

does represent a more aggressive response to existing problems.

To generate adequate funding, five percent of all new project budgeted funds will be allocated to the acquisition of environmental equipment, with new project approvals conditioned on a satisfactory environmental assessment statement. For older factories, six percent of industrial renovation funds will support environment-related retrofit programmes.

The World Bank's 1992 China Environment Strategy Paper has called for two to three environmental projects per year in its China lending programme. There are currently eleven such projects in the Bank's China pipeline and one bank official has estimated spending on environmental projects over the next four to five years between U.S. \$1.2-1.5 billion.

The Asian Development Bank planned to provide five technical assistance loans in 1992 and eleven grants in 1993 in the areas of industrial pollution control, water waste management and energy conservation in the power and industrial sectors. The United Nations Development Programme (UNDP) has allocated U.S. \$35-40 million for its 1992-1996 lending program, which will have a significant environmental emphasis.

There are currently about 1,900 manufacturers of environmental products in China, but most are small and lag technologically. While domestic suppliers can meet about 80 percent of demand, they are unable to supply the more sophisticated equipment many end users prefer. Chinese environment industry officials are actively seeking foreign investment in this area.

Opportunities exist for Canadian companies to participate in the development and manufacture of equipment for the control of particulate and other forms of air pollution, solid waste and chemical-laden waste water. China also seeks to produce portable monitoring equipment to measure air and water quality.

In addition, Canadian manufacturers produce a wide range of products that satisfy China's import requirements, which include: water treatment equipment,