

## Canada-Vietnam Relations

Bilateral trade between Canada and Vietnam is modest. In 1989, total trade between the two countries was approximately \$18 million. That figure comprised \$2.8 million in exports from Canada and \$15 million in imports from Vietnam.

Low technology petroleum products, fertilizer and steel represent a large part of Canadian exports, while imports from Vietnam consist predominantly of prawns, shrimp and textiles.

Interest in stronger commercial ties has begun to grow recently as many Canadian companies now recognize the potential of infrastructure development projects in the oil and gas, telecommunications, hydro-electric power and transportation sectors.

The 120,000-strong Vietnamese-Canadian community is expected to forge new business links with the country as Vietnam opens its market to foreign collaboration and investment. Vietnam has embarked upon a process of economic liberalization although recent pronouncements by government officials indicate some hesitancy about this course.

Canada opened diplomatic relations with North Vietnam in 1973, which continued uninterrupted with the Socialist Republic of Vietnam after unification in 1976. Relations are maintained through Canada's ambassador in Bangkok.

Although Canada has never imposed trade restrictions on Vietnam, the Vietnamese invasion of Cambodia in 1978 resulted in strained relations and the cessation of Canada's aid program.

On March 14, 1990, the cabinet decided to resume official development assistance to Vietnam, as well as to Laos and Cambodia. During the next five years, the Canadian International Development Agency (CIDA) plans to allocate about \$20 million in aid to Vietnam.

The extent of Canadian assistance will be predicated upon several factors, including Vietnam's human rights record and its role in the peace process in Cambodia.