

Your Royal Highness, it gives me great pleasure to have you as coordinating minister for the Asean-Canada dialogue. I have been gratified and impressed with the support from you and your officials, Your Highness, since the PMC in Bangkok last July. The transition has been remarkably smooth. I am confident that Canada-Asean relations will continue to grow with the guidance and support of Brunei.

Your Highness, in reviewing the state of Canada-Asean relations, I am struck by the range of cooperative activities. One of the most important areas is our bilateral trade.

Each year that I have had the privilege of coming to Asean, I have been able to report that our bilateral trade is growing by leaps and bounds. This year, Your Excellency, is no different. 1988 saw another 33% increase in our bilateral trade, reaching a total value of \$2.6 billion. This represents a 75% increase in trade over the last two years alone. I understand that preliminary figures for 1989 reveal that the trend continues upward. We could be close to \$3 billion in total two way trade this calendar year.

I am sure you would find this most encouraging, especially since Asean enjoyed a surplus of \$300 million in 1988. But we cannot be complacent. We must continue with our efforts to fully exploit the tremendous potential which exists in our industrial and economic relationship. I note that our trade accounts for about 1% of our respective exports. I would hope that number too will soon move upwards.

Your Highness, Canadian direct investment in Asean has increased ten-fold in the past decade, amounting to an estimated \$1.5 billion in 1987. In the past year, there have been at least five new joint venture or licencing agreements in Asean countries (Malaysia, Philippines, and Thailand) in the agricultural, automobile manufacturing and construction sectors. We have also been referring Canadian firms to appropriate contacts in Asean for information on the Asean industrial joint venture scheme. Asean has made some important changes to the scheme which could be better publicized in Canada. I would encourage you to pursue vigorously the opportunities which exist in Canada.

We must continue to encourage and assist our private sectors to learn about, and seize, the opportunities in our respective countries. I hope that the private sector will be able to participate in the next meeting of the Joint Cooperation Committee meeting in Brunei in November especially in light of the priority which your Heads of Government have placed on engaging the private sector in the dialogue process.