

such as wheat and cereals, copper, iron and zinc, and semi-transformed products such as steel, pulp, paper and fertilizers. While these products were an important component of Canada's overall exports a decade ago, manufactured goods also figured much more prominently as exports then. Canada's trade strategy has targeted the Philippines as a market opportunity for advanced technology products and services; mine, metal and mineral products and services; the power and energy sector; grains and oilseeds; and agriculture and food products and services.

The Philippine government's policy of import liberalization has renewed Canadian business interest in the Philippines. While tariffs remain high and some products are still subject to import controls, there are no particular labelling, packaging or standards requirements and relatively few non-tariff barriers to export in the Philippines. Many Canadian exporters, however, have been cautious in pursuing business and investment opportunities in the Philippines in the recent past because of the uncertainties and perceived risks associated with the political and economic situation. Nevertheless, the steadily increasing number of Canadian business visitors to the Philippines continue to be successful in promoting their exports locally. In 1988 and 1989, over 95 per

cent of all exports to the Philippines were arranged on a cash basis, with no concessional financing or involvement on the part of the Export Development Corporation (EDC).

Canada represents a growing market for Philippine exports. The Philippines has been eligible for tariff preferences under the Canadian General Preferential Tariff scheme since 1974. Philippine exports to Canada have been traditionally dominated by textiles and agricultural and fisheries products (45 per cent of total exports in 1980 and 47 per cent in 1989). Recently, exports to Canada have grown in sophistication with the introduction of electric and electronic products and equipment and other durable goods. In addition, in 1989, the Philippines was the fifth largest supplier of clothing to Canada. The Memorandum of Understanding for Fish Inspection, signed during the visit of President Aquino to Canada in late 1989, could also lead to increased imports of Philippine canned tuna and frozen shrimp.

Canadian investment interest in the Philippines dates back to the 1880s when Sun Life of Canada established operations in Manila. Canadian investment was relatively modest until the 1970s with the arrival of Placer Dome (operating in the mining sector) and British Columbia Packers which set up a

Table 2 Canada's Principal Exports to the Philippines
(\$ millions)

PRODUCT CATEGORY	1980	(%)	1985	(%)	1989	(%)
Wheat and other cereals	8.0	(9.6)	—	—	50.5	(23.0)
Copper	1.3	(1.5)	—	—	38.6	(17.6)
Iron and steel	7.3	(8.8)	4.3	(9.4)	25.1	(11.4)
Pulp, paper, paperboard and articles	6.7	(8.0)	9.9	(21.8)	21.1	(9.6)
Fertilizers	6.2	(7.4)	2.8	(6.1)	11.4	(5.2)
Machinery and mechanical appliances	11.9	(14.3)	2.2	(4.8)	11.3	(5.1)
Zinc and articles	2.7	(3.2)	3.5	(7.6)	10.2	(4.6)
Plastics and articles	3.6	(4.3)	0.7	(1.5)	9.7	(4.4)
Milk powder	—	—	2.2	(4.8)	8.2	(3.7)
Textiles	2.3	(2.7)	4.1	(8.9)	5.8	(2.6)
Electrical machinery, equipment/parts	13.0	(15.6)	2.4	(5.2)	5.7	(2.6)
Organic chemicals	0.1	(0.1)	2.1	(4.6)	2.4	(1.1)
Helicopters	—	—	—	—	2.2	(1.0)
Sulphur	2.0	(2.4)	1.1	(2.4)	1.3	(0.6)
Asbestos	3.0	(3.6)	0.3	(0.6)	0.5	(0.2)
Other	12.0	(14.4)	7.3	(15.9)	15.5	(7.0)
TOTAL	83.0	(100)	45.7	(100)	219.4	(100)

Source: Statistics Canada