

# Andean Community Agri-Food Regional Profile Statistical Overview

## Foreword

This information piece is provided as an overview of the statistical and market information on the Andean Community. Due to the Andean Community's increasing importance as a trade partner with Canada, a regional profile was deemed necessary.

## Background

The Andean Community is a significant regional market that has used integration as a means to improve the situation of each individual member while simultaneously enhancing the position of the group within the international community. As the first major sub-regional bloc of Latin America, the Andean Community has its roots in the Andean Group, which was established in 1969. Integration was facilitated due to a shared language, Spanish, and a common history. The objectives of the association have shifted since the group's inception and in 1996 the Andean Community emerged after new guidelines and objectives were established. The five members of the Andean Community are Colombia, Peru, Ecuador, Bolivia, and Venezuela.

<b>Basic Information</b>	
<b>Total Land Area</b>	4.7 million sq km
<b>Total Population</b>	113 million
<b>Headquarters</b>	Lima, Peru
<b>Members</b>	5

## Geography

The members of the Andean Community are situated in South America. To the north of the continent are Ecuador and Colombia, both bordering on the Pacific Ocean, with Colombia also having coastline on the Caribbean Sea. Peru

is located to the west and also has coastline on the Pacific Ocean. Venezuela is located at the northernmost point of the continent and borders the Caribbean Sea. Bolivia is the sole landlocked member, located in the centre of South America. Neighbouring countries of the member states of the Andean Community are Brazil, Paraguay, Argentina, Chile, and Guyana.

<b>Population by Country</b>	
<b>Country</b>	<b>Population (millions)</b>
Colombia	42
Peru	26
Venezuela	24
Ecuador	13
Bolivia	8

The five member countries of the Andean Community are comparable in terms of climate, terrain, and size. The terrain of the member states is relatively uniform, with each containing mountain ranges, lowlands, and plains. The Andes Mountains are present in some form in all five countries. Bolivia, Ecuador, and Peru also cross the Amazon Basin. The members range in physical size from the 283,560 sq km of Ecuador to the 1,285,220 sq km of Peru. Climate ranges within each individual country from tropical and humid along the coasts and inner plains, to cooler temperatures inland and especially in the higher elevations. Venezuela is the sole member with a relatively consistent climate, with a tropical, hot and humid environment that becomes only slightly

more moderate in the highlands.

The members of the Andean Community are rich in mineral resources. Natural resources found within the Community include petroleum, natural gas, water, fish, timber, coal, iron ore, copper, silver, gold, tin, lead, bauxite, phosphate, potash, emeralds, and diamonds.

### **Political Structure**

The Andean Community is a Free Trade Area with a common external tariff, but it is not a political union. As of 1997 the governance of the Andean Community was altered to take the Community away from a protectionist model and towards a more open market. This was accomplished as the individual governments liberalized and deregulated their markets, reducing tariffs and encouraging privatization. The Andean Community's governing structure is the Andean Integration System (SAI), which is designed to promote the effective coordination among the various bodies and institutions within the Community. The Andean Community's General Secretariat is its executive body. This permanent body replaced the Board of the Cartagena Agreement and has its headquarters in Lima, Peru. The Council of Presidents and the Council of Foreign Ministers were established as policy making and leadership bodies within the Community.

The Andean Presidential Council is the highest authority within the Community. Comprised of the presidents of the member countries, this council delegates tasks to other administrative bodies. The presidents alternate who will sit as the President of the Council each year, according to the alphabetical order of the countries. The President represents the Council and the Community internationally, oversees the implementation of Council directives on the various administrative bodies, and presides over all ordinary and special meetings of the Council. The

Council itself defines subregional integration policy, evaluates the development and progression of integration, and deliberates all issues, initiatives, and recommendations presented by SAI bodies. The Presidential Council meets annually, but if necessary will hold special meetings.

The second highest body within the Andean Community is the Andean Council of Foreign Ministers. This body is responsible for policy implementation, and for meeting the objectives of the subregional integration process. It will also form pacts and agreements with third countries, blocs, or international organizations. Members of this council are the Foreign Ministers of the member countries. The President of the Council is from the same country as the President of the Presidential Council. The Council of Foreign Ministers meets twice per year, with special meetings when deemed necessary.

Other key institutions within the Andean Community include the Andean Community Commission, the Justice Tribunal, and the Andean Parliament. The main responsibilities of the Commission are to develop policies related to commerce, investment, and the economic policies of the member countries. The Justice Tribunal has its permanent seat in Quito, Ecuador, and is the jurisdictional executive body of the Community. The Andean Parliament is the SAI's deliberative body and the Assembly comprised of five representatives of the National Congresses of the member countries, but in 2002 it is expected that members will be elected by direct and universal suffrage.

## The Common Market

The Andean Community has set in motion a plan to create a Common Market by 2005 in a further bid to strengthen the integration process. The Community's ultimate goal is to create a level of integration to the highest degree, with free circulation of goods, services, capital and human resources. Discussion of a Common Market has been underway for the past decade, with various plans and frameworks already begun. The financial and telecommunication sectors are to be the first to be liberalized.

The Common Market should offer many benefits to the member countries. Free trade in services will enable professionals and companies to share their services with any member country. The market will be greatly extended for professionals, as well as industries such as tourism, transportation, and communications.

In May 2000 the Andean leaders met in Lima and ordered the preparation of an agenda to identify what measures and objectives must be met in order to realize the creation of the Common Market. In June 2001, the Presidents met again and laid out specific instructions for speeding up the process. Measures included the adoption of a Common External Tariff and a Common Agricultural Policy.

## Economy

Over the past 15 years the member countries of the Andean Community have undergone a number of market-oriented reforms. The markets have been liberalized and deregulated, while tariffs have been reduced. Governments have also lessened their influence in many industries and a number of state enterprises have been privatized.

The governments of the member countries have been encouraging the privatization of state enterprises for the past decade. The telecommunications sector in particular is almost

100% privatized, followed by banking and air transport. Petroleum and mining are key sectors across the community and some continue to be run by State enterprises, but even in these sectors joint ventures and investment are permitted for national and foreign private capital.

In an effort to create economic stability that will enable the member countries to prosper, the Andean Community has been working to harmonize macroeconomic policies. This will facilitate integration and will aid in the development of the Common Market by allowing commercial and economic relations to prosper. In 1997, the Presidential Council established an Advisory Council composed of treasury ministers, bank officials, and economic planning officers to prepare an agenda for macroeconomic harmonization. In mid 2001 this Council established some initial criteria for the member countries to meet: the non-financial public sector deficit could not go above 4% of GDP from 2002-2004, the balance of public debt can not be in excess of 50% of GDP at the end of each fiscal year, and all member countries must bring their annual inflation rates to a single-digit by December 31, 2002.

Gross Domestic Product	
<b>Total GDP</b>	US\$286.1 billion
High: Venezuela	US\$124.9 billion
Median: Peru	US\$52.9 billion
Low: Bolivia	US\$9 billion
<b>GDP Growth (regionally)</b>	3.1% (2001e)
<b>GDP Per Capita (regionally)</b>	US\$4,710 (2000)

The member countries have been very successful in the past decade in lowering inflation. The average inflation in 1990 was 2413%, which was reduced to approximately 24% in 2000. In 2001, Bolivia posted the lowest inflation rate at 1.1%. Peru followed with 2%, Colombia 8%, and Venezuela 12.5%. Ecuador had by far the highest inflation rate, at 37%. It is important to note that Ecuador's higher inflation rate tends to make the average inflation rate of the Community misleadingly high. The Andean Community has also been successful in maintaining a steady rate of growth since a recession in 1998-99. In 2000, the average growth rate was 2.9%, a significant improvement over 1999's rate of -3%. Regional growth was estimated to have increased again in 2001 to reach 3.1%.

The economy of the member countries vary in size and composition. Petroleum has a significant presence in the economy of four of the five members, but the agriculture, mining, and manufacturing sectors also play an important role in the Community.

Venezuela is the richest market in the region, and one of the most industrialized members of the community. It has the highest per capita income in the Community, benefitting from a lucrative oil industry, huge mineral reserves, abundant agricultural land, ample water resources, and a low cost of energy. Venezuela is the third largest oil exporter in the world and is also a major producer of pharmaceuticals, iron, steel and aluminum. Venezuela's GDP in 2001 was valued at US\$124.9 billion, with a growth rate of 2.7%.

Colombia's economy is dependent on the production and export of coffee. However, Colombia ranks with Venezuela as the most industrialized member country. It is the region's second largest producer of petroleum. Colombia's economy also produces large quantities of textiles and pharmaceuticals, and has a large light industry sector. The mining sector is also important, as

approximately 60% of the world's emeralds are from Colombia, and the country is also a large exporter of gold and nickel. Colombia's GDP in 2001 was US\$81.5 billion, with a growth rate of 1.5%.

Ecuador's economy is also heavily dependent on petroleum. Despite efforts towards diversification, oil generally accounts for 40% of Ecuador's exports. The mining sector in Ecuador is estimated to have great potential, but it has yet to be fully utilized. Ecuador is active in a number of manufacturing activities, as their production costs are generally the lowest in the Andean region. Agriculture and tourism are both important foreign exchange earners, with Ecuador being the world's leading exporter of bananas and shrimp. In late 2000, Ecuador adopted the US dollar as its official currency in an effort to improve its economic situation. Ecuador's GDP in 2001 was valued at US\$17.8 billion, with a growth rate of 5.2%.

Peru is among the world's most important mining countries, and the sector contributes over 40% of the country's foreign exchange earnings. Tourism is also an important sector for Peru, having contributed to the economic revival of the past five years. Peru's economy is expected to continue its pattern of growth as the government invests in infrastructure and has privatized a number of state enterprises. Peru is the only member of the Andean Community that does not produce petroleum. Peru's GDP in 2001 was US\$52.9 billion, with a static growth rate.

Bolivia is the smallest market within the Community, and its economy has historically relied upon its energy and mining sectors. Exports of natural gas to Brazil and Argentina are major sources of income. While the mining sector is very important to Bolivia, it is estimated that only 10% of the country's resources are being mined. Due to its landlocked position, Bolivia relies upon sea-ports in Chile and Peru, and free ports in Brazil and Argentina for its exports. Bolivia's GDP in

2001 was US\$9 billion, with a growth rate of 1.2%.

## Trade

The Andean Free Trade Area came into effect in early 1993, as trade between the member countries was liberated and all non-tariff barriers eliminated. This is considered to be the first step in the integration process, and an integral part in the development of the Common Market. While external trade has increased steadily in the past decade, trade between member countries has also greatly expanded since integration.

Inter-Community trade is becoming increasingly important to the member countries. The Andean market features broad diversification, and is in fact the most diversified market for Community worldwide exports. *Nandina* is the Common Tariff Nomenclature for the member countries of the Andean Community. It is based upon the Harmonized Commodity Description and Coding System, and is divided into sections, chapters, items, and subitems. The Andean market has 4,276 *Nandina* subitems, which is more than 1,200 more subitems than what is exported to the United States and over 1,800 more than the European Union. Inter-Community trade is also distinguishable by the large percentage of manufactured goods with a higher value-added.

The Andean Standardization Network (ASN) was created to establish "Andean Standards" for products marketed in the region. Its activities included harmonizing the standards in each country or adopting international standards when deemed to be of interest to the Community. The Community has an average Common External Tariff (CET) of 13.6%, and generally follows four levels. The CET for raw materials is 0%, 5% and 10% for semi-manufactured goods, and 20% for finished products. The CET is adhered to by Colombia, Ecuador, and Venezuela. Bolivia, due to its landlocked position, has preferential tariff

treatments. Peru will adopt the CET by December of 2003.

Over the past decade inter-Community trade has fluctuated greatly. In the beginning the group experienced strong growth in community trade, although trade declined during a community-wide recession in 1999. Today, inter-Community trade has returned to pre-1999 levels. In 2001 trade rose by 10% over the totals for 2000, to reach US\$5.68 billion. This matched the record high set in 1997. All member countries with the exception of Venezuela marked an increase in inter-Community sales. Venezuela's bi-lateral trade with the group dropped by 19% in 2001 but this is most likely due to the 57% decrease in oil sales to the Andean Community. More than likely, this was a value decrease and not a trade volume decrease.

Experts predict that inter-Community trade in 2002 could continue to grow if the safeguard measures implemented in 2001 that impaired inter-Community trade are lessened. The considerable drop in purchases of oil products from Colombia and Venezuela in 2001 had a significant impact on inter-Community trade, which would have increased by 22% had it not been for the drop in oil prices.

Bilateral trade contributes significantly to the growth of inter-Community trade relations. Bolivia, Colombia, Ecuador and Venezuela have established a free trade area that enables goods to flow duty free. Peru is becoming a part of this arrangement through a Liberalization Program. Bilateral trade flows that have contributed most significantly to the recovery of inter-Community trade include Colombia's exports to Venezuela, which grew by 33% in 2001 to reach a value of US\$1.7 billion; Colombia's exports to Ecuador, grew 50% to reach US\$691 million; Peru's exports to Ecuador, which grew 27% and reached \$122 million; and Peru's exports to Venezuela,

which grew 32% and were valued at US\$147 million.

The Community's external trade has also been increasing fairly steadily over the past ten years. The main exports of the Community are oil, petrochemicals, ore and minerals, iron and steel, agricultural products, and textiles. Main imports for the Community are consumer goods, chemicals, pharmaceuticals, textiles, and industrial goods. The United States is the Andean Community's most important trade partner, followed by the European Union. The US is the largest destination for the Community's exports, receiving over 40%, followed by Germany, the United Kingdom, Brazil, Netherlands, Japan and Italy. Due to worldwide economic decline, in 2001 exports to the world dropped by 12%.

### **Trade Agreements**

The Andean Community follows a Common Foreign Policy that respects and promotes the identity and values of the Community, while enhancing the Community's international presence. It is guided by criteria that includes: remaining coherent with the member countries' national foreign policies; encompassing political, economic, commercial, and social-cultural aspects of integration with an international projection; and it is governed by principles of flexibility and comprehensiveness.

The Andean Community has a special arrangement with the European Union that makes the EU the second most important trading partner after the US. The Community benefits from the Special System of Andean Preferences (Andean GSP), granted in 1990 in response to the Community's efforts in drug control. Under the Andean GSP, most industrial products and a list of agricultural and fishery products enter the European market duty free. The GSP must be renewed periodically.

The Community recognizes the potential benefits of furthering cooperation with the Asian-Pacific region. In keeping with the merits of the Common Foreign Policy, the Andean Community has been increasing its contacts with the Association of Southeast Asian Nations (ASEAN) and the Asian-Pacific Economic Cooperation (APEC) forum. Peru is also a member of APEC, and thus serves to represent the Andean Community in relations with this region.

The members of the Andean Community are active members of the World Trade Organization (WTO). Activities carried out within the framework of the WTO are considered important because of the impact on the integration process of the Community. In February 2001 the Community's Ministers of Trade signed and delivered a proposal to the Director General of the WTO, calling for the launching of a new Round of Multilateral Trade Negotiations at the 4<sup>th</sup> Ministerial Conference. It was reasoned that one of the most important issues for the Andean Community in its process of integration is maintaining the integrity of each individual member.

### **Investment**

With the integration of the economies of the member countries, the Andean Community has attracted unprecedented foreign investment in the past decade. In the first year of the Community foreign investment reached record levels exceeding US\$14 billion. Specific sectors which have received significant investment are petroleum, mining, telecom and services. In recent years, most foreign investment has gone into privatization projects.

Foreign investors in the Andean Community are afforded national treatment and the right to transfer profits abroad in convertible currency. Although the individual members have full freedom to regulate investment according to their own national legislation, the countries have tended to follow similar laws. The United States is the largest foreign investor in the Andean Community. European countries follow, then Japan and Korea. Spain has a particular interest in banking, telecommunications, chemicals and utilities. China has recently begun investing in oil, mining, industries, and agriculture.

A considerable amount of investment comes from Latin American countries. Chilean firms have shown interest in Bolivia, Colombia and Peru, while Brazil is investing in Bolivia and Venezuela. The member countries also invest a significant amount into their own Community. There are a number of bilateral investment agreements among the member countries, including Bolivia-Ecuador, Bolivia-Peru, Colombia-Peru, Venezuela-Peru, and Ecuador-Peru. The investment provisions of the G3 are applicable to relations between Venezuela and Colombia.

### **Agriculture**

The Andean Community is known for its production and export of commercial crops, particularly coffee, cocoa beans and bananas. Sugar cane is a major crop across the Community. Also, Peru, Ecuador and Colombia have a strong aquaculture sector.

Of the five member countries of the Community, the highest rate of contribution to GDP from agriculture in 2001 was in Bolivia with a rate of 16%. Venezuela had the lowest recorded rate, at 5%, while Colombia's agriculture sector contributed the median rate with 14.7%. Not surprisingly, Bolivia's agriculture sector also has the highest percentage of the labour force with nearly 39%. The median percentage of labour

working in the agriculture sector in the Community is 30%, as is found in Colombia and Ecuador. Only 10% of Venezuela's labour force is employed in the agriculture sector.

Venezuela's agriculture sector is currently in need of assistance as the government makes an effort to shift its focus away from the oil sector. A high percentage of its food needs are imported, but Venezuela has strong potential for agricultural production and the government has made this sector a priority for development. There are large amounts of unused agricultural land and excellent water resources that may be used to enhance Venezuela's agricultural capabilities. Agriculture represents 5% of the GDP in Venezuela, and employs 10% of the labour force. Approximately one fourth of the total land area is devoted to agriculture. Arable land represents 4% of the total land, permanent crops 1%, permanent pastures 20%. Approximately 2000 sq km of land are irrigated.

Colombia boasts a diverse agriculture sector. The varied climate and topography of Colombia create an opportunity for each region to cultivate a variety of crops. It is the world's second largest producer and exporter of coffee. Cut flowers are a major agri-food export from Colombia, as are bananas. Colombia's food processing sector is an important part of the economy accounting for 27% of total manufacturing production. The agricultural sector accounts for 14.7% of Colombia's GDP and employs approximately 30% of the labour force. Permanent crops account for 1% of the total land area, permanent pastures 39%, while arable farmland comprises 4%. Approximately 5,300 sq km of land is irrigated.

The agriculture sector in Ecuador is very important in terms of employment and exports. Ecuador has rich, well watered land and a mild climate that is beneficial for agricultural cultivation. Key exports from Ecuador include bananas, cut flowers, cocoa, rice, coffee, sugar,

shrimp and fish. Ecuador is the world's top exporter of bananas. Agriculture accounts for 14% of Ecuador's GDP and employs approximately 30% of the labour force. Arable farmland comprises 6% of the total land area, permanent crops 5%, and permanent pastures 18%. Approximately 5, 560 sq km of land is irrigated.

Peru's agriculture sector shows great promise. Peru has a strong aquaculture sector and exports of fish and fishmeal are substantial. Leading commercial crops from Peru are coffee, asparagus, fruits, sugar and cotton. Exports of asparagus have greatly increased since 1997 and have made a substantial contribution to the growth of non-traditional exports. The sector suffers somewhat from problems in management and infrastructure, but the government has recognized the issue and has indicated reform would be given priority. Agriculture comprises 15% of Peru's GDP. Arable land comprises 3% of the total land area in Peru, while pastures take 21%. Approximately 12, 800 sq km of land are irrigated.

Nearly 45% of Bolivia's population depends on agriculture, particularly subsistence agriculture, for its livelihood. However, the sector remains underdeveloped and only a small percentage of land is devoted to agriculture. In recent years the government has made efforts to increase the amount of cultivated land. Agriculture accounts for 16% of Bolivia's GDP. Arable land comprises 2% of the total land area, while permanent pastures represent 24%. Approximately 1, 750 sq km of land are irrigated.

### **Agricultural Policy**

The aim of the Andean Community's Common Agricultural Policy (CAP) is to promote an efficient and modern agriculture sector. Although it is not within the same scope as the EU's Common Agricultural Policy, over the past decade the Andean Community's CAP has become an

important aspect of the building of the Common Market. The Community hopes to use their labour force and foreign investment more efficiently in the agriculture sector, while improving exporting methods. Proposed by the Presidents in 1990, the CAP continues to evolve as it develops in tandem with the Common Market.

The CAP was developed to cover phytosanitary regulations, prices, and the harmonization of exports subsidies. Specifically, it is intended to equalize the conditions for competition in subregional markets, promote joint development programs, harmonize export incentives and policies, stabilize the cost of imports from non-member countries, eliminate price distortions, consolidate the free trade zone, and strengthen health activities. Based upon these elements, the Agricultural Policy currently has three initiatives in effect: the Andean Agricultural Health System, the Andean System of Price Bands, and Production chains. The Health System establishes the criteria for the protection of plant and animal health, as well as facilitating trade in these products. The System of Price Bands is intended to stabilize the cost of importing agricultural products for the subregional market.

The Price Band system applies to 13 commodities: white rice, malting barley, yellow corn, white corn, soybeans, wheat, crude palm oil, crude soybean oil, white sugar, raw sugar, powdered milk, chicken parts, and pork meat. It also affects 120 other commodities considered substitutes. The price band raises import duties when import prices are low, thus protecting domestic producers and consumers from volatile world prices. Due to the nature of the Price Band, import duties can be difficult for exporters to estimate.

One of the key elements to the agricultural policy is the identification of the Community's most important production chains, and then boosting activity in those chains. Groups comprised of agricultural producers, agribusiness, and



government have been established to represent a variety of sectors. These groups are meant to propose recommendations for consolidating the Andean Customs Union, design and follow up on subregional competitiveness programs for the chain as a whole, and simultaneously lead their sectors toward the Common Market. They create a forum for discussion and allow intersected parties to play a more direct role in the Community's agenda for the agricultural sector. To date, groups have been formed for rice, sugar, feed grains-balanced feed-poultry, and feed grains for human consumption. The most likely groups to follow are coffee and oil seeds.

The CAP was also designed to apply to agricultural trade with the international community. It is hoped that the members can establish clear trade negotiation strategies with third countries and put them in practice, including eliminating or reducing the tariff differences that the member countries have with third countries.

In the Presidential Summit held in early 2002, the presidents again highlighted the importance of an expedient integration process that would include developments in the agricultural sector. It was agreed that the sanitary and phytosanitary measures must be homogenized in order to increase agricultural trade within the Community. The members agreed that by December 2003 a common external tariff of 20% would apply to imported agricultural products.

### **Canada - Andean Community Trade and Investment**

The positive relationship between Canada and the Andean Community has steadily strengthened over the past decade, as Canada maintains friendly relations with all members of the Community. Initiatives have been taken to encourage a closer working friendship and cooperation, and to improve economic and trading ties. The Andean Community regards cooperation

with Canada to be an important step in their development as an international player.

The desire for closer integration led to the signing of the Cooperation Understanding on Trade and Investment in 1999. Both parties agree to intensify their economic relations through such means as promoting the liberalization of trade and investment, as well as encouraging closer participation of the private sectors. Actions include continuing negotiations on Foreign Investment Protection Agreements and Double Taxation Agreements between Canada and the countries of the Andean Community; consulting and, as appropriate, coordinating activities related to the negotiation and implementation of the Free Trade Area of the Americas; promoting participation of small and medium-sized businesses in bilateral trade and economic cooperation; and promoting efforts of the private sector of all parties in third-country markets.

Further to this initiative, Canada and the Andean Community formed a Consultative Group on trade and investment. This group is comprised of the Ministers from each party responsible for international trade. Priorities of the action plan are trade expansion and the strengthening of economic cooperation, trade and investment promotion, and cooperation. Canada and the Andean Community have also announced plans to create a free trade area.

Bilateral trade between Canada and the Andean Community in 2001 was valued at \$3.6 billion. This represented an increase of \$281 million over 2000. Canada's main exports to the Andean Community include telecommunications equipment, surveying and geophysical equipment, cereals and grains, machinery and parts, dairy products, vegetables, vehicles, newsprint and paper, potassium chloride, fertilizers, iron and steel products, copper ores, and wood. Canada's main imports from the Community include silver ores and concentrate, iron and lead ores, lumber, tin,

edible fruit and nuts, knit apparel, bananas, cut flowers, fish and seafood, cocoa, jewelry, animal feed, fats and oils, and coffee.

In 2001 Canada was the Andean Community's 10<sup>th</sup> largest source of imports. Canada controlled 2% of the Andean Community's import market. Canada was ranked 12<sup>th</sup> in the list of export partners, with a share of 1.3%, and Canada's overall position was 10<sup>th</sup> in the Community's list of trade partners. However, in terms of regional blocs the North American Free Trade Agreement (NAFTA) ranked number one for both imports and exports. Canada shared this distinction with fellow NAFTA members Mexico and the United States, enjoying a total of 44.4% of the Andean Community's international trade market.

Total bi-lateral agricultural trade between Canada and the Andean Community in 2001 was just over \$1 billion. Canada exported a total of \$633.3 million in agricultural products to the Andean Community, with Venezuela taking nearly 40% of the total with \$252.4 million. The total value of agricultural exports to the Community in 2001 marked an increase of approximately \$75.4 million over 2000.

<b>Canadian Agri-food Exports to the Andean Community by Country, 2001</b>	
<b>Members</b>	
Venezuela	\$252.4 million
Colombia	\$191.2 million
Peru	\$115.3 million
Ecuador	\$71.1 million
Bolivia	\$3.2 million
<b>Total</b>	<b>\$633.3 million</b>

Of Canada's agricultural exports to the Andean Community in 2001, 90% of the total was represented by the top 5 products. Wheat was the dominant export, with wheat nes and meslin combining with durum wheat to comprise 79% of the total.

<b>Canada's Top 5 Agri-food Exports to the Andean Community, 2001</b>	
Wheat nes and meslin	\$369.4 million
Durum wheat	\$130.9 million
Lentils dried, shelled	\$36.4 million
Peas dried, shelled	\$29.7 million
Potatoes	\$6.6 million

Canada imported a total of \$374.5 million in agricultural products from the Andean Community in 2001. This was a decrease of approximately \$18 million from the total in 2000. Colombia provided over 55% of imported agricultural products with a value of \$207.3 million, as compared to the \$2 million, or 0.5%, imported from Bolivia. While Venezuela was the top destination for Canada's agricultural exports to the Andean Community, the country provided only 0.8% of Canada's agricultural imports.

<b>Canadian Agri-food Imports From the Andean Community by Country, 2001</b>	
<b>Members</b>	
Colombia	\$207.3 million
Ecuador	\$119 million
Peru	\$42.9 million
Venezuela	\$3.2 million
Bolivia	\$2 million
<b>Total</b>	<b>\$374.5 million</b>

Bananas were the top agricultural product imported from the Andean Community in 2001, with a value of \$125.8 million. This constituted approximately 34% of the total and an increase of \$3.4 million over 2000. Coffee was the second highest product to be imported, garnering 29% of the total. Canada imported a total of \$109.8 million in coffee from the Andean Community in 2001, which was a decrease of \$15.2 million from 2000. Coffee was the only product among the top five agricultural imports from the Andean Community to decrease in 2001.

**Canada's Top 5 Agri-food Imports from the Andean Community, 2001**

Bananas	\$125.8 million
Coffee	\$109.8 million
Cut flowers and flower buds	\$73.7 million
Fish and seafood	\$15.2 million
Cocoa beans	\$7.9 million

Bulk exports represented 81.4% of Canada's total agricultural exports to the Andean Community in 2001. Canada's exports of bulk agri-food products in 2001 were valued at \$515.7 billion, an increase of \$79 million over 2000. Exports of consumer products in 2001 were valued at \$29.3 billion, a decrease of \$2.3 billion from 2000. Intermediate products represented 4.6% of Canada's total agricultural exports to the Community in 2001. Canada exported \$88.2 billion in intermediate goods to the Community in 2001, a decrease of \$1.4 billion from 2000. Intermediate goods represented 13.9% of Canada's total agricultural trade to the Community in 2001.

**For more information on the Andean Community:**

[The Andean Community](http://www.comunidadandina.org/endex.htm)  
(<http://www.comunidadandina.org/endex.htm>)  
(English version also available)