

The Asia Pacific region offers a variety of opportunities for Canadian exports ranging from wheat and grains to sophisticated high technology items. From straight export sales of bulk commodities through intricate joint venture manufacturing arrangements to enormous turn key projects, the region is a market for all Canadian exporters.

Japan, the industrial giant of the region offers an excellent opportunity for diversified exports. With a population of 120 million, a per capita GNP of approximately \$12,500, and low unemployment rate, it boasts the second largest free market economy in the world. Sales of raw materials are expected to increase in 1984 and beyond, although industrial restructuring which emphasizes "knowledge" industries rather than traditional heavy industry is expected to have a moderating effect on this growth. The traditional surplus in our trade with Japan has been based largely on raw materials and is decreasing steadily. To prosper in this market Canada must expand and diversify its exports. Canada has consistently been in a deficit position in machinery, consumer goods and processed raw materials.

Japan also offers Canada a substantial opportunity for investment capital. Japanese industry tends to invest in its suppliers and increasingly, to protect its markets. Ways must be found to attract such investment to Canada.

China and India, the two most populous countries of the world continue to offer great promise for Canada. China is Canada's fifth largest market. With its new "open door" policy and rapid move toward decentralization it offers new and challenging opportunities in agriculture, energy, mining, oil and gas, aerospace and telecommunications. India, whose current pipeline of projects to be financed by the World Bank alone totals US \$5.7 billion, embarks on its seventh 5-Year Plan in 1985. This is expected to provide new opportunities in power generation, oil and gas equipment, railway modernization and telecommunications. Both countries are aggressively pursuing a policy of absorbing technology through joint ventures and licensing to upgrade their industrial base. Financing is also extremely important.

Southeast Asia (ASEAN) is the fastest growing regional economy in the world. 55-67% of ASEAN annual imports of US \$80 billion (all sources) are machinery, transportation equipment and other manufactured goods. Over the next few years new opportunities are expected to arise for telecommunications, power generation, urban transportation, oil and gas equipment and services, and aerospace.

Australia and New Zealand offer Canadians a total market of approx. \$900 million, over 1/2 of which is in fully manufactured goods. Major opportunities exist in the areas of agricultural equipment, videotext, aircraft, oil and gas drilling equipment, engineering consulting services, and telecommunication equipment.

Hong Kong, Korea and Taiwan, the newly industrialized countries of the region rely greatly on imports of all kinds ranging from raw materials to consumer products and high technology items. As the economies of these countries grow, new opportunities for Canadian exports of grains and foodstuffs, forest products, chemicals, electronics, telecommunications and satellite equipment are emerging. Hong Kong is also a potential source for investment in Canada.

The developing countries of Asia and the Pacific such as Pakistan, Burma, Bangladesh, Nepal, Sri Lanka and the Philippines have traditionally been aid oriented export markets. New opportunities are also created through activities of the World Bank, ADB and other IPI institutions.