

Given its history and commitment to a free enterprise economy, Malaysia leans towards the West. It has long been an active but moderate participant in the Non-Aligned Movement, a committed member of the developing countries group, and a supporter of producer-country positions on international commodity issues.

Although Malaysia has shared ASEAN concerns over long-term Vietnamese objectives in Indochina, it has also promoted its concept of creating a Zone of Peace Freedom and Neutrality (ZOPFAN) in the region, in an effort to keep it free of big power rivalries. Accordingly it has sought to draw Vietnam away from strong dependence on the USSR, and encouraged it to take a more forthcoming attitude in its relations with its neighbors.

Bilateral Relations

Shared membership in the Commonwealth and past development assistance to Malaysia have among other factors created a Canada-Malaysia relationship which should serve as a firm basis for future development. As resource-rich countries, Canada and Malaysia can share development experiences in many areas, with Canada as a source of investment, expertise and information to assist Malaysia in its economic development. Malaysia's future attitude to the relationship will also depend on Canada's response to Malaysia's regional and international concerns. Most important will be Canada's firm support for the further strengthening of ASEAN. Malaysia expects Canada to play a moderating role among developed countries vis-à-vis the developing world and the New International Economic Order. Malaysia has also suggested that Canada and the other industrialized Commonwealth countries accelerate their imports from the developing members of the Commonwealth.

The number of Malaysian students studying in Canada has increased dramatically over the last few years. Their experiences while in Canada should develop a reservoir of goodwill towards Canada, as they assume positions of responsibility within Malaysia.

Canada-Malaysia Trade

Trade between Canada and Malaysia is carried out under the General Agreement on Tariffs and Trade (GATT), and there is no bilateral trade agreement. Malaysia is a beneficiary of Canada's General Preferential Tariff in favour of developing countries, along with our British Preferential Tariff. A double taxation agreement has been negotiated, and a foreign investment insurance agreement is in force.