

Despite the severing of formal diplomatic relations between Canada and Taiwan 11 years ago, trade relations have shown a marked increase in activity over the past few years. Trade volume doubled to \$708 million between 1977 and 1980, decidedly in Taiwan's favour. Iron and steel, metal ores, paper and wheat left Canada for Taiwan, while we received electrical appliances, machinery, clothing and leatherware in return.

In Indonesia, Canadian oil, mining and manufacturing concerns are involved in joint ventures and investments. Canadian engineers have won contracts to build Indonesian ports, railroads and communications systems. Canadian-Indonesian trade volume reached nearly \$239 million last year, and intergovernmental aid arrangements gave Canada an almost embarrassing favourable ratio of ten to one.

In Singapore, total trade volume is a healthy \$264 million, and visits by Canadian business people have almost doubled in the past year. Singapore is a receptive market for Canadian high technology exports, and is also attracting many Canadian firms into joint ventures. The Canadian banking community is also represented in force, with our five largest financial institutions deeply involved in trade financing.

Canada's trade with the Philippines fairly evenly divided a total of \$209 million last year, but Canadian consumer goods are virtually unknown there. Instead, Canada supplies raw resources, and looks towards making progress in helping the Filipinos achieve their goals in the 11 basic industrialization projects set for this decade. Canadian insurance and financial enterprises are increasingly well represented in the Philippines, with some \$160 million (U.S.) in loans and investments by the end of last year.

Canadian companies and business representatives are finding their way into more and more Pacific Basin boardrooms and government chambers. Oilwells and communications technology in Australia, methanol and natural gas plants in New Zealand, mining equipment in Papua New Guinea — all of these demonstrate a broad Canadian entry into the Pacific Rim economies. But if Canada is diving into the Pacific, we are not yet diving deep. Canada remains primarily a supplier of raw resources to industrialized Japan while the rest of our Pacific trade barely wets our ankles.

**Canadian banks
active in Pacific
Rim**

There is, however, one area where Canada has plunged right in: banking and finance. Canadian banks have a share of the Asian financial market which is said by some analysts to be second only to America's. With a total loan exposure of some \$10 billion (U.S.), and a rate of return on assets half again as great as in their domestic market, Canada's major banks are familiar members of the Pacific financial community. Based in Hong Kong and Singapore — with one regional head office located in Manila — seven of our largest banks are now edging into the Japanese market.

The Royal Bank of Canada, with a total of \$4.61 billion (U.S.) in loan exposure in Asia, expects to triple its personnel, assets and capability by 1985. The Toronto Dominion Bank, one of the first Canadian banks to establish an Asian presence, has \$3.5 billion (U.S.) total exposure. The Bank of Nova Scotia, despite a fairly recent entry into the area, is close behind Toronto Dominion with a total of \$3.3 billion (U.S.).
