



CANADIAN EXPORT ASSOCIATION

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ASSOCIATION CANADIENNE D'EXPORTATION

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July 23, 1986

The Honourable Patricia Carney, P.C., M.P.,
Minister for International Trade
The Honourable Monique Landry, P.C., M.P.,
Minister of State for External Relations,
Department of External Affairs,
Lester B. Pearson Building,
125 Sussex Drive,
Ottawa, Ontario
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Dear Ministers,

I am pleased to submit the final report of the Industry-Government Task Force on the China Power Sector which was created by your predecessors in February of this year.

China, the most populous country in the world, is modernizing rapidly and is already Canada's fifth largest export market. China's power systems have almost as much capacity as Canada's at present and will probably be twice as large by the year 2000 because they are expanding more rapidly. China will probably spend between \$140 and \$200 billion in expanding its power sector over the next fifteen years. Up to \$30 billion of equipment and services will likely be imported.

We are convinced that Canadian exporters can win a reasonable share of this business, provided Canada uses its available resources systematically.

We have also examined Canadian trade performance and prospects in six other key sectors in China: agriculture, forestry, mining, oil and gas, telecommunications and transportation. Canadian exports of commodities will continue to dominate bilateral trade in the first three of these sectors but we note good prospects for increasing exports of Canadian services and equipment in each sector.

Our report provides an analysis of trade opportunities in these seven principal sectors in China and suggests elements of a Canadian strategy which could increase our exports in this major market. As requested, we have concentrated on actions by the federal government which can support parallel actions by the exporters.