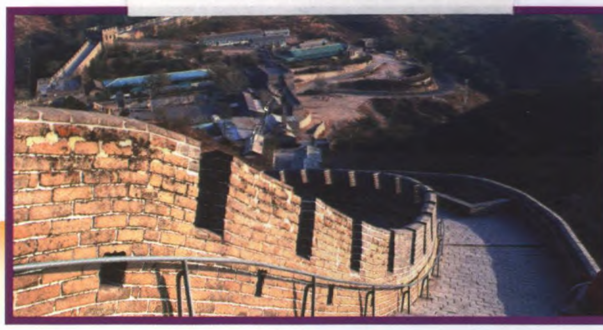


New opportunities for Canadian business

Canadian firms are well placed to take advantage of China's entry into the WTO. Strong Canadian export sectors already established in China stand to gain from its new WTO commitments.

Automotive: Canada is a major exporter of automotive parts and accessories to China. Tariffs levied on Canadian exports of these items will fall substantially under the terms of China's WTO accession.

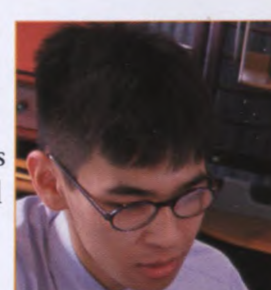
For example, by 2005, tariffs will drop:

- **from 25% to 10% on large automotive engines;**
- **from 40% to 20% on automotive air conditioners; and**
- **from 22% to 10% on automotive safety glass.**

At the same time, tariffs charged on complete vehicles will fall dramatically. On cars with mid-sized engines (1.5 to 3.0 litres), tariffs will drop from 70% in 2001 to only 25% by 2005.

Telecommunications: China will eliminate tariffs on telecommunications equipment by 2004. Canada exports about $300 million a year of such equipment to China. In 2001, the average tariff was 13%.

China has also set a schedule to allow foreign companies into the Chinese market for telecommunications services. For example, by the end of 2002, China will allow companies with foreign investment to provide mobile telephone services in most major cities.



Plastics: Tariffs on Canadian exports of polyethylene will be cut from 16% in 2001 to 6.5% by 2008.

Environment: Over the next two to three years, China will reduce its tariffs on imports of parts and equipment used in the environmental sector, such as filters, pumps and instruments. Under the terms of accession, foreign companies are able to establish majority-owned joint ventures in China to provide a range of environmental services.

Metals and minerals: The quantitative limit on potash exports was eliminated in 2002.

Financial services: China has agreed to allow foreign provision of financial services throughout the country. Although access will be limited at first to a number of cities, restrictions will be eliminated within three to five years.