

Philippines

The Philippines has experienced an economic transformation in the last three years. It is more stable politically and is focussing on business. English is the language of business, which makes this a good Asian "starter" market. As well, the Philippines is accustomed to the North American style of conducting business due to 50 years of U.S. influence. Promising sectors include: information technology and telecommunications; agri-food; energy (geo-, hydro- and fossil-fuel generation, conservation and management projects); mining (exploration technologies, and copper/gold mining primary equipment and parts); the environment (waste handling and technologies for the mining sector); and forestry (reforestation and other management expertise).

Singapore

This is a sophisticated, wealthy (highest per-capita income in Asia-Pacific after Japan), English-speaking market, which is the transport, communications and financial hub for the region. Promising sectors include: the environment (municipal waste-handling, noise pollution and waste water); agri-food (meat products and processed foods); aerospace (frames and engine parts); petroleum (to reach the multinationals based in Singapore to service the region); construction (building materials and advanced niche expertise); informatics (telematics and convergence technologies); and defence/security (training and policing equipment).

Thailand

A booming market in its own right, Thailand is central to the economies of Indochina (Vietnam, Laos, Cambodia and Burma) and southern China. It is aggressively courting foreign business. Promising sectors include: power (hydro-electric generators and co-generation); transport (urban transit, rail and road); the environment (industrial waste-management and remediation); health care (instrumentation, diagnostics and dental products); and agri-food (franchising and dry goods).

Vietnam

As Vietnam has recently taken the first steps toward development, and with the state-sanctioned doctrine of "Doi Moi" (renovation), there is a heady, gold-rush atmosphere. Vietnam is still, nonetheless, very much a socialist state with limited capital at its disposal, a burdensome bureaucracy,

a people largely unfamiliar with accepted business practices, and a legal and financial system and other infrastructure incapable of sustaining large-scale economic activity. The greatest opportunities for Canadian firms are in activities that have been funded by bilateral donors or IFIs. Promising areas include infrastructure-related industries (road construction); transportation (port management, air-traffic control); agri-food (high-quality livestock, food-processing equipment); telecommunications and informatics (digital switching-equipment, rural telecommunications, multiplexing equipment, software, training); and energy (hydro- and thermal-distribution technology, equipment and expertise).

Brunei

Brunei is a small, oil-rich economy, tightly managed by the Sultan, with money to finance chosen projects. In 1995, Canada and Brunei opened high commissions in their respective capitals to expand trade, investment and political relations.

Cambodia and Laos

Cambodia and Laos are small, poor countries that have recently opened to foreign investment. Cambodia has embraced a free-market economy, while Laos, like Vietnam, is a socialist state that is only now, and very tentatively, embarking on market reforms.

There are limited opportunities for Canadian firms, primarily funded through aid sources. Promising areas in Cambodia focus on the rehabilitation of infrastructure. Opportunities in Laos are concentrated in hydro power, transportation and forestry.

Contact

Department of Foreign Affairs
and International Trade
Southeast Asia Division
125 Sussex Drive
Ottawa, ON K1A 0G2
Tel: (613) 996-8187
Fax: (613) 944-1600

InfoCentre: 1-800-267-8376
Bulletin Board: 1-800-628-1581
FaxLink: (613) 944-4500,
from abroad (613) 944-6500
World Wide Web: <http://www.dfait-maeci.gc.ca>
Strategis: <http://strategis.ic.gc.ca>

AFRICA AND THE MIDDLE EAST

Introduction

The dynamic region of Africa and the Middle East is steadily growing in importance. In 1995, total Canadian exports to the region reached \$3.2 billion, to which can be added \$800 million in services. This represents an increase of 28 percent over 1994 in total exports to the region, and a 45-percent increase since 1990. Preliminary figures for 1996 indicate that this excellent growth in exports will continue.

Access to these countries is no more difficult than to Asian and Latin American markets, although certain cultural factors make doing business in this area different. A carefully developed strategy and sustained effort can provide profitable business opportunities and a significant return on investment. While oil and gas, telecommunications and high technology, transportation and agri-food generally offer the best prospects, other sectors such as services (education, banking/financial), the environment, mining and energy are also very active and poised to benefit from substantial developments as a large number of African countries move toward privatization and trade liberalization. South Africa becomes a more active player in the region, and the Middle East peace process asserts itself.

Africa

Business Environment

In 1995, Canada's total exports to Africa increased by 40 percent over the previous year to reach \$1.5 billion (this figure excludes exports to Egypt of \$130 million). Preliminary figures for 1996 indicate that exports to such major markets as Algeria, South Africa, Morocco and Tunisia will increase again over 1995. Fully 59 percent of Canadian exports went to North Africa. Africa is also a prime market for Canadian services, with an estimated annual value of some \$400 million. In 1995, in particular, Canada was awarded \$52.5 million for projects in Africa from the African Development Bank (AfDB).

Canada's commercial involvement in Africa has increased remarkably over the past 25 years. Development assistance programs, EDC's funding programs, Canada's involvement in the Francophonie and the Commonwealth, and initiatives with respect to apartheid and debt forgiveness have led to a very good image for Canada on this continent. In addition, our bilingualism, the complementary needs of the Canadian and African economies, and Canada's sector expertise give Canadian exporters an important advantage.

In recent years, an increasing number of African countries have undertaken political and economic reforms, primarily to establish multi-party political systems, liberalize foreign trade, streamline public finances and develop the private sector. Canada actively supports these initiatives, which in many cases are facilitated by significant funding from the World Bank and the AfDB while also receiving support from CIDA. They are widely expected to open up new business opportunities for equipment, services and investment. There is a renewed emphasis on education and training, and important new opportunities for expertise in consulting, training, management and financial services have been opened up by privatization programs.

Canada's business development activities in Africa are intended to take advantage of the many trade and investment opportunities stemming from the economic restructuring programs that are under way. Strong emphasis will be placed on developing commercial and investment relations with the emerging private sectors of these countries, and on the opportunities generated by IFI-funded initiatives. Export development initiatives will also be complemented by the promotion of joint venture and technology transfer opportunities.

Export financing is a critical issue in many African countries, and will require that exporters consider seeking offshore guarantees while focussing on revenue-generating sectors and/or development initiatives supported by IFIs.