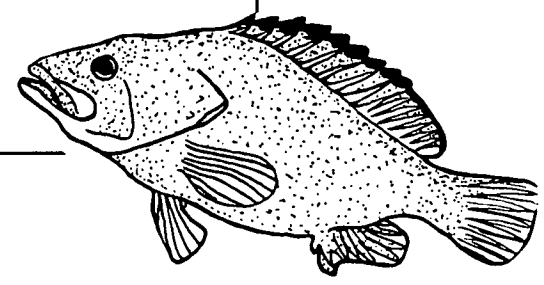
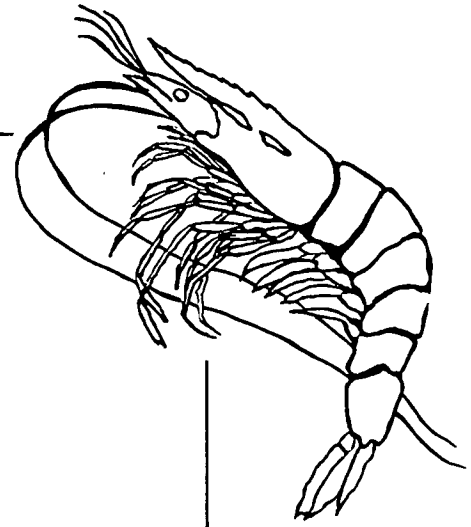
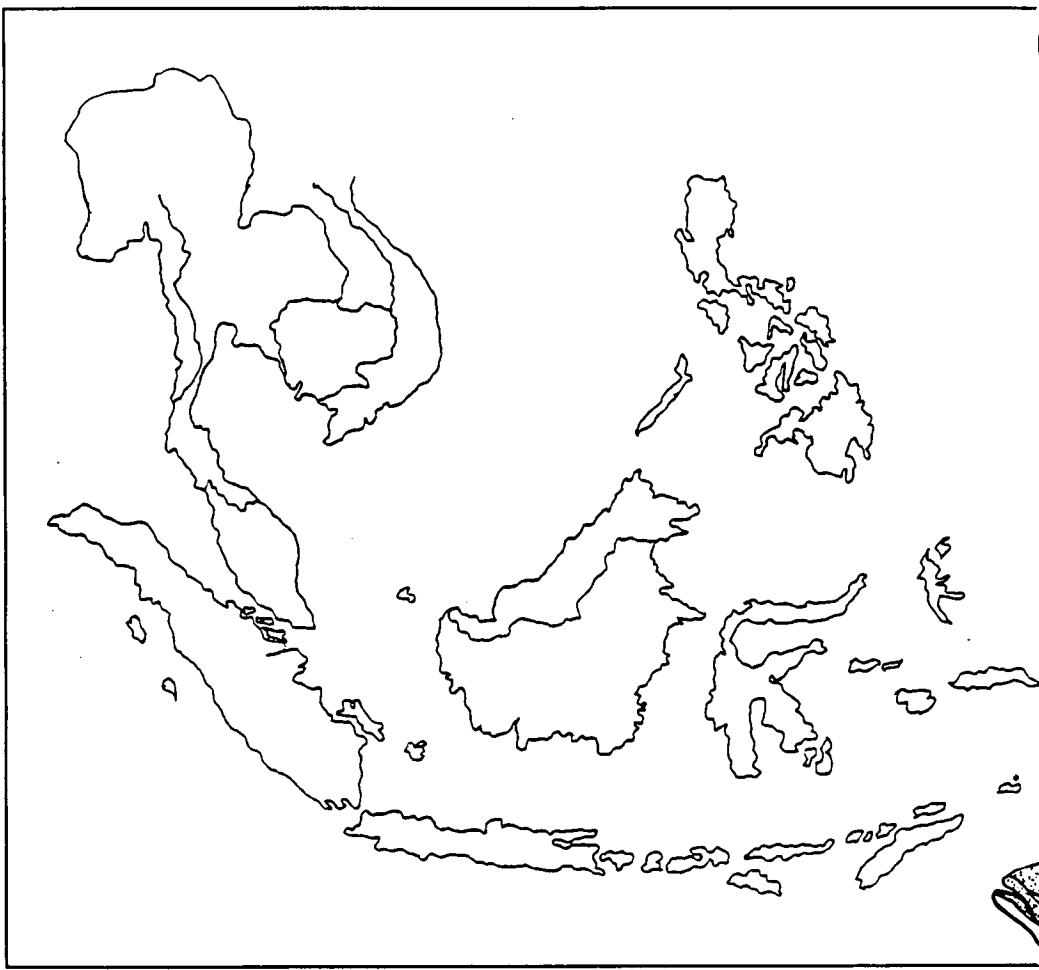


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# A Guide To Canadian Aquaculture Industries' Business Potential

## *In The South East Asian Region*



**By: Gordon Kirkland  
Deloitte & Touche Management Consultants**

**November, 1990**

**Canada**

**Deloitte &  
Touche**



**A Guide To  
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In The South East Asian Region**

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# **A Guide To Canadian Aquaculture Industries Business Potential in the South East Asian Region**

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# ***A Guide To Canadian Aquaculture Industries' Business Potential In The South East Asian Region***

## **1.0 Introduction**

Aquaculture in South East Asia, like the industry in Canada, has grown over the last decade to the point where it now represents approximately 10% of the fish production of the region.

For the purposes of this study, South East Asia is comprised of Thailand, Malaysia, Indonesia, Singapore, and the Philippines. These countries, together with the Sultanate of Brunei, make up the Association of South East Asian Nations ("ASEAN").

In April of 1990 the Canadian Embassies and High Commissions in the five countries hosted a Canadian Aquaculture Technology Mission and Seminar presented by Gordon Kirkland of Deloitte and Touche Management Consultants, Malcolm Winsby of Hatfield Consultants Limited, Dr. Bill Paterson of Aqua Health Ltd., Dr. Ian McCallum of Malaspina College and Taplow Feeds, Larry Fournier of J.S. McMillan Fisheries Ltd., and Wayne Gorrie of P.R.A. Manufacturing Ltd. The mission was led by Don Cameron, the Trade Commissioner in the International Trade Centre in Vancouver. The purpose of the mission was to expose the aquaculture industries in the ASEAN region to the advances taking place in the Canadian aquaculture industry and to expose the Canadian industry to the market opportunities in the five countries visited.

On the surface, the aquaculture industry in Canada might appear to have little in common with the industry in the ASEAN Region. There is very little commonality in the species being grown and the water temperatures are substantially different. However, by looking beyond these differences one can see a great similarity between the industries. Each have problems with disease prevention and treatment. Site planning and regional planning for aquaculture is becoming an important issue for both industries. Feed development is a major issue in the ASEAN Region just as it has been in Canada. Processing a more valuable product than the wild cousins have produced a variety of challenges in South East Asia just as it has here. Equipment is needed which has been designed to meet the needs of the local industry for fish handling and containment.

These similarities can be translated into business opportunities for Canadian aquaculture technology producers. These opportunities may take the form of sales potential through to establishing joint ventures to service the local industry in partnership with local business people and with considerable support from the governments of the region.

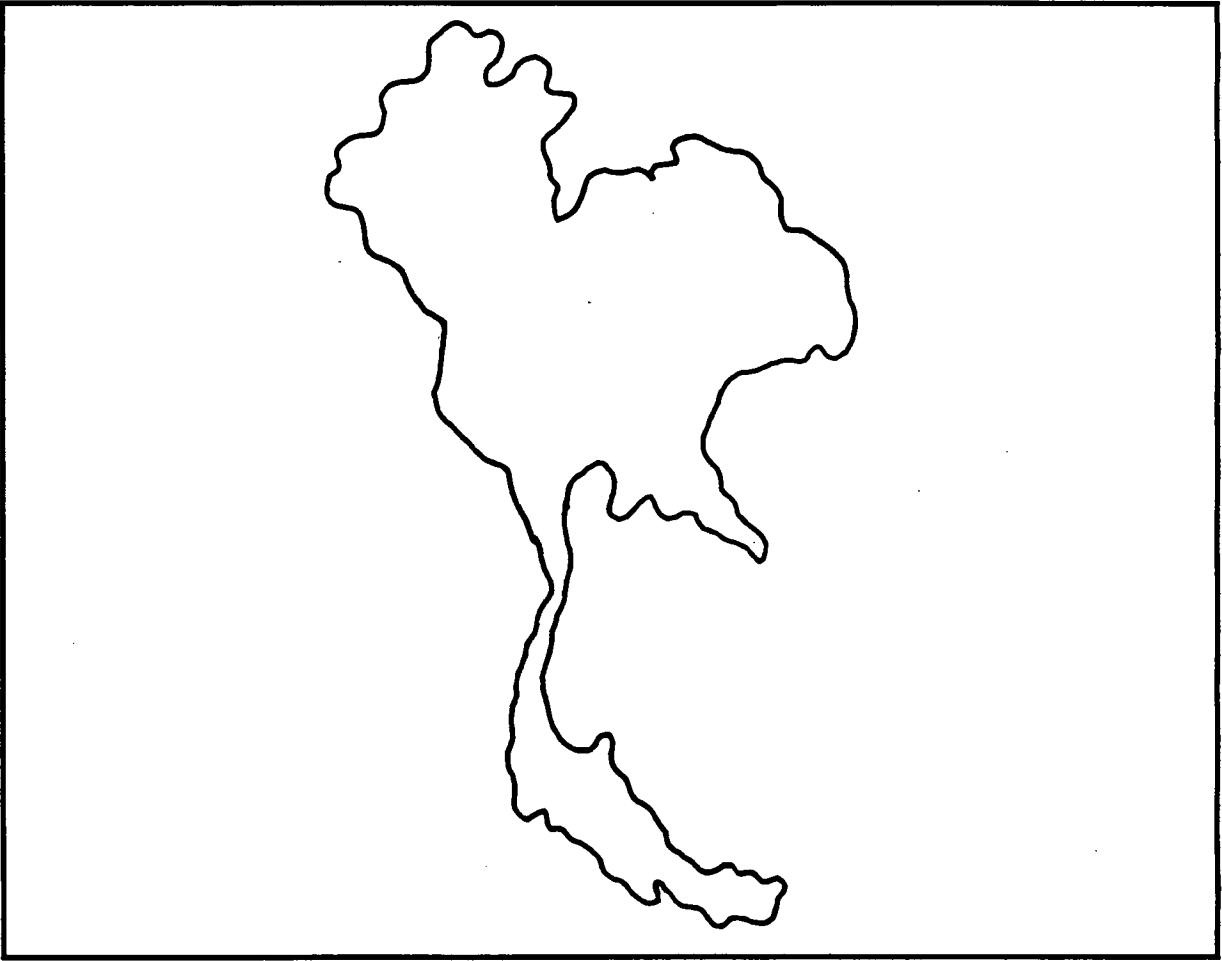
Canadian business will need to move quickly to secure a foothold in this extremely valuable market. The aquaculture industries of Taiwan, Japan, France, Norway and Denmark are very active in the region already.

This report will look at the aquaculture industry as it currently exists in South East Asia, the potential for growth in the industry, the economic and political situations in each of the countries and the opportunities and strategies for Canadian companies wishing to do business with the aquaculture industry in the region.

The available aquaculture statistics varied from country to country. Some countries did not make statistics available on a species by species basis, rather they maintained their statistics based on the type of aquaculture (ponds, cages etc.) carried out. In each case the most current statistics available are reported herein.

The purpose of this publication however, is not to provide a statistical review of the aquaculture industries in each of the five countries. There are many other sources one can turn to obtain more detailed information about the industry. It has been written to provide interested Canadian business people with a sense of the opportunities available to them to become involved with the growing aquaculture industries in the ASEAN region either by establishing joint venture companies with local business people in the region or by expanding their own marketing efforts to add the ASEAN region to their marketing plans. For those interested in investing in the industry in the ASEAN region we have provided information about the government programs that apply to foreign investment in each country.

# Thailand



## **2.0 Thailand**

### **2.1 General Information**

Thailand is a country of 54.7 million people centrally located within South East Asia, between Malaysia, Burma, Cambodia and China. Bangkok is the major urban centre, however, the majority of the population lives in rural areas. Over 90% are Buddhist, 3% Muslim and less than 1% Christian.

### **2.2 Political And Economic Situation**

Thailand is a constitutional monarchy under one of the world's oldest surviving dynasties. In 1988, the King became the longest serving monarch in the Chakri dynasty: 1990 marks His Majesty's 45th year on the throne.

The country has enjoyed increasing internal stability since 1977 as successive governments have created an efficient, modern, civilian administration. Economic and development progress has been fairly consistent and sustained as both the government and military have followed the King's inspirational lead in this area.

Following general elections held in 1989, retired Major General Chatichai Choonhavan was selected to head a new coalition government. He is the first Member of Parliament to become Prime Minister since 1976. His predecessor, General Prem Tinsulanonda, was an appointed Prime Minister. He had led five successive coalition governments since 1980. Prime Minister Chatichai has indicated he would continue the same basic policies promoted by the previous administration. He has underlined the increasing role that should be played by the private sector in national economic development.

From 1974 to 1984, the Thai economy was one of the more resilient in Asia, with an average 7% growth in the annual GDP rate. Following a temporary downturn in 1985-86, the economy bounced back, registering significant gains in several areas. Real GDP growth reached 11% in 1989 with manufactured exports and tourism leading the way. The Thai Sixth Five Year Plan approved October 1, 1986 places emphasis on adding value to the resource base including the aquaculture industry.

### **2.3 Foreign Policy Orientations**

Thailand leans strongly to the West in its foreign policy. Relations with Western countries have benefited from international concern for Thailand's generous response to the Indochinese refugee exodus. The ASEAN is a cornerstone of Thai foreign policy. As Thailand's domestic economy has become more directly affected by international economic developments, its foreign policy has placed more emphasis in this area and in balancing Thai relations with all superpowers. Thailand has been an active and moderating voice in the Group of 77 and it has played a constructive role in international commodity fora and the GATT Uruguay Round. Thailand is also a co-founder of the "G-14 Cairns Group" of fair agricultural traders.



## **2.4 Canada-Thailand Relations**

Canada's interest in Thailand dates from Canadian participation in the Indochina Control Commissions and the Colombo Plan in the 1950's. Relations have broadened over the years with Canada's increased interest in the region. Thailand was Canada's dialogue co-ordinator with ASEAN 1985-1988. During this period, the Canada-ASEAN dialogue gained new momentum due very much to Thai initiative and assistance. Canada has accepted over 110,000 refugees from Indochina since 1979, of which over 37,000 have come from camps in Thailand.

Total Canadian exports to Thailand in 1988 were up 32.8% from 1987, totalling \$259 million; imports totalled \$343.4 million, representing an increase of 64%. Trade between Canada and Thailand is carried out under the GATT. Total trade in 1988 reached \$602.4 million. The Thai government announced recently that Lavalin's bid for the construction of the \$2.02 billion Bangkok Mass Rapid Transit system, had been selected. This is the same system as Vancouver's Skytrain.

Thailand is a beneficiary of Canada's General Preferential Tariff. A Foreign Investment Insurance Agreement was signed in January, 1983 and a Double Taxation Agreement in April 1, 1984. Thailand is a designated target country under the Asia Pacific component of the government's National Trade Strategy. An Economic Cooperation Agreement was signed in July 1988. Direct air links began with Canadian Airlines International service to Bangkok in October, 1987, and Thai International service to Toronto in July, 1988. A new air services agreement which expands a bilateral accord negotiated in 1986 was reached by Canada and Thailand in October 1988.

The aid program in Thailand has recently been increased to \$150 million over the next five years. A substantial portion of bilateral development assistance is directed to technical assistance and industrial cooperation under the "Enterprise Thailand" Program.

## **2.5 Aquaculture Industry**

Thailand's total coastline measures approximately 2,600 kilometres with many sites suitable for aquaculture both in the Gulf of Thailand and in the Andaman Sea.

The Thai aquaculture industry raises a wide variety of species in both fresh-water and marine environments. These species come from the full range of aquatic organisms, finfish, molluscs, and crustaceans.

Freshwater species are raised in earthen ponds, paddy fields, ditches and in cages in rivers. Marine aquaculture uses brackish water ponds and cage culture.

The industry is dominated by the shrimp and prawn culture which in 1987 produced over 11,000 metric tonnes of Giant Freshwater Prawns and over 23,000 metric tonnes of marine shrimp and prawns. This production doubled by 1988 making Thailand the third largest producer of cultured shrimp and prawns in the world (behind the Peoples Republic of China and Indonesia.)

The finfish raised by the Thai aquaculture industry is primarily for domestic consumption except for Sand Goby which is almost exclusively exported because of the high price it commands in Hong Kong and China. Some catfish are also exported to service the South East Asian refugee communities around the world.

Seabass has been produced in shrimp ponds along the coast of Thailand for more than 40 years. The traditional culture method involved the collection of naturally occurring seabass fry from estuaries, mangrove swamps, and shrimp ponds. In 1973 the Thai Department of Fisheries succeeded in artificially spawning seabass. This development led to a rapid increase in the commercialization of seabass production. Seabass fry are also exported to fish farmers in Hong Kong, Singapore, Malaysia and Taiwan.

Grouper is reared in floating seacages in the southwestern provinces of Thailand.

Freshwater species such as catfish, carp, nin, gourami and sand goby are major sources of revenue for the industry in Thailand. Sand Goby is raised exclusively for export because of the high prices it commands in markets such as Hong Kong and China.

Green Mussels, which are larger and milder than the Blue Mussels raised in Canada and Blood Cockles are the two dominant mollusc species raised in Thailand. Horse mussels and some oysters are also commercially grown in Thailand.

## **2.6 Canadian Business Potential**

The aquaculture industry in Thailand is very labour intensive and, due to the availability of inexpensive labour, will not be overly predisposed to expensive technology which is aimed at labour savings.

The government of Thailand has noted the urgent need for a seafarming management system in order to effectively manage the coastal area of the country to provide the maximum benefit, not only to the aquaculture industry but to other potential users as well.

The culture of seaweeds in Thailand, primarily *Gracilaria* spp., is still largely at the experimental stage. The government has identified the need to research suitable sites for commercial seaweed production.

Aquaculture training is also an identified need especially in the area of mollusc seed production.

Fish disease is a major problem for the industry in Thailand. Some chemicals and antibiotics are currently used, although there is a concern that these are often overused due to the claims and promotion of the products by the distributors. Vaccines have not been used to a great extent because of the concern for the price of the vaccine in comparison to the value of the fish being vaccinated.

Still, this is an area with a great deal of potential for Canadian business as there was a great deal of interest in Canadian fish health advances during the trade mission.

Some of the disease problem can be attributed to the feeding regime which is largely based on trash fish. The Thai industry is interested in accessing more pelleted feeds or the technology for manufacturing their own feeds. There are no government restrictions on the import of feeds.

## **2.7 Incentives To Investors In Thailand**

Thailand is seeking to establish a better investment climate by assuring all investors, both foreign and domestic, that the government is willing and interested in co-operating with them to improve the Thai economy. Thailand has become more concerned with assuring the interests of its own people, its natural environment and its conserving natural resources are satisfied while still promoting foreign investment.

The government is particularly interested in projects which are:

- export oriented
- Thai produced raw material intensive
- import substituting.

Aquaculture and companies producing related technology are referred to by the Thai Board of Investment ("BOI) as a "Promoted Company."

The promoted company receives a certificate from the BOI which provides it with rights and benefits on investment including exemption from and deduction of tax and tariff duties, protection measures, and special incentives.

The government of Thailand provides the following incentives to investors:

- **Basic Rights and Guarantees to Investors**

- Guarantee against expropriation

All companies, whether foreign or domestically held, are guaranteed against expropriation without just compensation.

- Guarantee against losses due to Nationalization

Similar to the above, companies are guaranteed against losses due to nationalization.

- Remittance of foreign exchange earnings and payments

Remittance of earnings or profits is permitted but may be restricted temporarily by the Bank of Thailand if the balance of payments situation is unfavourable. If such a restriction is put in place, earnings corresponding to at least 15% of paid up capital brought in can still be remitted annually.

Remittance of foreign exchange to meet repayment of principal and interest on foreign loans is permitted subject to qualifications. Even Thailand's balance of payments is extremely unfavourable, the Bank of Thailand will still permit such remittance at a rate not lower than 20% annually after two years from the date of original investment.

- **Repatriation of capital**

Repatriation of capital is permitted but may be temporarily restricted based on the balance of payments similar to the remittance to meet payments on foreign loans already discussed.

- **Protection Schemes and Priorities given to Investors and Aliens**

- **Employment of aliens**

The Alien Employment Law restricts the employment of foreigners from certain types of occupations. Admission to the country of skilled workers or technicians and their wives and children in excess of immigrant quotas is allowed for Promoted Companies for a period established in each case by the BOI. Foreign nationals are also allowed to live in the country while they undertake investment feasibility studies.

- **Patent protection**

Patent protection is available upon registration with the Trade-mark and Patent Division of the Ministry of Commerce. It should be noted that a patent registered in Thailand is not recognized internationally. Likewise Canadian patents are not recognized in Thailand.

- **Preference in the granting of government loans**

The Industrial Finance Corporation of Thailand gives, a government supported financial institution, gives priority to credit applications from Promoted Companies. This is also the case with many of the private financial institutions in the country. Some Bank of Thailand loans may include rediscounting privileges.

- **Protection against import competition**

The BOI may recommend an import ban or an increase in the import duty on products similar to those produced by a Promoted Company. The BOI may also recommend the imposition of special fees of up to 50% of their F.O.B. Thailand value on the importation of certain products for a period of up to one year. These fees may be renewed.

- **Protection against government competition**

A Promoted Company is safe from competition by new State owned enterprises although those in existence at the time the Promoted Company is established will be allowed to continue. The government will not monopolize the sale of products similar to those made by the Promoted Company. The State will not allow its agencies to import, duty-free, the products similar to those produced by the Promoted Company.

- **Protection against local competition**

Promotional incentives to foreign investors may be temporarily suspended in a region if the government determines that the local supply of products similar to those proposed by the investor is being adequately met by the existing companies.

- Real estate ownership by alien investors

A Promoted Company is permitted to own land for industrial activities in excess of the amount normally allowed under the law.

- **Exemption from Taxes and Tariff Duties**

- Corporate income taxes

A Promoted Company will be granted an exemption from corporate income taxes on the income derived from the promoted activities for a period of three to eight years from the date that income is first derived from the promoted activity.

- Taxes on imported capital goods

A Promoted Company is granted a reduction ranging from 0% to a complete exemption of the import duties and business taxes on imported machinery if it can be shown that no similar machinery of comparable quality is available from Thai manufacturers.

- Taxes on imported raw materials

A Promoted Company engaged in export is granted an exemption from the import duties and business taxes on imported raw materials and components to be used in the production or assembly of products made for export purposes.

Promoted Companies not engaged in export can receive a one year reduction of import duties and business taxes of up to 90% of the normal rates on raw or essential materials provided it can be shown that similar materials are not available in the same quality or in sufficient quantity.

- Withholding tax on interest on foreign loans (tax credit)

If the interest income is repatriated by the Government of Thailand or by specific laws for the purpose of lending money to promote agriculture (including aquaculture), commerce or industry it is exempt from withholding taxes. Normally withholding taxes on interest on loans from foreign financial institutions is subject to a 10% withholding tax while interest on loans from other foreign sources is normally subject to a withholding tax of 25%.

- Taxes on royalties

Payments for royalties, copyrights and goodwill are not subject to income tax for a period of five years from the date that income is first earned by a Promoted Company.

- Other miscellaneous taxes and fees

Promoted Companies located in an Investment Promotion Zone qualify for additional incentives including:

- A maximum reduction of 90% of the business tax on the sales of products for up to five years.
- A further reduction of 50% of the corporate income tax on net profit for five years after the initial income tax holiday has come to an end.

- **Deductions from Taxable Corporate Income**

- Carry forward of loss

- Losses incurred during the tax holiday may be carried forward for a period of up to five years following the end of the tax holiday.

- Export allowances and deductions

- Five percent of the additional income derived from increased export activity over the previous year may be deducted from the taxable income.

- Deduction of organization and pre-operating expenses

- Organization and pre-operating expenses are deductible from taxable income either in the year they were incurred or over a minimum of five subsequent years.

- Other deductions

- If a Promoted Company is located in an Investment Promotion Zone it may deduct from the corporate taxable income 200% of the cost of transportation, electricity and water supply. The Promoted Company may also deduct up to 25% of the cost of supplying infrastructure facilities for ten years from the date that income was first generated by the company.

- **Special Incentives**

- To exporters

- A Promoted Company engaged in export qualifies for the following special incentives:

- Exemption from import duties and business taxes on imported raw materials and components;
      - Exemption from import duties and business taxes on items imported for re-export;
      - Exemption from export duties and business taxes; and
      - Deduction from corporate income of 5% of the increase in income derived from export over the previous year.

- Other laws granting benefits to foreign investors

- Under the Industrial Estate Authority of Thailand ("IEAT") foreign investors are entitled to own land in an industrial estate in the size deemed appropriate by the IEAT Board of Directors even if this exceeds the limits permitted under other laws.

- **Assistance to Investors**

- Joint venture brokerage

- The BOI provides an informal joint venture brokerage service as do banks, law firms, and accounting firms.

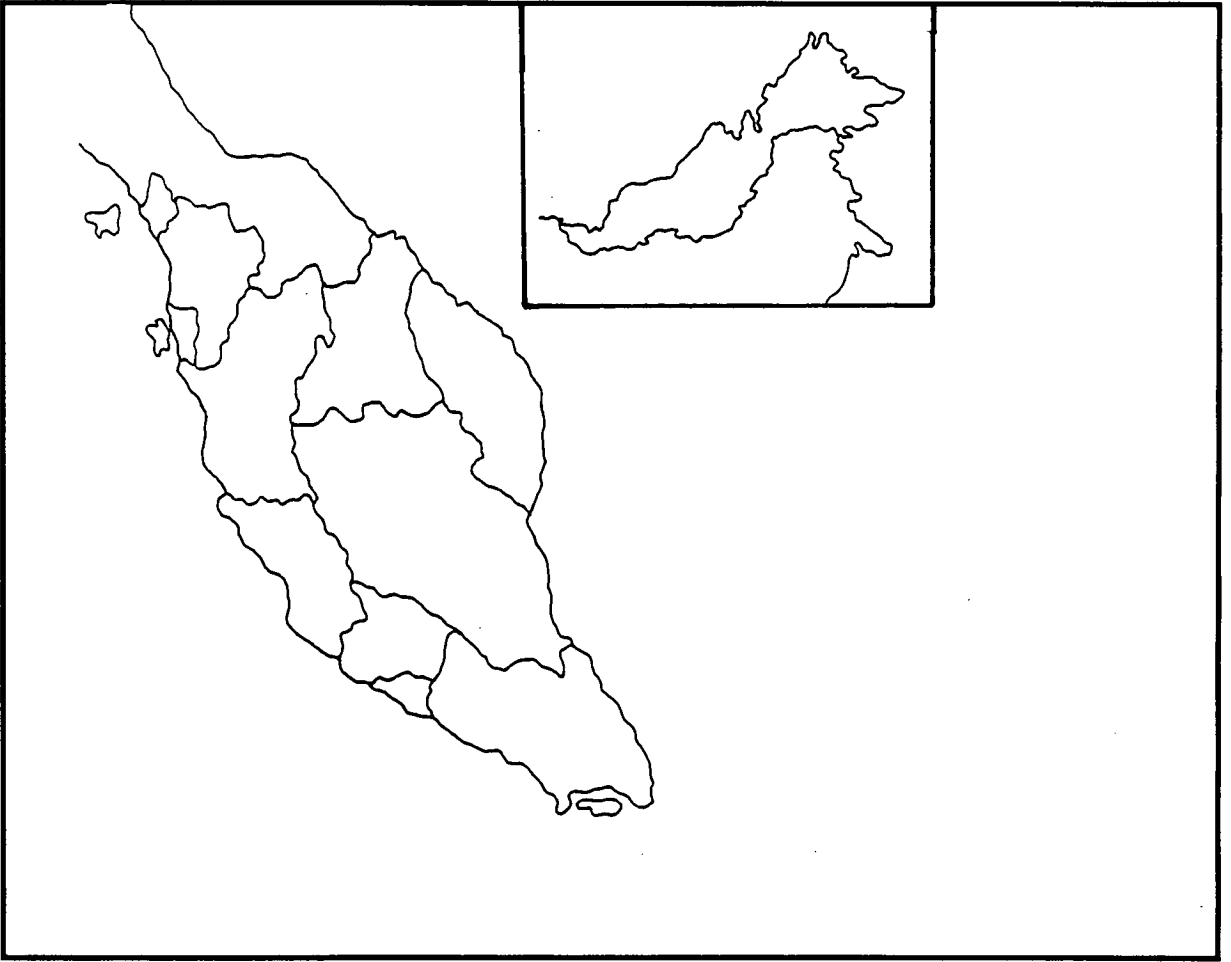
- Technical Assistance

- Promoted companies may contract with engineering firms, accounting firms and banks for technical assistance.

- Processing of applications and other requirements

Applications are processed by the BOI which also provides investment advisory services. Normally applications for investment promotion must be prepared in Thai, however foreign ventures may apply in English.

# Malaysia





## **3.0 Malaysia**

### **3.1 General Information**

The Federation of Malaysia consists of Peninsular Malaysia and the States of Sabah and Sarawak. The population of 17.0 million is composed of Malays (45%), Chinese (35%), Indians and Pakistanis (10.5%), indigenous tribes (9%) and others (0.7%). Malaysia is a parliamentary democracy with a Paramount Ruler (King or "Agong") elected for a five-year term by and from a group of nine hereditary Malay rulers from each state in Peninsular Malaysia.

### **3.2 Political And Economic Situation**

Since the Federation of Malaysia was established, the country has been ruled by a strong coalition of ethnic parties, now called the National Front, the largest member of which was the United Malay National Organization (UMNO). Datuk Seri Dr. Mahathir Mohamad has been President of UMNO since 1981 and although he and his National Front Government were easily re-elected in April 1986, he was narrowly re-confirmed as Party President in April 1987. Following the challenge in court to Dr. Mahathir's leadership by a group of UMNO dissidents, it was ruled in February 1988 that UMNO was an illegal political organization due to certain registration irregularities. In August, the Malaysian Supreme Court dismissed an appeal by a group of former UMNO members which challenged the earlier High Court decision. A "New UMNO" party, under Dr. Mahathir's chairmanship has been organized.

Recent detention without trial of parliamentarians and social activists, the closure of newspapers, and interference with the system of justice have attracted considerable negative publicity in Canada. The execution of foreign drug dealers has also gained widespread media attention.

The Malaysian economy, like others in the ASEAN region is showing impressive real growth (4.7% in 1987) and is currently benefitting from the recovery in commodity prices worldwide and booming exports. Malaysia is highly dependent upon exports of primary products such as rubber, timber, tin and palm oil. GDP growth for 1988 is projected at 7.4%, well above earlier predictions. The fifth Malaysia Plan (1986-1991), announced in March 1986, has placed the onus on the private sector as the engine of future growth.

### **3.3 Foreign Policy Orientation**

Malaysian foreign policy priorities revolve around its participation in ASEAN, the Islamic Conference Organization, the Non-Aligned Movement and the Commonwealth. Malaysia initiated and has been active in promoting the concept of a "Zone of Peace, Freedom and Neutrality" in the Southeast Asian region. With Indonesia, it initiated the Kuantan Principle which attempted to draw Vietnam closer to the Southeast Asian grouping. Malaysia is presently serving a term on the United Nations Security Council.

Malaysia has been active in supporting producer country positions on international commodity issues. It is a leading member of two major commodity groups: the International Tin Council and the International Natural Rubber Organization. Finally, high priority has been given to the development of stronger economic links with Japan and Korea.

### **3.4 Canada-Malaysia Relations**

Commonwealth links, Canada's strong interest and support for ASEAN and development assistance have been the principal features of the relationship between the two countries. Malaysia's election to the UN Security Council along with Canada will also likely foster closer cooperation in international affairs between the two countries. The bilateral aid program with Malaysia is modest (approximately \$5 million per year) and is focused on human resource development and institutional/industrial cooperation. Attracting Malaysian students to pursue their post-secondary education in Canada has more recently become a major factor in the relationship. There are approximately 3,500 Malaysian students currently studying in Canada, a substantial decrease from 6,000 a few years ago.

Trade between Canada and Malaysia is carried out under the General Agreement on Tariffs and Trade; Malaysia benefits from Canada's General Preferential Tariff in favour of developing countries. Canadian exports to Malaysia totalled \$192.0 million in 1988, while imports were valued at \$323.9 million. The recent appointment of a Canadian Forces Attache in Kuala Lumpur will help stimulate bilateral cooperation in the area of defence.

### **3.5 Aquaculture Industry**

The coastline of Malaysia is approximately 4675 kilometres and is located in Peninsular Malaysia and on the north coast of the island of Borneo.

Malaysia's aquaculture industry is much smaller than that of most of the other ASEAN countries even though it was the pioneer of shrimp farming in the region. The country has perfect climatic conditions for year-round shrimp culture, however lack of expertise and management problems resulted in the financial failure of many of the countries shrimp farms in the early 1980's. The industry is now starting to grow again after this period of difficulty.

There are four main aquaculture systems practised in Malaysia. These are pond culture (using both excavated ponds and disused mining sites), cage culture, on-bottom culture of cockles and raft culture of mussels. Statistics are maintained by culture method rather than by species.

In 1988 approximately 45,000 tonnes of cultured finfish and shellfish were produced. Fresh water finfish production totalled 7,761.5 tonnes. Brackish water production included approximately 1,538 tonnes of finfish and 1,257 tonnes of penaeid shrimp (mainly the tiger prawn).

The value of the 1988 aquaculture production was approximately \$40,000,000 (Cdn.). Of this fresh water species accounted for approximately \$16.5 million (Cdn.) Penaeid shrimp production was valued at approxi-

mately \$10.3 million (Cdn.). Brackishwater finfish accounted for approximately \$7.0 million (Cdn.).

The country has considerable resources available to the aquaculture industry including large tracts of coastal land which could be used for shrimp culture, coastal mudflats for cockle production and suitable marine areas which are projected to be capable of sustaining over 8,000 net cages. Also available are 8,000 hectares for the excavation of ponds, 6,000 hectares of disused mining ponds and over 20,000 hectares of lakes and reservoirs. It is estimated that these resources have the capacity to produce approximately 600,000 metric tonnes. The government of Malaysia expects that over 150,000 tonnes will be produced in the year 2000.

The culture of the blood cockle began in Malaysia in the late 1940's. Today Malaysia is one of the world's leading producers of this species. In 1988 nearly 35,000 tonnes of this species were harvested using a method similar to the bottom culture of oysters practised in Canada. This represents over 70% of the total aquaculture production.

In addition approximately 1400 tonnes of Green Mussels were harvested.

Even though shellfish represented the largest share of the production they accounted for the smallest share of the value at \$5.2 million (Cdn.).

### **3.6 Canadian Business Potential**

The Universiti Pertanian Malaysia has undertaken a considerable amount of research into the disease problems facing the aquaculture industry in this country. Despite this however, there are still many opportunities for Canadians to provide assistance in this area.

Like the rest of the region assistance is required in the following areas:

- the development and refinement of intensive farming systems, for both shrimp and finfish,
- the establishment of commercial hatcheries with an emphasis on the development of disease resistant strains for grouper, seabass and panacoid shrimps;
  - Artificial feed development for finfish to avoid the problems incurred by feeding trash fish;
  - Rapid disease diagnostic kits.
  - Training programs to assist in the development and management of aquaculture operations in the region.
  - Financial assistance to further develop the industry in Malaysia.

### **3.7 Incentives To Investors In Malaysia**

The Malaysian government welcomes foreign investors. Their policy is to encourage foreign investors to form joint venture partnerships with Malaysian equity and to thereby transfer foreign technical expertise and management skills to Malaysians. The government also promotes the export of locally manufactured or value added products.

Aquaculture is considered to be a "Promoted Activity" and receives similar investor support to the Promoted Companies in Thailand.

Industrial projects dependent on the Malaysian market may require majority Malaysian equity. Majority foreign ownership is allowed for export oriented projects.

The government of Malaysia provides the following incentives to investors:

- **Basic Rights and Guarantees to Investors**

- Guarantee against expropriation

Malaysia has signed a foreign guarantee agreement with Canada which protects Canadian investments against expropriation.

- Guarantee against losses due to:

- Nationalization

The agreement mentioned above also protects Canadian investments against losses as the result of nationalization.

- Damage caused by war

Malaysia is a signatory to the International Convention on the Settlement of Investment Disputes which guarantees investors impartial arbitration in the case of an investment dispute concerning losses incurred as a result of an act of war.

- Remittance of foreign exchange earnings and payments

There are no restrictions placed on remittance of earnings or profits other than the need to complete exchange control forms for amounts exceeding M\$10,000.

- Repatriation of capital

Providing the repayment terms have been approved by the Bank Negara of Malaysia, remittances of interest and principal payments on foreign loans and other obligations are not restricted in any way.

Repatriation of capital is freely permitted subject to the completion of exchange control forms for amounts exceeding M\$10,000.

- **Protection Schemes and Priorities given to Investors and Aliens**

- Employment of aliens

Foreign technical and skilled personnel may be employed in an industrial operation. The government requires that a training program be established to train Malaysians for the positions covered by foreign workers.

Companies with a paid up capital of at least US\$2 million are automatically allowed five expatriate positions.

- Patent protection

Patents in Malaysia are protected under the Patents Act of 1983. It is recommended that any products or procedures which are patented in Canada or elsewhere be also registered in Malaysia.

- Preference in the granting of government loans

The Malaysian Industrial Development Finance is a private company with funds subscribed by the Malaysian government and other financial institutions. It was established to provide financial and investment services to investors.

The New Investment Fund provides investors in the aquaculture industry with financial assistance at preferential rates.

Exporting companies can obtain low interest financial assistance from the Export Credit Refinancing program.

- Protection against import competition

Local industries may be protected by quotas, licensing and or protective tariffs against import competition.

- Protection against local competition

Protection against too much local competition is provided through licensing. Promotional incentives may be discontinued in certain regions if the industry is deemed to have reached a stage which is sufficient to meet the local needs of the region.

- Real estate ownership by alien investors

Foreign nationals are allowed to own land for industrial and agricultural (aquaculture) use. A change in the use of the land must be approved by government. Land in industrial estates is available for leases of 60 to 99 years.

- **Exemption from Taxes and Tariff Duties**

- Capital gains tax

For individuals capital gains tax is exempted from taxation from the disposal of real property held for at least five years.

No capital gains taxes will be levied against the transfer of real property between companies for the purposes of greater efficiency, or under a reorganization or merger.

Proceeds from the transfer of shares between companies in the same organization during a reorganization or merger valued over M\$1 million of an unlisted land based company are exempt from the share transfer tax.

- Corporate income taxes

A resident company engaged in a promoted activity may apply for pioneer status. This provides an initial five year tax holiday which can be extended upon application for a further five years.

- Taxes on imported capital goods

Machinery that is not manufactured locally and that are used directly in a manufacturing process are exempted from import duties. Many items used by the aquaculture industry are also granted partial or total exemptions.

- Taxes on imported raw materials

The import duty on raw materials for the manufacturing industry is reduced to 2%.

- Taxes on royalties

Full or partial exemption from the 15% withholding tax is granted on industrial royalties paid to non-resident companies under the Double Taxation Agreement upon approval by the Minister of Finance.

- **Deductions from Taxable Corporate Income**

- Carry forward of capital allowance during the relief period

Qualifying capital expenditures may be carried forward during the tax relief period(s) and deemed to have occurred on the first day of the "post-pioneer period". Capital allowances are calculated each year throughout the tax relief period where the company has incurred losses throughout the pioneer period and the cumulative amount is carried forward to the post-pioneer year. Losses incurred by a company which made profits during the pioneer period will be offset against those profits to determine the net loss which may be carried forward.

- Export allowances and deductions

Export allowances of 5% of the F.O.B. value will be granted to a company for the export of aquaculture products and to a trading company exporting products manufactured in Malaysia. If indigenous Malaysian raw materials are used in the manufacture of the products, 5% of the value of these materials will be given as an abatement of adjusted income.

Any company promoting the export of Malaysian products is entitled to deduct 200% of the promotion cost from corporate taxes.

- Investment allowance

Investment allowance is given as a deduction from taxable income or as an abatement of taxable income in the form of:

- investment tax credits or investment credit allowances
- reinvestment allowances
- accelerated depreciation allowances
- special deductions for research and development.

- Other deductions

Manufacturing companies are allowed to deduct 200% of the cost of establishing and conducting approved training programs.

- **Tax Credits (Direct Reduction From Corporate Income Taxes)**

- Investment tax credits

An investment tax allowance may be granted to companies engaged in promoted activities. This allowance cannot exceed 100% of the capital expenditures incurred for the promoted activity which are incurred during the first five years from the date approval is received.

Integrated aquaculture companies may be given an investment tax allowance for capital expenditures incurred during a five year period determined by the Minister of Trade and Industry.

• **Extension of Incentive Availment Period**

Under the Investment Incentives Act of 1988 extensions of the tax holiday period are granted under:

- Pioneer status,
- Labour Utilization Relief
- Local incentives.

Extensions of the period depends on the level of capital investment and/or the number of paid up employees. A further extension may also be granted if:

- the firm is located in a development area
- the product or industry is a priority product or industry
- the project fulfils Malaysian content conditions.

• **Special Incentives**

- To exporters

As mentioned above, exporters qualify for a deduction of 200% of the export promotion cost from corporate taxes.

- To offshore banking units

Interest to a non-resident is not subject to any Malaysian tax provided that the interest does not accrue to a place of business in Malaysia owned by the non-resident.

• **Assistance to Investors**

- Joint venture brokerage

The Malaysian Industrial Development Authority (MIDA) maintains the Registry of Potential Investors which brings together investors and persons with project interests.

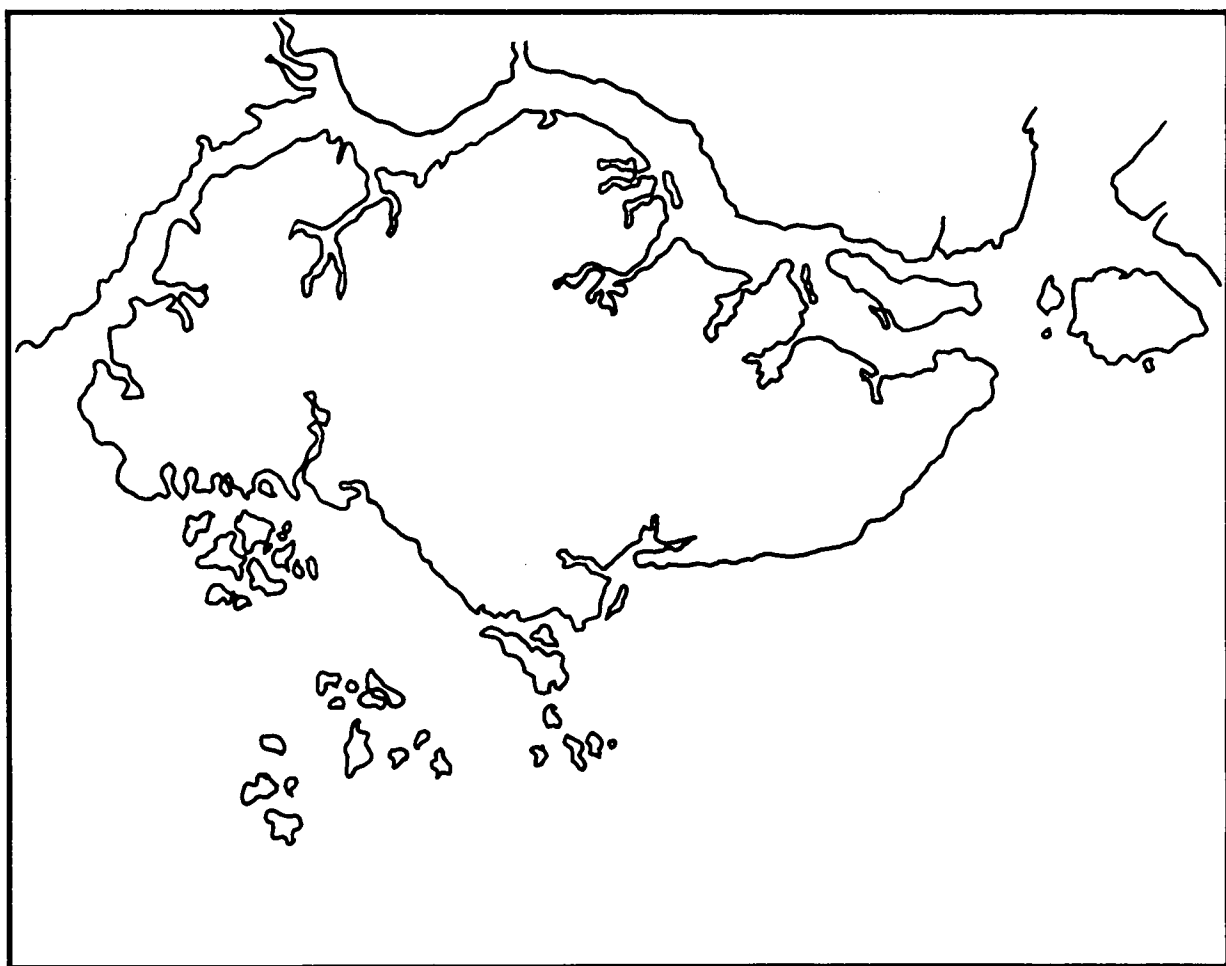
- Technical Assistance

MIDA provides technical assistance to investors in order to assist in the expedition and implementation of their projects.

- Processing of applications and other requirements

MIDA promotes and co-ordinates all industrial activities. It also evaluates applications for setting up industries and for tariff protection and concessions.

# Singapore





## **4.0 Singapore**

### **4.1 General Information**

Situated at the tip of the Malay Peninsula, the island of Singapore and 54 adjacent islets constitute the Republic of Singapore, encompassing a total land area of 622 square kilometres. The country's population is predominantly Chinese (76%) with Malays, Indians and a variety of other ethnic groups making up the balance. Singapore is a parliamentary democracy.

### **4.2 Political And Economic Situation**

Singapore has been an independent republic since its separation from Malaysia in 1965. Although the Head of State is President Wee Kim Wee, executive power rests with the Prime Minister and his Cabinet. The People's Action Party (PAP) under Lee Kuan Yew, has won every general election since 1959, although the percentage of the party's popular vote dropped from 75% to 62% in the last three elections (1980, 1984 and 1988). The Party is presently undergoing a period of transition characterized by the arrival of a new generation of leaders and the imminent retirement of Prime Minister Lee. It is generally recognized that Singapore's emergence as a dynamic trade and economic centre for Southeast Asia has been the result of the PAP's social and economic policies.

With no natural resources, Singapore has developed on the basis of an industrious labour force and a vital geographic location. Government objectives are to ensure Singapore's development as the foremost financial, communications and transportation services centre in the region. After real growth dropped to -1.8% in 1985, the government began pursuing a number of strategies to turn around this uncharacteristic performance, including cuts in property, corporate and personal taxes and increased public spending. In response to healthy external and internal demand and as a result of government measures, real growth reached a spectacular 8.8% in 1987 and, following exceptional growth rates in the first three quarters of 1988, the government increased its growth forecast for 1988 to above 10%, up from earlier predictions of 6-7%. The problem of labour shortages has become associated with this dynamism and the government is addressing the resulting pressures in the interest of Singapore's international competitiveness and long term economic growth.

### **4.3 Foreign Policy Orientation**

Singapore's foreign policy is pragmatic. Its perception of issues is based primarily on the assessment of their relevance to the economic development of Singapore. Given its size, Singapore, as a member of ASEAN, has much to gain from the strengthening of the organization mechanisms to deal with international and regional political developments. As a nation depending extensively on international financial, commercial and trading relationships, issues such as protectionism, the international debt crisis, low commodity prices, the availability of investment funds and volatile oil prices are all of crucial interest to Singapore.

In both economic and political terms, Singapore has assumed an importance which belies its size. In international organizations, such as the UN, the IMF or GATT, Singapore has established a reputation for the reasonableness and moderation it has brought to bear on positions adopted by developing country groups. It is often the most forceful and articulate spokesman for ASEAN.

#### **4.4 Canada-Singapore Relations**

Canada enjoys sound, if somewhat limited, relations with Singapore as a result of the Commonwealth bond, a similar outlook on international problems and Canada's support for ASEAN. Canadian exports to Singapore totalled \$275.2 million in 1988, compared to imports of \$466.9 million. Bilateral agreements cover investment, double taxation and EDC financing through the five major Canadian banks, which are all represented in Singapore. Trade between Canada and Singapore is conducted under the rules of the GATT. Singapore is a beneficiary of Canada's General Preferential Tariff and British Preferential Tariff. Singapore has demonstrated a high level of interest in the Canada-U.S. Free Trade Agreement. Because trade represents over three times its GDP, Singapore is also highly committed to multilateral trade negotiations. Canada and Singapore have renegotiated their bilateral air agreement in May 1987. Ontario, Quebec and British Columbia have opened offices in Singapore. At the present time, there are an estimated 2,000 Singapore students in various educational institutions across Canada.

#### **4.5 Aquaculture Industry**

Singapore is an small island country approximately 620 square kilometres in area. Much of its food supply, including fish, is imported into the country as less than 25 square kilometres is devoted to agriculture. The country has, however, placed a strong emphasis on the development of aquaculture operations, primarily seafarming in cages, as both a source of local supply and export products.

Fish is a major source of protein for the people of Singapore. Average annual per capita consumption is approximately 40 kilograms.

Currently aquaculture contributes only a small percentage of the local fish supply. Total food fish aquaculture produced approximately 2,200 metric tonnes in 1988 valued at \$6.7 million (Cdn.). There is also an ornamental fish farming industry with revenues of approximately \$45 million (Cdn.).

Aquaculture of food fish began in the 1930's with the introduction of shrimp trapping and in brackish water ponds and intensive culture of carp in freshwater ponds. At one time close to 1,000 hectares was devoted to shrimp trapping and another 600 hectares to freshwater ponds. Today, due to land reclamation, approximately 100 hectares of trapping operations and 50 hectares of intensive freshwater ponds remain. In addition there are approximately 50 hectares devoted to the culture of shrimp. Some freshwater ponds were converted to the rearing of ornamental species.

Seacage aquaculture began in the 1970's and originated from palisade traps (keelongs) which capture wild fish in lift nets suspended from stilts in the sea. Juveniles caught in these nets were transferred to floating netcages for grow-out to market size.

At one time there were approximately 300 keelongs around the coast of Singapore, however, because of increased demands for navigable space on the waterways, only 30 remain in operation today.

In 1981, the Marine Fishfarming Scheme was introduced by the Primary Production Department to encourage aquaculture in non-navigable waters. As a result, today there are nearly 80 floating fish farms utilizing approximately 40 hectares of water. In addition, the government has established Agrotechnology Parks, in which intensive farms are housed. In one of these parks, 40 hectares has been established for marine aquaculture.

The floating netcages used in Singapore are commonly simple wooden pontoons kept afloat by plastic buoys. The average farm covers a waterspace of approximately 5,000 m<sup>2</sup>. Within each pontoon are several nets, usually 3m x 3m and 2m to 3m deep.

Most farms culture a mixture of species including seabass, several species of grouper, golden snapper, rabbit fish, mangrove crabs, spiny lobsters, banana shrimp and green mussels. There are, however, a few farms specializing in green mussels or mangrove crabs.

Some of the farms also have incorporated hatchery operations on the farm and produce shrimp and seabass larvae or fry for their own farms, for sale to other farms and for export to other countries in the region.

Land based farms primarily raise banana shrimp, however, carp and ornamental species are also produced.

#### **4.6 Canadian Business Potential**

The growth of the aquaculture industry in Singapore presents a number of opportunities for the Canadian industry to explore. These include:

- the development of intensive farming systems, for both shrimp and finfish, which would allow for more environmental controls (tanks and raceways);
- the establishment of commercial hatcheries with an emphasis on the development of disease resistant strains;
- Artificial feed development for finfish to avoid the problems incurred by feeding trash fish;
- Mechanized feeding systems;
- Shrimp and fish vaccine development;
- Rapid disease diagnostic kits.

#### **4.7 Incentives To Investors In Malaysia**

Singapore welcomes foreign investment of all types and sizes although it is moving away from low value added and low technology industries.

The government is actively seeking to attract foreign investment which will:

- promote Singapore as an international "total business centre" for the ASEAN region
- stimulate the development of industry
- develop the country's reputation as the information and knowledge centre of the region.

There are no priority areas for investment. Most industry is situated in industrial areas found throughout the country.

Generally there are no restrictions on foreign participation in equity, except for certain specific industries such as banking, newspapers and companies owning residential properties.

The government of Singapore provides the following incentives to investors:

- **Basic Rights and Guarantees to Investors**
  - **Guarantee against expropriation and nationalization**

Canadian investors are covered by investment guarantees provided for in a bilateral treaty between Canada and Singapore protecting them against losses incurred by expropriation and nationalization.
  - **Remittance of foreign exchange earnings and payments**

No restrictions are imposed on the remittance of earnings, profits and dividends on investments.
  - **Repatriation of capital**

There are no restrictions on the repatriation of capital.
  
- **Protection Schemes and Priorities given to Investors and Aliens**
  - **Employment of aliens**

Employment of qualified engineers, technicians and other professionals as well as skilled workers is allowed providing these personnel are not available from the ranks of Singapore citizens. Each application is judged on its own merits.
  - **Patent protection**

There is no provision for the granting of original patents in Singapore. Patent registrations obtained in the United Kingdom will receive protection in Singapore provided that the holder properly registers the patent with the government. Due care and consideration of any patented products or processes should be taken to ensure their protection in Singapore.

- Preference in the granting of government loans

The Economic Development Board ("EDB") offers small to medium sized businesses with technology oriented manufacturing operations financial assistance under the Capital Assistance Scheme. Under this program the EDB may participate in up to 50% of the equity of the enterprise with a buy back option guaranteed. The EDB will also provide long term loans at favourable terms and rates financing up to 70% of the cost of plants and machinery.

The government also provides assistance for companies undertaking formal training programs for citizens of Singapore.

- Real estate ownership by alien investors

No restrictions are placed on the ownership of industrial or commercial land and properties.

- **Exemption from Taxes and Tariff Duties**

- Capital gains tax

There is no capital gains tax in Singapore.

- Corporate income taxes

Tax relief is available to new businesses exempting them from corporate income taxes for periods ranging from 5 to 10 years.

- Taxes on imported capital goods

No tax is levied on imported capital equipment intended for industrial or manufacturing purposes.

- Taxes on imported raw materials

Local industries using dutiable raw materials may apply for import duty exemptions.

- Taxes on royalties

Royalties paid to a non-resident person by a company engaged in an industry approved by the Minister of Finance are subject to a reduced tax rate of 20%.

- Withholding tax on interest on foreign loans (tax credit)

Interest payable to a non-resident person by a company engaged in any industry in Singapore on a loan obtained to purchase productive equipment may be exempt from tax providing:

- the loan is not less than S\$200,000
- such exemption does not result in an increase in the tax liability of the foreign lender in his country of residence
- equipment purchased and financed by the loan is not sold without the approval of the Minister of Finance.

- Other miscellaneous taxes and fees

The Minister of Finance is empowered to exempt from tax interest on loan payments in connection with:

- loans or indebtedness
- royalty

- rentals from movable property
- technical fees
- management fees

provided such payments are made to promote or enhance the economic or technological development of Singapore.

• **Deductions from Taxable Corporate Income**

- Accelerated depreciation allowance

A company may elect to write off over three years the cost of all qualifying assets acquired during the year and a full write off of the cost of computers and prescribed automation equipment.

- Carry forward of capital allowance during the relief period

Capital allowances not claimed in any year due to insufficient profits can be claimed in the succeeding year(s).

- Export allowances and deductions

Exporters are allowed to deduct 200% of the cost of promoting Singapore products in export markets.

• **Extension of Incentive Availment Period**

Extensions of the export enterprise incentive period from an originally approved tax holiday will be granted on their own merit.

• **Special Incentives**

- To exporters

The Export Credit Insurance Corporation provides exporters with protection against certain trade related risks similar to the Export Development Corporation in Canada.

• **Assistance to Investors**

- Joint venture brokerage

The Economic Development Board (EDB) acts as a matchmaker between interested foreign and local partners seeking joint venture opportunities.

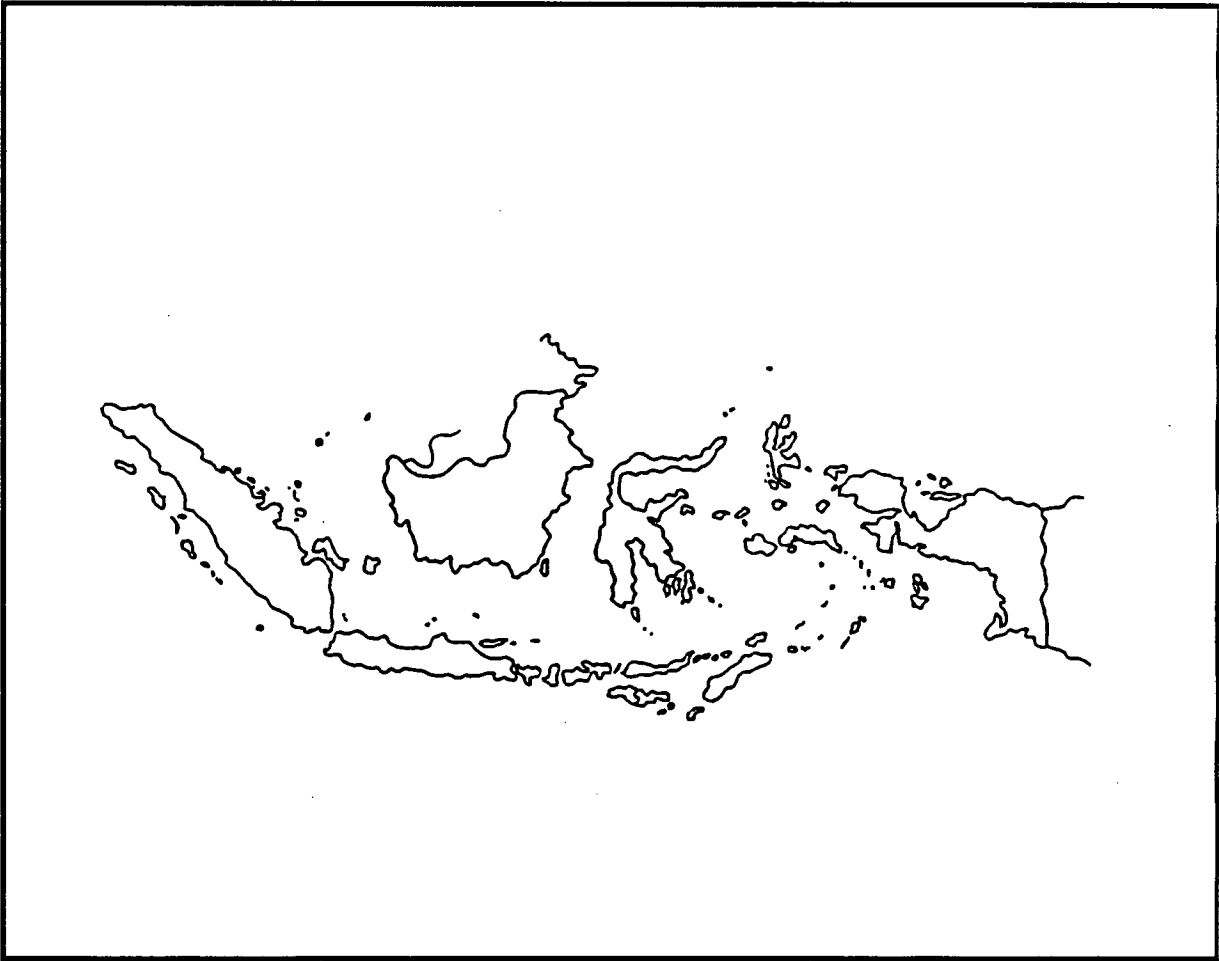
- Technical Assistance

The Singapore Institute of Standards and Industrial Research provides assistance in the form of research and development, technical consulting services, assistance with specialized service work and innovation support.

- Processing of applications and other requirements

The EDB provides a one stop shopping service for the processing of applications for foreign investments in manufacturing.

# Indonesia



## **5.0 Indonesia**

### **5.1 General Information**

Indonesia is an archipelagic nation consisting of 13,000 islands stretching between the Indian and Pacific Oceans. It has a population of 176 million people of whom some 90 million are located on the island of Java. Indonesians consist of over 300 different ethnic groups speaking 250 distinct languages and dialects. The religion of the majority is Islam although pre-Islamic local beliefs and customs remain strong. Other important religions are Christianity and Hinduism. Indonesia continues to rank as one of the more successful developing countries. Under the leadership of the Soeharto Government it has enjoyed over two decades of political stability and steady economic growth, accompanied by a rising standard of living.

### **5.2 Political And Economic Situation**

Indonesia has a complex republican form of government including an Advisory Council and Consultative Assembly and is heavily influenced by the traditional Javanese, and indeed Indonesian sense of respect for leadership and authority. The President has just been re-elected by acclamation for a fifth five year term of office. The new Cabinet appointments he subsequently made indicate that existing government policy directions will be maintained in economic liberalization measures and international relations.

The Indonesian economy is divided between a large, fragmented agricultural sector and a small, dynamic industrial sector. Indonesian industry has been fuelled by inexpensive domestic oil and is primarily oriented to satisfy a substantial domestic market. Import substitution has been the traditional emphasis of Indonesian industrialization while export earnings have come from the petroleum, forestry and minerals sectors. With the dramatic fall in prices of crude oil in the international market place and the concomitant fall in export revenues Indonesia has sought to diversify its exports and to strengthen the performance of non-oil production sectors. Various policies have been applied to achieve the desired results including a thorough reform of customs procedures, and a general liberalization of business and trading practices, which is still in process. These policies have proven to be effective: the share of non-oil export earnings grew to 60% of traditional reliance on oil exports.

Despite responsive economic policies foreign debt has risen sharply in recent years as the government borrowing for development projects in compensation for lower oil and gas export receipts. At the end of 1988 foreign debt is estimated at \$47 billion with a debt service ratio excess of 36%. Nonetheless Indonesia has managed to maintain a healthy foreign reserve position sufficient for approximately 9 months of imports.

Indonesia's progressive and steady financial and fiscal policies have resulted in the country becoming one of the most credit worthy of developing nations. Access to international loans has allowed the Government to adjust to international market fluctuations better than many other countries and to avoid the social and political stresses which have resulted from economic disruption and falling standards of living.



### **5.3 Foreign Policy Orientation**

Indonesia's foreign policy is characterized by a non-aligned stance with a pro-western tilt and constructive cooperation with neighbouring countries, especially ASEAN members. Indonesia was a founder of the Non-Aligned Movement (NAM). Since the mid-sixties it has leaned increasingly to the West both in political orientation and in economic and trade policies. It is a moderate and moderating participant in the Non-Aligned Movement (NAM), the Group of 77, the North-South Dialogue, the Islamic Conference and in various commodity groups including OPEC.

The Association of Southeast Asia Nations (ASEAN) is a paramount foreign policy consideration for Indonesia (the Secretariat is in Jakarta) and the degree of consultations among its members is increasingly reflected in Indonesia's position on various issues of common concern.

### **5.4 Canada Indonesia Relations**

Canada has a continuing political interest in supporting governments which share a commitment to regional peace and stability in Southeast Asia. Indonesia's size, leadership role within ASEAN, importance as a moderating member of the Non-Aligned Movement, the Group of 77, OPEC and the Islamic Conference make it a country of increasing political importance to Canada. Furthermore, Indonesia and Canada share congruent interests across a number of international issues such as Cambodia, the Law of the Sea, North-South negotiations, commodities and regional security.

Indonesia recognizes access to Canadian technology, finance and markets as a partial counterweight to the United States and Japan. Western (including Canadian) acceptance and support of President Soeharto's New Order and the resulting aid flow has

provided a key political and economic boost to Indonesia. The development cooperation program with Indonesia constitutes Canada's third largest bilateral program in the world, with an indicative planning figure approaching \$300 million over the next five years. Emphasis is on human resources development and natural resources management.

### **5.5 Aquaculture Industry**

The decline of natural fish stocks in some of the traditional fishing areas of the archipelago is recognised as a socio-economic problem that must be addressed. The government of Indonesia recognised aquaculture as an attractive alternate means of employment and financial income in this country where the average income is approximately \$500 (CDN>) per year.

Despite the vast coastal areas and the availability of cultivable marine organisms, the seafarming industry in Indonesia is also relatively new. In 1982 the government established the following objectives:

- to establish a viable seafarming fishery subsector for the socio-economically depressed small scale fishing and rural coastal communities.
- to establish applicable seafarming management and regulatory measures to ensure long-term development of the new fishery subsector.

- to develop an export oriented seafarming industry as a means to create additional jobs, generate foreign currency and to indirectly assist in the promotion of applicable seafarming technologies.

To enhance the seafarming industry, surveys and feasibility studies have been undertaken by the government, through the assistance of a number of international agencies (including the Canadian International Development Agency) in order to assess the industry's potential.

The culture of grouper in netcages is now widely practised in the Riau Archipelago. In 1989 a total of sea farms had been established in this area, largely to serve the live fish demands of Singapore.

At the National Seafarming Development Centre in Lampung, netcage culture of various finfish such as grouper, seabass, snapper and signid has developed considerably in the past few years. One major development constraint to finfish culture in Indonesia is the insufficient supply of fry. The availability of fry from the wild is uncertain and the supply is erratic. The National Seafarming Development Centre has been successful in the spawning and breeding of seabass which should help ease the supply problem for this species.

The inland fishery in Indonesia which includes brackishwater ponds, freshwater ponds and paddy cumfish has grown steadily since the early 1980's.

Freshwater culture includes tilapia and the various species of carp and catfish.

Shrimp and prawns are the most common species for inland aquaculture production. Over 70,000 tonnes of shrimp and prawns are produced each year from both intensive farming operations and small traditional farms.

Intensive farms, which produce two crops of approximately 4.5 tonnes per hectare each year, stock the ponds at 25-30 fry per square metre. Traditional ponds, which only stock 8-10 fry per square metre. Survival rates range from 60% in intensive operations to 80% in the traditional operations.

At present there are approximately 12 intensive farms, each covering over 25 hectares, including a 500 hectare farm owned by President Soeharto. The intensive farms must provide some of their ponds to small farmers who share in the production of the pond(s) they are responsible for. The farm provides fry, technology, training, food and marketing for the individual farmers.

By 1987 aquaculture, including seafarming and freshwater fish farming, produced 362,800 tonnes which equated to approximately 13.6% of the total marine fish production.

There is a considerable, untapped potential in some parts of the country for the rearing of cockles, mussels, oysters. Consumer resistance and apprehension concerning the quality (especially the health related issues) has been the major constraint to the development of a shellfish industry in the region.

One species that has developed considerable interest, however, is the pearl oyster. Indonesia has large pearl oyster resources and considerable potential for pearl farming. At present there are over 20 companies engaged in the culture of the pearl oyster in Indonesia.

The extensive reef areas surrounding the islands in the Indonesian Archipelago have a considerable potential for seaweed farming.

The culture of *Eucheuma* and *Gracilaria* covered over 900 hectares in 1988. The production is mainly destined for export. Fluctuating prices and adequate market outlets appear to be the major constraint to the further development of this aspect of the aquaculture industry in Indonesia.

## **5.6 Canadian Business Potential**

There are a number of opportunities for the Canadian aquaculture technology industry in Indonesia. These include:

- the development of intensive farming systems, for both shrimp and finfish, especially in the remote areas of the country to take full advantage of the foreign investment opportunities in these regions.
- the establishment of commercial hatcheries for grouper, seabass, tilapia, shrimp and prawns with an emphasis on the development of disease resistant strains;
- Artificial feed development for finfish to avoid the problems incurred throughout the region by feeding trash fish;
- Shrimp and fish vaccine development;
- Rapid disease diagnostic kits.
- Assessment of the environmental constraints to aquaculture in some of the regions.
- Assistance in meeting the quality control guidelines for the importation of Indonesian farmed and wild fish into Canada and the United States.
- Marketing of Indonesian fishery products beyond their traditional markets in Taiwan, Singapore and Japan.

## **5.7 Incentives To Investors In Indonesia**

Indonesia encourages investment in aquaculture projects and aquaculture technology production companies. The country is interested in assisting any project that will:

- save foreign exchange,
- process raw materials
- increase the export of non-oil based commodities;
- offset the import of capital goods,
- transfer new technological skills and expertise,
- increase local employment opportunities,
- introduce new products to the marketplace.

A foreign investment company is a joint venture incorporated as a limited company. The intended investment of the company (foreign and Indonesian equity together any loans) must total at least US\$1 million, however projects which export all of their production as well as consultancy and engineering companies may have a lower total investment.

A permit for an foreign investment company is valid for 30 years from the date of incorporation. Each additional investment makes the company eligible for an extension of up to 30 years.

For most companies the initial maximum foreign investment in the project is usually set at 80%. The Indonesian investors must be given the first option to increase their shareholding to 51% within 10 years. If the Indonesian partner cannot increase their shareholdings the foreign investor may offer the shares to other Indonesians, a national bank, a non-banking financial institution or on the stock exchange. The government may also extend this divestment period by 5 years.

For investments in remote areas (for example, aquaculture farms) and for projects for which at least 85% of the production is destined for export, the initial foreign investment can be as high as 95%. This must be reduced to 80% within 5 years and to 49% within 10 years.

The government of Indonesia provides the following incentives to investors:

- **Basic Rights and Guarantees to Investors**

- **Guarantee Against Expropriation**

- The government of Indonesia grants the freedom from nationalization or revocation of ownership rights of control and management to foreign capital enterprises. However government policy does allow for the revocation of these rights through an Act of Parliament undertaken "in the interest of the State."

- **Guarantee Against Losses due to Nationalization, Damage Caused by War, and Inconvertibility of Currency**

- A bilateral agreement exists between Indonesia and Canada which provides for compensation to Canadian owned investments in the event of nationalization or expropriation (see above), damage or loss caused by incidents of war, revolution or insurrection, and payments for any approved remittance pursuant to the investment in the case of inconvertibility of the currency. This compensation can be converted into Canadian currency and repatriated.

- **Remittance of foreign exchange earnings and payments**

- Canadian investors are guaranteed remittance of earnings (after taxes and other obligations), depreciation allowance for capital assets, payments of interest on foreign loans (if the loan agreement is approved by the Bank of Indonesia), proceeds of the sale by Canadian partners to Indonesian partners and/or other Indonesian nationals expenses for foreign personnel, and compensation in the event of nationalization (see above).

- **Repatriation of capital**

Repatriation of the remaining Canadian invested capital is guaranteed providing the tax concession are no longer in effect.

- **Protection Schemes and Priorities given to Investors and Aliens**

- **Employment of aliens**

Employment of foreigners for managerial and technical positions for which qualified Indonesians are not available is allowed providing:

- the specific positions are included in the original investment proposal, and,
    - training programs are provided to allow Indonesian nationals to eventually move into the positions.

Key positions required for the safeguarding of the Canadian investors interests may be held by foreigners for the duration of the investment.

- **Patent protection**

Indonesia is a member of the International Convention of Industrial Property (Paris Union) and government policy calls for the terms of the Convention to be followed, however due care and consideration should be taken with any product or process which may be patented elsewhere and not fully protected in Indonesia because does not have a patent law.

- **Protection against import competition**

Protection against import competition may be granted in the form of higher tariff or import controls, however each case must be applied for and approved separately.

- **Protection against local competition**

A region may be temporarily closed to further development of a specific industry by domestic and/or foreign investments if the government believes that there is sufficient coverage of the industry in the region to warrant such a decision.

- **Real Estate Ownership by Foreign Investors**

A Canadian investor engaged in aquaculture may use land held by an Indonesian partner for the duration of the joint venture. Only the right of building for industrial, commercial and residential properties may be obtained by foreign nationals.

- **Exemption from Taxes and Tariff Duties**

- **Taxes on imported capital goods**

Exemption from, or reduction of, import duties can be granted on machinery, equipment and spare parts unless these goods are deemed to be manufactured in sufficient supply in Indonesia.

The 10% Value Added Tax can be deferred for machinery and equipment (not spare parts) that are directly connected to the production process and have an expected operating live of more than one year. The Value Added Tax does not have to be paid if

the machinery and equipment is sold after they have passed their expected useful lives (based on the depreciation tables of the tax legislation). If the equipment and machinery is sold prior to their full depreciation the Value Added Tax must be paid along with a 2% per month penalty.

- **Taxes on imported raw materials**

Provided that the raw materials will be used within a period of two years, exemption from or reduction in import duties will be granted.

- **Withholding tax on interest on foreign loans (tax credit)**

The 20% withholding tax of 20% on interest and dividends payable to a nonresident of Indonesia can be reduced.

- **Deductions from Taxable Corporate Income**

- **Carry forward of loss**

Losses incurred and acknowledged by the Indonesian tax authorities may be carried forward to the following five years in industrial pursuits and for up to eight years for agricultural pursuits including aquaculture.

- **Deduction of organization and pre-operating expenses**

Organization and pre-operating expenses with a useful life of more than one year can be capitalized and amortized similar to a depreciable asset.

- **Tax Credits (Direct Reduction From Corporate Income Taxes)**

- **Various miscellaneous tax credits**

Tax credit is allowed for tax paid abroad on income received or accrued abroad.

- **Special Incentives**

- **To exporters**

Companies that export at least 85% of their products may import capital goods, which are not otherwise eligible for import duty exemption, and be exempt from the applicable import duties.

Companies operating in special bonded or export processing zones will not be required to undertake the administrative procedures for import duty exemption as those operating outside these special zones.

Once a company has proven itself capable in exporting it may export the products of other companies as well as its own.

- **Assistance to Investors**

- Joint venture brokerage

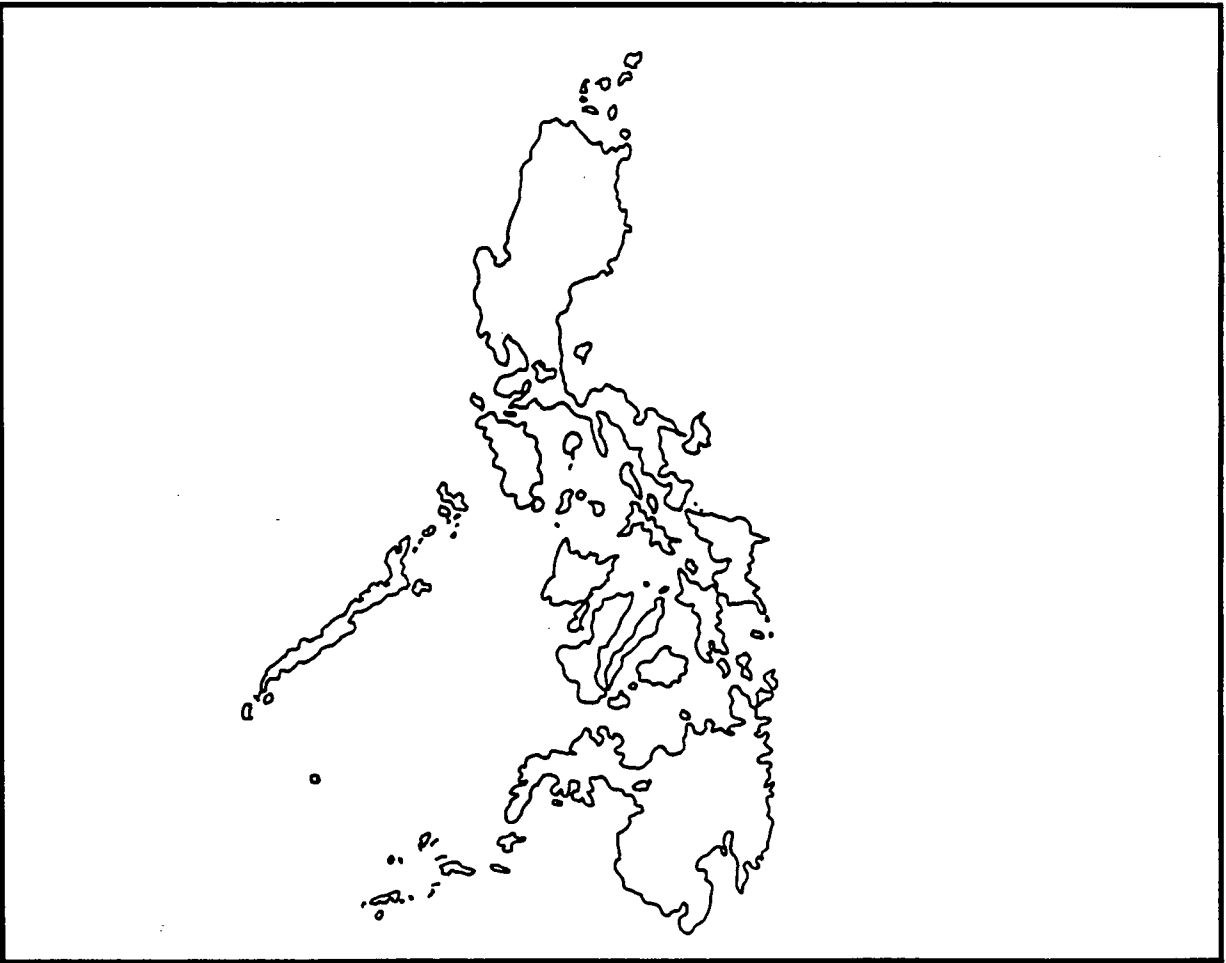
- The Capital Investment Co-ordinating Board (the Badan Koordinasi Penanaman Modal or BKPM) operates as a broker-ages for bringing together local and foreign investors.

- Processing of applications and other requirements

- The BKPM provides one stop shopping for prospective investors including the following assistance:

- general information and guidance
      - processing of investment applications
      - approving domestic investment in foreign owned joint ventures
      - issuing of licences and permits relating to the project

# The Philippines





## **6.0 The Philippines**

### **6.1 General Information**

The Philippines is an archipelago of some 7,000 islands with a population of approximately 60 million. It has extensive natural resources in minerals, agriculture and fisheries, and a reasonably well trained industrial work force. The manufacturing and industrial base which was greatly weakened during the Marcos regime by financial irregularities and excesses, has demonstrated appreciable growth since the Aquino government came to power in February 1986, and future prospects are considerably brighter despite recent coup attempts and natural disasters.

### **6.2 Political And Economic Situation**

Over the past four years the Aquino Government has demonstrated mixed results in addressing the principal issues facing the government and the nation. On one of the most urgent issues, land reform, Congress has passed legislation establishing the Comprehensive Land Reform Program which President Aquino has signed into law. However progress in implementing this program has been slow due to the complexities of land-holdings, entrenched interests, and financing.

In the area of human rights the government record has been disappointing. The cycle of abuses by various groups on the right and on the left continue unabated. The government has not demonstrated the political will to address this issue and the Commission on Human Rights has been essentially dormant. Recently, however, the government has established a new committee to address specifically the protection and preservation of human rights and to better monitor violations.

The New Peoples Army, the military wing of the Communist Party, continues to be an active insurgency movement, notwithstanding a number of recent successes by the Armed Forces against district headquarters and safehouses in Manila which have uncovered a large quantity of strategically useful information. Another major insurgency movement facing the government is that of the Muslim autonomy movement in the southern islands. Negotiations are moving slowly and this remains a contentious problem.

On the positive side the performance of the economy has rebounded dramatically from the excesses and deprivations of the Marcos regime, achieving a growth rate of 5.7% in 1987 and 6.7% in 1988. This growth, while initially driven by public sector spending, moved into a consumer spending phase from which it is now moving into an investment led phase. This is an encouraging development as continued investment, especially foreign investment, is essential to long term economic growth. The current investment pattern is promising, consisting as it does of some 20% foreign investment. This reflects the success of the Aquino government in maintaining political stability and in inspiring investor confidence. The government must continue to maintain a stable environment as it implements business, industrial and investment liberalization measures, if it is to sustain recent levels of economic growth and manage the servicing of a substantial foreign debt.

The coup attempt of December, 1989 was the strongest threat to date to the Aquino government. Surprisingly, business returned to normal very quickly after the coup attempt. The stock market seemed to take the political situation in stride and despite early losses in the days following the political upheaval, it has rebounded to previous levels. Most planned major investments are still proceeding.

In July of 1990 a devastating earthquake hit the Philippines which has added to the socio-economic woes and thereby further weakened the political stability of the country.

Despite the political and economic tensions foreign investment in the Philippines is growing. Foreign investment intentions were approximately US\$1 billion in 1988 and exceeded US\$2.5 billion in 1989.

### **6.3 Foreign Policy Orientation**

While the Philippines retains close ties to the United States it is a full and integral member of the Association of Southeast Asian Nations (ASEAN), a regional grouping which has demonstrated a strong cohesiveness and commonality of political purpose over the past twenty years. ASEAN as a regional body, and its member nations are supportive of general western interests in international fora, sharing a number of views with Canada on such matters as trade liberalization measures, peace and disarmament, and Law of the Sea interests. While moving increasingly towards a non-aligned posture, the government recognizes the importance of Japan, the United States, and western donors in assisting with economic recovery and political stability.

### **6.4 Canada-Philippines Relations**

Canadian relations with the Philippines, bilaterally and in the context of ASEAN, are strong. Canada was one of the first countries to recognize the new Aquino government and was the first country to extend export credits to the new government (through the EDC). Canadian interest in the Philippines is high in part because of the large Filipino-Canadian community numbering approximately 130,000 and in part due to the tremendous goodwill that President Aquino has engendered internationally.

The Government of Canada re-affirms its support on all suitable occasions for the Government of the Philippines as it addresses social and economic reform issues, liberalizes the economic environment, and strengthens democratic process and institutions.

The growing Canadian business activity in the Philippines has encouraged the formation of the Canadian Chamber of Commerce of the Philippines with close to 100 members.

## 6.5 Aquaculture Industry

Organized seafarming in the Philippines can be traced to the early 1950's when mollusc culture began in Manila Bay. In 1988 47.5% of the total aquaculture production came from seafarming of finfish, shellfish and seaweed. A further 40% came from brackishwater culture in the large areas of estuarine and mudflats along the country's 34,600 kilometre coastline. Freshwater farms account for the remaining 12.5%.

Seafarming of marine finfish is still in its infancy in the Philippines. Currently trials are being conducted on various floating cages and netpens. The Bureau of Fisheries and Aquatic Resources Regional Offices are maintaining a number of experimental and pilot farms raising grouper, signids and seabass.

To date because of there has not been any long term production undertaken, there are no statistics available on the production of marine finfish in the Philippines.

The Philippine mollusc industry is well established in the production of Green Mussels and oysters. The government and private industry have undertaken a considerable amount of research in the last few years to improve the culture methods for these species and to introduce new species such as abalone, scallop and the giant clam.

In 1988 15,502 tonnes of Green Mussels and another 12,445 tonnes of oysters were produced.

There is a well established seaweed farming industry in the Philippines. The 1988 production was in excess of 250,000 tonnes. Despite this large production, the government has placed a considerable amount of effort on the research needs of the seaweed farming industry. This includes research into the biology, ecology, taxonomy, cultivation, post-harvest utilization and management of species such as Sargassum and Gelidiella.

The Philippines has a long tradition of brackishwater aquaculture which started with the production of milkfish. Today 205,000 of the 210,000 hectares of brackishwater farms are under extensive shrimp and milkfish culture. Approximately 90% of the shrimp production is dedicated to the Black Tiger species.

Wild shrimp catches remained constant from 1984 to 1987 at approximately 63,000. During this same period aquaculture production of shrimp rose from 9,287 tonnes to 33,675 tonnes. This increase can be traced to the large numbers of sugar cane farmers who have switched to shrimp production as the consumption and prices rose through the mid-1980's.

Philippine extensive shrimp farming operations have in the past shown productivity as high as 10 tonnes/hectare/year. This high productivity has given rise to a number of technical and disease problems which can be traced to the high stocking densities. To overcome this many farmers are lowering the densities.

## 6.6 Canadian Business Potential

Despite the socio-economic problems of the Philippines, investment opportunities are available for Canadian businesses which have developed technology for the aquaculture industry. The industry is growing and is in need of assistance in a number of key areas, similar to the other countries in the region.

The embryonic development of floating cage and netpen operations is an opportunity for Canadian business to market equipment and expertise in the construction and operation of floating fishfarms.

The seaweed farming industry needs assistance in the:

- refinement of culture techniques,
- basic biology,
- selective breeding and genetics,
- disease control,
- training,
- post-harvest facilities, and
- marketing assistance.

The shellfish industry needs assistance in the:

- refinement of and development of new culture technologies
- refinement of its grow-out techniques
- evaluating sites,
- forecasting spatfall,
- transplant techniques, and
- dealing with pollution problems.

Farmers growing milkfish need assistance in the:

- refining broodstock management techniques,
- developing practical diets for hatcheries and
- disease prevention and control (especially for hatcheries.)

Seabass farming needs:

- the development of grow-out techniques,
- a practical diet for the grow-out stage, and
- refinement of induced breeding technology.

The Penaeid shrimp industry needs:

- a refinement of its broodstock management techniques,
- the development of practical diets for hatcheries and grow-out,
- disease prevention and control for hatcheries,

- development of grow-out techniques for coastal farming,
- refinement of induced breeding techniques.

The fish processing industry needs assistance in meeting the quality control standards for exporting their products to Canada and the United States.

The aquaculture industry in the Philippines is in great need of assistance to finance its further development and attracting investors willing to take the risks associated with the political situation in the country.

## 6.7 Incentives To Investors In The Philippines

The government of the Philippines is very aggressively seeking foreign investment in order to achieve its development goals. Companies may be up to 100% foreign owned, although the Guidelines for Registration of Shrimp Aquaculture Projects call for a maximum of 40% foreign equity.

Companies Registered under the Board of Investments ("BOI") are eligible for a number of incentives. To qualify for registration:

- The applicant is either investing in a preferred project listed in the Investment Priorities Plan (including aquaculture) or at least 50% of its production is destined for export.
- The applicant must be a citizen of the Philippines. Partnerships must be organized under Philippine legislation and at least 60% Philippine owned. Corporations must be organized under the applicable Philippine legislation and at least 60% of its outstanding capital stock must be Philippine owned and at least 60% of its board of directors must be citizens of the Philippines.
- If the ownership criteria cannot be met by an investor, registration is still available for companies intending to export at least 70% of their total production. In the case of aquaculture most of the production of the country's aquaculture operations is exported to Japan and the United States.

The government of the Philippines provides the following incentives to investors:

- **Basic Rights and Guarantees to Investors**
- Guarantee against expropriation

The Philippines guarantees investors against expropriation "except for public use or in the interest of national welfare and defense." In the case of such expropriation investors will be compensated for their losses and have the right to remit the compensation in the currency in which the investment was originally made and at the exchange rate in force at the time the investment was originally made.

It should be noted that the Philippines does not provide investors with protection against losses due to nationalization, war or inconvertibility of currency.

- **Remittance of foreign exchange earnings and payments**

All earnings and profits accruing to nonresidents and earned on investments registered with the Central Bank of the Philippines may be remitted in full, net of taxes, in the currency in which the investment was made subject to emergency restrictions on exchange operations.

The remittance of foreign exchange to meet payments of principal and interest on foreign loans as well as obligations arising from technological assistance contracts is allowed subject to the emergency restrictions on exchange operations which may be in effect from time to time.

- **Repatriation of capital**

Foreign investments may be repatriated in the currency in which the original investment was made in accordance with the current schedule of priorities imposed by the Central Bank and subject to the emergency restrictions on exchange operations which may be in effect from time to time.

- **Protection Schemes and Priorities given to Investors and Aliens**

- **Employment of aliens**

BOI and Export Processing Zone Authority (EPZA) registered companies may employ foreign nationals in supervisory, technical or advisory positions for a period of five years from the date of registration at the discretion of the BOI. In the cases where the majority of shares are held by foreigners, key positions may also be held by foreigners.

- **Patent protection**

Protection from patent infringement is guaranteed by the government providing the patents have been registered with the appropriate authorities.

- **Exemption from Taxes and Tariff Duties**

- **Corporate income taxes**

Newly registered companies are exempt from corporate income taxes for a period of four to six years from the start of commercial operations. Under certain circumstances this period may be extended by one year.

- **Taxes on imported capital goods**

Based on certain conditions established by the BOI, new and expanding registered companies may import machinery, equipment and accompanying spare parts for a period of five years without duties and taxes being applied.

- **Taxes on imported raw materials**

BOI registered companies are granted a tax credit which effectively eliminates the taxes and duties paid on the import of raw materials, supplies and semi-manufactured products.

- Other miscellaneous taxes and fees

Other exemptions for BOI registered companies from taxes and fees include:

- contractor's tax
- wharfage dues
- export tax duty, impost or fee

A EPZA registered company is also exempt from:

- local government license fees
- export taxes on merchandise transshipped through the Zone

- **Tax Credits (Direct Reduction From Corporate Income Taxes)**

- Various miscellaneous tax credits

A BOI registered company may purchase breeding stocks and genetic materials from domestic producers and receive a tax credit equivalent to the taxes and duties that would have been payable had these materials and stocks been imported.

- **Extension of Incentive Availment Period**

The BOI may extend the availment period if:

- the company has suffered heavy financial losses and is in financial difficulties
- For reasons beyond the company's control it has not utilized the incentives
- the gestation period for the business of the company is longer than the availment period originally allowed
- the company has been adversely effected by changes in government policies (especially protectionist policies of other countries) effecting the company's competitiveness.

- **Special Incentives**

- To exporters

Company's located in export zones may on approval of the Ministry of Industry, sell up to 30% of their products on the domestic market.

- **Assistance to Investors**

- Processing of applications and other requirements

The One Stop Action Centre houses in one location representatives from all government agencies concerned with investors. The Centre guarantees that all applications will be processed in less than three weeks and if not the application will automatically be considered approved.

# Key Business Contacts



## **7.0 Key Business Contacts**

### **7.1 International Trade Centres**

#### **Vancouver**

Mr. Zen Burianyk  
Senior Trade Commissioner  
International Trade Centre  
Industry, Science and Technology Canada  
P.O. Box 11610  
900 - 650 West Georgia Street  
Vancouver, B.C.  
V6B 5H8

Tel: (604) 666-1438  
Telex: 04-51191  
Fax: (604) 666-8330

#### **Edmonton**

Mr. Jack Kepper  
Senior Trade Commissioner  
International Trade Centre  
Industry, Science and Technology Canada  
The Cornerpoint Building, Suite 505  
10179 - 105th Street  
Edmonton, Alberta  
T5J 3S3

Tel: (403) 495-2944  
Telex: 037-2762  
Fax: (403) 495-4507

#### **Saskatoon**

International Trade Centre  
Mr. A.D.D. McEwen  
Senior Trade Commissioner  
Industry, Science and Technology Canada  
6th Floor  
105-21st Street East  
Saskatoon, Saskatchewan  
S7K 0B3

Tel: (306) 975-5315  
Telex: 074-2742  
Fax: (306) 975-5334

## **Winnipeg**

Mr. Tony van Rosmalen  
Senior Trade Commissioner  
International Trade Centre  
Industry, Science and Technology Canada  
P.O. Box 981  
330 Portage Avenue, Suite 608  
Winnipeg, Manitoba  
R3C 2V2

Tel: (204) 983-2387  
Telex: 07-57624  
Fax: (204) 983-2187

## **Toronto**

Mr. Doug Paterson  
Senior Trade Commissioner  
International Trade Centre  
Industry, Science and Technology Canada  
Dominion Public Building, 4th Floor  
One Front Street West  
Toronto, Ontario  
M5J 1A4

Tel: (416) 973-5052  
Telex: 065-24378  
Fax: (416) 973-8161

## **Montreal**

Mr. Bruno Goulet  
Senior Trade Commissioner  
International Trade Centre  
Industry, Science and Technology Canada  
P.O. Box 247  
Stock Exchange Tower  
800 Place Victoria, Suite 3800  
Montreal, Quebec  
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Tel: (514) 283-8185  
Telex: 055-60768  
Fax: (514) 283-3302

## **Moncton**

Mr. Guy-Andre Gelinas  
Senior Trade Commissioner  
International Trade Centre  
Industry, Science and Technology Canada  
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770 Main Street  
Moncton, New Brunswick  
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Tel: (506) 857-6452  
Telex: 014-2200  
Fax: (506) 857-6429

## **Halifax**

Mr. Doug Rosenthal  
Senior Trade Commissioner  
International Trade Centre  
Industry, Science and Technology Canada  
P.O. Box 940, Station "M"  
1496 Lower Water Street  
Halifax, Nova Scotia  
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Tel: (902) 426-7540  
Telex: 019-22525  
Fax: (902) 426-2624

## **Charlottetown**

Mr. Fraser Dickson  
Senior Trade Commissioner  
International Trade Centre  
Industry, Science and Technology Canada  
P.O. Box 1115  
Confederation Court Mall  
134 Kent Street, Suite 400  
Charlottetown, P.E.I.  
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Tel: (902) 566-7443  
Telex: 014-44129  
Fax: (902) 566-7450

**St. John's**

Mr. Jim Harman  
Senior Trade Commissioner  
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Industry, Science and Technology Canada  
P.O. Box 8950  
90 O'Leary Avenue  
St. John's, Newfoundland  
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Tel: (709) 722-5511  
Telex: 016-4749  
Fax: (709) 772-2373

## 7.2 Canadian International Development Agency

### Headquarters

Canadian International Development Agency  
Place du Centre  
200 Promenade du Portage  
Hull, Quebec  
K1A 0G4

Tel: (613) 997-5456  
Regional Information Centres

### Montreal

Marcel Sicard  
Business Advisor (CIDA)  
International Trade Centre  
3800 - 800 Place Victoria  
P.O. Box 247  
Montreal, Quebec  
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### Vancouver

Malcolm Sutherland-Brown  
Business Advisor (CIDA)  
International Trade Centre  
P.O. BOX 11610  
900 - 650 W. Georgia St.  
Vancouver, B.C.  
V6B 5H8

Tel: (604) 666-1442

## **7.3 Export Development Corporation Offices**

### **Head Office**

151 O'Connor St.,  
P.O. Box 655  
Ottawa, Ontario  
K1P 5T9

Tel: (613) 598-2500  
Telex: 053-4136  
Fax: (613) 237-2690

### **British Columbia and Yukon Region**

Suite 1030  
One Bentall Centre  
505 Burrard Street  
Vancouver, B.C.  
V7X 1M5

Tel: (604) 688-8658  
Fax: (604) 688-3710

### **Prairie and Northern Region**

Suite 2140  
Bow Valley Square III,  
255 - 5th Avenue S.W.,  
Calgary, Alberta  
T2P 3G8

Tel: (403) 294-0928  
Toll Free: 1-800-861-8638  
Fax: (403) 294-1133

### **Ontario Region**

Suite 810  
National Bank Building  
P.O. Box 810  
150 York Street  
Toronto, Ontario  
M5H 3S5

Tel: (416) 364-0136  
Fax: (416) 862-1267

### **Quebec Region**

Suite 2724  
800 Victoria Square  
P.O. Box 124  
Tour de la Bourse Postal Station  
Montreal, Quebec  
H4Z 1C3

Tel: (514) 878-1881  
Fax: (514) 878-9891

### **Atlantic Region**

Suite 1003  
Toronto Dominion Bank Building  
1791 Barrington Street  
Halifax, N.S.  
B3J 3L1

Tel: (902) 429-0420  
Fax: (902) 423-0881

### **Manitoba/Saskatchewan District Office**

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

Tel: (204) 942-0226  
Fax: (204) 983-2187

### **Ottawa District Office**

151 O'Connor St.  
Ottawa, Ontario  
K1P 5T9

Tel: (613) 598-2992  
Fax: (613) 237-2690  
Telex: 053-4136

**London District Office**

Suite 303  
451 Talbot Street  
London, ONtario  
N6A 5C9

Tel: (519) 645-5828  
Fax: (519) 645-4483



## 7.4 Trade Commissioners in the ASEAN Region

### Indonesia

Mr. David Hutton  
Counsellor (Commercial) and Consul  
Canadian Embassy  
5th Floor, Wisma Metropolitan 1  
Jalan Jenderal Sudirman, Kav 29  
Kakarta 12910, D.K.I.  
Republic of Indonesia

Mailing Address:  
P.O. Box 52/JKT  
Jakarta, D.K.I.  
Republic of Indonesia

Tel: (011-62-21) 510-709  
Telex: (Destination Code 73)  
62131 (62131 DMCAN IA)  
Fax: (011-62-21) 578-2251

### Malaysia

Mr. Mel MacDonald  
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Canadian High Commission  
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Malaysia

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50732 KUALA LUMPUR  
Malaysia

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## Philippines

Mr. David K. McNamara  
Counsellor (Commercial)  
Canadian Embassy  
9th Floor, Allied Bank Center  
6754 Ayala Avenue  
Makati, Metro Manila,  
Philippines 3117

### Mailing Address:

P.O. Box 971, Commercial Centre  
Makati Central Post Office  
Makati, Manila  
Republic of The Philippines 3117

Tel: (011-63-2) 815-9536  
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(63676 DOMCAN PN)  
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## Singapore

Mr. Denis Comeau  
Counsellor (Commercial)  
Canadian High Commission  
80 Anson Road  
IBM Towers  
Singapore 0207  
Republic of Singapore

### Mailing Address

Robinson Road, P.O.Box 845  
Singapore 9016  
Republic of Singapore

Tel: (011-65) 225-6363  
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## Thailand

Mr. Robert Vanderloo  
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BANGKOK 10500  
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## **7.5 Private Sector Contacts**

### **ASEAN-Canada Business Council**

c/o Canadian Chamber of Commerce  
55 Metcalfe Street, Room 1160  
Ottawa, Ontario  
K1P 6N4

Tel: (613) 238-4000

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

999 Canada Place, Suite 666  
Vancouver, B.C.  
V6C 3E1

Tel: (604) 684-5986

### **Canadian Exporters' Association**

99 Bank Street, Suite 250  
Ottawa, Ontario  
K1P 6B9

Tel: (613) 238-8888

### **Canadian Indonesian Business Council**

World Trade centre  
60 Harbour Street  
Toronto, Ontario  
M5J 1B7

Tel: (416) 863-2006

### **Canadian Manufacturers' Association**

One Yonge Street, 14th Floor  
Toronto, Ontario  
M5E 1J9

Tel: (416) 363-7261

**Trade Facilitation Office**

Suite 1012  
400 Cumberland Street  
Ottawa, Ontario  
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## 7.6 ASEAN Trade Contacts In Canada

### Indonesia

Embassy of the Republic of Indonesia  
287 MacLaren Street  
Ottawa, Ontario  
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Tel: (613) 236-7403

Other Indonesian offices  
Indonesian Consulate  
425 University Avenue, 9th Floor  
Toronto, Ontario  
M5G 1T6

Tel: (416) 591-6461

Indonesian Consulate  
34 King Street East, Suite 1201  
Toronto, Ontario  
M5C 1E5

Tel: (416) 869-3886-7

### The Philippines

Embassy of the Philippines  
130 Albert Street, Suite 606  
Ottawa, Ontario  
K1P 5G4

Tel: (613) 233-1121

Other Philippine offices:  
Philippines Consulate General  
151 Bloor Street W. Suite 365  
Toronto, Ontario  
M5S 1T5

Tel: (416) 922-7181

Philippine Consulate General  
301 - 308, 470 Granville Street  
Vancouver, B.C.  
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Tel: (604) 685-7645

## Singapore

High Commission for the Republic of Singapore  
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Other Singapore Offices  
Singapore Trade Development Representative  
Standard Life Centre  
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Trade Development Board  
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## Thailand

Office of Commercial Counsellor  
Royal Thai Embassy  
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Other Thai offices:  
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Department of Export Promotion  
Ministry of Commerce  
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## 7.7 Key Aquaculture Industry Information and Investment Contacts in the ASEAN Region

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Maj. Gen. R. Soeprapto  
Director General  
Directorate General of Fisheries  
Ministry of Agriculture  
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Jakarta - Indonesia

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Primary Production Department  
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Head, Marine Aquaculture Section  
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