

CANADA HOSTS ASEAN JCC DELEGATES

The role of international markets was the focus of the Fifth ASEAN-Canada Joint Cooperation Committee (JCC) meeting held in Ottawa on 7-8 April 1988. The JCC was established under the Canada-ASEAN Economic Co-operation agreement of 1981 to review and promote industrial, commercial and development cooperation between Canada and the ASEAN countries.

Being trading nations (one-third of Canada's national income is derived from trade), Canada and ASEAN countries have a vital interest in combatting trade protectionism. Access to international markets is the key to ensuring their national prosperity.

This consensus on trade objectives was reflected in the discussions during the fifth JCC, in which all parties agreed that close cooperation will be required if the latest round of Multilateral Trade Negotiations is to be successful. They also endorsed the efforts of the Cairns Group to bring about fairer trade in agricultural goods.

The Free Trade Agreement between Canada and the United States figured prominently in the discussions as a significant measure to combat protectionism and liberalize trade. The Agreement is seen as a means to expand international trade and encourage investment. The agreement will strengthen the Canadian economy, and consequently expand market opportunities for the ASEAN countries. It also offers new investment possibilities for ASEAN, for example, through joint ventures with Canadian com-



Delegates to the Fifth JCC Meeting: (left to right) Mr Chawat Arthayukti, Ministry of Foreign Affairs, Thailand; Ambassador Manaspas Xuto, Thailand; Mr David Holdworth, CIDA; Mrs Jean McCloskey, Department of External Affairs, Canada

panies to tap the enlarged North American market.

Reflecting the pragmatic nature of the discussions, for the first time, the private sector, represented by the ASEAN-Canada Business Council (ACBC), were invited to participate in the discussions related to commercial and industrial cooperation. They also took advantage of the meeting to present a report on the activities of the ACBC. (See next page)

ASEAN representatives acknowledged Canada's growing importance as an economic partner. Canadian trade with ASEAN increased by 33.5% in 1987, to a total of \$1.8 billion.

Under active consideration are development cooperation projects

with Canada, focussing on medium- and long-term projects in trade, tourism and investment promotion; science and technology; transportation; and human resource development.

One practical outcome of the meeting was the signing of a Memorandum of Understanding between Canada and ASEAN on Phase II of the ASEAN-Canada Forest Tree Seed Centre.

The JCC meeting provided yet another indication that Canada and ASEAN continue to work closely to expand and strengthen their relationship, and reinforce their joint efforts to improve the world economic order for their mutual benefit.

TRADE

Towards A Trading System for All

The Montreal Ministerial Meeting in December 1988 will review the progress that has been made on the GATT Multilateral Trade Negotiations (MTN), as well as try to achieve consensus on some of the main issues being addressed at the negotiations.

These negotiations are taking place against a background of

economic uncertainty. Financial markets remain sensitive and volatile in light of the international stock market's dramatic decline last year-end. The major challenge for the world economy is how to maintain growth for the benefit of both developed and developing countries. This will be difficult in an environment of major current account, trade and debt imbalances, and during a period of severe currency exchange fluctuations.

Agriculture is a major issue being addressed by the MTN. It will be important for the international community to come to grips with the question of agricultural export subsidies which distort market signals and prevent countries (that

have a competitive advantage) from earning fair returns from their agricultural exports.

Other priority areas are in market access and trade rules, as well as an improvement of the functioning of the GATT system and the mechanism for dispute settlement. An additional consideration is how to bring the export of services and rules on trade-related intellectual property under some sort of GATT discipline.

Canada considers the outcome of the current MTN round to be most important in securing and enhancing access to markets, as well as in checking the protectionist pressures threatening global economic prosperity. The MTN should provide a clear signal that the