



ASEAN: A New Frontier for Canadian Business

Established in 1967, the Association of Southeast Asian Nations (ASEAN) is comprised of seven member countries -- Singapore, Thailand, Malaysia, Indonesia, the Philippines, Brunei Darussalam, and Vietnam which joined in 1995. With its population of 413 million, an increasingly affluent middle class, a Gross Domestic Product (GDP) of some \$450 billion, and boasting four out of the ten fastest-growing economies in the world, the ASEAN region holds significant potential for Canadian business. This supplement focuses on ASEAN's four strongest economies -- Singapore, Thailand, Malaysia and Indonesia.

ASEAN's development into advanced consumer, service-oriented and discerning societies brings with it the need for overseas expertise, goods and services of all kinds. Canadian firms are ready and able to provide these products, and must now search out the partnerships in ASEAN that will ensure successful sales.

Teenage Tigers

ASEAN's four strongest economies, the "Teenage Tigers", are Singapore, Thailand, Malaysia and Indonesia.

Since the late 1980s, these countries averaged between 5.8 per cent and 13.3 per cent in annual growth. Their governments are openly committed to sound economic policies and stable, open trading environments.

The Asian Development Bank (ADB) and the International Monetary Fund (IMF) predict that, within 25 years, total East Asian Gross National Product (GNP) will surpass the combined GNP of Canada, the United States and Mexico.

ASEAN is forecast to represent 6 per cent of world import markets by the year 2000. In fact, an average family income in Singapore already surpasses that of an average Canadian by \$6,000 a year!

Opportunities Abound

For Canadian business, the ASEAN region is a solid market with fast-growing middle-class consumer populations, high demand for capital and infrastructure investments,

"Canada has five years to engage itself in Asia-Pacific or risk losing out." — Prime Minister Goh of Singapore, September 1995 in Ottawa.

and competitive production costs. Many of ASEAN's requirements are perfect matches for Canadian capabilities.

Growth in consumer markets is more than matched by a tremendous surge in demand for infrastructure: roads, airports, harbours, telecommunications systems, energy and waste management systems needed to drive modern economies.

In addition to the rapidly growing demand for goods, technology and expertise, there now exist opportunities in service sectors such as health care, education, management consulting, financial services and tourism. Indeed, the services sector in ASEAN overall is growing at an annual rate of 19.5 per cent.

In natural resources development, ASEAN needs Canadian engineering expertise in mining, oil and natural gas exploration, fishing and forestry management as well as Canadian design, con-

struction and management skills for mines, refineries, gas plants and pipeline systems.

The implementation of needed infrastructure to meet the growing demands of more affluent populations is creating important new investment opportunities, with the private sector — domestic and foreign — seen as the engine of growth for sustainable economic development.

Significance for Canada

Opportunities in these sectors are constantly being identified by the commercial officers of the Canadian Embassies and High Commissions in the region.

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