

Large Canadian companies are already active in China. Smaller companies with specific expertise in niche areas can improve their profiles in China by subcontracting to larger companies, by participating in consortia and/or by forming strategic alliances.

Constraints

Financing is a serious constraint on development in the aviation sector, particularly for more remote or less economically developed centres of operation. Although Chinese authorities promote foreign investment in this sector, laws currently limit foreign ownership to 35 per cent of airlines and 49 per cent of airport operations.

Most competition in this sector is from firms in the United States and Western Europe, which have more flexible government support programs, particularly for financing.

Action Plan

The objectives of the Action Plan in this subsector are to:

- increase Chinese knowledge and awareness of Canadian aviation through missions, trade fairs and seminars;
- work closely with the Canadian industry to build teams that can target specific projects or market opportunities. Airport Team Canada is an example of these types of collaborative efforts;
- build on the successful 1996 visit of Airport Team Canada to pursue airport development design and planning, equipment design and management of projects in China;
- establish and maintain key contacts at the local government level, conveying the value of Canadian technology and expertise;
- build on the valuable contacts established through the bilateral transportation training programs of the Canadian International Development Agency, by identifying channels for appropriate follow-up;
- encourage and support the development of commercial projects and linkages under the memorandum of understanding between Transport Canada and the General Administration of Civil Aviation of China; and
- gather, assess and disseminate market information and intelligence on particular developments and business leads in high-growth aviation centres such as the Pearl River Delta.