

Our focus has been strongly oriented to commercial opportunities in China for Canadian suppliers. We appreciate, however, the strong linkages which exist with our development assistance. Because of the geography, history and resources development experience in both countries, we see continuing opportunities to provide Canadian technical assistance for economically sound developmental projects in China which are compatible with expanding trade between the two countries.

Throughout this assignment we have become increasingly aware of the complexities and dynamics of the huge market which China represents. Events have moved rapidly since our Task Force was created some five months ago. For example:

- China finalized its Seventh Five Year Plan, covering the period 1986-1990;
- Official visits to China were made by the Prime Minister, the President of CIDA and the Minister for International Trade;
- CIDA announced the doubling of its planned commitments under the China bilateral program to \$200 million between 1987 and 1992;
- EDC announced the establishment of a \$350 million concessional financing facility for China;
- CIDA announced its new Technology Development Program to provide \$5 million for feasibility studies in China;
- Babcock and Wilcox Canada won orders of some \$200 million for boilers in two Chinese power plants, with financing by EDC;
- China has accepted CIDA's offer to finance the feasibility study by a Canadian consulting consortium of the world's largest hydro project at Three Gorges on the Yangtze River. Concurrently other Canadian consultants are expected to help plan power systems in Southern China under another CIDA project; and
- Encouraging progress has been made in promoting sales of Canadian equipment and services for the Gehe Yan hydro project (proposed to be supported by concessional EDC credit-mixte financing).

We believe that our report will prove to be a valuable resource document for Canadian exporters to China, as well as to the various departments of the federal and provincial governments which support such exporters. Accordingly, we hope that you will agree to make this report available to a larger audience.