

Southeast Asia

Southeast Asia is now recognized as having some of the most dynamic economies in the world. It also offers better market access than some of the other Asia-Pacific nations. As a group, this region (members of the Association of Southeast Asian Nations [ASEAN] and East Timor) is one of Canada's major trading partners, ranking fourth after North America, Europe and East Asia. Canada trades approximately \$10 billion every year with Southeast Asia. Southeast Asia is also one of the major regions for Canadian investment abroad, which was valued in excess of \$11 billion in 2002.

Structural reform and trade liberalization in most of the Southeast Asian countries have helped to improve trade prospects. All Southeast Asian states, with the exception of East Timor, are members of the World Trade Organization or in the process of accession. This is testimony to the progress these countries have made in opening markets, strengthening institutional structures and adopting international standards. ASEAN WTO members have been active in the Doha Round of negotiations, and they agree that continued progress is tied to gains in agricultural and non-agricultural market access and rules such as those on anti-dumping, subsidies and countervailing measures. Southeast Asia, like Canada, stands to gain from better access to global markets for services and from commercially significant liberalization in goods. The requirements of the ASEAN Free Trade Area (AFTA) and bilateral trade agreements have also contributed to deregulation in the region.

SINGAPORE

Overview

With one of the world's most open and transparent trade and investment regimes, Singapore presents few barriers to Canadian goods and services, with the most notable exceptions being measures relating to alcohol, tobacco and chewing gum. The same open policy also extends to immigration, because the Singapore government actively encourages foreign talent to live and work in the city state.

Singapore continues to offer significant growth opportunities for Canadian exporters and investors. In 2003, Canadian exports of goods to Singapore were valued at \$438 million; down 24% from a record high in 2002, but still above the previous four years. Goods imports from Singapore amounted to \$1 billion, for an increase of 5.5% over the same period. Bilateral trade in services between the two countries also continues to grow and was valued at \$963 million in 2001.

Already the region's premier transportation hub, Singapore has invested heavily to position itself as a Southeast Asian hub for information and communication technologies, financial services, life sciences and cultural industries. To support the development of these knowledge-based industries, in 2001 Singapore converted the Intellectual Property Office of Singapore into a statutory board under the Ministry of Law.

In October 2001, Canada and Singapore launched negotiations toward a bilateral free trade agreement. Since then, Canada and Singapore have held six full rounds of negotiations, which covered a comprehensive range of topics, including trade in goods, customs procedures, trade facilitation, services, financial services, investment, government procurement, competition and telecommunications. The trade agreement, when complete, will improve the ability of Canadian firms to export to, and invest in, Singapore in areas still subject to barriers. In addition, Canada is pursuing parallel instruments on labour and environmental cooperation with Singapore.

Market Access Results in 2003

- Three rounds of negotiations toward a bilateral free trade agreement were completed in 2003.

Canada's Market Access Priorities for 2004

- Continue representations aimed at removing Singapore's BSE measures on imports from Canada.
- Work toward resolving outstanding issues in the bilateral free trade negotiations, in order to remove remaining barriers to trade in goods and improve overall access for Canadian investment and services in sectors such as financial and professional services.