

I am pleased to have this opportunity to address the Hong Kong-Canada Business Association. I am very well aware of the high energy level and innovative initiatives your Association is renowned for, and I am honoured to have been asked to speak to you today.

I would like to begin by talking about the importance our government is placing on our trade agenda. I will then specifically focus on Canada's trade with and through Hong Kong. Finally, I will endeavour to examine how we can sustain the dynamism of our bilateral partnership in a global setting and through the changes we will see in the near future.

A key part of my job as Secretary of State (Asia-Pacific) is to enhance Canadian export opportunities to the region. As our government has clearly demonstrated during the two years we have been in office, trade - exports, investment and technology transfer - is central to sustaining Canadian prosperity. The export of Canadian goods and services accounts for over one quarter of Canada's gross domestic product. Directly and indirectly, exports sustain over two million jobs in Canada. Most importantly, the export sector has been the most dynamic element in stimulating economic growth in Canada. For all these reasons, international business development holds a high priority on our government's economic agenda.

I am convinced that our government's focus on the Asia-Pacific - and our explanations to Canadians for that focus - is perhaps the best example to Canadians of our government's Red Book philosophy. In short, exports create jobs and jobs create wealth for Canadians, thus helping to reduce the deficit and to maintain many of those programs, such as health care, that have made our country the envy of the world.

Growth rates in much of Asia-Pacific during the 1980s were more than twice as high as the rest of the world. Asia's share of world income could rise from 24 per cent in 1989 to 35 per cent by 2010, and to over 50 per cent by 2040. Canadian businesses must prepare themselves to capitalize on the opportunities presented. Our success as a nation will increasingly depend upon our ability to achieve greater access to Asian markets and to develop initiatives that will result in the provision of the greatest possible competitive advantage to Canadian exporters. The Prime Minister appointed me to be his point man in these efforts and I am pleased that in this regard, Canadian exports to Asia-Pacific countries last year rose 19 per cent to \$19.8 billion, the highest ever. Two-way trade is now valued at \$48 billion, a 15 per cent increase over 1993.

Our trade with Hong Kong, with less than seven million people, stood as our 11th-largest export market in the world. Already our exports grew 89 per cent in the first six months of 1995 - a tremendous record!

Investment from Hong Kong continues to be strong, around \$4 billion annually. Much of it is associated with the continuing high flow of business and other emigrants to Canada - by far the destination of