

the provision of value-added services. China Unicom has broken new ground in establishing service joint ventures with foreign companies. Approval of joint ventures is contingent on manufacturers making commitments related to the level of local content and establishing targets for exports.

The growing number of joint ventures with foreign partners is also likely to curtail future imports of certain equipment, such as switches.

ii. Space

Business Environment and Market Opportunities

Satellite communications (satcoms) are a priority for the China Aerospace Corporation (CASC) and China's space program. Until now, China has purchased satcoms from abroad. Future purchasing plans will depend on whether the DFH3 satellite, designed and built by CASC, is successfully launched. CASC is also working with Germany and France to develop a satellite known as SINOSAT.

Co-operation and direct sales in earth observation, satellite communications, ground stations and robotics present considerable opportunities for Canadian businesses. Canadian groups, including Geomatics Canada, the Canada Centre for Remote Sensing and the Canadian Space Agency, have all established good relations with their counterparts in China. The Canadian Space Agency (CSA) has signed memorandums of understanding (MOUs) on bilateral space co-operation with the China National Space Administration (CNSA) and the Commission on Science

and Technology in National Defence (COSTIND).

Chinese space organizations recognize Canada as the world leader in Synthetic Aperture Radar (SAR) technology, which China has decided to use for many applications, such as disaster prediction and mitigation. While it is unclear whether China's SAR satellite will be L-band or C-band, either option would present opportunities for Canadian suppliers.

The Chinese are very concerned about improving the environment in China through prediction and mitigation of natural and man-made disasters, resource management, and land use planning. To support this initiative they are looking at using advanced airborne and satellite remote-sensing sensors.

Radarsat International and the Remote Sensing Ground Station of the Chinese Academy of Sciences have recently signed a contract for the reception of Radarsat data. Canadian companies, with the support of the CSA, are involved in the upgrade of the Chinese ground station to receive Radarsat data. Earth observation offers the greatest prospects for Canadian sales in China. The construction of a second ground station for earth observation is being considered.

Given that the Chinese plans for manned space activities, including robotics, are very long term and still at the study phase, the shorter term markets are more likely to be found in terrestrial applications of robotics in hazardous environments.