

CANADA-MALAYSIA RELATIONS

Commonwealth links, Canada's strong interest and support for ASEAN and development assistance have been the principal features of the relationship between the two countries. In 1986, a General Agreement on Development Assistance was signed; it is expected that it will put Canada in an excellent position as a source of expertise and capital equipment for development. Trade between Canada and Malaysia is carried out under the General Agreement on Tariffs and Trade; Malaysia benefits from Canada's General Preferential Tariff in favour of developing countries. Canadian exports to Malaysia totalled \$118.3 million in 1987, while imports were valued at \$187.2 million. There are approximately 3,500 Malaysian students currently studying in Canada, a substantial decrease from 6,000 a few years ago. Dr. Mahathir came to Canada in September 1987 to attend the Commonwealth Heads of Government Meeting (CHOGM) held in Vancouver.

Malaysia is highly dependent upon exports of primary products such as rubber, tin and palm oil. In 1988, GNP growth was 3.2% compared to 2.7% in 1987; it reached 2.5% in 1987 and is expected to reach 4% in 1988. The Fifth Malaysia Plan (1986-1991), announced in March 1986, has placed the onus on the private sector to be the engine of future growth.

FOREIGN POLICY ORIENTATION

Dr. Mahathir has set Malaysian foreign policy priorities in the following order of importance: 1) ASEAN; 2) the Islamic Conference Organization; 3) the Non-Aligned Movement; and 4) the Commonwealth. Malaysia insisted and has been active in promoting the concept of a "Zone of Peace, Freedom and Neutrality" (ZEPFAN) in the Southeast Asian region. With Indonesia, it insisted the Korean Principle which attempted to draw Vietnam closer to the Southeast Asian grouping. Malaysia has been active in supporting producer country positions on international commodity issues. Finally, high priority has been given to the development of stronger economic links with Japan and Korea.