



Statements and Speeches

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NEW FORMS OF CO-OPERATION FOR CANADA AND ASEAN

An Address by the Honourable Mark MacGuigan, Secretary of State for External Affairs, to the Foreign Ministers of the Association of Southeast Asian Nations (ASEAN), Singapore, June 17, 1982

...Last year when we met in Manila I noted that Canada and the Association of South-east Asian Nations (ASEAN) had not had a formal dialogue session at the level of officials since the meeting which took place in Ottawa in November 1977. This was in spite of the degree of consultation we had achieved on a wide range of international and common issues and in spite of the very significant number of visits which had taken place between Canada and ASEAN. These contacts had provided effective and useful channels of communication but I suggested last year that perhaps the time had come to renew the official level dialogue. The dialogue has since been resumed and some of my officials with me today are fresh from the third Canada-ASEAN Dialogue Session which took place just three weeks ago in Manila.

The resumption of the ASEAN-Canada dialogue after an interval of almost five years signifies in my view the opening of a new phase in the relationship between Canada and ASEAN. In the early stages of the relationship it looked as though co-operation between Canada and ASEAN was being cast in the mould of a traditional donor-recipient aid relationship. While development assistance will continue to be an important element of our co-operative efforts we have been concerned that it should not be regarded as the main feature of the relationship. Thus, we wanted to be sure that when the dialogue resumed it would reflect the fact that Canada and ASEAN are moving towards a new kind of mutually beneficial partnership.

Along with the resumption of the dialogue, another sign of the new phase we have entered in our relationship is the Economic Co-operation Agreement which we signed in New York last September and which came into force on the first day of this month. In our view this agreement provides the broad framework for consultations to proceed on a regular basis with the aim of expanding and deepening the co-operation between Canada and ASEAN. Our officials at the Manila Dialogue Session reached agreement on the rules of procedure for the Joint Co-operation Committee (JCC) called for in the agreement. The JCC which is to meet normally once a year, will henceforth subsume future official level dialogue sessions.

Increased trade

The Manila Dialogue highlighted an improvement in our commercial relations which have steadily become more important. With respect to our two-way trade, I should like to commend your export performance in the Canadian market in 1981. ASEAN countries enjoyed an appreciable increase of 16 per cent in their exports to Canada

with notable surpluses in favour of Singapore and the Philippines. This attests to your sustained efforts in promoting ASEAN products in Canada. It also suggests a growing consciousness among Canadians of ASEAN's export capabilities.

The 7 per cent annual growth of ASEAN economies has created opportunities for exports to Canada as well as for exports from Canada. In the period 1975 to 1981, two-way trade between Canada and the ASEAN countries trebled in value from \$350 million to over \$1 billion. Throughout the 1970s, trade between Canada and ASEAN grew as much as three times faster than Canada's trade with the rest of the world.

One of the most visible signs of ASEAN's growing profile came during the recent second Pacific Rim Opportunities Conference in Toronto when the Canadian response to the ASEAN-related discussions and activities was excellent. Media coverage in Canada on ASEAN has also increased substantially, culminating less than a month ago with a full supplement devoted to ASEAN in one of Canada's leading business papers, the *Financial Post*.

It is clear that the Canada-ASEAN relationship is sound and prospects are bright. I am encouraged by the progress attained during the recent dialogue as to how we can work together to quicken our efforts. I see the need to press for the attainment of two major objectives: (1) to make ASEAN a familiar term in the boardrooms of Canada; and (2) to have government and business leaders in ASEAN think of Canada as a reliable trading partner and indeed a major source of goods and services, of technology and investment. In fact, these objectives are two sides of the same coin.

**Extension
of GSP**

One of the areas of commercial co-operation explored at the dialogue was access to the Canadian market for ASEAN products under the general system of preferences (GSP). I am pleased to report that only a month ago, my government agreed to extend the GSP for a further ten year period and that it will soon be introducing legislation to implement cumulative rules of origin. I understand that progress was made in clarifying other aspects of the GSP that you raised in Manila and that discussions will continue over the coming months.

I think it is important to reiterate here that the Canadian market remains one of the most open in the world with total imports amounting to almost \$70 billion a year. Even in the sensitive area of textile and clothing, Canada is the industrialized world's largest *per capita* importer of textile products and clothing for domestic consumption. The negotiations we concluded recently with four of the ASEAN member countries resulted in terms as generous or more generous than required under the Multi-Fibre Agreement.

Under these conditions and with current plans of the ASEAN member countries for economic diversification, prospects for a greater penetration of the Canadian market

are good. In fact, it is happening already as I have noted in volume terms and indeed in terms of the composition of ASEAN exports which in 1981 included electronic and telephone components, tropical furniture, toys, household and other consumer related items as well as more traditional primary products.

Canada, for its part, is looking for a greater recognition in ASEAN countries of its export capabilities. Canadian firms are anxious to participate in the ambitious development plans of your countries; notably, energy and resource development, transportation and telecommunications. The Canadian government, for its part, takes every opportunity to portray ASEAN as a priority market area to its private sector. My department, for example, is currently preparing a series of trade development strategies outlining economic development and trade opportunities in your respective countries.

**Joint ventures
and investments**

Another way we can co-operate is to encourage investments and joint ventures in Southeast Asia. Here I might mention CANEX '82 which I shall inaugurate in this city on June 22, 1982. Twenty-three small- and medium-sized Canadian industries are to participate in this exhibition which is aimed at the transfer of technology. With Canadian assistance some 80 key business people from ASEAN countries will attend this exhibition. After it ends we shall consult the participating firms concerning appropriate follow-up actions. My officials at the Manila Dialogue also mentioned that the Canadian International Development Agency (CIDA) sponsored numerous feasibility studies in your region in the last three years and the preparation of brochures on opportunities for investment in ASEAN. While the Manila meeting was in progress, Minister Sumarlin of Indonesia was in Vancouver to promote investment in the sectors of mining, timber, and pulp and paper. This visit followed similar missions from Malaysia and the Philippines and should result in increased Canadian investment in your region.

On the development co-operation front, the main thrust of our activities up to now has been in the context of traditional aid. These include the ASEAN-Canada Forestry Seed Centre and the fisheries post-harvest technology project. I am pleased to say that we now have several new flexible instruments and mechanisms in CIDA through which we have already begun to broaden our range of co-operation with ASEAN and its member countries. These include our Industrial Co-operation Program through which we can tap the resources of expertise, knowledge and financing which reside in the private sector, the Institutional Co-operation Program through which we can finance joint ventures between Canadian universities, colleges, technical and other institutions and their counterparts in the developing world, and the Management for Change Program which enables us to contribute to projects to enhance managerial capacity.

**Areas for
co-operation
identified**

The Manila Dialogue identified a number of areas in which we intend to co-operate and which we propose to explore without delay. Some of these are a seminar in Canada in 1983 to bring together ASEAN experts in the energy sector with their

Canadian counterparts. It would be followed by a study tour of Canadian institutions and other facilities in the field of energy such as the newly created Petro-Canada International, a major new Canadian initiative which is focussing *inter alia* on the Philippines and Thailand to help reduce their dependence on imported oil. Canada also undertook to finance a technical economic feasibility study on the setting up of a regional coal handling depot.

With regard to oceanography, we have agreed to provide \$500 000 (Cdn.) as seed money to support studies which would lead to more active collaboration between Canada and the ASEAN countries in this field. We have also expressed our willingness to hold a seminar on vocational training to explore ways in which we might collaborate to mutual benefit.

These are a few examples of the many ways in which Canada and ASEAN are moving to new forms of co-operation. We hope that we can consider the ASEAN-Canada dialogue as a means of doing things together – of exploring problems together, of sharing ideas together – rather than as a means of merely extracting concessions, or obtaining funds. To this end we propose to contribute to the shaping of the agenda for next year's JCC meeting in Canada.

I have dwelt at length on our economic relations with ASEAN. However, Canada's support for and interest in your association stems from a strong political commitment. We have been impressed by ASEAN's growth and sense of common destiny, and by the economic and social progress you have been able to achieve in the region which has been an essential underpinning for peace and stability. Accordingly, we shall continue to co-operate with ASEAN in the search for a peaceful settlement in Cambodia which will remove foreign occupation troops from that tragic land, provide for the Khmer people to choose their own government free from external pressure and halt the flow of refugees. So long as Hanoi refuses to end its occupation of Cambodia, Canada for its part will not help subsidize its military activities by extending development aid to Vietnam. At the same time we shall continue to share the refugee burden that has fallen in the first instance on the shoulders of the people of the countries of ASEAN.

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