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solid indication that the business climate has improved. The preliminary value of these deals, which take the form of contracts, Memoranda of Understanding (MOUs), Letters of Intent (LOIs), and direct investment, is approximately \$1.2 billion.

Opportunities

China's imports from the world rose from US\$10.9 billion in 1978 to US\$103 billion in 1993. China's imports, by early in the next century, are predicted to exceed US\$1,000 billion. There is little reason why Canadian companies, if they continue to diversify their exports, should miss out on their share of this pie.

The number of **joint ventures** and investment-related deals signed during the Team Canada visit suggests that Canadian business is fully prepared to build sales through astute use of **investment**. Canadian firms also are well placed to win contracts in **infrastructure programs**, currently the top priority of China's Central Government and many of its provinces.

With the more open market approach adopted by the Chinese in 1993, services and their provision are set to be the next major growth area for foreign firms in China.

Since 1993, even though Chinese central authorities continue to be cautious in expanding the regulatory framework, there has been an explosion of services-related initiatives by foreign firms in China. Canadian **consulting engineering and project management** firms have long worked successfully in China in major infrastructure projects. They have now been joined in earnest by major services and management organizations in

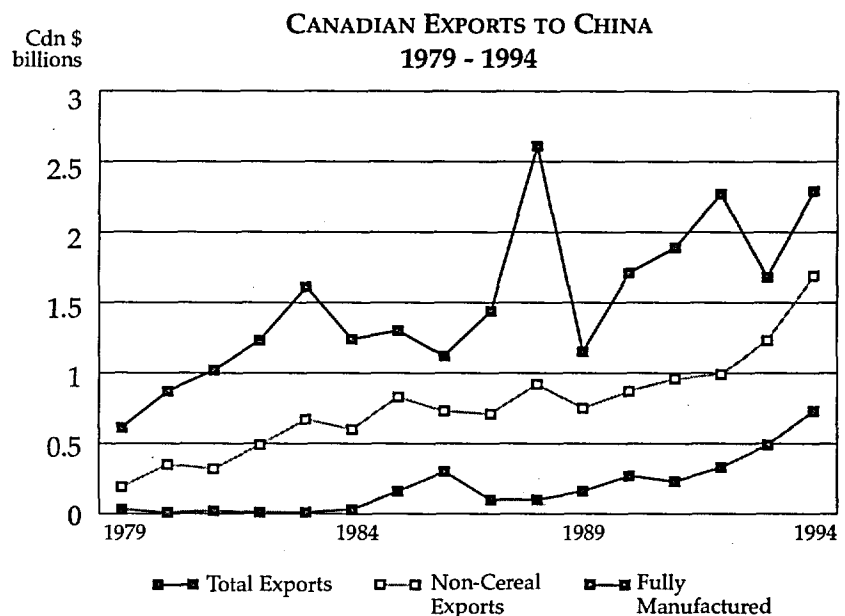
such fields as insurance, banking/financial, real estate, legal, accounting, patents, postal services, investment, urban development and architecture.

Canadian access to the China market should significantly improve when China enters the World Trade Organization.

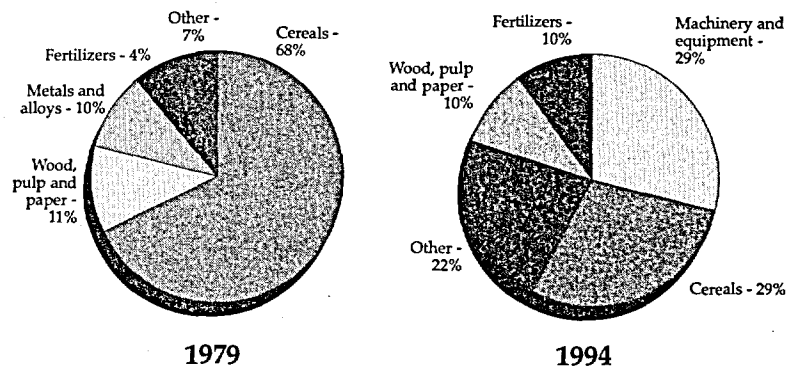
Canadian companies also have caught the wave of **environ-**

ment-related equipment and services opportunities in China. (As growth in China's cities has expanded well beyond the capacity of water and sewage treatment infrastructure, there seems to be almost limitless projects in this area. There is also evidence that the various levels of Chinese government are coming

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Team Canada*



STRUCTURE OF CANADIAN EXPORTS TO CHINA



Source: Statistics Canada