

Trade and Investment in South and Southeast Asia

The Asia-Pacific region is of increasing importance to Canada. In 1994, Asia bought over \$19 billion in Canadian exports and sold Canada \$28 billion in goods. Canadian exports to the region have been growing at an average annual rate of 14 per cent, increasing 47 per cent in the first nine months of 1995. Asia-Pacific is now the largest market for Canadian exports outside the United States.

By the year 2020, Asia-Pacific is expected to boast seven of the world's top 10 economies and account for 40 per cent of global trade. Combined growth rates in the next decade are forecast at three times the average of the countries of the Organization for Economic Co-operation and Development. To accommodate this expansion, Asia will need more than \$1 trillion US in infrastructure investment alone by the end of this decade.

Team Canada has chosen an opportune time to visit South and Southeast Asia: India, Pakistan, Indonesia and Malaysia are readying themselves to be the next Asian tigers. Now is the time for Canada to build on the longstanding relationships it has with all four countries and for Canadian business to realize the enormous potential of these markets.

These countries are characterized by substantial, growing middle classes; economic growth rates that surpass Canada's own; and high demands for capital and infrastructure investment. This Team Canada mission will position Canada and the Canadian private sector in partnerships with these growing economies at a time when competition for these markets is fierce. Establishing mutually beneficial commercial relationships in this region will create economic growth and job opportunities in Canada and help these countries achieve their sustainable development objectives.

All the countries Team Canada will visit are undertaking serious reforms to open up their markets. Foreign investment and participation are encouraged in a wide range of development activities, from infrastructure construction to the commercial transfer of high technology and the sale of value-added products and services. Canadian industrial capabilities and technological expertise are ideally suited to meet the immense demand for capital, technology and training in the energy, telecommunications and information technology, transportation, environment, agri-food, education and financial services sectors.

India, with a rapidly expanding middle-class estimated at between 200 and 250 million people, has the largest emerging consumer market in the world. Growing demand in the energy, telecommunications, transportation and environment sectors as well as significant economic reforms liberalizing trade and investment are creating opportunities for Canadians. With the world's largest democracy, English as the language of business, well-established