

China to introduce advanced technology and import raw materials, machinery, electronic equipment and other scarce commodities. In addition, China has gas reserves of over 30 trillion cubic feet. Major oil producing regions include Daqing in the North China Basin (which accounts for 40 percent of current production), Shengli in Shandong Province, and Liaoning Province.

Opportunities exist in the supply of technology in the areas of heavy oil, sour gas, and enhanced oil recovery for onshore resource development.

PETROCHEMICALS AND CHEMICALS

The petrochemical/chemical industry is one of the fastest growing sectors in China and is expected to grow at a ten percent annual rate at the end of this century. Although the industry faces higher costs for raw materials, such as electricity and transportation, resulting from the liberalization of prices, these and other market economy reforms should enhance productivity and efficiency. Despite sweeping trade reforms, increased international competition and China's ambitious expansion plans for the industry, the country is expected to remain an attractive market for foreign producers over the next decade.

The Eighth Five-Year Plan, (1990-1995), includes the construction of fourteen major petrochemical projects. Many of these involve modernizing and expanding existing production facilities, and therefore will require foreign financing. Imports of advanced technology and equipment, foreign investment/joint ventures, and exports of finished products, technology and labour are all to be vigorously promoted. China's revised patent law took effect on January 1, 1993 and for the first time protects products, not just processes. This law combined with better investment terms, particularly as provinces are now allowed to compete to attract partners for listed joint venture plans, should enhance opportunities for Canadian technology transfer and joint ventures in most chemical sectors.