

Hong Kong companies have recently made some major investments in Canada. The Hong Kong Bank of Canada now has the largest branch network of any foreign-owned Canadian bank. The bank opened its new headquarters in downtown Vancouver yesterday.

Another important example has been the K.S. Li Group's investment in Husky Oil, one of Canada's important petroleum companies. A signing ceremony is taking place just hours from now in Calgary. We welcome this initiative and look forward to seeing their development plans unfold as our oil patch revitalizes.

Cathay Pacific Airways' investment in Canada started as a Vancouver store front operation in 1983. Today Vancouver serves as its North American headquarters with daily flights between Vancouver and Hong Kong this summer.

These major investors are taking advantage of Canada's more open and hospitable business climate. With the dismantling in 1985 of the Foreign Investment Review Agency, Canada established a more open and pragmatic investment policy. We are building bridges, not barriers, to economic opportunity. Our new investment policy is one of those bridges.

Hong Kong investors who want to establish a base from which to serve North American markets should look very closely at Canada. Just as Hong Kong is considered a gateway to China, Canada is a gateway to North America.

Canada not only has a dynamic market in its own right, it also is an integral part of the rich North American market of 250 million consumers. Many people do not realize that Vancouver is only 50 kilometers or 30 miles from the United States border, and that the states of Washington, Oregon and California provide Canada's west coast with a prosperous market of 30.4 million people.

Hong Kong, too, has a unique advantage. It is a highly attractive market itself, and an important entry point in accessing the markets of China and the region. In this role it serves Canada well. Fully one third of our total 1986 exports to Hong Kong of HK\$1.8 billion (C\$315 million) were re-exported, while Canada imported HK\$1.2 billion (C\$207 million) of Chinese products alone through Hong Kong.

Canada has placed a high priority on trade with China, building on a history of friendly and productive relations. Since both Canada and Hong Kong enjoy special relationships with China, there are very real opportunities for us to work together.

Trade and investment interlink with immigration. As you are aware Canada has a active business immigration program in Hong Kong.