## Market Information and Analysis

Timely and accurate market information and analysis are an indispensable business tool. New exporters planning their entry into the China/Hong Kong market, as well as more-experienced companies who may need to adjust their business strategies to take advantage of emerging opportunities, rely on dependable information.

An important feature of the Trade Commissioner Service is its continuing role of providing forward-looking regional, sectoral or subsectoral market studies and newsletters. These studies permit speedy responses to requests for basic market information, and allow trade commissioners to dedicate the bulk of their time to offering higher value-added, company-specific market intelligence and counselling services.

The large repertory of current market publications prepared or commissioned by Canadian trade commissioners in China and Hong Kong is an easily accessible first source of information and analysis for Canadian companies. Details on how to obtain copies through DFAIT's InfoCentre, FaxLink Service or Internet Web site are provided at the end of this document on page 51.

## Market Intelligence

Customized market intelligence, advice and counselling are the most valuable services that trade commissioners can offer to Canadian businesses in the China and Hong Kong market. This typically involves commercially sensitive information needed to implement a market entry strategy or to overcome an obstacle, and as such is treated with the strictest confidence. Trade commissioners can also facilitate contacts with potential customers, agents and partners, and

offer suggestions for accounting, consulting, hospitality, legal, financial and other services.

## Market Access Advocacy

Trade commissioners are mandated to advise, counsel and assist companies in resolving specific market access problems in consultation with host government officials. Although the gradual integration of China into the multilateral trading system should help to eliminate or reduce many barriers to trade, many products and services continue to face impediments and require constant vigilance and advocacy by the Trade Commissioner Service. Interaction between Canadian business and Canadian officials in China and Hong Kong is essential to ensure that these efforts focus on real problems experienced in the marketplace.

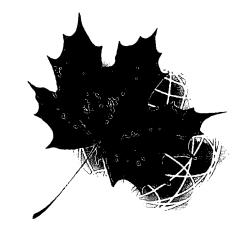
#### Outreach and Awareness

DFAIT personnel on duty in Canada and overseas work closely with other Team Canada partners to increase the awareness of Chinese trade opportunities and improve knowledge of Chinese business practices and culture.

#### **Trade Promotion Events**

DFAIT will continue to co-operate with other government departments, the provinces and territories, and business through the annual CIBS process in the trade promotion area. This effort encompasses incoming and outgoing business missions, trade show participation, market or technology seminars and other trade promotion activities. The government's commitment to focussing its limited resources will favour those events in priority sectors that most effectively promote matchmaking and the acquisition of market intelligence, and that involve cost-sharing or cost-recovery.

# Business Environment



hina's Ninth Five-Year Plan (1996-2000), announced in the spring of 1996, emphasizes the following central themes:

- economic and social stability over radical reform;
- a strengthening of central government macro-economic control; and
- the efficient use of existing capacities before developing new ones.

Key priorities are increasing food production and strengthening the agricultural sector; gradual reform of state-owned enterprises, which still account for much of China's industrial structure; developing science and technology in support of economic development; and narrowing the gap between advanced coastal and poorer interior regions. Canada's priority export sectors are well-matched to China's requirements for imported goods, services and technology. This is particularly evident in the areas of agriculture and agri-food, infrastructure (energy, transportation and telecommunications) and environmental protection.

While the central government in Beijing continues to exercise a paramount role in economic leadership and in setting priorities, China should also be viewed as a collection of distinct regional markets. Each of these regional markets is

differentiated by geography, culture and dialects, economic structure, level of development and growth prospects.

# Regional Markets — Prospects and Challenges

Hong Kong is already well-established as one of Canada's most important trading partners. Recent market studies have identified several significant regional markets within China, each with a population of more than 100 million and a gross domestic product exceeding \$27 billion.

These regional markets include:

- Northeast China (made up of Heilongjiang, Jilin and Liaoning provinces;
- Greater Beijing (Hebei, Beijing, Tianjin and Shandong);
- Central Provinces (Shaanxi, Henan, Hubei, Anhui, Hunan and Jiangxi);
- Sichuan Basin;
- Shanghai and East China (Shanghai, Jiangsu and Zhejiang); and
- South China (Guangdong, Fujian and Hainan).

In every region, the key consideration is finding the appropriate client, agent/distributor, representative or joint-venture partner. As a

