

Energy Sector Attracts Canadian Interest

THE PHILIPPINE market offers a broadly-based potential for growth in Canadian exports of equipment and services for projects in natural resources, transportation, telecommunications, energy and power. These are sectors where Philippine resources and development strategy fit well with Canadian capabilities and experience. Within this broad horizon, Canadian interest in the Philippines over the past few months has focussed on the government's new five-year energy development plan.

Under this aggressive plan to free the country from its 82 per cent dependence on imported energy, some \$10 billion will be invested over the 1981-85 period. The focus of this diversification plan towards hydroelectric, geothermal and coal is to reduce dependence on petroleum to only 55 per cent by 1985. At the same time local petroleum resources development will be aggressively pursued as well.

The Philippines national focus on energy has coincided with the coming to fruition of the efforts of a number of Canadian firms to involve themselves in the market. A significant momentum appears to have been engendered in Canadian/Philippine energy relations.

Elements of this momentum included

Canadian engineering for a major hydro-electric project, the planning for the energy development of a new river system, coal resource studies, oil-to-coal energy conversion studies, and coal logistics studies. Canadian companies are heavily involved in the supply of steam generating equipment to the country's first 300 megawatt coal-fired power station at Batangas, which could be the first of a series of such plants over the coming decade.

At the same time, the Philippines has stated its intention of obtaining from Canada up to one third of its rapidly increasing coal requirements (amounting to some one million tons per year) and has stated its interest in investing in coal mine development in western Canada in order to ensure supply. Discussions with a number of western Canadian coal producers have been launched and the subject of Canadian coal for the Philippines represented a recurring theme during the visit to the Philippines of British Columbia Premier William Bennett in February this year.

Canada is also active in the development of the Philippines own energy resources. The Canadian firm Husky Oil pioneered oil exploration in the Philippines in the early 1970s. By the end of 1982 it may well have the largest stake of any foreign firm in Philippine oil production. Placer Development is a Canadian company that is already active in the Philippines through its investment

in Marcopper, one of the Philippines' most successful mining operations. In February Placer concluded an operating agreement with the Philippine Bureau of Energy Development (in association with British interests) for a new coal property in Isabela province in Northern Luzon. This property could produce up to 1.3 million tonnes of coal per year by 1985. The probable use for coal would be for an on-site coal-fired power station where, once again, Canadian interests would have an excellent chance of participating.

Nuclear energy is another area of co-operation between Canada and the Philippines. In June an agreement was signed between the two countries on the peaceful uses of nuclear material, equipment facilities and information transfer. The agreement will open the way for sales of Canadian uranium and the transfer of Canadian nuclear technology and CANDU reactors to the Philippines.

Senior Philippine energy officials have been quick to note the build up of Canadian momentum in the energy/power sector and have looked to Canada for participation in the upcoming ASEAN Energy Conference (ASCOPE '81), to be hosted by the Philippines in October this year. It is anticipated that Canadian Energy Minister Mark Lalonde will present the final paper of the conference on "Canada and ASEAN Energy Development," a theme which is likely to gain in significance both in the Philippines and ASEAN as a whole over the coming years.

Western Leaders Attend Economic Summit in Ottawa

CANADA is host this month to the heads of state or government of the world's seven major industrialized democracies.

The occasion is the seventh annual economic summit, on July 20-21. Attending are the leaders of France, the Federal Republic of Germany, Italy, Japan, the United Kingdom, the United States, and the President of the Commission of the European Community. The Ottawa summit completes the first cycle of summits which began in 1975 in Rambouillet, France. Since then, the summits have been held in Puerto Rico (1976), London (1977), Bonn (1978), Tokyo (1979) and Venice (1980).

Economic summits have come to symbolize the ongoing attempt of the industrialized countries to deal through consultation and co-operation with increasingly complex and serious inter-

national economic developments. The summit meeting serves as the single most important element in this continuous process. It brings together leaders of countries whose combined industrial output accounts for over half of the world's trade and about four-fifths of the production of the industrialized world. Because of their importance, both economically and politically, actions taken by these countries have profound effects on the world community.

Summits have not produced quick or dramatic solutions to underlying economic problems. They have, however, enabled leaders of the industrialized nations to achieve a greater understanding of the extent to which their economies are linked, to pursue a more co-ordinated, hence effective, response to economic problems and to generate new policy

initiatives. Summits bring key leaders together in a group that is powerful enough to have an important voice in world developments, yet small enough to allow open and direct discussion.

This year, the talks continue as Canada's Prime Minister Pierre Elliott Trudeau hosts and acts as chairman of the Ottawa summit. Economic growth, employment, inflation, and international trade policy, as well as a review of the energy strategy put forward at Venice, are key topics of discussion. An important theme is the needs of the developing countries. At the Ottawa summit, the North-South dialogue is being discussed against the background of a report by the leaders' personal representatives that was commissioned at the Venice summit. The report deals with aid policies for developing countries.