

records, total health information system, telelearning, EDI etc.

- **agri-food:** standard of living is rising at a rapid pace and the taste of the middle class is westernizing fast. Opportunities exist for attracting investment into areas of food processing, high value-added food, animal feeds, canola oil, beef and dairy cattle farming, chicken and turkey breeding.
- **aerospace:** a new council to coordinate the development of the Malaysian aerospace industry will be established momentarily. Directly under the chairmanship of the Prime Minister, the Council will restructure and build up the Malaysian aerospace industry and will be responsible for negotiating industrial offsets, both civil and military, over the full spectrum of air frame components from avionics to space equipment. Over the six years, Malaysia has successfully hosted the biannual LIMA (Langkawi International Maritime & Aerospace Show) which has become one of the key aerospace (and soon to be maritime) exhibitions in Asia.
- **space & geomatics:** while Malaysia may yet be part of the NASA program, it has sent up a couple of satellites recently. In conjunction with its aerospace program, it is to be expected that space technology will be one of the pulling forces of the high technology sector. There is a massive geomatics program being put together to determine the nation's land use, monitor pollution and guard its shorelines. Canadian expertise in this area is respected and well positioned.
- **oil and gas equipment and services:** Malaysia's oil & gas sector is the most profitable and Canadian participation in joint ventures has done well. Apart from exploration, opportunities exist for Canadian companies to establish strategic alliances with Malaysian corporations in downstream sectors such as chemicals and pharmaceuticals, the latter being one of the manufacture-plus-plus industries in the Industrial Master Plan.
- **defence products:** there are opportunities in new technically advanced equipment as well as sophisticated security end products for both military and civilian applications. The Malaysian government encourages foreign manufacturers to set up joint ventures for the production of high tech

defence products. A prospective industrial defence mou will usefully serve as a backbone to advance Canadian position in this high budget sector.

- **biotechnology & health science:** another one of the manufacture-plus-plus industries identified by the Industrial Master Plan. Canadian technology consortia/parks are highly regarded by Malaysians as models for the development of their industries in biotechnology for the agricultural and pharmaceutical sectors. Strategic alliances between Canadians and Malaysians offer the former an Asian base and the latter leading edge technology.
- **education and corporate training:** It is well recognized that Canada offers quality and affordable education at the lowest price as compared with U.K., U.S.A., Australia and New Zealand, Germany and France. With the Malaysian priority on multimedia, computer science & engineering, Canada is gaining its respect as one of the fountains of knowledge in these faculties. There are immediate opportunities for cooperation in both universities and community colleges as well as in corporate training.

## Challenges

The main challenges in developing investment and strategic linkages with Malaysia are to:

- increase the awareness of Malaysian investors of the industrial sophistication and competitiveness of Canada;
- encourage Canadian firms to seek venture financing and strategic partners with technology based Malaysian firms;
- identify opportunities for business alliances, such as joint venture projects that increase Canadian access not only to Malaysia, but also to Southeast Asia, China, Africa, South America and Key Muslim countries;
- encourage Malaysian consideration of Canada as a gateway for manufacturing, research and sales to the NAFTA market; and
- heighten Malaysia's attention on Canada as a tolerant society in a multicultural environment, secure, affordable and with high quality education.