

leisure time, Korean and Taiwanese consumers are demanding a better quality of life, resulting in increased demand for consumer products and services.

Viet Nam, however, is in a different category altogether; it is a country that has just recently taken the first steps toward development. The recent end of the U.S. trade embargo on Viet Nam, the release of the first tranche of World Bank and Asian Development Bank financing for infrastructure and the announcement by the Vietnamese government of the need for \$9 billion in foreign investment for infrastructure development has created a heady, gold-rush atmosphere, with the lure of great profits. Coupled with the state-sanctioned doctrine of "Đổi Mới" (renovation) and the easing of business regulations, there is indeed great potential for Canadian companies in Viet Nam. Yet these recent developments must be tempered by reality. Viet Nam is still very much a socialist state. Its bureaucracy is burdensome, its people largely unfamiliar with accepted business practices, and despite all of the recent attention, the current state of Viet Nam's infrastructure is not capable of sustaining large-scale economic activity.

## Market Opportunities

Canada maintains a good trade relationship with the region. There is, nevertheless, further potential to expand our market shares in a variety of well-targeted industries.

Canada and Korea are in the process of developing a special partnership, with the idea first broached at the 1993 APEC Summit attended by Prime Minister Chrétien and President Kim Young Sam, and followed up by Minister for International Trade Roy MacLaren in Seoul in April 1994. In view of our mutual importance to one another as middle powers in the Asia-Pacific region, our trade mission revolves around the "Korea Strategy." It is composed of the following five objectives:

- increase trade in manufactured and high-technology products;
- expand our agriculture-food exports through continued pressure on Korea to address market access issues and shift priority to processed/value-added goods;
- increase two-way investment;
- promote co-operation/partnerships between Canadian and Korean firms pursuing third-market opportunities;
- establish stronger long-term commercial links in newly emerging service and technology sectors.

Due to the massive scale of Taiwan's Six-Year National Development Plan, there are abundant market opportunities within the infrastructure (building materials, construction, engineering and consulting industries) sector. There has recently been, however, a fresh boom in demand for consumer products, including imported durables. As well, the rising cost of labour and appreciating currency prices are forcing Taiwanese industry to rationalize and improve production automation and quality to remain globally competitive. Thus, there is significant potential in advanced equipment technologies, environmental goods and services and engineering consulting services.

Tourism is also a high-growth industry for both Taiwan and Korea, with spectacular growth in the order of 30 percent for Taiwan, and more than 100 percent for Korea over the previous year. Canadian Airlines International is expanding its service to Taiwan to keep up with the demand, while the dramatic increase in traffic between Korea and Canada can be attributed to Air Canada's new routes to Korea.

Canada's current top three export sectors to Viet Nam based on actual export sales are: agriculture-food, health care, and general machinery and equipment. There is considerable growth potential in these sectors as well as in oil and gas, transportation and telecommunications and informatics.