

Singapore. Investments from Japan have, since 1986, surpassed those of the U.S. They were worth some \$328 million in 1989 (33 per cent) compared to approximately \$315 million (32 per cent) from the U.S. Investments from the European Community countries reached approximately \$319 million in 1989. The U.S. remains, however, the largest investor in Singapore on a cumulative basis. Recent investments were largely directed to the manufacturing sector, specifically for electronic components, computer, telecommunications and other high-precision equipment.

3.2 Canada-Singapore Trade

Trade is by far the most important feature of Canada-Singapore relations. Trade between Canada and Singapore is carried out under the General Agreement on Tariffs and Trade and Singapore is a beneficiary of Canada's General Preferential Tariff and British Preferential Tariff.

Trade between Canada and Singapore has more than doubled between 1985 and 1988. Two-way trade reached \$742.1 million in 1988, an impressive 60 per cent increase over the 1987 level. In 1989, the value of trade increased only slightly to \$746 million. Singapore exports to Canada, however, have increased more rapidly than Canadian exports to Singapore and have contributed to a rising trade deficit for Canada currently in the order of \$259 million. Singapore exports to Canada reached \$502.4 million and imports from Canada totalled \$243.5 million, a drop of approximately 11 per cent from 1988.

While two-way trade has been growing at a rapid rate, neither country is a significant player in the other's market. Canada's share of Singapore

imports is only 0.5 per cent of the total while its share of total Singapore exports is slightly higher at 0.9 per cent. Canadian investment in Singapore has been very modest, representing only a small portion of the net inflow of foreign investment in Singapore.

Over 70 Canadian companies, associations and representatives have offices in Singapore, including the 5 major Canadian banks. In addition, there are 12 signed agreements involving joint ventures or technology transfers between Canadian and Singapore firms in the services and manufacturing sectors (see Appendix). Canadian companies are also represented in Singapore through close to 200 agents and distributors.

Machinery, telecommunications and other electrical equipment, commodities such as precious metals and nickel, paper (including newsprint), aerospace equipment, base metals and articles, and fertilizers account for over half of Canada's exports to Singapore. Canada's trade strategy has targeted Singapore as a market opportunity for advanced technology products and services, agriculture and food products, the defence sector, aerospace equipment and services, medical and health products and services and the oil and gas sector. The bulk of these opportunities are associated with Singapore's increased sophistication in the manufacturing and service sectors. Recent major contracts awarded to Canadian companies in Singapore include provision of an advance lift telemonitoring system by Willowglen Systems Ltd. of Calgary (\$7.8 million), construction of an airport inter-terminal baggage system by UTDC of Toronto (\$6.1 million), the provision of a hydrographic system by Unisys Canada to the Port of Singapore (\$3.5 million) and the

Table 1 Relative Growth in Trade between Canada and Singapore
(\$ millions)

YEAR	CANADA'S EXPORTS	% OF TOTAL SINGAPORE IMPORTS	CANADA'S IMPORTS	% OF TOTAL SINGAPORE EXPORTS	TOTAL TRADE
1980	198.1	0.7	149.7	0.6	347.8
1981	145.6	0.4	174.6	0.7	320.2
1982	154.2	0.4	163.5	0.6	317.7
1983	126.7	0.3	168.4	0.6	295.1
1984	143.0	0.4	214.5	0.7	357.5
1985	106.4	0.3	210.5	0.7	316.9
1986	146.3	0.4	201.0	0.6	356.3
1987	167.9	0.4	261.9	0.7	429.8
1988	275.2	0.5	466.9	0.9	742.1
1989	243.5	0.4	502.4	0.9	745.9

Source: Statistics Canada