

Report to the
ASIA PACIFIC TRADE COUNCIL

*British Columbia
and Southeast Asia*

**OPPORTUNITIES AND STRATEGIES
TO INCREASE
TRADE AND INVESTMENT**

April 2007

NOTE:

This discussion paper, prepared by IB Robertson Advisory Inc., was commissioned by the Asia Pacific Trade Council to focus on trade and investment related issues, opportunities and challenges for British Columbia in the Southeast Asia market. Opinions and comments expressed in the discussion paper are strictly that of IB Robertson Advisory Inc. and do not represent the position of the Province of British Columbia and/or the Asia Pacific Trade Council.

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1. INTRODUCTION

Southeast Asia (SEA) is a region that has struggled for attention in Canadian and BC government and business circles. It has been difficult to see past the Asian economic giants to the north even though, taken together, the countries of the SEA region represent a substantial and promising market that welcomes Canadians. In a world of priorities this has been natural, as SEA is seen as far away, complex and even exotic. Companies usually prefer to enter nearer, more culturally similar markets first.

The Internet has, however, changed the way of doing business, especially with international markets. The ability of companies to deal with the world has grown geometrically with each year's new Internet-based developments. Companies can now organize themselves better at home and deal with markets geographically far away much more easily than they could 10 years ago. SEA need no longer be isolated in the shadow of Northeast Asia.

BC and the countries of SEA have much to offer each other. What is needed in BC is a marketing effort that takes full advantage of the Internet and is truly marketing in its fullest sense, rather than occasional selling campaigns. The government of BC has a vital role to play.

2. PERSPECTIVE

2.1 The Southeast Asia Region

This report focuses mainly on the six largest markets of the Association of Southeast Asian Nations (ASEAN): Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam. These are the economic drivers of the region, although other ASEAN members should also be kept in mind. Vietnam is a relative newcomer to the ASEAN group, but is important in that it is large and growing rapidly, and has promise for the future.

While democracy is the dominant political theme in the region, there are governance challenges such as the recent military coup in Thailand. Vietnam clings to its communist system, although its dramatic economic growth is demonstrating to the country's leaders the rewards of political stability and the western economic model. As with any international market area, market planning for SEA must take into consideration the political issues of the time.

The region has a population of around 570 million people and a combined GDP of \$US 1,064 billion in 2006, roughly half that of China and larger than those of India or South Korea. Now recovered from the financial crisis of the late 1990's, the economies of the region have, for the most part, returned to healthy growth. There is affluence in their growing middle classes, especially in the major urban centres of the region.

The region is active in international trade. Its exports and imports are roughly equivalent to those of China, five times those of India and twice those of South Korea and Taiwan. Every country in the region has clearly defined economic development goals, most of which include development of the region's vast natural resources, but also strong emphasis on technology development and the use of technology in the development

process. Development funding is still a factor in the region, mainly through the World Bank and the Asian Development Bank. It is now, however, a minor part of the region's financial scene except in Indonesia and, to a lesser extent, the Philippines. Singapore has emerged as one of the most important financial centers in the world.

The region has oil and gas and mineral wealth, and is a major supplier of a number of tropical commodities. It is a rapidly growing producer and consumer of electronic products. With its growing population, the region faces problems of environmental degradation in its oceans and on land, shortages of key commodities, and inadequate infrastructure. Thus there is a dynamic development process going on side-by-side with a classic blossoming of affluent consumerism.

While sometimes viewed as a complex and confusing mixture of different countries, this region actually represents a large market area in its own right, with some interesting and attractive features. As mentioned above it is large in terms of physical size and population. Its economies are growing rapidly, presenting a full range of business opportunities: from basic development work to high-end luxury products. English is the language of business throughout the region. There is a natural flow to the economies of the region just as there is in the huge and similarly complex markets of China and India. Singapore is the sophisticated economic center with full financial service capabilities. Thailand and Malaysia are on the next level, with rapidly growing advanced market sectors, plus large consumer markets. Philippines, Indonesia and Vietnam are very large countries with substantial development and environmental challenges. They are all tied together within the ASEAN Free Trade Area, facilitating business activities on a region-wide basis. Thus, for example, a BC technology company might invest in Research and Development (R&D) through a joint venture in Singapore, manufacture its products in Thailand and Philippines with inputs from Singapore and BC, and sell throughout the region as well as into China and beyond.

The countries of SEA have grown as independent countries eager to deal as full participants in the international arena. They are naturally drawn to economic partnership with the giants to the north. The relationship with China, in particular, is of vital importance, and evolving rapidly. The following excerpts from the March 29th, 2007 Economist report on China illustrate.

“Ties with South-East Asia have swiftly evolved since. Indeed, many of the understandings that have governed relations among the ten members of ASEAN—in particular, non-interference in each other's affairs—are dear to China's heart. In its dealings with ASEAN...China boldly proposed a China-ASEAN free-trade area (FTA), which was agreed on in 2002 and will be implemented in stages (with safeguards for ASEAN's poorer members) up to 2015. The deal has done much to reassure South-East Asia that China's rise will not come at the expense of the region's prosperity.

“The ten ASEAN countries saw a record \$37 billion of investment in 2005. For some manufacturers, South-East Asia (or India) serves as a hedge against something going wrong in their China operations—be it social unrest, economic problems or a business climate that turns against foreign investment.

In other words the SEA countries are becoming increasingly linked and even integrated into the Chinese economy. The road to China may well lead through SEA. They do, however, cherish their independence, and seek to balance their international relations through continuing strong dealings with the rest of the world.

2.2 Canada's Role in the Region

We begin with a discussion of Southeast Asia and Canada as there is limited awareness of provinces in the region. British Columbians are seen as Canadians first and foremost. Also in many areas, data is not collected by province and so we are left with only national data to examine.

Canada has been an active but minor player in the SEA region for over half a century. We have large diplomatic posts in every country, and for years were substantial aid donors as the countries gained their independence and went to work to develop themselves. A large number of students from the region have studied in Canada, and as a result there are thousands of graduates of Canadian universities and colleges living and working in the region, many in positions of influence. There are around 2,000 students from the region studying in Canada. In any year over 100,000 Southeast Asians visit Canada, around 10% of total Asian visitors.

Canada's trade performance with SEA has been poor. There has been disappointing growth in our exports to the region over the past 5 years of around 2% per year, and Canadian merchandise exports to SEA of around C\$3.2 billion represent less than 1% of the region's total imports. Add to this another \$1 billion of service exports. Canada has a very large trade imbalance with the region. Surprisingly, almost 40% of the region's merchandise exports to Canada are electronic products, while only 15% of our exports to them are electronic products.

But these statistics tell only part of the story, and the outlook is actually promising if we wish to make it so. We can do good business there if we just get our act together. Tabulations by the Asia Pacific Foundation of Canada (APFC) of Canadian business ventures in SEA shows that there has been hundreds of such ventures over the past 7 years, and that they represent the full spectrum of business relationships: licensing, franchising, technical agreements, service contracts management contracts, construction/turnkey contracts, contract manufacturing, co-production agreements, collaborative R&D/joint venture development, network alliances and consortia, and subcontracting. There are a number of examples of a Canadian company partnering with a company from one ASEAN nation to enter another ASEAN nation or another Asian economy (China, Hong Kong and South Korea).

The vast majority of these deals done in ASEAN were in the six countries covered by this paper, with reasonable distribution amongst the countries. Canadian investment in the region is just under 30% of Canada's total FDI in Asia, and greater than our FDI in Japan, Australia, Korea or China. Canadian investment now totals over C\$8 billion, and is concentrated in Indonesia (offshore oil and gas and minerals) and Singapore (ICT). APFC studies have found that SEA ranks second after China in terms of Canadian industry's investment intentions for Asia.

Investment from the region into Canada is negligible. They know too little about Canada, see little reason to invest in a country with growth rates significantly below Asian growth rates, and in any event are naturally more drawn to the much larger investment markets of the USA and Europe. This perception can be changed with creative marketing,

but for the short to medium term at least, investment by SEA countries into Canada will be significantly less important than trade and business partnering with that region.

NEW CANADIAN VENTURES IN ASIA PACIFIC REGION – JANUARY-DECEMBER 2006

	Australia	China	Hong Kong	India	Indonesia	Japan	Malaysia	Mongolia	Philippines	Singapore	South Korea	Thailand	Others
Aerospace						1							
Biotech													
Construction		1											
Education		1											
Financial Service		7		1									
Healthcare		1											
ICT	2	6		4				1		2	1		1
Manufacturing	1	10		1		1			1		1		
Nat. Resources	17	28	2	2	5			6	4			4	12
Other	6	7	1	1					1	1		1	5
TOTAL	26	61	3	9	5	2		7	6	3	2	5	18

Source: Asia Pacific Foundation of Canada

Still there has been some anecdotal evidence of growth in investment from the region. For example, Singapore's OUL Group recently purchased the Pan Pacific Hotel chain including three properties in BC and hopes to expand across North America. Also Shangri-La Hotels, which is based in Hong Kong but founded by a Malaysian group, has chosen Vancouver as the location for its first hotel in North America. Singapore-based (but Indonesian-owned) Asia Pulp and Paper bought Saskatchewan's Meadow Lake Pulp Mill early in 2007.

2.3 BC and SEA

BC has much in common with SEA, with our long coastline and archipelagos and substantial natural resources. We are warmly welcomed there; indeed, people in the region are happy to deal with Canadians. The business climate is particularly well suited to BC's capabilities, with the stress on sustainable natural resource management, distance communications, growing transportation requirements, and information technologies as a key element in economic development.

BC's merchandise exports to SEA are around 20% of Canada's relatively small total exports to the region, so we are a very small player in the region. We also note that BC's merchandise exports to the region represent only 7% of our exports to Asia as a whole, while Canada's total merchandise exports to the region are 11% of total exports to Asia. In other words, BC seems to have been less interested in the region than has the rest of Canada.

There has, on the other hand, been substantial interest on the part of BC companies in investment and other more complex arrangements in SEA. Recent deals in the region show the range of activities involved:

- February 2007 – East Asia Minerals of Vancouver buys Takengon gold project in Indonesia.
- January 2005 – Telus International opens its global headquarters in Singapore.
- June 2005 – First American Scientific of Vancouver is installing 30 co-generation power plant systems for palm oil waste in Malaysia.

BC mining companies have been particularly active in the region, investing in mineral properties for exploration and mine development in Indonesia, Thailand, Philippines and Vietnam.

BC's three major universities have strong networks of alumni throughout the region, and are engaged in further educating of SEA students, S&T exchanges, and other types of academic partnerships.

2.4 Science & Technology Cooperation

It comes as a surprise to some that cooperation in science and technology development has been successfully pursued by Canada in SEA. In 1997 the National Research Council of Canada signed a Memorandum of Understanding (MOU) with the National Science and Technology Board of Singapore, calling for joint research involving research institutes and companies on each side, and with both parties putting money on the table. Since then there have been five calls for proposals, and around 20 projects have been funded in biotechnology, semiconductor technology, environmental technologies, aerospace manufacturing technologies, agricultural plant biotechnology, and bioprocessing technologies. There have been numerous visits of researchers, training and personnel exchanges of around 30 PhDs and postdocs and graduate students. So far there have been three patents and one technology license, and numerous scholarly publications.

The NRC has also been active in Thailand, partnering with the National Science and Technology Development Agency and the APEC Centre for Technology Foresight in Bangkok, and involving many Canadian Small and Medium Sized Enterprises (SMEs). These experiences have contributed to what is now a formal part of Canada's foreign policy, which is to "...support science and technology collaboration by Canadian companies with partners throughout Asia through initiatives such as formal agreements and direct services to business".

The model developed in SEA is more complex than simply involving companies. The joint activities of government research labs, university researchers and companies have proven to be a potent mixture, for compelling reasons.

The countries of SEA are fully aware of the key role that technology plays in the development process, as well as the technology demands of their increasingly affluent consuming populations. They have traditionally bought technologies internationally, but as they have attained ever-higher levels of development they have wished increasingly to meet their technology goals internally. All of the countries have established science facilities as the foundation of Science & Technology Cooperation (S&T) development. Singapore's is by far the most advanced, but others are also impressive in specific areas. An important issue for them all is encouraging their private sectors to become involved substantively in research.

Another is the shortage of trained people. A third is developing a culture of respect for intellectual property.

The leaders of this science establishment are an elite group of highly trained, articulate individuals who play a key role in their governments' selection of technologies for development projects, including in particular technology-based infrastructure. Companies also turn to them for advice. There is no shortage of sales people seeking to sell them their patented 'technology solutions'; what they need is fundamental understanding of the technologies themselves so that they can make the right decisions. This is the sort of wisdom they can gain, without fear of compromise, through S&T cooperation such as that pursued by the National Research Council of Canada. Through this cooperation they gain respect for the technologies of the cooperating country, and when they are asked to advise on the selection of technologies they are more willing to shortlist companies from the cooperating countries. In other words, S&T cooperation at the academic and government level has a flow-through marketing effect at the company level.

This is an important addition to the mainstream positive effect of S&T cooperation of producing sound new technologies that benefit both sides. If companies are involved, this can lead directly to increased sales by both sides in international markets.

This is clearly not a simple game, but we must be aware that in the global perspective Canada is a small technology player. Southeast Asians do not often think of Canada or BC when they need technologies; they think of Japan and the USA and the Europeans. Most of those countries have much stronger roots in SEA than does Canada, and those roots often involve S&T cooperation in its many forms. There has been extreme caution in dealing with SEA due mainly to intellectual property concerns, but this is changing, and properly structured cooperative arrangements can be of great benefit to BC as part of its marketing strategy for the region.

2.5 The Olympic Issue

The BC Government notes the unique opportunity of the 2010 Olympics to raise awareness of BC as a source of world-class goods and services. This issue should be handled carefully in SEA. The countries of SEA have no winter sports (except for wealthy citizens traveling to Switzerland and the like for skiing), and no interest in winter sports. Thus the identification of BC as the home of the Winter Olympics will have negligible impact there from a sporting perspective.

The Games will still help to raise the profile of the Vancouver and Whistler through international media coverage throughout the region even if the impact is more limited. The BC Olympic marketing message should stress Olympic excellence, quality and achievement, but not winter or winter sports. With the 2008 Olympics in Beijing, there will be an opportunity to use the Olympic relationship and the BC-Canada Place Pavilion to connect with television audiences and companies attending the events there. The Olympics have evolved into a strong global brand and hosting the event will convey some element of cachet for BC in this brand-conscious region.

3. PRIORITY SECTORS AND OPPORTUNITIES

3.1 The Sector Approach

BC's economy has a few large companies and a lot of SMEs. These smaller companies have problems marketing to international markets such as SEA; it is costly and time-consuming. It is important to clarify the concept of marketing in that the government of BC's role in commercial development with SEA should be to emphasize the fundamentals of marketing. A simple definition of marketing is "...creating a market". This means that no matter what or how good your product or service is, you must prepare the market for it or it will not sell.

Marketing is a long-term proposition. Once business starts to flow, the cycle of marketing activities should be continuously refreshed: monitoring, supporting and taking advantage of current business to expand opportunities in the future. Small companies all-too-often think that marketing really is selling, perhaps with a bit of supportive advertising. They ignore the larger function at their peril. This is also a problem with much of Canada's international trade promotion. It is set up to support the sales efforts of companies, hoping that those companies have done their marketing. Most of the big ones have, and proceed without government assistance. Many of the SMEs, which are so vital to the BC economy, have not, so that their sales trips to Asia, alone or in missions often end in costly failure. The activities of the government of BC should be designed to help ensure that BC products and services benefit from a full marketing effort in SEA.

International marketing on a sector basis was initiated by the BC Trade Development Corporation in 1989, but with limited results. It was extremely difficult at that time to bring substantial sector groups together: they weren't generally ready for the idea, and in any event it was very difficult to communicate with them consistently.

Since the advent of the Internet, however, BC's SMEs have become actively involved in developing sectoral 'clusters': groups of companies wishing to work together in their sectors to partner on technology development, financing and international marketing. Larger companies in the clusters can act as mentors for the SMEs, perhaps drawing on them as suppliers to their operations in the region. The players in these sectors also include academic researchers and government researchers and practitioners. Whether formally included as cluster members or not, these non-corporate players are important in presenting BC capabilities.

This cluster development makes it possible for members to "hunt in packs" in overseas markets. Once the cluster membership has decided that it wishes to go after business in a particular market, sector management and members should go through the full marketing sequence as noted above. This sort of group action is particularly relevant in BC where technology sectors are typified by large numbers of small companies, generally without the resources to do proper international marketing themselves, but quite capable of supporting group efforts, and of following up identified and qualified prospects on their own.

The detailed strategy should incorporate all types of business relevant to the sector, from direct sales to complex joint ventures to investments in BC. A cluster will bring much more stable, long-term perspective to marketing in SEA than will any individual SME member, giving every participating member company a solid marketing base in the region.

3.2 Role of the Government of BC in Sector-based Marketing

BC used to have an office in Singapore, along with offices of Ontario and Quebec. The BC office was closed in the early 1990s. It was an effective operation, but such offices are now an expensive form of business promotion in the world of the Internet and sector specialization. With innovative approaches, the government of BC can play a more effective and efficient role in increasing economic relationships with SEA.

It can support the marketing activities of BC's technology clusters in SEA by:

- Providing support for the market research and marketing activities of the clusters;
- Participating directly in marketing efforts through official presence on marketing teams: giving the team the perspective from the government side, which is often the customer side. It can also give potential Asian customers the "user perspective" on the BC companies and their technologies, and help with approaches to official prospects in Asia;
- Hosting visitors to BC; taking them to sites where BC technologies are being used for demonstration purposes; and
- Participating in projects through the active involvement of government people, programs and systems, on a reimbursable basis.

We urge the government to look at support of this sort of international market effort not as subsidy to business, but as economic development for the province. We must keep in mind that in all of the countries in SEA, governments play a role in developing industries. In wealthy Singapore the government is the dominant player in many of the industries of interest to BC. Malaysia also has strong government presence in its industry, and in particular the ICT sector, and the other countries have some such involvement. The BC SME-dominated economy needs help if it is to compete successfully in such a market.

In undertaking this work the government is advised to adhere to two essential policies. The first is to maintain a long-term perspective, and to dedicate the support, whether financial or substantive, for that long-term timeframe. Short-term fixes are usually a waste of time and money as only long-term commitments at realistic levels will show that we are truly committed.

The second is to establish a clearly defined, active management structure within the government to deal with this marketing activity. It is a demanding, professional-level activity involving substantial networking, financial decision-making and even risk-taking, and must have consistent, imaginative attention over the long term if it is to succeed.

3.3 Sector Priorities

Over half of BC's exports to SEA are commodities, the sales of which fluctuate with the demand in the region, market prices and supply capabilities in BC. It is in the technology part of the economic relationship where BC Government support can make the most difference. The selection of sectors for priority attention in the BC/SEA context calls for the following criteria:

- World class capability in BC;

- Sectoral organization in BC, preferably with a cluster formed, supported by effective sector management;
- Eagerness on the part of the sector players to develop business with SEA; and
- Strong demand in SEA to buy, invest and partner in the sector.

We recommend that the government focus on the following sectors:

- ICT – focus on two well-established clusters: “New Media BC” and “Wireless Innovation Network BC” (WINBC);
- Environmental Services/Resource Management – a focused approach of great current relevance would be to start with “Resource Management Information Systems”;
- Life Sciences/Biotechnology – the cluster “Life Sciences BC” is ready to go; and
- Alternative Energy – “Hydrogen & Fuel Cells Canada” is based in BC and has much to offer SEA.
- Natural Resources and their support industries – BC’s value added resource services and supply companies show promise.

These will give us a good start, but of course the list is provisional and can be adjusted and developed over time. Appendix A contains brief descriptions of these sectors. New Media should be looked at first, for reasons explained in the New Media section. Other priorities and timing issues can be decided after the intentions in each sector are discussed in detail, and market research has been carried out.

Another marketing thrust to be considered is supportive activities in the mining sector. BC mining companies are very active in SEA as investors and active players. Their involvement in the region generally leads to the engagement of Canadian service firms such as mining engineering firms, testing laboratories and environment companies. This can in turn lead to the involvement of BC equipment manufacturers and technologies. The mining companies may not themselves see engaging BC suppliers as a priority, but marketing work to make it easy for them to do so could pay off handsomely.

4. BARRIERS TO ENHANCING COMMERCIAL RELATIONS

The most important barriers are lack of contact due to distance, lack of knowledge about SEA, the perceived priority of other Asian markets, and shortage of marketing money. The distance will always be there when travel is involved, but the Internet has gone a long way towards breaking down this barrier. Sectoral market research carried out by BC clusters, geared to BC’s specific capabilities and strategies, will lead to more solid networking and targeted marketing than has been possible in the past. Travel, when required, will be more focused and effective.

The knowledge issue is a common one for all international marketing activities. We never seem to know enough about overseas markets, and we therefore tend to limit our horizons and thereby miss opportunities. An effort should be made to galvanize the SEA consulates and business groupings in BC, plus other sources of learning and contact and understanding such as the universities, into a proactive effort to educate BC business about

the prospects in SEA. The APFC already does some work in this regard. This work should be strongly supported.

Governments in Canada seem to be mesmerized by the sheer size and growth of India and China, even though SEA has many superior market characteristics for Canadians. Market size alone is by no means the only criterion to consider. Ease of entry, compatibility of their requirements and our capabilities, working language issues and others all come into play. It is important to let industry itself establish the priorities, based on their own research of all of the Asian markets. If this happens, SEA will likely emerge as of surprising priority.

The limited financial capability of BC SMEs to reach out to SEA is a perennial problem.. Companies tend to be small and cash poor; yet with growing capabilities and technologies they really should be looking at all market prospects, including those in Southeast Asia. Government help all too often is not timely, restrictive in application, short-term and too limited.. A serious commitment means serious support, not just re-packaging of existing budgets. Government funding support for BC business in SEA should be long term and of sufficient size and flexibility that it can be really useful to industry.

5. COMPETITION THREATS IN THE REGION

Canada provides less than 1% of all imports into SEA as other countries have been far more aggressive in pursuing business interests in SEA. Competing nations often use their development assistance programs to advance their commercial interests. Colonial ties, historic trading houses and alliances, and aggressive investment by other countries have put them far ahead of Canada in the eyes of most Southeast Asians. Southeast Asians turned to Japan for investment during their early high growth years, and they now see China as a major commercial force and partner. The region is a priority target market for Australia. The old argument that Canada has an advantage in that we were never a colonial power is simply not true; those old colonial ties are very strong, albeit unofficially.

This is not to say that we cannot compete there, but it is saying that we need to market aggressively if we are to be successful. Anecdotal evidence shows that people in the region like to work with Canadians, and wonder why we have not shown greater interest in their rapidly growing markets. Our marketing must take advantage of whatever assets we have there, such as alumni of BC universities, Canadian business associations and chambers of commerce, and current BC companies active in the region. We also must also use the Internet cleverly.

6. HOW TO INCREASE MARKET INTELLIGENCE

Market research by the professionals in our sector clusters will give us a lot of information on the markets in SEA, including a long-list of market contacts. Cluster managers and members must follow up regularly and proactively with these contacts. As business grows through marketing and sales, investment and joint projects, we can then build our level of market intelligence as serious players in the sectors. Individual cluster members can draw on the market intelligence at cluster level, add their own detailed intelligence for their own business deals, and provide feedback to the cluster to increase and improve the quality of the cluster-level market intelligence.

The keys are persistence, proactive networking, and sharing of information through human and electronic networking. This last point seems self-evident, but is not that easy to accomplish. Companies often hoard market information as it has cost them money to get it, and it gives them a competitive advantage. They will share it for the common good only if that common good will reflect back to them in terms of increased business. The sectoral approach changes that dynamic in that the common good is pursued from the outset, and internal competition amongst cluster members is resolved through the cluster process itself.

At the top end of market research is general information on the markets – political climate, economic conditions, relations with Canada and so on. It would be very helpful to have one authority in BC specializing in this level of research, and recognized as the authority. The Asia Pacific Foundation seems to have made an excellent start here, and their efforts should be supported as required by the BC Government, and promoted to industry.

7. KEY CONTACTS IN THE REGION

The most important contacts will be gained through the cluster market research work, and be specific to each cluster. The researchers should keep in mind the importance of the technology research institutes in each country. They tend to be prestigious and well connected in their sectors, and an excellent source of local knowledge and contacts. They are also generally eager to form S&T partnerships, which can form important foundations to sectoral marketing programs.

Canadian Embassies and High Commissions in the region have trade offices that can be of some assistance in providing contacts to help launch the market research. Please see federal government listings.

Other, business-based contacts for Canadians in the region are valuable, as noted below. Please see Appendix B for details.

Alumni of Canadian universities and colleges who have returned to their SEA countries are potent sources of contact and information. Many of these alumni are well placed and influential, and if approached are generally happy to help out with advice, information and contacts. Some might even be contacts for business deals. UBC, UVic and SFU all have substantial numbers of alumni in SEA.

The Canadian business associations in the region are also very useful contact points. Their memberships include Canadians living and working there, and locals interested in doing business with Canada. Their offices can be helpful in providing information on local business, introducing contacts, and running programs and events.

Most of the countries also have business associations in Canada. Their memberships are dominated by citizens of the SEA countries who have come to Canada to live and work here. The Asia Pacific Foundation has identified this group as a potentially important source of contacts and business in their home countries.

Another source of contact is Canadian banks with operations in the region. Their operations vary from office to office, but some will be helpful in guiding BC business visitors to the region.

8. BC GOVERNMENT OPTIONS TO INCREASE EXPORT TRADE

As noted below in Section 10, many of the actions described in the BC Government's recently announced Asia Pacific Initiative will have a positive impact on the Province's ability to increase export trade with SEA.

The Government can help increase the general level of knowledge and understanding of SEA through activities mentioned above. Of most direct impact, the sectoral approach proposed earlier in this paper is, we believe, the most promising option for the government of BC to increase export trade with SEA. All of the elements are there: the tech clusters, the great technologies and products and services, and the trade promotion tools. What is needed is sufficient financial and substantive support to bring it all together under priority sector headings in a sustained marketing effort. This is an opportunity for a real, dynamic partnership amongst government, academia and the private sector in BC.

Sector-based tools and activities that would benefit from BC Government financial and substantive support and that would be of high impact and relatively low cost include:

- Market research and contact development;
- Sectoral business missions, both outgoing and incoming;
- In-market representation, generally short-term and sector-focused;
- Business ambassadors network in the SEA markets – alumni of BC universities and colleges keeping an eye on BC business interests; and
- Event participation by selected experts representing sector clusters.

The Government may also wish to discuss with BC's mining companies the idea of helping them to source BC services, products and technologies for their investment projects in SEA.

We stress that while funding support should be realistic and long-term in outlook, this is not a big money proposal for the Government. Reasonable amounts of funding made available in a timely manner and without complex strings attached, hands-on management, imagination and a bit of risk-taking will pay off handsomely.

9. BC GOVERNMENT OPTIONS TO INCREASE INBOUND INVESTMENTS

This is a harder sell for SEA, which has been a very minor source of inbound investment. The countries in the region need the money for themselves, and they are in fact substantial targets for outside investors. The Government's best approach is to tie investment promotion into the package of business activities coming within the sectoral strategies. These will involve strategic partnerships some of which will, over time, bring investment into BC.

10. LINKAGES TO THE ASIA PACIFIC INITIATIVE

The Asia Pacific Initiative is a high level, powerful strategic thrust for BC, and the ideal framework for recommendations in this paper concerning Southeast Asia. Highlights:

Strategy 1 – Pacific Gateway Identity - it is essential that we develop a “compelling global identity” in Southeast Asia if we are to succeed strongly and over the

long term. They must know us before they will deal with us. Relationships with senior leaders in the region are an important part of this. We should target these relationships to our best advantage, for example to the senior people in the SEA scientific community, and in priority sectors. And yes, this work will take careful, proactive coordination with the BC Government taking the lead, hopefully with the support of organizations such as the APFC that are already in place.

Strategy 2 – Trade and Investment Relationships – carefully sited and well supported trade and investment representatives can be very useful. In the diverse market atmosphere of SEA this might best be achieved by engaging senior local representatives - experts in the areas that we wish to promote on a priority basis, preferably alumni of BC universities, and possibly related to Canadian business associations. Accelerating BC's access to SEA markets can best be done on a priority sector basis, as proposed in the Asia Pacific Initiative and specified in this paper. The best way to do this is to empower the industry sectors themselves to build the business in SEA. An investment marketing program can be built into the sectoral strategies as investment is, by definition, highly sector-specific. The idea of an electronic, multilingual gateway is already in the works in New Media BC's "Opportunity Alert" system.

Strategy 3 – World Class Gateway – these are big-ticket actions that would strengthen our capabilities to do business with SEA.

Strategy 4 – Pacific Century Skills – these proposals are very important in the SEA context. Immigrants from SEA make excellent, dedicated skilled workers who fit in well in BC, either as temporary foreign workers or permanent residents. Foreign credential recognition is particularly important in the case of Filipino professionals. Increasing the Asian aspects of our own school systems will greatly increase our ability to compete in SEA.

Strategy 5 – Asia Pacific Destination – This is a vital part of the Asia Pacific Initiative as it relates to SEA. We in BC may see ourselves as a hub between Asia and North America, but most people in SEA don't see it that way. To them "North America" means the USA, and Canada, including BC, seems way up north and far away. Therefore these initiatives aimed at increasing people connections and awareness are a key building block to future business. Invite them over here as tourists. The record shows that they will come if somebody takes the trouble to tell them about BC. Educating people from SEA at BC institutions creates long-lasting relationships and business partners, benefiting both sides. Cultural awareness is perhaps the most powerful tool of all because it works on peoples' total sensibilities, not just their business interests. And finally, the idea of "positioning BC as a knowledge and research and development destination" will have tremendous payoffs in the years ahead.

11. RECOMMENDATIONS

The following summary of the main recommendations contained in this paper is placed within the aegis of the Asia Pacific Initiative, which is a superb platform for the Government of BC to help generate business with the countries of Southeast Asia.

1. As much as possible let companies and sectoral groups or clusters in BC decide on BC's trade and investment promotion priorities in Asia. Government pre-selection of countries or regions for attention usually eliminates Southeast Asia from the

picture, a potentially costly mistake. Southeast Asia is a good prospect for BC business.

2. Raise mutual awareness between BC and the SEA markets by all of the methods laid out in the Asia Pacific Initiative. Emphasis should be placed on the use of existing resources such as alumni of BC universities, Canadian business associations, and specialized organizations such as the APFC.
3. Use the vibrant industry sector clusters in BC as leading players in the market thrust into SEA. They are well organized and ready to go; government financial and substantive support will be efficiently and effectively utilized, and will provide substantial and relatively quick returns. Start with New Media, Wireless, Resource Management Information Systems, Life Sciences/Biotech and Alternative Energy.
4. Establish a strong, well-organized, proactive and well-funded BC Government entity to promote and support personal relationships at senior levels and manage the trade promotion effort in SEA. This entity should have a long-term perspective and funding to match.

APPENDIX A - SECTOR NOTES

New Media

The “new media” sector has grown quickly in BC, as elsewhere, embodying the visual, content aspects of the Internet-driven ICT revolution. It involves a very broad range of activities: for example interactive products, E-learning, web development, electronic games, animation, visual effects, software and tools. New media is the use of new and emerging interactive digital media for the purposes of entertaining, educating and informing. New media bridges culture and technology.

BC's educational, business and physical environments create a climate for innovation in BC's fast-growing computer industries. The province's new media industry is prospering in a dynamic climate with annual revenues in excess of \$1.7 billion generated by more than 1050 digital media companies and 16,000+ employees. Accelerated growth of over 30% annually is expected in this industry. A solid infrastructure, a highly educated and qualified workforce, and an enviable lifestyle make up a creative climate, which gives rise to some unique working relationships in the delivery of leading edge solutions for customers around the world. New media in BC is a full service industry. From content development to marketing, it offers all the support needed to turn great ideas into digital reality.

“New Media BC” (NMBC) www.newmediabc.com was launched in June 1998 through combined funding from IRAP/NRC, the Telus New Media and Broadcast Fund, and BC Film. Its membership includes businesses, educational organizations, government agencies and individuals. The founding sponsors recognized the importance of a strong association to the development of the new media industry. Through networking events, advocacy work and marketing, NMBC is building the new media community locally and promoting it abroad.

Working closely with the Government of BC and the Premier's Technology Council, New Media BC has aggressive plans for the development of the industry in BC and its promotion internationally. NMBC has just finished an industry branding campaign to promote Vancouver, externally, as a leader in digital media. If funding can be found, they plan to launch the campaign in SEA.

Based on the success of its annual VIDFEST International Partnering Forum, the industry in BC is establishing business matchmaking software called *Opportunity Alert*. This system allows qualified industry members to do business with other members, sharing research, partnering on projects and deals, and carrying out joint marketing and promotion. It will be proactively managed by NMBC.

Opportunity Alert can become a formidable international marketing system by including industry members in target countries in the networks. NMBC would like to take this concept to Southeast Asia. The countries in the region are mad keen on ICT in all its aspects, so this idea is current and important. If developed successfully, the *Opportunity Alert* concept can in fact be further developed to form a useful building block for BC's marketing efforts in other sectors as well. It would be an ‘enabling technology’ for international marketing. This is why we give it the highest priority in BC's marketing efforts in SEA.

A significant portion of companies in this sector is already working internationally, and many more are planning to go international in the near future. NMBC is taking this international part of its mandate seriously. The Executive Director has already visited China and Singapore, and plans to follow up with a second mission to Singapore in June 2007, continuing on to their first foray into Korea. They will undertake a second mission to China in August.

New Media BC is clearly the leader in this sectoral international marketing effort, working with its members as needed. It would benefit greatly from some funding support to accelerate and strengthen its marketing efforts, which are already well underway. It could use the sustained support and participation of BC Government experts as participants in the marketing, providing the official presence needed to convince and establish government-based receptor sites in the SEA countries. It could also use supplemental funding to help adapt the *Opportunity Alert* system to other sectors.

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Wireless

This industry sector comprises companies and related research activities developing and deploying wireless technologies and services as a significant portion of their business. Over 250 companies in BC are involved in the industry, with over 6,000 employees and total sales estimated at over C\$1 billion. The companies saturate all areas of the wireless value chain from infrastructure and devices to enabling software, enterprise applications, games and peer-to-peer solutions. The companies are mainly young, although there is a strong core of veterans. Roughly 45% of industry revenues are derived from Canada, and already around 10% of sales are in Asia.

The cluster organized for the industry is “Wireless Innovation Network BC”, or WINBC www.winbc.org. WINBC is the focal point for wireless in BC, and viewed as a leading wireless association in North America. Its objectives are to accelerate the immediate commercialization capabilities of companies, as well as to build long-term capacity for growth and innovation. One of its key activities is to encourage its members to collaborate on technical and marketing projects to leverage their collective resources and strengths. WINBC enables its members to meet with potential customers, investors, analysts and wireless cluster organizations around the world with regular partnering and networking events that bring together the best minds in wireless technology.

Along with new media, the wireless sector is of major importance in SEA. Wireless technology is seen as a key building block for development, permitting communications capabilities to advance at rates undreamed of before. Singapore and Malaysia give it top priority, and are advancing rapidly in new technology development. The other countries are vitally interested as developers, and particularly as users to facilitate development and commerce amongst their large and scattered populations.

This is a sector wherein it is very timely to start a full marketing program in SEA. This will likely lead to a well balanced partnership situation, as the countries in the region are already very involved.

WINBC should be the driving force for this marketing program, and the initial market research should commence as soon as possible. Supportive funding from the government would be an important part of this activity.

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Resource Management Information Systems

Southeast Asia, like BC, has long shorelines and massive resource endowments that are vital elements in the sustainable development of the SEA countries. Managing this resource base is a challenge for all of the countries, and as a regional grouping tied together through their membership in one huge archipelago. In-land, on-shore and in the oceans, over-use of resources and environmental degradation have caused great harm, endangering the economic sustainability of the countries in the region. There are regional efforts to deal with these resource-based issues, and every country in the region has programs and projects to deal with environmental challenges, but much more needs to be done.

BC has put significant effort into managing and developing its natural resources in a sustainable and environmentally responsible fashion. Of key importance to this effort is the development of resource management information systems that provide the basic information needed to support environmentally responsible decision-making. The Government of BC now has an “Integrated Land Management Bureau”, linked with the Ministry of Agriculture and Lands, and headed by an Associate Deputy Minister. The Bureau has responsibility for the Natural Resource Information Centre, the Land and Resource Data Warehouse and the Integrated Land and Resource Registry, which are the central geographical information sources for BC.

This is the core of our system, at the heart of a number of specialized systems involving the government, academia, the private sector and the NGO community, and focusing on specific areas such as forests (e.g. Kootenay Spatial Data Partnership), oceans (e.g. COINPacific), agriculture (e.g. Agriculture Land Reserve), land allocation (e.g. Tantalus) and oil spill response (e.g. OSRIS). The unifying element includes a holistic approach delivering business applications over the Internet, and the total system involves new and salable science and technology services and products, much of them made in BC. BC companies and universities have had some success selling expertise and technologies in international markets in Asia and Europe. A unified marketing program in SEA could be very successful.

There is a substantial range of technologies involved, from satellite-based systems to sub-sea observatories, ecosystem modeling, advanced web mapping applications and even technological analysis of human and social factors. “Geomatics”, the application of ICT (Information and Communication Technology) to geographic study and management, is at the heart of this sector, which has its federal Canadian presence advanced through a number of different departments led by DFO and NRCan, and through the GeoConnections

program. The federal policy in this sector has been clarified in the recently published foreign policy paper, which calls for the following priorities under the heading "Pursue sustainable development through both domestic and international strategies":

- "Support implementation of the 2002 Cartagena Agreement on improvements in international environmental governance; and
- Build on Canada's Oceans Action Plan and work internationally to close gaps in the management of ocean resources."

This is called "getting the act together" in a hugely complex area of human endeavor. The SEA region as a whole, and its component countries individually, need to get their acts together quickly and effectively. They are certainly working on it. Thailand, for example, is developing its plans for a National Geographic Information System, which would be an ideal partner for BC's Integrated Land Management Bureau. There are lots of salespeople trying to sell them individual systems to deal with individual problems; BC can work with them to gain the full perspective on what they need to do the job. This work can involve a large number of BC companies, as well as government players and universities and colleges, providing services and technology products for data gathering and processing, storage, and dissemination as information and management input. This will in turn have a secondary marketing impact in that the door will be opened for BC suppliers of services, technologies and products to carry out the development projects and programs identified through the management process.

This is a sector that calls for careful definition and analysis to ensure that our concepts meet the specific needs in the SEA region. They will, but will probably require adaptation to tropical and local cultural conditions, calling for a marketing mix of joint science programming, technology transfer projects, service and technology sales, and training and people exchanges. There is well-identified leadership in the sector shared amongst the Integrated Land Management Bureau, private sector companies and consultants, academics, federal departments and NGOs, which can be called upon to lead the marketing effort.

Funding will certainly be required to assist the marketing activities in this sector, some of which have been initiated in the oceans sub-sector. It will be important to have the full participation of BC officials, some academics and expert consultants in order to maintain and present a full perspective on what we have to offer, and what they need in SEA.

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Life Sciences/Biotechnology

Singapore is the leader in this high priority sector in SEA. It has established a "Biomedical Sciences" cluster, taking a unified and well-funded approach to the development of all aspects of the biomedical field. The goal is to develop the BMS cluster - comprising pharmaceuticals, medical technology, biotechnology and healthcare services - into a key pillar of the Singapore economy. The Singapore Economic Development Board is the lead agency that plans and executes strategies to sustain Singapore as a compelling global hub for business and investment. Within EDB, the BMS group provides support to BMS

companies setting up manufacturing, R&D, headquarters, and other high-value operations there.

The Singapore Institute of Molecular and Cell Biology is a case in point. Established in 1987, it has been actively engaged in cutting-edge basic biomedical research and the generation of high quality Ph.D. students. IMCB now houses about 35 core research labs and 8 core facility units consisting of close to 400 research scientists in total. IMCB's research areas focus on Apoptosis, Infectious Diseases, Signal Transduction, Cell Cycle Control, Cell Structure and Function, Developmental Biology and Genomics. Rapid development in Singapore's biomedical sciences industry has propelled its manufacturing output at a rapid rate. We know that in the late 1990s IMCB was looking actively at the prospect of investing in BC. This should be pursued.

Thailand has its National Centre for Genetic Engineering and Biotechnology (BIOTEC). BIOTEC has its main objective to induce dynamism in research, development and application of biotechnology in order to support technology development, transfer, and adoption in both public and private sector institutions. Malaysia has its Institute of Medical Research, which has already had some Canadian involvement.

This is a sector in SEA that is wide open for business and looking for international partners.

British Columbia has approximately 90 biotech companies, making it the 7th largest cluster in North America (ahead of New York, Pennsylvania, Seattle, Florida) and the fastest growing biotechnology centre in Canada. It is home to three of Canada's largest and most successful biotechnology companies QLT, Angiotech and Aspreva Pharmaceuticals. The industry is growing rapidly, with a very large core of research funding and institutions including UBC's Life Sciences Centre and Michael Smith Biotechnology Laboratories, VGH's ICORD spinal cord research center, Genome BC and the Cancer Research Centre.

This industry cluster is represented by Life Sciences British Columbia (LSBC) www.lifesciencesbc.ca.

Founded in 1991 and formerly known as BC Biotech, LSBC supports and represents the biotechnology and greater life sciences community of British Columbia through leadership, advocacy and promotion of our world-class science and industry. Via active facilitation of partnering and investment into the life sciences sector, British Columbia is fast becoming a global life sciences leader. LSBC members include: academic and research institutions; associations; government; and companies from the biopharmaceutical industry, agricultural biotechnology sector, bioinformatics, bioproducts, medical devices, international pharmaceutical multinationals, contract research and scientific services, communications, professional and legal services, human resources, systems and software; and consultants.

LSBC is well established, and eager to increase marketing activities in SEA.

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Alternative Energy

With its large populations and rapidly growing transportation requirements, SEA has a strong need for new development in the energy sector. Environmental problems in its cities highlight, in particular, the need for better solutions to transportation than the traditional fossil fuel based systems. BC has much to offer.

Building on BC's leading global competence in fuel cells, hydrogen and natural gas vehicle technologies, BC offers exciting opportunities for a range of new technologies in biofuels and biodiesel, biomass, waste-to-energy, solar, wind, geothermal, wave, tidal, smart energy and energy management systems. These will all find their place in SEA over time.

This is, however, a very broad and varied sector. For its initial marketing thrust, we recommend that the government focus on the hydrogen and fuel cell sub-sector. BC is home to a distinct concentration of fuel cell companies that form the largest fuel cell cluster in Canada. British Columbia's fuel cell cluster spans most elements of the value chain, creating an "entire ecosystem" of related suppliers, service providers and research institutions: fuel cell producers, system suppliers/integrators, hydrogen production, storage and fueling infrastructure and testing. Fuel cell production is supported by power management technology, financial, consulting and engineering services, fuel cell education and research. BC Hydro and Translink support government priorities by facilitating and hosting fuel cell and related hydrogen demonstration projects. BC Transit has been authorized and funded to purchase and operate 20 hydrogen-powered fuel cell buses in regular, local transit in Whistler before, during and after the 2010 Winter Olympic and Paralympic Games. This will be the largest fleet of this type of bus in the world.

Most companies develop Proton Exchange Membrane fuel cells, but others produce metal-air fuel cells. BC companies are developing fuel cells for a broad range of markets spanning low and high power applications: portable power, transportation, stationary and emergency power generation. Transportation markets include light/personal mobility vehicles, passenger vehicles and buses. Industrial vehicles such as airport ground support vehicles, auxiliary power for trucking and lift trucks constitute an important niche market.

Vancouver is home to the headquarters of Hydrogen & Fuel Cells Canada (H2FCC), and BC industry is by far the largest cluster within that group. Members from other provinces fill in key gaps in the capability spectrum, so in this case the approach through a national cluster is appropriate. We also house the National Research Council's Institute for Fuel Cell Innovation, as well as Centres of Excellence at post-secondary institutions. H2FCC www.h2fcc.ca management is knowledgeable concerning international marketing and SEA, and BC industry members are already making inroads in that market.

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BC – ASEAN STATISTICS

- 1. BC Export Destinations (\$ millions)**
- 2. Imports Cleared Through BC Customs Ports (\$ millions)**
- 3. Exports to ASEAN - Top 20 Commodities (by HS 2 digit codes) - 2006 (\$ millions)**
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- 5. Canadian Trade in Services with ASEAN (\$ millions)**
- 6. Canada- ASEAN Foreign Direct Investment Stock (\$ millions)**
- 7. Immigration from ASEAN to BC (by Class)**

1. BC Export Destinations – Top 20 (\$ millions)

Destination Country	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
United States	14,858	16,375	19,371	22,196	22,104	19,666	18,792	20,121	22,880	20,463
Japan	6,002	4,540	4,467	4,891	4,066	3,859	3,660	3,805	4,208	4,706
China	449	458	582	706	727	756	920	1,225	1,361	1,486
South Korea	939	654	737	895	712	725	777	910	1,180	1,365
Taiwan	431	349	352	402	315	339	433	487	513	521
Germany	476	396	300	535	382	321	381	428	500	471
Italy	474	439	446	617	533	429	467	463	569	447
United Kingdom	289	302	319	381	355	337	306	341	458	386
Netherlands	204	251	235	175	212	223	228	325	318	375
India	64	85	84	99	118	120	109	133	206	346
Hong Kong	345	262	265	278	218	208	180	252	321	252
Brazil	103	78	84	121	168	94	147	155	226	199
Philippines	118	70	64	106	56	84	112	120	162	185
Mexico	62	61	42	58	83	79	109	198	243	179
Australia	236	226	244	251	173	187	202	224	204	175
Belgium	292	305	305	488	312	207	161	201	227	171
France	183	176	167	217	168	150	165	181	195	152
Turkey	58	46	51	61	55	90	61	104	152	148
Indonesia	144	125	159	285	110	132	121	171	135	126
Thailand	95	60	84	123	94	101	93	104	102	102
TOTAL (ALL COUNTRIES)	26,699	25,942	29,044	33,639	31,680	28,828	28,264	30,992	35,510	33,415

Source: Statistics Canada

2. Imports Cleared Through BC Customs Ports – Top 20 (\$ millions)

Country of Origin	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
United States	11,623	12,526	12,492	13,350	14,075	11,826	11,572	12,698	14,164	15,497
China	1,520	1,886	2,321	2,961	3,351	4,188	4,610	6,105	7,509	8,540
Japan	4,463	5,004	5,745	6,443	6,100	7,181	6,472	4,592	4,608	5,120
Korea, South	617	819	1,084	1,480	1,770	1,970	2,135	2,503	2,307	1,658
Mexico	359	351	362	419	527	618	627	663	730	994
Taiwan	616	665	740	993	981	987	872	870	841	863
Germany	299	310	283	343	323	316	329	386	409	508
Thailand	286	319	339	441	514	472	432	457	411	442
Malaysia	381	352	363	425	384	371	417	421	338	437
Australia	231	331	308	368	366	379	383	374	372	388
United Kingdom	242	235	304	327	247	234	227	328	314	378
Italy	218	218	213	240	243	240	274	280	295	356
Peru	31	44	38	66	72	79	99	113	51	327
Re-Imports (Canada)	337	377	371	355	375	368	346	295	211	250
India	74	95	103	122	134	166	164	177	181	234
France	212	239	178	151	165	158	182	238	221	233
Vietnam	43	60	68	68	75	90	103	146	140	183
Chile	61	61	59	55	65	87	99	103	112	176
Indonesia	165	202	193	173	187	193	167	166	149	173
Sweden	61	57	60	88	74	74	94	94	126	172
TOTAL (ALL COUNTRIES)	23,347	25,732	27,170	30,804	31,641	31,534	31,270	32,879	35,296	38,887

Source: Statistics Canada

3. Exports to ASEAN - Top 20 Commodities (by HS 2 digit codes) - 2006 (\$ millions)

Commodity	BC to ASEAN	Total BC Exports	ASEAN % of BC Total
47-Pulp of wood/of other fibrous cellulosic mat; recovered waste etc	156	2,919	5%
26-Ores, slag and ash.	110	2,152	5%
79-Zinc and articles thereof	73	546	13%
44-Wood and articles of wood; wood charcoal.	44	8,521	1%
84-Machinery, boilers, mechanical appliances, engines, pts	24	1,559	2%
48-Paper & paperboard; art of paper pulp, paper/paperboard	16	1,865	1%
85-Electrical mchy equip parts thereof; sound recorder etc	13	671	2%
28-Inorgn chem; compds of prec met, radioact elements etc	12	266	4%
72-Iron and steel	11	260	4%
98-Special Classification Provisions	7	156	5%
02-Meat and edible meat offal.	6	73	9%
90-Optical, photo, cine, meas, checking, precision, etc	6	440	1%
87-Vehicles o/t railw/tramw roll-stock, pts & accessories	5	361	1%
76-Aluminium and articles thereof.	5	946	1%
03-Fish & crustacean, mollusc & other aquatic invertebrate	4	933	0%
23-Residues & waste from the food indust; prepr ani fodder	4	75	5%
21-Miscellaneous edible preparations.	2	108	2%
39-Plastics and articles thereof	2	587	0%
94-Furniture; bedding, mattress, matt support, cushion etc	2	389	0%
81-Other base metals; cermets; articles thereof	2	68	3%
OVERALL TOTAL	523	33,415	2%

Source: Statistics Canada

4. Imports from ASEAN - Top 20 Commodities (by HS 2 digit codes) - 2006 (\$ millions)			
Commodity	ASEAN	Total BC Cleared Imports	ASEAN % of BC Total
85-Electrical mchy equip parts thereof; sound recorder etc	435	4,027	11%
84-Machinery, boilers, mechanical appliances, engines, pts	150	5,507	3%
94-Furniture; bedding, mattress, matt support, cushion etc	96	1,225	8%
16-Prep of meat, fish or crustaceans, molluscs etc	73	227	32%
72-Iron and steel	71	1,194	6%
03-Fish & crustacean, mollusc & other aquatic invertebrate	61	381	16%
61-Art of apparel & clothing access, knitted or crocheted.	54	718	8%
64-Footwear, gaiters and the like; parts of such articles.	49	402	12%
62-Art of apparel & clothing access, not knitted/crocheted	38	682	6%
73-Articles of iron or steel	37	1,523	2%
44-Wood and articles of wood; wood charcoal.	36	756	5%
87-Vehicles o/t railw/tramw roll-stock, pts & accessories	31	6,520	0%
20-Prep of vegetable, fruit, nuts or other parts of plants	28	301	9%
40-Rubber and articles thereof.	24	427	6%
42-Articles of leather; saddlery/harness; travel goods etc	20	176	11%
39-Plastics and articles thereof	17	1,134	2%
08-Edible fruit and nuts; peel of citrus fruit or melons.	16	583	3%
27-Mineral fuels, oils & product of their distillation;etc	15	2,370	1%
90-Optical, photo, cine, meas, checking, precision, etc	14	749	2%
92-Musical instruments; parts and access of such articles	14	83	17%
OVERALL TOTALS	1,449	38,887	4%

Source: Statistics Canada

5. Canadian Trade in Services with ASEAN (\$ millions)										
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Exports	762	888	937	885	851	928	961	863	780	951
Imports	756	862	908	972	993	1060	1311	1192	1544	1778
Balance	6	26	29	-87	-142	-132	-350	-329	-764	-827

Source: Statistics Canada

6. Canada-ASEAN Foreign Direct Investment Stock (\$ millions)										
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Canada to ASEAN	4893	5494	6256	6199	7469	9171	10215	8198	8251	8392
ASEAN to Canada	402	439	328	249	267	253	200	167	159	167

Source: Statistics Canada

7. Immigration from ASEAN to BC (by Class)

	Total	Family	Refugees	Assisted Relatives	Entrepreneur	Self Employed	Investor	Retired	Other Independents
1987	2693	949	721	234	281	5	6	48	449
1988	3972	824	826	234	495	20	27	50	1496
1989	4881	1035	978	320	442	15	66	95	1930
1990	4419	1547	753	367	424	30	139	104	1055
1991	4178	1745	594	368	225	26	94	104	1022
1992	4305	1891	427	330	146	21	160	94	1236
1993	5635	2216	334	714	154	69	397	121	1630
1994	5469	2731	248	733	146	32	262	22	1295
1995	4574	1858	102	745	92	32	36	6	1703
1996	4215	1506	83	716	143	14	23	-	1730
1997	3916	1248	80	707	105	4	10	-	1762
1998	3374	1209	33	376	80	6	52	-	1618
1999	3787	1396	28	359	87	15	27	-	1875
2000	4172	1194	46	601	77	15	72	-	2167
2001	4573	1286	38	790	59	7	55	-	2338
2002	3916	1058	31	714	54	9	30	-	2020
2003	3751	1388	56	497	11	2	17	-	1780
2004	4074	2066	210	217	12	3	68	-	1498
2005	5551	3294	199	244	19	5	167	-	1623
2006	5397	2896	309	152	31	9	131	-	1869

Source: Citizenship and Immigration Canada