

Canada values highly its trade relationship with the Philippines. In 1993, we enjoyed a two-way trade figure of \$578 million, and it has been growing at about 15 per cent per year for the last two or three years. Philippine imports to Canada are double our exports. But the full extent of Canadian exports is masked by some under-reporting by Statistics Canada due to transshipments through the United States. As well, our considerable service exports are not included in the export data.

Still, Canadians are challenged to find new markets, and opportunities abound to increase our economic activity in the Philippines. Now more than ever, the Philippine market is open for business and Canada has excellent products and services to offer. As part of his sweeping reforms, President Ramos has liberalized what was once a highly restricted marketplace for financial services and opened it up for new investors. At the same time he has broadened the opportunities for those already there.

Two companies which have been active in the Philippines for years are the Bank of Nova Scotia and Sun Life Assurance Company of Canada. Up until recently, Sun Life invested heavily in government paper, partly because T-bill rates were as high as 16 per cent. Now rates are down to 10 per cent, making other investments more appealing.

The Bank of Nova Scotia is interested in setting up a branch network in the Philippines to complement its minority interest in a domestic Philippine bank. Under the new law recently passed by the Philippine Congress, up to 10 foreign banks will be able to start wholly owned operations in the country with up to six branches each. The Toronto Dominion Bank is also hoping to be selected as one of the 10.

Last year almost 600 Canadian business people visited our embassy in Manila looking for business leads or following up on business opportunities. This indicates a strong increase in interest by Canadians. Some of these visitors were part of trade missions in the telecommunications, remote sensing, energy, agri-food, environment, grains, and transportation sectors.

In addition, a good number of our Canadian firms are pursuing capital projects in the Philippines. It is estimated that the Philippines requires investment of more than \$20 billion in infrastructure over the course of the next 10 years if it is to sustain its rapid growth. This includes roads, railways, ports, airports, power generation and transmission, urban water systems, irrigation, urban mass transit systems, environmental protection, schools, hospitals and the rest. The job ahead of the country is truly formidable, and Canadian expertise and equipment can help fill the requirements.