

commodity level. Significant over-exports exist in toys and sports equipment (+21 over benchmark), and miscellaneous (non-medical/optical) scientific instruments (+6)—both contributing to over-exporting in the **miscellaneous manufacturing** sector. As in India, construction, mining and lifting machinery over-exports (+12) are behind over-exports in the **machinery and electrical** equipment sector; under-exports of power-generating machinery (-25) are limiting our competitiveness here. Fruit and vegetable preparations (+17) are among the key over-exports to Indonesia in the **agri-food** sector (cereals rank first), but meat, fish, animals and their products are under-exported (-24). Low competitiveness in ores and concentrates (-13) is behind our under-exports in the **metals and minerals** sector; under-exports in the **aerospace** sector (-34) are considerable.

Although Canada is highly competitive in wood and wood pulp globally (first among the 53 CTC commodities), it is notable that Canada has a large advantage in this area in a country that holds wood in abundance. Canada is the leading provider of wood pulp (chemical and mechanical) to Indonesia (which imported \$1.6 billion worth of wood pulp in 2008, almost 20 percent of which came from Canada). Wood pulp's second-place ranking (out of 53 commodities) and our large share of the Indonesian wood and paper import market may be an important lesson for our exporters.

Competitiveness in the chemicals sector has been increasing over 2000-2007, turning positive in 2004. Performance in machinery and electrical equipment has also been improving; while the high advantage in wood and paper has been in decline since 2000, it increased again in 2006 and 2007.

## 1.4 Malaysia

| Key Over-Exports  | Key Under-Exports  |
|---|--|
| <ul style="list-style-type: none"> <li>• Plastics</li> <li>• Fertilizers</li> <li>• Fats, oils, animal feed</li> <li>• Zinc and articles thereof</li> </ul> | <ul style="list-style-type: none"> <li>• Precious stones and metals</li> <li>• Paper and print</li> <li>• Ores and concentrates</li> <li>• Meat, fish, animals and their products</li> </ul> |

Malaysia is the thirteenth-largest destination for Canadian merchandise exports among emerging markets.

The key commodities over-exported to Malaysia are plastics (+38 over benchmark) and fertilizers (+6), both driving the impressive Canadian performance in the **chemicals** sector, with possible lessons to learn for other destinations. Over-exporting fats, oils and animal feed (+18) and fruit and vegetable preparations (+12) raises our **agri-food** sector to a better-than-expected performance.

Key under-exports to Malaysia include precious stones and metals (-34) and ores and concentrates (-26), leading to a relative disadvantage in **metals and minerals**; weak performance in paper and print (-26) is responsible for under-exports in the **wood and paper** sector. Meat, fish, animals and their products are also under-exported, restricting Canadian advantage in **agri-food**.

Canadian competitiveness in chemicals has increased over time, mainly due to fertilizers. Meanwhile, the advantage in wood and paper has been declining, similar to what was observed elsewhere in Asia. The disadvantage in metals and minerals has deepened over the 2003-2007 period.

The profound disadvantage in **machinery and electrical equipment** (despite electrical and electronic equipment being the second-largest