



**STATEMENT**

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AS DELIVERED

**AN ADDRESS BY  
THE HONOURABLE RAYMOND CHAN,  
SECRETARY OF STATE (ASIA-PACIFIC),**

**TO THE  
CANADA/SINGAPORE BUSINESS ASSOCIATION**

**SINGAPORE  
August 12, 1994**

My first engagement after arriving in Singapore this morning, just before joining you, was to witness the signature of an Agreement on Co-operation between the Canadian Environment Industries Association (CEIA) and the Singapore Association for Environmental Companies, SAFECO. I mention this for two reasons: my interest is in promoting private sector linkages in sectors critical to Canadian prosperity and in areas where Canada has much to offer; and doing so in ways which permit Canada and Singapore to exploit their comparative advantages together for mutual benefit.

The CEIA-SAFECO link yields potentially significant benefits for both parties. The Agreement provides a framework for the exchange of information on technology, research and development, policies to protect the environment, practices best suited to local conditions, and legislative frameworks. In the longer term, it provides Canadian companies with a valuable entry point into the Singapore and the larger ASEAN [Association of Southeast Asian Nations] market. This is precisely the kind of tie-up that the Canadian government wishes to promote.

We have given clear recognition to the dynamic growth in this region and its increasing importance in terms of the share of global trade. My appointment as Canada's first Secretary of State for Asia-Pacific underscores this. My role is to advise the Minister of Foreign Affairs on Asia-Pacific matters. My responsibilities, therefore, cover both geographical and sectoral issues such as political and economic matters, the social context in which we must situate our policies, and development co-operation.

The Asia-Pacific is a region of contrasts and complexities, with many untapped opportunities. The Canadian government's current foreign policy review is intended to ensure that we understand these contrasts, complexities and opportunities and position ourselves to take advantage of them.

Most Canadians no longer think of this part of the world as "the Far East." That is an outmoded term which I am glad is disappearing as a concept. Our government wants to ensure that all Canadians embrace the view that Singapore and its Asian neighbours are but the western rim of a Pacific community in which Canada is a full member.

After the United States, the Asia-Pacific region has become Canada's most important trading partner. It is the second fastest growing market for Canadian exports. Canada's transpacific trade has long surpassed transatlantic trade. All Canadians and particularly our business communities must be awake to these trends if we are to get our fair share of business. We all must stop being timid about setting-up shop at great distances or, indeed, worrying unduly about the costs in time, effort, and resources of investing in an "on-the-ground" presence.

We have to illustrate our seriousness in doing business here by having a long-term, strategic plan which may not yield immediate pay-offs.

We have a cultural advantage in Canada that many of our competitors lack. That advantage is found in the large and growing number of Canadians of Asian origin. The contribution of these Canadians to the productivity of our society is a tremendously enriching factor in our polity, our culture, and our economy. They bring with them business, financial and family connections which play an important role in Asian society and which are already having a positive impact on Canadians. Canadians are learning about Asia in this way, and Canadians of Asian origin are contributing their values of selflessness and community.

Enhanced language capability and cultural awareness is fundamental to international competitiveness, now more so than ever. This is the prime reason why the Canadian government established the Asia Pacific Foundation a decade ago in Vancouver and why, several years ago, we launched a multi-million dollar initiative called "Pacific 2000" with an emphasis on encouraging Canadians to become more "Asia-literate."

Canada has for some time recognized that a stronger and more confident ASEAN and Southeast Asia can contribute to our own prosperity. It is why we have had for several years a development co-operation program that supports ASEAN as an institution and contributes to a large number of innovative, ASEAN-wide programs. And it is why we have created the Canada/ASEAN Centre, located in Singapore, to promote non-governmental linkages and networks in such key areas as education, science and technology.

An increasingly important element in Canada's trade and economic linkages with the Asia-Pacific is the development and encouragement of government and private sector dialogue, principally through the Asia-Pacific Economic Co-operation, APEC. You all know that leaders of the APEC member economies, including Prime Ministers Chrétien and Goh Chok Tong, met in Seattle last November. That was an historic occasion. APEC leaders and their foreign affairs ministers now have decided to hold their consultations regularly. APEC finance ministers have already met and trade ministers will meet this autumn. In addition to promoting the habit of regular dialogue, these meetings have helped launch APEC on creation, refinement and implementation of a visionary agenda.

What APEC governments are seeking to do is anticipate and prevent trade problems from occurring, rather than simply reacting to cure them after the fact. The latter is inevitably more wasteful and fraught with danger. APEC members are seriously at work on charting a long-term, progressive course towards freer, if not free, trade in the region.

The consultative process now under way will create a multilateral framework which will help us to mitigate the possibility of trade disputes of the sort which now distract us so much.

In concrete terms, APEC enables trade-dependent countries like Canada and Singapore — along with all their partners — to pursue a range of broad objectives, principally trade creation and trade facilitation. APEC also allows us to make progress on more specific issues, such as investment promotion, understanding competition policy — particularly on antidumping issues — promoting mutual recognition of product standards and equipment testing and monitoring procedures in key sectors such as aviation and telecommunications, promoting environmental protection and reaching an understanding on important issues such as rules of origin.

What all of this activity is intended to do is to establish a balanced policy framework within which industry can thrive. The goals may be long-term, and the challenges daunting, but the importance of this work and the dialogue underpinning it should not be underestimated. For its part, Canada sees APEC, and organizations like the Pacific Economic Co-operation Council [PECC] and the Pacific Basin Economic Council [PBEC], as essential planks in the construction of an Asia-Pacific trade regime which is balanced, effective and rules-based, which contributes to the global goals of the World Trade Organization [WTO], and which prevents the possibility of a transpacific divide.

Finally, I believe it important that I conclude with some remarks on NAFTA [the North American Free Trade Agreement], in part to dispel some recurring myths. What I have to say is relatively straightforward but bears repeating.

Canada is not turning its back on international trade. We are, in part through the NAFTA, in part through APEC, and in part through the WTO, trying to stay in the forefront of the process.

The NAFTA is not an inward-looking bloc. It is fully compatible with the GATT [General Agreement on Tariffs and Trade] and with the results of the Uruguay Round. The GATT itself accepts that regional trading relations can be liberalized at a faster pace than might be possible on a broad, multilateral basis. So the GATT — now the WTO — accommodates agreements like the NAFTA.

All NAFTA partners have emphasized the priority they place on implementing the results of the Uruguay Round and putting in place an effective new World Trade Organization. NAFTA is not a higher priority nor is it a replacement for an effective global trading order.

The NAFTA contains a provision for new members. If all criteria for membership are met, the terms of the NAFTA can be extended to other partners. The only necessary qualification is the ability

and willingness to live up to the obligations set out in the entirety of the agreement, including the provisions on environmental and labour standards. Each application to join the NAFTA will be judged on its merits. But NAFTA members are just starting out on a long journey. The details and modalities of how to approach accession by others are still, frankly, being discussed. It is Canada's position that membership in the NAFTA is open to countries outside the Western Hemisphere.

It is important to stress that the NAFTA does not erect any barriers to other countries. It merely removes barriers between the member countries. NAFTA cannot be compared to the European Union. There is no customs union or common external tariff. There are no devolved powers to a trilateral authority, nor is there a commission such as in the European Union.

Asian companies are well-positioned to take advantage of this new arrangement. They have demonstrated their agility and adaptability over the years. A larger, open market will bring them greater trade and investment opportunities in North America. The NAFTA is a response to globalization, not a shelter from it.

In conclusion, I would like to stress the following key messages:

- Canada is, in fact, an Asia and Pacific nation and is committed to being an active participant in the region, through innovative programs and projects such as our ASEAN regional development co-operation activities, the Asia Pacific Foundation, "Pacific 2000", education linkages, support for preventive diplomacy, and the Canada/ASEAN Centre.
- Canada's cultural tolerance and diversity are true assets. Canadians from all walks of life can learn from each other and Canadians of Asian origin have much to contribute, and have already contributed significantly.
- We understand the need to build better transpacific trade links to adjust to the new realities of the NAFTA, AFTA [the ASEAN Free Trade Area] and the new World Trade Organization. Canada is determined to contribute fully and effectively to APEC as the focus of regional trade liberalization efforts.
- Finally, all of Canada's work in the trade promotion field will be undertaken in close collaboration with the private sector, recognizing that governments can only establish an atmosphere conducive to expanded trade and help develop the right policy framework with the private sector ultimately being responsible for delivering the product.