

A Fact-Finding Mission

seats and seven floors, the Exchange is twice as large as Hong Kong's, and will soon be moving to a new building designed by a Canadian architect.

With the new taxation laws and the rumoured implementation of a VAT (value-added tax), delegates were interested in speaking to the Shanghai Municipal Taxation Bureau. There seem to be numerous growing pains as the Bureau tries to keep up with changes in taxation rules.

In Beijing, Ambassador Fred Bild gave a succinct overview of the economic and political outlook for China from a Canadian perspective. As he noted, China is undergoing another revolution with its economic reform entering a new stage, possibly the most complicated so far. They are seeing the introduction of a market system in parallel to the old state-owned one, and the results are complex and have a far-reaching effect.

Mr. Li Baowei, Deputy General Director of the Beijing Investment and Information Advisory Service Centre, seemed to share in much of the confusion directed towards implementation of taxation reforms. We were surprised to find out that Bureau staff are planning a trip to Canada to study our taxation system.

The Chairman of CITIC (China International Trust and Investment Corporation), Mr. Wei Mingyi, whose interests in Canada are in the British Columbia forestry and real estate development areas, would like to see more



Mission participants Hugh Gillespie, William Yip, Dominique Bonifacio, Annie Wu, Tan Fu-Yan, Tim Gibbs, Eliza Chan, Fu Lam, and Michael Wu

Canadian companies involved in China, chiefly in the power, transportation, agriculture, and port construction sectors where they have much expertise.

Vice Mayor Mr. Lu Yucheng sees that, as China is undergoing such a fast development rate, infrastructure must be even more rational than before and must be planned to keep up with other growth areas. There have been more than 8,000 Sino-foreign joint ventures set up in Beijing in the past few years and this figure should reach 10,000 by July 1994. At MOFTEC (Ministry of Foreign Trade & Economic Cooperation), Director General for Foreign Financing Administration, Mr. Liu Zhiben, mentioned that there had been US\$2 billion in signed deals with Canada since 1986.

Chairman of the All-China Federation of Industry & Commerce, Mr. Jing Shuping, discussed the emergence of a stronger private sector in China since 1978. With 680,000 members, the Federation has recently received approval for renaming itself the China Chamber of Commerce.

It was very apparent to delegates that, despite worries regarding the speed with which infrastructure, legal, and taxation laws may be put in place, and despite the recent austerity programme, the economic climate in China is the most dynamic in recent times. The economic revolution is an important and fascinating one, given that it is happening to such an enormous country and so late in the 20th century. The Canadian Chamber sees a role for itself and its members in forming a bridge of information for Canadians wanting to do more business and establish more links with China. ♦



Chamber President, Eliza Chan and the Chairman of CITIC, Wei Mingyi



Eliza Chan; Chairman of All-China Federation of Industry & Commerce, Jing Shuping; and William Yip

