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# Introduction

Canada and Malaysia enjoy amicable and productive relations and share interests in a wide range of regional and international political and economic issues.

Commonwealth links, Canada's strong interest in and support for the Association of South East Asian Nations (ASEAN), development assistance and growing trade and investment activities are principal features of the relations between the two countries and provide a strong basis for co-operation in a wide range of sectors. Trade is an important element of the bilateral relationship although neither country dominates the other's market. Canada and Malaysia also co-operate effectively in international economic and trade fora such as Asia-Pacific Economic Co-operation (APEC) and the Multilateral Trade Negotiations, as within ASEAN.

This study examines the breadth of Canada's economic relations with Malaysia, not only in terms of its important trade component, but also in terms of the specific sectors and initiatives which have contributed to broadening the ties between people, institutions and business organizations in Canada and Malaysia.

Section 2 describes the current macro-economic environment of Malaysia and its prospects for sustained economic and industrial growth in the short-term.

Section 3 provides an overview of trade relations between Canada and Malaysia against the background of Malaysia's global trade position, and comments on the evolution of trade between the two countries, both in terms of volume and composition. This section also provides a summary of Canada's export marketing efforts in Malaysia as well as its export financing facilities and record.

Section 4 focuses on Canada's modest bilateral development assistance program in Malaysia, highlighting and describing its major orientations. This section also provides a brief overview of related programs underwritten by CIDA and other agencies such as the International Development Research Centre (IDRC) and Petro-Canada International Assistance Corporation (PCIAC).

Section 5 identifies the agreements and arrangements in place between Canada and Malaysia which provide a basic infrastructure for the continued expansion of economic and commercial relations. It also identifies a number of economic initiatives currently under way in various sectors of co-operation as well as provincial activities in Malaysia.