

As GATT partners and Asia-Pacific partners, Canada and Hong Kong already enjoy substantial economic links. Across Canada there are now five chapters of the Hong Kong-Canada Business Council with 1200 members working to expand opportunities in trade and investment.

In 1986, our two-way trade totalled more than HK\$8 billion (C\$1.36 billion). Hong Kong is Canada's largest supplier of clothing, and a major source of toys, watches and jewellery. But trade, as you know, means buying and selling. What about Canadian exports to Hong Kong?

Over the last decade our exports have increased eightfold and in the first two months of this year have increased by 69 per cent. We are especially pleased that exports of high technology products--particularly telecommunications equipment--represent one of our largest and fastest growing markets in Hong Kong.

Canadian firms have a world-class reputation in telecommunications and are, in fact, the third largest supplier of such products to Hong Kong. We are sending you our best. Companies such as Northern Telecom, Mitel, and Cognos, a Canada Export Award winner, have established offices in Hong Kong.

We are delighted that Canadian expertise has won the design contract for the vessel traffic management system for Victoria Harbour. We believe it will serve as a model for other ports along the China coast and around the world.

I am pleased to note the success of another Canada Export Award winner, International Geosystems Corporation, in marketing its Tian Ma Chinese word processing system. By all accounts, it is the world leader in this field.

But in spite of these impressive successes, Canada still has only one per cent of Hong Kong's market. We are currently undertaking several initiatives to expand our market share, initiatives such as the Canadian Food and Beverage Show, held here a few weeks ago. Other missions and trade shows in computer software, building products and pollution control equipment are scheduled to promote Canadian expertise in these fields.

Another key element in Canada's economic partnership with Hong Kong is investment. Hong Kong is an important regional headquarters for most of our major banks. I also understand that Canadian life insurance companies underwrite approximately 40 per cent of the total business in Hong Kong. Some 60 Canadian companies maintain offices here, many of which are regional headquarters. The latest to join these ranks is the Globe and Mail which is opening a regional business office here tomorrow.