

semi-processed food items also present significant opportunities for growth. An evolving middle class and the impact of tourism have heightened interest in specialty, niche market food products.

3. **Transport systems and services:** Singapore's efforts to maintain its status as the regional transportation hub and its drive for more efficient solutions to urban transportation challenges give rise to numerous opportunities for a wide range of exports and joint-ventures. These include an electronic road pricing system, space and labour saving systems for the Port of Singapore Authority and the construction of a third passenger terminal at Changi Airport.

Recent major contracts awarded to Canadian companies in Singapore include the purchase of flight simulators from CAE Electronics of Montreal.

4. **Defence products:** Geo-political concerns require the maintenance of one of the region's best equipped armed forces. Opportunities are abundant for Canadian suppliers of radar of all types, avionics, and other forms of advanced military equipment, and sophisticated security products.
5. **Oil and gas equipment and services:** Although Singapore is not a petroleum producer, its location at the heart of ASEAN and its traditional entrepôt role have made it a centre for oilfield service companies that cover the region. Singapore is also a major petroleum refining centre, with five major refineries. The concentration of refineries and service companies has created opportunities for Canadian suppliers interested in entering the ASEAN market.
6. **Environmental Equipment and Services:** Singapore's expertise in areas of environmental protection and control, and growing regional environmental concerns, have led economic planners to this field as one in which Singapore could establish itself as a regional centre of excellence.

### **Investment**

Over 65 Canadian companies, associations and representatives have offices in Singapore, including the 5 major Canadian banks. In addition, there are more than 10 signed agreements involving joint ventures or technology transfers between Canadian and Singapore firms in the services and manufacturing sectors (see Appendix A). Canadian companies are also represented in Singapore

through over 200 agents and distributors.

The Canadian commercial and corporate presence in Singapore is greater than in any other ASEAN country, and by 1989, cumulative Canadian investment exceeded \$1 billion. However, most of the involvement has taken the form of regional offices rather than manufacturing operations. The bulk of the total estimated value arises from the presence of Canadian chartered banks and Manulife.

Two arrangements are in place to facilitate Canada-Singapore investment relations: a Foreign Investment Insurance Agreement (FIIA) to promote and protect Canadian investment in Singapore, and a double taxation agreement.

Considerable potential for attracting investment into Canada lies in Singapore's pool of capital available for foreign investment. In 1985 the Economic Development Board (EDB) created the country's first venture capital fund. There are today over 20 funds looking for investment opportunities. In 1988, the EDB established a new international direct investment policy to encourage Singaporean companies to invest abroad as a means of creating a group of Singapore-owned and controlled multinational corporations. Added benefits are seen to include acquisition of foreign technology and the creation of new export markets.

No reliable statistics on Singapore direct investment in Canada are available but estimates indicate that it is approximately \$100 million. The growth potential is tremendous. Portfolio investments are substantial with the Government of Singapore Investment Corporation having over \$1 billion invested in Canadian Government Bonds and other securities.

### **3.3 Export Marketing Efforts**

A number of government programs and private sector initiatives have supported Canada's export marketing efforts in Singapore. They have been aimed at identifying opportunities for Canadian exports in specific sectors of Singapore's economy and establishing linkages between the business communities of both countries.

The increasing number of high-level federal and provincial government visits and private sector missions to Singapore is indicative of the growing interest in Canada towards Singapore and Southeast Asia.