

forward to hearing your views. We also look forward to sharing views with Brunei as chair of next year's PMC.

Economic and commercial relations are an area of increasing promise and opportunity as private sector linkages continue to develop and expand. Two-way trade between Canada and ASEAN, now at almost \$5 billion, has more than doubled in the past five years and has tripled over the past decade. While we are confident that trade will expand even further, we are conscious of the need to remain competitive. However, we also need to work with ASEAN for greater mutual trade liberalization to improve market access for goods and services. I would look forward to hearing your views on how each of our governments can change our rules and regulations to allow greater trade and investment based on GATT-compatible principles.

For Canada's part, we view many of the provisions of the NAFTA as a model of how Canadian and ASEAN markets may be liberalized. For example, we are looking to start negotiations with a number of ASEAN countries on a new Foreign Investment Protection Agreement [FIPA] based on NAFTA principles. ASEAN countries received copies of the model agreement at the JCC. Over the coming months, Canada will also be tabling, through the JCC process, a number of market access issues in the insurance field that I hope ASEAN governments will review positively. We need more ideas on how we can help each other to give our respective private sectors a head start into the Asian and North American markets. Perhaps we can discuss this issue further today.

Canadian activity in ASEAN countries through joint ventures and other forms of investment continues to expand. At almost \$4 billion, Canadian investment in ASEAN represents an increasing proportion of overall Canadian foreign direct investment. We would like to see this figure increase and we also want to see more investment from ASEAN countries in Canada.

ASEAN's concerns about investment diversion caused by the NAFTA have been studied and the early evidence is that less than one per cent diversion will occur.

Canadian firms make good partners for ASEAN manufacturers interested in the growing NAFTA market. Canadian firms have the understanding of North American distribution that will be costly for ASEAN firms to acquire alone. As governments, we should facilitate these private sector partnerships.

Finally, I should like to say a few words here about our commitment to APEC and broader co-operation in the Asia-Pacific region. Canada regards our joint work in APEC and ongoing co-operation with ASEAN in the PMC as complementary and mutually reinforcing. We commend the leadership role of Indonesia this year in hosting the next APEC Ministerial and Leaders' Meetings.