

chemicals; food processing; electronics; medical equipment; and transportation, but opportunities exist in virtually all sectors, especially under the reform and liberalization policies introduced by the former government. Canada had a banner year in 1995. Exports to India reached \$427 million, a 64-percent increase over 1994. In addition, foreign direct-investment from Canada became a factor in the Indian economy, with Canadian companies investing in excess of \$150 million.

Pakistan

Canada's exports increased dramatically to \$122.6 million, an increase of 100 percent over 1994. There is a renewed interest in Pakistan in strengthening our bilateral trade relations. The Pakistani Minister of Commerce has visited Canada twice in the last year, and with the Team Canada mission in early 1996, business between Canada and Pakistan is on the rise. There are good opportunities in telecommunications equipment and information technologies; wood pulp and paper; oil and gas development; agri-food; metals and minerals; and transportation equipment, to name a few. As with any developing economy, power is in tremendous demand. There are excellent opportunities in this sector for equipment and services.

Bangladesh

Despite political instability, the potential for increased trade between Canada and Bangladesh is considerable. Opportunities exist in the energy and telecommunications sectors, while the top Canadian exports in 1994 were agri-food, tobacco, wood and paper, metals and fertilizers.

Sri Lanka

Exports to Sri Lanka have remained steady, particularly within the energy and telecommunications sectors. Export markets exist for printed paper products; specialized building materials; chemicals; machinery; fabrics; metals and minerals; and foodstuffs.

Nepal

Main exports to Nepal in 1995 included printed paper products; metals and minerals; precision optical equipment; manufactured fibres; and mechanical equipment. Additional opportunities exist in the power, road transportation and aviation sectors.

Afghanistan

While small in size, the Afghanistan market presents opportunities for adventurous Canadian exporters in agri-food, processing equipment, power generation and electrical goods. The country's infrastructure has been virtually demolished over the last 10 years due to the ongoing civil war. Once the political situation settles down, there will be many opportunities stemming from the reconstruction of the country.

Contact

Department of Foreign Affairs
and International Trade
South Asia Division
125 Sussex Drive
Ottawa, ON K1A 0G2
Tel: (613) 996-1989
Fax: (613) 996-5897

Southeast Asia/ASEAN

Introduction

Southeast Asia promises to be the world's most active economic area throughout the next decade; even long-standing barriers to business are tumbling down. The members of ASEAN are Brunei, Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam. Laos, Cambodia and, eventually, Burma hope to become members. This impressive market, with its population of over 430 million, is a strategic one for the future.

The enormous growth in the past years will continue, as momentum shifts to these economies from the older, increasingly expensive Asian tigers. This growth will fuel pressure on infrastructure to expand and improve, so that it does not impede economic development and progress. Such progress will require significant infusions of public- and private-sector capital from both domestic and offshore sources, and the development of creative financing schemes, including recourse to BOT and BOO (build-own-operate) mechanisms, and to international agencies such as the World Bank and the Manila-based ADB. The ADB can advise potential suppliers and contractors on procurement for its program of regional-development projects.

Business Environment

Bureaucratic bottlenecks to business are also diminishing as governments in the region compete with each other and around the world for international investment. Internal deregulation and privatization are gradually improving the climate for business. Conducting business is also easier as a result of the move to freer trade through the WTO, APEC centred in Singapore, and the ASEAN's own proposed Free Trade Agreement (AFTA), which is to ensure internal free trade by 2003. Tariffs are already dropping and non-tariff barriers, especially in services and intellectual property, are the next target.

ASEAN offers a less risky business climate than many of its larger neighbours. The private sector is increasingly adopting North American-style business practices, although the public sector can be slow moving and, at times, opaque.

Market Opportunities

Except for Singapore, which already enjoys a standard of living on a level with Canada, the region is experiencing the emergence of a sizable middle class with spending power and an attraction to the latest in consumer goods, including cars and processed food products. While traditional Canadian commodity exports will continue to be strong, this market is ideal for Canadian value-added exports of services and operational expertise. By their nature, such exports are cost-competitive in faraway markets, since their value is based on knowledge, not freight costs. However, they presume a close relationship with a client. To build trust and a sense of partnership with Asian clients, Canadian exporters must do their homework, be ready to deal face-to-face, and be comfortable adapting to quite different business customs and languages. In many cases, to achieve export sales in these markets, it is recommended that exporters be prepared to establish a visible presence in the market, through joint ventures or other arrangements. There are still some barriers to investment, however, which impede export opportunities in areas such as media communications and retail franchising.

Canada has focussed its international business-promotion efforts on the following key sectors in ASEAN: power and energy; advanced technology, especially geomatics; information technology and telecommunications; transportation; the environment; and agri-food. The kinds of opportunities vary with the stage of development in each country. The major potential market sectors by country are as follows:

Indonesia

As an archipelagic country of 14 000 islands and almost 200 million people, this market has an enormous natural resource base, and a need to manage it. Canadians are known and respected for our expertise in these areas. With a well-connected partner in the local market, Canadians stand to do well in accessing the many opportunities that exist in the full range of natural resources and infrastructure sectors in this region, which is the most important export market for Canada in ASEAN. Promising sectors include: power (geothermal and hydro-electric equipment); informatics and telecommunications (systems integrators); environment (water resources, natural resource industries, construction sites); mining (equipment, training and consulting); transport (airport systems and navigation aids, road/rail/port upgrades, and rolling stock and ferries); agri-food (processed food, halal products); and construction (housing materials, steel and ceramic pipe).

Malaysia

With the third-highest economic growth rate in Asia (after China and Singapore), Malaysia is well on its way to achieving its goal of attaining developed-country status by 2020. The Commonwealth "connection" and the use of English give Canadians a certain comfort level, but the strong Malay-Muslim sense of independence should not be overlooked. Malaysia demands a distinct marketing plan. Promising sectors include: the environment (hazardous-waste and air-pollution control); power (transmission and distribution systems); health care (equipment and emergency medical-systems); advanced technology (informatics, geomatics and telecommunications); education (in Malaysia and study in Canada); and agri-food (halal products, fruit and bulk commodities).