

Statement

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**NOTES FOR AN ADDRESS BY
THE HONOURABLE RAYMOND CHAN,
SECRETARY OF STATE (ASIA-PACIFIC),
TO THE
LAHORE CHAMBER OF COMMERCE AND INDUSTRY**

**LAHORE, Pakistan
March 20, 1995**



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of Canada

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Mr. Chairman, distinguished guests, ladies and gentleman:

As Secretary of State for Asia-Pacific, one of my responsibilities is to assist Canada's Minister for International Trade in his efforts to increase business between Canada and the Asia-Pacific region. Accordingly, I am pleased to be in the dynamic city of Lahore and to have the opportunity to address you. As key representatives of the Pakistani business community, you will share with me an awareness of the importance of trade to the well-being of our respective countries.

Trade is the breath of life to the Canadian economy. Every \$1 billion in exports sustains about 12 000 jobs. More than one quarter of our gross domestic product is dependent on trade. While Canada ranks 31st in the world in population, we also have the eighth-largest economy and the ninth-highest per capita gross national product. How did so few of us do so much? Certainly not by selling to each other.

As an Asia-Pacific nation, Canada is fully aware of the dynamic changes taking place in the region. In recognition of these developments, we are committed to developing stronger bilateral and commercial relationships throughout Asia. Significant economic reforms, in particular, are creating greater confidence both in Canada and internationally of the opportunities for doing business in the region.

Before going any further, let me say that Canada values highly the relationship we have enjoyed with Pakistan over the last 45 years. Pakistan has played a useful and constructive role in international issues of direct interest to us such as the environment and the Law of the Sea. As Commonwealth nations, we share a commitment to democracy and the rule of law. We are also founding members of the new World Trade Organization, which recognizes our mutual commitment to a rules-based international trading system.

Through our development assistance programming, Canada has worked with Pakistan to develop its energy, power, agriculture and irrigation capabilities. We have co-operated in areas of medical and business education, rural social development and vocational training, among many others. A large number of these projects have been successfully completed and already benefit Pakistan and its citizens.

More importantly, Canada is home to a large and dynamic community of Pakistani-Canadians who contribute to the richness and diversity of Canadian life. Many have maintained and nurtured strong ties with Pakistan and have helped foster a strong interest in both countries in developing our commercial relations. In fact, several of the companies accompanying me on this visit are headed by Pakistani-Canadians. In Canada, we consider this our "hidden advantage." It is a strength for both Canada and Pakistan, one which provides depth to our relations.

However, as we prepare to enter the 21st century, the time has come for us to begin to fulfil the full potential of our relationship. We must evolve toward a more mature partnership – a partnership that seeks not only to increase our bilateral trade, but to cultivate long-term sustainable linkages between our business communities.

The significant economic reforms undertaken by successive Pakistan governments since 1989 have not gone unnoticed in Canada. Efforts to liberalize private and foreign investment in thermal power generation and the oil and gas, mining and telecommunications sectors are of particular interest to us.

Canadian companies have already begun to take advantage of the new business climate in Pakistan created by these economic reforms. Several Canadian companies have invested millions of dollars in oil and gas exploration and technology transfers in recent years. These firms are helping Pakistan achieve its long-term goal of energy self-sufficiency.

During the last year, Canadian firms have been extremely active in pursuing opportunities in Pakistan. In the last three days alone, Canadian companies have completed the signing of contracts worth in excess of US\$359 million.

To fully grasp the scope of Canadian business activity in Pakistan, permit me to cite a few of the outstanding successes during the last year:

- B.C. Hydro will be the second firm to begin construction of a private-sector power plant. This 115 megawatt power plant valued at US\$150 million will be constructed in Dondhey (near Lahore).
- Raytheon Canada has won a US\$29 million contract to provide troposcatter communications equipment to the National Logistics Cell (a Pakistani government department).
- As part of a consortium including its German parent company, Klockner Stadler Hurter will provide US\$40 million of equipment and services to Fauji Foundation's new fertilizer plant.
- Nova Corp. International is currently working on a US\$2.5 million collaborative project with Sui Northern Gas Pipelines Limited to streamline its operations, strengthen management capabilities and reduce transmission losses.
- Nortech Surveys (Canada) Inc., a multi-disciplinary geodetic services company, has established a joint venture company which provides aerial surveying and position location.

- Portatrain has established a joint venture known as Pak-Can Technology Services which provides technical training for management and maintenance services in the oil and gas sectors.
- Babcock and Wilcox is signing a letter of award today for the supply of equipment and services to a 480 megawatt thermal power plant to be located near Lahore.

As you can see, Canadian participation in the Pakistan economy has diversified from our traditional exports of wheat and coal. Canadian companies have recognized the potential that now exists for exports of high-tech products and expertise, strategic alliances with Pakistan industry and direct investment.

For our part, the Canadian government will continue to support Pakistan's progressive integration into the international economic community. We are also urging the Pakistan government to press ahead with further economic reforms such as the opening of hydro-electric power generation and transmission to the private sector. Canadian companies have world-renowned expertise in this area and firms such as B.C. Hydro, Acres International and Agra Industries stand poised to participate once this policy is finalized.

Further economic reforms will not only sustain Canadian and international confidence in doing business here, but offer tremendous potential for increased co-operation between Canadian and Pakistan businesses. It is with this in mind that I have come to Pakistan accompanied by 40 representatives of Canadian companies - many of whom you met this morning and who are present now.

You, the leaders of Pakistan industry, have been given the scope to be more outward-looking as economic reforms take hold. Thus, I encourage you to learn more about Canadian technological and industrial capabilities. Canadian companies have many of the products, services and technology you need in the telecommunications, energy and power, agri-food and metals and minerals sectors. They have successfully marketed their expertise worldwide and can give Pakistani industry the leading edge. To assist you, our Trade Commissioners here in Pakistan can provide you with information and help you develop strategic contacts with Canadian industry.

More importantly, as we broaden and strengthen our commercial relationship, we cannot and should not ignore the possibilities for strategic alliances between our business communities. Canadian firms are increasingly entering into joint ventures and technology transfer, licensing and equity arrangements with Pakistan industry. They are also investing millions of dollars in projects here. These linkages testify to our long-term

commitment to doing business in the region and will underpin the future of Canada-Pakistan relations.

I have spoken of Canada's desire to realize the full potential of our relationship with Pakistan. I am confident that with continued economic reforms in Pakistan we will see the expansion of our economic relations. But this will not happen by itself. It will require a continued spirit of co-operation between our governments to facilitate increased commercial activity. Above all, it will require imagination, initiative and a concerted effort on the part of our respective business communities to capitalize on the opportunities that exist.

Thank you.