

Notwithstanding the strained political relationship following the Tiananmen tragedy, Canada's commercial relations with China have boomed. China is currently Canada's fifth largest trading partner — a larger partner than all of South America or Eastern Europe and the Middle East combined. Canada currently exports more to China than all of Central America, including Mexico, for a total of Cdn. \$1.5 billion in 1993. Two-way trade was Cdn. \$3.6 billion in 1991 and Cdn. \$4.6 billion in 1992. However, Canada's overall exports to China decreased by 25 percent in 1993, due primarily to a 65 percent reduction in wheat sales caused by record Chinese crops and Canadian supply constraints. Strong growth in overall exports to China is expected to resume as our wheat supply stabilizes and other exports play a larger role. For example, Canadian non-cereal exports grew by 25 percent in 1993, and fully manufactured exports were up more than 50 percent to over Cdn. \$500 million. Many of China's import and infrastructure requirements correspond to Canada's prime export strengths, especially in areas such as power generation, telecommunications, petrochemicals, transportation, and agricultural products and technology.

In order to further develop Canada's trading relationship with the PRC, the Canadian Department of Foreign Affairs and International Trade Canada (DFAIT) maintains a team of trade commissioners at the Canadian Embassy in Beijing, the Consulate General in Shanghai, and at the Commission for Canada in Hong Kong which covers the South China region. By the end of 1994, a trade office will be established in Guangzhou. The staff at the Embassy, Consulate General, and Commission is available to assist Canadian exporters with their export initiatives in China. Canada's trade commissioners can provide knowledge of Chinese business practises and language, economic trends, and contacts with the foreign trade agencies in the PRC. To promote China's exports to Canada, the PRC maintains commercial sections at its Embassy in Ottawa and Consulates General in Vancouver and Toronto. Canada extends substantial export credits to China, and our development assistance program administered by the Canadian International Development Agency (CIDA) remains among our largest, globally.