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Brunei

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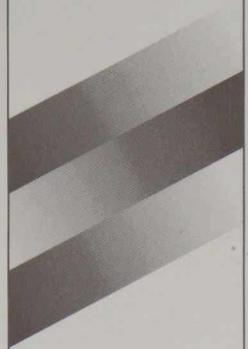
Philippines

Singapore

Thailand

# **Business Guide to ASEAN 1992**

External Affairs and  
International Trade Canada



**Canada**



**BUSINESS GUIDE TO ASEAN  
1992-1993**

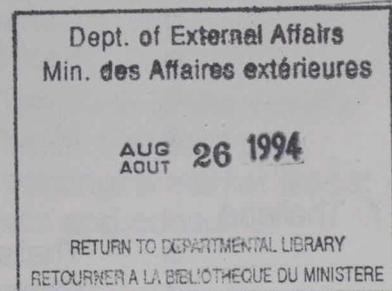
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## **ASSOCIATION OF SOUTHEAST ASIAN NATIONS (ASEAN) OVERVIEW**

After the U.S.A., the Asia Pacific region is Canada's largest trading partner and is the second fastest growing market for Canadian exports. Within Asia Pacific, the ASEAN (Association of South East Asian Nations) region is gaining in commercial importance.

### **ASEAN**

ASEAN was formed in 1967 and includes six member countries: Brunei Darussalam, Indonesia, Malaysia, the Philippines, Singapore and Thailand. ASEAN countries have forged economic, political and cultural ties among themselves and with the international community. Their market-oriented economies are open, dynamic and increasingly prosperous. Over the past decade, the rate of economic growth in ASEAN has been among the highest in the world.

Rich in natural resources, the ASEAN region accounts for much of the world's output of rubber, palm oil, tin, copra, copper, sugar, coffee, timber, tropical fruits, liquified natural gas (LNG) and minerals. The region has also become a market leader in the manufactured exports of garments and textiles, electronics and consumer goods.

In 1992, ASEAN Heads of Government agreed to create an ASEAN Free Trade Area (AFTA) to be phased in, commencing in 1993, over 15 years. This decision was taken in response to emerging economic regionalism, including the Single European Market and the North American Free Trade Agreement. Initial plans foresee the reduction of trade barriers in 15 sectors of manufactured goods, including capital goods and processed agricultural products. A successful AFTA would create a combined market of 325 million consumers with a combined GNP of over US \$300 billion, would remove some of the current barriers to intra-ASEAN trade, and would help ASEAN realize closer economic co-operation.

As ASEAN's share of global GNP, world trade and direct foreign investment increases, new intra- and inter- regional trading patterns are evolving. While ASEAN countries have benefitted from increased Japanese investment over the decade, Japan has been the destination for a declining percentage of total ASEAN exports. In contrast with 1980, when Japan purchased almost 30 percent of ASEAN exports, 1990 saw Japan purchasing only 20 percent of exports. The major sources of imports for the region in 1990 were Japan, U.S.A., Taiwan, Germany and the United Kingdom.

## **CANADA-ASEAN RELATIONS**

Relations between Canada and ASEAN are strong and multi-faceted.

In recognition of ASEAN's positive contribution to the peace, stability and development of Southeast Asia and its ability to strengthen bilateral links between ASEAN member states, Canada sought to develop relations with the Association in the mid 1970's. Joining Australia, the European Community, Japan, New Zealand and the United States, Canada was recognized as a "dialogue" partner in 1977. (A dialogue partner is assigned on a rotating basis to an ASEAN member country as a formalized contact point.) Among other benefits, Canada's status as a dialogue partner creates the opportunity for it to fully participate in the annual ASEAN Foreign Ministers' Post Ministerial Conference (PMC), to discuss the evolving relationship with its individual ASEAN "dialogue" partner and to voice Canada's perspective on political and economic issues affecting the region.

In 1989, Canada established the Canada-ASEAN Centre in Singapore in part to facilitate our ASEAN-wide development co-operation activities, but also more generally to extend Canada's profile in the region. The Centre's new quarterly publication "RAPPORT" highlights Canada's relationships with the countries of the ASEAN region. The Centre also promotes the understanding of our respective institutions, cultures and peoples through programs in public affairs, institutional co-operation, academic relations and business co-operation. The focus of Canada's development co-operation with ASEAN countries has shifted from a policy centred primarily on natural resource development and technology transfer, to one of increased industrial co-operation and human resource development.

The Asia Pacific Foundation of Canada, whose mandate encompasses the entire Asia Pacific region, opened an office in Singapore in 1990 to strengthen Canada's involvement in the ASEAN region. The Foundation works towards these objectives through various cultural, educational, business and media programs. Examples of recent Foundation activities in the ASEAN region are as follows: a) sponsoring an annual Media Fellowship Program whereby Canadian journalists spend two months in an Asian country, to study its culture, institutions, politics and development, and in 1991, sponsoring 5 ASEAN journalists on a 6 week media tour through Canada; b) sponsoring or co-sponsoring ASEAN participants at international conferences in Canada such as the Pacific Rim Opportunities Conference (PROC VII) in Calgary in 1991 and GLOBE '92 - an international conference on business and the environment held in Vancouver; and c) launching many academic initiatives (over 50 in 1990) in Canada at the secondary and post-secondary level.

## **CANADA-ASEAN ECONOMIC AND COMMERCIAL RELATIONS**

Canada's economic and commercial relationship with ASEAN as a region is expanding. The dynamic growth and diversification of the economies of the ASEAN member countries offer excellent opportunities for Canadians.

Bilateral trade between Canada and the ASEAN region reached a high of CDN \$3.5 billion in 1991. The total dollar value of trade has more than doubled in the past 5 years, and has tripled over the past decade. In spite of this increase in total trade however, Canadian exports to ASEAN markets in 1991 at CDN \$1.5 billion, did decline from 1990 levels by over CDN \$100 million, due to a single large sale which had amplified the 1990 level. At the same time, Canadian imports from ASEAN had increased by over CDN \$215 million leaving Canada with a \$425 million deficit in its ASEAN trade.

Within ASEAN, Singapore represents Canada's largest export market, followed closely by Thailand, Indonesia and Malaysia. These four markets account for about 85% of Canadian exports to the region. The Philippines receives approximately 13 percent of Canada's exports to the ASEAN region and Brunei is Canada's smallest export market in ASEAN receiving only 0.2 percent of Canada's exports to the region.

Over half of Canadian shipments to ASEAN markets in 1991 consisted of cereals, plastics, fertilizers, mining products and pulp, newsprint and paper. Diversification is taking place as Canadian suppliers of telecommunications, transportation, aerospace and energy products and services are making inroads.

Canada receives approximately 1.5 percent of its imports from the ASEAN region. In 1991, import levels were at CDN \$1.9 billion. Principal imports from the ASEAN region consisted of electrical and electronic and mechanical equipment and parts, articles of apparel, prepared fish and meat, and rubber.

Despite the growth in trade, ASEAN and Canadian exports account for only approximately 1 percent of each other's markets. There is tremendous potential for future growth in the ASEAN-Canada trading relationship. There is much complementarity between Canadian consulting skills and strength in manufacturing sectors such as telecommunications, transportation and energy, and ASEAN development and investment needs.

The ASEAN-Canada Economic Co-operation Agreement signed in 1981 provides a framework for close industrial, commercial and development co-operation. The ASEAN-Canada Joint Co-operation Committee (JCC), which arose from the 1981 Agreement, meets regularly to review progress in these mutual areas.

Canada has co-operated with ASEAN nations in the Uruguay Round of the Multilateral Trade Negotiations (MTN) in the search for international reform of the world trading system. Canada and four members of ASEAN (Indonesia, Malaysia, Philippines, and Thailand) also share membership of the Cairns Group which has led to the development of constructive proposals aimed at liberalizing agricultural trade.

As part of a larger framework for economic co-operation, Canada and the ASEAN countries are involved with the Asia Pacific Economic Co-operation (APEC) forum. Since 1989, the 15 APEC member countries from Northeast and Southeast Asia, Australia, New Zealand, the U.S.A. and Canada have met annually to discuss global and regional economic issues. APEC Ministerial meetings have also created an informal opportunity for foreign and trade ministers from the region to discuss political issues.

Canada's presence in ASEAN countries through joint ventures or other forms of investment is expanding. Total Canadian investment in ASEAN ranges between CDN \$2 billion and Cdn \$3 billion. This investment, which represents about 3 percent of total Canadian direct investment overseas, is largely in resource development. Indonesia and Singapore have been the primary focus points of Canadian investment in the region. Examples of direct interest include INCO (International Nickel Company) and a number of Alberta-based oil and gas firms active in Indonesia, and mining interests in the Philippines. Alcan, Northern Telecom and Bata are also present. "Enterprise Collaboration" projects in Thailand and Malaysia have been launched by CIDA with a view to bringing Canadian and local entrepreneurs together for joint venture initiatives. These programs supplement CIDA's Industrial Co-operation support for Canadian firms interested in joint ventures and similar collaboration in ASEAN countries.

The ASEAN-Canada Business Council (ACBC), created by the Canadian Chamber of Commerce and the ASEAN Chambers of Commerce and Industry, promotes increased business ties between Canada and the countries of ASEAN.





## **BRUNEI IN THE ASEAN REGION:**

Brunei Darussalam is a Muslim sultanate of 260,000 people. It covers an area of just 58,000 sq km and is located on the north coast of Borneo bordering the East Malaysian states of Sabah and Sarawak. Forty per cent of the population are Malays, 30 percent are Chinese, 29 percent indigenous tribal groups and the remaining 1 percent are largely of Indian descent or are Westerners working on contract. Brunei's official name is Negara Brunei Darussalam, or more simply, Brunei.

In 1984, Brunei became independent after 96 years of British protection. Although Brunei was never actually colonized, the UK exerted its influence through a resident High Commissioner. In 1972, Brunei became self-governing, but the UK assumed responsibility for its defence and foreign affairs. No elections have been called since 1962, however; the Sultan rules the country with absolute executive power.

Although small both demographically and geographically, Brunei is considered one of the richest states in the world in terms of per capita income. Its wealth is directly attributable to its successful oil and gas industry. Brunei is the third largest oil producer in Southeast Asia after Indonesia and Malaysia, and is the world's second largest exporter of liquified natural gas (LNG).

Brunei has been a long-standing member of the Commonwealth. In 1984, Brunei became the sixth member of ASEAN and also became a member of the Organization of the Islamic Conference. Brunei looks to ASEAN, however, as the cornerstone of its foreign policy to ensure territorial integrity and regional peace and security.

## **CANADA AND BRUNEI**

Canada's relations with Brunei are limited but expanding steadily in sectors of mutual interest. Diplomatic relations between Canada and Brunei were established in early 1984 after Brunei assumed full responsibility for its foreign and defence affairs. Relations have since been pursued mainly through the Commonwealth and ASEAN ties. Canada's relations with Brunei matured considerably as a result of Brunei acting as Canada's dialogue partner within ASEAN during the period from 1988 to 1991. Discussions between the two countries have covered a range of international and multilateral concerns of mutual interest, such as Cambodia, Pacific Economic Co-operation and United Nations issues.

## **RECENT ECONOMIC DEVELOPMENTS IN BRUNEI**

Brunei's economy depends almost entirely on its petroleum and its natural gas resources, which account for about 46 percent of GDP and 96 percent of exports. Notwithstanding the fact that an overdependence on oil has left Brunei completely vulnerable to fluctuations in world oil prices, oil revenues have contributed to persistent trade and budget surpluses and an accumulated stock of wealth, estimated in 1991 to be between U.S. \$25 and \$30 billion.

The next largest generators of economic activity in Brunei following the oil sector, are as follows:

- the community, social and personal services sector accounting for 25.9 percent of the GDP;
- the financial and business services, retail trade and hotel and hospitality services sector accounting for 10.3 percent;
- and the transport and communications sector accounting for 5 percent.

The construction sector, which as recently as 2 years ago played a much more significant role in Brunei's economic activity, now generates only 2.9 percent of the GDP.

Agriculture plays a limited role in the economy, generating 2.2 percent of the GDP. Cultivation in Brunei is restricted to 5 percent of total land area, with 85 percent being heavily forested. Rubber and rice are the main agricultural crops. Brunei imports approximately 80 percent of its food requirements.

The Brunei economy grew by approximately 4.5 percent in 1991, an increase over 2.3 percent in 1990 and 2.5 percent in 1989. GDP growth continues to be largely a factor of the price of oil. Fluctuations in the world price of oil have as yet been of no urgent consequence to the domestic economic situation.

Through the Five Year Economic Plans the government has channelled its efforts into broadening economic activity. The 1986-1990 plan called for the development of local industries and the revitalization of the non-oil sector, particularly in the areas of forestry, fishery and manufacturing. The plan allocated US \$2.3 billion to projects which concentrated on expanding infrastructure development and social welfare services.

To date, results have been modest. The current Five Year Plan (1991-1995) further stresses infrastructure development and continued diversification. It aims at establishment of small and medium sized companies and reduction of dependence on government employment.

## The Business Environment

The government of Brunei has set long term objectives to develop Brunei into a financial centre, as well as a centre for trade and maintenance services. To this end, no exchange controls exist in Brunei.

Investment opportunities for foreigners are limited outside of the energy and construction industries. Joint ventures are encouraged by the government as the preferred method of investment. It is also recognized that local interests should represent at least 51% of the ownership. Potential investors considering setting up a business in Brunei should bear in mind that non-Bruneians are prohibited from owning land. There is also strong competition for the limited supply of both skilled and unskilled labour - especially in construction, transportation and utilities.

A domestic customs tariff is used and duties may be specific or ad valorem. Generally, goods for individual use are exempt from customs duty.

Most items may be imported under an open general licence. However, some goods such as used vehicles, converted timber and certain types of drugs require a special import licence.

## CANADA-BRUNEI COMMERCIAL RELATIONS

### **Brunei's Global Trade**

In 1990, Brunei's global merchandise trade totalled U.S. \$3.9 billion. Though Brunei's trade levels increased by 15 percent over levels of the previous year, they reflect an overall decrease (approximately 20 percent) from the value of its trade levels of a decade earlier.

Throughout the 1980's, Brunei consistently experienced an overall trade surplus, with its export levels outvaluing imports. During this time, however, the value of exports decreased significantly (by approximately 50 percent), and imports began to account for a much higher proportion of total trade levels. In 1990, imports accounted for approximately 44 percent of Brunei's total trade, whereas in 1980, imports had accounted for only 10 percent of Brunei's total trade.

Brunei's import requirements in 1990 were mainly met by Singapore (35 percent) and the United Kingdom (26 percent). Other significant suppliers included Switzerland (9 percent), the U.S.A. (9 percent) and Japan (5 percent). Total imports in 1990 amounted to U.S. \$1.7 billion. The major imports included machinery and transport equipment, manufactured goods, food and chemicals.

In 1989, Brunei's main exports were crude oil, LNG and refined products. Export levels in 1990 reached U.S. \$2.2 billion and accounted for 56 percent of the country's total trade. Japan was Brunei's primary export market in 1990, absorbing 53 percent of Brunei's exports. Other important export markets included the United Kingdom (12 percent), South Korea (9 percent), Thailand (7 percent) and Singapore (5 percent).

#### Principal Exports 1989

Crude Oil 46.9%  
Liquified Natural Gas-LNG 44.5%  
Refined Products 4.9%  
Chemicals 7%

#### Principal Imports 1987

Manufactured goods 36%  
Machinery & transport equip. 30%  
Food 18%

(Source: The Economist Intelligence Unit)

#### Investment

The Brunei government is attempting to reduce its heavy dependence on imports by encouraging foreign investors to establish export-oriented industries. The Ministry of Industry and Primary Resources is responsible for attracting foreign investment.

## **Canada-Brunei Trade**

Canada's commercial success in Brunei has been modest to date. This has been due, in part, to the strong and longstanding British presence, as well as the small market size (population of 260,000) and poorly diversified economy.

Brunei is Canada's smallest trading partner in the ASEAN region. Given its small base, the level of trade between Canada and Brunei has fluctuated widely from year to year.

Canada's exports to Brunei in 1991 amounted to CDN \$2.4 million, contrasting with export levels of a year earlier which were CDN \$0.6 million. Fluctuations in Canada's import levels from Brunei however, have been negligible. In 1991 imports were valued at C\$0.2 million.

In 1991, the list of Canadian exports to Brunei included "special provisions", which are items designated for re-export. Canadian exports to and imports from Brunei are outlined in the tables at the end of this section.

Market opportunities exist for oil and gas equipment and services, education and training, power generation equipment and services, engineering and construction services, and defence/aerospace products and services.

## **Export Marketing Efforts**

Canada's export marketing efforts in Brunei have mainly been in response to interest expressed by a limited number of Canadian businesses. A number of market surveys have been completed on specific sectors in Brunei to provide Canadian firms with information on opportunities available there. Five such studies completed in 1990 are: agriculture/fisheries/food; defence; education services; public utilities; and telecommunications.

The Program for Export Market Development (PEMD) has been used in Brunei by Canadian companies. The program is designed to stimulate increased export sales of Canadian goods and services abroad. Since 1980, over CDN \$62,000 has been offered in support of 14 potential sales in Brunei.

While the Export Development Corporation (EDC), Canada's official export credit agency, is not currently financing any export sales to Brunei, its medium to long term lending program is available to support Canadian exports.

## FACT SHEET - BRUNEI

November 1992

**Area:** 5,765 sq km

**Population:** 260,000 (1990)

**Capital:** Bandar Seri Begawan

**System of Government:** Sultanate (Monarchy)

**Head of State:** Sultan Hassanal Bolkiah Mu'izzaddin Waddaulah

**Prime Minister:** Sultan Hassanal Bolkiah Mu'izzaddin Waddaulah

**Minister of Foreign Affairs:** Prince Mohammed Bolkiah

**Minister of Finance (responsible for Trade):** Prince Jefri Bolkiah

**Language:** Malay, English, Chinese

**Ethnic Background:** Malays 65%, Chinese 20%, Indigenous tribes 8%, Indian & others 6%

**GDP:** (1989) US \$3.5 B **Per Capita Income:** US \$14,262 (1989) **Currency:** Brunei \$ on par with Spore \$ = Cdn \$0.63

**Inflation Rate:** 1.3% (1989)

**Debt Service Ratio:** Nil

**Unemployment Rate:** 3.7% (1989)

### **Major Trading Partners (1990):**

Exports (Total: US \$2.2 billion)

1. Japan (53%)
2. ASEAN (17%)
3. U.K. (12%)
4. S. Korea (9%)

Imports (Total: US \$1.7 billion)

1. ASEAN (43%)
2. U.K. (26%)
3. Switzerland (9%)
4. USA (9%)
5. Japan (5%)

### **Canadian Trade Statistics:** (Cdn \$ 000s)

	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	Jan-June <u>1992</u>
Exports	37	232	2,239	604	2,358	1,086
Imports	192	37	56	143	207	564
Balance	-155	195	2,283	747	2,151	522

### **Main Sectors of Opportunity for Canadian Business:**

1. Oil & Gas Equipment and Services
2. Advanced Technology Products and Services
3. Defence Programs, Products and Services

**EDC Status:** On cover

**CIDA Status:** Not program country

**Resident Canadian Bank:** None

**Canadian Reps in Brunei:** (resident in Singapore)

High Commissioner - Gavin Stewart; Commercial Counsellor - Jim Feir; Tel: (011-65) 225-6363; Telex: (Destination Code 87) RS21277; Fax: (011-65) 225-2450

**Department of External Affairs/PST Trade Contact:** Ted Weinstein, Tel: (613) 996-5824; Telex: 053-3745; Fax: (613) 996-4309

**Brunei Reps in Canada:** At the present time, contact should be made via Brunei Permanent Mission in New York, Tel: (212) 838-1600

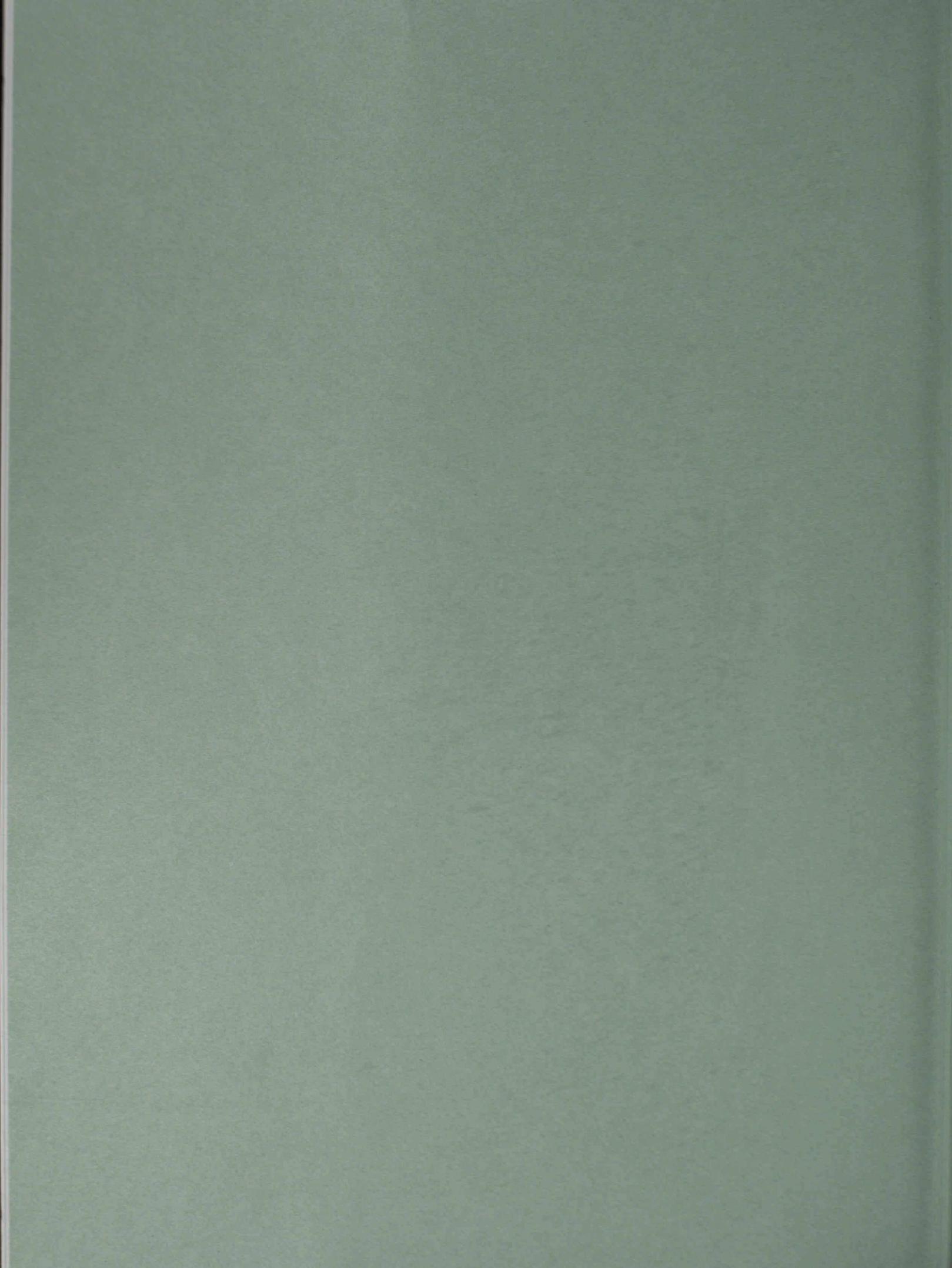
MAJOR CANADIAN EXPORTS TO BRUNEI  
(\$'OOOs)

<u>Code</u>	<u>1990</u>	<u>1991</u>	<u>Jan-Jun</u> <u>1992</u>
98 Special Classification Provisions	114	1,833	539
85 Electrical mchy equip parts thereof; sound recorder etc.	210	28	392
73 Articles of iron or steel	1	103	61
93 Arms & ammunition; parts and accessories thereof	---	---	29
76 Aluminium and articles thereof	---	---	19
84 Boilers, mchy & mech appliance; parts	12	39	14
22 Beverages, spirits and vinegar	---	---	12
88 Aircraft, spacecraft & parts thereof	2	---	3
90 Optical, photo, cine, meas, checking, precision, etc.	221	317	2
63 Other made up textile articles; sets; worn clothing etc.	---	21	---
44 Wood & articles of wood	21	---	---
21 Miscellaneous edible preparations	<u>17</u>	<u>---</u>	<u>---</u>
Sub-Total of	<u>598</u>	<u>2,341</u>	<u>1,071</u>
Total	<b>604</b>	<b>2,358</b>	<b>1,086</b>

MAJOR CANADIAN IMPORTS FROM BRUNEI  
(\$'OOOs)

<u>Code</u>		<u>1990</u>	<u>1991</u>	<u>Jan-Jun</u> <u>1992</u>
98	Special Classification Provisions	---	---	563
61	Articles of apparel & clothing access, not knitted/crocheted	143	141	---
88	Aircraft, spacecraft, and parts thereof	---	65	---
	Sub-Total of	143	206	563
	Total	143	207	564





## **INDONESIA IN THE ASEAN REGION**

Indonesia, with 183 million people, has the world's fourth largest population. It spans 1/8th of the world's surface and is richly endowed with natural resources. It has substantial nickel, gold, copper, tin and coal deposits, is a major producer of oil and LNG, and possesses one of the world's largest tropical rainforests. Indonesia's ability to restructure its economy while lowering the absolute number of people living below the poverty line has helped it become a prominent country in ASEAN and a major economy in Asia.

Since the establishment of the New Order government of President Suharto in 1965, Indonesia has relied upon a system of heavily-centralized government control. This policy was put into effect, after the deep internal divisions of the Sukarno era, with a view to maintaining stability within the country. Though this heavily centralized control has been conducive to economic growth and political stability, it has led to some suppression of human rights and has drawn world criticism.

Indonesia's military wields much power and influence in the civilian affairs of the country. As guaranteed by the constitution, the military's two key functions are to act as a major unifying force and as the main author of the country's strategic vision. The military is expected to continue to play a significant role in the country's future political development. The evolution of the Indonesian political system from a controlled, centrally-governed political system to one more accountable to the general population will require sensitivity from the country's political leaders.

As is the case for most countries in the region, Indonesia's key international economic partner is Japan. Japan has been Indonesia's largest source of foreign investment and accounts for 34 percent of Indonesia's two-way trade.

## **CANADA AND INDONESIA**

Canada's official relationship with Indonesia dates from 1949 and has traditionally been characterized by development assistance, investment in the resource sectors and a modest level of trade. While neither country is a dominant player in the other's market, trade represents the strong basis of the bilateral relationship. Indonesia's large domestic market and more open economy provide significant export opportunities.

Canada is strongly committed to promoting respect for human rights in Indonesia and continues to pursue the issue with Indonesian authorities bilaterally, and through the UN Commission on Human Rights in Geneva.

International economic and trade fora such as the GATT and specifically the Multilateral Trade Negotiations, Asia Pacific Economic Cooperation (APEC), as well as ASEAN itself, provide areas for effective cooperation.

In 1992, Indonesia became Canada's dialogue partner within ASEAN.

### **RECENT ECONOMIC DEVELOPMENTS IN INDONESIA**

As a result of a stable political environment and an extensive program of economic reform, Indonesia has experienced solid economic growth in recent years. Since the early 1980's, real GDP growth has averaged 5.5 percent per annum, reaching 6.2 percent in 1991. Export values have increased significantly from U.S. \$21.9 billion, to U.S. \$25.7 billion in 1990 and \$28.9 billion in 1991.

Threatened by severe external shocks from the global recession and weakening oil prices during the mid-1980's Indonesia's economy was upheld by the Government's effective reform policies. These policies included tax reform (1984/86), liberalization of banking laws (1983/88), an overhaul of customs and export procedures (1985/90), and incentives to encourage increased foreign investment and non-oil/gas exports (1990/91). The government focused on deregulation, the privatization of public corporations and sound macro-economic management. These reforms, recognized by the IMF, the World Bank and the overall donor community as a successful development strategy, have led to diversification away from a dependence on oil exports toward a more dynamic and balanced economy.

Agriculture still plays a very significant role in the Indonesian economy, accounting for nearly one quarter of the gross domestic product in 1989. Though it is largely self-sufficient in food products, Indonesia remains an important market for Canadian wheat exports.

Indonesia's manufacturing sector is perhaps the most dynamic, enjoying double digit growth rates and accounting for more than 18 per cent of the GDP in 1989. Indonesia has the comparative advantage of being a very low cost producer with a large domestic market and benefiting from a great deal of Asian investment.

The future growth of the Indonesian economy will depend in large part on the continuing success of the current Five-Year Development Plan (Repelita V), covering the fiscal years 1989/90 through to 1993/94. The plan proposes a sustained level of economic growth on the basis of a more equitable distribution of income and greater national stability. The priorities of this plan are to create widespread employment opportunities, to develop human resources and to provide for basic needs and social services. More than half of the total budget has been allocated for the communications, education and agriculture sectors. The national budget reached U.S. \$25 billion in 1990, with approximately 20 percent coming from multilateral and bilateral assistance.

Indonesia has prudently and successfully managed its external debt burden. With a debt-service ratio of approximately 30 per cent, the Government must continue to manage the balance of payments carefully throughout the 1990's. The economic growth rate is likely to slow down in the early 1990's as the government tightens the money supply to cool down an overheated economy and to lower the inflation rate which is approaching 10 percent.

## **BUSINESS ENVIRONMENT**

The Indonesian Government has undertaken numerous reforms in order to encourage foreign direct investment. These include the reduction of import quotas; the elimination of non-tariff barriers in favour of a flat tariff (Indonesia has eliminated non-tariff barriers on all but 15 percent of import categories); the abolition of import and export licensing; the dismantling of import monopolies; the removal of duties on products used in manufacturing goods for export; and an allowance for foreign investors to invest in most sectors of the economy.

Indonesia welcomes foreign investment to support continued growth and development of the economy. Of particular importance are investments in sectors where either capital, technology or management skills are not yet locally available. As well, emphasis is placed on the expansion of commercial activities and production for export markets.

All foreign investment must be in the form of a joint venture with an Indonesian partner. In most cases, the partner must own at least 20 percent of the equity in the venture. The Indonesian Investment Co-ordinating Board (BKPM) oversees foreign capital investment in Indonesia. New entrants into this market should be aware of a BKPM list of sectors which are closed for new investment. The number of sectors conditionally closed to foreign investment has dropped from 60 in 1991 to 45 in 1992. There are six business areas completely closed to foreign investment.

One incentive to encourage foreign investment has been the development of Free Trade Zones. Enterprises which set up in these zones may enjoy reduced tariffs and exemptions from import and export tax, provided that their product is primarily for the export market. There is also a relaxation of minimum ownership requirement so that in most cases the foreign partner may own up to 95% of the venture.

## **CANADA-INDONESIA COMMERCIAL RELATIONS**

### **Indonesia's Global Trade**

Indonesia's global merchandise trade reached U.S.\$47.6 billion in 1990, a 45 percent increase over trade levels a decade earlier. While import and export levels have grown at a relatively equal pace, Indonesia's trade surplus in 1990 amounted to approximately U.S.\$ 3.8 billion.

Two thirds of Indonesia's exports in 1990 were directed to Japan, the U.S. and Singapore. These three countries also accounted for more than 40 percent of Indonesia's imports. With export markets in Asia, the prospects for increased benefits to Indonesia from trade and investment within the region are excellent.

Indonesia's global exports amounted to U.S.\$25.7 billion in 1990, and were largely composed of primary commodities. Oil and gas constituted over 40 percent of the total; wood and wood-related products for approximately 13 percent; and textiles and garments, 11 percent. The broadening of Indonesia's exports since 1985, when oil and gas accounted for almost 70 percent of the total, has made Indonesia less vulnerable to fluctuating world oil prices.

Indonesian imports in 1990 reached US \$21.9 billion. Sixty-eight percent of that total was made up of intermediate goods, including industrial raw materials, spare parts, and fuels, while a further 27.8 percent was accounted for by capital goods such as machinery.

#### Principal Exports 1990

Crude oil and products 28.8%  
Natural Gas 14.3 %  
Wood and products 12.9%  
Textiles & garments 11.4%  
Rubber & products 3.5%  
Shrimp 2.6%

#### Principal Imports 1990

Industrial raw materials 41.2%  
Spare parts & accessories 15.4%  
Fuels and lubricants 8.4%  
Capital goods 27.8%  
Consumer goods 4%

(Source: The Economist Intelligence Unit)

Foreign investment in Indonesia comes mainly from Japan, Taiwan and Hong Kong and has grown significantly in recent years. Actual 1990 foreign investment inflows amounted to about U.S. \$9 billion, a substantial increase from the mid-1980's when annual inflows were about \$0.4 billion.

### **Canada-Indonesia Trade**

Trade between Canada and Indonesia is carried out under the General Agreement on Tariffs and Trade (GATT); Indonesia is a beneficiary of Canada's General Preferential Tariff (GPT). In 1990, almost half of the dutiable shipments from Indonesia were eligible for preferential access to the Canadian market under the GPT.

Traditionally, Canada has enjoyed a large trade surplus with Indonesia, although the margin has narrowed in recent years. In 1991, bilateral trade totalled Cdn \$562.8 million, with a trade balance in Canada's favour of \$118.8 million. Although two-way trade has more than doubled since the early 1980's, neither country is a major player in the other's market. Canada's exports account for slightly more than 1 percent of Indonesia's annual import requirements, while less than 1 percent of Indonesia's

exports are destined for Canada. Canadian development assistance supports only 3 percent of bilateral trade with Indonesia. (It should be noted that Canada-Indonesia trade figures do not reflect the significant volume of trans-shipment through Singapore nor do they capture the service sectors. It is estimated that these factors would add over Cdn \$100 million to Canada's total annual export figure.)

In contrast with Indonesia's exports of the early 1980's which were exclusively primary products (ie.rubber, coffee, tea and spices), the main exports to Canada in the early 1990's were textiles and apparel. With shipments covered by the bilateral textile restraint agreement signed with Canada in 1986 and currently extended to 1993, Indonesia is a major supplier of clothing and textiles to Canada. Other significant Indonesian exports to Canada include natural rubber, wood, mineral fuels and footwear.

In 1991, Canada's exports to Indonesia were officially recorded at Cdn \$340.7 million, making Indonesia Canada's third largest export market in ASEAN. Almost 70 percent of the exports to Indonesia consisted of cereals, plastics, pulp and paper and sulphur.

#### Priority Sectors:

Priority areas for export promotion activities for 1992 were identified as follows:

1. Forestry Sector Equipment and Services
2. Environmental Equipment and Services
3. Information Technology and Electronic Products
4. Power Sector Equipment and Services
5. Oil & Gas Equipment and Services
6. Transport Systems and Services

#### **Canadian Investment in Indonesia**

Canada is a significant investor in Indonesia with total direct investment in the order of Cdn\$ 2.0 billion. The International Nickel Company's (INCO) operation, along with Gulf Canada Resources/Asamera Oil's presence, and other interests in the oil and gas sector account for the bulk of Canadian investment. Also having a significant presence in Indonesia are Bata Shoes Ltd., which has been established in Indonesia for a number of years, as well as a number of Canadian consulting and engineering firms whose annual revenues from their Indonesian operations have been estimated at \$50-60 million. A double taxation agreement and a foreign investment insurance agreement are in place with Indonesia.

## **EXPORT MARKETING EFFORTS**

Canadian government marketing priorities in Indonesia have traditionally focused on government projects and agencies. Canadian exporters are now being urged to look at opportunities opening up in Indonesia's private sector as well. Economic liberalization has spurred real growth in this sector. The resulting industrial expansion and diversification is providing new opportunities for foreign suppliers.

Indonesia remains one of the largest recipients of development funds from the multilateral development banks. Thus, Canadian trade priorities in this market continue to include the vigorous pursuit of procurement funded by these institutions.

Market studies of various sectors of the Indonesian economy have been conducted in the following areas:

- Animal Feed 1988
- Canadian Food Products 1988
- Indochemical 1989
- Oil and Gas 1988
- Pulp and Paper 1989
- Mining Projects 1989

Brief market profiles (1991) are also available on Agri-food, Iron and Steel, Chemicals and Plastics, Education and Training, Electrical Equipment, Health Care Products, Telecom and Consulting Services.

Marketing efforts also include participation in trade fairs. The Canadian Embassy operates information booths at major trade fairs to further promote Canada-Indonesia trade, for those companies unable to participate directly.

Recent visits and trade promotion activities with Indonesia have included the following: 12 Indonesian companies in the Pulp and Paper sector on a cross-Canada trade mission in October, 1991; the visit of the Indonesian Forestry Minister in September, 1991; and in May, 1992, a mission of 33 Canadian companies participated in a solo Canadian show, Pulp and Paper Technology Showcase. Canada also participated in the Asia Pacific Mining Conference in Jakarta in March, 1990. Other recent trade missions have been in the rural telecom, remote sensing, aquaculture and air transportation sectors.

Between 1980 and 1992, Canada's Program for Export Market Development (PEMD) approved 478 applications for assistance related to the Indonesian market, with total funding of \$3.4 million. Since its inception in 1971, PEMD programs have resulted in reported sales of over \$105 million in Indonesia.

The Export Development Corporation (EDC) is interested in expanding its support for Canadian companies' business activity in connection with the rapidly increasing opportunities in Indonesia.

Since 1979, EDC has entered into 19 financial agreements related to the Indonesian market totalling over Cdn \$480 million, without experiencing any material payment difficulties. These include 18 loans for capital goods ranging from aircraft to a nuclear electronics laboratory, and one multiple disbursement loan co-financed with CIDA in support of a coal rail transportation project (Bukit Asam). The Bukit Asam project, established in 1981 and recently disbursed in full, represented U.S. \$130.2 million in EDC support, and involved transportation and telecommunications goods and services from various Canadian exporters.

The Indonesian public sector historically has enjoyed substantial benefits from a financing perspective. In certain cases where international bidding is to be pre-empted, Presidential Decree 8, introduced in 1984, requires foreign financing terms for long-term projects to reflect an interest rate of 3.5 percent, with a 7-year grace period and an 18-year repayment schedule. A scarcity of concessional funds has limited EDC's ability to support export transactions where such Decree 8 financing is a prerequisite. However, in 1990 EDC successfully supported Canadian supply on OECD consensus terms for the Paiton Power Project. A trend towards more non-concessional consensus-based lending to the public sector is expected to continue. Significant opportunity exists to support exports to the private sector where EDC and Canadian exporters have targeted key borrowers.

The Canada-Indonesia Business Council is a vehicle for export marketing efforts in Indonesia. Its Indonesian counterpart, the Indonesia-Canada Business Council, is a subsection of the Indonesian Chamber of Commerce and Industry, and focuses on promoting Indonesian exports and investment inflows. These organizations of companies and individuals foster links between the private sectors with a view to increasing activities in the markets of both countries.

**FACT SHEET - INDONESIA**

November 1992

**Area:** 1.9 million km<sup>2</sup>**Capital:** Jakarta**Population:** 183 million (1991)**System of Government:** Unitary Republic**Head of State:** General Suharto**Minister of Trade:** Dr. Arifin M Siregar**Minister of Foreign Affairs:** Ali Alatas**Language:** Indonesia, English**Ethnic Background:** Malay 90%; Melanesian 5%; Other 5%**Religion:** Moslem 80%; Christian, Hindu & Others 20%**GDP:**(1991) US \$118.05 B **Per Capita Income:** US \$650 (1991) **Currency:**New Rupiah Cdn \$=1,625 Rp**Inflation Rate:** 9.2% (1991) **Debt Service Ratio:** 33.4% (1991) **Unemployment Rate:** 2.5% (unofficial 1990)**Major Trading Partners (1991):****Exports** Total: US \$29.1 billion

1. Japan (36.9%)
2. USA (12%)
3. Singapore (8.3%)
4. Korea (6.7%)
5. China (4.1%)

**Imports** US \$25.9 billion

1. Japan (24.5%)
2. USA (13.1%)
3. Germany ((8.0%)
4. Singapore (6.6%)
5. South Korea (5.6%)

**Canadian Trade Statistics:** (Cdn \$ millions)

	1987	1988	1989	1990	1991	1992
Exports	305.1	298.7	311.3	307.8	340.8	245.4
Imports	193.1	179.5	192.1	202.2	222.1	186.9
Balance	112.0	119.0	119.2	105.6	118.7	58.5

**Major Canadian Exports** Jan-Jun 1992 (Cdn \$'000)

Cereals	96,410
Nuclear reactors, boilers, machinery	26,823
Plastics & articles thereof	24,001
Pulp of wood	23,123
Salt; sulphur; plastering material	17,353
Boilers, machinery	24,747

**Major Canadian Imports** Jan-Jun 1992 (Cdn \$'000)

Ores, slag and ash	35,938
Footwear	25,076
Rubber & articles thereof	17,451
Wood & articles of wood	16,119
Articles of clothing, not knitted	15,159
Articles of clothing, knitted	13,797

**Main Sectors of Opportunity for Canadian Business:**

1. Communication equipment/services
2. Engineering consultancy
3. Mining equipment & products
4. Educational services

**EDC Status:** On cover**CIDA Status:** CORE country (Category I)**Resident Canadian Bank:** Hong Kong Bank of Canada**Canadian Reps in Indonesia:** Ambassador - Mr. Lawrence T Dickenson; Commercial Counsellor - David Hutton; Tel: (011-62-21) 510709; Fax: (011-62-21) 578-2251; Telex: 62131 DOMCAN**Department of External Affairs/PST Trade Contact:** Amir Guindi, Asia Pacific South Trade; Tel: (613) 995-7659; Telex: 053-3745; Fax: (613) 996-4309**Indonesian Reps in Canada:** (Ottawa) Ambassador Poerwanto; Economic Counsellor - Hadi Adnan; Commercial Reps: Ottawa, Toronto, and Vancouver; Customs Reps in Canada: SGS Supervision Services, Mississauga, Ont., Tel: (416) 670-0290; Fax: (416) 670-0142**Canadian-Indonesian Business Council:** Mr. Lyle Osland, Chairperson, c/o Cowater International Inc., 304-411 Roosevelt Avenue, Ottawa, Ontario, Tel: (613) 722-6434

MAJOR CANADIAN EXPORTS TO INDONESIA  
(\$'OOOs)

<u>Code</u>	<u>1990</u>	<u>1991</u>	<u>Jan-Jun 1992</u>
10 Cereals	43,543	68,070	96,410
84 Nuclear reactors, boilers, machinery & mech. appliance; parts	12,278	24,747	26,823
39 Plastics & articles thereof (Polypropylene 13,325) (Polyethylene 9,460)	61,662	64,468	24,001
47 Pulp of wood/of other fibrous cellulosic material (Chemical wood pulp 16,136)	23,266	46,612	23,123
25 Salt; sulphur; plastering material; lime & cement (Sulphur, crude or refined 13,344) (Asbestos 3,967)	38,422	36,616	17,353
29 Organic chemicals (Ethylene glycol (ethanediol) 13,311)	10,138	16,436	13,601
85 Electrical mchy equip parts thereof; sound recorder etc.	5,534	7,352	8,158
48 Paper & paperboard	10,243	13,499	7,712
79 Zinc & articles thereof	12,556	13,625	6,725
31 Fertilizers (Potassium chloride 5,907)	23,331	10,527	5,907
23 Residues & waste from food industry; animal fodder	5,924	3,744	2,538
55 Man-made staple fibres	2,752	2,660	2,162
54 Man-made filaments	6,913	5,526	1,552
40 Rubber & articles thereof	4,402	2,749	1,547
99 Special Transaction - Trade	2,322	1,550	1,400
72 Iron and steel	4,863	3,968	1,042
78 Lead & articles thereof	148	353	943
90 Optical, photo, cine, measuring, checking, precision, etc.	311	821	550
88 Aircraft, spacecraft & parts thereof	142	1,069	333
82 Tool, implement, cutlery, spoon & fork, of base met etc.	1,860	728	301
98 Special Classification Provisions	607	1,550	178
73 Articles of iron or steel	6,087	5,423	109
38 Miscellaneous chemical products	231	1,129	27
86 Railway/tramway locomotives, rolling-stock & parts; etc.	25,527	3,598	---
81 Other base metals; cermets; articles thereof	<u>1,637</u>	<u>---</u>	<u>---</u>
Sub-Total of	304,904	337,410	242,495
Total	<u>307,825</u>	<u>340,762</u>	<u>245,382</u>

MAJOR CANADIAN IMPORTS FROM INDONESIA  
(\$'000s)

<u>Code</u>	<u>1990</u>	<u>1991</u>	<u>Jan-Jun 1992</u>
26 Ores, slag and ash	11,755	---	35,938
64 Footwear	7,621	20,577	25,076
40 Rubber & articles thereof (Technically specified natural rubber 12,581)	26,245	30,009	17,451
44 Wood & articles of wood; wood charcoal (Plywood 12,206)	36,612	29,969	16,119
62 Articles of apparel & clothing access, not knitted/crocheted	27,026	24,249	15,159
61 Articles of apparel & clothing access, knitted or crocheted	19,875	15,791	13,797
27 Mineral fuels, oils & product of their distillation	---	10,838	8,422
55 Man-made staple fibres	7,802	8,422	6,521
54 Man-made filaments	5,771	9,316	5,616
16 Preparations of meat, fish or crustaceans, molluscs	2,397	2,759	3,719
09 Coffee, tea, & spices	11,121	6,580	3,555
95 Toys, games & sports requisites; parts & access thereof	453	4,123	3,415
03 Fish & crustacean, mollusc & other aquatic invertebrate	6,781	8,244	3,344
70 Glass and glassware	4,371	7,466	2,823
18 Cocoa & cocoa preparations	2,662	4,147	2,544
42 Articles of leather; saddlery/harness; travel goods etc.	2,076	2,425	2,388
15 Animal/veg fats & oils	6,302	8,949	2,300
94 Furniture; bedding, mattress	2,036	2,965	1,861
02 Meat & edible meat offal.	2,796	2,749	1,736
48 Paper & paperboard; art of paper pulp	637	1,292	1,647
52 Cotton	942	1,046	1,641
87 Vehicles o/t railw/tramw roll-stock, pts & accessories	1,651	1,102	1,243
85 Electrical mchy equip parts thereof; sound recorder etc.	873	2,606	1,119
69 Ceramic products	822	1,617	1,110
20 Prep of vegetable, fruit, nuts or other pts	495	1,406	694
63 Other made up textile articles, sets	448	1,274	639
73 Articles of iron or steel	405	1,603	504
58 Special woven fabric; tufted tex fab; lace; tapestries etc.	885	1,246	463
80 Tin and articles thereof	2,854	1,109	272
39 Plastics & articles thereof	<u>791</u>	<u>1,006</u>	<u>186</u>
Sub-Total of	194,505	214,885	181,302
Total	<b>202,172</b>	<b>222,093</b>	<b>186,894</b>





## **MALAYSIA IN THE ASEAN REGION**

Malaysia is a federal state, comprised of the eleven states of the Malayan Peninsula plus the states of Sabah and Sarawak on the island of Borneo. Peninsular Malaya became independent from Britain in 1957 and joined with Singapore, Sabah and Sarawak to form Malaysia in 1963. In 1965, Singapore left Malaysia to become an independent city state.

Malaysia has a population of 18.2 million people, made up of three major ethnic groups: Malays (55 percent), Chinese (30 percent) and Indians (9 percent). The balance consists mainly of indigenous peoples, located primarily in East Malaysia. The country has a Westminster-style parliamentary system, with a Constitutional Monarch and a federal Prime Minister who governs with the consent of the majority in the elected House of Representatives.

Since independence, Malaysia has been ruled by a multi-racial coalition, now called the Barisan Nasional (National Front). The most influential member of the Barisan Nasional Coalition is the United Malays National Organization (UMNO). The current Prime Minister, Dr. Mahathir Mohamad, has been in office since 1981. His coalition was most recently re-elected in October 1990.

The government is committed to maintaining economic stability, attracting foreign investment, and furthering development. Though there is a history of ethnic and religious tensions in Malaysian life, Malaysia is a stable and increasingly prosperous nation.

The Malaysian economy was traditionally based on the export of primary products, including tin, rubber, timber, palm oil and petroleum; however, manufacturing has recently become the largest sector of the economy. Recent strong commodity prices have strengthened the Malaysian economy and GDP growth rates over the last several years have been in the range of 8-9 percent.

Government involvement in the economy is strong, with the general outline of government policy laid out in a series of Five Year Plans. The private sector is seen as the major engine of economic growth, with the government offering many incentives to private enterprise. These incentives are for the most part expected to continue.

## **CANADA AND MALAYSIA**

Commonwealth links, Canada's strong interest and support for ASEAN and development assistance have been the principal features of the warm relationship between the two countries. Education has been an area of close ties, as many Malaysian students have received their university education in Canada.

Two-way trade between Canada and Malaysia has more than doubled since 1986 reaching \$727 million in 1991. Trade between the two nations still represents only about one percent of the total trade of each country. The balance is in Malaysia's favour (Cdn \$145 million in 1991). Opportunities for Canada are not only in the traditional sectors of agri-food, oil and gas and advanced technology, but also in new areas emphasized by the Malaysian government such as transportation, power generation, construction and the telecommunication sector.

Canada's development assistance program in Malaysia has recently been reoriented towards supporting Malaysia's continued industrial development through technology transfer, joint ventures and other commercial partnerships beneficial to both countries.

### **RECENT ECONOMIC DEVELOPMENTS**

Vigorous economic growth, industrial diversification, political stability and the market orientation of the Malaysian government's economic policies all combine to make Malaysia an attractive investment destination and a valuable economic and trading partner for Canada.

In the early 1980's, the Malaysian economy grew at an average annual rate of close to 6 percent before falling to -1 percent during the worldwide recession experienced in 1985. Some recovery of commodity prices, the strong domestic demand and increased foreign investment enabled the Malaysian economy to bounce back with GDP growth surging to approximately 5 percent in 1987, and to between 8 and 10 percent in each of the following four years.

Accompanying this rapid economic growth has been accelerated purchase of foreign capital and luxury goods. With imports growing at a faster pace (28 percent) than exports (18 percent), Malaysia experienced an overall trade deficit of \$U.S. 2.7 billion in 1991 and inflation stood at 4.4 percent. Monetary officials have acted decisively, tightening lending requirements and intervening in money markets, but the main driving force behind the inflation is a labour shortage. With unemployment at 5.6 percent, Malaysia stands closer to full employment than at any other time in its history.

Surging imports have been associated with improved consumer confidence and spending, as well as capital and infrastructure projects stemming from the dramatic economic improvements. This mood is also reflected in the Kuala Lumpur Stock Market which has been among the world's best performers since 1987.

Malaysia boasts an infrastructure second only to that of Singapore in the ASEAN region. However, the high growth rate has created bottlenecks in ports, roads and utilities. The government has responded to this under a new economic plan which is committed to infrastructure development.

The Sixth Malaysia Plan (1991-95), which sets out the government's strategy and policy objectives for economic development, seeks to diversify Malaysia's industrial base, enhance human resource development, promote technological upgrading, and reduce imbalances among sectors and regions of the country. The plan envisages economic growth of 7.5 percent a year, until 1995.

Due to (i) increased foreign investment (particularly in the electronics sector), (ii) favourable world prices for exports, and (iii) the government's deliberate policy to maintain the ringgit comparatively low against the currencies of Malaysia's major trading partners, manufacturing is expected to retain its position as the largest sector in the economy. With an average growth rate of 11.5 percent per year, it is expected to account for more than 32 percent of the GDP by 1995.

Construction is targeted to expand 8 percent each year while agriculture is expected to grow at only 3.5 percent annually and to lessen its share of the economy to 15.5 percent in 1995.

Real GDP growth is expected to continue at over 7 percent per year for several years. That combined with Government programs which support accelerated infrastructural growth means that Malaysia offers tremendous potential for Canadian business.

## **BUSINESS ENVIRONMENT**

Malaysia's economic growth of the last few years at annual rates of 8-9% has resulted in a burgeoning manufacturing sector, fuelled by strong influx of foreign investments. Due credit must be given to the Government for its management of the twin economic problems of inflation and the current account deficit. Inflation is kept a manageable 4-4.5%. The current account deficit is expected to decrease as exports from manufacturing projects approved 2-3 years ago come onstream and the value of imports is reduced arising from a stronger Ringgit.

However, the rapid pace of development has also brought with it other emerging problems such as a tight labour market, particularly in the construction and plantation sectors resulting in the need to import labour from neighbours like Indonesia, Sri Lanka and the Philippines. At an unemployment rate of 5%, the country is officially operating on full employment. As such, the thrust of the next phase of the Governments' development initiatives will emphasize mechanization and automation as a longer term solution to broadening the manufacturing base. High-tech and linkage industries will be encouraged through a myriad of tax incentives and subsidies.

The commitment to increased foreign investment will continue albeit on a more selective basis. Foreign investments and joint ventures with the greatest potential for technology and knowledge transfer will be the ones most favoured for Government subsidies and incentives. The Government has identified the following as priority sectors for further development: manufacturing, infrastructure and civil engineering, financial services and shipping.

Human resources development is also seen as a key ingredient in the country's development impetus. Thus, while the New Economic Policy (19971-1991) focused on the issue of Bumiputra (indigenous) ownership of wealth (targeted at 30% by 1991), the National Development Policy, which is now in place, emphasises the development and nurturing of a commercially viable and well-trained community of Bumiputra entrepreneurs and managers who can maintain and enhance their wealth. Foreign partners or entities that are able to provide the necessary training in technology and knowledge building will find opportunities aplenty for strategic linkages.

## **CANADA-MALAYSIA COMMERCIAL RELATIONS**

### **Malaysia's Global Trade**

Malaysia's global merchandise trade reached approximately U.S. \$58.6 billion in 1990, a 75 percent increase over levels of a decade earlier. Export levels, although more than doubling since 1980, have not kept pace with the phenomenal growth in imports, which have almost tripled in the same period. This trend has had the effect of narrowing Malaysia's trade surplus in 1990 to approximately US \$0.2 billion, and to create a trade deficit in 1991 of approximately U.S. \$2.7 billion.

Japan is the largest source of imports for Malaysia, accounting for almost a quarter of the total. Japan, together with the other ASEAN countries and the U.S.A., account for almost 60 percent of Malaysia's total imports. Total imports amounted to U.S. \$29.2 billion in 1990 and approximately \$37 billion in 1991. Manufacturing inputs and machinery and transport equipment were Malaysia's main imports in 1990, representing 55 percent of the total.

Malaysia's main exports in 1990 consisted of manufactured products. Of these, electronic parts were the most important component representing about one third of all manufactured exports. Primary commodities such as petroleum, LNG, logs and timber, rubber and palm oil accounted together for approximately 34 percent of all exports. Over half of Malaysia's exports go to other ASEAN countries, the U.S.A. and Japan. The ASEAN region alone accounts for almost one third of all Malaysian exports. Total exports in 1990 amounted to U.S. \$29.4 billion and approximately \$34.3 billion in 1991.

### Principal exports 1990

Electronic/electric mchy 33.5%  
Petroleum & LNG 16.2%  
Logs & timber 8.9%  
Palm oil 5.5%  
Rubber 3.8%

### Principal imports 1990

Manufacturing inputs 36.2%  
Machinery & transport eqpt 18.8%  
Metal products 6.3%  
Food, beverages & tobacco 4.1%  
Consumer durables 3.3%

(SOURCE: The Economist Intelligence Unit)

### **Canada-Malaysia Trade**

Trade between Canada and Malaysia is carried out under the General Agreement on Tariffs and Trade, and Malaysia is a beneficiary of Canada's General Preferential Tariff. In 1990, more than half of the dutiable shipments from Malaysia were eligible for preferential access to the Canadian market under the GPT.

Growth in trade between Canada and Malaysia over the past decade has not been steady, having been affected by economic downturns and recessions. 1991 saw two-way trade reaching a high of Canadian \$726.9 million, representing a 15 percent increase over the previous year. While the balance of trade remains in Malaysia's favour by Cdn \$145 million, total trade with Canada is expected to increase in the next few years.

In 1991, 19 percent of Canada's exports to the ASEAN region went to Malaysia. Amounting to Cdn \$290.9 million, Canadian exports accounted for approximately 0.7 per cent of all Malaysian imports and were comprised mainly of fertilizers, cereals, iron and steel, and pulp and paper. It is estimated, however, that the exports of Canadian services (engineering consulting and others), which are not taken into consideration in trade flows, approximate the sum of Canadian merchandise exports to Malaysia.

### Priority Sectors:

Canada's trade strategy has targeted Malaysia as a market opportunity in the following sectors:

1. Oil and gas products and services: Given the fact that crude petroleum and LNG accounts for approximately 16 percent of total Malaysian exports, the oil and gas industry is one of Malaysia's major sectors. Depleting oil reserves have spurred a significant increase in exploration activities. In an effort to reduce its dependence on oil, gas production Malaysia intends to triple its current level of gas production and usage. Opportunities exist for joint ventures in the areas of exploration and distribution, and in the export of services such as project management and consultancy.

2. Transport systems and services: One of the largest components in the Malaysian government infrastructural development program is the transportation sector. The government is committed to ensuring that infrastructure facilities are adequate to support the growth momentum of the economy. This gives rise to numerous opportunities in all sub-sectors of transportation, including air, rail and road sub-sectors.
3. Advanced Technology: There is an increased demand for sophisticated communications facilities, plant automation and computerized production and remote sensing equipment. The telecommunications sector is projected to grow yearly at 12-15 percent over the next few years. The government of Malaysia considers rural communications to be a priority area for development.
4. Power and energy equipment and services: With the expansion of electricity utilization, there has been an increased demand for the development of hydro-electric projects. These projects create opportunities for Canada, including in consulting services and project management.
5. Agri-food products and services: Although agriculture makes up 21 percent of the country's GDP, Malaysia remains very much a net importer of food. Due to growth in population and in disposable income, food imports are expected to grow further. Opportunities include agri-food technology, particularly in the area of agriculture and rural planning, food processing and packaging and food biotechnology, and prospects for expanding Canada's agri-food exports are excellent.

Twenty-three percent of Canada's imports from the ASEAN region come from Malaysia. Canada's share of total Malaysian exports is only about 1.1 per cent. Exports from Malaysia to Canada are predominantly manufactured goods, primarily electrical products (accounting for 54.7 percent of all exports to Canada) fabricated locally for the export market by foreign-owned companies. Articles of apparel and rubber products account for another 22 percent of all exports to Canada.

### **Canada's Investment in Malaysia**

According to the Malaysia Industrial Development Authority (MIDA), Canada is thirteenth among foreign investors in terms of the value of its investments in Malaysian firms. The majority of all foreign investment in Malaysian companies comes from Japan, Taiwan, the United Kingdom, and Singapore.

Canada's presence, through joint ventures or other forms of investment, however, continues to increase. There are approximately 40 signed agreements involving Canadian firms in the manufacturing and service sectors. Three major Canadian investors in Malaysia include Bata Shoes, Alcan Aluminum Ltd. and Northern Telecom. A Canadian advisor within MIDA is responsible for promoting joint ventures between Canadian and Malaysian firms.

Canada's presence is expected to grow through the assistance of the CIDA-sponsored Enterprise Malaysia Canada Project (EMC). EMC was established in 1991 to promote the transfer of Canadian technology and expertise to Malaysia through joint ventures and other cooperative endeavours between the private sectors of both countries.

Two arrangements are in place to facilitate Canada-Malaysia investment relations: an exchange of notes to promote and protect Canadian investment in Malaysia (FIIA) and an agreement to avoid double taxation.

## **EXPORT MARKETING EFFORTS**

A number of trade promotion programs and activities provide ongoing support to Canadian exporters and investors pursuing opportunities in Malaysia. These include market studies, trade missions and the establishment of linkages between business communities in both countries.

A number of federal, provincial and private sector missions have been organized in support of Canadian trade interests in Malaysia. International Trade Minister Wilson led a mission of Canadian transportation, communications, and energy firms to Malaysia in September 1992. A total of 28 missions had taken place during the fiscal year 1990/91. The provinces of Alberta, Ontario, Quebec, Saskatchewan and British Columbia were most actively involved in these missions, some of which were led at the ministerial level. During the same period, the Canadian High Commission in Kuala Lumpur provided assistance to over 860 business visitors interested in export market opportunities or joint venture prospects.

The Program for Export Market Development (PEMD) is widely used by Canadian businesses interested in the Malaysian market. Since 1980, over \$3.1 million has supported 461 Canadian commercial endeavours related to the Malaysian market. The sales reported as a result of PEMD grants have totalled in excess of \$608 million since the inception of the program in the early 1970s.

A number of market surveys have been conducted on specific sectors in Malaysia to provide Canadian exporters of equipment and services with readily available information on opportunities in Malaysia. Sectoral market studies conducted to date and available from External Affairs and International Trade Canada are listed below:

- Aerospace Products & Services, 1988
- Agricultural Sub-Sectors, 1989
- Computer Products & Services, 1988
- Defence Sector, 1990
- Food/Food Products, 1989
- Forest Industry, 1990
- Imported Food, 1989

Medical Equipment & Supplies, 1987  
Oil and Gas, 1992  
Power Generation, 1989  
Security Products, 1987  
Telecommunications Products & Services, 1988  
Transportation, 1990  
Television/Broadcasting & Telecommunications, 1989

Trade missions to and from Malaysia over the past couple of years have focussed on the telecommunications, remote sensing, aquaculture, aerospace and air transportation sectors. A series of Canadian food promotion activities continues in Malaysia.

A co-operation agreement was signed in late 1988 between the Federation of Malaysian Manufacturers and the Canadian Manufacturers Association with the objective of creating closer linkages and further developing trade and joint venture co-operation between Canada and Malaysia.

The Malaysia-Canada Business Council was established in Kuala Lumpur in late 1989 to bring together individuals and companies interested in further developing commercial relations between the two countries. The Council organizes regular meetings and speaking events as well as other business promotion activities to facilitate trade and information dissemination.

In 1991, leading Malaysian business, research and media representatives visited Canada sponsored by the Asia Pacific Foundation and External Affairs and International Trade Canada's Young Leaders Programme.

## **EXPORT FINANCING**

The Export Development Corporation (EDC) is interested in expanding its business activity in connection with the rapidly increasing Canadian export opportunities in Malaysia. EDC's medium to long-term lending program is available to support Canadian exports to both the public and private sectors in Malaysia. In addition, all of the EDC's insurance programs, including provision of insurance against non-payment due to political and commercial risks, are available for Malaysia.

EDC's financing activity in Malaysia has been largely in the forestry, telecommunications and transportation industries. Although past loans have been primarily in the public sector, EDC is interested in financing commercial projects as well.

**FACT SHEET - MALAYSIA**

November 1992

**Area:** 329,744 sq. km  
**Capital:** Kuala Lumpur

**Population:** 18.2 million (1991)  
**System of Government:** Constitutional Monarchy

**Head of State:** Yang di-Pertuan Agong, Sultan Azlan Shah  
**Prime Minister:** Dato Seri Dr. Mahathir Mohamad  
**Minister of International Trade and Industry:** Datin Paduka Rafidah Aziz  
**Minister of Foreign Affairs:** Datuk Abdullah Bin Haji Ahmad Badawi

**Language:** Bahasa Malaysia, English, Chinese, Tamil  
**Ethnic Background:** Malay 55%; Chinese 30%; East Indian 9%; Indigenous Tribes 6%

**GDP:** CA \$45.6b (1992f) **Per Capita Income:** CA \$3,627 (1992) **Currency:** Mlsian Ringgit=Cdn \$0.49  
**Inflation Rate:** 4.5% (1992) **Debt Service Ratio:** 5.2% (1992f) **Unemployment Rate:** 5.4% (1992f)

**Major Trading Partners (1990):**Exports (Total: US \$29.4 billion)

1. ASEAN (\$8.6b)
2. USA (\$5b)
3. Japan (\$4.5b)
4. South Korea (\$1.35b)
5. United Kingdom (\$1.14b)

Imports (Total: US \$29.2 billion)

1. Japan (\$7b)
2. ASEAN (\$5.5b)
3. USA (\$4.9b)
4. Taiwan (\$1.6b)
5. United Kingdom (\$1.5b)

**Canadian Trade Statistics:** (Cdn \$ millions)

	1987	1988	1989	1990	1991	1992
Exports	118.4	192.0	218.7	248.3	290.0	121.8
Imports	257.5	323.9	320.1	380.2	436.0	252.4
Balance	-139.1	-131.9	-101.4	-131.9	-146.0	-130.6

**Major Canadian Exports Jan-June/92 (Cdn \$'000)**

Fertilizers	29,880
Cereals	23,821
Paper & paperboard	23,701
Salt, sulphur, earth & stone	6,110
Plastics & articles thereof	5,236

**Major Canadian Imports Jan-June/92 (Cdn \$'000)**

Electrical mchy eqpt parts	136,414
Rubber & articles thereof	25,748
Boilers, machinery & mech. appliance	20,434
Articles of clothing, knitted	14,947
Articles of clothing, not knitted	14,209

**Main Sectors of Opportunity for Canadian Business:**

1. Oil & Gas Equipment and Services
2. Transportation Equipment/Services
3. Advanced Technology Products/Services
4. Power & Energy Equipment/Services
5. Agriculture & Food Products & Services

**EDC Status:** On cover**CIDA Status:** Category II**Resident Canadian Bank:** Bank of Nova Scotia

**Canadian Reps in Malaysia:** High Commissioner - George W. Seymour; Commercial Counsellor - David Mulroney; Tel: (011-60-3) 261-2000; Telex: (Destination Code 84) 30269; Fax: (011-60-3) 261-3428

**Department of External Affairs/PST Trade Contact:** Ted Weinstein, Tel: (613) 996-5824; Telex: 053-3745; Fax: (613) 996-4309

**Malaysia Reps in Canada:** High Commissioner - Dato' Ahmad Faiz; Tel: (613) 237-5182; Commercial Attache, Toronto - Mr. Md Ali Bin Alias: (416) 869-3886

MAJOR CANADIAN EXPORTS TO MALAYSIA  
(\$'000s)

<u>Code</u>	<u>1990</u>	<u>1991</u>	<u>Jan-Jun</u> <u>1992</u>
31 Fertilizers (Potassium chloride 29,544)	64,368	64,849	29,880
10 Cereals (Wheat nes and meslin 23,813)	22,077	35,212	23,821
48 Paper & paperboard (Newsprint, in rolls or sheets 18,932)	16,482	27,508	23,701
25 Salt; sulphur; earth & ston; plastering mat; lime & cem (Asbestos 6,104)	14,198	15,085	6,110
39 Plastics & articles thereof	11,825	11,050	5,236
85 Electrical mchy equip parts thereof; sound recorder etc.	15,720	15,997	5,186
84 Boilers, mchy & mech appliance; parts	10,735	15,091	3,998
29 Organic chemicals	3,463	7,312	3,826
72 Iron & steel	6,608	28,109	3,330
47 Pulp of wood/of other fibrous cellulosic mat; waste etc.	2,902	5,818	2,701
26 Ores, slag and ash	12,746	21,734	2,654
12 Miscell. grain, seed, fruit etc.	4,368	4,416	2,158
79 Zinc & articles thereof	1,432	4,703	1,835
90 Optical, photo, cine, meas, checking, precision, etc	4,402	2,635	1,202
82 Tool, implement, cutlery, spoon & fork	973	643	609
99 Special transaction - trade	12,974	2,878	508
74 Copper & articles thereof	26	13,614	493
30 Pharmaceutical products	808	1,063	476
76 Aluminium & articles thereof	1,513	2,616	357
98 Special Classification Provisions	103	2,945	127
71 Natural/cultured pearls, prec stones & metals, coin etc.	10,278	43	46
86 Railw/tramw/ locom, rolling-stock & parts thereof; etc	<u>21,771</u>	<u>---</u>	<u>---</u>
Sub-Total of	<u>239,095</u>	<u>284,614</u>	<u>118,254</u>
Total	<b>248,255</b>	<b>290,998</b>	<b>121,801</b>

MAJOR CANADIAN IMPORTS FROM MALAYSIA  
(\$'OOOs)

<u>Code</u>	<u>1990</u>	<u>1991</u>	<u>Jan-Jun</u> <u>1992</u>
85 Electrical mchy equip parts thereof; sound recorder etc.	184,788	238,276	136,414
40 Rubber & articles thereof (Natural rubber in smoked sheets 11,178) (Gloves nes of rubber 4,194)	57,036	45,815	25,748
84 Boilers, mchy & mech. appliance; parts	8,332	20,366	20,434
61 Articles of apparel & clothing access, knitted or crocheted	24,875	22,216	14,947
62 Articles of apparel & clothing access, not knitted/crocheted	29,828	27,861	14,209
95 Toys, games & sports requisites; parts & access thereof	6,899	9,928	5,996
94 Furniture; bedding, mattress, etc.	3,213	7,006	3,784
44 Wood & articles of wood; wood charcoal	7,200	4,572	3,614
39 Plastics & articles thereof	1,999	4,222	3,255
55 Man-made staple fibres	8,552	3,856	2,865
16 Prep of meat, fish or crustaceans, molluscs	8,228	4,988	2,248
18 Cocoa & cocoa preparations	3,950	4,720	1,506
15 Animal/veg fats & oil & their cleavage products; etc.	11,679	7,987	1,501
83 Miscellaneous articles of base metal	3,018	2,879	1,350
80 Tin & articles thereof	3,084	4,019	1,340
90 Optical, photo, etc.	1,221	3,599	1,244
63 Other made up textile articles; sets	305	669	1,220
54 Man-made filaments	1,075	1,546	1,139
69 Ceramic products	2,102	2,059	1,118
64 Footwear	3,239	1,940	953
52 Cotton	1,388	1,179	842
99 Special Transaction - Trade	919	1,768	786
73 Articles of iron or steel	752	2,421	721
87 Vehicles o/t railw/tramw roll-stock	92	260	718
19 Prep of cereal, flour, starch/milk	8	697	523
72 Iron and steel	<u>400</u>	<u>1,164</u>	<u>99</u>
Sub-Total of	375,829	426,848	248,574
Total	<b>380,232</b>	<b>436,020</b>	<b>252,372</b>

MAY 1950

DATE	DESCRIPTION	AMOUNT	BALANCE
5/1	Balance	100.00	100.00
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5/27	...	...	...
5/28	...	...	...
5/29	...	...	...
5/30	...	...	...
5/31	...	...	...
TOTAL			





## The Philippines in the ASEAN Region

The Philippines, with a population of approximately 64 million, has an abundance of natural resources including minerals, agriculture, fisheries and a skilled labour force. In contrast to the economic growth of other countries in the ASEAN region, however, the Philippine economy has failed to keep pace. Beset by political instability, poor economic performance, environmental degradation and natural disasters, the country has yet to realize the potential of its extensive human and natural resources.

Under American rule for nearly 50 years, until its independence in 1946, the Philippines has retained close links with the U.S.A. As a new republic, the Philippines largely modelled its systems of government, education and law on the comparable American structure. Democratic processes were maintained, at least in name, until 1972 when martial law was imposed by then President Marcos. Following the 1986 military mutiny supported by the Filipino people, Marcos was driven from the country and Corazon Aquino assumed the presidency. After a national plebiscite in 1987, the Aquino government instituted a new constitution and the Philippines became a "democratic republican state". The path to democracy has not been smooth and has been plagued by several coup attempts. It is hoped that the election of the Ramos Government in May, 1992 will steady the progress of democratic reform and provide a stable environment for a healthier economy.

## CANADA AND THE PHILIPPINES

Canadian relations with the Philippines are strong and growing. They cover a full spectrum of activities including political, immigration, commercial and development links. Relations between Canada and the Philippines improved when President Aquino assumed office in 1986 and have been strengthened through Canada's active involvement with ASEAN.

Since 1986, Canada has targeted the Philippines as a priority country for development assistance. Canada has been quick to provide emergency aid following a series of natural disasters which included the devastating earthquake of July 1990, the volcanic eruption of Mount Pinatubo in June 1991 and Typhoon Uring in November 1991.

Immigration is an important part of the bilateral relationship, as the Philippines has become a significant source of new Canadians. In 1990, the Philippines was the fourth largest source of immigrants to Canada. There are currently more than 200,000 Canadians of Philippine origin.

Bilateral trade with the Philippines has doubled since the mid-1980's but has levelled off in recent years at approximately C\$400 million per year.

## **RECENT ECONOMIC DEVELOPMENTS IN THE PHILIPPINES**

Growth in the Philippine economy since the mid-1970's has been sporadic, tending to lag behind that of other countries in the ASEAN region. The Marcos dictatorship had left the economy in relative impoverishment when, in 1986, the Aquino Government came to power.

The Aquino administration made some progress in restoring private sector and foreign confidence in the economy. Some of the economic reforms put in place by the Aquino government included dismantling of monopolies, privatization, more liberal trade policies, financial sector reform and encouragement to exporters. These reforms were set in motion as the Philippine government concluded debt rescheduling agreements with both official and private creditors. In early 1990, the Philippines became the first country after Mexico to negotiate a debt reduction agreement with its creditors under the Brady Plan. In 1991, the Philippines negotiated a new standby agreement with the International Monetary Fund to provide additional financing to cover the country's debt repayments.

The economic recovery, however, lost momentum with the onset of the new decade. The expansionary fiscal and monetary policies of the late 1980's, which were designed to accommodate investment requirements and several rounds of wage increases, contributed to an inflationary spiral. The annual rate of inflation which had remained below 9 percent until 1989, rose to close to 13 percent in 1990 and 18 percent in 1991. GDP growth which was 6.2 percent in 1988, and 6 percent in 1989, declined in 1991 to minus 0.1 percent. Imports which had increased at twice the pace of export growth in this same period, contributed to an unmanageable increase in the current account deficit. The Central Bank was constrained in supporting the peso, which steadily moved downwards against other major currencies.

Growth prospects for 1990 and 1991 were hindered by uncertainty about long term political stability, an increase in the government's budget deficit, higher interest rates (25 percent), rising inflation, and the increasing trade deficit. In addition to these factors, setbacks occurred as a result of the July 1990 earthquake, the Persian Gulf war (and its impact on flows from overseas workers), the eruption of Mt. Pinatubo, and the withdrawal of U.S. forces from two large military bases.

In 1991, the Government put in place a stabilization program to tackle budgetary and balance of payments deficits. While this undoubtedly contributed to the slightly negative growth rate in 1991, it brought inflation rates below 9 percent by March 1992, stabilized the peso, reduced interest rates to 21.1 percent and set the basis for more sustained growth through the 1990's. This is an important legacy for the new administration. Further improvements to the macro-economic policy environment and increased political stability represent important challenges for the Ramos government, as it attempts to meet broad objectives and strategies for economic and social development.

Even though agricultural output has been adversely affected by drought, typhoon damage and severe volcanic eruption, agriculture, forestry and fishing continue to be the largest contributors to GDP in the Philippines and account for 50 percent of total employment in the country. The industrial sector has however continued to steadily expand. In 1991 the manufacturing sector accounted for about one quarter of the GDP.

### **The Business Environment**

The peaceful turnover of administration after the recent elections, combined with support by the new Ramos Administration for continued import liberalization, has served to foster a greater sense of confidence in the Philippines business community. President Ramos has installed a "Pro-Business" team, evidence of which includes the recent decision to lift foreign exchange restrictions, a strong push to improve law and order and various proposals to further liberalize import and investment laws. While it remains to be seen how these good intentions will materialize in practice, there is little doubt that a new sense of confident expectation has returned to the Philippines.

The government is actively involved in the promotion and regulation of investments, and also identifies preferred areas of investment within the country. Investment is encouraged in those areas which will improve economic efficiency and develop export-oriented industries. One hundred percent foreign ownership is allowed in the case of export-oriented enterprises of which at least 70 percent of production is for export; enterprises in export processing zones which meet the established criteria of these zones; and "pioneer" enterprises. Investments in non-pioneer mature industry sectors are generally more restricted. The 1991 investment priorities plan now permits foreign investment in non-pioneer areas located in the less developed areas of the country. In certain key sectors, such as public utilities, construction, extractive industries (for mining, petroleum and natural gas), finance and banking, foreign ownership is restricted to a maximum of 40 percent.

The government also offers investment incentives, which include various tax exemptions, financial and technical assistance and other non-tax privileges including pioneer status, to entities engaged in the preferred areas of economic activity identified by the Philippine Board of Investments.

## **CANADA-PHILIPPINES COMMERCIAL RELATIONS**

### **Philippines Global Trade**

In 1990, the Philippines' international trade reached U.S. \$21 billion, more than twice the level of U.S. \$10 billion reached in 1985. While levels of trade increased significantly from the mid-1980's, so did the country's overall trade deficit, peaking at close to U.S. \$3 billion in 1990.

The U.S. continues to be the Philippines' most important trading partner. It is the destination for over 38 percent of Philippine exports and is the origin of nearly 20 percent of Philippine imports. Together, the United States and Japan account for approximately 46 percent of the total trade carried out by the Philippines.

In 1990, total Philippine exports amounted to U.S. \$8.2 billion. The principal product areas were as follows:

Electric & electronic equipment	23.3%
Clothing	21.9%
Coconut products	4.1%
Copper	3.8%
Fish	3.6%

The growth in overall exports from the Philippines can be partly attributed to the recovery experienced in the non-traditional manufacturing sector.

Total Philippine imports in 1990 amounted to U.S. \$12.2 billion. Almost 50 percent of the Philippines' imports consisted of raw materials and intermediate goods. The principal imports for 1990 were as follows:

Raw material & intermediate goods	46.8%
Capital goods	25.7%
Mineral fuels & lubricants	15.1%
Consumer goods	8.7%

(Source: The Economist Intelligence Unit)

### **Canada-Philippines Trade**

Trade between Canada and the Philippines is carried out under the General Agreement on Tariffs and Trade (GATT); the Philippines is a beneficiary of Canada's General Preferential Tariff (GPT). In 1990, almost half of the dutiable shipments from the Philippines were eligible for preferential access to the Canadian market under the GPT.

In 1991, trade between Canada and the Philippines reached a two-way total of CDN \$401 million. Though this figure marks more than a doubling of trade since 1980, the Philippines ranks only 5th among the six ASEAN countries as a trading partner for Canada.

Over the past decade, Canada has regularly received between 1.5 and 2 percent of the Philippines' total world exports. In 1991, total Philippine exports to Canada amounted to CDN \$212 million. While Canada's share of Philippine exports has remained fairly constant from the Philippine perspective, it has decreased in significance in the context of Canada's overall ASEAN trade. Imports from the

Philippines in 1980 accounted for nearly 30 percent of all Canada's imports from the ASEAN region; by 1990, they represented only 10 percent of all Canada's imports from the ASEAN region.

Canada constitutes a growing market for Philippine exports. Philippine exports to Canada have traditionally been dominated by textiles and agricultural and fisheries products. Recently, exports to Canada have grown in sophistication, with the introduction of electric and electronic products and equipment. Almost 50 percent of Philippine exports to Canada in 1991 consisted of textiles and electronic goods. Textile and clothing trade is covered by a bilateral export restraint arrangement, and the Philippines is among the top low-cost suppliers of clothing to Canada. With the signature of the Memorandum of Understanding (MOU) for Fish Inspection during the visit of former President Aquino to Canada in late 1989, prospects improved for increased imports of Philippine canned tuna and frozen shrimp.

Canada's exports to the Philippines in 1991 totalled CDN \$190 million. Canada has provided between 0.6 percent and 1.3 percent of the Philippines' total import requirements over the past five years.

A large proportion of Canadian exports to the Philippines in 1991 consisted of primary commodities such as mineral products (ores, slag, ash, iron and zinc), wheat and cereals, and semi-transformed products such as electrical machinery, steel, pulp and paper, and fertilizers. Priority sectors in this market have been identified in advanced technology and services; mine, metal and mineral products, equipment and services; the power and energy sector; grains and oil seeds; and agriculture and food products and services.

The Philippine government's policy of import liberalization following reforms in 1986 renewed Canadian business interest in the Philippines. While tariffs remain high and some products are still subject to import controls, there are no particularly difficult labelling, packaging or standards requirements. All imports into the Philippines require an SGS certificate; SGS uses "home consumption value" as the basis for assessing the value of a shipment. Many Canadian exporters have been cautious in pursuing business and investment opportunities to the Philippines in the recent past because of the uncertainties and perceived risks associated with the political and economic situation. Nevertheless, the steadily increasing number of Canadian business visitors to the Philippines continue to be successful in promoting their exports locally. In 1991, most of the exports to the Philippines were arranged on a cash basis.

### **Canadian Investment in The Philippines**

According to the government of the Philippines, Canada ranks 15th among foreign investors. Canadian direct investment in the Philippines as of 1989 has been estimated at Cdn \$90 million, led by involvement in the financial and resource sectors. Major Canadian investors include Sun Life (present in the Philippines for close to 100 years), the Bank of Nova Scotia (40 percent equity in Solidbank), Placer Dome (Mar

Copper), and B.C. Packers (tuna cannery). New investment interest in the Philippines has focused on mining, agri-food and consumer products, though the Philippines remains a relatively low priority for Canadian overseas investors. Today, there are approximately 20 joint venture agreements and other arrangements involving Canadian and Philippine interests.

To facilitate bilateral commercial links, Canada and the Philippines have in place a double taxation agreement and a foreign investment insurance agreement.

## **EXPORT MARKETING EFFORTS**

Trade missions and other high level visits between Canada and the Philippines play an important role in promoting Canadian capabilities, products and services in the Philippines.

Interest has been largely concentrated in the agriculture and food sectors and the mining and energy sectors. Aside from missions sponsored by the federal government, Quebec, Ontario, Alberta and British Columbia have been the most active provinces in promoting exports to the Philippines. An increasing number of business missions and visitors have also focused attention on opportunities associated with Asian Development Bank-funded projects in the region. (The headquarters of the Asian Development Bank is in Manila.)

High level visits supporting the bilateral economic relationship have included: President Corazon Aquino's visit to Canada in November 1989, the first ever made by a Philippine President; Foreign Minister Manglapus' visit to Canada in October of 1990 for the Special Canada-ASEAN Ministerial meeting; and Minister of External Relations and International Development Monique Landry to the Philippines in April 1991. Senior officials of the Department of Environment and Natural Resources, the National Mapping and resource Information Authority (NAMRIA) and various telephone and broadcast companies have visited Canada to meet with Canadian companies, see Canadian installations and attend courses and events in Canada, such as TEMIC (Telecommunications Executive Management Interchange Centre) courses, Globe 90 and 92 (environment), and Intercomm 91 (Telecomm). Twenty-five Canadian companies participated in the 3rd Asia Pacific Mining Conference in Manila in 1992.

Market studies of various sectors of the Philippine economy are available in the following areas:

- Cable TV & Broadcast Equipment 1989
- Hospital Medical Equipment & Supplies 1989
- Mining Industry 1989

The Program for Export Market Development (PEMD) has also been used effectively in the Philippines by Canadian companies. Since 1980, over \$2.3 million in support has been offered through PEMD for 335 marketing efforts. The sales generated as a result of grants since 1971 have reached approximately \$279 million.

The Export Development Corporation has provided over \$60 million in long-term credits over the past decade in support of the sale of machinery and equipment in the mining, telecommunications and power distribution sectors. In 1989, EDC established a line of credit for up to \$27.1 million (in parallel with a CIDA contribution of \$14.6 million) with the Government of the Philippines to support projects in rural telecommunications. Financing under this facility has been fully committed. Another major credit project involved the supply of typhoon-resistant steel poles to the National Electrification Authority.

A Canadian Chamber of Commerce of the Philippines was formed in October, 1989, in Manila to promote Canadian business interests in the Philippines. The Chamber has about 200 members, consisting of resident Canadian business persons and local representatives of Canadian companies. In early 1990, the first Canadian-Philippine Business Directory was published. The directory, intended to help raise the profile of the Canadian business community in the Philippines, includes over 200 entries from Canadian firms represented or established in the Philippines, as well as local firms providing services to the business community.

**FACT SHEET - PHILIPPINES**

November 1992

**Area:** 300,439 sq km  
**Capital:** Manila

**Population:** 62.87 million (mid-1991)  
**System of Government:** Democracy

**President:** Fidel Ramos  
**Secretary of Trade & Industry:** Rizalino S. Navarro

**Secretary of Foreign Affairs:** Roberto Romulo

**Language:** Tagalog, English, Spanish)

**Ethnic Background:** Mainly Malay, Chinese, also Indians, Japanese, Arabs, Spanish

**GDP:** US \$45.04 b(1991)    **Per Capita Income:** US \$715 (1991)    **Currency:** Cdn \$ = 22.9 peso  
**Inflation Rate:** 18.71% (1991)    **Debt Service Ratio:** 21.2% (1990)    **Unemployment Rate:** 9.3% (1991)  
**GDP Real Growth:** 0.7% (1991)

**Major Trading Partners (1991):**Exports (Total: US \$8.840 billion)

1. USA (37.8%)
2. Japan (19.7%)
3. Hong Kong (4.0%)
4. United Kingdom (4.3%)
5. Netherlands (4.4%)

Imports (Total: US \$12.050 billion)

1. USA (19.4%)
2. Japan (18.3%)
3. Taiwan (6.6%)
4. Hong Kong (4.5%)
5. Saudi Arabia (4.5%)

**Canadian Trade Statistics:** (Cdn \$ millions)

	1987	1988	1989	1990	1991	1992
Exports	122.1	131.0	219.4	204.1	190.0	101.4
Imports	132.8	178.4	204.7	201.8	211.5	119.6
Balance	-10.7	-47.4	14.7	2.3	-21.5	-18.2

Major Canadian Exports Jan-Jun92 (Cdn \$'000)

Ores, slag & ash	18,141
Cereals	16,785
Mineral fuels, oils	13,506
Electrical mchy eqpt parts	9,059
Iron & steel	7,158

Major Canadian Imports Jan-Jun 92( Cdn \$'000)

Electrical Mchy eqpt parts	28,834
Clothing, not knitted/crocheted	20,394
Clothing, knitted or crocheted	9,472
Prep of meat, fish or crustaceans	7,623
Articles of leather, saddlery/harness	6,767

**Main Sectors of Opportunity for Canadian Business:**

1. Advanced Technology Products/Services
2. Mining, Metals, and Minerals
3. Power
4. Grains and Oilseeds
5. Agriculture & Food Products
6. Asian Development & World Bank Projects

**EDC Status:** On cover

**CIDA Status:** Category I country (\$100 million program to be spent in 5 years)

**Resident Canadian Bank:** Bank of Nova Scotia (Equity participation)

**Canadian Reps in Philippines:** Ambassador - André Simard; Commercial Counsellor - Donald Caldwell;  
 Tel: (011-63-2) 815-9536; Telex: (Dest.Code 75) 63676 DOMCAN PN; Fax: (011-63-2) 817-5410

**Department of External Affairs/PST Trade Contact:** Amir Guindi, Asia Pacific South Trade, Tel: (613) 995-7659; Telex: 053-3745; Fax: (613) 996-4309

**Philippine Reps in Canada:** Ambassador designate Pacifio A Castro, Ottawa (not arrived yet);  
 Consulates in Vancouver, Edmonton, and Toronto

MAJOR CANADIAN EXPORTS TO THE PHILIPPINES  
(\$'OOOs)

<u>Code</u>	<u>1990</u>	<u>1991</u>	<u>Jan-Jun</u> <u>1992</u>
26 Ores, slag & ash (Copper ores & concentrates 18,141)	42,332	55,847	18,141
10 Cereals	66,388	12,671	16,758
27 Mineral fuels, oils & product of their distillation	4	---	13,506
85 Electrical mchy equip parts thereof; sound recorder etc.	4,658	14,825	9,059
72 Iron & steel	1,781	13,149	7,158
84 Boilers, mchy & mech appliance; parts	7,571	7,626	4,568
79 Zinc & articles thereof	5,884	11,884	4,529
39 Plastics & articles thereof	11,449	10,780	3,902
47 Pulp of wood/of other fibrous cellulosic mat; waste etc.	5,129	4,887	3,367
73 Articles of iron or steel	367	1,261	3,145
31 Fertilizers	13,972	11,920	2,136
55 Man-made staple fibres	6,355	8,233	2,097
76 Aluminum & articles thereof	463	772	1,982
59 Impregnated, coated, cover/laminated textile fabric etc.	5,031	5,802	1,936
48 Paper & paperboard	10,127	10,711	1,258
25 Salt; sulphur; earth & stone; plastering mat; lime & cement	2,696	1,180	920
99 Special Transaction - Trade	1,775	1,187	802
21 Miscellaneous edible preparations	854	1,227	747
08 Edible fruit & nuts; peel	2,723	2,134	572
30 Pharmaceutical products	2,355	1,807	556
29 Organic chemicals	1,481	2,939	408
28 Inorgn chem; compds of prec met	190	1,007	145
04 Dairy prod; natural honey	<u>1,599</u>	<u>762</u>	<u>86</u>
Sub-Total of	194,981	182,007	97,778
Total	<b>204,120</b>	<b>189,994</b>	<b>101,417</b>

MAJOR CANADIAN IMPORTS FROM THE PHILIPPINES  
(\$'OOOs)

<u>Code</u>	<u>1990</u>	<u>1991</u>	<u>Jan-Jun</u> <u>1992</u>
85 Electrical machinery equip parts; sound recorder etc. (Monolithic integrated circuits 19,482)	49,042	50,359	28,834
62 Art of apparel & clothing access, not knitted/crocheted	39,985	38,149	20,398
61 Art of apparel & clothing access, knitted or crocheted	14,283	14,772	9,472
16 Prep of meat, fish or crustaceans (Tunas, skipjack & Atl bonito 7,584)	14,809	14,933	7,623
42 Articles of leather; saddlery/harness; travel goods etc.	12,023	11,809	6,767
84 Boilers, machinery & mech appliance; parts	3,396	4,387	6,320
91 Clocks & watches & parts thereof	12,832	14,030	5,087
20 Prep of vegetable, fruit, nuts (Pineapples nes 3,415)	7,142	8,763	4,633
08 Edible fruit & nuts (Coconuts, fresh or dried 3,858)	6,759	7,946	4,374
94 Furniture; bedding, mattress, matt support, cushion etc.	6,811	5,869	3,262
15 Animal/veg fats & oils & their cleavage products; etc.	322	4,868	2,308
73 Articles of iron or steel	239	944	2,078
64 Footwear, gaiters & like; parts of such articles	3,172	4,653	2,056
46 Manufactures of straw, exparto/other plaiting mat; etc.	4,580	3,893	2,025
95 Toys, games & sports requisites; parts & access thereof	2,104	2,428	1,479
90 Optical, photo, cine, meas, etc.	491	1,193	1,465
44 Wood & articles of wood; wood charcoal	4,253	3,964	1,428
03 Fish & crustacean	3,608	2,657	1,001
26 Ores, slag and ash	1,559	1,078	861
69 Ceramic products	1,075	1,423	827
63 Other made up textile articles; sets; worn clothing etc.	725	998	745
71 Natural/cultured pearls, prec stones & metals, coin etc.	1,523	1,296	646
09 Coffee, tea, maté & spices	<u>399</u>	<u>1,062</u>	<u>25</u>
Sub-Total	191,837	202,608	113,714
of	_____	_____	_____
Total	<b>201,810</b>	<b>211,504</b>	<b>119,650</b>





## **SINGAPORE IN THE ASEAN REGION**

Singapore, situated at the tip of the Malay peninsula, encompasses a land area of just 636 square kilometres. Its population of 2.7 million people is predominantly Chinese, with Malay, Indian and a variety of other ethnic groups making up the balance.

Singapore has been an independent Republic since its separation from Malaysia in 1965. The People's Action Party (PAP) has consistently led the parliamentary democratic government from the time of independence. As a result of the PAP's economic and social policies, Singapore has emerged as a dynamic trading, financial, manufacturing and distribution centre for South East Asia.

## **CANADA AND SINGAPORE**

Canada enjoys sound relations with Singapore as a result of Commonwealth ties, a similar outlook on international problems, and Canada's support for and active dialogue with the Association of South East Asian Nations (ASEAN).

Singapore is an important interlocutor for Canada on regional and global trade, economic and political issues. Similarly dependent on foreign markets and, therefore, in opposing protectionist trends, both countries co-operate on international economic issues. Trade is by far the most important feature of Canada-Singapore relations.

Ties between Canada and Singapore have been strengthened through strong educational links. It is estimated that there are between 1,500 and 1,800 Singaporeans studying in Canada at any one time. Singaporean graduates of Canadian universities have attained local prominence in government, business and education and are important "unofficial" representatives of Canada.

A number of Singaporeans have chosen to move to Canada in recent years to establish businesses in a wide range of sectors. These entrepreneurs generally maintain close ties with Singapore. Their trade contacts are not only useful in developing their business in Canada, but in expanding new opportunities in Canada-Singapore trade. In 1990 and 1991, Singaporean entrepreneurs and investors accepted under this program reportedly injected approximately \$115 million into the Canadian economy.

Canada and Singapore are both members of the tripartite (government, business, and academia) Pacific Economic Co-operation Conference (PECC). Canada has long been an active supporter of PECC. A secretariat for PECC was inaugurated in May, 1990 in Singapore.

Canada has also been a strong supporter of the Organization for Economic Co-operation and Development (OECD) Dialogue with the Dynamic Asian Economies (DAEs). Canada has encouraged Singapore to participate actively in this initiative, through formal and informal exchanges.

Canada and Singapore have also worked closely on the Asia-Pacific Economic Co-operation (APEC) initiative. Singapore was the site of the second APEC ministerial meeting in July, 1990 at which Canada was represented. As part of this process, APEC trade ministers also attended a meeting in Vancouver in September 1990. At its Ministerial meeting in Bangkok in September, 1992, APEC member governments agreed to the establishment of an APEC Secretariat in Singapore.

### **RECENT ECONOMIC DEVELOPMENTS IN SINGAPORE**

With the exception of a deep water harbour, an educated and industrious labour force and strategic location, Singapore has few natural resources.

Like Canada, Singapore has a small domestic market and is one of the world's most export-dependent countries. With its total trade amounting to over three times its GDP, Singapore is vulnerable to the vagaries of the international marketplace and external economic fluctuations.

The Singaporean government has effectively managed the economy within such a volatile environment through the promotion of policies which are supportive of the free enterprise system and are favourable towards domestic and foreign investment.

Prior to 1985, Singapore experienced very attractive GDP growth rates, which led to the second highest standard of living in Asia after Japan. In 1985 however, GDP growth contracted by 1.8 percent and Singapore experienced its first economic downturn. Following the imposition of a series of cost cutting measures, including a wage restraint program, the economy revived with growth averaging around 9 percent in the following few years. In 1988 GDP growth posted its best performance in 15 years at 11.1 percent, although it slowed to 9.2 percent in 1989, 8.3 percent in 1990 and to 6.7 percent in 1991.

The manufacturing sector led growth in the recovery period, mainly in response to international demand for computers and associated goods. In 1991, manufacturing, financial and business services, commerce, and transport and communications accounted for almost 90 percent of the GDP, with manufacturing and financial services together accounted for 56 percent of GDP in 1991.

Foreign capital has continued to be a key factor in the development of Singapore as a major international financial, commercial and trade centre. Since 1981, the Japan Bond Research Institute has assigned a "no risk" status to Singapore as a location for foreign investment. The Singaporean government's policies have helped maintain investor confidence in the country's economic prospects and have resulted in

large capital inflows from foreign investors. Japan and the U.S. are by far the largest contributors to foreign investment in Singapore, accounting for approximately 66 percent of total foreign investment and 49 percent of total investment. In 1990, total investment commitments amounted to U.S. \$1.4 billion, a 27 percent increase over the previous year, and in 1991 grew to U.S.\$1.8 billion. The government is also actively encouraging foreign investment abroad as a means of acquiring foreign technology, expanding export markets and, in the process, creating a pool of Singapore-owned and controlled multinational corporations.

Singapore is also actively encouraging the diversification of the services sector in an effort to make the economy less dependent on the performance of its major trading partners. Rapid growth since 1987, however, has placed considerable pressure on labour markets, a situation which has constrained the expansion of the economy and posed a risk to Singapore's international competitiveness. The economy is expected to slow further in 1992 with GDP growth estimated in the 4 percent to 7 percent range.

The rapid pace of industrialization in neighbouring countries has also added pressure to the competitiveness of Singapore and has heightened the need for Singapore to promote new high value-added manufacturing ventures. Export competitiveness, through the upgrading of productivity, will therefore remain a key concern of the government and will continue to guide its policies in the area of employment, industrial development and financial management. Recent efforts to corporatize a number of government-controlled enterprises appear to be in line with these policies.

### **The Business Environment**

Singapore's success on the international trade scene builds on its traditional role as an entrepot for the region. This role has been reinforced by its central geographic location in Asia, well-developed infrastructure, world class communications system and political stability, as well as its educated, English-speaking workforce. The Singaporean government's fiscal and monetary policies are designed to promote Singapore as a business centre through the facilitation of private sector growth and export competitiveness.

Singapore's market economy is based on a free enterprise system. Singapore functions as a free port where most goods are not subject to quota restriction and can be imported without a licence. As well, most imports are duty free, with only 8% of trading classes subject to import duty.

The objectives of domestic price stability and export competitiveness are sought through exchange rate and monetary policy. Large foreign reserves, relatively low inflation and competitive interest rates characterize the economy.

Foreign investment is actively encouraged, especially in the development of technology and its related management and labour skills. Virtually all industries are open to foreign investment, with the exception of public utilities and telecommunications. Singapore offers a relatively risk free environment, with no record of nationalization or expropriation.

Generally, no percentage restrictions are enforced regarding foreign ownership, although the approval of relevant government departments is required. The only areas where restrictions to ownership occur are in the banking and newspaper-publishing sectors. Special incentives have been developed to encourage high-technology based sectors.

Singapore has developed many tax incentives to attract both foreign and local investment. Currently, there is no differentiation made between foreign and local investment capital. These incentives include various tax breaks and cover such aspects as pioneer status, expansion incentives, investment allowances, research development expenses and international consultancy services.

As well, the Economic Development Board of Singapore has made available a range of economic development assistance schemes. These schemes are designed to provide financial assistance for small to medium sized companies and joint venture enterprises. In order to be eligible for this type of assistance, a joint venture must be at least 30% locally-owned with less than 50 employees and assets of less than \$8 million.

## **CANADA-SINGAPORE COMMERCIAL RELATIONS**

### **Singapore's Global Trade**

Singapore's success on the international trade scene builds on its traditional role as an entrepot for the region and its growing importance as a strategic communications, transportation and manufacturing centre. Singapore, with its tight labour supply and lack of natural resources, has encouraged companies to establish their management centres there, while labour and resource intensive manufacturing take place in nearby Malaysia or Indonesia. Singapore has also been quite successful in maintaining a diversity of trading partners and thereby insulating itself to some extent from regional economic downturns.

Singapore's international merchandise trade reached U.S.\$117.5 billion in 1990 and \$132.5 billion in 1991, an increase of more than 2 times its trade levels of a decade earlier. Its overall trade deficit reached U.S. \$8.2 billion in 1990 and \$7.1 billion in 1991.

Japan is the largest source of imports for Singapore accounting for over 20 percent of Singapore's total imports. Japan, together with the U.S.A. and other ASEAN countries, account for over 50 percent of Singapore's total imports. These amounted to U.S.\$60.9 billion in 1990 and U.S.\$70 billion in 1991. Singapore's import sources have remained fairly consistent over the decade.

Singapore's leading export markets are the U.S.A. and other ASEAN countries, which together receive over 45 percent of all exports from Singapore. The U.S.A. alone receives 22 percent of all Singapore's exports and is considered Singapore's most important trading partner. Total exports amounted to U.S. \$52.7 billion in 1990 and U.S. \$62.5 billion in 1991.

Singapore's importance as an entrepot is evidenced by the fact that its total trade is more than 3 times greater than its GDP, and that its principal exports and imports are in the same product categories. Re-exports alone account for over 15 percent of Singapore's total trade.

Principal exports 1991

Machinery & equipment 51%  
Mineral fuels 17%  
Manufactured goods 7%  
Chemicals 7%  
Crude materials 2%  
Food 3%

Principal imports 1991

Machinery & equipment 47%  
Mineral fuels 14%  
Manufactured goods 13%  
Chemicals 7%  
Food 4%  
Crude materials 2%

(Source: Economist Intelligence Unit)

### **Canada-Singapore Trade**

Trade is by far the most important feature of Canada-Singapore relations. It is carried out under the General Agreement on Tariffs and Trade. Singapore is a beneficiary of Canada's General Preferential Tariff (GPT) and British Preferential Tariff. In 1990, more than three quarters of the dutiable shipments from Singapore were eligible for preferential access to the Canadian market under the GPT.

As Canada's 19th largest export market in the world and its largest export market in ASEAN, Singapore has become a market of considerable importance to Canada. Trade between Canada and Singapore has doubled since 1987, reaching CDN \$945 million in 1991. Singapore exports to Canada have increased more rapidly than Canadian exports to Singapore and have contributed to a trade deficit for Canada currently in the order of CDN \$233 million. Canadian exports to Singapore were valued at CDN \$356 million in 1991, while imports from Singapore totalled CDN \$589 million.

Although two-way trade has been growing at a rapid rate, neither country is a significant player in the other's market. With Canada's 0.5% share of Singapore's total imports and its 0.9% share of total Singapore's total exports, there is much room for further growth in bilateral trade.

Canada's exports, which, in the early 1980's, consisted to a large degree of primary products, are now more equally distributed among the primary and manufacturing sectors. Canada's major exports are unwrought silver and gold, aircraft and parts, machinery, telecommunications and other electrical equipment, and paper (including newsprint). In contrast, exports of fertilizers and other chemical products and of vegetable products have thus decreased in importance.

The composition of Singapore's exports to Canada has also changed over the last decade. In 1991, 78 percent of Singapore's exports to Canada were electronic and electrical equipment (and components) including computers and televisions, and machinery. These products have replaced the more traditional exports and re-exports of rubber, textiles and clothing, and other miscellaneous manufactured goods.

There are two principal reasons why such a small country accounts for such a significant portion of Canada's ASEAN trade. First, Singapore continues to fulfil its historical role as a transshipment point. Its air and sea ports are among the world's busiest and most efficient, and the country is rapidly becoming the business, financial and transshipment centre for much of the ASEAN region. Although difficult to quantify, more than a third of our exports to Singapore are probably destined for re-export. The second reason is that Singapore is the most advanced in terms of industrial development among countries in the region.

#### Priority Sectors:

Canada's trade strategy has identified market opportunities in the following sectors in Singapore:

- 1 Information technology and electronic products: With a local work force that is high-cost by Asian standards and is highly skilled, both government and industry are concentrating their efforts on exploiting information technology as both a growth industry and as a necessary pre-requisite to establishing Singapore as a regional services centre.
- 2 Agriculture and food products: Although bulk food products (grains and oil seeds) account for a majority of total Canadian agricultural exports to Singapore, semi-processed food items present significant opportunities for growth. An evolving middle class and the impact of tourism have heightened interest in specialty, niche market food products.

- 3 Transport systems and services: Singapore's efforts to maintain its status as the regional transportation hub and its drive for more efficient solutions to urban transportation challenges give rise to numerous opportunities for a wide range of exports and joint-ventures. These include an electronic road pricing system, space and labour-saving systems for the Port of Singapore Authority and the construction of a third passenger terminal at Changi Airport. Major contracts awarded to Canadian companies in Singapore's transportation sector include the purchase of flight simulators and baggage handling equipment.
4. Defence products: Geo-political concerns result in the maintenance of one of the region's best equipped armed forces. Opportunities exist for Canadian suppliers of avionics, other forms of advanced military equipment, and sophisticated security products.
5. Oil and gas equipment and services: Although Singapore is not a petroleum producer, its location at the heart of ASEAN and its traditional entrepot role have made it a centre for oilfield service companies that cover the region. Singapore is also a major petroleum refining centre, with five major refineries. The concentration of refineries and service companies has created opportunities for Canadian suppliers interested in entering the ASEAN market.
6. Environmental Equipment and Services: Singapore's growing expertise in areas of environmental protection and control, and increasing regional environmental concerns, have led Singapore to take steps to establish itself as a regional centre of excellence in this sector.

### **Canadian Investment in Singapore**

Over 65 Canadian companies, associations and representatives have offices in Singapore, including the 5 major Canadian banks. In addition, there are 12 signed agreements involving joint ventures or technology transfers between Canadian and Singapore firms in the services and manufacturing sectors (see Appendix). Canadian companies are also represented in Singapore through over 200 agents and distributors.

The Canadian commercial and corporate presence in Singapore is growing. By 1989, cumulative Canadian investment exceeded \$1 billion. However, most of the involvement has taken the form of regional offices rather than manufacturing operations. Much of the investment is in the financial sector. It reflects the presence of Canadian chartered banks and Manulife.

Two arrangements are in place to facilitate Canada-Singapore investment relations: a Foreign Investment Insurance Agreement (FIIA) to promote and protect Canadian investment in Singapore and a double taxation agreement.

Considerable potential for attracting investment into Canada lies in Singapore's pool of capital available for foreign investment. In 1985 the Economic Development Board (EDB) created the country's first venture capital fund. There are today over 20 funds looking for investment opportunities. In 1988, the EDB established a new international direct investment policy to encourage Singaporean companies to invest abroad as a means of creating a group of Singapore-owned and controlled multinational corporations. Added benefits are seen to include acquisition of foreign technology and the creation of new export markets.

No reliable statistics on Singapore direct investment in Canada are available but estimates indicate that it is approximately \$100 million. The growth potential is tremendous. Portfolio investments are substantial with the Government of Singapore Investment Corporation having over \$1 billion invested in Canadian Government Bonds and other securities.

## **EXPORT MARKETING EFFORTS**

A number of government programs and private sector initiatives have supported Canada's export marketing efforts in Singapore. They have been aimed at identifying opportunities for Canadian exports in specific sectors of Singapore's economy and establishing linkages between the business communities of both countries.

The increasing number of high-level federal and provincial government visits and private sector missions to Singapore is indicative of the growing interest in Canada for Singapore and Southeast Asia.

During 1991, the Canadian High Commission in Singapore assisted well over 600 business visitors. Aside from the trade missions sponsored by External Affairs and International Trade Canada, a large number of missions have been organized by provincial governments, often led by an economic minister. Frequently Singapore is the focal point of such missions which extend to various parts of Southeast Asia. Ontario, Quebec, Alberta, Saskatchewan and British Columbia have been most active in this regard. Major regional trade fairs, such as Asian Aerospace, CommunicAsia, Asia Telecom, and Offshore Southeast Asia, all take place in Singapore and attract strong Canadian business participation.

The Export Development Corporation (EDC) is open for business in Singapore under all of its export programs. EDC readily acknowledges that the combination of easy access to alternative funding sources such as domestic debt and equity markets as well as to a broad cross-section of Canadian commercial bank representation has limited the need for EDC involvement with Singaporean buyers of Canadian goods and services.

Since 1980, the Program for Export Market Development (PEMD) has disbursed almost \$6 million for 926 marketing efforts pertaining to Singapore under this program. The sales generated as a result of PEMD support have totalled close to \$201 million since the inception of the program in the early 1970's.

A number of further initiatives have been undertaken under Canada's Trade Development Program to provide Canadian companies with information on opportunities available in a number of discrete sectors of the Singapore economy as well as support for their participation in important trade shows held in Singapore. Sectoral market studies available from External Affairs and International Trade Canada are listed below:

- Aerospace Industry, 1989
- Assessing Environmental Opportunities, 1990
- Assessing Franchising Opportunities, 1990
- Assessment of Singapore as a Regional Centre, 1990
- Assessment of Venture Capital & Investment Opportunities, 1990
- Computer Industry, 1989
- Construction Industry, 1989
- Defence Industry, 1990
- Educational Services Industry, 1990
- Environmental Protection & Control Products & Services, 1991
- Fashion & Jewellery Industry, 1990
- Food Industry, 1989
- Health Products, 1990
- Oil and Gas Industry, 1990
- Port Industry, 1990
- Public Utilities, 1990
- Singapore Consultancy Industry, 1990
- Sports & Recreation Industry, 1989
- Technology Inventory, 1991
- Telecommunications Industry, 1989
- Tourism Development Opportunities, 1988

The Canadian Manufacturers Association (CMA) signed a Memorandum of Understanding (MOU) with the Singapore Manufacturers Association (SMA) in November 1988. The MOU was designed to promote trade and investment linkages between the Canadian and Singaporean business communities.

The Canada-Singapore Business Association, based in Singapore, was created in response to the growing presence of Canadian companies and business interests in the country. It acts as a focal point for Singaporean business persons wishing to do business in Canada. Membership of the Association has grown to over 250 members.

Two other groups, the Canadian Alumni Association (Singaporean graduates of Canadian universities) and the Canadian Association (Canadians residing in Singapore), also contribute to promoting trade and economic ties between the two countries.

A Canada-Singapore Business Association, based in Vancouver, was established in August 1989 and officially launched in March 1990. It assists in identifying business opportunities in Canada and Singapore and provides contacts to potential investors. This Association is a counterpart to its Singapore-based namesake, which pursues similar mandates. There are, however, no official links between the two bodies at present.

**FACT SHEET - SINGAPORE**

November 1992

**Area:** 633 sq km**Population:** 2.76 million (1991)**Capital:** Singapore**System of Government:** Constitutional Parliamentary Democracy**Prime Minister:** Goh Chok Tong**Minister for Foreign Affairs:** Wong Kan Seng**Minister for Trade and Industry:** B. G. Lee Hsien Loong**Language:** English, Mandarin, Malay, Tamil**Ethnic Background:** Chinese 78%, Malay 14%, East Indian 7%**GDP:** CAD\$45,671b (1991)**Per Capita Income:** CAD\$17,150 (1991)**Currency:** Spore\$ = Cdn\$0.75**Inflation Rate:** 3.4% (1991)**Debt Service Ratio:** 0.1% (1991)**Unemployment Rate:** 1.9% (1991)**Major Trading Partners (1991) (CAD billion):**Exports (Total: \$76.5 b)

1. USA (\$15 b)
2. Malaysia (\$11.25.4 b)
3. Japan (\$6.75 b)
4. Hong Kong (\$5.25 b)
5. Thailand (\$4.5 b)

Imports (Total: \$85.5 b)

1. Japan (\$18 b)
2. USA (\$13.5 b)
3. Malaysia (\$12.75 b)
4. Thailand (\$3 b)
5. Hong Kong \$2.25 b)

**Canadian Trade Statistics: (CAD\$ millions)**

	1987	1988	1989	1990	1991	1992
Exports	168.0	275.2	243.5	381.3	377.8	162.4
Imports	291.4	466.9	502.4	551.8	588.9	280.4
Balance	-123.4	-191.7	-258.9	-170.5	-211.1	-118.0

Major Canadian Exports Jan-Jun/92(CAD\$ m)

Aircraft, spacecraft, and parts	37,971
Boilers, mchy & mech appliance	20,934
Paper & paperboard	19,531
Electrical machy eqpt parts	17,416
Natural/cultured pearls	15,845

Major Canadian Imports Jan-Jun/92(CAD\$ m)

Boilers machy & mech appl.	136,496
Electrical mchy eqpt,parts	81,976
Organic chemicals	11,889
Rubber & articles thereof	9,090
Clothing, knitted or crocheted	6,171

**Main Sectors of Opportunity for Canadian Business:**

1. Info Technology & Electronic Products
2. Environmental Equipment & Services
3. Agriculture & Food Products
4. Transportation Systems/Equipment
5. Defence Programs/Products/Services
6. Oil & Gas Equipment/Services

**EDC Status:** On cover**CIDA Status:** Not a program country**Resident Canadian Banks:** Bank of Montreal, Bank of Nova Scotia, Canadian Imperial Bank of Commerce, National Bank of Canada, Royal Bank, Toronto Dominion Bank**Canadian Reps in Singapore:** High Commissioner - Gavin Stewart; Commercial Counsellor - Jim Feir; Tel: (011-65) 225-6363; Telex: (Destination Code 87) RS21277; Fax: (011-65) 225-2450**Department of External Affairs/PST Trade Contact:** Ted Weinstein; Tel: (613) 996-5824; Telex: 053-3745; Fax: (613) 996-4309**Singapore Reps in Canada:** High Commissioner - Mr. Chew Tai Soo; Mark Hong, Deputy High Commissioner to Canada; c/o Singapore Permanent Mission in New York; Tel: (212) 826-0840

MAJOR CANADIAN EXPORTS TO SINGAPORE  
(\$'OOOs)

<u>Code</u>	<u>1990</u>	<u>1991</u>	<u>Jan-Jun 1992</u>
88 Aircraft, spacecraft & parts thereof (Helicopters 22,529) (Flight simulators & parts 14,644)	45,667	66,020	37,971
84 Boilers, mchy & mech appliance; parts	44,201	36,751	20,934
48 Paper & paperboard (Newsprint, in rolls or sheets 8,933)	28,447	30,215	19,531
85 Electrical mchy equip parts thereof; sound recorder etc.	37,510	32,024	17,416
71 Natural/cultured pearls, prec stones & metals, coin etc. (Gold in unwrought forms non-monetary 9,395) (Silver in unwrought forms 5,879)	83,290	70,398	15,845
99 Special Transaction - Trade	49,507	29,336	9,194
98 Special Classification Provisions	11,361	17,630	5,563
39 Plastics & articles thereof	9,024	12,888	4,270
12 Miscellaneous grain, seed, fruit etc.	8,119	6,660	3,752
90 Optical, photo	6,706	5,639	3,254
28 Inorgn chem; compds of prec met	93	101	2,514
82 Tools, implements, cutlery	1,932	2,410	1,523
33 Essential oils & resinoids; perf, cosmetic/toilet prep	1,106	1,286	1,523
73 Articles of iron or steel	1,794	1,945	1,496
78 Lead and articles thereof	3,006	1,657	1,427
76 Aluminium & articles thereof	3,212	1,219	1,408
31 Fertilizers	4,727	---	1,306
55 Man-made staple fibres	2,777	3,915	1,091
87 Vehicles o/t railw/tramw roll-stock, pts & accessories	3,520	1,644	1,077
44 Wood & articles of wood	1,466	1,448	792
29 Organic chemicals	2,109	950	707
20 Prep of vegetable, fruit, nuts or other parts of plants	929	1,378	663
57 Carpets & other textile floor coverings	3,932	2,258	647
47 Pulp of wood/of other fibrous cellulosic mat; waste etc.	5,167	1,858	610
79 Zinc & articles thereof	4,715	5,967	520
54 Man-made filaments	995	2,024	483
75 Nickel & articles thereof	952	1,053	354
72 Iron & steel	3,495	6,841	304
03 Fish & crustacean, mollusc & other aquatic invertebrate	1,251	626	263
94 Furniture; bedding, mattress, matt support, cushion etc	1,268	341	212
10 Cereals	<u>8</u>	<u>1,724</u>	<u>2</u>
Sub-Total of	372,286	348,206	156,652
Total	<u>381,317</u>	<u>356,076</u>	<u>162,387</u>

MAJOR CANADIAN IMPORTS FROM SINGAPORE  
(\$'OOOs)

<u>Code</u>	<u>1990</u>	<u>1991</u>	<u>Jan-Jun</u> <u>1992</u>
84 Boilers, mchy & mech appliance; parts (Storage units 78,828) (Digital process units 15,356)	279,548	302,546	136,496
85 Electrical mchy equip parts thereof; sound recorder (Monolithic integrated circuits 21,534)	146,507	160,240	81,976
29 Organic chemicals	17,050	17,256	11,889
40 Rubber & articles thereof (Technically specified natural rubber (TSNR) 8,668)	12,775	12,418	9,090
61 Art of apparel & clothing access, knitted or crocheted	14,910	13,368	6,171
62 Art of apparel & clothing access, not knitted/crocheted	18,139	13,357	5,917
49 Printed books, newspapers, pictures & other product etc.	3,911	5,971	3,768
94 Furniture; bedding, mattress	4,640	3,165	2,722
87 Vehicles o/t railw/tramw roll-stock, pts.	5,798	2,949	2,360
03 Fish & crustacean	7,433	6,562	1,924
90 Optical, photo	4,313	3,155	1,784
95 Toys, games & sports requisites	4,392	2,738	1,679
44 Wood & articles of wood	3,634	2,844	1,606
99 Special Transaction - Trade	1,233	3,052	1,489
55 Man-made staple fibres	6,198	2,989	1,050
39 Plastics and articles thereof	1,002	2,309	938
71 Natural/cultured pearls, prec stones, etc.	469	1,582	937
88 Aircraft, spacecraft, & parts thereof	466	1,348	937
98 Special Classification Provisions	494	1,203	684
30 Pharmaceutical products	779	1,166	580
82 Tool, implement	1,346	1,746	573
73 Articles of iron or steel	888	6,160	439
16 Prep of meat, fish or crustaceans, molluscs etc.	1,310	1,141	419
89 Ships, boats & floating structures	1,007	7,578	300
05 Products of animal origin	1,230	986	190
09 Coffee, tea, maté & spices	740	1,011	95
63 Other made up textile articles; sets; worn clothing etc.	1,250	285	63
17 Sugars & sugar confectionery	<u>534</u>	<u>2,568</u>	<u>10</u>
Sub-Total of	541,996	581,693	276,086
Total	<u>551,772</u>	<u>588,905</u>	<u>280,368</u>







## **THAILAND IN THE ASEAN REGION**

Thailand is a resource-rich, open-market economy of 57 million people. It is the only country in Southeast Asia which has never been colonized. Thailand has been largely governed by a succession of military leaders since it became a constitutional monarchy in 1932, and has remained remarkably stable. Thailand's progress towards a sustainable democratic system was slowed by the February, 1991 coup which ousted the second civilian government. The military promised an early return to democratic processes. Elections held in March, 1992 were followed by a period of serious political unrest with demonstrations resulting in injury and loss of life in May, 1992. Elections held in September, 1992 have succeeded in reinstating the democratic process. The role of the military in political life remains considerable, however.

Since the mid 1980's, Japan has played a dominant role in Thailand's development. It accounts for approximately 52% of the total foreign investment, acts as a major source of technology and is Thailand's principal development assistance donor.

Thailand's strong economic position and the likelihood of continuing high levels of foreign investment suggest sustained economic growth for the foreseeable future.

## **CANADA AND THAILAND**

Canada's involvement with Thailand dates from the Colombo Plan in the 1950's, with diplomatic relations established in 1961. Over the years, Canada's interest in the region has broadened and relations with Thailand now include a full range of activities, political, economic, commercial and development co-operation.

Canada's relations with Thailand strengthened as a result of Thailand acting as Canada's dialogue partner within ASEAN during the period 1985-1988. On-going co-operation between the two countries continues to address areas of regional and international concern, such as the multilateral trade negotiations, Asia Pacific Economic Co-operation (APEC), regional security and international environmental issues.

## **RECENT ECONOMIC DEVELOPMENTS IN THAILAND**

The Thai economy is among the most successful and resilient in Asia and is one of the fastest growing in the world. In the 1960's and 1970's Thailand experienced strong, steady growth averaging a 7 percent increase in GDP and a 5 percent growth in per capita income each year. During this period, the expansion of agricultural production contributed substantially to the strong economic performance.

In the early 1980's, with the collapse of commodity prices and the second global oil shock, the economic growth in Thailand slowed significantly to a GDP rate of just 4 percent in 1986. Yet from 1986 onwards, the country turned its economy around through sound macroeconomic management which included the promotion of a competitive exchange rate policy, the implementation of fiscal restraint measures, and a large influx of foreign investment in its export sectors. Growing trade with Asian partners, which increased by 23 percent between 1986 and 1989, contributed to a more mature, diversified market structure. Thailand began to experience economic development averaging a commendable GDP increase of 10 percent per year, reaching 11 percent in 1988 and 13.2 percent in 1989.

The overall growth in the late 1980's was accompanied by a restructuring away from an agricultural to an industrial economy oriented to manufacturing, services and external trade. The industrial share of the GDP rose over the last two decades from 19 percent to almost 30 percent and agriculture declined from 28 percent to 14 percent. Most of this industrial growth, however, has been concentrated in Bangkok and the adjoining central region, which accounted for 90 percent of value-added manufacturing. The dynamism of this region continues to contrast the rest of the country where agriculture remains the dominant economic activity.

In spite of its decreased share of GDP, agriculture still employs 64 percent of the country's labour force and contributes one half of total merchandise exports. Policies to promote industrial development outside Bangkok and incentives to encourage a better regional distribution of investment are being implemented to address this problem.

Thailand's rate of inflation jumped from 2.5 percent in 1987 to 5.5 percent in 1989 and 6.0 percent in 1991. Also by 1990, due to the large trade deficit, the current account balance registered a deficit in the order of US \$7.2 billion. Foreign capital inflows, including foreign investment, were more than sufficient to finance the deficit and contributed to a further build-up of official reserves to US\$13.3 billion at the end of 1990, compared with US\$9.5 billion at the end of 1989.

Thailand's economy is entering a new phase, slowing from the rapid double-digit growth rates experienced in the late 1980's. In 1991, Thailand's annual GDP growth, though still impressive by world standards, had dropped to 7.9 percent. This slowdown can be attributed in part to the negative impact of the Gulf War on tourism, the reductions in external demand, capacity constraints in several areas, and domestic political difficulties.

Annual GDP growth is expected to continue at approximately 7-8 percent for the next several years. As a result Thailand would continue to be one of the highest growth performers on the world's economic stage. High growth levels will be sustained by means of the government's expansionary fiscal policy, a reform of tax structure, private sector investment, major infrastructural projects being launched and human

resources development. This growth will be accompanied by a widening but manageable trade deficit. No real balance of payments or debt servicing problems are expected in the short term. On such assumptions, Thailand could soon join the Newly Industrialized Economies (NIEs).

Among the challenges currently facing Thailand is the growing inflation rate, which will have a direct impact on the country's export competitiveness. The inflation rate in Thailand, however, is still relatively low at 5.7 percent in comparison with other ASEAN countries.

Another factor influencing the pace of Thailand's economic development will be infrastructural development. Though advances have been made with increased road building and port expansion, decisions need to be taken regarding urban transportation, for example. Much remains to be done before congestion levels improve. Infrastructure inadequacies are increasingly factored into foreign investors' decisions.

A third challenge which Thailand has recognized as a priority in its Five Year Plan, is the increased demand for skilled managers, technicians and labour.

In summary, in spite of a degree of political uncertainties, Thailand's fundamental economic policies are sound and economic indicators are strong. For an "overheated" Thai economy which grew by more than 40 percent in real terms in 1988-90, a slowdown may be welcome, allowing Thailand to address urgent social requirements and the need to expand the currently strained infrastructure.

### The Business Environment

The Thai economy has maintained high growth rates in recent years. Despite the international downturn, GDP growth for 1992 is expected to be similar to the 7.5% achieved in 1991, which was a drop from 10% achieved in 1990 and 12.5% in 1989. Private enterprise has long been recognized as essential for developing Thailand and consequently does not face excessive government restriction. A new foreign investor is, however, well advised to register with the Board of Investment.

The Board of Investment has designated several areas in various provinces as investment promotion zones. A project which is located in any of these zones will be granted special rights and benefits, mainly in the form of tax privileges. The Board of Investment has also undertaken to accelerate the provision of the necessary infrastructure in these areas.

Joint ventures with local partners are encouraged by the government. Foreign partners are welcomed if they provide "new" technology. However, they are expected to assist in the transfer of the expertise associated with the technology to their Thai counterparts. As restrictions to foreign ownership of land apply, this should be

addressed between the joint venture partners. There are already over 30 significant joint ventures or technology transfers between Thai and Canadian firms, representing over \$100 million in registered capital.

With respect to the trade environment, most duties are ad valorem, although some are specific and others are both ad valorem and specific. The rates are quite variable, ranging from 5% to 50%; for some luxury items, import duties can be much higher. Many of these rates have been falling as recent administrations pursue freer trade policies.

## **CANADA-THAILAND COMMERCIAL RELATIONS**

### **Thailand's Global Trade**

Thailand's total international trade (imports and exports) reached close to U.S. \$57 billion in 1990, representing a 23 percent increase over trade levels of the previous year and an increase 3 1/2 times the levels of a decade earlier. Due to the many needs of its fully expanding economy, however, imports continue to account for almost 60 percent of Thailand's international trade. Its overall trade deficit in 1990 reached more than U.S. \$10 billion, an increase of approximately 45 percent over the previous year.

Thailand's three most important trading partners are the USA, Japan and Singapore, which together receive 47 percent of Thailand's exports and supply Thailand with 49 percent of its imports.

Total world exports from Thailand, which totalled U.S. \$6.5 billion in 1980, were at U.S. \$22.9 billion in 1990, and \$28.4 billion in 1991. Thailand's principal exports for 1990 are outlined below.

#### Principal Exports 1990

Textiles and garments 14.4%  
Rice 4.8%  
Tapioca 3.9%  
Rubber 3.9%  
Precious Stones 3.9%

#### Principal Imports 1990

Non-electrical machinery 18.2%  
Electrical machinery 11.8%  
Fuel & lubricants 9.1%  
Iron & Steel 7.6%  
Chemicals 7.6%

(SOURCE: The Economist Intelligence Unit)

Due to Thailand's rapidly expanding industrial base, imports of manufactured goods, including machinery and manufacturing inputs, have increased dramatically. Imports of consumer goods and luxury items have also grown in recent years, reflecting a substantial increase in personal income levels. While in 1980, Thailand's total world imports were valued at U.S. \$9.2 billion, in 1990 they reached U.S. \$33.7 billion.

Thailand's economic boom and the surge in foreign investment have changed the composition of its external trade in recent years. Fuelled by strong demand, export industries have done well with growth in output of about 10.7 percent in 1991. The share of GNP held by manufactured products has now reached 25.5 percent; correspondingly, agriculture is now down to 13.5 percent. Textiles, the country's largest industry, grew by about 14 percent in 1991.

Thailand is very much dependent on the state of world trade, as much of its growth rate is linked to its increased exports. Consequently, awareness of the implications of trade liberalization efforts such as the Multilateral Trade Negotiations (MTN), and sensitivity regarding the regional trading arrangements developing in Europe and North America characterize Thailand's approach to foreign trade policy. The Thai government played a pivotal role in bringing about commitment by ASEAN leaders to broaden regional economic integration (ASEAN Free Trade Area, or AFTA). Thailand also expects to play a significant role in the opening of new markets in Indochina (Vietnam, Laos, Cambodia).

### **Canada-Thailand Trade**

Trade between Canada and Thailand is carried out under the General Agreement on Tariffs and Trade (GATT). Thailand is a beneficiary of Canada's General Preferential Tariff (GPT). In 1990, about half of the dutiable shipments from Thailand were eligible for preferential access to the Canadian market under the GPT.

Thailand is Canada's 20th largest export market in the world, and its second largest export market in ASEAN. In 1991, bilateral trade reached C\$852 million; Thailand experienced a trade surplus of C\$147 million with Canada in that year.

Canadian exports to Thailand reached CDN \$353 million in 1991. Though this figure represents a decline of CDN \$108 million in export levels from the previous year, it illustrates a considerable increase over the trade levels of 1985, when Canadian shipments to Thailand were under CDN \$130 million and the bilateral figure was just over CDN \$230 million. The decline in export levels from the high in 1990 was to a large degree due to the impact of one major sale in that year, and in part to the slight cooling of the Thai economy, and the recession in Canada.

Major Canadian exports to Thailand include the following: boilers (power sector), asbestos, tin plate, newsprint, wheat, wood pulp, petroleum products, plastics and newsprint. Major equipment and service sales in the transportation, power, communications and paper sectors are on the increase, strongly supported by the Export Development Corporation.

Canadian imports from Thailand reached a record level of CDN \$500 million in 1991. The range of Thai exports to Canada has become more diverse over recent years. Traditionally Thai exports to Canada have consisted mainly of agricultural/fisheries products - particularly canned tuna, canned fruit, rice and tapioca.

Clothing, which is covered by a bilateral textile restraint arrangement, remains a major Thai export to Canada, ranking as our third largest import from Thailand in 1991. While these items have continued to be major imports from Thailand, shipments of electrical machinery and electronic components have gained in importance. In 1991, accounting for almost 10 percent of Canadian imports from Thailand, electrical goods became the second largest import category behind prepared meat and fish. Mitsubishi Thailand's exports of cars to Chrysler Canada rank fifth among Thai shipments to Canada. Approximately 1.5 percent of Thailand's total world exports in 1990 went to Canada.

#### Priority Sectors:

Canada's trade priorities in Thailand flow naturally from Thailand's increased infrastructure requirements and expenditures and industrial diversification:

- (1) Advanced technology products: The economic boom in Thailand has perhaps its greatest impact on the telecommunications sector, where facilities are strained. Ambitious expansion plans have been introduced and will offer Canadian companies opportunities in products and services such as records management, software, videotex, digital switching equipment, rural telecommunications equipment, fax services, and mobile telephone services.
- (2) Power and energy equipment and services: It is anticipated that Thailand's continued economic growth will result in an annual growth in demand of 10 percent for electricity over the next decade. Several projects are on the drawing board. These include the expansion of the Mae Moh thermal project, the Ao Phai coal-fired thermal project, and smaller hydro projects throughout the country. There is also talk of building a nuclear power station. Accompanying these projects will be a growing demand for substations and transmission line products, control equipment and instrumentation.

Thailand's current domestic production of oil and gas accounts for only 30 percent of the country's requirements. Therefore Thailand decided to expand its oil exploration program, negotiated new concession rights, approved additional refineries and is planning new gas pipelines. Opportunities for Canadian firms exist in geological and geophysical surveying, contract drilling and the supply of oil field equipment and services. Thailand is also looking for new technologies in the distribution and utilization of LNG, corrosion control, management information systems and energy conservation technologies.

- (3) Transport systems and services: Increased economic activity has placed severe strains on the country's transportation system. Canada hopes to be involved in the major Bangkok urban transit improvements which are urgently required. In addition, opportunities exist for providing equipment and services for airport expansion, aircraft, avionics, as well as renovation and extension of port and railway facilities.

- (4) Agriculture and food products and services: Although Thailand is one of the world's largest net food exporters, it remains an import market estimated in the range of \$1.7 billion. With rising income and tourist trade, consumer demand for food products will grow. Key agri-food opportunities include: animal genetics, animal feeds, meat products, processed foods, agricultural technology (in the production, processing and storage areas) and biotechnology (including genetic engineering, animal health, and aquacultural applications).
- (5) Environment: The economic boom in Thailand has had a negative impact on the country's environment. Protection of the environment is now one of Thailand's objectives. Opportunities have been identified in the following areas: waste water treatment, chemical and toxic waste treatment, hazardous waste handling equipment, air treatment systems, pollution measurement and control systems, and forest and watershed management. There is also an increasing demand for new "clean technologies".

Thailand's rapid economic growth and diversification in recent years has attracted tremendous Canadian business interest. The high profile and strong program of the Bangkok-based 300-member Thai-Canadian Chamber of Commerce reflects the growth in bilateral commerce.

### **Canadian Investment in Thailand**

Thailand offers numerous commercial advantages to Canadian companies: a strong economy, a country rich in natural resources and a favourable investment climate. Joint-ventures and other long-term commercial possibilities are numerous, providing Canadian firms with the opportunity to establish themselves in the Thai market or strengthen their share of the market. CIDA/ Industrial Co-operation support for Canadian firms investigating such opportunities has been supplemented by CIDA's Enterprise Thailand-Canada project, being carried out by the Canadian Imperial Bank of Commerce. There are now approximately 30 agreements involving joint ventures or technology transfers between Thai and Canadian firms, representing over \$100 million of registered capital. These ventures include manufacturing and service companies in such diverse areas as food processing, metal fabrication and petrochemicals.

Today, investments from Japan, the U.S., Taiwan, Hong Kong and the U.K. are dominant. By comparison, Canadian investment in Thailand has been modest, representing only a small portion of net inflow of foreign investment in Thailand. As of 1989, Statistics Canada showed a relatively modest estimate of \$14 million in actual Canadian direct investment in Thailand. Over the past five years projects have been approved by Thai authorities representing over \$120 million of potential investment.

To facilitate Canada-Thailand investment relations, a double taxation agreement is in place between the two countries.

## EXPORT MARKETING EFFORTS

Canada's export marketing efforts in Thailand are supported through a number of federal government programs and activities. There is an active trade development program.

In recent years, the frequency of Thai and Canadian federal and provincial ministerial visits has grown. There has also been a dramatic increase in the number of business visitors between the two countries. The Canadian Embassy in Bangkok assists over 1000 business visitors annually. Trade missions have been arranged by the federal and provincial governments, and private sector agencies such as the Canadian Manufacturers Association and Boards of Trade.

As part of the federal trade development program, market surveys which provide Canadian business with a profile of specific sectors in Thailand are produced on a continuous basis. The following surveys are available from External Affairs and International Trade Canada:

- Aerospace Industry, 1990
- Agriculture Section & Agro-Food Industry, 1989
- Autoparts Sector, 1988
- Aquaculture, 1990
- Bottled Water, 1991
- Capital Projects, 1988
- Canadian Consulting, 1988
- Computer Hardware & Software, 1988
- Environmental & Safety Protection Equipment, 1990
- Power Generation & Transmission, updated
- Pulp & Paper, 1990
- Sources of Financing, 1989
- Telecom Sector, 1991

The Program for Export Market Development (PEMD), has been well utilized in Thailand. Many Canadian businesses have seized upon Thailand's rapidly expanding economy as an opportunity to diversify their markets and have taken advantage of PEMD. Since 1980, over CDN \$3 million has been spent on 458 marketing efforts. Sales generated in Thailand as a result of PEMD support, since the inception of the program in the early 1970's, have totalled \$41 million.

Some of the trade promotion activities undertaken in the last few years include: a Solo Canadian High Technology trade show in Bangkok (January, 1991) where the focus was on environment, power, transport; participation in Thai Telecom (August, 1991); the touring of a Thai journalist and TV crew in Canada to report on Canadian environmental technology (Fall, 1990); participation in the Thai Industrial Equipment trade show (May, 1990); the support of the Thai-Canadian Dairy Demonstration Farm in Chiang Mai (inaugurated in February, 1991); and incoming buyers from Thailand to

the National Petroleum Show in Calgary to promote our oil and gas sector. More recently, regional ASEAN-wide promotional efforts have included Thailand, in the areas of airport systems, rural telecommunications, aquaculture, and remote sensing.

In 1984, the Canadian Manufacturers' Association (CMA) signed a Co-operation Agreement with the Federation of Thai Industries to facilitate the exchange of commercial information and to raise awareness among Canadian and Thai business communities of opportunities for co-operation. The CMA has undertaken missions in Thailand to assist Canadian firms to identify potential partners and to assist members entering the Thai business environment.

The Thai-Canadian Business Club was established in 1988 in Bangkok. The club acts as a forum where views and information are exchanged and commercial relations are promoted and developed. The Club evolved into a Thai-Canadian Chamber of Commerce in 1991 and boasts over 300 members. It currently publishes a bi-monthly magazine entitled Thai-Canadian Business which is distributed in both countries.

The publication of a Directory of Canadian Business in Thailand in 1989 and again in 1991, is another sign of the positive development in commercial relations between the two countries.

#### EXPORT FINANCING

The Export Development Corporation (EDC) is committed to expanding its support for the increasing Canadian business interest in Thailand. EDC's medium-to-long term lending program is available related to Canadian exports to both the public and private sectors in Thailand. In addition, all of EDC's insurance programs, including provision of insurance against non-payment due to political and commercial risks, are available for export sales to Thailand.

EDC's financing activity in Thailand has been linked largely to the public power sector in support of Canadian sales to EGAT (Electricity Generating Authority of Thailand). EDC has also extended loans to private firms, most recently in the pulp and paper sector. Currently, EDC has three U.S. \$25 million general purpose lines of credit established with three major Thai commercial banks: Krung Thai Bank, Siam Commercial Bank and Thai Farmers Bank. These lines of credit are available to support Canadian export transactions of differing size in various sectors.

**FACT SHEET - THAILAND**

November 1992

**Area:** 513,115 km<sup>2</sup>**Population:** 57.3 million (1991)**Capital:** Bangkok**System of Government:** Constitutional Monarchy**Head of State:** HM King Bhumibol Adulyadej (Rama IX)**Prime Minister:** Chuan Leekpai**Minister of Foreign Affairs:** Prasong Soonsiri**Minister of Commerce:** Uthai Pimchaichon**Language:** Thai Chinese  
3%; Other 7%**Ethnic Background:** Thai 80%; Chinese 10%; Malay**GDP:** US \$92.2 B (1991)**Per Capita Income:** US \$1,620 (1991)**Currency:** Baht (100 Satang); Cdn \$1 = approx. 21.9 baht**Economic Growth:** 10% (1990); 7.9% (1991)**Inflation Rate:** 5.7% (1991)**Debt Service Ratio:** 9.7% (1990f)**Unemployment Rate:** 4.6% (1989)**Major Trading Partners (1990):****Exports** (Total: US \$23.1 billion)

1. USA (\$5.2 b)
2. Japan (\$4.0 b)
3. Singapore (\$1.7 b)
4. Germany (\$1.2 b)
5. Netherlands (\$1.1 b)

**Imports** (Total: US \$33.4 billion)

1. Japan (\$10.3 b)
2. USA (\$3.6 b)
3. Singapore (\$2.6 b)
4. Taiwan (\$1.7 b)
5. Germany (\$1.7 b)

**Canadian Trade Statistics:** (Cdn \$ millions)

	1987	1988	1989	1990	1991	1992
Exports	194.9	259.0	345.4	492.1	352.6	144.9
Imports	209.8	343.5	419.9	406.0	499.5	260.0
Balance	-14.9	-84.5	-74.5	86.1	-146.9	-115.1

Jan-Jun

**Major Canadian Exports** Jan-Jun 92 (Cdn \$'000)

Boilers, machinery	25,707
Salt & Sulphur, asbestos	20,380
Pulp of wood	15,704
Paper & paperboard	12,717
Organic chemicals	11,693

**Major Canadian Imports** Jan-Jun 92 (Cdn \$'000)

Prep of fish or crustaceans	26,551
Electrical machinery, eqpt, parts	25,163
Fish & crustacean, mollusc	21,136
Prep of vegetable, fruit, nuts	20,284
Boilers, machinery	19,264

**Main Sectors of Opportunity for Canadian Business:**

1. Info Tech & Electronic Products
2. Power & Energy Equipment & Services
3. Transport Systems & Services
4. Agriculture & Food Products/Services
5. Environment

**EDC Status:** On cover**CIDA Status:** CORE country (Category I)**Resident Canadian Bank:** Bank of Nova Scotia, Bangkok - Kobsak Duangdee**Canadian Reps in Thailand:** Ambassador - Arthur Perron; Counsellor (Commercial) & Consul - David Summers; First Secretary (Commercial) - Edward Benson; Second Secretary (Commercial) - Antony Page; Telex: 82671 DOMCAN TH; Tel: (011-66-2) 237-4126; Fax: (011-66-2) 236-7119**Department of External Affairs/PST Trade Contact:** Eileen Durand, Asia Pacific South Trade, Tel: (613) 992-0959, Fax: (613) 996-4309; Telex: 053-3745**Thailand Reps in Canada:** Ambassador - Chawat Arthayukti (Ottawa); Tel: (613) 722-4444; Commercial Reps: Ottawa, Toronto, Montreal, Edmonton, and Vancouver

MAJOR CANADIAN EXPORTS TO THAILAND  
(\$'OOOs)

<u>Code</u>	<u>1990</u>	<u>1991</u>	<u>Jan-Jun</u> <u>1992</u>
84 Nuclear reactors, boilers, mchy & mech appliance; parts	58,648	81,793	25,707
25 Salt; sulphur; earth & ston; plastering mat; lime & cem (Asbestos 18,155)	47,185	64,620	20,380
47 Pulp of wood/of other fibrous cellulosic mat; waste etc. (Chemical wood pulp 13,417)	28,640	21,212	15,704
48 Paper & paperboard; art of paper pulp, paper/paperboard (Newsprint, in rolls or sheets 10,658)	32,483	33,708	12,717
29 Organic chemicals (Ethylene glycol (ethanediol) 8,862)	24,563	21,569	11,693
72 Iron & steel	24,972	40,249	9,152
39 Plastics & articles thereof	20,802	10,848	7,493
90 Optical, photo, cine, meas, checking, precision, etc.	12,257	10,723	5,346
10 Cereals (Wheat nes & meslin 4,535)	14,983	23,076	4,543
55 Man-made staple fibres	5,838	4,391	4,195
76 Aluminium & articles thereof	28,435	3,945	3,951
99 Special transaction - trade	4,315	4,668	3,846
85 Electrical mchy equip parts thereof; sound recorder etc.	8,128	6,875	3,157
98 Special Classification Provisions	1,540	1,635	2,378
31 Fertilizers	3,711	5,329	1,886
59 Impregnated, coated, cover/laminated textile fabric etc	1,280	1,222	1,612
30 Pharmaceutical products	1,576	1,603	1,410
40 Rubber & articles thereof	2,875	1,363	1,190
78 Lead & articles thereof	69	1,018	1,063
44 Wood & articles of wood; wood charcoal	987	163	1,048
08 Edible fruit and nuts	1,073	795	555
04 Dairy prod; birds' eggs; natural honey; edible prod nes	1,257	450	398
41 Raw hides & skins (other than furskins) and leather	2,155	2,921	353
88 Aircraft, spacecraft & parts thereof	153,460	24	71
82 Tool, implement, cutlery, spoon & fork, of base met etc.	<u>3,407</u>	<u>2,415</u>	<u>27</u>
Sub-Total	484,815	347,500	138,827
of	_____	_____	_____
Total	<b>492,099</b>	<b>352,613</b>	<b>144,857</b>

MAJOR CANADIAN IMPORTS FROM THAILAND  
(\$'OOOs)

<u>Code</u>	<u>1990</u>	<u>1991</u>	<u>Jan-Jun 1992</u>
16 Prep of meat, fish or crustaceans, molluscs (Tunas, skipjack & Atl bonito 11,861) (Shrimps & prawns prep. or preserved 9,349)	44,877	59,816	26,551
85 Electrical mchy equip parts thereof; sound recorder etc.	29,179	48,806	25,163
03 Fish & crustacean, mollusc & other aquatic invertebrate (Shrimps & prawns, frozen in shell 16,705)	16,926	33,476	21,136
20 Prep of vegetable, fruit, nuts or other parts of plants (Pineapples nes 11,029)	24,433	34,817	20,284
84 Nuclear reactors, boilers, mchy & mech appliance; parts (Storage units 9,873)	28,200	47,054	19,264
64 Footwear, gaiters & like; parts of such articles	12,915	17,505	17,430
62 Art of apparel & clothing access, not knitted/crocheted	31,240	26,678	15,061
61 Art of apparel & clothing access, knitted or crocheted	26,670	20,961	14,715
87 Vehicles o/t railw/tramw roll-stock, pts & accessories (Automobiles 10,938)	39,041	38,865	11,942
10 Cereals (Rice, semi or wholly milled 8,541)	13,077	14,126	8,837
71 Natural/cultured pearls, prec stones & metals, coin etc.	11,959	12,544	7,550
94 Furniture; bedding, mattress, matt support, cushion etc.	14,368	16,144	5,656
40 Rubber & articles thereof	8,431	10,175	5,560
55 Man-made staple fibres	10,924	13,030	5,427
95 Toys, games & sports requisites; parts & access thereof	6,991	10,716	5,084
42 Articles of leather; saddlery/harness; travel goods etc.	7,957	8,718	5,078
39 Plastics & articles thereof	5,345	5,225	4,939
73 Articles of iron or steel	9,298	8,969	3,879
08 Edible fruit & nuts; peel of citrus fruit or melons	5,131	7,698	3,322
69 Ceramic products	3,490	4,229	3,247
44 Wood & articles of wood; wood charcoal	3,895	4,842	2,650
63 Other made up textile articles; sets; worn clothing etc.	4,416	5,161	2,592
19 Prep of cereal, flour, starch/milk; pastrycooks' prod	3,033	4,053	2,362
52 Cotton	2,370	3,116	2,252
09 Coffee, tea, maté & spices	7,913	5,087	1,874
23 Residues & waste from food indust; prepr ani fodder	5,064	5,148	1,832
67 Prepr feathers & down; arti flower; articles human hair	4,590	3,832	1,678
54 Man-made filaments	1,246	1,252	1,562
91 Clocks & watches & parts thereof	2,868	3,556	1,255
21 Miscellaneous edible preparations	1,751	2,184	955
90 Optical, photo, cine, meas etc.	686	2,925	825
07 Edible vegetables & certain roots & tubers	1,434	1,527	563
70 Glass and glassware	1,270	1,357	455
17 Sugars & sugar confectionery	1,312	445	366
88 Aircraft, spacecraft & parts thereof	993	1,666	55
26 Ores, slag & ash	<u>1,091</u>	<u>---</u>	<u>---</u>
Sub-Total of	394,384	485,703	251,401
Total	<b>406,008</b>	<b>499,509</b>	<b>260,016</b>





## **INTERNATIONAL FINANCIAL INSTITUTIONS:** **Asian Development Bank and World Bank**

International financial institutions (IFIs) are multilateral development banks established to promote economic growth and social development in third world countries. Loans and technical assistance are provided to developing member countries (DMCs) based on borrowings in international capital markets, as well as on contributions from the Banks' donor countries. IFI projects cover a wide range of sectors including agriculture, energy, social infrastructure, transportation and communications, and industry and mining.

Canada is a member of six established IFIs: the World Bank Group, the Asian Development Bank, the Inter-American Development Bank, the European Bank for Reconstruction and Development, the African Development Bank, and the Caribbean Development Bank. As a result of Canada's membership in these institutions, Canadian companies are eligible to compete for IFI-financed contracts. The overall IFI-funded market offers tremendous opportunities for Canadian exporters of goods and services.

The Asian Development Bank (ADB), headquartered in Manila, and the World Bank Group, based in Washington, D.C., are the two IFIs which lend to developing countries in the Asia Pacific region. The ADB had lending commitments in 1991 of about US \$5.0 billion in the region. World Bank commitments of US \$7.5 billion were earmarked for Asia in FY1991. In 1991, Canadian suppliers, contractors, and consultants were awarded a total of US \$15.1 million worth of business from projects financed through ADB loans and technical assistance contracts, and \$82 million in total World Bank-financed procurement in the Asia Pacific region.

Of the six ASEAN countries, Indonesia, the Philippines, Thailand and Malaysia are borrowing members of these institutions.

### **Procurement of Goods and Services**

When the World Bank or ADB lends money to a developing country for a project, the executing agency of the project is almost always the borrowing country's government or a branch thereof. It is the executing agency, and not the bank, that is responsible for virtually every element of project execution, including the hiring of consultants and procurement of goods and services. Only some technical assistance, (see ADB Technical Assistance Program, below) or certain other consultancy work is contracted directly by the Bank itself.

Procurement for most projects is done on the basis of "International Competitive Bidding", with formal tender documents provided by the executing agency and notices of tenders published in Development Business, a UN publication, and in other international journals.

It is important for companies to be selective when approaching the IFI market. Competition is fierce and there is a high risk of wasting much time and money if an appropriate, well targeted marketing strategy has not been developed. This includes determining and earmarking manpower and budgets, as well as selecting only those products, services, and expertise in which the firm feels it has a distinct competitive advantage in the target market.

### Asian Development Bank Technical Assistance Program

The ADB provides technical assistance to borrowing countries by making available the services of consultants for missions associated with project preparation, project implementation, or advisory assistance to its DMCs. For ADB Technical Assistance contracts, consultants are hired directly by the Bank. In order to be considered for ADB Technical Assistance projects, Canadian companies must be registered with the Bank's Consulting Services Division; express interest in the project in writing to the responsible project officers; and convince Bank officials that the firm is capable of carrying out the project.

### Registration

There is no registration requirement with the World Bank or Asian Development Bank for service contractors and equipment suppliers pursuing loan-funded contracts. However, consulting firms (or individuals) are advised to register with the World Bank or Asian Development Bank DACON Information Centres, which maintain computerized listings of companies. The borrowing countries may refer to DACON to source consultants, or to seek or confirm information about a particular company. A firm or individual must be registered with the ADB consulting services division to qualify for contracts awarded under the Technical Assistance Program.

Forms for Registration of Consulting Firms (DACON) or Individuals (DICON for ADB) can be obtained from the Banks directly or from the contacts listed below.

### Sources of Information

Apart from contacts which a company might have in the market, for example in the planning ministry or in the executing agency of the borrowing country, the best public sources of general project information are the publications Development Business and ADB Business Opportunities. Development Business (published bi-weekly by the United Nations) contains the "Monthly Operational Summary" of projects to be funded by the World Bank and similar listings of the Asian Development Bank, and of other IFIs. Development Business also publishes other key project information such as procurement notices and contract award listings. (Scan-a-Bid, a computerized on-line version of the "Monthly Operational Summary", is also available

from Development Business.) The monthly Asian Development Bank publication ADB Business Opportunities provides project information for ADB projects. It is available by subscription through the ADB's information office. The current fee is US \$30/year, payable in advance by cheque/draft or international money order, drawn on a bank in the USA, and payable to the Asian Development Bank.

After identifying projects of potential interest, one can obtain more detailed information (such as scope, size, timing, and requirements of the projects) from the relevant Bank officers in Washington and Manila. Approximately 10-20 percent of the marketing initiative should be dedicated to maintaining contact with the IFI to gather and update essential project intelligence. At least 80-90 percent of the effort should be focussed in the country where the project is to be implemented, in particular on the relevant executing agency.

### **Canadian Government Assistance**

#### **Canada:**

General information and orientation regarding doing business in projects funded by the World Bank and ADB can be obtained from External Affairs and International Trade Canada (EAITC), through local International Trade Centres, or in Ottawa from the Export Finance Division (for both World Bank and ADB) or Asia Pacific South Trade Development Division (for ADB). Copies of ADB and World Bank loan documents are available (on loan) from the EAITC Library in Ottawa, (613) 992-6150). EAITC's brochure, "International Financing Data: A Business Guide to Export Financing and Other Financial Assistance" provides guidance on how to pursue international contracts funded by the IFI's.

#### **Manila/Washington:**

The ADB and World Bank Liaison Officers in the Canadian Embassies in Manila and Washington can obtain specific program or project information including details on proposed projects such as scope, timing, requirements for consulting services, equipment requirements, names of Bank and Executing Agency officials, and other market intelligence. Upon request, Canadian firms can receive copies of project appraisal reports.

#### **Regional:**

Trade commissioners in the Canadian Embassies or High Commissions in the borrowing countries can provide marketing assistance, identify potential agents and assist firms in establishing links with executing agencies in their respective territories.

#### **Financial:**

Financial assistance for companies pursuing IFI-funded business opportunities is available through Canadian Government programs such as PEMD and CIDA/Industrial Co-operation.

## ADB and World Bank Prime Contacts

Asian Development Bank  
P. O. Box 789  
1099 Manila, Philippines  
Tel: (011-63-2) 711-3851  
Fax: (011-63-2) 741-7961

Canadian Embassy - Manila  
Dexter Bishop  
ADB Liaison Officer  
P. O. Box 971  
Makati Central Post Office  
Makati, Metro Manila Philippines  
Tel: (011-63-2) 815-9536  
Fax: (011-63-2) 815-9595  
Telex: 63676 DOMCAN PN

External Affairs and  
International Trade - Ottawa  
Eileen Durand  
ADB Liaison Officer  
Asia Pacific South Trade  
Development Division (PST)  
125 Sussex Drive  
Ottawa, Ontario  
K1A 0G2  
Tel: (613) 992-0959  
Fax: (613) 996-4309  
Telex: 053-3745

The World Bank  
1818 H Street NW  
Washington, D.C. 20433, USA  
Tel: (202) 477-1234  
Fax: (202) 477-6391

Canadian Embassy - Washington  
Astrid Pregel  
Office for Liaison with IFIs  
(OLIFI)  
501 Pennsylvania Ave. NW  
Washington, D. C. 20001 USA  
Tel: (202) 682-7788  
Fax: (202) 682-7726  
Telex: 89664 DOMCAN A WSH

External Affairs and  
International Trade - Ottawa  
Benoit Préfontaine  
IFI Liaison Officer  
Financial and Business  
Services Division (TPF)  
125 Sussex Drive  
Ottawa, Ontario  
K1A 0G2  
Tel: (613) 996-0705  
Fax: (613) 952-3904  
Telex: 053-3745





## FEDERAL GOVERNMENT SUPPORT TO EXPORTERS

This section outlines the advisory services, export assistance programs, and export financing support available from External Affairs and International Trade Canada and from other federal government departments and agencies.

### A. EXTERNAL AFFAIRS AND INTERNATIONAL TRADE CANADA (EAITC)

1. Asia Pacific South Trade Development Division
2. Trade Commissioner Services Abroad
3. International Trade Centres
4. Info Export
5. CanadExport

### B. EXPORT SUPPORT AGENCIES AND PROGRAMS

1. Program for Export Market Development (PEMD)
2. Export Development Corporation (EDC)
3. Canadian International Development Agency (CIDA)
4. Canadian Commercial Corporation (CCC)

## **EXTERNAL AFFAIRS AND INTERNATIONAL TRADE CANADA (EAITC)**

EAITC is the lead federal government department responsible for Canada's international trade and export development. About one third of the department's personnel is employed in trade and economic policy work and in promoting Canadian exports, investment and tourism.

EAITC has five geographic branches - Africa and Middle East, Asia and Pacific, Europe, Latin America and Caribbean, and the United States. Within each branch are geographic trade divisions which provide information on business opportunities in particular countries. The section which follows describes the Asia Pacific South Trade Development Division which is responsible for the ASEAN markets.

EAITC also has sectoral trade divisions which provide information on marketing opportunities around the world for individual product or service sectors. A list of EAITC sectoral contacts is provided in the Department's guide, "Trade Development Programs and Services", available from Info Export at EAITC.

The Info Export toll-free number is 1-800-267-8376. In the Ottawa area, call 993-6435. The address of EAITC is: 125 Sussex Drive, Ottawa, Ontario, K1A 0G2.

### **ASIA PACIFIC SOUTH TRADE DEVELOPMENT DIVISION**

EAITC geographic trade officers for individual countries are in a position to provide advice on doing business in a particular market, to identify market opportunities, to assist companies in their preparation for visits to potential markets, to arrange participation in trade fairs and to involve Canadian firms in visits to Canada by foreign buyers.

Geographic trade officers are also in contact with their counterparts in other federal and provincial departments and agencies, and therefore can advise Canadian exporters on the range of Canadian export development activities focused on the countries for which they are responsible.

In the Asia Pacific South Trade Development Division, contacts responsible for markets in South East Asia are the following:

Director	Louise Fortin	Tel: (613) 996-0910
Deputy Director for ASEAN	Jackie Snyder	Tel: (613) 996-3667
Indonesia, Philippines	Amir Guindi	Tel: (613) 995-7659
Brunei, Malaysia, Singapore	Ted Weinstein	Tel: (613) 996-5824
Thailand	Eileen Durand	Tel: (613) 992-0959

The fax number for the Asia Pacific Branch is (613) 996-4309.

## TRADE COMMISSIONER SERVICES ABROAD

EAITC has a network of over 500 Trade Commissioners in Canada and abroad. The Trade Commissioner's role is to assist Canadian exporter and promote Canadian trade, investment and tourism.

About half of these trade officers are posted outside of Canada in Canadian embassies, high commissions and consulates. These Trade Commissioners monitor the host country's economic, political and social trends for their impact on trade relations with Canada. Trade Commissioners abroad can assist exporters in several ways:

- o Identify firms suitable as agents and place Canadian suppliers in direct contact with these firms; provide credit and other information on potential business partners in foreign countries.
- o Provide information to exporters on a country's trade, business and financial conditions, on methods of doing business and on appropriate distribution channels for particular products.
- o Suggest appropriate trade shows to launch Canadian products.
- o Advise and assist Canadian companies seeking foreign joint venture and licensing opportunities.

While Trade Commissioners can be invaluable assistants to Canadian exporters, there is a limit to the services they can provide. They will not sell a product or act as sales agents, debt collectors or travel agents. They will recommend others who can perform these functions.

Before contacting Trade Commissioners abroad, it is recommended that Canadian firms develop a systematic marketing plan. Once specific markets of interest have been identified, the company should contact only those Trade Commissioners in the target market area.

A full listing of Canadian Trade Commissioners is published in the Department's "Directory of the Canadian Trade Commissioner Service", available from Info Export at EAITC in Ottawa, or from your local International Trade Centre.

### CANADIAN TRADE COMMISSIONERS IN THE ASEAN REGION:

**Indonesia** Mr. David Hutton  
Commercial Counsellor  
Wisma, Metropolitan 1, 5th Floor,  
Jalan Jenderal Sudirman, Kav 29  
Jakarta, Indonesia 12670

Tel: (62-21) 510-709  
Fax: (62-21) 571-2251

**Malaysia** Mr. David Mulroney  
Commercial Counsellor  
7th Floor MBF Plaza  
Jalan Ampang  
50450 Kuala Lumpur, Malaysia

Tel: (60-03) 261-2000  
Fax: (60-03) 261-1270/ 261-3428

**Philippines** Mr. C. Donald Caldwell  
Commercial Counsellor  
9th Floor, Allied Bank Centre  
6754 Ayala Avenue  
Makati, Metro Manila

Tel: (63-2) 815-9536  
Fax: (63-2) 815-9595

**Singapore** Mr. Jim Feir  
Commercial Counsellor  
IBM Towers, 14th Floor  
80 Anson Road  
Singapore 0207

Tel: (65) 225-6363  
Fax: (65) 225-2450

**Thailand** Mr. David Summers  
Commercial Counsellor  
The Boonmitr Building, 11th Floor  
138 Silom Road  
Bangkok 10500

Tel: (66-2) 234-1561  
Fax: (66-2) 236-6464/ 236-7119

## INTERNATIONAL TRADE CENTRES

International Trade Centres (ITCs) are located in eleven cities across Canada, operated jointly by EAITC and Industry, Science and Technology Canada (ISTC). The ITCs are staffed by experienced Trade Commissioners and have been established to provide Canadian exporters with "one stop" trade services. Some ITCs include on-site staff from the Export Development Corporation and the Canadian International Development Agency.

For companies new to exporting, a useful first step is to contact the nearest ITC. Services such as export counselling and the provision of market opportunity information are combined with the ITC's ability to assist in the development of individual marketing plans. The centres also act as focal points for export awareness programmes such as seminars and workshops.

### ITCs in Canada:

#### NEWFOUNDLAND

##### **St. John's**

International Trade Centre  
215 Water St., Suite 504  
P.O. Box 8950  
St. John's, Newfoundland  
A1B 3R9  
Tel: (709) 772-5511  
Telex: 016-4749  
Fax: (709) 772-2373

#### NOVA SCOTIA

##### **Halifax**

International Trade Centre  
Central Guarantee Trust Building  
1801 Hollis Street  
P.O. Box 940, Station M  
Halifax, Nova Scotia  
B3J 2V9  
Tel: (902) 426-7540  
Telex: 019-22525  
Fax: (902) 426-2624

#### PRINCE EDWARD ISLAND

##### **Charlottetown**

International Trade Centre  
P.O. Box 1115  
Confederation Court Mall  
134 Kent Street, Suite 400  
Charlottetown, P.E.I.  
C1A 7M8  
Tel: (902) 566-7400  
Telex: 014-44129  
Fax: (902) 566-7450

#### NEW BRUNSWICK

##### **Moncton**

International Trade Centre  
P.O. Box 1210  
Assumption Place  
770 Main Street  
Moncton, New Brunswick  
E1C 8P9  
Tel: (506) 851-6452  
Telex: 014-2200  
Fax: (506) 851-6429

**QUEBEC****Montreal**

International Trade Centre  
P.O. Box 247  
Stock Exchange Tower  
800 Place Victoria, Suite 3800  
Montreal, Quebec  
H4Z 1E8  
Tel: (514) 283-8185  
Telex: 055-60768  
Fax: (514) 283-3302

**MANITOBA****Winnipeg**

International Trade Centre  
P.O. Box 981  
330 Portage Avenue, 8th Floor  
Winnipeg, Manitoba  
R3C 2V2  
Tel: (204) 983-8036  
Telex: 07-57624  
Fax: (204) 983-2187

**ALBERTA****Edmonton**

International Trade Centre  
Canada Place, Suite 540  
9700 Jasper Avenue  
Edmonton, Alberta  
T5J 4C3  
Tel: (403) 495-2944  
Telex: 037-2762  
Fax: (403) 495-4507

**Calgary**

International Trade Centre  
Suite 1100, 510-5th St. S.W.  
Calgary, Alberta  
T2P 3S2  
Tel: (403) 292-6660  
Fax: (403) 292-4578

**Yukon****Whitehorse**

Industry, Science and Technology  
Canada (ISTC)  
108 Lambert Street, Suite 301  
Whitehorse, Yukon  
Y1A 1Z2  
Tel: (403) 668-4655  
Fax: (403) 668-5003

**ONTARIO****Toronto**

International Trade Centre  
Dominion Public Building  
4th Floor, One Front St. West  
Toronto, Ontario  
M5J 1A4  
Tel: (416) 973-5053  
Telex: 065-24378  
Fax: (416) 973-8161

**SASKATCHEWAN****Saskatoon**

International Trade Centre  
119-4th Avenue South, Suite 401  
Saskatoon, Saskatchewan  
S7K 5X2  
Tel: (306) 975-5315  
Telex: 074-2742  
Fax: (306) 975-5334

**Regina**

International Trade Centre  
1955 Smith Street, 4th Floor  
Regina, Saskatchewan  
S4P 2N8  
Tel: (306) 780-5020  
Telex: 071-2745  
Fax: (306) 780-6679

## **BRITISH COLUMBIA**

### **Vancouver**

International Trade Centre  
P.O. Box 11610  
900-650 West Georgia St.  
Vancouver, British Columbia  
V6B 5H8  
Tel: (604) 666-1444  
Toll Free: 1-800-663-0433  
Telex: 04-51191  
Fax: (604) 666-8330

### **Northwest Territories**

#### **Yellowknife - ISTC**

Precambrian Building, 10th Fl.  
4922-52nd Street, P.O. Box 6100  
Yellowknife, NWT  
X1A 2R3  
Tel: (403) 920-8568  
Fax: (403) 873-6229

## INFO EXPORT

Info Export is EAITC's export trade information and national toll-free assistance service. It provides exporters with a means of tapping into the Department's trade services network and of obtaining the variety of departmental trade publications.

Toll Free: 1-800-267-8376

Ottawa: (613) 993-6435

Fax: (613) 996-9709

## CANADEXPORT

EAITC's bi-monthly export trade newsletter, "CanadExport", provides over 32,000 subscribers with information on:

- o international market opportunities
- o government programmes and services to exporters
- o upcoming trade events
- o export success stories
- o developments affecting the international trading environment
- o new trade publications

To subscribe to "CanadExport", send the following information; name, title, company name, address, products/services, list of countries to which company is currently exporting and list of countries to which company is interested in exporting to:

Trade Communications Division (BPT)  
External Affairs and International Trade Canada  
125 Sussex Drive  
Ottawa, Ontario  
K1A 0G2

or call (613) 996-2225. Allow 4-6 weeks for delivery.

## **EXPORT SUPPORT AGENCIES AND PROGRAMMES**

### **1. PROGRAMME FOR EXPORT MARKET DEVELOPMENT (PEMD)**

PEMD is EAITC's primary export promotion programme. Its objective is to increase export sales of Canadian goods and services. The program accomplishes this by sharing the costs of activities that companies normally could not, or would not, undertake alone, thereby reducing the risks involved in entering a foreign market. PEMD encourages Canadian companies not previously involved in exporting to become exporters and encourages Canadian exporters to enter new geographic markets and to introduce new products to existing markets.

#### **Types of Assistance Available**

The programme offers Canadian businesses limited financial assistance to share in the undertaking of various types of trade promotion activities. All activities must be commercial in nature; that is, they must focus on generating export sales.

#### **Activities include:**

- o participation in recognized trade fairs outside Canada;
- o visits outside Canada to identify markets;
- o visits by foreign buyers or foreign sales agents to Canada, or to another approved location;
- o marketing agreements (marketing campaigns consisting of a number of trade fairs and visits directed toward a single target market) for medium-sized companies experienced in exporting;
- o capital project bidding for major capital projects outside Canada involving international competition/formal bidding procedures;
- o special activities undertaken by sector-specific, non-sales trade associations for the benefit of their members.

#### **Eligibility for PEMD assistance requires that organizations come under one of the following categories:**

- o an incorporated business;
- o an independent firm of professionals, such as architects or engineers;
- o a sector-specific, non-sales trade association (for the Special Activities element only)

## **Program participants must also be export-ready**

They must:

- o be established and operating in Canada and have current sales performance data;
- o have satisfactory marketing and managerial capabilities;
- o be financially able to successfully complete the project;
- o have fulfilled reporting and repayment requirements on any and all previous PEMD assistance;
- o be registered (or in the process of registering) with EAITC's WIN Exports, or ISTC's Business Opportunities Sourcing System (BOSS)

### **PEMD assistance is not available to:**

- o publicly funded institutions, Crown corporations, Crown-owned companies (50% or more), and their affiliates and subsidiaries;
- o applicants who have been consistently unsuccessful in generating export sales as a result of previous PEMD assistance.

## **HOW TO APPLY**

After discussing your proposal with an officer at the International Trade Centre in your province/territory, prepare the appropriate application form (Trade Fair/Visit; Capital Project Bidding; Special Activities).

Submit Trade Fair, Visit and Marketing Agreement applications, together with any required additional documentation, to the International Trade Centre in your region. Addresses are listed previously in this chapter.

Submit Capital Project Bidding and Special Activities applications, together with any required additional documentation, directly to the Export and Investment Programs Division (TPE) in Ottawa (address is on the application form).

Applications must be received at least four weeks before commencement of the proposed activity.

EAITC's publication, "Program for Export Market Development, PEMD Handbook: A Financial Assistance Program for Canadian Exporters" provides a more complete overview of the program and is available either from your nearest ITC or from INFO Export.

## **EXPORT DEVELOPMENT CORPORATION (EDC)**

The Export Development Corporation (EDC), a federal Crown corporation, is Canada's official export credit agency. It specializes in helping Canadian exporters compete internationally, through the provision of export financing, insurance, and guarantee services.

EDC's programs fall into four major categories:

- o Export financing, including direct loans, lines of credit, note purchases and specialized credits.
- o Short-term insurance, which applies to credit terms of up to 6 months;
- o Medium-term insurance, which applies to credit terms of between 6 months and 5 years;
- o Foreign investment insurance, which protects new Canadian investments overseas against political risks including war, expropriation, and conversion and transfer difficulties (inability to repatriate earnings or capital).

For further information on EDC, please contact the regional office nearest you.

### **OTTAWA OFFICE**

Place Export Canada  
151 O'Conner Street  
Ottawa, Ontario  
K1A 1K3

Tel: (613) 598-2992  
Fax: (613) 237-2690

### **HALIFAX OFFICE**

Suite 1003, TD Bank Building  
1791 Barrington Street  
Halifax, Nova Scotia  
B3J 3L1

Tel: (902) 429-0426  
Fax: (902) 423-0881

### **MONTREAL OFFICE**

Suite 4520  
800 Victoria Square  
P.O. Box 124  
Tour de la Bourse Postal Station  
Montreal, Quebec  
H4Z 1C3

Tel: (514) 283-3013  
Fax: (514) 878-9891

### **TORONTO OFFICE**

Suite 810  
National Bank Building  
150 York Street  
PO Box 810

Toronto, Ontario  
M5H 3S5  
Tel: (416) 973-6211  
Fax: (416) 862-1267

## **VANCOUVER OFFICE**

Suite 1030  
One Bentall Centre  
505 Burrard Street  
Vancouver, British Columbia  
V7X 1M5

Tel: (604) 666-6234  
Fax: (604) 666-7550

## **LONDON DISTRICT OFFICE**

Suite 1512,  
148 Fullarton Street  
London, Ontario  
N6A 5P3

Tel: (519) 645-5828

## **CALGARY OFFICE**

Suite 1030, 510 5th Ave. SW  
Calgary, Alberta  
T2P 3S2

Tel: (403) 292-6898  
Fax: (403) 292-6902

## **WINNIPEG OFFICE**

8th Floor, 330 Portage Avenue  
Winnipeg, Manitoba  
R3C 0C4

Tel: (204) 983-5114  
Fax: (204) 983-2187

## **CANADIAN INTERNATIONAL DEVELOPMENT AGENCY (CIDA)**

CIDA is the federal government agency which plans and administers Canada's official development assistance programme. Canadian aid funds benefit some 150 developing countries world-wide.

### **CIDA/ GOVERNMENT TO GOVERNMENT**

The part of CIDA activity with which most Canadians are familiar is its government to government assistance (comprised mainly of what has in the past been called the "Bilateral" programme) which accounts for about 45% of total CIDA resources. The CIDA Bilateral branches, organized on a geographic basis, are responsible for developing multi-year assistance programmes for specific countries, in consultation with the governments of the recipient countries. Annual disbursements for projects administered by CIDA/Government to Government total over \$1.3 billion, of which about 70% covers the cost of goods and services supplied by Canadian firms. CIDA has available a series of documents which describe current CIDA/Government to Government programmes in individual countries and regions.

CIDA publications may be obtained from:

Canadian International Development Agency  
Public Inquiries Unit  
200 Promenade du Portage  
Hull, Quebec  
K1A 0G4  
Tel: (819) 997-5006

Companies interested in receiving general information on supplying goods and services for CIDA projects may contact:

Canadian International Development Agency  
Consultant and Industry Relations Directorate  
200 Promenade du Portage  
Hull, Quebec  
K1A 0G4  
Tel: (819) 997-7775

This is also the contact for individuals and companies wishing to be considered for CIDA consultant services.

To register as a potential supplier, the contact is:

Supply and Services Canada  
Sourcing and Priorities Division Phase III  
11 Laurier St.  
Hull, Quebec  
K1A 0S5  
Tel: (819) 956-3444

### **CIDA/ENTERPRISE COLLABORATION PROJECTS: THAILAND AND MALAYSIA**

Under its government to government assistance, CIDA has devised a mechanism, complementary to its Industrial Co-operation program, that assists Canadian companies, as well as firms in Thailand and in Malaysia, to expand their businesses through joint ventures, technology transfer, and other forms of partnership in those recipient countries. Both the Enterprise Thailand Canada and Enterprise Malaysia Canada projects offer services to match ASEAN firms with suitable Canadian partners.

For more information on these projects, please contact:

- a) Enterprise Thailand Canada  
Project Director: Brian Smith  
Commerce Court North - 15  
Toronto, Ontario  
M5L 1A2  
Tel: (416) 861-3786  
Fax: (416) 861-3787
  
- b) Enterprise Malaysia Canada  
Project Director: Michael Strong  
Suite 700  
1111 West Hastings St.  
Vancouver, B.C.  
V6E 2J3  
Tel: (604) 661-5728  
Fax: (604) 661-5770

### **CIDA/INDUSTRIAL CO-OPERATION**

A separate part of CIDA, the Partnership Branch, operates the Industrial Cooperation Programme (INC) which provides financial incentives to mobilize private sector resources for development purposes, including direct technical cooperation. These incentives are in the form of financial support to Canadian companies interested in developing long-term commercial relationships in developing countries, such as joint ventures, licensing arrangements, transfer of technology and other forms of investment.

CIDA/INC receives proposals for funding support directly from Canadian companies. It contributes to a broad range of specialized business activities, and includes technology transfer seminars. Institutional and sectoral missions include sharing the cost of travel to the developing country concerned. To be eligible for CIDA/INC funding assistance, proposals must clearly demonstrate social, economic and industrial benefits to the host country and to Canada. The host country should benefit from new technology, job opportunities, business expansion and foreign exchange savings, while Canada should benefit through the supply of equipment and services.

CIDA/INC has several mechanisms available to the Canadian private sector. The most frequently used are the Capital Project Preliminary Study (CPPS) and the Capital Project Detailed Study (CPDS). The CPPS and CPDS are used mainly for pre-feasibility studies by consulting firms who have identified sources of foreign exchange or untied funds from one of the International Financing Institutions (eg. World Bank, Asian Development Bank).

Up to \$615,000 is available from CIDA/INC for firms wanting to establish a joint venture, licensing arrangement, co-production agreement, a management contract or some other joint arrangement in an eligible developing country.

- o Up to \$15,000 towards costs of getting a letter of intent (Starter Study);
- o Up to \$100,000 towards costs of getting: a) a signed agreement with an investment partner; and b) the approval of the investment coordinating authorities in the target country (Viability Study);
- o Up to \$500,000 to consolidate the technology transfer (Project Support).

To obtain these contributions, a written proposal which includes information on the Canadian company and terms of reference for the proposal, and which outlines benefits to both the host country and to the Canadian tax payer, must be sent to CIDA/INC.

Further information on CIDA/INC is available from:

Industrial Co-operation Programme  
Canadian International Development Agency  
200 Promenade du Portage  
Hull, Quebec  
K1A 0G4  
Tel: (819) 997-0562 or (819) 997-0563

## **CANADIAN COMMERCIAL CORPORATION (CCC)**

CCC is a federal Crown corporation which acts as the prime contractor when foreign governments and international agencies wish to purchase goods and services from Canadian sources on a government-to-government basis.

In responding to such requests, CCC identifies Canadian sources, obtains bid opportunities for suppliers, and certifies their capability to perform. In addition to participating in negotiations, the Corporation follows through on contract management, inspection, acceptance, shipping, payment to suppliers and collection from customs.

Its participation helps to reduce the complexity of export sales for Canadian firms and often encourages foreign customers to purchase from smaller or less well-known suppliers, since buyers have the comfort of dealing on a government-to-government basis through CCC.

Further information is available by contacting CCC at:

Canadian Commercial Corporation  
50 O'Connor Street, 11th Floor  
Ottawa, Ontario  
K1A 0S6  
Tel: (613) 996-0034  
Fax: (613) 995-2121





## USEFUL CONTACTS AND PUBLICATIONS

### PRIVATE SECTOR CONTACTS:

#### **IN CANADA:**

#### **ASEAN-Canada Business Council (ACBC)**

of the Canadian Chamber of Commerce

55 Metcalfe St.

Ottawa, Ontario

Tel: (613) 238-4000

Fax: (613) 238-7643

#### **Asia Pacific Foundation of Canada**

Suite 666, 999 Canada Place

Vancouver, British Columbia

V6C 3E1

Tel: (604) 684-5986

Fax: (604) 681-1370

#### **Canadian Exporters' Association**

99 Bank Street, Suite 250

Ottawa, Ontario

K1P 6B9

Tel: (613) 238-8888

#### **Canadian-Indonesian Business Council**

411 Roosevelt Ave., Suite 304

Ottawa, Ontario

K2A 3X9

Tel: (613) 722-6434

Fax: (613) 722-5893

#### **Canadian Manufacturers' Association**

75 International Blvd.

4th Floor

Etobicoke, Ontario

M9N 6L9

Tel: (416) 798-8000

#### **Trade Facilitation Office**

Suite 500

56 Sparks Street

Ottawa, Ontario

K1P 5A9

Tel: (613) 233-3925

**IN THE REGION:**

**Canada-ASEAN Centre**

80 Anson Road #15-02  
IBM Towers  
Singapore 0207  
Tel: (65) 225-7346  
Fax: (65) 221-7885

**Asia Pacific Foundation of Canada  
(South East Asia Office)**

80 Anson Road #15-02  
IBM Towers  
Singapore 0207  
Tel: (65) 225-7346  
Fax: (65) 222-7439

**Malaysia-Canada Business Council**

Kuala Lumpur, Malaysia  
Tel: (60-3) 241-4244  
Fax: (60-3) 244-1089

**Canada-Singapore Business Association**

Singapore  
Tel: (65) 334-3447  
Fax: (65) 334-0855

**Thai-Canadian Chamber of Commerce**

Bangkok, Thailand  
Tel: (66-2) 231-0891  
Fax: (66-2) 231-0893

**Canadian Chamber of Commerce of the Philippines**

Manila, Philippines  
Tel: (63-2) 815-9763  
Fax: (63-2) 816-0267

**Canadian Business Association**

Jakarta, Indonesia  
Tel. & Fax: (62-21) 714-846

## ASEAN TRADE CONTACTS IN CANADA/U.S.A

### Brunei

High Commission for Brunei  
866 United Nations Plaza  
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New York, New York  
10017  
U.S.A.  
Tel: (212) 838-1600  
Fax: (212) 980-6478

### Indonesia

Embassy of the Republic of Indonesia  
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K2P 0L9  
Tel: (613) 236-7403  
Fax: (613) 563-2858

Indonesian Consulate  
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Toronto, Ontario  
M5G 1T6  
Tel: (416) 591-6461  
Fax: (416) 591-6613

Indonesian Consulate  
1455 West Georgia Street, 2nd Floor  
Vancouver, British Columbia  
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Fax: (604) 662-8396

### Malaysia

High Commission for Malaysia  
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Ottawa, Ontario  
K1N 8Y7  
Tel: (613) 237-5182  
Fax: (613) 237-4852

Malaysian Trade Commission  
80 Richmond Street West  
Suite 905  
Toronto, Ontario  
Tel: (416) 869-3886  
Fax: (416) 869-3883

### **The Philippines**

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Fax: (613) 233-4165

Philippines Consulate General  
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M5S 1S4  
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Fax: (416) 922-3638

Philippine Consulate General  
301-308, 470 Granville Street  
Vancouver, British Columbia  
V6C 1V5  
Tel: (604) 685-7645  
Fax: (604) 685-9945

Philippine Consulate General  
8458-182 Street  
Edmonton, Alberta  
T5T 1Y7  
Tel: (403) 450-0905  
Fax: (403) 484-7103

### **Singapore**

High Commission for the Republic of Singapore  
Two United Nations Plaza, 25th Floor  
New York, New York  
10017  
USA  
Tel: (212) 826-0840

Singapore Trade Development Representative  
1075 West Georgia Street, Suite 1500  
Vancouver, British Columbia  
V6J 3G2  
Tel: (604) 631-4868  
Fax: (604) 631-3232

**Thailand**

Royal Thai Embassy  
180 Island Park Drive  
Ottawa, Ontario  
K1Y 0A2  
Tel: (613) 722-4444  
Fax: (613) 722-6624

Commercial Office  
Royal Thai Embassy  
257 Slater Street  
Suite 1801  
Ottawa, Ontario  
K1P 5H9  
Tel: (613) 238-4002  
Fax: (613) 238-6226

Thai Trade Centre  
Department of Export Promotion  
Ministry of Commerce  
Royal Thai Government  
Suite 105, 736 Granville Street  
Vancouver, British Columbia  
V6Z 1G3  
Tel: (604) 687-6400  
Fax: (604) 683-6775

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Brunei, Indonesia, Malaysia, Philippines, Singapore and Thailand.

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### Indonesia

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## Thailand

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