

## Canada-ASEAN Trade

Canada-ASEAN trade is growing. Over the past decade, bilateral trade increased threefold to reach a high of \$3.4 billion in 1990. Canadian exports to ASEAN markets in 1990 reached \$1.6 billion. Despite the growth in trade, ASEAN and Canadian exports account for less than 2% of each other's markets.

The rise in Canadian shipments to this fast-growing region is in keeping with the overall trading pattern of the region. During the past decade, ASEAN economies have diversified and become more complex. Their manufacturing base is growing; infrastructure is improving; capital markets are opening; and the overall education base is rapidly expanding. Some ASEAN economies have enjoyed double digit growth rates. Such growth and diversification mean that future bilateral trade with Canada should expand considerably. Also, new areas, such as the environment, where Canadian expertise and ASEAN needs are complementary, should show increased Canadian commercial involvement in the coming years.

Commodities and resource-based products are the traditional Canadian exports to the ASEAN markets. Such products accounted for over half of the \$1.6 billion in Canadian shipments last year, and included cereals (mainly wheat) at close to \$150 million; \$110 million in plastics; \$110 million in fertilizer; approximately \$360 million in mining products (iron and steel, asbestos, lead, zinc, copper, gold and silver); and close to \$160 million in pulp, newsprint and related products.

Diversification is occurring. Canadian suppliers of telecommunications, transportation, aerospace, and energy products and services are making inroads. In 1990, particular success was achieved in the sale of \$200 million worth of aircraft and parts to Thailand and Singapore; \$130 million in machinery and parts, including \$42 million worth of boilers to Thailand; and close to \$50 million in railway locomotives to Indonesia (\$26 million) and Malaysia (\$22 million).

In 1989, Indonesia was surpassed by Thailand as Canada's top ASEAN market. This ranking continued in 1990. In 1990, Canada-Thailand bilateral trade reached almost \$900 million, with the balance favouring Canada for the first time in a number of years. After Thailand, the rank of Canada's export markets to ASEAN are: Singapore, Indonesia, Malaysia, the Philippines, and Brunei.