



Overview of the Association of Southeast Asian Nations (ASEAN)

Updated June 2012

The Canadian Trade Commissioner Service presents
a Global Commerce Strategy Priority Market

The Association of Southeast Asian Nations (ASEAN)¹ –Brunei Darussalam, Burma, Cambodia, Indonesia, Laos, Malaysia, Philippines, Singapore, Thailand, and Vietnam—makes up one of the world’s fastest growing economic regions. In December 2008, ASEAN’s Charter came into force, granting ASEAN status as an international legal entity. With an estimated combined gross domestic product (GDP) of \$2.1 trillion and a combined population of about 609 million people, ASEAN is a regional economic force that is quickly becoming the free trade hub of Asia. It has concluded free trade agreements with China, India, Japan, Korea, and Australia/New Zealand, has completed a Trade and Investment Framework Arrangement with the United States, and is in the process of pursuing several other trade and investment agreements. The ASEAN-China FTA, which came into force in 2010, represents one of the largest free-trade zones in the world, with an estimated 2.0 billion consumers. ASEAN is also pursuing further internal integration with the establishment an Economic Community (target date 2015), which would harmonize trade laws and permit the free movement of goods, services, labour, and capital to create a single market and production base.

Today, ASEAN’s growth is being driven by a growing middle class, economic integration of the 10 economies and its proximity to the massive Chinese and Indian markets. The region is an increasingly important global value chain player and a preferred production base for many multinational companies exporting to East Asia, North America, and Europe. It is also an important air and sea transportation gateway and a critical access point to China. Lack of infrastructure such as power, roads, and airport as well as outdated information and communications technology infrastructure represents one of the most serious obstacles to economic growth in the region. Significant investment across a wide range of sectors is required.



Singapore

The ASEAN economies, like most countries worldwide, have not been spared by the recent European debt crisis and the uncertainties of a volatile global environment; some economies of the region were even showing signs of a slowdown in the third and fourth quarters of 2011. However, many observers believe that with the right combination of vigilance and adequate

Fast Facts

Population (est): 608.8 million

Total Area: 4.5 million km²

Combined GDP (est): \$2.1 trillion

Main Canadian Exports (millions): Fertilizers (\$ 1,131.3), Machinery (\$538.5), Cereals (\$488.4), Wood pulp (\$440.0), Electrical and electronic equipment (\$301.5)

Main Canadian Imports (millions): Electrical and electronic equipment (\$2,890.3), Machinery (\$1,069.0), Rubber (\$902.1), Knit apparel (\$741.3), Woven apparel (\$485.0)

policies, growth in the ASEAN region will remain robust through 2016. To fuel its future growth and increasing consumer demand, ASEAN will require access to significant natural resources, value-added products, and services.

¹ Unless otherwise stated, all data is for 2011 and expressed in Canadian dollars. All data based on latest available national statistics drawn from

Commercial Relations, 2011

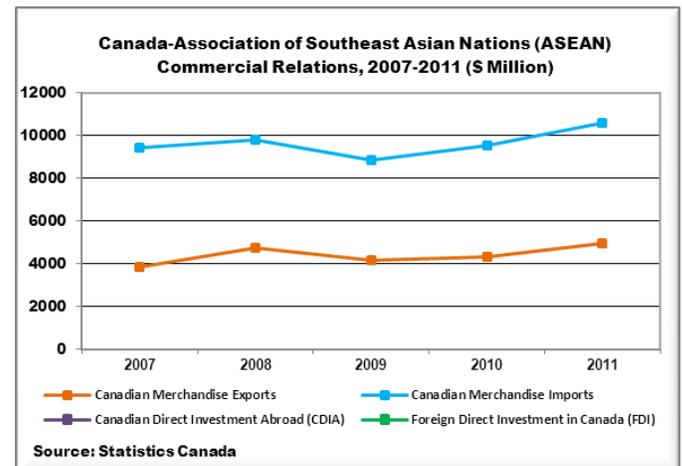
- Canadian merchandise exports to ASEAN in 2011 were \$5.0 billion.
- Canadian merchandise imports from ASEAN in 2011 reached \$10.6 billion.
- Service exports to six of the ASEAN countries (Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam) were estimated at \$0.9 billion in 2009, while service imports from those countries were estimated at \$1.9 billion.
- Known Foreign Direct Investment (FDI) stocks in Canada from ASEAN totaled \$508 million at the end of 2010.
- Known Canadian Direct Investment to ASEAN totaled \$8.1 billion at the end of 2010.

Market Opportunities

The Government of Canada has identified ASEAN as a Global Commerce Strategy (GCS) priority market—based on extensive consultation with government, academic and Canadian business and industry representatives—and has developed a comprehensive Market Plan that identifies the following sectors as offering clear market opportunities well suited to Canadian capabilities and interests in the region:

- **Information and Communications Technology:** Over the next five years, new commercial opportunities are expected in multimedia and graphics software and hardware, telecommunications services, and network management.
- **Cleantech:** The importance of ensuring the sustainability of the region's rapid economic growth in recent years has raised the importance of, and is creating commercial opportunities in the fields of alternative energy generation, greenbuilding and wastewater management, among others.
- **Aerospace:** Growth of airline travel in the region has created demand for modern aircraft to service the needs of travellers in the region.
- **Education:** Canadian educational institutions are being viewed positively for those ASEAN students wishing to pursue their studies abroad.

- **Infrastructure:** Rapid growth and industrialization throughout the ASEAN region is creating opportunities for Canadian expertise in infrastructure development, engineering and construction.
- **Agriculture, Food and Beverages:** A growing middle class with dual-income households and greater disposable income is fuelling demand for processed and on-the-go foods. This, coupled with a burgeoning tourism industry, is opening up opportunities to supply agricultural commodities, fish and seafood, and processed food and beverages.
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- **Oil and Gas Equipment and Services:** With gas reserves depleting, the region's need for oil recovery technologies and Canadian expertise and equipment in oil-related services is growing.



Government Leadership and Support

The Government of Canada will continue to influence ASEAN trade, investment and economic policies and regulations in favour of Canadian interests. Canada is currently negotiating foreign investment promotion and protection agreements (FIPA) with Indonesia and Vietnam, and has recently adopted a Joint Declaration on Trade and Investment with

ASEAN, which seeks to strengthen bilateral commercial ties. Canada's Trade Commissioner Service is reinforcing its ability to provide market intelligence and in-market support through both the addition of resources in the region, and through the development of new online tools. Furthermore, the ASEAN Commercial Network, established in 2009, is now hosts a number of virtual sector teams that focus on specific sectors, such as infrastructure, cleantech and ICT to better share information and resources and identify trade and investment opportunities within ASEAN as a whole. Trade Commissioners will continue to actively promote Canadian commercial capabilities throughout the ASEAN countries, while providing Canadian companies with the market intelligence, connections and support they need to capitalize on specific opportunities.

Market Access

Canada has a number of bilateral trade and investment policy instruments in place that are helping to facilitate and support Canadian commercial engagement in the region:

1996	Canada-Malaysia Air Transport Agreement
	Canada-Philippines Foreign Investment Promotion and Protection Agreement (FIPA)
1997	Canada-Philippines Air Transport Agreement
1998	Canada-Thailand FIPA
2000	Canada-Thailand Air Transport Agreement
2007	Canada-Singapore Air Transport Agreement
2011	Canada-Vietnam Air Transport Agreement
	Canada-ASEAN Joint Declaration on Trade and Investment
In progress	Canada-Vietnam FIPA
	Canada-Indonesia FIPA
	Exploratory discussions for a Canada-Thailand FTA

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For further information about the Association of Southeast Asian Nations (ASEAN), visit the Foreign Affairs and International Trade Canada website at www.international.gc.ca or contact the Trade Commissioner Service at 1-888-306-9991.

The Government of [Canada's Market Plan for the Association of Southeast Asian Nations \(ASEAN\)](#) is available on the Virtual Trade Commissioner website at www.tradecommissioner.gc.ca.