

Implementation

An investment and partnering program in Malaysia should be developed having the following main elements:

- Corporate liaison visits to influential Malaysians exploiting the considerable access and influence of the Canadian High Commissioner, as well as missions coming from Canada;
- Focus on the development of investor relations and servicing elements by integrating investment themes into events such as business seminars, or major trade/technology fairs;
- Introducing Malaysian venture finance companies and Malaysian banks to Canadian high tech and venture finance firms as a means of acquiring growth capital and encouraging market penetration in the Malaysian network;
- Encouraging visits to Canada by Malaysian economic and financial journalists either independently or in conjunction with other initiatives such as investment or trade missions;
- Disseminating investment information on Canada and tailor-made articles with success stories, using a number of new web sites which have recently emerged.

Profiles of Three ASEAN Economies

The Economic Crisis in Southeast Asia

A decision by Thailand to float the baht in the face of sustained selling pressure resulted in a 30% devaluation against the US dollar between June and September 1997. This has triggered a regional realignment that has resulted in substantial currency devaluations in neighbouring countries: the Philippines, Malaysia, Indonesia and Singapore. Governments and Central Banks in each of these countries have taken swift actions in attempts to cushion the economic impact of the devaluations and ASEAN finance ministers have agreed to adopt a common stand on currency speculation. Market analysts are predicting that Southeast Asian currencies will remain unsettled until regional markets digest the policy shifts of the various governments and reassess the economic outlook for this region.

With the region facing its first shakeout after more than a decade of unparalleled economic expansion, there is much to digest. It does not appear at this stage that the shakeout will take on the proportions of Mexico's crisis in 1994-95. Growth momentum in the region and internationally is still strong, inflation is contained and national governments in the region are generally in good fiscal condition. The main concern continues to be the size of current account deficits that many of these economies have been running which exposes them in the case of any weakening in their exports.

The region's current economic woes have exposed structural weaknesses that will set the stage for aggressive policy adjustments. These new measures will include faster privatization,