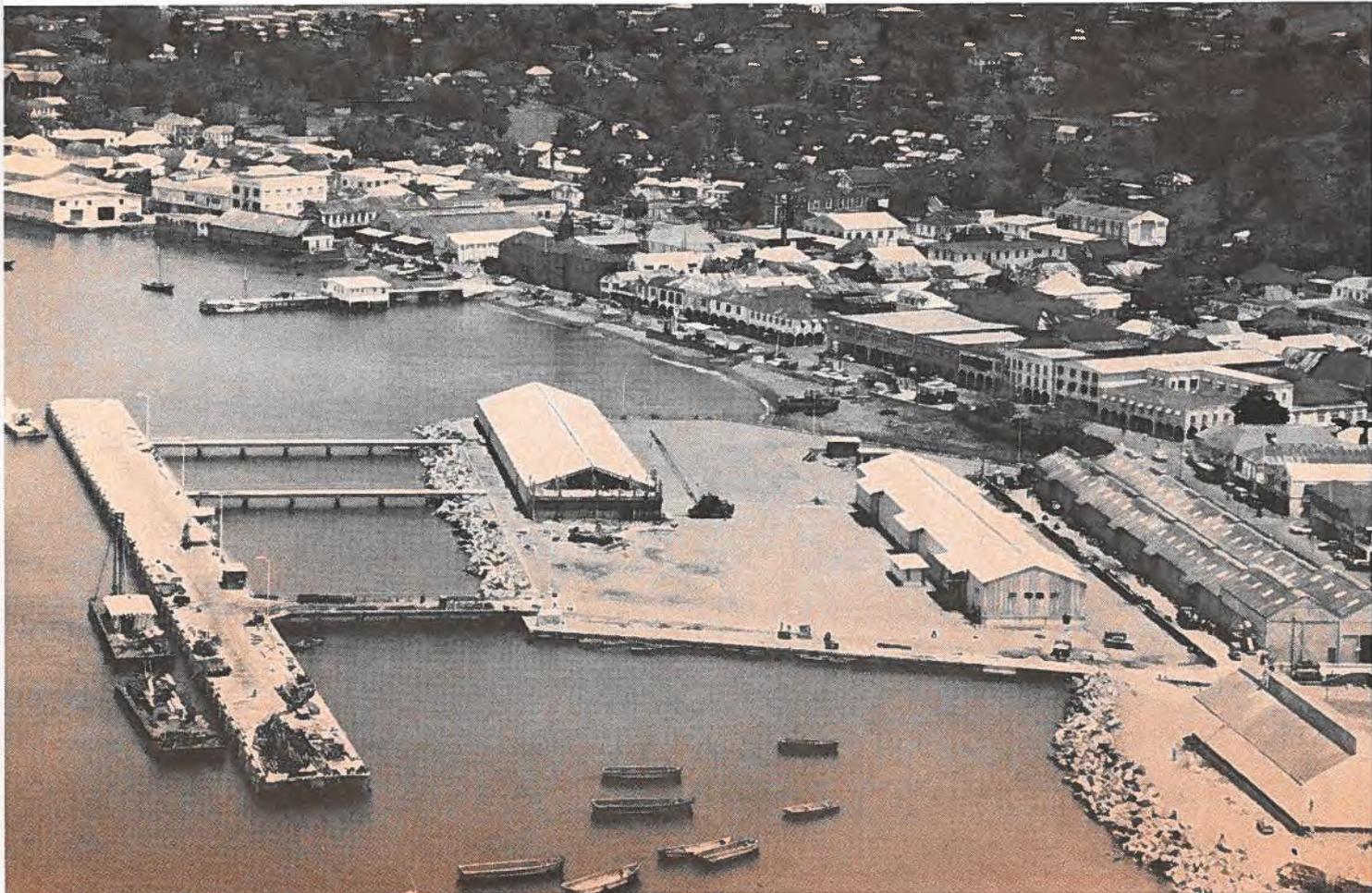
area. They have an undeniable charm and offer tranquillity, good fishing, white sand beaches and beautiful coral reefs. Although these are not unique features, they will be more sought after as incomes grow and travel increases.

Canadian manufacturers are already exporting to the islands. There is no local manufacturing and all food for the islands is imported. British exports to the Turks and Caicos, and to the Cayman Islands, in 1968 amounted to \$212,000. There is a lack of shipping services from Canada, but Canadian exports can reach the islands via trailer truck to Florida. The Caicos Company is associated with an air freight operation, Air Caicos, which operates Canadian DC4M's and is capable of providing a direct flight service when needed. There is also ocean shipping between Kingston

(Jamaica) and Grand Turk. The largest importer, Turks Island Importers Company (TIMCO) has expressed an interest in importing Canadian products, as has the Caicos Company.

Canadian exporters receive the benefit of a Commonwealth preference on most items, and building materials and equipment for approved hotels can be imported duty free. Canada and Canadians are well liked in the islands, through contact with Canadian tourists and through the activities of the Canadian Executive Services Overseas (CESO) which has been of great assistance in supplying medical services, and through the gifts of educational material and equipment from the Ontario Government.

Sound interesting? For further information write to us at P.O. Box 1500, Kingston 10, Jamaica, West Indies.



Trinidad and Eastern Caribbean: Industry Is Emphasized

DAVID J. McJANET, Acting Commercial Counsellor, Port-of-Spain

Canadians have been amply supplied with vivid reports of events in Trinidad and Tobago earlier this year as they related to Canada's presence in the area. The recently published report by the Canadian Senate Foreign Affairs Committee on Canada-Caribbean Relations, and the visit of Senator Paul Martin to the Eastern Caribbean this September, have further focussed attention on the diversity and deeply-rooted nature of the association between these two Commonwealth partners.

It would be unfortunate and inaccurate to describe what took place in the Caribbean last spring purely as a thrust at the role played by Canadians in the area's economic life. More fundamental considerations must be borne in mind: an acute unemployment situation affecting especially younger, unskilled people—at a rate of 25 per cent, in some places; overpopulation and a lack of interest shown by large numbers of West Indians in owning and operating either small or large businesses, in spite of the fact that they have been notably successful in other spheres of activity, such as the professions.

The response by both local governments and businesses to these needs has been immediate and in some cases dramatic. In Trinidad, for example, members of the Chambers of Commerce have set up, and maintain, vocational training schemes by providing financial support, manpower and equipment. Governments in Guyana and Trinidad are

Canadian firms engineered and built the deepwater harbor (left) at St. Vincent as a Canadian foreign aid project for a total of about \$1 million. Picture shows the wharf and warehousing under construction several years ago.



Apple Annie, one of the old-time vendors on Port-of-Spain's Marine Square, proudly displays a box of Canadian apples. In the first eight months of this year, Canada sold \$22,000 worth of apples to Trinidad. Exports generally to this area are rising.

encouraging groups of people, young and old, to form co-operatives to run light industries based on locally available materials, and to operate retail outlets. A number of privately and foreign owned companies are making shares available for the first time to local residents. The Government of Trinidad and Tobago has entered into an arrangement to acquire a controlling interest in the country's largest sugar company. Guyana became the Commonwealth's first "Co-operative Republic" on February 23, 1970, and

has announced a policy of seeking "meaningful participation" in the exploitation of the country's natural resources on behalf of the people of Guyana.

Because guidelines for the implementation of many of these policies have still to be defined, local and off-shore investors appear to be holding back from making new large-scale commitments, and present investments are being reconsidered for their ability to fit in with these policies.

Despite these factors, Canadian export figures to the Commonwealth countries in the Eastern Caribbean in the first six months of 1970—\$30.1 million—compare most favorably with those for the same period in 1969—\$21.1 million (see accompanying table).

This healthy upward movement is due in part to a continuing demand for essential foodstuffs (salted cod, canned sardines, flour and potatoes) and to other items serving a mass market (tobacco and lumber). It is also a reflection of Canada's development assistance program in the area and of other multilaterally financed projects in which Canadian suppliers have been able to play a significant role.

In Barbados and in the Leeward and Windward Islands especially, tourism in recent years has become a factor of increasing significance both to local economies and to Canada's trade relations with the area (see page 27). Tourism creates a high-quality demand for everything from soup to nuts to disposable bathroom slippers. It has also become an important source of foreign exchange to fledgling economies and should quite rightly be considered as important as any export from the region. But development of tourist facilities, in most cases, calls for an infusion of capital from outside investors. And if the outside investors are Canadians, much of the trade resulting from these investments usually goes to Canadian suppliers.

The idea of bringing productive facilities closer to the Caribbean market is being accepted slowly but steadily by Canadian business, but progress in this area depends on the clarification by governments here of their foreign investment policies. Two factors must operate to the benefit of the prospective Canadian investor: the recognition by local governments of the pressing need in many areas for capital and skills not immediately available locally, and the availability of investment insurance, through Canada's Export Development Corporation, in Commonwealth Caribbean countries with which the Government of Canada has entered into an agreement. Both factors have resulted in a tangible response from Canadian investors so far this year.

Two other elements are now at work in the Commonwealth Caribbean to

MAJOR CANADIAN EXPORTS

	\$'000		\$'000	
	January-June 1969	1970	January-June 1969	1970
Barbados				
Meat, cured	343	298		
Fish, salted	118	131		
Fish, canned	204	166		
Flour	312	363		
Potatoes	54	145		
Lumber	207	285		
Fabrics, woven	158	198		
Telephone apparatus	164	229		
Electrical distribution equipment	96	121		
Total, all exports	3,725	5,486		
Guyana				
Fish, salted	263	205		
Fish, canned	203	209		
Peas, dried	178	170		
Lumber	6	126		
Newsprint	114	109		
Fabrics, woven	232	290		
Wire and cable, insulated	27	135		
Mining machinery	74	270		
Aircraft	45	1,860		
Aircraft equipment	5	151		
Electrical distribution equipment	65	159		
Total, all exports	3,643	6,822		
Leeward and Windward Islands				
Fish, salted	373	340		
Fish, canned	232	157		
Flour	987	879		
Sugar	149	145		
Lumber	194	448		
Fabrics, woven	70	141		
Pipes, iron and steel	18	429		
Source: DBS				
Leeward and Windward Islands cont'd				
Valves and pipe fittings	5	134		
Boats	0	136		
Aircraft engines	124	135		
Motor vehicle tires	123	118		
Furniture	39	291		
Total, all exports	5,270	7,572		
Trinidad and Tobago				
Cattle	61	195		
Meat, cured	216	179		
Fish, salted	441	480		
Fish, canned	459	404		
Wheat	463	0		
Flour	712	1,006		
Onions	98	100		
Potatoes	112	317		
Peas, dried	159	161		
Tobacco	71	265		
Lumber	469	108		
Newsprint	391	366		
Writing and reproduction paper	123	161		
Sanitary paper	250	92		
Nylon yarn	0	134		
Fabrics, woven	234	336		
Fabrics, knitted	150	130		
Plastic sheet	76	102		
Aluminum shapes	176	320		
Telephone apparatus	230	335		
Electrical distribution equipment	138	431		
Jewellery	82	213		
Veterinary products	79	110		
Medical and pharmaceutical products	118	122		
Total, all exports	8,488	10,262		

the long-term advantage of trade relations between Canada and the region: the Caribbean Free Trade Association (CARIFTA), and the Caribbean Development Bank. Previous issues of *Foreign Trade* (September 13, 1969, and January 31, 1970) have described the purpose and performance of these two institutions, which are designed to foster the economic prosperity of the region and consequently enhance its value as a market for Canada.

Brief resumés of the economic performances of the various countries in this region follow.

Barbados—Industrial housing and hotel construction recorded marked progress in this island's economy in 1969, and the pace is continuing. Last year was the first time in which tourism surpassed sugar as the main revenue earner.

Sugar production actually fell because of poor weather and the incidence of cane fires. A Canadian-based firm has conducted a feasibility study on the rationalization of the sugar industry into larger holdings and fewer factories. The introduction of a new system of sugar extraction is being considered,



Palm trees and wide beaches like this one on Tobago are important assets in the Caribbean and offer the businessman relaxation after his exertions. The development of tourism is slower in Trinidad and Tobago than in other parts of the Caribbean.

using machinery developed through the PAIT program of the Canadian Department of Industry, Trade and Commerce.

As part of its economic development strategy, the Government of Barbados is seeking ways to diversify its agricultural sector to enable local growers to better meet the needs of the island—the hotel trade particularly—for fresh milk and produce.

Guyana—Marketing conditions in 1969 for Guyana's main export commodities—bauxite, alumina and sugar—were favorable, and production increases were experienced in each item. Rice production, however, remained steady, but with the recent inauguration of the government-owned Guyana Rice Corporation and the development of further research facilities, improvements in yields and processing methods are expected.

Housing construction in the Commonwealth Caribbean has provided a long-awaited outlet for Guyana's tim-

ber resources which are still largely untapped. Outside interests have also examined the possibility of using these resources for pulping, but firm commitments are awaited.

The Guyana Development Corporation, a government agency for the promotion of industry, has for the past few years granted tax concessions to several dozen new enterprises. In 1969 alone, 23 agreements were entered into. Nevertheless, the Corporation has been careful to concentrate its efforts on industries that can be based on Guyana's agriculture, forestry, fishing and mining. As a key institution in the new "Co-operative Republic", the Corporation now anticipates investing either directly or jointly with private investors, and will seek a management role in such enterprises.

The Guyana authorities earlier this year acquired an interest in one of the country's major importing firms. More recently the Guyana Government established the External Trade Bureau for greater centralized control over the

terms of trade to which Guyana's imports and exports are subject. These government bodies continue to operate alongside privately owned trading companies.

Leeward and Windward Islands—This group of smaller islands in the Eastern Commonwealth Caribbean may be roughly divided into the Windwards in the south (Grenada, St. Vincent, St. Lucia and Dominica) in which bananas and tourism dominate, and the Leewards in the north (Antigua, Montserrat and St. Kitts-Nevis-Anguilla) where sugar and tourism prevail.

Export-oriented industry is still in its infancy, but each island can boast of newly established industrial enterprises, serving mainly local and nearby CARIFTA markets, and enjoying various incentives offered by the respective Governments.

Infrastructure projects such as airports, deep-water harbors and water distribution are being carried out with the

assistance of concessional term financing. Tourist resorts and housing estates are burgeoning, in anticipation of better access provided by new airports and larger aircraft.

Agriculture continues to be an important user of labor, and the islands' main crops of bananas, sugar, spices and citrus have well-established outlets, primarily in Britain. In view of Britain's prospective entry into the European Common Market, however, efforts are being made to diversify into new, import-replacing crops (e.g. tomatoes) and to seek deeper penetration into Canadian markets for bananas, limes, mangos, avocados and other tropical fruit.

Trinidad and Tobago—Although the gross domestic product registered continued growth in 1969, it was at a reduced rate from previous years, reflecting a 15 per cent decline in the production of local crude oil. In addition, sugar, cocoa and coffee output

was down, due largely to unfavorable weather. On the other hand, CARIFTA market opportunities allowed the manufacturing sector to do very well, and import-substitution and construction activities were at a high level.

Indigenous oil production has been falling off in recent years, thereby intensifying the country's unemployment problem and necessitating larger imports of crude in order to maintain production at Trinidad's refineries. Recent low-sulphur-content oil and gas finds off the island's east and north coasts, however, hold out the promise of substantially offsetting this trend.

Tourism developments are moving ahead at a slow rate. But being a relatively recent arrival to the Caribbean tourism scene compared with some of its island neighbors, Trinidad can benefit from their experience.

In mid-1970, a weekly container service from North America to Port-of-

Spain commenced operation. Already, several Canadian exporters have availed themselves of this long-awaited facility.

This report brings a broad picture of the current business scene in the Eastern Caribbean as viewed by the Commercial Division of the Canadian High Commission in Port-of-Spain, Trinidad. From their central location, the five officers attached to the Commercial Division are in an excellent position to advise prospective Canadian investors and exporters of goods and services on specific market opportunities throughout the islands, stretching from St. Maarten in the north to Trinidad in the south, plus Guyana, Surinam and French Guiana on the South American mainland. Correspondence should be addressed to: Commercial Division, Office of the High Commissioner for Canada, P.O. Box 1246, Port-of-Spain, Trinidad and Tobago. W.I. (telephone 37254) (telex DOMCAN POS 226) (cable CANADIAN).

Examining shipments of Canadian salted cod in a Port-of-Spain warehouse are (left) John A. Ahow, Commercial Officer, and K. Govia, a local agent. Fish and fish products are traditional Canadian exports to Eastern Caribbean.



Tourism Promoted

J. M. CLAUDE LAVOIE
Assistant Commercial Secretary
Port-of-Spain

Incomplete figures indicate that approximately 425,000 tourists visited the Eastern Caribbean Islands last year. Barbados, the most popular, received 137,000 visitors. Total expenditure by tourists in the Eastern Caribbean amounted to an estimated \$67 million, with Barbados realizing almost half of it because the average visitor stayed longer (eight days compared with four or five for the other islands).

The situation seems to be less rosy for 1970, however. After developing in leaps and bounds during the sixties, tourism in the Eastern Caribbean might drop about 10 per cent this year. The annual growth has been 20 and sometimes 25 per cent. The trade explains this drop by pointing to the mild recession in North America and the recent disturbances in Trinidad and Tobago.

Hotel associations and tourist boards, however, have reacted swiftly to correct the decline. West Indians were encouraged to take their holidays within the Caribbean; a new publicity campaign with the slogan "Visit the Eighth Continent of the World" was introduced in North America. And more attention is being given to the adjoining Latin American countries.

New hotel projects are still coming up despite the lull in visitors. But investors seem to have become a little more cautious and are taking a good second look before putting their money into new projects. Speculators tend to remain on the sidelines and have adopted a wait-and-see attitude, thus bringing more stability to the industry.

There is still plenty of room for expansion in the hotel field in the Eastern Caribbean. Puerto Rico and U.S. Virgin Islands, the most popular resort islands in the Caribbean, are already overcrowded. Tourists have to go fur-



There is a lull in tourism in the Eastern Caribbean, though there are still opportunities for investment in this field. This deserted beach is Hope Beach in Tobago.

ther south each year to find accommodation. A recent study shows that, if the trend of the sixties continues, the number of tourists to the area should more than double in the next five years (*Foreign Trade*, November 22, 1969).

One of the premises for this expansion, however, lies in the introduction of jumbo jets on the Eastern Caribbean routes. So far, only the French West Indies and the islands of St. Lucia and Antigua in the Commonwealth Caribbean have runways that could accommodate jumbo jets on a regular basis, but as yet there are no adequate terminal facilities. The first terminal to be ready will undoubtedly be the one in Martinique.

This opens a wide field of opportunities to Canadian exporters. Most of the Eastern Caribbean islands lack the resources to supply the materials needed for this expansion. Building materials, furnishings, specialty chemicals,

institutional food products and tourist-related items, should find a ready but competitive market.

There is also room for Canadian investment. Many persons own land suitable for resort development but lack the funds to build hotels. Canadian investors willing to participate on a joint venture basis with West Indian nationals in such projects would be welcome. The Commercial Division, Port-of-Spain, would be pleased to introduce serious Canadian investors to interested local partners.

For more information on the various projects and on how to approach the market, you may contact either the Tourist, Hospital and Education Division, Department of Industry, Trade and Commerce, Ottawa, or Commercial Division, Office of the High Commissioner for Canada, P.O. Box 1246, 72 South Quay, Port-of-Spain, Trinidad, W.I.

Schooling Turns on in Caribbean

Some \$50 million is being spent to provide technical and secondary school facilities for more than 45,000 students, providing many opportunities for Canadian suppliers.

J. M. CLAUDE LAVOIE
Assistant Commercial Secretary,
Port-of-Spain

More than 45,000 student places are either under construction or on the drawing boards in the Caribbean—with roughly \$50 million of it financed by aid. It makes a market worth looking at.

Although the rate of literacy in the Eastern Caribbean is high, a large portion of the population is still unemployable due to a lack of technical training and an overcrowded secondary schooling system. This is one of the problems which the Caribbean Governments are trying to solve.

These 45,000 new places are being provided through the co-operation of various international aid donors such as the World Bank and its subsidiary, International Development Association (IDA), the Canadian International Development Agency (CIDA) and the British Development Division of the Overseas Development Ministry of Britain.

The emphasis is being placed on vocational and technical training, which so far has been available only in limited quantities. The secondary schooling system is being re-vamped in order to better prepare the students for further professional or vocational training, as well as for useful employment after regular secondary education.

Canada's project in Trinidad and Tobago, for instance, involves close to \$20 million to build 16 junior secondary schools, three senior comprehensive schools, the conversion of three existing schools into senior comprehensive schools, and one teachers' training college. Construction has already started on four of the schools; tenders for

the remaining schools are still to be called. Half this project is financed by the World Bank and the other half by the Trinidad and Tobago Government. This project alone involves 18,000 new school places.

In Guyana, the World Bank and its affiliate International Development Association are also sharing costs on a matching basis for an \$11.6 million project to build seven new secondary schools and one teachers' college.



Shown above are prefabricated schools leaving Montreal docks for the Caribbean. Through Canadian and other grants, more than 45,000 student places will be added.

Construction is scheduled to start soon.

A new technical institute is nearing completion in New Amsterdam, Guyana, financed largely by a grant from CIDA. This project, which can accommodate 400 students, is being supplied with Canadian educational equipment. The Government of Guyana is considering buying further equipment from Canada to complement what is already available in other schools.

In the Leeward and Windward Islands, Canada, through CIDA grants, is financing the construction of 20 "Maple Leaf" design primary schools at a cost of close to \$3 million. These schools will be able to accommodate a total of 1,000 students. The first of these Canadian prefabricated schools was officially handed over in September of this year.

Other projects are in the making or being contemplated. These examples, however, give an indication of the scope of development in the education field, and the sales potential existing for Canadian firms.

Canadian educational equipment also should receive a boost from the many teachers in the Eastern Caribbean who have been trained in Canada. In addition, more than a hundred Canadian teachers are training students and teachers in the Eastern Caribbean under CIDA's Technical Assistance Program. Their familiarity with our equipment should be an asset in promoting Canadian-made teaching aids.

Canadian firms interested in sharing in this boom in the field of education should take a good look at the Caribbean. One of the first steps in promoting equipment should be to register your firm's interest with such international organizations as the World Bank in Washington, UNESCO in Paris, UNDP in New York and, of course, CIDA in Ottawa.

For further information, inquiries should be directed to: Tourist, Hospital and Education Division, Department of Industry, Trade and Commerce, Ottawa, Ontario, or Commercial Division, Office of the High Commissioner for Canada, P.O. Box 1246, Port-of-Spain, Trinidad, W.I.

International Loans

Education in Colombia

Colombia will use two World Bank loans totalling \$38.5 million for educational reform and highway development. Both programs have top government priority. The Government is building 19 secondary schools which will integrate academic studies and practical courses. Ten of the schools are already being built with the aid of an earlier \$7.6 million loan. One of the new loans (\$6.5 million) will help to finance construction of the remaining schools which will have an enrollment capacity of 31,000. It will also help to pay for related technical assistance and the administrative and operational costs of the units executing the project. The second loan of \$32 million will be used to pave 1,000 miles of road, an increase of 30 per cent in the paved length of the national highway network. Other works for which this loan will be used are the construction of a highway bridge across the Magdalena River between the ports of Barranquilla and Santa Marta and the upgrading of the final section of the highway connecting Buenaventura, Colombia's most active port, with the rest of the country.

Bolivian Beef Cattle

A \$5 million Inter-American Development Bank loan to Bolivia will be used to increase and expand beef cattle production in the eastern section of the country. Specifically the loan will extend credits to ranchers for the purchase of pumps, planting and maintenance equipment, 50,000 cows and 2,000 bulls; the construction of corrals, sheds, silos, fences, wells and other facilities; the seeding of about 29,600 acres with selected varieties of pasture grass, and the provision of direct extension services to ranchers. Up to \$70,000 of the Bank's loan will be used to provide technical assistance services to help Bolivia's Banco Agrícola improve its administration of credits and training of personnel.

Technical Education in Uruguay

Uruguay will expand and improve its technical education programs with a \$4.5 million loan from the Inter-American Development Bank. The loan will be administered by the Universidad del Trabajo del Uruguay (UTU). The loan will help UTU construct four technical institutes and an agricultural teacher-training center as well as expand and improve four agricultural training schools and two industrial arts centers. New training equipment in the agricultural and maritime sectors of the economy and a broad program of technical assistance will

be instituted to improve the instructional, administrative and accounting structure of the schools administered by UTU.

Tobacco Farming in Uganda

The Government of Uganda will use a \$4 million credit from the International Development Association (IDA) to help finance the production costs of several thousand small tobacco farmers. Tobacco ranks after coffee, cotton and tea as Uganda's most important smallholder cash crop, providing a livelihood for some 20,000. The credit will enable Uganda to almost double its production of flue-cured tobacco and increase its value of tobacco exports by an estimated \$2.8 million a year.

Agriculture in Panama

Agriculture in Panama—important to the domestic economy—will be improved and developed with the assistance of two loans totalling \$6.4 million from the Inter-American Development Bank. Extended to the Government's Instituto de Fomento Económico (IFE), the loans, part of which are open to Canadian procurement, will finance 50.3 per cent of a program to improve farm and livestock production and expand grain marketing facilities. In addition the program will provide credits for fixed improvements to farms producing rice, corn, beans, vegetables, tomatoes and oil-yielding seeds. Some \$593,000 of the loans will be used to provide technical assistance to help IFE carry out production studies for basic grains, determine the location and design of new grain storage facilities and expand or remodel existing plants.

Moroccan Hotels

A World Bank Loan of \$10 million to assist in financing construction, expansion and modernization of tourist hotels, Morocco's leading source of foreign exchange earnings, has been given high priority in the Government's economic development plans. The loan will be made to Credit Immobilier et Hotclier (CIH), the chosen instrument of the Moroccan Government for financing hotels, and will be guaranteed by the Kingdom of Morocco.

CIH's program calls for the financing of 30 to 35 hotels, having altogether about 10,000 beds, from mid-1970 to the end of 1971, requiring a total investment of \$27.4 million. The loan will be applied to the cost of imports through mid-1971, and CIH will obtain the local currency requirements from its own resources and local borrowings.

Trade Lines

Port of Entry

Little Rock, Arkansas, is now a port of entry in the Customs District of New Orleans, Louisiana (Region V). The growing importance of Little Rock as a trading terminal is partially due to the completion of the Arkansas River project, which opens the river to barge traffic. The navigation channel is now completed to about 10 miles east of Tulsa, Oklahoma. Development of the over-all project is expected to have important effects on the distribution system in the general area—Dallas.

Investment

In 1969 foreign investment in Spain totalled \$66.7 million. The chief investing countries were the U.S. with \$21.28 million, representing 32 per cent of the total, followed by Canada with \$10.69 million (16 per cent), and France with \$6.89 million (10 per cent approximately). Of the remaining countries West Germany accounted for 8.75 per cent of total foreign investments, Netherlands 7 per cent, Finland and Switzerland 6 per cent, Britain 4.6 per cent and Italy a little under 3 per cent. Main sectors into which investments were channelled were: chemicals, approximately 34 per cent of total; construction of machinery, 9.2 per cent; electrical machinery, 8.6 per cent; metal products, 7.7 per cent; paper industry, 6.2 per cent—Madrid.

Imports

Colombian import levels will be 25 per cent higher in 1970 than they were in 1969. The monthly import quota set by the import licensing authorities will be \$71.3 million during the period August–October 1970. This increase reflects the growth of Colombia's foreign exchange earnings—Bogota.

Axles

The Buffalo axle plant of General Motors was producing by the end of summer 1,500 axles daily for Chevrolet's new small car, the Vega 2300.—Buffalo.

Water Supply

An Israeli Company, Vered, will carry out the second phase of the water and canalization system of Accra, Ghana's capital. The \$5 million project, to be completed within two years, is financed by a World Bank loan to Ghana. The project is also reported to include the supply of over \$500,000 worth of Israeli-made asbestos cement pipes—Tel Aviv.

Telephone Equipment

International Telephone and Telegraph's Mexican affiliate, Industria de Telecomunicacion (INDETEL)

S.A., has inaugurated a \$739,800 manufacturing facility at Toluca. The company will produce central telephone exchanges and private automatic exchanges and will turn out 2,200 switchboard centrals a year—Mexico D.F.

Crab

A new factory at Yell, Shetland Islands, Scotland, built by Shetland-Norge Preserving Company will start operations soon. The Norwegian company is a partner in the British-Norwegian project, which aims at tinning and freezing some 100–150 tons of crab this season—Oslo.

Sparkplugs

Bujias Champion de Mexico recently invested \$2.8 million in a new plant for manufacturing ceramic sparkplug insulators. Production for domestic use is expected to begin late in 1971, and there are tentative plans for an export program. The factory will employ 200 workers and technicians. It will be the first plant outside the U.S. to produce Champion sparkplug insulators, a company official said—Mexico D. F.

Abattoir

A new abattoir, financed jointly by U.S. and local interests and costing the equivalent of \$321,800, was opened recently in Belize, British Honduras. The Belize Meat Packers, Ltd., plant is designed to meet health and other standards of the U.S. Department of Agriculture. When the plant attains full operation about 100 cattle will be slaughtered daily. In addition to select beef and pork cuts, the plant will process hams, bacon and sausages—Kingston.

Sugar

A sugar mill, the sixth to be built under Morocco's sugar program, will process 2,400 tons of sugar beet daily and provide from 25,000 to 30,000 tons of sugar each season. Constructed under the current Five Year Plan, it is situated 200 kilometers southwest of Casablanca. The mill will employ 260. When it reaches full production Morocco's annual sugar production capacity will be approximately 200,000 tons, almost two thirds of total requirements. French financial aid was granted for construction of the mill—Madrid.

Watches and Clocks

The substantial growth of Hong Kong's watch industry can best be attested to by the fact that, since 1964, domestic exports have increased annually by 45 per cent. Since 1964, 25 new factories have been built, bringing the total to 182. Of this number, 35 are watch

assemblers and clock manufacturers and 147 are manufacturers of watches, parts and accessories. The industry now employs more than 10,000 persons and the total output at ex factory prices is \$30 million a year—Hong Kong.

Transmitters

Philips' Telecommunicatie Industrie of Hilversum, Netherlands, and Brown, Boveri and Company Ltd., Baden, Switzerland, will co-operate in the manufacture and development of sound broadcast transmitters. The agreement covers work on long, medium and short waves from the lowest to the highest available power ratings—The Hague.

Refractory Glassware

An \$8 million joint venture in Brazil to produce refractory glassware, similar to Pyrex, is to be undertaken by Mexican and Brazilian interests. Partners in the Companhia Brasileira de Vidrios, S.A., of Rio de Janeiro, will include the Mexican firms of Cristales Mexicanos, S.A., Cristaleria, S.A., and Fomento de Industria y Comercio, S.A. Mexican ownership in the new company will be 47 per cent with technical assistance to be provided by the Mexicans. Brazilian partners in the venture will include Nadir Giguereido Industria e Comercio, S.A., and Multividrio, S.A.—Mexico D. F.

Forging Press

A single operator, making use of a file of more than 100 tapes, can undertake a variety of complex forging operations with the new 2,000-ton press installed by Crucible Specialty Metals Division of Colt Industries, Syracuse, New York. The press, part of a new \$5.1 million press shop, is forging ingots of up to 30,000 pounds into bars 20 feet long. It can handle titanium and high temperature alloys for aerospace requirements. Use of the press has enabled the company to produce the larger, high quality sections in tool and die steels that are increasingly in demand, especially in the automotive industry—Buffalo.

Hotels

The current boom in hotel construction in West Germany is expected to relieve the shortage of hotel rooms during the summer season. Already ESSO has six motor hotels throughout Germany, is constructing two and planning one. Holiday Inn, as part of its 10-year expansion program, will build five hotels in Munich within the next three years. Hilton International, with hotels in Mainz, Berlin and Duesseldorf, plans construction of hotels in Hamburg and Heidelberg—Hamburg.

Fishery Project

Indonesia will build its first fisheries project with a \$3.5 million credit from the International Development Association. The credit will also finance construction of a 12,000-ton capacity ice factory, a 6,000-ton capacity

cold storage facility for fish and a godown for servicing vessels of up to 50 tons—Djakarta.

Herring

Scottish herring catches for the period January to May 1970 have exceeded all expectations and the prospects for the remainder of the year continue to be favourable. Preliminary figures for the first five months of this year show earnings of \$3.2 million, which is \$1 million more than the amount earned during the same period in 1969. Earnings exceeding \$8 million, the highest in 15 years, were recorded in 1969—Glasgow.

Silver

A Mexican mining company, Industrias Penoles, will reopen an abandoned mine in Guanajuato. The company, 85 per cent Mexican-owned with the balance held principally by Americans, spent \$1 million in its exploratory work and will now invest \$15 million to have the mine operating in three years, according to the company's chief executive officer. The company spokesman also has stated that the company will soon open silver mines in the states of Queretaro and Chihuahua—Mexico.

Mini-car

A new mini-car, manufactured in West Germany by BMW, has a plastic-coated stainless steel body. The new model can be given a variety of shapes because the sections which make up the body are screwed on and are easily changeable. The car measures 9.5 feet long, 4.25 feet wide and 4.31 feet high—Bonn.

Plastic Eyeglass Lens

A new type of plastic lens for eyeglasses has been developed by Carl Zeiss Optical Laboratories, Oberkochen, West Germany. The company "steams" a thin veneer of glass onto the plastic lens in high vacuum ovens, to produce a lens having the resistance to pressure of plastic and the hardness of glass—Bonn.

Pulp and Paper

Brazil's pulp and paper industry, in order to satisfy domestic demand, will have to increase production at an annual rate of 10 per cent, according to a survey made by Latin American Free Trade Area authorities. The survey notes that Brazil's production of pulp in 1969 was only 6 per cent higher than 1968's total of 710,000 metric tons, while the output of paper in 1969 was only 7 per cent higher than 1968's total of 801,000 metric tons—Sao Paulo.

Airport

The U.S. Government has given its approval to the \$900 million intercontinental airport Los Angeles plans to build at Palmdale, 35 miles north of the city's civic center. The Department of Airports, currently expanding Los Angeles International Airport, will finance the

Palmdale project with airport system revenues and revenue bonds backed by the airlines. The new airport will be completed by 1979 or 1980—Los Angeles.

Alumina

Kaiser Aluminum & Chemical Corp., U.S., and the Pechiney Company of Dunkirk will build a new plant at Dunkirk for the production of alumina. Scheduled to begin production in 1974, the plant will have an initial capacity of 1,000,000 tons per year, increasing to 2,000,000 tons by 1985—Paris.

Nickel

Colombia joins the ranks of potential nickel producers. The Industrial Development Institute of Colombia has signed a contract with the Hanna Mining Company of the U.S. for the exploration of nickel deposits in the Cerromatoso region of the Department of Cordoba. The project will be financed jointly by the company and the Colombian Government—Bogota.

Thermal Power

The 110,000-kilowatt Ghorsal thermal power station of East Pakistan Water and Power Development Authority is expected to go on stream in 1971. Estimated cost of the project, the first at the power-generation venture for the U.S.S.R. in East Pakistan, including two turbines

and two natural gas fueled boiler units of 55,000 kilowatts each, will be approximately \$4.7 million—Islamabad.

Bird Deterrent

A new chemical, Mesurol, developed by the West German firm of Farbenfabriken Bayer, stops pheasants and other birds from eating newly-sown grain crops. The chemicals, while in no way harming the birds, temporarily suppresses their appetites. Grain is stained with Mesurol before planting. The chemical can also be used against a few plant-damaging insects—Bonn.

Aluminum Windows

Aluminum windows are becoming increasingly popular in West Germany. They now hold 15 per cent of the window market, but this amount is expected to increase to 35 per cent by 1975. There are about 4,000 plants manufacturing windows in Germany—Hamburg.

Free Trade Zones

The Government of Colombia will establish two free trade zones in the Department of Valle de Cauca, one at Buenaventura, the main port of the region, the other at Palmaseca, the airport serving the area. Imports of raw materials for manufacturing and export to the Far East and Pacific Coast areas will be free—Bogota.

Trade Commissioners on Tour

In Territory

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

Bahamas

A. Blum, Commercial Secretary, Kingston, Jamaica, will be in Nassau November 15 to November 29 and Freeport November 29 to December 2.

Bulgaria, Hungary, Rumania

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.

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.

Ireland

R. A. Bull, Commercial Counsellor in Dublin, will visit Limerick and Shannon, November 24-26; Cork, December 15-17.

People's Republic of China

Trade Commissioners in Hong Kong regularly attend the Commodities Fair in Kwangchow in the spring, April/May, and in the fall, October/November. Canadian businessmen who would like the Trade Commissioners to assess prospects for them for sales or purchases should send full particulars of

their offers or requirements to the Hong Kong office.

Puerto Rico

Trade Commissioners from San Juan regularly visit the Dominican Republic, Haiti and the Virgin Islands. Canadian businessmen who would like officers to undertake assignments for them in these countries are invited to write to the Canadian Consulate.

Turkey

Trade Commissioners in Ankara visit Istanbul frequently. Canadian businessmen who would like the officers to undertake assignments for them in that city are invited to write to the Commercial Division, Canadian Embassy, Vali Dr. Resit Caddesi 52, Cankaya, Ankara, Turkey.

Foreign Tariffs and Trade Regulations

Colombia

As a result of a number of recent resolutions issued by the Colombian Government, the rates of prior deposits have been reduced on a substantial list of products, the requirement to obtain a prior import licence has been removed on certain items, and several commodities have been transferred from the prohibited list to the list of items requiring a prior import licence.

Additional information regarding specific products is available from the Latin America Division, Office of Area Relations.

Spain and the EEC

The trade agreement between the EEC and Spain came into force on October 1, 1970. The agreement provides

for preferential tariff treatment by both parties for their exports into each other's territory. Details of tariff reductions can be obtained from the Western Europe Division, European Affairs Branch, Office of Area Relations, Department of Industry, Trade and Commerce, Ottawa.

Venezuela

The Venezuelan Government by Decree No. 130 published in the Official Gazette No. 29333 of October 1, 1970, has imposed a 2 per cent surtax on all air freight shipments. Goods imported by parcel post were already subject to this surtax and therefore will not be affected by the present decree.

International Loans

Turkish Aluminum

The International Finance Corporation, a member of the World Bank Group, is joining a group of Turkish investors and a U.S. company to set up an aluminum sheet and foil manufacturing enterprise in Turkey as a step toward establishing an integrated aluminum industry in that country. The plant will cost the equivalent of \$24.7 million and is scheduled for completion in late 1972. It will have an annual capacity of 9,000 metric tons of sheet and 11,550 tons of foil.

Production of the plant is needed to meet local demand, which was 32,000 tons in 1969, five times the 1964 figure. Eventually it is expected to start exporting.

A group of more than 100 Turkish business firms and individuals is investing the equivalent of \$7.5 million in equity. The Turkish Industrial Development Bank is investing about \$1 million in equity and supplying a \$3.6 million loan. IFC's commitment consists of \$1 million in equity, a loan of up to \$7 million, and up to \$300,000 for additional contingent financing.

Power in Pakistan

The International Development Association (IDA) has approved a credit equivalent to \$23 million to Pakistan for the electric power transmission and distribution program of the West Pakistan Water and Power Development Authority (WAPDA). With the major exception of Karachi

and its environs, WAPDA's power system serves most of West Pakistan where demand had been growing at about 17 per cent a year, mainly due to agricultural needs for tubewell pumping and the requirements of industry and urban centers.

The project includes the addition of 900 megavolt amperes to WAPDA's substation capacity and the acquisition of switchgear and auxiliary equipment. Also included are the services of consultants to assist WAPDA.

Brazilian Port

The Inter-American Bank has approved an \$8 million loan for the first stage of a new port in Brazil's northeast to serve the Aratu Industrial Center, the nation's largest new industrial park located 10 miles north of Salvador in Bahia State. The project will be carried out by the Aratu Industrial Center.

The loan, extended from the bank's ordinary capital resources and open to Canadian procurement, will cover 42 per cent of the cost of the first stage of construction, and complementary infrastructure works such as an access road, electric power for the port, and water supply for the port area and industrial zone.

In a parallel financing operation, the Netherlands Investment Bank for Developing Countries is providing a \$2 million loan to finance port equipment to be

bought in the Netherlands and to provide engineering and supervisory services.

The Aratu center began functioning in 1967 and already 46 enterprises have been established, or are in the construction or planning stage. The industries include chemicals, non-metallic minerals, metallurgy, electric power, transportation equipment, lumber, plastics, textiles, and rubber.

The port will have all facilities to handle general, bulk and liquid cargo, and will be built in four stages. The first stage will be able to handle one million tons of bulk cargo a year. This will rise to 12 million tons when the other stages are completed over the next seven years.

Thailand Development

Thailand's rural development program has been given an assist by the Asian Development Bank's decision to extend the agreement providing for technical assistance in the initial stages of the program. Selected for detailed planning and immediate execution are 11 projects consisting of fish production in two districts, sericulture and livestock development in three districts and upland field crop production in three districts.

A five-member ADB team has been helping the Thai Government's Office of Accelerated Rural Development. The extension of the agreement will allow this team to continue working for various periods.

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 .98.*

To convert column two, *divide by .98.*

Country and Currency	Value of		Country and Currency	Value of	
	foreign currency unit in Canadian dollars at November 3	Canadian dollar in foreign currency units		foreign currency unit in Canadian dollars at November 3	Canadian dollar in foreign currency units
Algeria Dinar	.1862	5.37	Denmark Krone	.1360	7.35
Argentina Peso (free)	.2549	3.92	Dominican Republic Peso	1.0197	.98
Australia Dollar	1.138	.87	Ecuador Sucre (official)	.0408	24.50
Austria Schilling	.0395	25.31	El Salvador Colon	.4079	2.45
Bahamas Dollar	1.0197	.98	Fiji Dollar	1.1771	.84
Belgium and Luxembourg Franc	.02055	48.68	Finland Markka	.2828	3.53
Bermuda Dollar	1.027	97	France, Monaco, etc. ² Franc	.1847	5.41
Bolivia Peso	.0857	11.67	Franco-African Republics ³ Franc	.0037	270.27
Brazil Cruzeiro (official free)	.2183	4.58	French Pacific ⁴ Franc	.0102	98.03
Britain Pound	2.438	.41	Germany D Mark	.2808	3.56
British Honduras Dollar	.5364	1.86	Ghana New Cedi	.999	1.00
Burma Kyat	.2141	4.67	Greece Drachma	.0339	29.41
Ceylon Rupee	.1713	5.83	Guatemala Quetzal	1.0197	.98
Chile Escudo (bank rate)	.0863	11.59	Guyana Dollar	.5367	1.86
(free)	.0711	14.06	Haiti Gourde	.2039	4.90
China, Republic of New Taiwan Dollar (official)	.027	37.04	Honduras Lempira	.509	1.96
Colombia Peso (fixed)	.0539	18.53	Hong Kong Dollar	.1682	5.94
Congo (Kinshasa) Zaire	2.144	.46	Hungary Forint (official)	.0921	10.85
Costa Rica Colon	.1539	6.49	Iceland Krona (official)	.0116	86.20
Cuba ¹ Peso	India Rupee	.1354	7.38
Czechoslovakia Koruna	.1416	7.06	Indonesia ⁵ Rupiah

Country and Currency	Value of		Country and Currency	Value of	
	foreign currency unit in Canadian dollars at November 3	Canadian dollar in foreign currency units		foreign currency unit in Canadian dollars at November 3	Canadian dollar in foreign currency units
Iran Rial	.0142	70.42	Peru Sol (free)	.0235	42.55
Iraq Dinar	2.855	.35	Philippines ⁶ Peso (free)	.1588	6.29
Ireland Pound	2.438	.41	Poland Zloty (fixed basic rate)	.2700	3.71
Israel Pound	.2913	3.43	Portugal & Colonies ⁷ Escudo	.0355	28.16
Italy Lira	.0016	610.50	Saudi Arabia Riyal	.2062	4.84
Jamaica Dollar	1.219	.82	Sierra Leone Leone	1.508	.66
Japan Yen	.0029	350.75	Singapore Dollar	.3507	2.85
Kenya Shilling	.1526	6.55	South Africa Rand	1.424	.70
Lebanon Pound (free)	.316	3.16	Spain & Dependencies Peseta	.0147	68.02
Malaysia Dollar	.333	3.00	Sweden Krona	.1966	5.08
Mexico Peso	.0816	12.25	Switzerland Franc	.2353	4.24
Morocco Dirham	.2048	4.88	Syria Pound (free)	.2819	3.55
Netherlands Florin	.2834	3.52	Thailand Baht (free)	.0495	20.20
Netherlands Antilles Florin	.5407	1.84	Trinidad & Tobago ⁸ Dollar	.5098	1.96
New Zealand Dollar	1.141	.87	Tunisia Dinar	1.942	.51
Nicaragua Cordoba	.1457	6.86	Turkey Lira	.0680	14.70
Nigeria Pound	3.017	.33	United Arab Republic Pound (official)	2.35	.42
Norway Krone	1427	7.00	United States Dollar	1.017	.98
Pakistan Rupee	.214	4.67	Uruguay Peso (free)	.0041	243.90
Panama Balboa	1.0197	.98	Venezuela Bolivar (official free)	.2269	4.40
Paraguay Guarani (free)	.0082	122.57	Yugoslavia Dinar (official)	.0816	12.25

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 Mauritania, Niger, Senegal, Upper Volta, Camerouns, 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. Exchange rate in Philippines on floating basis with daily quotations by banks.

7. Approximately same rate for Portuguese territories in Africa.

8. Also used in Barbados, Leeward and Windward Islands.

Canadian Exhibit a Sales Success

On-site sales of more than \$20,000, potential sales over the next year of more than \$5 million and the appointment of nine sales representatives by Canadian companies are among the achievements of the 16 firms that participated in the Department of Industry, Trade and Commerce exhibit at the September International Woodworking Machinery and Furniture Fair at Louisville, Kentucky.

The Canadian companies exhibited a broad range of furniture components, industrial wood components and woodworking machinery, including doll furniture and creative toys for children, baby crib components, musical instrument components, drawer tops and sides, frame furniture parts, mechanisms and springings for all types of upholstered chairs and bed-sofas, saws, presses, cut-to-size hardboard door panels, a completely automated production line for assembling, glueing and shaping cores for a variety of furniture.

The success of Canada's sales efforts can be fully appreciated when it is realized that there were more than 500 exhibitors from 12 foreign countries at the fair.

One of the attractions at the Canadian exhibit for the close to 20,000 trade representatives attending was skilled wood carver, Paul Van Imschoot of Edmonton, Alberta, who fashioned a plaque from white pine for the Canadian Government. The plaque was commissioned for presentation to the National Association of Furniture Manufacturers, which in turn presented it to Gamble Bros., Inc., of Louisville, Kentucky, the company judged to have made the greatest contribution to the use of wood in furniture and related forest products industries during 1970.



Hostess Miss Linda Castabel pins the popular maple leaf on the lapel of James L. Haynes of Clinton, Ohio. Visitors to the Canadian exhibit received maple leaf pins and shopping bags, always popular at trade fairs.

Most of the 20,000 visitors at the Fair found time to see Canadian wood carver Paul Van Imschoot working on a plaque of white pine. Mr. Imschoot was never too busy to answer questions from interested onlookers.



Well known wood sculptor, Paul Van Imschoot of Alberta, Canada, is carving a plaque in White Pine for the Canadian exhibit during the fair. The plaque will be presented by the National Association of Furniture Manufacturers to the member company judged to have



J. A. Doyle, Consul and Trade Commissioner, Chicago, presents the Canadian Government's relief sculpture of white pine to Gamble Bros. Inc. of Louisville, Kentucky, the company judged to have made the greatest contribution to the use of wood in furniture. R. J. Douglass, (second right), President of the firm, accepted the award. J. M. Snow, (center), is Executive Director of the Fair, and Don French, (extreme right), is also from Gamble Bros.

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