investment, primarily in technology and by its multilateral commitments. A prosperous business sector, middle class and government will have the money needed for infrastructure, competitive technologies and a more comfortable lifestyle. The country will increasingly become an industrial competitor with Canada, but also a new consumer market. There will be growing demand for high technology products and services, particularly in sectors like telecommunications, health and education.

Canadian investment in Thailand has increased significantly in the last five years

A Team Canada mission, led by Prime Minister Chrétien, visited Thailand in January, 1997, when 55 deals worth more than $1 billion were signed. In his welcoming remarks to the Canadian business delegation, Thailand's Deputy Prime Minister and Minister of Industry, Mr. Korn Dabbaransi, invited Canadian companies to participate in Thailand's plans for business expansion in the following sectors: automotive, food processing, pulp and paper, electrical and electronics, road and rail transport and power and gas. Follow-up tours being arranged by Canada's Embassy will have a strong investment and technical transfer element as well as initiatives for engineering, construction and consulting companies.

Canadian investment in Thailand has increased significantly in the last five years reaching $359 million in 1995, with Canadian firms showing increased interest in establishing a longer term presence in Thailand. A Foreign Investment Protection Agreement (FIPA) between Canada and Thailand was signed during the recent Team Canada visit. This FIPA will ensure that Canadian investors can compete in a stable, transparent environment.

The Philippines

After Thailand, the Philippines has endured the largest impact from the recent currency crisis as its economy had many of the same features, including a deep current account deficit, a declining stock market and looming concerns about an overbuilt Manila property market. In response, Filipino authorities have allowed the peso to float. Since early July 1997, the peso has fallen by 16.5% against the US dollar. The IMF has arranged a $US 1 billion loan to help shore up the peso. In spite of the recent economic setback, the wide-ranging economic reforms, privatization and deregulation undertaken over the past few years are paying off with solid economic growth, low inflation and impressive inflows of foreign investment.

Total merchandise trade between Canada and the Philippines has increased more than fivefold since 1985, reaching $843 million in 1996. Canadian exports to the Philippines grew from $46 million to $290 million during this period, while imports increased from $109 million to $553 million. It should be noted that these figures do not reflect the sale of Canadian services, which themselves are a considerable portion of overall Canadian commercial activity in the Philippines.

Canadian merchandise exports have traditionally been dominated by agricultural and resource commodities but recent exports to the Philippines reflect a shift towards machinery. Canadian exports of telecommunications equipment were quite significant in 1995 due to the start of the roll-out programmes of the Philippine telecom carriers. Canadian priority sectors include agri-food, power, mining, education, transportation, environmental management and telecommunications.

Investment

The positive political and economic climate of recent years has led to renewed confidence in the Philippines as a destination for foreign capital. There are now approximately 25 joint venture agreements and other arrangements involving Canadian and Philippine interests and providing evidence of the growing importance of this bilateral commercial relationship. Canada ranks among the top ten foreign investors in the Philippines. Major investors include Sun Life (for over 100 years), the Bank of Nova Scotia, Manulife Financial, TVI, Stayfast and BC Packers.

The Philippines has considerable borrowing capacity as well as a propensity to build projects under the build-operate-transfer (BOT) system of financing which will allow enormous investments in infrastructure to go forward in the decade ahead, particularly in the power, transport and communications sectors. More than half the rapidly growing Filipino population of 68 million are under 25, well-educated and productive. As investment, trade and tax reforms begin to break down the oligopolistic hold a few families have had on the economy, this should mean rapid development of small- and medium- sized firms and the growth of a larger middle class with considerable pent up demand. These factors combine to offer considerable opportunity in sectors where Canada has definite capability,