

Trade and Investment

- Strong economic growth, industrial diversification, a favourable investment environment, and an efficient and modern infrastructure make Malaysia an excellent location for Canadian trade and investment. With its goal of becoming a developed nation by the year 2020, Malaysia is fast-tracking much of its development in such areas as transportation and power generation.
- Canada-Malaysia trade experienced its eighth consecutive year of rapid growth in 1994. Bilateral trade reached \$1.5 billion, up from \$285 million a decade ago. Canadian exports increased by 30 per cent to \$291.5 million in 1994. Exports of services, principally engineering consultancy services, are worth an estimated \$50 million annually. Imports from Malaysia were valued at \$1.2 billion in 1994, up from \$877 million in 1993.
- Principal Canadian exports to Malaysia include fertilizer; paper and paperboard; organic chemicals; cereals; and manufactured goods such as boilers, machinery and mechanical appliances. Imports from Malaysia include electrical machinery and equipment; boilers; machinery and mechanical appliances; organic chemicals; rubber and rubber products; and apparel.
- According to the Malaysia Central Development Authority, Canada is the 13th largest foreign investor in Malaysia. Canadian direct investment in Malaysia totalled \$354 million in 1994, tripling in value over 1993. Canadian investors include Bata Shoes Ltd., Alcan Aluminum, Nortel, and Dominion Textiles.
- Malaysia's National Development Plan (1991-2000) encourages investment in high-tech manufacturing and infrastructure. Considerable opportunities for Canadian companies lie in transportation; telecommunications and informatics; the environment; energy, including oil and gas, and power; aerospace; agri-food; and education.
- To facilitate increased business ties between the two countries, Canada and Malaysia reached an air services agreement in May 1995. Direct air service between Kuala Lumpur and Vancouver began in November 1995.
- The Canadian private sector has achieved notable success in the Malaysian market in the last year. For instance, a Canadian consortium, comprising Bombardier and SNC-Lavalin, was awarded a contract to build a rapid-transit system in Kuala Lumpur. Bovar Inc. of