

stock exchange and amendments to the laws on foreign investment and oil and gas. A new law on formation of enterprises is bringing immediate results in terms of encouraging the private sector in this centrally planned economy. Canadian businesses will benefit from the increased transparency and the greater number of market opportunities available as a result of these changes.

Changes to the trade regime have been more limited, although, with the entry into force of a bilateral trade agreement with the United States in December 2001, Vietnam has further committed itself to establishing a WTO-compliant trade regime. The Canada-Vietnam Bilateral Trade Agreement entered into force in January 1996.

Canada's Market Access Priorities for 2002

- Advocate and secure (including through APEC and through bilateral and multilateral negotiations in the context of Vietnam's accession to the WTO) maximum Vietnamese efforts to liberalize trade in goods and services and to develop a more accommodating foreign investment regime.
- Continue to play a positive role, through bilateral programs and in APEC, in developing a capacity-building program for trade and economic policy.
- Support access to the growing livestock and meat markets by pursuing a bilateral MOU on veterinary standards for cattle, pigs, and poultry, which would include provisions for site visits and negotiations in the spring of 2002.
- Ensure that Canada's right to MFN treatment on goods is protected vis-à-vis Vietnam's other trading partners.
- Advocate the specific interests of Canadian companies in the market. In particular, try to ensure that proposed changes to Vietnam's Mineral Law correspond to the needs of the Canadian mining industry.

MALAYSIA

Overview

Malaysia is Canada's largest trade partner in the 10-country ASEAN grouping. Canadian goods exports totalled \$405.8 million in 2000, a decrease of 3.5% from 1999. Malaysia is the primary source of Canadian imports from the ASEAN region. In 2000,

Malaysian sales to Canada totalled \$2.5 billion, an increase of 20.8% over the previous year. The Malaysian economy is hurting because of the slowdown in its main export markets. GDP growth slowed in 2001 from the 8.6% growth seen in 2000. Because of slumping exports, especially those related to the electronics sector, the Malaysian government has tabled an expansionary 2002 budget that includes more government spending and lower taxes to boost domestic demand. This is in addition to the \$3 billion in off-budget fiscal stimulus announced in 2001. Malaysia has a relatively open, market-oriented economy and Canadian exporters have not reported any major market access barriers.

Malaysia initiated a high-profile campaign against piracy of software and movies in 2001. Despite this, the country remains one of Asia's three main hubs for pirated software and movies. Pirated software, including from Canadian companies such as Corel, is readily available for a fraction of the legitimate selling price.

Market Access Results in 2001

- The Malaysian government now allows 100% foreign equity in investments. Companies like Teknion Furniture Systems and Celestica have established wholly owned manufacturing subsidiaries in Malaysia recently.
- Malaysia has been gradually lifting the capital control measures it imposed in 1998, though the Government intends to keep the Ringgit pegged to the U.S. dollar for the time being, which gives Canadian products a price advantage in the Malaysian market.

Canada's Market Access Priorities for 2002

- Monitor both intellectual property legislation and enforcement. Legislation was enacted to assist in the development of the Multimedia Super Corridor, but enforcement has been limited to a few high profile operations in the last quarter of 2001.
- Pursue further trade liberalization for goods and services, notably financial services, in the context of the WTO negotiations.
- Continue to press for progress in corporate governance and judicial reform, which act as non-tariff barriers to Canadian trade and investment.