

# *Statement*

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**NOTES FOR A LUNCHEON ADDRESS BY  
THE HONOURABLE ROY MACLAREN,  
MINISTER FOR INTERNATIONAL TRADE,  
TO THE HO CHI MINH CITY  
BUSINESS COMMUNITY**

**HO CHI MINH CITY, Vietnam  
November 15, 1994**



Government  
of Canada

Gouvernement  
du Canada

**Canada**

It is a pleasure to be back in Vietnam after so many years. I was a Canadian diplomat posted to the International Control Commission in Saigon 36 years ago. The people of this city are as energetic and full of life today as they were then.

Canada and Vietnam share historic ties. As a member of the International Control Commission from 1954 to 1973, and as a non-belligerent observer, Canada strove to end a long and painful war.

I was a witness at the beginning of that terrible conflict, which is vivid in the world's memory. I wish you well two decades after the curtain closed on those historical events.

Canada has been a friend of Vietnam in good times and in bad.

Today Canada and Vietnam can move forward together in an era of peace and economic development. We now share an increasingly dynamic, exciting and multifaceted relationship.

1994 will remain a milestone in the history of our relations. Not only are we inaugurating a new Chancery in Hanoi and a Trade Office in Ho Chi Minh City, but we have appointed Her Excellency Christine Desloges as Canada's first Ambassador to the Socialist Republic of Vietnam. In June, your Deputy Prime Minister, Phan Van Khai, visited Canada and met with Canadian leaders and tomorrow, our Prime Minister, Mr. Jean Chrétien, will be making the first visit by a Canadian Prime Minister to this country.

The significance of these developments cannot be understated. I am here today to express Canada's support to our Vietnamese friends. We want to play a useful and constructive role as Vietnam strives to open its doors, liberalize its economy and reintegrate into the world community. A good example of this was Canada's contribution to clearing Vietnam's International Monetary Fund arrears.

We are together in "la francophonie" and Canada, as a G-7 country, would like to see Vietnam join the new World Trade Organization; we would welcome its membership in APEC [Asia-Pacific Economic Co-operation forum] and we look forward to its future membership in ASEAN [Association of Southeast Asian Nations].

We also want to participate in the rejuvenation of a modern Vietnamese economy. Our countries may be a thousand miles apart, on opposite sides of the world's largest ocean, but we share much in common. Vietnam and Canada are both endowed with plentiful natural resources, and skilled and motivated workers.

Our two nations have similar infrastructure requirements to deal with our respective river systems, coastlines, mountains and rural communities. Most significantly, we both benefit from foreign investment and global trade for our economic well-being.

Canada is an active member of the emerging Asia-Pacific community. Our commitment to the region is shared by both our public and our private sectors.

Canada now conducts 20 per cent of its trade with Pacific Rim countries. But this is not enough. Canada wants to expand its trade and investment in the region. To that end, the Canadian government is reallocating resources from traditional markets to open Trade Offices such as the one I officially open later today, here in Ho Chi Minh City.

Our companies are developing or implementing creative, regional business strategies for target markets, like Vietnam. We know that in order to succeed we must build partnerships with Vietnamese public and private sector entities. Both as suppliers of products and services and as investors, our companies must work together.

With me today are some of the premier Canadian companies willing to engage in the development of these partnerships. Given the similarities between Vietnam and Canada, with our remote communities, our resource-based manufacturing — especially minerals, forestry, oil and gas — and our rugged topography, Canadian firms are remarkably well-suited to meet the challenges of the Vietnamese market.

We are developing a special focus in Vietnam on the transport, energy and telecommunications sectors. Canadian firms can compete world-wide on capital projects in each of these areas, as they are doing throughout the Asia-Pacific region.

We have won major transport projects in Malaysia and China, major energy projects in Indonesia and China, and Canadian companies have supplied telecommunications equipment or have built assembly operations in virtually every country in Asia.

Vietnam's bold moves to restructure its economy along free-market lines is resulting in an increasingly high level of Canadian business interest and confidence. The size of our business delegation visiting Ho Chi Minh City today is one indication of this trend.

Although we understand that changing to a market economy is a challenging task, we encourage Vietnam to continue these efforts. Of immediate concern to Canadian business is Vietnam's requirement to simplify the bureaucratic hurdles to free enterprise.

This is one of the key elements to building the confidence of the international business community and to stimulating inward investment.

We see Vietnam as an increasingly important partner in the Asia-Pacific region. In recent years, our two-way trade has been growing, but considering the potential, it remains at a modest level.

But we foresee rapid and dynamic increases in our bilateral trade. For example, today I shall witness the signing of a contract amounting to \$7 million for the provision of fire-fighting equipment to Ho Chi Minh City.

On Thursday, Prime Minister Chrétien and I shall witness the signing of at least \$50 million in new business for Canadian companies, including a \$15-million contract for a vessel traffic management system for the Saigon River and the Port.

This type of project enjoys the support of the Canadian government and will be financed using credit facilities provided by the Export Development Corporation, Canada's export credit agency. I am pleased to announce that the Export Development Corporation is now prepared to provide financing and insurance to support Canadian companies doing business in Vietnam, based on the merits of individual transactions.

Additionally, the Export Development Corporation is working with Canadian banks to establish a joint credit facility with Vietnamese banks. We have made tremendous strides in a short period of time.

We must also mention the contribution of the Vietnamese-Canadian community, some of whom are among us today. Their determination, perseverance, and energy have been instrumental in introducing many Canadian companies to the local market and, at the same time, have introduced a variety of Vietnamese products to Canada.

In the new global economy, trade is more than just importing and exporting goods. Increasingly, it involves investment and the transfer of technology. Canadian firms are well-aware of this new global reality.

They are actively pursuing investment opportunities in the Vietnamese oil and gas, telecommunications, property development, construction materials, and general infrastructure development sectors.

They are also bidding on projects funded by the World Bank and the Asian Development Bank in areas of internationally-recognized Canadian strength and competence: water supply, waste management, and road renovation, to name but a few.

All this is to say that Canada is here, and here to stay. Canada is committed to this market for the long term. However, there is an increasing need for our countries to enter into formal bilateral arrangements upon which Canadian exporters rely.

To that end, Canada and Vietnam signed an Economic Co-operation Agreement earlier this year that serves as an umbrella agreement for commercial matters.

We have also recently signed a MOU [Memorandum of Understanding] on a Transport and a Development Co-operation Agreement.

Just last week, Canada and Vietnam reached an agreement in two important areas. In Hanoi, I shall sign a Memorandum of Understanding that will lead to a final agreement on trade between Canada and Vietnam. This will provide a GATT-compatible [General Agreement on Tariffs and Trade] framework for the conduct of trade between our two countries.

As well, I am happy to say that we have just signed an extension to our Memorandum of Understanding on textiles that will double the Vietnam textile quota for next year. This is good news for Vietnam.

In July of 1995, we will be opening an Education Information Centre in Vietnam to provide Vietnamese students with specific information and counselling on educational facilities in Canada and to lift our educational exchanges to a new level of activity.

Our development assistance program, where we will commit increasing resources to Vietnam in the years ahead, is another important element of our bilateral relationship.

Human resources development, transfer of technology and private sector co-operation in transport, energy, environment and information technology, will be priority areas for project assistance.

On Wednesday, Prime Minister Chrétien will witness the signing of an umbrella development assistance agreement with Vietnam for over \$36 million to cover a number of priority projects in these areas.

As a final note, I encourage Canadian business to pursue new business opportunities in Vietnam; to continue the search for the appropriate Vietnamese partners; and to continue our quest for providing world-class products and technologies to a receptive Vietnamese market.

I want my Vietnamese friends, when faced with the complexities of your emerging economy, to think of Canada, Canadian capabilities and Canadian solutions. The challenges are many. By working together with you we can maximize Canada's contribution to Asia's "Next Tiger": Vietnam.

*chao om, chao ba.*