

BILATERAL RELATIONS

The relationship between Canada and Bangladesh has always been close and very cordial. Bangladesh is the largest recipient of Canadian aid. Prime Minister Trudeau visited Dhaka in November 1983. The visit to Canada in June 1983 of the Bangladesh Energy Minister, Sultan Mahmood, generated interest among Canadian exporters. In February 1987, Joe Clark became the first Canadian Secretary of State for External Affairs to visit Bangladesh. President Ershad visited Canada in October 1987 to attend the Commonwealth Heads of Government meeting in Vancouver. During this visit Minister Clark hosted a luncheon for the President to meet leading Canadian investors. Following this, the Secretary of Industry met with Canadian business representatives in Ottawa and Montreal in 1989.

In September 1987, a new five year bilateral restraint agreement concerning five categories of garment and textile products was reached. Full account was taken by Canada of Bangladesh's status as an LLDC, and Bangladesh accordingly received the highest growth rate for arranged textile exports to Canada. The annual growth in export restraint level ranges from 6% to 7.5%. A new restraint on sportswear, was added to the agreement in February 1988.

Canada and Bangladesh have concluded bilateral negotiations on the text of a Foreign Investment Insurance Agreement that is expected to be signed, in Dhaka, sometime in 1990.

COMMERCE

Canadian exports to Bangladesh in 1989 amounted to \$64.9 million, with imports of \$23.2 million. Exports to Bangladesh are largely financed under CIDA bilateral and food aid programs (90% in 1988). There are a large number of multilaterally financed projects in the oil and gas, power, and telecommunication sectors which are open for bids by Canadian companies. These are the major sources of financing for off-shore equipment purchases by Bangladesh. Although wheat shipments to Bangladesh have declined in the past few years, they continue to account for more than half of total Canadian exports. Readymade garments, jute products, frozen shrimps, and other food items account for the bulk of imports from Bangladesh.

CANADIAN MARKETING OPPORTUNITIES

- 1) Grains and oilseeds: Estimated annual market size(EMS) \$320 million; Major Competitors (MC) : U.S.A., Brazil, and EEC
- 2) Advanced technological products and services, including telecommunication equipment and radios: EMS \$26 million; MC: Japan, Germany and Finland
- 3) Oil and Gas Equipment, Services: EMS \$60 million; MC: Italy, Japan, and U.K.
- 4) Power and Energy Equipment and Services: EMS \$50 million
- 5) Multiple sectors - scrap steel and iron, bulk coal, pulp and paper, aluminum and zinc ingots
- 6) Possibilities for joint venture investments

CONTACTS

Patricia Oxley-Young
Counsellor
Canadian High Commission
P. O. Box 569
Dhaka 1000
People's Republic of Bangladesh
Tel: (011-880-2) 883-639
Telex: 64-2328 DMCN BJ
Fax: (011-880-2) 883-043

Gilles Potvin
Asia Pacific South Trade Development
External Affairs and International Trade
125 Sussex Drive
Ottawa, Ontario K1A 0G2
Tel: (613) 992-0952
Telex: 053-3745
Fax: (613) 996-4309