

investment. Despite urging by foreign donors, including Canada, to accelerate the equitization (purchase of shares by employees) of state-owned enterprises and dismantle competitive barriers against private sector companies (notably in regard to access to finance and land), progress by the government has been slow.

Market Access Results in 2003

- BSE-related restrictions on imports of bovine semen and embryos from Canada were removed.
- The Vietnamese government continued to signal its commitment to WTO accession by 2005.
- The Vietnamese government continued to implement key reforms, including in the financial sector and with respect to private sector development. Canadian businesses will benefit from improved commercial conditions, although Vietnam remains far less developed than the regional average.

Canada's Market Access Priorities for 2004

- Identify and secure improved treatment for Canada's goods and services in bilateral negotiations with Vietnam. Support multilateral efforts at the WTO designed to assist Vietnam in developing a consistent, transparent and open trade policy regime.
- Continue to play a positive role, through bilateral programs and in forums such as APEC (which Vietnam will host in 2006), in the development of a capacity-building program to assist Vietnam in developing and implementing trade and economic policy.
- Continue representations aimed at removing Vietnam's remaining BSE measures on imports from Canada.

Bovine Spongiform Encephalopathy

Following Canada's May 20, 2003, announcement of a BSE case, Vietnam issued a temporary ban on the import of Canadian live ruminants, meat and meat products, including semen and embryos. In September, the Canadian Food Inspection Agency and Vietnamese officials reached agreement on bovine semen and embryo health certificates, thereby allowing trade to resume. Canada has kept all its trading partners, including Vietnam, fully informed of the

results of its investigation and regulatory response, and it is requesting a resumption of trade on scientific grounds. (For further information, see the BSE overview in Chapter 2.)

MALAYSIA

Overview

Although Malaysia has a relatively small population, it is Canada's largest trading partner in Southeast Asia. Canadian goods exports totalled \$475 million in 2003, a 3.4% decrease over 2002. In 2003, imports from Malaysia were valued at \$2.3 billion. Trade in services is far more balanced. As the Malaysian economy picks up momentum in 2004, overall trade is expected to continue to grow. Canada is exporting an increasing amount of information technology and telecommunications parts and equipment. Sales of Canadian newsprint have been reduced to a trickle since April 2003, when newsprint originating in or exported from Canada was hit with a 33.55% anti-dumping duty.

Malaysia has a relatively open, market-oriented economy. This situation is expected to continue under the administration of new Prime Minister Abdullah Badawi. Export Development Canada has identified, however, that "politics" play a role in the economy. The transparency of the decision-making process for projects involving the government requires that Canadian exporters appoint strong local representatives. The Malaysian government allows 100% foreign equity in investments in most sectors. A notable exception is the oil and gas sector, where joint ventures with Petronas are the norm.

Market Access Results in 2003

- Malaysia's high-profile campaign against piracy of software and movies has achieved its most significant results with the closure of some of the factories manufacturing the pirated items.

Canada's Market Access Priorities for 2004

- Continue representations aimed at removing Malaysia's BSE measures on imports from Canada.
- Monitor intellectual property legislation and enforcement.