



Thank you for your invitation to speak at the Malaysia-Canada Business Council meeting on August 11, 1994.

I would like to begin by expressing my appreciation to the Secretary of State for Asia-Pacific Affairs, Mr. Raymond Chan, for his kind invitation and for the opportunity to share with you Canada's perspective on the Asia-Pacific region.

STATEMENT

The potential for Canada-Asia-Pacific trade and investment is enormous. In the past few years, we have seen a significant increase in trade and investment between Canada and the Asia-Pacific region. This is a reflection of the growing economic and political ties between the two regions.

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In addition to our bilateral relations, Canada is also an active participant in international forums such as the Asia-Pacific Economic Cooperation (APEC) forum. To further strengthen our ties with the Asia-Pacific region, we have established the Canada-Asia-Pacific Business Council. This council will serve as a platform for dialogue and cooperation between Canadian and Asian business leaders.

NOTES FOR AN ADDRESS BY

THE HONOURABLE RAYMOND CHAN,

SECRETARY OF STATE (ASIA-PACIFIC),

TO THE MALAYSIA-CANADA BUSINESS COUNCIL

"A NEW FOCUS FOR CANADA IN THE ASIA-PACIFIC REGION"

**KUALA LUMPUR, Malaysia
August 11, 1994**



Thank you, Mr. Van Zeist, for your introduction and for the warm welcome you and the Business Council have extended.

I would like to begin today by outlining my responsibilities as Secretary of State for Asia-Pacific. My role is to advise Canada's Foreign Affairs Minister, André Ouellet, on Asia-Pacific matters, and my responsibilities therefore cover both geographic and sectoral issues, such as political and social developments, as well as economic matters and development assistance. I also assist International Trade Minister Roy MacLaren in his efforts to increase trade between Canada and the Asia-Pacific region.

The potential for Canada in Asia is enormous, and Canadians must prepare themselves to capitalize on the opportunities that are presented. To do this, we need good public and private sector co-operation in promoting our interests. We also need to capitalize on one of our somewhat underutilized natural resources: Canada's large and vibrant community of Asian-Canadians. It is clear that this community enriches Canada culturally. Also, working with Canadians who understand the Asia-Pacific market presents an advantage in developing trade and other ties to the region.

In addition to our obvious business interests, we also see the Asia-Pacific region playing an increasingly active role in international politics and security issues as its economic power grows. It is in Canada's best long-term interest to develop and diversify our economic and social ties with the countries of the region. Our political relations with the Asia-Pacific region are complex and challenging. Since the end of the Cold War, the region has evolved into an area of greater stability, productivity and justice and many countries have made significant progress towards more representative governmental systems.

Perhaps the most encouraging development in recent years in the Asia-Pacific region is the growing willingness to address security issues and potential problems multilaterally, using mechanisms such as the ASEAN [Association of Southeast Asian Nations] Post-Ministerial Conference, in which Canada is a Dialogue Partner. The process of multilateral consultation among regional governments on political and security issues was advanced significantly last month with the first meeting at the ministerial level of the ASEAN Regional Forum. This contributes an important element to our relationship. I am pleased to report that for the next three years Malaysia will be Canada's ASEAN Dialogue Partner.

One of the most interesting aspects of my work is that I have a unique opportunity to see first hand the vast diversity that makes this region so exciting, and to observe the many ways in which Canadian interests are engaged here. My first trip as Secretary of State was to the Asia-Pacific Economic Co-operation [APEC] summit in November 1993 in Seattle, when I accompanied Prime Minister Chrétien and Minister MacLaren. APEC member

economies (including the United States) are estimated to account for some 40 per cent of total world trade, and 50 per cent of aggregated gross domestic product.

APEC, like the region's explosive growth, is a relatively recent phenomenon, but since its creation five years ago it has become the region's main forum for discussions on regional growth, economic interdependence, strengthening the multilateral trading system and reducing barriers to trade in goods, services and investment. It has also become a major vehicle for co-operation on sectoral issues, such as environmental problems.

In the Asia-Pacific region, Canada finds a range of important issues and opportunities. We must continue to establish beneficial trading relationships and we must also work hard to promote our bilateral as well as multilateral linkages.

We continue to support economic and social development in the region, while being mindful of its cultural diversities, and we must capitalize on our natural "human" advantages to realize this tremendous potential.

I have spent some time talking about Canada's interests — and my role — in expanding our relationship with the countries of the Asia-Pacific region. I should here, however, take a leaf from the book of Prime Minister Dr. Mahathir who spoke at the opening of this year's Pacific Basin Economic Co-operation Conference in Kuala Lumpur. In his address, Dr. Mahathir described the concentric circles of identity and belonging that surround him as a Malaysian in the late 20th century.

He talked of being a Malaysian but also a member of ASEAN, a Southeast Asian, an East Asian and a "globalist," and of the interests and priorities that engage him on each of those levels.

When we talk of our relationship with the Asia-Pacific region, we are implicitly aware of those same spheres of interest. For a variety of reasons and in a variety of ways, our focus and our activity tend from the general to the particular: from broad, what we might call hemispheric issues, such as arms control and disarmament, to more direct dialogue with a region — Canada's relationship with ASEAN is a good case in point. But at the very heart of our focus on Asia are our bilateral relationships with each of the countries that ring the Pacific.

Indeed, it is the importance of one of those relationships — our links to Malaysia — that brings me here today.

Up until recently, speakers and writers normally referred to the Canada-Malaysia relationship in terms suggesting unfulfilled potential, as one that is developing, emerging, growing. At the same time, Malaysians were prone to ask things like: "Where are

the Canadians? Why aren't you more active? Why don't you make a bigger splash?" Of course, Canada has, in fact, been making waves here for a long time. From the early days of the Colombo Plan, to the creation of CIDA [the Canadian International Development Agency] in 1968 and till recently, Canadian Development Assistance has been the flagship of a Canadian presence in Malaysia.

Since 1958, Canada has contributed, through its various channels, slightly more than C\$100 million in official development assistance. In 1990, both governments agreed to change the relationship from one of donor-recipient to one of partnership, where Canadian assistance will be more flexible and will facilitate closer relationships between Malaysians and Canadians.

Now it seems to me that we have crossed an important threshold. Readers of Canada's *Financial Post* may have noticed it in the tone of last month's feature on Malaysia, with headlines like: "Malaysia now one of our key trading partners."

Recognition of this is helping to generate a steady stream of high-level visitors in both directions. My visit was preceded by those of Transport Minister Doug Young and Ontario Premier Bob Rae. Over the last two months Canada has hosted visits by the Chief Ministers of Perak and Sarawak, and will soon have the honour of receiving Datin Seri Dr. Siti Hasmah along with a large Malaysian delegation to the Commonwealth Games in Victoria. Far from being "the quiet Canadians," we are even beginning to get questions about why we have been attracting so much attention lately.

I think that there are a number of reasons for Canada's growing profile in Malaysia. The first is that we are working hard to get that attention, to convince Malaysians that we are committed to the relationship, and that we can bring value to it.

Hence, the high-level visits, the trade missions and co-operative programs that we mount — and will continue to mount.

Don't be surprised if you hear those visitors repeating the same refrain. We have been thinking hard about our relationship and have identified four main priorities for Canada in Malaysia. These include:

- maximizing Canadian participation in upcoming infrastructure projects;
- expanding our co-operation in the environmental sector, both in terms of government-to-government links and new business opportunities;

- revitalizing our education relationship, and, specifically, doubling the number of Malaysian students in Canada; and finally
- bringing the whole array of Canadian programs and support mechanisms into focus to support these objectives.

Malaysia-Canada trade passed the billion-dollar boundary last year and is destined to surpass it again this year. Those of you who follow the statistics will recognize that the bulk of the flow appears to go one-way, that much of the billion dollars is made up of Malaysian-made electronics products, medical goods, clothing and textiles flowing to Canada. Traffic the other way, at least in terms of manufacturing goods, barely appears to be growing.

That is true, or at least partly true, but the full story is more complicated than that. This is because, increasingly, much of what Canada has to offer Malaysia does not come in a box, but is instead packaged within the creative imaginations of visiting Canadians.

And, make no mistake about it, those Canadians and their ideas are making an impact and contributing to the growth and development of Malaysia.

Those trade statistics I mentioned earlier also fail to take notice of the role that Canadian investors in Malaysia play in creating benefits for both countries. A good portion of the electronics exports destined for Canada originate in the four factories Northern Telecom owns in Malaysia. Another major Canadian player, Novacorp, is busily engaged with its partner Petronas in creating business opportunities in countries like Argentina and Australia. The Bank of Nova Scotia plays a key role in support of local business and is, we hope, poised to expand its ability to serve this growing market.

The list of Canada's capital project interests here is growing just as the projects are themselves expanding in size and in ambitious scope. Canadian companies, often grouped in powerful consortia, are pursuing opportunities in urban transit, power generation, aviation and communications. We in government are working hand-in-hand with them, sending a message through our persistence and obvious commitment that we fully support our firms and that we are willing to complement their efforts through government programs that address Malaysia's desire to maximize training and technology transfer. We are working hard to ensure that Team Canada is more than a slogan, and that all our efforts in business and government are directed to the same ends.

To date, the environment represents a major success story. Our dialogue with Malaysia in areas like forestry is of real mutual benefit. Among other things, Malaysia and Canada have taken the lead together in organizing a working group on global forests that now has governments from a range of countries sitting down to discuss issues like sustainable development. Commercially, the environment is one of our most active sectors, as exemplified by the number of joint ventures established. On this visit, I am pleased to be able to participate with Malaysia's Minister of Science, Technology and Environment, Dato Dr. Law Hieng Ding, in a ceremony marking the launch of co-operation between the Canadian Environment Industry Association and the Association of Environmental Consultants and Contractors of Malaysia.

This business-to-business level of co-operation will generate even more opportunities for co-operation, technology transfer and, not to be forgotten, profit in a sector that benefits us all.

Canada's growing profile in Malaysia also extends to the education sphere. Over 70 000 Malaysians have completed education programs in Canada thus far. Canadian education providers are keenly exploring new and innovative approaches in education co-operation with Malaysian institutions, including twinning programs, branch campuses, and exchange programs. Six Canadian universities are twinned with the international medical college in Kuala Lumpur, and initiatives with other colleges are under way.

I look forward to visiting Sunway College, which, along with Taylors' College, currently provides Canadian pre-university education to approximately 800 Malaysians. The recent visits to Malaysia of Premier Rae and Canadian academic delegations emphasize both the importance that is placed on internationalizing Canadian education and the support and guidance that the Canadian governments are enthusiastically providing. I applaud Malaysia's objective of becoming the regional centre of education in Southeast Asia. I can assure you that Canadian education providers aspire to play a leading role in the fulfilment of this goal.

I spoke earlier about the many levels on which we as Canadians interact with an area as vast and diverse as the Asia-Pacific region. In doing that, I wanted to remind you that this is not merely the stuff of international diplomacy or academic research, and that it has at its basis the desire to advance the real and specific interests — personal, cultural, commercial — of individuals on both sides of the Pacific.

Trade between Canada and Malaysia has reached impressive levels and continues to grow. Less visible, but perhaps even more important, is the steady proliferation of business connections

that promote trade in new and emerging services, identify opportunities for collaboration in third markets and generate profits that benefit entrepreneurs in both countries.

This is a "visit Malaysia" year and I am confident that Canadians will be coming in record numbers, not just to enjoy beaches and markets, hill stations and jungle parks, but also to look for business opportunities with Malaysian partners. This brings me back to acknowledge my hosts today, and to underline the key role that the Malaysia-Canada Business Council plays, both here and in Canada, as a vehicle for networking and communicating, and as a symbol of a trade relationship that has truly come of age.