

Hong Kong investors are also interested in Canada as an access point into the North American market. Although Hong Kong has one of the most open marketplaces in the world, its clothing and textile industry is heavily restricted under the Multi-Fibre Agreement (MFA). The Canada-U.S. Free Trade Agreement supersedes the MFA, eliminating all quotas on textiles and wearing apparel by 1998. Locating in Canada offers Hong Kong investors a skilled work force familiar with textiles and ready access to the U.S. market.

Business people in Hong Kong like to invest where they can do business comfortably. Canada is becoming increasingly familiar to many Hong Kong residents. As the Chinese community in Canada grows, family and personal ties are created that can serve as important bridges for economic cooperation between Canada and Hong Kong.

Perhaps more importantly, Canada is a prime destination for Hong Kong students wishing to study abroad. In 1989, there were approximately 12,000 students from Hong Kong in Canada, studying in Ontario, British Columbia, Alberta, and Manitoba. Many of these students are specializing in commerce and business, with smaller groups in engineering, computer sciences, and hotel management. When they return to Hong Kong after their studies, they too will serve as an important key to new types of business cooperation. Even now, Hong Kong contains an estimated 50,000 graduates of Canadian universities.

III. Sectors of Opportunity

Hong Kong has little technology of its own, but it does possess the capital to invest in the development of new technologies. Firms in Hong Kong are particularly interested in telecommunications, electronic components, computer software, and automated systems. Canadian firms active in these areas will find not only capital, but also business linkages that will be invaluable in penetrating Asian markets.

Canada can also offer attractions to Hong Kong manufacturers of textiles, especially high fashion garments and accessories. Oriental designers such as Simon Chan and Alfred Sung are popular in Canada. Canadian workers are experienced in the industry, and Canada shares a relatively European sense of style with Hong Kong. For example, attracted by the Free Trade Agreement, the Hong Kong designer Alan Chu has begun manufacturing operations in Canada and he has opened a direct sales show room here under the company name Basic International Network Ltd.

As has already been mentioned, Canadian access to the U.S. market is also attractive to Hong Kong clothing and textile producers who are constrained under the MFA. Manufacturing in Canada gets around many of these duties without incurring the higher cost of doing business in the U.S. Canadian workers are experienced in the industry and Canada is a good place to manufacture heavier items from woven fabrics. As a result, there are many inquiries about Canada from Hong Kong business people specializing in clothing and textiles.

Opportunities also exist for environmental companies. As noted, Hong Kong has a serious pollution problem. Given Canada's expertise in pollution control and waste management, there are several opportunities for partnerships and strategic alliances in this area.