

In addition, the Canada-U.S. Agreement will make us an attractive centre for investment for foreign companies who want to build on that secure access to the North American market.

We need free and secure access to the U.S. market if we want to take full advantage of trade and investment opportunities in major world markets, especially in the Asia-Pacific Region.

As Mitsubishi Canada chairman Arthur Hara has said, "The Free Trade Agreement makes us more competitive in Asia-Pacific and an attractive location for Asian business".

Just how important the Asia-Pacific Region has become is clearly illustrated by a few simple facts. By the year 2000, the Asia-Pacific Region will produce 50 per cent of the world's goods and services. By the same year, 70 per cent of the world's population will be Asian. These are facts many Canadians do not recognize.

And there are facts about Hong Kong that many Canadians do not recognize. Many of our business people focus only on the geographic size and population of Hong Kong, and are unaware of its role as an important regional and international trade decision-maker.

I plead guilty to this failing myself. Last year, when I visited Hong Kong as Minister of International Trade, not my first visit, but my first as Minister, I had focussed on Hong Kong as a source of foreign investment for Canada in the period leading up to Hong Kong's return to Chinese sovereignty in 1997. I totally failed to take into account the attractiveness of Hong Kong for Canadian investments abroad, and as a front door to China. As our Senior Trade Commissioner Maurice Hladik will remember - he is here with us today - we had to hastily re-write my speech on my arrival!

When we talk about Hong Kong, we are talking about the third largest import market in Asia, larger than that of Australia and New Zealand combined. We are also talking about the gateway to other Southeast Asian markets as well as the vast, untapped markets of the People's Republic of China. Because of its geographical location, the activities of its traders, and its excellent distribution system which stretches throughout the region, Hong Kong has become a centre for exports to China and other markets in the Asia Pacific Region. This sort of entrepot trade has become a major component of Hong Kong's economic activity.