

TRADE OVERVIEW

Improving commodity prices and prudent debt management are nudging the Malaysian economy back into modest growth, predicted in the October 1987 government budget at 2% for 1987 and 4% for 1988.

Of immediate interest to small and medium sized Canadian firms is the indication that Malaysia will import CDN \$15 billion in goods in 1988 to meet industry and consumer demand. Canada's share of the Malaysian market has historically been about 1%. Our technology however is comparable to our competition and in several sectors we are leaders. In 1987, Canadian exports to Malaysia were worth \$118.4 million, some 14% more than during 1986, when they amounted to \$103.6 million. Imports from Malaysia went up 25.3% from 149.6 million in 1986 to \$187.3 million in 1987.

Canada had an info booth at the Defence Services - Asia exhibition (March 1988). In February of 1987 there was an incoming telecommunications mission from Malaysia; and an outgoing mission/seminar on remote sensing which went to Malaysia. In addition, Malaysia took part in a number of ASEAN-wide incoming missions, i.e., Food Processing and Packaging, Livestock, Rural Telecommunications, Power Transmission and Distribution, and ASEAN MTN study visit. Under NTS, the market study on medical equipment and supplies and the study on security products have been completed. Other market studies have been completed and are being printed.

Regarding the MTN, Malaysia's views are coloured by the fact that the Malaysian economy depends heavily on commodity exports. Accordingly, Malaysian objectives are fixed on improved market access through negotiations in the tropical products, agriculture and natural resources groups.

CANADIAN MARKETING OBJECTIVES

The following sectors offer excellent potential for Canadian exporters:

1. Communications and Informatics: With the privatization of the telephone company, the priority is on upgrading its technical and managerial skills, modernization, expansion of and introduction of a range of value added services. Upgrading broadcasting services and introduction of remote sensing technology are also proceeding.

2. Agriculture and Food Products and Services: Growing population, rising per capita income, rapid urbanization has created a greater demand for food products which Malaysia