

Agenda on Revitalizing Mining in the Philippines (approved by the President in early January 2004). A best practices study tour to Canada for civil society stakeholders led to a better understanding of industry issues by such stakeholders. The result should be an improved investment environment, which will reduce some of the challenges faced by Canadian investors in the sector.

CAMBODIA

Overview

Cambodia has a relatively open, market-oriented economy. Government reforms are ongoing, and Canadian exporters do not face major market access barriers. At nearly 5%, Cambodia's economic growth continued in 2003, although it was slowed by SARS and an upsurge in terrorism in the region. The World Bank is predicting a strong 6% for 2004. Local partners are key to doing business successfully in Cambodia, since informal barriers to trade do exist. In 2003, Canadian exports to Cambodia totalled \$1.4 million, while imports from Cambodia shot up to \$84 million as a result of the Market Access Memorandum of Understanding signed in January 2003.

WTO members approved the accession of Cambodia in September 2003, making it one of only two least-developed countries (with Nepal) to gain access to the organization since 1995. Canada supported Cambodia's efforts to accede through the provision of accession-related technical assistance. Canada is also co-sponsoring the APEC Economic Integration Program, which aims to help six Southeast Asian developing economies (including Cambodia) strengthen their trade facilitation and negotiation capacities. In addition, Cambodia has developed a Pro-Poor Trade Policy Strategy, as one of three pilot countries under an integrated framework supported by six core agencies (International Monetary Fund, U.S. International Trade Commission, UN Conference on Trade and Development, UN Development Programme, World Bank and WTO).

Market Access Results in 2003

- Cambodia's application to accede to the WTO was accepted.

- Canada and Cambodia signed the Market Access Memorandum of Understanding, pursuant to Canada's least-developed countries initiative, which permits virtually all exports to enter Canada without duties or quotas.

Canada's Market Access Priorities for 2004

- Advocate the interests of Canadian companies with respect to projects funded by international financial institutions.
- Continue to press for progress in corporate governance and judicial reform, which act as non-tariff barriers to Canadian trade and investment.

BRUNEI DARUSSALAM

Overview

Brunei has a stable and open market economy, with the second highest per capita income in Southeast Asia. Its macroeconomic stability is underpinned by the state's strong cash flow from its oil and gas revenue, international reserves and the currency peg (the Brunei dollar is pegged to the Singapore dollar). Brunei's domestic economy is dominated by the public sector and by government spending on development projects. The economy has been stagnant since 1997 as a result of setbacks to the government's fiscal position following the Amedeo crisis combined with low energy prices. Business confidence and domestic consumption are further affected by the government's limited ability to execute new spending programs, and by the slow pace of reforms aimed at improving competitiveness and the ability to attract foreign investment.

There are a few major barriers to trade, such as Halal requirements for certain foodstuffs and the prohibition of alcohol. There is also the need to rely on local partners for government contracts on significant projects. Bilateral trade between Canada and Brunei totalled \$6.9 million in 2003, down from \$8 million in 2002. However, Canadian exports to Brunei grew from \$1.8 million to \$2.7 million over the same period.