

The ASEAN countries have proved to be the fastest-growing regional economy not only in the Pacific, but in the world. Annual ASEAN Gross Domestic Product growth rates averaged between 6 and 8% through the 1970s and early 1980s. In the past year, however, lower prices for energy products, depressed markets for commodity exports, slower world trade growth and increasing protectionism in the developed world have handicapped their economic performance.

Despite the current world economic slowdown, the relatively stable ASEAN economies present Canada with opportunities to expand trade relations. With the exception of the Philippines, growth projections remain solid at 3 to 4% annually to the end of the decade.

ASEAN countries are currently encouraging Canadian businessmen to explore trade and investment opportunities. At present, ASEAN's three traditional trading partners are the U.S., Japan and the European Community (EC), but Canada represents an attractive alternative supplier.

Canadian exports to ASEAN are principally resource products, capital goods, and materials to meet industrial processing and manufacturing requirements. These include metals, minerals, forestry and agricultural products and manufactured goods such as mining machinery, aircraft and telecommunications equipment. The three sectors chosen for the Forum are among the most promising for Canadian exporters.

Canada is a consumer of rubber, tin, tea and, other commodities which are among the ASEAN countries' major exports. Total two-way trade between Canada and the ASEAN was almost \$1.4 billion Cdn in 1985, placing ASEAN as Canada's eighth most important trading partner (ahead of France and Italy).

The Government's determination to consolidate existing Pacific Rim markets, and to expand into new ones, is expressed in the Pacific Rim Initiative, a major component of the National Trade Strategy. The Canada/ASEAN Forum, placing special emphasis on the fastest growing region within the Pacific Rim, is a step in this direction.