

BOT projects appeal to many of the provinces. Specialty equipment produced by Sino-foreign joint ventures enjoy better market possibilities.

Constraints

Although the Chinese government has begun to devote increasing resources to control the deterioration of the environment, pollution abatement is still not a high priority at the provincial and municipal government levels. Economic development in the energy, transportation, housing and manufacturing sectors often receives greater emphasis.

State, collectively owned and private enterprises are cautious about buying foreign environmental services and equipment, because they have limited access to foreign exchange and environmental regulations are not consistently enforced. As a result, complex environmental problems in China are often addressed with local technologies, when more sophisticated technologies may be more appropriate. Consulting services are often considered as friendly advice rather than a marketable commodity. Obtaining financing for imported machinery poses an additional difficulty.

Canadian companies wishing to enter the China market will face strong competition from the United States, Australia, the United Kingdom and other European countries. In order to penetrate and succeed in this fast-moving market, Canadian companies must maintain a continuous presence.

Action Plan

The objectives of the Action Plan in this sector are to:

- promote Canadian involvement in projects supported by the various financial institutions;
- pursue co-operation and business opportunities under the environmental memorandum of understanding signed between China and Canada;
- following up on its study of consulting engineering firms in Hong Kong, the Commission in Hong Kong will contact companies to identify potential partners for Canadian environmental firms; and
- encourage and support strong participation from China and Hong Kong at Globe 98 in Vancouver.