

THE PHILIPPINES

Renewed Optimism Prevails Throughout the Country

The renewed optimism in the Philippine market is evident everywhere: in Manila's crowded shopping malls; in the number of new office towers under construction in Makati and Ortigas; at the mass housing developments in city suburbs; and at the many manufacturing plants in the economic processing zones that are mushrooming throughout the country.

Economic Overview, Bilateral Trade

The remarkable 7.06 per cent growth in Gross National Product (GNP) during the first half of 1996 is the result of robust domestic production, combined with inflows from abroad.

This is the first time the growth rate has surpassed 7 per cent since the first half of 1990.

Exports and investments are driving the economy, with President Ramos' commitment to economic reform markedly improving trade and investment prospects. The economic reforms, combined with an environment of peace and political stability, are beginning to bear fruit. The financial, transportation, and telecommunications sectors are all experiencing high growth rates.

Since 1985, trade between Canada and the Philippines has grown almost six-fold, reaching \$825 million in 1995. During the same period, Canadian exports to the Philippines blossomed from \$46 million to close to \$328 million, while imports from the Philippines increased from \$109 million to \$497 million.

Positive Policies

The policies and attitudes that the Government of the Philippines has put in place are the basic elements that underlie the dramatic rise in Canadian activity in the Philippines.

Early in this decade, and despite being part of one of the most dynamic growth areas in the world, the country was experiencing negative growth.

Since 1993, a number of market-related changes have been implemented. These changes greatly liberalized the Philippine economy and established ground rules that are conducive to both domestic and foreign investment. Peace initiatives that engage dissident groups are creating a climate of political stability that had been lacking for at least a decade.

Opportunities

Opportunities in all sectors of the economy exist for Canadian firms. A massive investment in infrastructure — commensurate with its goal of reaching emerging Asian Tiger status by the year 2000 — requires technology, machinery, equipment and services, creating tremendous opportunities for Canadian firms.

Most noteworthy, perhaps, are the opportunities in the telecommunications, power and energy, transportation, engineering and high technology sectors.

The increase in per capita income means a substantial middle class is emerging in the Philippines. In a country that is arguably the most "western" nation in the region, this middle class is creating substantial opportunities for Canadian consumer and food products.

Opportunities for traditional Canadian exports, such as agricultural and resource commodities, remain buoyant.

"People-to-people links" between Canada and the Philippines — there are over 200,000 Filipino-Canadians — are having a posi-

tive effect on the trading relationship between the two countries.

Team Canada Timing Opportune

Canadian exporters have demonstrated growing interest across a broad spectrum of sectors in the Philippines. The Team Canada Mission to the Philippines in January 1997 comes at an opportune time: the Philippine economy has turned around; expectations of a bright future prevail; and the activities of international competitors are intensifying.

Team Canada: Who Benefits

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panies active in the same markets;

- strengthen relationships with local business partners and meet potential new clients and counterparts;
- have an opportunity to sign commercial contracts before the Prime Minister, Premiers, Territorial Leaders, senior Canadian Cabinet Ministers and Ministers of the foreign governments. This opportunity can serve as an incentive to all parties to fulfil the obligations of the agreement in the months and years following the mission.

The benefits of Team Canada trade missions also extend beyond individual companies. Increased international trade and investment have been proven to create or sustain jobs in Canada which, in turn, lead to economic growth and a higher standard of living for all

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