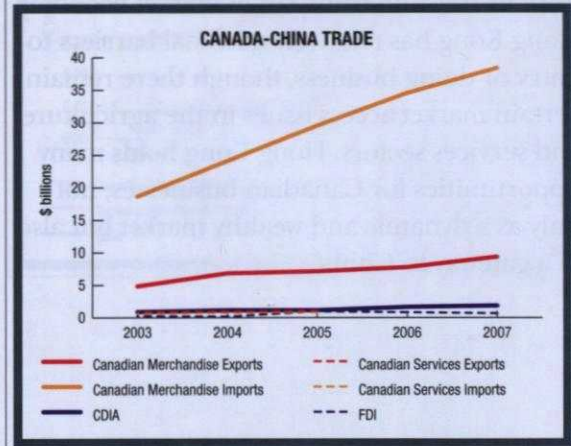


Chapter 7 Opening Doors to Asia

At the recent APEC Economic Leaders' Meeting in Sydney, Australia, Canada continued to pursue its trade policy objectives, including a successful conclusion of the Doha Round of WTO negotiations and greater market access for Canadian businesses, especially women-owned enterprises. This work—coupled with efforts made by other APEC member countries on transparency within government, intellectual property rights, anti-corruption measures and trade facilitation—has improved prospects for Canadian businesses in the Asia-Pacific region.

China

	2007	Percentage change since 2006 (%)
Population	1.3 billion	0.5
GDP	\$3.5 trillion	11.4
Canadian Merchandise exports	\$9.3 billion	21.3
Canadian Services exports	\$976 million (2005)	-
Canadian Merchandise imports	\$38.3 billion	11.0
Canadian Services imports	\$819 million (2005)	-
CDIA	\$1.8 billion	14.2
FDI	\$616 million	-



In 2007, China's economy continued to post strong gains, with GDP growing by 11.4% that year. Growth is expected to be moderate in 2008 amid domestic credit tightening, international economic uncertainty and weakening demand in major export markets.

Bilateral trade with Canada continued to increase at a rapid rate, consolidating China's position as Canada's second largest merchandise trading partner. In 2007, China was our third largest merchandise export market, followed by Japan.

Canada and China continue to work together to increase two-way flows of investment. Minister Emerson and Chinese Minister of Commerce Chen Deming agree that the conclusion of a foreign investment promotion and protection agreement (FIPA) is a priority. A FIPA would be to both countries' advantage, encouraging bilateral investment and protecting investors, while preserving the authority of government to regulate investments in the best interests of the public.

China and Canada continue to deepen collaboration in innovation following the Science and Technology Agreement signed in January 2007. Joint projects will be undertaken in four agreed-upon priority sectors (energy, environment, health and life sciences, and agricultural foods and bio-products). As well, two new areas for collaboration have been identified: nanotechnology and information and communications technologies.