

with Japan. Beyond these priority relationships, Canada continues to engage with the rest of Asia as a founding and active member of Asia-Pacific Economic Cooperation (APEC) and through constructive interaction with the Association of Southeast Asian Nations (ASEAN), a major market for Canadian outward investment and partner in the campaign against terrorism. Canada also has strong ties with countries such as South Korea and Australia.

Mr. Martin, travelling in the region in January to express solidarity with the governments and populations of countries affected by the tsunami as well as to advance Canadian interests there both bilaterally and multilaterally, forged a number of historic agreements and declarations to further ties. These include a Canada-Japan Economic Framework to establish a comprehensive economic partnership between the two countries; a commitment by China to grant Approved Destination Status, allowing Chinese tourists to visit Canada more easily; and discussions with India on improving global governance and institutions. "The world's power patterns are changing," Mr. Martin said. "Asia is a dynamic region that holds tremendous opportunity."

### **Opportunity...**

The numbers speak for themselves. Within a generation, three out of the world's four largest economies will be

Japan, China and India. By 2020, the gross domestic product of northeast Asia alone as a percentage of global GDP is expected to eclipse that of the United States.

A mission led by International Trade Minister Jim Peterson in January to Shanghai, Beijing and Hong Kong, which included representatives from 280 Canadian companies, further developed commercial ties with China. More than 100 agreements were signed between Canadian and Chinese companies. "With China redefining global trade, a China business plan is no longer an option for Canadian companies; it's a must," said Mr. Peterson, who will visit India this spring.

Canadians are bullish about economic prospects in Asia and feel that stronger ties are vital to the well-being of this country. Those surveyed in a poll conducted last summer for the Asia Pacific Foundation of Canada said that Asia represents a region of dynamic growth and an opportunity for Canadian businesses and investment. More than 70 percent said that the Government of Canada should promote increased trade with Asia, while 73 percent believe that Canada should diversify its trade to be less dependent on the U.S.

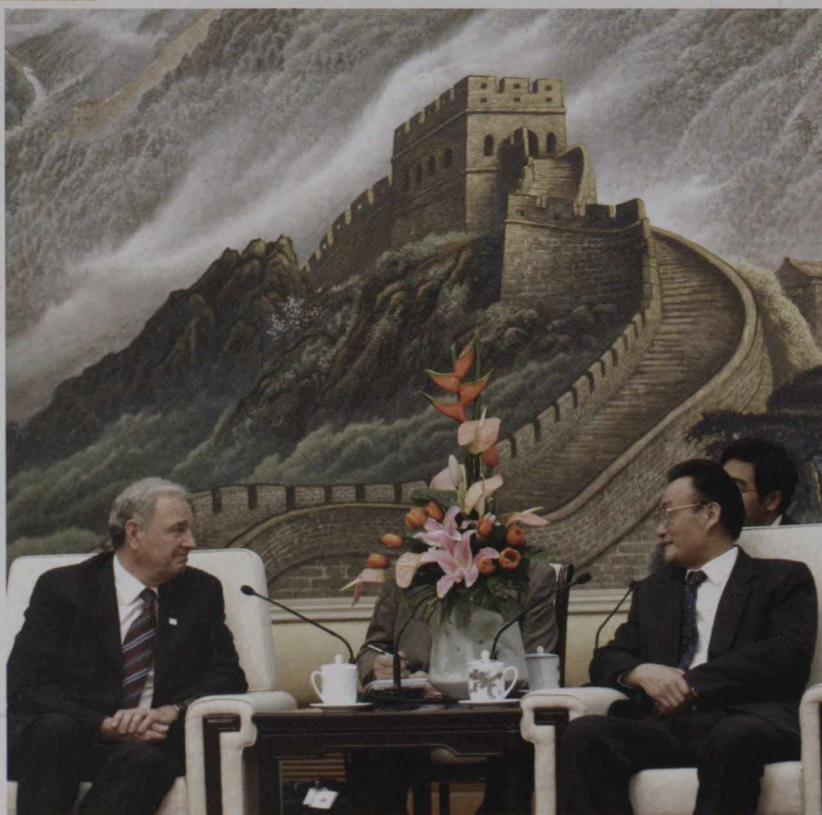
"The survey underscores the value that Canadians place on building stronger economic ties with Asian countries," says John Wiebe, President and CEO of the foundation. "Canadian firms that are skilled at delivering high-end services such as architectural and environmental design, education, financial services, software and telecom are succeeding in Asia. More can do the same."

However, succeeding in Asian markets requires preparation and commitment, says Ken Sunquist, Assistant Deputy Minister of the World Markets Branch for International Trade Canada. "Companies need to be prepared for the long haul in establishing relationships and building solid networks in Asia," he says, adding that the region is not homogenous. "Canadian companies need solid business plans that recognize both the challenges and opportunities in a specific market and build on the strengths of the relationship between the two countries."

### **...and challenge**

The region is equally important to security. Canada is working cooperatively with countries there to address threats posed by the proliferation of weapons of mass destruction, ballistic missiles and terrorism.

Canada actively advocates non-proliferation, is helping to build counterterrorism capacity and supports good governance initiatives throughout the region, including the promotion of human rights and judicial training as well as election monitoring and voter education in countries such as Indonesia.



Advancing Canadian interests: Prime Minister Paul Martin meets with Wu Bangguo, Chairman of the National People's Congress, at the Great Hall of the People in Beijing.