

I am very pleased to note that over the past year the Korean Government has launched a number of measures to open up its market for foreign investment. The recent revisions in the Foreign Capital Inducement Act, providing for new investment incentives and tax benefits, were particularly welcome. I can only applaud the reduction of red tape and the introduction of an automatic approval system.

Let me touch here on some of the opportunities for Korean investors in Canada. You're all aware that we have scrapped FIRA, the old Foreign Investment Review Agency, and replaced it with Investment Canada. The mandate of the new agency is to attract new investment, rather than discourage it, and the opportunities are broad. They range from entrepreneurial immigration through joint venture production to corporate investments. Corporate investments, of course, can serve a variety of strategic purposes: the simple acquisition of equity, securing long-term supplies of raw materials, or business development to gain export access. We encourage them all.

Industrial cooperation, in fact, is an important element of our export development strategy for Korea, and I'm very pleased that it was the subject of the recent Joint Understanding signed by my colleague Sinclair Stevens, Minister of Regional Industrial Expansion, with the Korean Government. I'm very much aware of the degree of

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industrialization and automation that has been achieved by Korea in recent years, and I am convinced that the Industrial and Economic Cooperation Understanding will be of great importance to both our countries. Future growth in our relations is bound to become increasingly dependent upon expanding our linkages in technology and industrialization.

I'm told that in the electronics and electrical sector, for instance, the United States and Japan together account for 90 percent of all foreign investment and licensing agreements in Korea. Up to now Canadian firms have not invested in this sector in Korea, but six technology transfers have taken place through licensing agreements. I am hopeful that this particular sector will be identified as a priority in the context of the Industrial and Economic Cooperation Agreement. Our state-of-the-art technology and our competitiveness in this area can make a great contribution to your own industry.

The conclusion of the Industrial and Economic Cooperation Agreement will mean that both Canada and Korea will allocate more resources to support private sector efforts to establish these linkages. This framework will be meaningless, however, unless Canadian and Korean companies resolve to take advantage of it.

And now is the time. There is a push on in Korea to diversify the economy into high-technology and