

## Canada-Malaysia Trade

Vigorous economic growth, industrial diversification, political stability and the market orientation of the Malaysian government's economic policies combine to make Malaysia an attractive investment destination and a valuable economic and trading partner for Canada.

Two-way trade between Canada and Malaysia reached a high of \$583 million in 1989. The balance of trade has been in favour of Malaysia since 1986, but this surplus is now narrowing. Canadian exports to Malaysia totalled \$218.6 million in 1989 (up 14 per cent from 1988) while imports were valued at \$320.1 million, slightly below the 1988 figure of \$323.9 million.

Canadian services, such as engineering consultancy, far exceed the sum of our major exports. However, these services are not accounted for in trade flow figures, which consequently do not fully express the size of the Canada-Malaysia commercial relationship.

Exports from Malaysia to Canada continue to consist predominantly of manufactured goods, primarily electrical products made in Malaysia by foreign-owned companies for the export market. Canadian exports to Malaysia represent a more diverse mixture of goods, consisting in 1989 of primary resources (30 per cent), semi-processed goods (45 per cent), and fully manufactured goods (25 per cent).

Malaysia, which has a population of 17.6 million and a per capita income of US\$1,856 a year, offers a potential market for advanced technologies, including informatics and telecommunications; oil and gas equipment and services; agriculture and food product services; defence-related products and services; and power and energy-related equipment and services.

The Canadian International Development Agency (CIDA) is playing an important role in the promotion of business development in Malaysia through increasing business ties between Canada and Malaysia. A new venture entitled Enterprise Malaysia-Canada, funded under Canada's bilateral aid program, will promote the transfer of Canadian technology and know-how to Malaysia through joint ventures and other co-operative endeavours between the private sectors in both countries.