

The two-way investment relationship is modest (total stocks are reported at slightly over \$300 million) but likely to increase once a FIPA (currently under negotiation) comes into force. The opening of several software development centres in Canada by India-based information technology firms and investments from Indian banks point to the attractiveness of Canada as an investment destination.

Canada has made progress in furthering its commercial relationship with India, signing a science and technology cooperation agreement, negotiating a FIPA, concluding an air transport agreement and resolving a number of sanitary and phytosanitary issues. In 2005, India accepted Canada's health protocol for bovine semen and agreed to extend an interim arrangement for pulse imports. India has also shown interest in completing a plant health memorandum of understanding in the near future, which would further open doors for agricultural exports.

OTHER ASIAN PARTNERS

Association of Southeast Asian Nations (ASEAN)

The Association of Southeast Asian Nations (Brunei Darussalam, Burma, Cambodia, Indonesia, Laos, Malaysia, Philippines, Singapore, Thailand and Vietnam) represents as a group a major trade and investment partner for Canada. Two-way merchandise trade in 2005 totalled nearly \$11 billion, while the stock of Canadian direct investment in the region in 2004 was valued at \$9 billion. Canada undertook a number of initiatives last year to re-engage with ASEAN, including hosting the first ever Canada-ASEAN Business Forum and Senior Economic Officials' Meeting. Commercial opportunities are expanding amid increased political stability, economic growth and trade liberalization in the region, which is taking on an important role in global supply chains.

Singapore

Singapore is a politically stable and economically advanced country, with skilled human resources, efficient infrastructure and excellent intellectual property protection. A strong advocate of the multilateral trading system, Singapore has signed many free trade agreements and is pursuing several others, including with Canada. Canada and Singapore enjoy a strong trade relationship, with bilateral merchandise trade totalling \$1.6 billion in 2005. Two-way trade in services reached almost \$1.1 billion in 2004. Singapore is Canada's second largest investment destination in Asia after Japan, with almost \$3.8 billion invested in Singapore as of 2004. It is a hub for knowledge-based sectors and offers significant business and research and development (R&D) opportunities in areas such as information and communication technologies, new media, defence and security, environment, agri-food, and life sciences and biotechnology.

Vietnam

Canada's commercial relationship with Vietnam strengthened considerably in 2005, with Canadian merchandise exports soaring 84.3% to \$202.5 million and imports increasing 24% to \$558 million. Vietnam is a challenging market, but its economy is growing fast thanks to business-related reforms and preparations toward joining the World Trade Organization. Success stories last year included the conclusion of Canada-Vietnam bilateral WTO negotiations and the resumption of exports of Canadian boneless beef from animals under 30 months of age. Representations aimed at expanding access for Canadian beef and increasing Canadian mining activities will continue. Canada's engagement with Vietnam will continue to intensify in 2006, particularly as Vietnam is hosting the major APEC events this year.