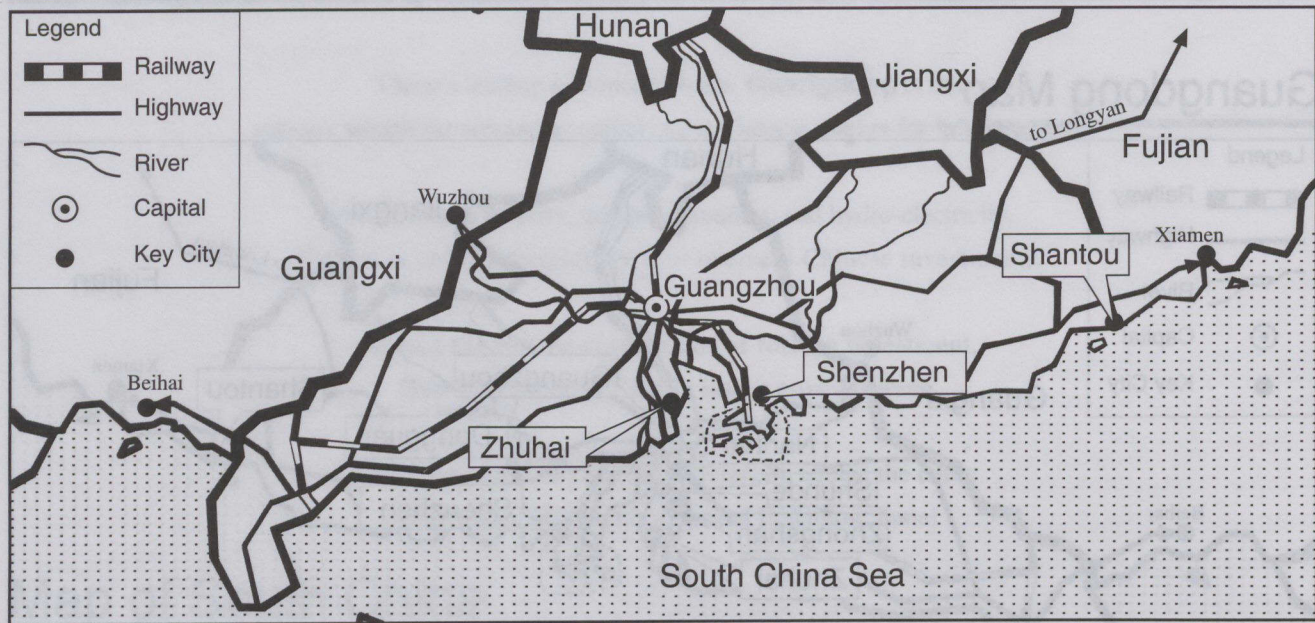


Special Economic Zone Map



FOREIGN INVESTMENT

Foreign investment has been mainly directed to **Guangzhou**, the Pearl River Delta Open Economic Zone, the Special Economic Zones of **Shenzhen**, **Shantou** and **Zhuhai**, and the port city of **Zhanjiang** on the western border.

Apart from SEZs, the State Council has also mandated two Economic and Technological Development Districts, one in Guangzhou near the deep seaport at **Huangpu**, and the other in **Nansha** at the tip of the west bank of the Pearl River Delta.

Located in the Guangzhou Economic and Technological Development District (GETDD) of Huangpu is Kingwell Material Company, which has a joint venture with Quality Vending Machines of Winnipeg. It is the only successful Canada-Guangzhou project in the consumer field. The Guangzhou Malt Processing Plant in the District imports 60% of its barley from Alberta, Saskatchewan and Manitoba. Also located in the GETDD is the Construction Material Exchange Centre which could potentially be a key entry point for Canadian construction material exporters into South China.

At the mouth of the Pearl River Delta, approximately 90 kilometres southeast of Guangzhou, is the Nansha Economic Development and Technological Zone. Since its foundation in 1992, the Zone has attracted foreign investment of Cdn\$ 1.99 billion and over 200 projects, including one from Canada's Husky Corporation. The Nansha port has also been given an advance designation as a "first class open port".

To Hong Kong investors, the nearby Pearl River Delta is a convenient production base due to strong cultural ties, low wages and land costs. Hong Kong has therefore been the number one source of foreign investment, accounting for over 80% of over Cdn\$ 42 billion of foreign investment in the province in the past 15 years. Most of Hong Kong's labour-intensive production of garments, toys, electronics and watches has moved across the border. Taiwan has been the second source of foreign investment to the province, followed by Japan, the USA and other countries.

Canadian investment in Guangdong from 1987-1996 totalled Cdn\$ 327 million dollars. The Northern Telecom plant in Shunde is the major Canadian investment in the province.