

Trade and Investment

- China is Canada's third most important market in the Asia-Pacific and our fifth largest trading partner in the world, with two-way trade valued at nearly \$4.8 billion in 1993.
- Since China embarked on an open door policy of economic reforms, Canada-China trade relations have evolved rapidly. Traditionally, Canadian exports to China have been basic commodities such as wheat, fertilizers and wood pulp. However, in recent years, sales of manufactured goods have gained importance. While they represented only 4 per cent of our exports to China in 1988, manufactured goods rose to 32 per cent of our exports in 1993 and 43 per cent — worth about \$400 million — during the first six months of 1994. Overall, exports of Canadian manufactured goods to China have more than doubled over the past two years.
- Canadian exports to China totalled \$1.6 billion in 1993, down from \$2.1 billion in 1992, largely because of a dramatic reduction in wheat sales. Nevertheless, preliminary figures for the first six months of 1994 show that Canadian exports to China are returning to 1992 levels. Major imports from China include outerwear, cotton, games and toys, leather goods, footwear, mechanical equipment and oil seeds.
- Many of China's import and infrastructure requirements correspond to Canada's prime export strengths, especially in areas such as telecommunications, oil and gas, power generation, environmental technologies and services, transportation, the mining and petrochemical industry, agricultural products and technology.
- Canada and China have signed a number of agreements in sectors such as agriculture, forestry, telecommunications, transportation, ferrous and non-ferrous minerals, and metals. The objective is to encourage technological exchanges and business relations in these areas.
- Canada has consistently supported the efforts of the Chinese government to open its markets by extending it most-favoured-nation status. This status gives China access to the Canadian market on the same basis as most other trading partners. Canada also supports China's application for entry into the World Trade Organization, which would give Canadian business better access to the Chinese market.
- Canada has established a trade office in Guangzhou (formerly Canton), in Guangdong Province, the heart of the fast-growing southern region of China. Canada also has an embassy in Beijing and a consulate in Shanghai.