Implementation

The investment and partnering programs in Australia and New Zealand should be expanded to include three main elements:

- Corporate liaison or outreach and maintaining contact with investment facilitators, exploiting the access and influence of Heads of Mission but not confining calls to this level;

- Focus on the development of investor relations and servicing elements at each mission by integrating investment themes into events such as business seminars, or major trade/technology fairs; this would include the identification and tracking of companies developing new products and technologies, particularly through government funded programs;

- Executive speakers or industry experts recruited in Canada; including identification of opportunities to speak at industry conferences.

Strategy for Promoting Investment and Strategic Alliances with Malaysia

Objectives

- To encourage Canadian firms to seek equity capital and partners for developing technology from appropriate Malaysian firms;

- To promote the Canadian economy as a reliable investment destination for Malaysian capital and the advantages of serving the US and Mexican market under the NAFTA;

- To promote Canadian expertise in infrastructure development for use in Malaysia and through partnerships with Malaysian firms in third countries, in particular, in the mass rapid transit, aerospace, telecommunications, and tourism sectors;

- To promote Canadian education and corporate training services; and

- To promote to Canadian firms the concept of Malaysia as the pivot for alliances with the Association of Southeast Asian Nations (ASEAN), China, South America, South Africa, other African countries and some muslim economies.

Background

Malaysia is on the move in spite of recent setbacks such as a 16% devaluation of the ringgit against the US dollar between June and September 1997 and a five-year low for the Kuala Lumpur Stock Exchange Composite Index in September 1997. Malaysian economic and financial analysts are concerned about the devaluation's impact on interest rates and the country's large current account deficit, bearing in mind that over 75% of Malaysia's foreign debt is denominated in Yen and the major portion of capital good imports are from Japan. The Malaysian economy continues to be generally sound, with growth remaining on track. There may be little impact from a Canadian perspective, as many of our exports are destined for Malaysia's growth sectors, however should the ringgit not regain ground, Malaysia may place a restriction on imports.

as low inflation, high savings rates and enthusiasm for education, as well as relatively stable politics

Compared with developing nations in other parts of the world, Malaysia and other Southeast Asian economies have relatively solid macroeconomic fundamentals, such as low inflation, high savings rates and enthusiasm for education, as well as relatively stable politics. However, a "downshifting" from the exceptionally high annual growth rates of the past few years to the more "mature" rates of 4-5% can be expected in the near term. Malaysia may still achieve its Vision 2020 ahead of schedule and become a developed nation before long. It is time for Canada to take advantage now while the opportunities are there. Canada should not wait for its competitors to have secured the best markets before efforts are launched which will bring only minimal results, as happened in Thailand 15 years ago.

Over the last 9 years, Malaysia has had sustained growth in GDP of 8 percent per