Market Opportunities

China is really a collection of regional markets, with differing development priorities and economic characteristics. The single richest regional market remains the South China coastal provinces of Guangdong and Fujian, adjoining Hong Kong. Guangdong alone accounts for 40 percent of China's foreign trade capacity, and consumes a disproportionate amount of high value-added imported goods. Other potentially lucrative regional markets in China include the Northeast provinces, Shanghai and the densely populated Yangtse River basin, including Sichuan province.

China's development needs are well matched by Canadian capabilities. Our sectoral priorities for China and Hong Kong include:

- **Energy:** thermal, hydro and nuclear power generation equipment and services.
- **Minerals:** including oil and gas, equipment and services.
- **Telecommunications:** all aspects, including equipment sales, services, space-related telecommunications, data communications.
- **Transportation:** including automotive, aviation and rail.
- **Environment:** technologies and services.
- **Agri-food:** including livestock, agricultural commodities, value-added processed foodstuffs, and fish.
- **Urban Management:** including traffic control, solid waste disposal, law and order, education and welfare.

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Korea and East Asia

Introduction

Composed of South Korea, Taiwan and Indochina, the Korea and East Asia region is one of the fastest-growing economic areas in the world. South Korea, Canada's fifth-largest trading partner, receives the lion's share of Canadian exports to this region, with two-way trade totalling $3.9 billion.

Developments in the region, specifically with respect to the emergence of Korea and Taiwan as industrialized, developed nations, have necessitated a rethinking and reorganization of Canadian objectives and strategy, which have kept abreast of these developments.

Business Environment

The business climate is excellent for Canadian companies as Korea and Taiwan open markets and mature economically. There is still much progress to be made, however, especially in the Korean agriculture and food sector. The election of Kim Young Sam as President of Korea in 1993 is a promising development. A five-year economic plan encompassing a host of reforms aimed at reducing government interference in the economy has been introduced.

Taiwan's economy is forecast to grow by between 6 percent and 7 percent per annum for the next three years. The primary engine of growth is proving to be the $250-billion Six-Year National Development Plan. There are currently 35 Canadian companies pursuing 56 projects worth over $5 billion in Taiwan.

In Korea and Taiwan, there are prevailing moods of having "arrived" as economies. As evidence of this new-found prosperity, both Taiwan and Korea are now among the leading investors in Asia, particularly in Viet Nam and China. Only a generation ago, they were the recipients of aid from developed Western nations. Naturally, with more disposable income and more