

the world for international investment. Internal deregulation and privatization are gradually making doing business easier in these countries. Business is also becoming easier to conduct there as a result of the move to freer trade through the recent General Agreement on Tariffs and Trade (GATT), the WTO, APEC — to be centred in Singapore — and the ASEAN's own proposed Free Trade Agreement (AFTA). Tariffs are already dropping and non-tariff barriers, especially in services and intellectual property, are the next target.

ASEAN offers a less risky business climate than many of its larger neighbours. The private sector is increasingly adopting North American-style business practices, although the public sector can be slow moving and not always transparent.

### **Market Opportunities**

Except for Singapore, which already enjoys a standard of living on a level with Canada, the region is experiencing the emergence of a sizable middle class with spending power and an attraction to the latest in business and consumer goods. Consequently, while traditional Canadian commodity exports will continue to be strong, this market is ideal for Canadian value-added exports of services and operational expertise. By their nature, such exports are cost-competitive in faraway markets, since their value is based on knowledge, not freight costs. However, they presume a close relationship with a client. To build trust and a sense of partnership with Asian clients, Canadian exporters must do their homework, be ready to deal face-to-face, and be comfortable adapting to quite different business customs and languages.

Canada has focussed its international business promotion efforts on the following key sectors in ASEAN: power and energy; advanced technology, especially geomatics and telecommunications; transportation and infrastructure; environment; and agri-food. The kinds of opportunities vary with the stage of development in each country.

### **Indonesia**

This market has an enormous natural resources base and a need to manage it. The Indonesian middle class, with buying power comparable to Canadian consumers, may be only one sixth of the Indonesian population, but in real terms this equals

25 million people, roughly the total population of Canada. Promising sectors include: power (geothermal and hydro-electric equipment); informatics and telecommunications (management and industrial control systems and systems integrators); environment (for natural resources industries and construction sites); mining (equipment, training and consulting for tin, nickel, coal and other operations); transport (airport systems and navigation aids, road/rail/port upgrades, and rolling stock and ferries); and construction (housing materials, steel and ceramic pipe).

### **Malaysia**

The Commonwealth "connection" and the use of English give Canadians a certain comfort level, but the strong Malay-Muslim sense of independence should not be overlooked. Malaysia demands a distinct marketing plan and should not, for example, be covered from Singapore. Promising sectors include: environment (hazardous waste and air-pollution control); power (transmission and distribution systems); health care (equipment and emergency medicine systems); informatics and telecommunications (management systems and geomatics); education (in Malaysia and study in Canada); and agri-food (fruit and bulk commodities).

### **Singapore**

This is a sophisticated, wealthy (highest per-capita income in Asia-Pacific after Japan), English-speaking market that acts as the transport, communications and finance node for the region. Promising sectors include: environment (municipal waste handling, noise pollution and wastewater); agri-food (meat products and processed foods); aerospace (frames and engine parts); petroleum (to reach the multinationals based in Singapore for the region); construction (building materials and advanced niche expertise); informatics (telematics and convergence technologies); and defence/security (training and policing equipment).

### **Philippines**

The Philippines is becoming more stable politically and is focussing on business, with major advances being made in the last year. English-language capability makes this a good Asian "starter" market. As well, the Philippines is accustomed to the North American style of conducting business, although it does not necessarily