

Canada - Thailand Commercial Relations

Trade between Canada and Thailand is carried out under the GATT. In terms of exports into Canada, Thailand is a beneficiary of Canada's General Preferential Tariff. As well, two agreements are in place between Thailand and Canada which facilitate business relations. These are an exchange of notes to promote and protect Canadian investment in Thailand, and an agreement to avoid double taxation.

Historically, Canadian - Thai trade developed on a slow, steady basis. However, the momentum of recent years led to 1989 two-way trade exceeding \$765 million, as compared with \$166 million in 1980. Although Canada had in the past held the favourable share of this trade, the balance tipped in Thailand's favour in 1987. This can be attributed to the implementation of a Thai - Japanese joint venture which manufactures automobiles for export to Chrysler Canada.

Canada's trade strategy has targeted Thailand as a market opportunity for advanced technologies, including communications; energy; agriculture and food products and services; defence related products and services; and, power and energy related equipment and services.

Raw materials and commodities such as aluminum, asbestos, iron and steel, and wood pulp account for about half of Canada's exports to Thailand. However, machinery and equipment, such as boilers, aircraft equipment and other electronic and electrical equipment have recently become important features of Canada's exports to Thailand.

Thailand's imports into Canada have consisted mainly of textiles, fish, seafood and food preparations as well as products such as jewellery, footwear, computers and other electronic equipment. Automobiles manufactured by a Japanese-Thai joint venture have become a new feature of Thai exports to Canada, and have contributed approximately 50% to the increase in trade value since 1988.

There are at the present time approximately 30 signed agreements involving joint ventures between Thai and Canadian firms, and this represents over \$100 million of registered capital. A large number of similar arrangements are currently being studied by Canadian firms with support from CIDA's Industrial Cooperation Program (CIDA/INC).

In addition to CIDA/INC's support, a new project in CIDA's Government-to-Government programme will also play an important role in the promotion of business development in Thailand through a 5-year programme focused on building business ties between the Canadian and Thai private sectors. The project is entitled The Thai - Canada Enterprise Collaboration Program. This program is being set up to promote the transfer of Canadian technology and know-how to Thailand through joint ventures and other cooperative endeavours between the private sectors in both countries.

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