

Canada's Strategic Imperatives vis-à-vis Asia

**Comments before the
Senate Standing Committee on
Foreign Affairs and International Trade**

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The rapid economic growth of major Asian countries, the rebalancing of economic weight in the world economy it entails and the assertion of global influence and power that accompanies and sustains it, raise profound questions about the response of Canadians to the emergence of a multi-polar world at the individual, societal and governmental levels (Table 1).

TABLE 1
CONTRIBUTION TO WORLD OUTPUT

	1980	2010
	(%)	(%)
North America	27	22
European Union	31	21
Asia	20	35
Rest of the World	22	22

Source: Asia Pacific Foundation of Canada, *Securing Canada's Place in Asia*, Table 1, p. 18

The rise of Asia must be seen for what it is: the addition of new economic powers offering large markets that carries major geopolitical and geo-economic implications for Canada. Collectively, the Asian countries account for a majority of the world's population. Amongst the ten largest national economies, three are Asian countries; five are G20 members (Appendix A). The presence of three major Asian powers which actively compete with each other for influence and leadership in the region, increasing military expenditures, conflicting territorial, water and maritime disputes, coupled to the fact that five of the eight declared nuclear states are in or border Asia, are affecting regional security dynamics with global implications. Although tempting, the suggestion that Canada must redirect its foreign and international trade policies towards the region and do so through a reallocation of the resources committed to other areas would be a blunder of historical proportions since it could only lead to an erosion of Canada's stature and influence in the world and undermine our economic future.

The inescapable reality is that the challenges that will inevitably confront Canada in the emerging multipolar world command that the Canadian government pursue a balanced policy that reflects our key political and economic interests in three major theatres (North America, Europe and Asia) and commit the human and financial resources necessary to carry-out the efforts in a sustained manner over the long-term in all three theatres at the same time. Although Canada has generally maintained a good record in the first two regions, its approach towards Asia has been haphazard, with prolonged periods where our policies towards the region are best characterized as periods of benign neglect. In many ways, we are paying the price today.

A WINNING TRADE EXPANSION AGENDA

Canada's trade strategy has been seriously lacking in the last decades, the conclusion of NAFTA being our last consequential success. Except for the trade agreement with EFTA in 2008, we have spent much of our time and limited experienced resources during that period in the pursuit of trade agreements that have little or no economic relevance for the Canadian economy. (Admittedly, the negotiation of the Comprehensive Economic and Trade Agreement (CETA) with the European Union was a massive undertaking. However, the decision to perform the Joint Study was taken only in June 2007 and negotiations began in October 2009). Some may brag that we concluded and brought into force six FTAs since 2000. In 2013, the total value of our exports to these countries represented a paltry 1.16 percent of our total merchandise exports (0.34 percent if we exclude EFTA) (Table 2). Other major economies were more strategic in their selection of bilateral partners. The result is that our share of world exports erodes year after year, going from 4.5 percent in 2000 to 2.7 percent in 2010. We can do better.

TABLE 2
CANADA'S BILATERAL AND REGIONAL FREE TRADE AGREEMENTS
(C\$ thousands)

	Date signed	Brought into force	Value of Canadian merchandise exports, 2013	Percentage of Total Canadian merchandise exports, 2013	FTA with USA?
NAFTA	Dec. 17, 1992	Jan. 1, 1994	362 902	76.98	Yes
EFTA *	Jan. 26, 2008	July 9, 2009	3 868.6	0.820	No
Chile	July 5, 1997	July 5, 1997	808.2	0.171	Yes
Colombia	Nov. 21, 2008	August 15, 2011	721.7	0.153	Yes
Costa Rica	April 23, 2001	Nov. 1, 2002	114.9	0.024	Yes
Israel	July 31, 1996	Jan. 1, 1997	328.1	0.080	Yes
Jordan	June 28, 2009	Oct. 1, 2009	67.5	0.014	Yes
Panama	August 11, 2009	April 1, 2013	96.1	0.020	Yes
Peru	August 1, 2009	August 1, 2009	608.3	0.129	Yes

* EFTA includes Switzerland, Norway, Iceland, Liechtenstein

Sources: Trade Data Online, Industry Canada, March 2014, Statistics Canada

There is little doubt that a multilateral trade liberalisation agreement encompassing a significant reduction of tariffs and non-tariff barriers, as was expected from a successful conclusion of the Doha Round, would have been a first-best solution for Canada. But this is not the way the world is unfolding. Therefore, we must come to term with the fact that we do not possess the wherewithal to fix the rules of the game and act accordingly. The fact of the matter is that Canada's top ten markets are the destination for 95.8 percent of our merchandise exports and about 85.2 percent of our services exports. This is where our priorities must lie.

**TABLE 3
TOP TEN CANADIAN EXPORT MARKETS**

	Merchandise		Services	
	2013 (C\$)	2013 Share of exports (%)	2011 (C\$)	2011 Share of exports (%)
NAFTA *	362 902.0	76.98	46 667	55.66
European Union **	33 024.8	7.01	14 695	17.85
China	20 517.3	4.35	1 670	1.99
Japan	10 690.2	2.27	1 275	1.52
ASEAN	5 502.1	1.17	1 624	1.94
Hong Kong	4 919.0	1.04	1 311	1.56
EFTA *	3 868.6	0.82	2 126	2.54
South Korea	3 437.6	0.73	764	0.91
India	2 842.5	0.60	546	0.65
Brazil	2 472.5	0.52	457	0.55
Total Canadian exports (all countries)	471 428.0	100.0	83 850	100.0

* Canada has a bilateral FTA in force

** Bilateral FTA in process of ratification

Sources: Statistic Canada, *Canada's Merchandise Exports*, February 2014 and *Canada's International Trade in Services*, August 2013

Canada's response to the economic gravity shift at the global level must be grounded into our own circumstances, including our geographical situation and the web of relationships, ties and alliances we have knitted over decades of history. Europe and North America are the locus for more than 85 percent of our exports and of our outward direct investments. They warrant continued attention commensurate with their social and economic importance for the well-being of Canadians.

The European Union is our second largest market. In 2013, Canada's exports to the European Union, which are dominated by high valued goods and services, amounted to about \$48.0 billion, accounting for 10.4 percent of the total value of our exports. Moreover, it is a common market with a single tariff and set of rules pertaining to trade and investments whereas, in Asia, our major trading partners pursue independent trade policies.

The bottom line is that the successful conclusion of a comprehensive trade agreement with the European Union is an absolute priority. This is why we must commend the present government for having relentlessly pursued the Comprehensive Economic and Trade Agreement (CETA) with the European Union and actively support its efforts to ensure the rapid ratification of CETA by all parties. A strong majority of Canadians support such an agreement (Appendix B).

Yet, we cannot forsake winning our share of the large and fast growing Asian markets. Six of the ten largest export markets for Canadian goods and services are located in Asia.

Criteria for a meaningful trade expansion strategy

Canada's trade strategy must first and foremost aim at maximizing the benefits accruing from a trade agreement and minimizing the harm that can be inflicted on Canadian economic interests from the trade diversion stemming from the preferential trade treatment enjoyed by competing economies. This means that our trade negotiation agenda must be established in accordance with our volume of exports to different markets. Three major reasons justify this approach. First, it is always easier to expand in a market one knows than to penetrate a new one. Second, the reduction in tariff and non-tariff barriers resulting from the FTA yields greater immediate benefits since the volume of actual trade is already substantial. Third, it reduces the vulnerability and economic cost to the Canadian economy stemming from the preferential access obtained by a competing economy; the larger our exports, the greater the potential negative cost. Canada's failure to conclude an FTA with Korea in a timely manner illustrates my point.

- | Korea is "open for business". It has FTAs in effect with Chile (KEFTA, April 2004), Singapore (KSFAT, March 2006), EFTA (KEFTA, Sept. 2006), ASEAN (AKFTA, Jan. 2007), India (KIFTA, Jan. 2010), European Union (KOR-EU, July 2011), Peru (KPFTA, August 2011) and the United States (KOR-US, March 2012). It has recently concluded negotiations with Columbia and Turkey, it is now far along with New Zealand and is negotiating with China, Japan, Australia, Mexico, Vietnam, Indonesia and the Regional Comprehensive Economic Partnership (RCEP).
- | Korean tariffs are on average three times higher than Canada's (13.3 percent versus 4.3 percent), making the prospect of an FTA very much in Canada's favour.
- | The failure to conclude an FTA in a timely manner has jeopardized Canadian exports competitiveness and caused the eviction of Canadian exporters in this strategically important market. For instance, Chile saw a 22 percent increase in porc exports to South Korea in the year following the conclusion of their FTA. Handicapped vis-à-vis American and EU exporters, Canadian merchandise exports to Korea in 2013 were 32.5 percent lower than in 2011 (a decline of \$1 655 billion, about the total value of our trade with Australia). This is a punishment of our own making.

Peculiarities of the Asian markets

The Canadian government drive to increase Canada's penetration of the Asian markets must take full account of five dimensions of the political and economic environment that prevails in the region and the dynamics they unleash. The first dimension is the role and importance

of vertical trade within manufacturing, a consequence of the fragmentation of production between several countries and the success of East Asian countries to deeply integrate into the global production networks that structure a large part of international trade in manufactured goods. There exists a tight complementary relationship between vertical trade and foreign direct investments (FDI). Consequently, barriers to FDI between countries become as important as bilateral trade restrictions and, therefore, liberalization of both activities is needed to partake into vertical trade networks. As shown in Appendix B, the number of bilateral Foreign Investment Protection Agreements (FIPA) that protect and promote Canadian foreign investments through legally-binding rights and obligations leaves gaping holes in the coverage of key Asian countries; the situation is somewhat more inclusive for Canada's tax treaties which protect against double taxation for FDIs.

The second dimension pertains to the extensive web of trade agreements that criss-cross Asia. According to the Asian Development Bank, there are 257 free trade agreements involving Asian countries which are either in effect (109), concluded but not in effect (23) or in discussion (125). The picture from a *de jure* viewpoint is perplexing; nevertheless, the complex trade facilitation architecture – the "noodle bowl" – has yielded significant results. Discarding the powerful economic and political drivers that shape the trade facilitation architecture in Asia is more likely to raise the level of frustration than that of trade. Although economic considerations prompted the development of the network of FTAs, these trade initiatives were also regarded as a way to reduce tensions and avoid conflicts within the region. The following example has resonance today in view of the tensions in the East China Sea.

In 1992, China adopted the Law on Territorial Sea and Continuous Zone that claimed the entire South China Sea as its territory. Not surprisingly, the southeast countries on its littoral viewed that unilateral action as a security threat. In a deliberate effort to ease the situation, China Premier Zhu Rongji proposed, in November 2001, the conclusion of a China-Asean FTA. This was followed in 2002 by the agreement to a Declaration on Conduct of Parties in the South China Sea and, the following year, by China becoming the first external power to accede to the protocol endorsing the Treaty of Amity and Cooperation (Canada signed the Treaty in 2010). In 2005, an agreement on trade in goods was reached, followed in 2007 by an agreement on trade in services and in 2009 by an investment agreement. CAFTA entered into force in January 2010 for the six ASEAN developed economies and will take effect for the four least-developed members in 2015. There are no guarantees that tensions in the South China Sea will not rise again to the boiling point over the next few years. However, it cannot be denied that the "trade strategy" has, thus far, yielded results.

The management of China-India relations provides another example. They have engaged into a deliberate attempt to diffuse the tension inherent in their growing power through enhancements to their FTA, the promotion of economic intercourse and regular dialogue

between the country leaders. Since 2000, the volume of trade between the two countries has increased from a mere \$2.9 billion to \$61.7 billion in 2010. Despite the still unresolved border disputes and the complex rivalry between them, China is now India's most important trade partner and India is one of China's top ten trading partners.

In determining Canada's international trade and investment strategies vis-à-vis Asia, it would be prudent to draw on the main lessons that stem from the diverse approaches adopted by Asian countries, in what circumstances and with whom. China has understood early the centrality of ASEAN and engaged constructively with them. Canada failed to understand the geopolitical calculus of the founding members and to grasp the importance of the organization. The outcome is that we are now forced to play catch-up with no economically meaningful result to show yet.

The third dimension concerns the composition and pattern of our exports to Asia (Table 4). First, the share of manufacturing exports to our major Asian market is well in excess of half of our exports. Second, combined, the five large Asian markets are the second largest export markets for agricultural, mining and forestry products, accounting for close to a quarter of total Canadian exports in each category. The third observation is that Canada does not export oil and gas to Asia despite their huge international demand for these sources of energy. Contrary to Australia, Canada has not made the necessary public and private investments to ensure that our main infrastructures are oriented and have the capacity to serve the rapidly growing Asian markets. A strong case exists for arresting this "forced abstinence" in order to capture a much larger share of the Asian markets for our natural resources – including agriculture – commensurate with our significant competitive advantages. We must never lose sight of the fact that from a North-East Asia perspective, Canada is a much more secure source of supply, in part because Canada's maritime shipments from the West coast do not need to travel through the Straits of Hormuz and Malacca, two of the world's most strategic choke points.

TABLE 4
COMPOSITION OF CANADIAN EXPORTS TO MAJOR MARKETS
(value of 2010 exports, C\$ billion)

	Total Exports	Manufacturing	Mining	Oil & Gas	Agricultural & Agri Food	Forestry
United States	299.1	200.7	9.0	65.7	20.1	17.8
European Union	34.5	18.5	13.6	-	2.6	1.4
China	12.9	8.0	2.7	0.3	2.8	3.0
Japan	9.1	4.5	2.8	-	3.2	1.4
ASEAN	4.3	2.7	1.0	0	0.8	0.5
South Korea	3.6	1.9	1.4	0	0.5	0.5
India	2.0	1.0	0.5	0	0.4	0.4
Asia sub-total	31.9	18.1	8.4	0.3	7.7	5.8
Total All Countries	399.3	260	34	68	39.2	27

Source: Trade Data Online, Industry Canada, July 2012.

The fourth dimension is our competitive position vis-à-vis other non-Asian economies, in particular the extent to which the ability of Canadian interests to continue exporting certain goods to our major Asian markets is jeopardized because of the stiff tariffs they face compared to rapidly declining tariffs that apply to their competitors.

The fifth dimension pertains to the need to respect and be sensitive to the social norms and cultural values that permeate Asian societies. Canadian businesses that have established a meaningful presence in Asian markets have invested the time and resources to build the personal relationships and partnerships with local entrepreneurs, families and business and government leaders that are key to success in Asia and continue to do so on a sustained basis. There is no substitute for gaining a reasonable understanding of Asian norms and conventions. The same exigencies apply to Canadian government authorities. It is worthy of note that Japanese Prime Minister Abe Shinzo visited all ten Asean capitals in 2013. Moreover, whatever the contours of the role and influence Canadians ascribe to the public sector within our economy and society, the plain fact is that in Asia (save Japan), governments play a central role in their industrial, financial and commercial sectors. Foreign businesses and governments are expected to abide by their rules. State-to-state relationships are key to establishing the bilateral and regional frameworks in which Canadian business can pursue opportunities. Our relative neglect of bilateral and regional relationships with Asia in recent years has created a large trust deficit that will require from the Canadian government concrete and tangible actions, continued visible presence in all major fora and initiatives of symbolic import to erase.

Canada's trade priorities for Asia

Applying the above criteria for determining our Asian trade agenda leads to the following order of priority:

1. **South Korea:** Although South Korea is not Canada's major Asian export market, it is the country with which the negotiations of a bilateral FTA are the most advanced and the one where the costs of trade diversion to the Canadian economy are seriously beginning to bite.
2. **Japan:** Japan is our second largest export market in Asia and the fourth overall. The Abe Shinzo government is determined to reinvigorate the Japanese economy. This can only be achieved through the pursuit of a vigorous trade agenda. To this effect, he has signaled Japan's interest in concluding trade agreements with advanced economies outside Asia. Canada's forceful and public efforts to join the Trans-Pacific Partnership (TPP) negotiations has led Japanese leaders to question our determination to pursue a trade agreement with them, with its concomitant effect on their willingness to commit the necessary time and resources. This perplexity with regard to Canada's true intentions still lingers: is it TPP or a bilateral FTA with them? Canada needs to convey from the highest authorities, in a clear and explicit manner, that concluding an FTA with Japan has high priority, commit topnotch

resources to the negotiations in order to demonstrate our seriousness and accelerate the process and aim for an agreement as soon as possible. It is worthy of note that the last annual survey of Asia Pacific Foundation revealed that 60 percent of Canadians support the conclusion of an FTA with Japan.

3. **ASEAN:** ASEAN is Canada's third largest export market in Asia. The centrality of ASEAN in the Asian political and security architecture and the Asian trade facilitation edifice makes it of paramount importance for Canada to establish a meaningful trade agreement with this regional organization. ASEAN has led the march towards Asian economic integration. Their dictum has been to avoid isolating an Asian power from the fold and, on the contrary, gradually weave all of them into a network of common interests (Table 5).

TABLE 5
ASEAN FREE TRADE AGREEMENTS

Partners	ASEAN	China	South Korea	Japan	India	Australia & New Zealand
Entry into force	1993	2005	2007	2008	2010	2010
FTA Population (million)	599	1,939	647	726	1,814	625
GDP (US\$, trillion)	1.9	7.7	2.9	7.3	3.4	3.2
Coverage	Goods Services Investment	Goods Services Investment	Goods Services Investment	Goods (services & investment in bilateral EPAs)	Goods	Goods Services Investment Others
Duty phase out date (A6+DP)	2010	2012	2012	2026	2019	2020
Total trade (US\$, billion)	519.8	751.8	618.4	726.4	575.2	582.6

Source: *Securing Canada's Place in Asia*, Asia Pacific Foundation, 2012

Assigning priority to a trade agreement with ASEAN begs the question as to what to do about the TPP initiative. Although I concur with some of the arguments of tactical import that militate in favor of Canada's involvement, I remain convinced that it is a diversion of scarce resources in the pursuit of an elusive goal.

- | The main attraction of TPP for an Asian country is the lure of unimpeded access to the U.S. market. This is not the case for Canada since we already have NAFTA and an FTA with Chile and with Peru. For Canada, the only market of significance we would open to our exports is Australia (\$1 668 billion in 2013 or 0.354 percent of total merchandise exports).
- | The U.S. approach to the negotiations and the concessions it is attempting to extract while refusing to open the U.S. market to products and commodities critical to the Asian

participants are giving rise to serious criticism of the TPP process in Asia to which we should not be blind (or deaf). This is compounded by the fact that the TPP negotiations are occurring without the “fast track” guarantee.

ASEAN has assiduously pursued a strategy of neutrality between the major powers in the region which allowed it to emerge as the nexus of the network of FTAs that link Asia. It is the accepted hub and convener because of its openness to different partners and because it is neither a threat nor a competitor to the rising Asian powers. Notwithstanding the virtues ascribed to the TPP initiative, it is not hard to see that the scheme championed by the United States transgresses the criteria that have governed thus far in Southeast Asia. Despite the attraction of the United States as an economic partner for most Asian countries, it is not mere distraction and absent mindedness that explains why only 4 of the 10 ASEAN members have joined the TPP process.¹

The interest expressed by several countries, notably Japan, to join the TPP negotiations is seen by many as a vindication of their entreaty for Canadian participation. That may be. However, it is far from evident that an increase in the heterogeneity of the economies joining the talks and the complexity it adds to the negotiations is a recipe for success. For Canada, a bilateral FTA with Japan is, by far, a superior outcome than protracted negotiations within the confines of the TPP. Given our dismal record at reaching trade agreements in Asia, ambiguity and ambivalence are no virtues.

4. China (and Taiwan): China is our largest trading partners in Asia. The trade data is unequivocal: the Canadian and Chinese economies are highly complementary, and perhaps surprisingly, Canadian leading industries enjoy competitive superiority over Chinese industry in those sectors². A thorough assessment of the risks and opportunities for Canadian manufacturers stemming from a FTA with China needs to be clear-eyed about the huge distinctions between “made-in-China” and “made-by-China”. The first category is an output of the global supply chains, a phenomenon that is already pervasive in many sectors where Chinese companies are content to supply or assemble products for the world’s largest and established brands and retailer’s private labels. China’s manufacturing exports from foreign multinationals established in China accounts for about half of these exports.

Chinese brands – “made-by-China” products – are absent from advanced economies’ industrial and consumers markets. The very few exceptions, Lenovo in personal computers, Haier in appliances and Huawei in information and communications technology provide useful insights as to why it will not be easy for Chinese companies to replicate Japanese and South Korean successes in establishing world brands. In contrast, in China, businesses and

¹ ASEAN is composed of Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam. Only Brunei, Malaysia, Singapore and Vietnam participated in the TPP initiative.

² See Dobson, Wendy, “Canada, China, and Rising Asia : A Strategic Proposal”, Rotman School of Management – University of Toronto. - ap.cit, p.15.

consumers are claiming for established foreign brand products. In such a competitive environment, first mover advantages are significant. Clearly, this process has been unfolding for some time in China. A Canada-China FTA would not only enhance Canadian manufacturers' competitiveness in China but would significantly improve their ability to integrate the Canadian component of their supply chains into their offerings in this huge market.

Undertaking negotiations to formalize a Canada-China Free Trade Agreement (CPRC FTA) will no doubt run not only against serious trade and investment issues but also vocal opposition in many Canadian quarters, reminiscent in several aspects of the Canada-US free trade debate. Such a debate is likely to pitch concerns about human rights and democracy and self-conceptions about the norms that should prevail in China against an appreciation of the limits of Canada's influence in re-ordering a millennium civilization with a population exceeding 1.2 billion people; a debate between the realizable and the absolute. One should not fancy that Ottawa alone can win such a debate; debates of society on fundamental matters require the full engagement of citizens. This does not make the conclusion of a CPRC FTA less important for the future prosperity of Canada nor an abdication of the socio-political values that define the Canadian polity. On the contrary.

Canada should engage concurrently in bilateral trade negotiations with Taiwan, our seventh largest market in Asia (\$1506 billion in merchandise exports in 2013, representing 0.32 percent of the total value of Canadian merchandise exports). Several of our competitors are engaged in discussions with Taiwan, its economy is deeply intertwined into the region, especially with China, and it is presently excluded from participation in the major regional agreements shaping-up in the region (i.e. North-East Asia, TPP and RCEP). Such a trade initiative may also have some importance in the political debate that is sure to be ignited by the pursuit of a FTA with China.

5. **India:** India is our sixth largest market in Asia. Contrary to China, India has remained a reluctant "trader" and its economy is not enmeshed in a web of economic interdependence with ASEAN and North-East Asian economies. In recent years, in accord with its "Look East" policy, India has concluded FTAs with ASEAN, Singapore, South Korea, China, Japan and Malaysia; about 50 percent of Indian exports are now destined to the Asian region, China being the largest market. In most cases, the trade negotiations have been singularly protracted; most of these FTAs are limited to goods and are not WTO-compliant. It remains to be seen how comprehensive FTAs in negotiation with the European Union, EFTA, Australia, New Zealand and Canada will be, should they come to a fruitful conclusion.

In short, Canada should actively pursue its trade negotiations with India while monitoring very closely how parallel negotiations with Australia and the EU are unfolding and setting its sights at a realistic level.

CONCLUSION

Canada would make a blunder of historical proportions if it cast the large and growing economic weight of Asia as a substitute for the North American or European spheres of influence and interests rather than as the addition of a major pole of economic and political influence in world affairs. We acknowledge the scepticism that meets any suggestion that a significant amount of additional public resources must be committed in support of a deep, purposeful and multifaceted engagement with Asian national and regional governments and organisations. The intangible nature of the benefits to accrue from such an endeavour makes it an easy target in an era where control of public expenditures is at the forefront. In the case of Asia, we have a counterfactual.

Since the mid-eighties, Australia has actively pursued a comprehensive and consistent policy towards Asia. Major strands of this policy include a focused drive to sustain trade and investment liberalisation; strengthen institutional rules and arrangements; strengthen bilateral ties and practical cooperation with regional partners; promote ruled-based cooperation in regional fora and provide development assistance. Another strand is the emphasis on promoting people-to-people interactions through extensive student exchange programs, the promotion of tourism, adapted immigration policy and the promotion of extensive interactions across society, on a business, community organisation, family and individual basis.

Australia is a direct competitor to Canada in all our major exports to Asia. If between 2000 and 2010 Canadian exports to Asia had grown at the same pace as Australia's, the total value of our exports to the world in 2010 would have been about 15 percent larger. This is roughly twice the size of our merchandise exports to the European Union.

Need we say more?

**The Members of the G20 in numbers
(2013)**

Member / Country	GDP (nominal) mil. USD (2013)	Population
<u>Argentina</u>	475,211	41,446,246
<u>Australia</u>	1,541,700	23,342,553
<u>Brazil</u>	2,253,090	200,361,925
<u>Canada</u>	1,821,445	35,181,704
<u>China</u>	8,221,015	1,385,566,537
<u>European Union</u>	16,673,333	504,456,000
<u>France</u>	2,613,936	64,291,280
<u>Germany</u>	3,429,519	82,726,626
<u>India</u>	1,841,717	1,252,139,596
<u>Indonesia</u>	878,536	249,865,631
<u>Italy</u>	2,014,078	60,990,277
<u>Japan</u>	5,960,269	127,143,577
<u>Mexico</u>	1,177,398	122,332,399
<u>Russia</u>	2,029,813	142,833,689
<u>Saudi Arabia</u>	711,050	28,828,870
<u>South Africa</u>	384,315	52,776,130
<u>South Korea</u>	1,129,536	49,262,698
<u>Turkey</u>	788,299	74,932,641
<u>United Kingdom</u>	2,476,665	63,136,265
<u>United States</u>	16,244,575	320,050,716

BILATERAL FOREIGN INVESTMENT PROTECTION AGREEMENTS WITH ASIAN COUNTRIES

Country	Status	Date
China	Negotiations Concluded	Feb 2012
India	Negotiations Ongoing	--
Indonesia	Negotiations Ongoing	--
Mongolia	Negotiations Ongoing	--
Pakistan	Negotiations Ongoing	--
Philippines	Brought into force	13 Nov 1996
Thailand	Brought into force	24 Sept 1998
Vietnam	Negotiations Ongoing	--

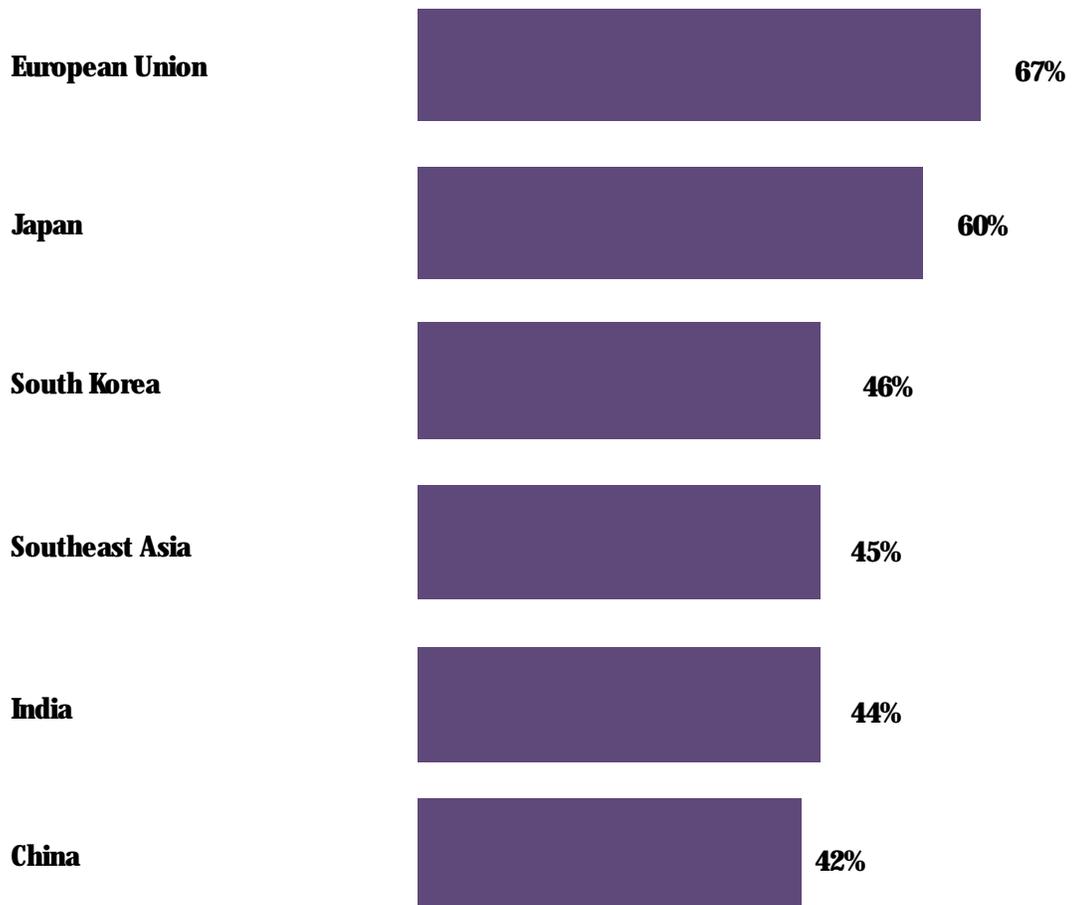
Source: <http://www.international.gc.ca/trade-agreements-accords-commerciaux/agr-acc/fipa-apie/index.aspx?view=d>

CANADA BILATERAL TAX TREATIES WITH ASIAN COUNTRIES

Country	Status	Date
Australia	Under re-negotiation	21 May 1980
Bangladesh	In force	15 February 1982
China	Under re-negotiation	12 May 1986
Hong Kong	Under negotiation	--
India	In force	11 January 1996
Indonesia	In force	16 January 1979
Japan	In force	7 May 1986
Korea, South	In force	10 February 1978
Malaysia	Under re-negotiation	15 October 1976
Mongolia	In force	27 May 2002
New Zealand	Under amendment	13 May 1980
Pakistan	In force	24 February 1976
Papua New Guinea	In force	16 October 1987
Philippines	In force	11 March 1976
Singapore	Under amendment	6 March 1976
Sri Lanka	In force	23 June 1982
Thailand	In force	11 April 1984
Vietnam	In force	14 November 1997

Source: <http://www.fin.gc.ca/treaties-conventions/treatystatus-eng.asp>

**CANADIAN POPULATION SUPPORT FOR THE CONCLUSION
OF FREE-TRADE AGREEMENTS**



Source: Asia Pacific Foundation of Canada, *2013 National Opinion Poll: Canadian Views on Asia*, 2013