

# **CANADA AND THE CHALLENGE OF ASIA PACIFIC**

## **EXECUTIVE SUMMARY**

### **THE BASIC PURPOSE OF PACIFIC 2000 AND THE ASIA PACIFIC FOUNDATION OF CANADA**

"For Canada to be successful in the Asia Pacific region, we need to concentrate our efforts on two things. First, we must improve the competence and competitiveness of Canadian companies in these complex markets. Second, we must increase our share of exports of high technology and value-added products. It is also imperative that we encourage and assist small and medium-sized businesses to look beyond the United States when they consider exporting abroad." - Honourable Roy MacLaren, Minister for International Trade, from notes for an Address to the Canada China Trade Council, Vancouver, November 13, 1993.

"Our "red book" clearly links economic and trade policy with job creation in Canada. Specifically, it looks forward to opportunities beyond this continent, setting sights on the Asia Pacific region". - Honourable Roy MacLaren, Minister for International Trade, from Notes for an Address to the Vancouver Board of Trade, November 16, 1993.

Pacific 2000 is a strategy to position Canada to benefit from the rapid economic and technological growth that characterizes the Asia Pacific region. In the five year period (1989-1994) it represents an investment of \$58.3 million towards making Canadians more aware of and knowledgeable about the Asia Pacific area and its opportunities, mobilizing existing talents and increasing Canadian competence to do business and trade with Asia Pacific, and assisting Canadians to overcome the cultural, language, economic, political, and institutional barriers to making enduring contacts, forming effective networks, and entering new markets in Asia Pacific.

There have been immediate benefits in the first five years, but Pacific 2000 investments involve longer time horizons. Canada's major competitors are also investing heavily in programs targeted to the region. As with other long term investments, there is high risk and less precision ultimately as to the specific impacts. The strength of the economic expansion in Asia Pacific, however, offers Canada substantial pay-offs in terms of increased trade, investment and employment. Pacific 2000 shares the risk with other public and private institutions, by leveraging matching contributions from different sources. This measure - matching contributions from others - was agreed upon as a major test of the program.

A major element of the Pacific 2000 strategy is to use third party institutions where there is clearly an advantage to more independence, flexibility, and speed of response. The Asia Pacific Foundation of Canada, which predates Pacific 2000 by five years, was given a mandate by Parliament which is well suited to delivery of some of the Pacific 2000 programs. Also, like Pacific 2000, the APFC is designed to lever the resources and energies of other Canadians towards achievement of the common goals. For instance, aside from core or discretionary