Canada Reports Volume 2, No. 6

Canada's trade minister also announced that the Export Development Corporation (EDC) had re-established lines of credit totalling \$40 million with the subsidiaries of four Canadian banks in Singapore. The lines will assist Canadian exporters in the Asia/Pacific region by providing their buyers with accessible credit facilities.

A further announcement indicated that a number of Canadian firms might participate at a Gateway to China Conference, April 17-19, in Singapore. A Canadian solo event involving 20-25 Canadian firms is also under consideration for 1986.

Mr. Kelleher said that over the past few years the success of Singapore firms in penetrating certain sectors of the China market has attracted increasing international attention. Canadian firms have expressed a growing interest in associating with the investment and marketing activities of Singapore companies in China.

In discussions with Singapore Trade and Industry Minister Tony Tan, Mr. Kelleher stressed the importance Canada attaches to co-operation with Singapore in the next round of Multilateral Trade Negotiations (MTN). He said that on the basis of his discussions, he expected Singapore to play a constructive role in the negotiations.

Contracts in Indonesia

In Jakarta, Indonesia, February 12-14, Mr. Kelleher announced contracts valued at more than \$80 million. They included:

- the sale of \$30-million worth of potash to Indonesia by Canpotex and Potocan;
- financing support of \$13.6 million for Sydney Steel Corporation (SYSCO) of Sydney, Nova Scotia for the Bukit Asam Coal Rail Transportation project;
- a \$10-million order for the supply of PT6T-3B twinned turboshaft engines from Pratt and Whitney Canada for the *Bell 412* helicopter which is being assembled by (PT Nurtaio) the Indonesian aircraft manufacturer;
- an allocation of \$36.5 million for the supply of telecommunications equipment and services for the Bukit Asam Coal Rail Transportation project in South Sumatra by International Aeradio (North America) Limited of Richmond Hill, Ontario; and
- financing support of \$548 214 (US) for the sale of telecommunications training equipment by Lab Volt Limited of Montreal.

Mr. Kelleher also announced that the EDC and Indonesia had agreed to extend the expiry dates from October 15, 1985, to June 30, 1987, of a \$122.7-million (US) multiple disbursement agreement loan to support the supply of Canadian goods and services for the Bukit Asam Coal Rail Transportation project. The Canadian International

Development Agency (CIDA) loan of \$45 million (Cdn) was also extended.

A Memorandum of Understanding was signed to provide co-operation in earth and field sciences between the Geological Survey of Canada and the Directorate of Mineral Resources of Indonesia. "The agreement will promote a greater awareness in Indonesia of Canadian expertise in the mineral survey sector and of the interest of Canadian seismic and geophysical firms including consultants in this highly technical and specialized area," Mr. Kelleher said.

At a luncheon prior to the first joint meeting of the Canada-Indonesia Business Council and the Indonesia-Canada Business Council, Mr. Kelleher said both councils would "be a powerful force in expanding business between the two countries". He added that the Canadian government was giving \$10 000 to the Canada-Indonesia Business Council "to increase the awareness of the Canadian business community of the business environment in Indonesia".

In meetings with President Soeharto and other ministers, priority sectors targetted by Canadian exporters such as power, telecommunications, oil and gas, and forestry were discussed.

Mr. Kelleher also discussed the forthcoming MTN and encouraged Indonesia to work with Canada in areas where the two countries have common interests, such as trade liberalization in agriculture and resources products, tighter disciplines on contingency protection measures and strengthened dispute settlement procedures.

Priority areas in Malaysia

During his two-day visit to Malaysia, February 15-18, Mr. Kelleher met with Prime Minister Mahathir bin Mohamad and other leading ministers. He emphasized that Canadian industry was prepared to work with the Malaysian private sector in priority areas identified in the Malaysian Five Year Plan. These sectors coincide with areas of Canadian strength such as telecommunications, power, and oil and gas.

A number of contracts and projects were announced for the sale of products and services in Malaysia. They included:

- a \$10-million (US) supplier credit protocol between the EDC and Malayan Banking Berhad of Malaysia to support the sale of Canadian capital goods and services;
- two contracts for \$600 000 with CEGIR
 Inc. of Montreal for consulting services with the Small-Scale Entrepreneurial Development Project;
- funding amounting to \$300 000 for Walsh Inc. of Montreal to carry out a feasibility study on the construction of an experimental

palm oil mill for the Palm Oil Research Institute of Malaysia; and

 the opening of a Bell Canada International office in Kuala Lumpur as the site for its regional headquarters in Southeast Asia.

The Canada-Malaysia Conference is scheduled to take place in Ottawa, October 7-9, to promote mutual awareness between the two countries. The program will include discussions on economic relations, industrial strategy and social issues.

Funding for Thailand

Contracts and lines of credit worth more than \$25 million announced at the conclusion of the three-day visit to Thailand, February 18-21, included:

- a \$6.86-million contract to Envirocon International Limited of Vancouver to provide technical assistance in the development of a fisheries program in northeast Thailand;
- a \$1.543-million contract to DIGIM Inc. of Montreal to provide technical services to the National Research Council of Thailand in its Landsat project;
- a \$381 600 contract with Acres International of Niagara Falls for a feasibility study for the Sirikit Power Station;
- a \$475 000 contract to Magee Robertson International to undertake an agro-industrial joint venture identification project; and
- a \$485 000 contract to Shawinigan Integ of Vancouver to study possibilities for a pumped storage hydro project at Nam Chern.

Some \$17 million in loans, also announced, will be used to assist Thai private sector firms and government-controlled corporations to purchasing Canadian goods and services over the next three years.

Mr. Kelleher presented \$525 000 to the Asian Institute of Technology for their human settlements program. Under this \$3.8-million (Cdn) project, CIDA is providing scholarships for some 120 Asian students, as well as faculty support, research, and short-term training support to programs.

In addition, Mr. Kelleher announced that the Asia Pacific Foundation of Canada, in conjunction with the Industrial Finance Corporation of Thailand and the Board of Investment, will convene an investment seminar in Thailand in the fall of 1986.

He also said that under the Asia Pacific component of the national trade strategy, market studies in agro-food processing, telecommunications, and defence products are being made in Thailand for Canadian companies.

In discussions with Prime Minister Premand other ministers, Mr. Kelleher emphasized that "the next round of MTN is the best means open to trading nations to turn back the protectionist tide, lower trade barriers, and strengthen the multilateral trading system".