

# Focus on Asia-Pacific

**... the Pacific region now imports more Canadian goods and services than does Western Europe. . . .**

In the years since several Pacific Rim countries exploded onto the world scene as major importers and exporters of manufactured goods, a number of Western nations have attempted to strengthen their cultural and economic links with the Asian continent.

For Canada, the recognition that the Pacific region now imports more Canadian goods and services than does Western Europe has led to stronger ties with Japan. It also prompted an intense, ten-day official visit to China,

Hong Kong and Thailand last March by Governor General Jeanne Sauv  and the Minister of State for External Relations, Monique Landry.

## Japan

At a recent meeting of the Canada-Japan Joint Economic Committee in Ottawa, senior officials from both governments were able to look back on two years of steady growth in economic relations. Bilateral trade has increased dramatically, as has the flow of Japanese capital to Canada, and a Japanese economic mission turned in a favourable report on Canada's investment climate. The strength of the overall relationship between Canada and Japan was underscored by an exchange of visits by prime ministers Mulroney and Nakasone.

The Ottawa meeting identified issues that have yet to be resolved. Canada pressed for a more favourable trade balance with Japan, and sought better access to Japanese markets for some of its goods. In June, Canada presented Japan with a detailed technical package designed to persuade the Japanese to include three-storey apartment houses in their review of Japanese building codes. The package also called for a reduced tariff on spruce, pine and fir to help Canadian suppliers compete more effectively with lumber exports from the United States.

A technician at the CIDA-funded Landsat office in Thailand coordinates satellite remote sensing imagery with a standard map.

The Ottawa meeting also covered a number of issues related to Canada-Japan trade in fish and agricultural products, and delegates agreed to work together to combat protectionism at the upcoming Uruguay Round of Multilateral Trade Negotiations.

## China

Canada's relations with China have improved steadily since the two countries re-established diplomatic relations in 1970, to the point where China is now Canada's fifth-largest export market. Canada's early recognition of China, its vote to seat China at the United Nations, and the 1973 agreement in which the two countries granted each other Most Favoured Nation trading status, contributed to a solid foundation of mutual trust.

During her recent visit to China, Madame Landry announced new development co-operation projects valued at more than \$85 million. The largest, the \$14-million Three Gorges Study, will expand the scope of an ongoing study aimed at finding ways of taming the Yangtze River. A consortium of Canadian energy and engineering firms will study the feasibility of building a hydroelectric facility that would generate 13 000 megawatts of power while providing flood protection and improving navigation. The study will also assess the possibility of constructing high-voltage transmission lines to supply Central and East China with electricity from the plant, which would be the world's largest.

