



Introduction

Canada's relations with the Philippines cover a full range of activities: political, economic and commercial. The relations, however, have matured significantly since President Corazon C. Aquino assumed office in 1986, following years of political and economic turmoil under the Marcos regime. A new development assistance program for the Philippines was announced in late 1986, and between 1986 and 1990, bilateral trade increased steadily. Bilateral relations have also flourished in the context of Canada's active interest and support for the Association of South East Asian Nations (ASEAN). The Philippines was Canada's initial contact point for dialogue with ASEAN in 1977. The Philippines has also become the third largest source of new Canadians who are likely to play an important role in efforts under way to strengthen bilateral relations between the two countries.

This survey reviews the main elements of Canada's trade and economic relations with the Philippines. It focuses on bilateral relations, agreements and initiatives and does not attempt to identify the range of international and multilateral fora in which Canada and the Philippines share a common interest, such as the Cairns Group, Multilateral Trade Negotiations, and consultations on the Asia-Pacific Economic Co-operation (APEC) initiative.

Section 2 describes the current macro-economic environment in the Philippines and highlights the strong recovery of the economy since 1986 and the challenges facing the country in meeting the goals set out in the government's Medium-Term Development Plan.

An overview of the trade relationship between Canada and the Philippines is presented in section 3 and is set in the context of the Philippines' global trading situation. The magnitude and direction of trade between the two countries is analysed in this section, and an overview of Canada's marketing efforts in the Philippines is provided.

Section 4 summarizes the current five-year bilateral development assistance program for the Philippines and describes other aid-related efforts from Canada, including those of the International Development Research Centre (IDRC) and Petro-Canada International Assistance Corporation (PCIAC).

The final section identifies the agreements and arrangements currently governing relations between Canada and the Philippines which provide a basis for the continued expansion of economic and commercial ties. It also highlights several initiatives currently under way in various sectors of co-operation as well as provincial initiatives.