

Statement

Minister for  
International  
Trade



Discours

Ministre du  
Commerce  
extérieur

89/65

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NOTES FOR A SPEECH

BY THE MINISTER FOR INTERNATIONAL TRADE,

JOHN C. CROSBIE,

TO THE THAI CANADIAN BUSINESS CLUB

BANGKOK, THAILAND

November 20, 1989.

So wat dee kap -- or welcome, as we say in Canada.

I understand the Thai-Canadian Business Club held its first luncheon on November 30, 1988, and since then membership has grown to about 270. The ambassador tells me this is a vibrant organization, effectively bringing together Canadians and Thais and others involved in our commercial relations. Let me be among the first to offer you and your club my congratulations on a phenomenal first year.

I hardly need to tell you that you are living and working in one of the world's most exciting countries. You can feel a dynamic spirit of enterprise everywhere. This is an economy on the move.

The numbers prove it.

In 1988 real Gross Domestic Product grew by 11 per cent. Manufactured exports rose by 46 per cent and tourism rose by 40 per cent.

Investors from around the world are recognizing the tremendous potential of this country. Foreign investment in Thailand reached \$1.3 billion in the first six months of this year, nearly as much as the previous year's total.

Canada has been a significant player in the development of this country, both through our aid program and increasingly through joint ventures and investment. I am convinced that there is scope for a much greater level of involvement between our two countries.

Since 1980, trade between Canada and Thailand grew steadily to reach well over \$500 million in 1988. In the first six months of 1989, trade has been stronger than ever. Thailand has become Canada's main export destination in ASEAN, and its largest bilateral trading partner in ASEAN.

Two-way trade in 1989 may well reach \$800 million, a remarkable achievement when you think that just three years ago the figure stood at \$250 million.

And we see that the nature of the trade is changing, moving beyond raw materials and commodities to manufactured and high-tech products. Thailand can be proud that cars manufactured here already account for 25 per cent of its exports to Canada.

To accommodate the thrust of development, the Thai government has wisely decided to commit considerable resources to enhancing its industrial and economic infrastructure. This development offers exciting opportunities for Canadians, for example in helping to build Bangkok's proposed \$2-billion Mass Rapid Transit System.

The Government of Canada continues to support Lavalin's bid for this vital project. The company has demonstrated over and over in projects around the world that it has the technology and experience required to do the job. The Lavalin proposal is comprehensive. It offers proven, leading-edge technology. And it is supported by what we feel is the best financing package on the table.

I will be elaborating on those points later this afternoon when I meet with Interior Minister Pramarn.

Our growing two-way commercial relationship has been given impetus by the signing in July 1988 of an Economic Co-operation Agreement between our two countries. This is a unique agreement, for both countries, and one where the spirit and intent of our initial deliberations are now coming to fruition.

The Economic Co-operation Agreement complements our \$150-million bilateral development assistance program, funded by the Canadian International Development Agency, or CIDA. It's a program designed to help Thailand manage the transition from a traditional agricultural economy to an industrial state, and to build a base for a long-term economic relationship between our two countries.

By next April, CIDA will implement the Enterprise Collaboration Project, the first of its kind for Canada anywhere in the world, to foster a greater level of joint collaborative efforts between our two countries. It will focus on the transfer of technology, new joint ventures,

and new export-oriented industries. This is a five-year, \$13-million program, under which Thai businesses can apply for funds to help enter into joint ventures or seek technology transfer from Canada. This includes feasibility studies, visits to Canada to meet potential partners, and help with the implementation phase.

The fact that the program will respond to Thai-initiated activities reflects our strong desire to work more closely with the Thai private sector on priorities identified by them.

A few weeks ago, Minister Korn Dabaransi gave a speech in Toronto to the Thailand Board of Investment seminar, in which he challenged Canadian firms to participate in the exciting opportunities facing Thailand. I would like to echo that challenge to the Thai private sector, to go to Canada to seek out business partners for new joint ventures here in Thailand.

I think you will find that in Canada the entrepreneurial spirit is flourishing, and it is a spirit my government has nourished.

One of our first acts as a government was to implement a policy which welcomes foreign investment. We introduced deregulation, and returned many Crown corporations to the private sector. We reduced personal and corporate income tax rates. We brought in the Free Trade Agreement, and we took a leadership role in the Multilateral Trade Negotiations.

To boost our export readiness, we have launched a program called Going Global, which Prime Minister Brian Mulroney announced in Singapore last month. This \$94-million program targets the three giant markets of the United States, Europe and Asia-Pacific. Fully \$65 million of the funds are devoted to the Asia-Pacific component, entitled Pacific 2000.

Pacific 2000 includes a Business Strategy whereby bilateral business networks will be supported. It will help exporters in establishing offices overseas and expand relations with counterpart groups. The Business Strategy will also support sectoral exhibitions in the Pacific region.

There is also a Pacific 2000 Language and Awareness program, to help our private sector learn more about Asian languages and culture, and to support courses in doing business in Asia.

A Pacific 2000 Project Fund will support special activities aimed at improving Canada's visibility in this region. For example, the Young Leaders component will provide funding for visits to Canada by young Asian leaders and media. The International Education component will encourage joint ventures with Asian educational institutions.

I have not reviewed all of the initiatives to be undertaken in our Pacific 2000 program, but I am sure you will recognize from the example I have given that the federal government is genuinely interested in assisting Canadian business in this region.

Asia Pacific, including East Asia, North America and Australasia, now accounts for nearly 40 per cent of world trade, and is growing fast. For Canada, trans-Pacific trade now surpasses our trade with Europe. This trade is an important source of economic growth for all the countries of the region, and it is vital for countries like Canada and Thailand which derive a large portion of the Gross National Products from trade.

To keep the engine of trade turning, it is absolutely necessary that the world trading environment is open and operating under fair rules. Those are the goals that members of the General Agreement on Tariffs and Trade have set for themselves, and it is what brings me to Thailand.

This afternoon, I leave for Chiang Mai for a meeting with 13 other Ministers from the Cairns Group of Agricultural exporting countries. This is the last of four Ministerial meetings I have attended in the past 15 days.

First, in Canberra, I joined representatives from 11 other countries, including Thailand, for the first Ministerial level meeting on the subject of Asia-Pacific Economic Co-operation.

This was an initiative of Australian Prime Minister Bob Hawke. His idea, which became a reality at the meeting, was to develop a process for improving the level of knowledge, co-operation and consensus on economic and trade-related issues within the region. That was achieved.

We agreed to hold a series of Ministerial meetings, starting with Singapore next year. Officials

will meet in the meantime to pursue the issues we discussed at Canberra.

In the meeting, we agreed on the need for a successful completion of the Uruguay Round by its scheduled deadline of December 1990. This will not be easy. It will take strong political will, and the Canberra meeting demonstrated that will.

From Canada's point of view, it was also important that management of marine resources in the Pacific was recognized as an important area which could benefit from the co-operation of the countries represented there.

Following the Canberra meeting, I went to Japan, first to meet with the Trade Ministers from Japan, the U.S. and the European Community, then back to Tokyo for a meeting with representatives from 20 GATT contracting parties. At both meetings, we agreed on the need for a successful Uruguay Round, and we made progress towards that end. We have agreed on the need for countries to submit their detailed negotiating proposals by the end of this year, so that the nuts-and-bolts bargaining can begin in earnest in the new year. We have also agreed to move forward on the crucial issues involving market access.

In Chiang Mai, starting tomorrow, the Cairns Group Ministers will meet under the chairmanship of Commerce Minister Subin. By Thursday, we aim to settle on a Cairns Group proposal for agricultural trade reform. And, hopefully, it will help to advance this extremely difficult, and critical, area of the negotiations.

Like Thailand, Canada needs an open and fair trading environment for agricultural products, as well as for other goods, services, investments, and technology. We have to use this Round to defeat the forces of protectionism, unilateralism and managed trade, which threaten the free flow of commerce.

If the Round succeeds, we will have the freest international flow of goods and services and capital in this century, perhaps in the history of mankind.

In such an environment, we will have to develop a fine balance between competition and co-operation; between national self-interest and international harmony.

We are motivated by the knowledge that, given an improved trading environment, we will be opening the doors for future economic growth. We will be giving men and women, like yourselves, a practical tool for expanding their businesses and generating wealth in the economy. We will help allow the entrepreneurial spirit to flourish.

Those, certainly, must be goals close to the hearts of the members of this club.

Thank you. And thank you, as a Club, for the good work you are doing in strengthening the links between our two countries.

Kop Khun Kap