

- Canada is represented in Beijing, Shanghai, Canton (Guangzhou), and Chongqing. China has missions in Ottawa, Vancouver, Toronto and Calgary.

## **Trade and Investment**

- China is a priority market for Canadian exporters. Canada has worked closely with the private sector and other levels of government to support Canadian companies in the China market, including the Team Canada mission to China in 1994, and the China Mission '98 led by the Minister for International Trade.
- Canada's 1996 trade action plan focuses on China's rapidly emerging regional markets. In line with the plan, Canada's Secretary of State (Asia-Pacific) led two trade missions in the last two years to explore opportunities on the coast and in the interior.
- Two-way trade more than doubled in the 1991-97 period, reaching about \$8.5 billion in 1997. Canada exported \$2.2 billion in goods to China in 1997. That year, there was a drop of about 25 per cent in Canadian exports, which was consistent with most of Canada's major competitors — the United States, Europe, Australia and New Zealand.
- Traditionally, Canadian exports to China have comprised basic commodities, such as wheat, potassium and wood pulp. In recent years, sales of manufactured goods, such as telephone, electrical, mechanical and telecommunications equipment have gained importance. Other major exports include cereal, fertilizers and aircraft, accounting for 40.5 per cent of Canada's total exports.
- Over the past few years, Canadian companies have exported a large number of services to China as part of infrastructure projects. In 1996, Manulife Financial, a Canadian insurance company, made a major breakthrough in the Chinese financial services sector, becoming the third foreign insurance company to obtain a licence.
- Many of China's import and infrastructure requirements correspond to Canada's prime export strengths, especially in areas such as telecommunications, oil and gas, power generation, the environment, transportation, mining and petrochemicals, and agriculture.
- Canada's Export Development Corporation plays a critical role in financing value-added exports to China. The corporation now has a representative in Beijing, its only overseas office, and it offers non-concessional lines of credit to companies doing business in China.