

Tourism is also a high-growth industry in Taiwan with an increase of 60 percent over 1993. Canadian Airlines International is expanding its service to Taiwan to keep up with demand.

Taiwan is an excellent potential source of investment for Canada with emphasis on high technology, environmental, telecommunications and biotechnology sectors.

Both EDC (Export Development Corporation) and the Canadian Commercial Corporation (CCC) are active in this market.

Vietnam

The greatest opportunities for Canadian firms are in activities that have been identified and funded by bilateral donors or IFIs. Promising areas include: infrastructure-related industries, including road construction; construction; engineering and consulting services; transportation (air traffic control, airport equipment, port management, urban transportation and equipment); agriculture-food (high-quality livestock and food-processing equipment); telecommunications (digital-switching equipment and rural telecommunications); and energy (hydro and thermal, distribution technology, equipment and expertise).

Cambodia and Laos

There are limited opportunities for Canadian firms, primarily funded through aid sources. Promising areas in Cambodia focus on the rehabilitation of infrastructure. Opportunities in Laos are concentrated in hydro power, transportation and forestry.

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South Asia (including India and Pakistan)

Introduction

In 1994, Canada's merchandise exports to South Asia totalled \$420 million. While South Asia has not been a traditional Asia-Pacific market for

Canadian goods, services and investment, this situation is rapidly changing. The countries of South Asia, including India, Pakistan, Bangladesh, Sri Lanka, Nepal and Afghanistan, are turning away from inward-looking economic policies to free competition, as they become more engaged in the world economy. Some countries, such as India and Pakistan, are actively looking to foreign companies and investors to assist them in expanding and improving their infrastructure, particularly in areas such as energy, telecommunications and transportation.

The importance of India as a large, emerging market must not be overlooked. With a burgeoning middle class of close to 250 million people, India has the largest block of middle-class consumers in the world. In recognition of the great potential that exists for increased Canada-India trade, the Department of Foreign Affairs and International Trade (DFAIT) has published a document, *Focus India*, detailing Canada's trade and economic strategy for that country. The strategy was developed as a Team Canada initiative through extensive consultations with the private sector and between the federal and provincial governments. It emphasizes sectors in which Indian requirements are matched with Canadian strengths and capabilities, identifies challenges and constraints in the Indian market, and details available information sources, programs and activities for exporters.

Business Environment

Canadian commercial interest in South Asia has grown exponentially over the past five years. This interest is beginning to be translated into actual business contracts, especially in India. Canada's currency in the region is well-founded on development assistance, co-operation through the Commonwealth and the United Nations, and strong human bonds through emigration of large numbers of South Asians to Canada. The fact that the countries of South Asia are English-speaking, democratic and familiar with market structures enhances business development.

The financial sector is well-developed in South Asia and EDC has an increased interest in the region. For small and medium-sized enterprises (SMEs), EDC offers financial services for sales of Canadian goods and services. IFIs such as the World Bank and the Asia Development Bank are also active in the region. In addition, aid-related trade prospects exist for most countries.