

## CANADA-ASEAN INVESTMENT OVERVIEW

Total Canadian investment in ASEAN is estimated in the range of \$2 to 3 billion, which represents about 3% of total Canadian direct investment overseas. Indonesia and Singapore are the focus of Canadian investment in the region. There is increasing Canadian investment interest in ASEAN countries, reflecting growth and liberalization in regional economies.

The Singapore financial sector accounts for over half of the total. Canadian investment in the ASEAN financial sector represents nearly 6% of total Canadian direct investment overseas in that sector. Traditionally, Canadian investment in ASEAN has focussed on resource development, led by INCO's \$1.2 billion mining and smelting operation in Indonesia. Canadian oil and gas firms are also active in petroleum exploration and production in Indonesia. Canadian investment in the resource sector in ASEAN amounted to close to 40% of the Canadian total in the region and represented over 8% of Canadian investments worldwide in this sector. Bata has longstanding involvement throughout the region, and Northern Telecom and Alcan are also present.

The most visible new Canadian investment interest in ASEAN is Lavalin/UTDC's bid to build and operate the Bangkok Mass Rapid Transit project, a venture worth over \$2 billion. Success in getting that project underway should stimulate additional Canadian involvement in the region.

Canada's Enterprise Collaboration project in Thailand and its Enterprise Malaysia-Canada project, both funded by CIDA, are structured to bring Canadian and ASEAN investors together for joint ventures in those two ASEAN countries. CIDA's Industrial Cooperation programme continues to provide support to Canadian firms investigating investment possibilities in the region. Canada has also supported Canadian investment advisors assigned to investment agencies in the region, in particular Malaysia and Indonesia.