minerals. The region has also recently become a market leader in the manufactured exports of garments and textiles, electronics and consumer goods.

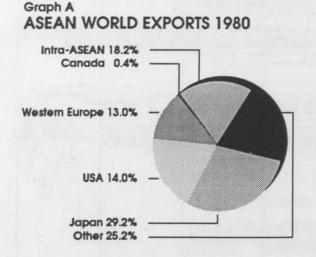
In 1992, ASEAN Heads of Government agreed to create an ASEAN Free Trade Area (AFTA) to be phased in, commencing in 1993, over 15 years. This decision was taken in response to emerging economic regionalism, including the Single European Market and the potential North American Free Trade Agreement. Initial plans foresee the reduction of trade barriers in 15 sectors of manufactured goods, including capital goods and processed agricultural products. A successful AFTA would create a combined market of 325 million consumers with a combined GNP of over US \$300 billion, would remove some of the current barriers to intra-ASEAN trade, and would help ASEAN countries realize closer economic co-operation.

As ASEAN's share of global GNP, world trade, and direct foreign investment increases, new intraand inter-regional trading patterns are evolving. While ASEAN countries have benefitted from increased Japanese investment over the decade, Japan has been the destination for a declining percentage of total ASEAN exports. In contrast with 1980, when Japan purchased almost 30 percent of ASEAN exports, 1990 saw Japan purchasing only 20 percent of exports. The major sources of imports for the region in 1990 were Japan, U.S.A., Taiwan, Germany and the United Kingdom.

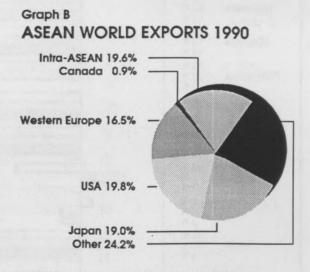
CANADA-ASEAN RELATIONS

Relations between Canada and ASEAN are strong and multi-faceted.

In recognition of ASEAN's positive contribution to the peace, stability and development of Southeast Asia and its ability to strengthen bilateral links between ASEAN member states, Canada sought to develop relations with the Association in the mid 1970's. Joining Australia, the European Community, Japan, New Zealand and the United States, Canada was recognized as a "dialogue" partner in 1977. (A dialogue partner is assigned on a rotating basis to an ASEAN member country as a formalized contact point.) Among other benefits, Canada's status as a dialogue partner creates the opportunity for it to participate fully in the annual ASEAN Foreign Ministers' Post Ministerial Conference (PMC), to discuss the evolving bilateral



(NOTE: TOTAL ASEAN EXPORTS 1980 = \$71,123 MILLION US) Source: Direction of Trade Statistics Yearbook



(NOTE: TOTAL ASEAN EXPORTS 1990 = \$141,018 MILLION US) Source: Direction of Trade Statistics Yearbook