

While Canada maintains its traditional strength in sales of resource products, Japan's imports of Canadian manufactured or value-added goods now make up more than 40 percent of Canada's sales to Japan. Canadian industry exports many processed goods, ranging from french fries to kitchen cabinets.

In May 1993, the Minister for International Trade launched the *Action Plan for Japan*, a joint undertaking with the private sector, to alert industry to the changing conditions, encourage product adaptation, and assist with product promotion. "Action Plans" have been developed in seven priority sectors: processed foods, tourism, information technology, auto parts, forest and building products, aerospace, and fisheries products.

The Korea - Canada trade relationship continues to expand and intensify. In 1992, South Korea ranked as Canada's seventh largest export market with exports totalling \$1.4 billion. In 1993, preliminary trade data indicates that South Korea has now become Canada's fifth largest export market with exports totalling \$2.20 billion. Major Canadian exports to Korea include coal and mineral fuels, pulp, organic chemicals, cereals, aluminum products, iron and steel, fertilizers, energy equipment, telecommunications equipment and aerospace products. The most significant commodity export increases have been in agricultural products and pulp and paper. Sectors offering the greatest export opportunities for Canadian companies are agricultural commodities and food products, resource products and oil, petrochemicals, defence, aerospace, computers, electronics, telecommunications, and automotive parts and components. Korea is Canada's third largest defence equipment market. Also Korea is aggressively developing its own technological capacity through joint ventures with foreign companies.

China according to preliminary trade data for 1993, was Canada's sixth largest export market in 1993, with exports to China totalling \$1.68 billion, while imports were at \$3.09 billion. Over the medium term, Canadian exports are expected to increase at a slower rate than imports.

Sales of capital goods to China increased from \$125.7 million in 1987 to \$430.5 million in 1992. Major Canadian exports to China in 1992 included wheat, wood pulp, fertilizer, and electrical and mechanical equipment. The Chinese government intends to focus on developing infrastructure (i.e. roads, bridges, telephone systems) over the medium term, which will increase opportunities for Canadian companies. Opportunities exist for exports of Canadian energy power, telecommunications, agriculture, transportation, mining equipment, minerals, metals, chemicals and petrochemicals. Recent Canadian company success stories based on outstanding export performance in China include Northern Telecom Ltd., Canadian Industrial Consortium Inc. (CIS), Newbridge Networks Corporation, Dessaw International, Chemetics International Company Ltd., SR Telecom Inc., Champion Road Machinery Ltd., Bioclear Technology Inc., and Sulzer Escher Wyss Hydro.