

Canada Shares in AsDB Projects

The Asian Development Bank (AsDB) which, in 1989 funded over US \$3.6 billion in projects in developing Asian countries, is an important focus for Canadian companies, particularly those in the consulting and capital projects business.

Canada is one of a number of donors to the AsDB, but Canadian exporters' share in AsDB-funded contracts does not reflect the overall level of Canada's interest in this organization. (see table page 10). Traditionally, Canadian consulting firms have done reasonably well in winning contracts, although some improvement could be expected.

However, Canadian performance in capital project procurement, which represents some 90 per cent of Bank business, remains poor, largely reflecting the wider problem of the absence of Canadian manufacturers and construction firms in the markets of developing Asian countries.

Loans

Since the establishment of the Asian Development Bank in 1967,

Canadian suppliers, contractors and consultants have been awarded a total of US\$157.6 million worth of business from contracts financed through AsDB

loans to member governments. That figure represents a 1.06 per cent share of total AsDB lending.

associated with AsDB lending valued at US\$0.5 million, and 0.42 per cent share of equipment and civil works valued at US\$8.5 million.

Canada's traditional performance in the area of consulting under loans is far better than its record in supplying equipment and civil works. This is actually the case worldwide in contracts funded by all the development banks.

Canada's \$50 million cumulative total represents a 6.0 per cent share of consultancy financed by AsDB loans.

Technical Assistance

Canada's record for grant-financed AsDB technical assistance — in which the contracts are awarded by the AsDB directly — is similar to its record with respect to consulting work financed under loans.

Over the years, Canada has retained a 5.6 per cent share of these technical

assistance contracts. The country lags behind only the U.K., the U.S., the Philippines, and Australia.

In 1989, Canada won nine tech-

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The Asian Development Bank: What It Is, What It Does

The Asian Development Bank (AsDB) is an international financial institution funded by its 47 member countries — 32 from the Asia-Pacific region and 15 from Europe and North America (including Canada).

The area served by the Bank is home to more than half the world's population.

The Bank's principal function is to use the resources at its disposal to:

- *make loans and equity investments for the economic and social advancement of its developing member countries;*
- *provide technical assistance to prepare and carry out development projects and programs and advisory services;*
- *promote investment of public and private capital for development;*
- *assist in coordinating development plans and policies of member countries; and*
- *cooperate with public international organizations and national entities concerned with the investment of development funds in the region.*

Bank lending has focussed on the public sector, reflecting the dominance of governments in promoting economic development. Bank-assisted investments have helped to build physical infrastructure — in agriculture and irrigation, power, and transport and communications — as well as social infrastructure, such as schools and health clinics. Together, these investments have laid the basis for the generally high rate of growth experienced in the region. This pattern should hold in the future.

With basic infrastructure largely in place, the nature of developing member countries (DMCs) requirements is gradually changing. The Bank's prospective assistance to the public sector is adapting to take changing DMC development needs into account.

These needs are reflected in a number of new priorities in the AsDB's lending program:

- *social infrastructure expansion, in particular in the health and education sectors;*
- *improved living standards among the poorest groups, particularly women, who should benefit to a greater degree from the opportunities and resources of Asian development;*
- *protection of the environment by integrating environmental considerations in the development of the Bank's lending program; and*
- *private sector support. The Bank will take a much more active role in helping to promote the private sector, directly and indirectly, in those countries whose governments wish to do so.*

By comparison, Australia has 1.34 percent, the U.K. .3.9 per cent and the U.S. 8.09 per cent.

In 1989, Canadian firms won a 0.75 per cent share of consulting