

In 1996, the Minister for International Trade negotiated the extension of a concessional line of credit to China for up to \$75 million.

- Canadian imports of goods from China were valued at \$6.3 billion in 1997, up from \$4.9 billion in 1996. Nearly half the imports in the first five months of 1998 were machinery and parts, toys, sports equipment, and footwear.
- Canada has consistently supported the efforts of the Chinese government to open its markets by extending it most-favoured-nation trading status. This status gives China access to the Canadian market on the same basis as most other trading partners. Canada supports China's joining the World Trade Organization, which will provide better access for Canadian goods and services.
- Canadian direct investment in China rose from \$15 million in 1991 to \$377 million in 1997, and more than 100 Canadian companies have offices there. Investments are concentrated primarily in the manufacturing sector and located in the coastal cities of Shanghai and Beijing and the coastal provinces of Guangdong and Shandong. The products and services resulting from these investments are principally intended for the Chinese market. About 75 per cent of Canadian investors in China are small and medium enterprises.
- Chinese investment in Canada has focused on the resource and real estate sectors, such as the investments by CITIC in the Castlegar Pulp Mill. Potential exists for further investments in oil and gas, and mineral deposits, and in commercial projects, such as hotels.

Environmental Co-operation

- Recognizing that developments in China have global implications and that China can contribute to resolving global environmental problems, Canada is working with China on a wide range of environmental management issues, including climate change.
- Through a memorandum of understanding on the environment and through the Canadian International Development Agency, Canada is providing China with environmental technologies and services, technical training, management expertise, and applied research.
- Canada also supports the China Council for International Co-operation on Environment and Development, a non-governmental consultative organization which aims to strengthen exchanges between China and the international community.