

## TRADE WITH SOUTH ASIA

Canadian exports to the South Asia region increased by approximately 8 percent over the previous year. Despite the highly protected and regulated nature of South Asian markets, Canadian companies see long-term potential in the region because of its vast market size. Significant sales were registered, particularly in the oil and gas sector in India and Pakistan. Trade delegations in both directions and visits of senior officials heightened awareness of opportunities. In June 1990, Mr. Ajit Singh, the Indian Minister of Industry, addressed a major business conference in Montreal and visited industries in Quebec and Ontario.

## AUSTRALASIA: AUSTRALIA, NEW ZEALAND AND THE SOUTH PACIFIC

Canada has continued to enjoy close political, economic and trade relations with Australia and New Zealand. Cooperation continues with these nations on a myriad of issues including Commonwealth and United Nations affairs, defence cooperation, regional developments and the environment. Canada, Australia and New Zealand consulted closely on multilateral trade negotiations during the current Uruguay Round, specifically through the Cairns Group on reform in agricultural trade.

Canada's close cooperation with Australasia was highlighted by a number of high-level visits which included Australia's Minister for Foreign Affairs and Trade, Senator Gareth Evans, in January 1991.

## TRADE WITH AUSTRALIA

Canadian trade with Australia in 1990 was characterized by a decline in both countries' exports caused by recession in both economies. Canadian exports, which in 1989 totalled just over \$1 billion, fell 18 percent to \$846 million, while imports from Australia also declined. Canada's relative position as an exporting nation to Australia did not change, however, and Canada continues to be Australia's sixth largest source of imports. Australia is an important market for Canadian high-technology goods and services, and opportunities should strengthen as the country deregulates and privatizes its telecommunications sector.

Some significant highlights include MacDonald Dettwiler's \$27-million sale of computerized equipment to the Australian National Aeronautical

Authority, and DMR Group Inc.'s sales of \$23 million for systems integration for the state of Victoria's taxation office. Northern Telecom won significant contracts to provide digital switching equipment. Canpotex achieved sales of \$35 million in 1990.

## TRADE WITH NEW ZEALAND

Canadian exports to New Zealand decreased by about 8.6 percent over 1989 figures due to the current recession affecting both countries. Canada's position in the New Zealand market is still very strong and New Zealand remains an important market for Canadian manufactured goods. In 1990, McCain Foods acquired its first New Zealand operation, a food processing company called Alpine Foods. Also in 1990, Petrocorp Exploration Canada Ltd. acquired, for more than \$118 million, virtually all of Amoco Canada's interests in the Provost area of East Central Alberta. Petrocorp is a wholly owned Canadian subsidiary of Petrocorp Exploration Limited which is, in turn, a wholly owned subsidiary of Fletcher Challenge Limited of New Zealand. Bell Canada International co-founded and owns 25 percent of Clear Communications Ltd., now a major player in New Zealand telecommunications.

## SOUTH PACIFIC ISLANDS

Canada worked cooperatively with the island countries of the South Pacific, notably through a development assistance initiative focusing on fisheries management, ocean development projects, typhoon relief and small-scale community projects.

Canada was pleased to attend the second South Pacific Forum Dialogue Meeting held in Port Vila, Vanuatu, in August 1990. The South Pacific Forum consists of 15 member nations, and Canada is one of the six dialogue partners, along with the U.S., U.K., France, Japan and China. Through the Honourable Pat Carney, who represented the Secretary of State for External Affairs at these meetings, Canada consulted on a wide range of issues, including the environment, driftnet fishing, and development in the South Pacific region.

In August 1990, Canada participated in an observer capacity at the peace talks between the Papua New Guinea national government and the rebels on the island of Bougainville.