

The Canadian government believes that high-level political contacts will continue to be an important element in opening doors for Canadian companies. These contacts will also help to make Chinese leaders aware of Canadian capabilities for producing high-quality goods and services.

The Canadian government also recognizes the need to provide solid policy support for continued economic reform. China's attempt to convert a huge centrally planned economy to a market economy is unprecedented. An efficient, modern economy needs a specialized infrastructure, underpinned by transparent legislation and regulation. Canada's development assistance program supports China's effort to put in place the "software" of a modern economy that will help it modernize and be further integrated into the global economy.

Because of Canada's firm support of an international rules-based trading system, it strongly supports China's accession to the General Agreement on Tariffs and Trade (GATT) by January 1, 1995, and its entry as a founding member into the World Trade Organization (WTO). Accession should be concluded on terms which will benefit China and China's trading partners alike, and which will strengthen the WTO. Canadian objectives regarding China's entry are to obtain lower Chinese tariffs on Canadian exports, reduction of non-tariff barriers, removal of restrictions on foreign investment in the services sector, more transparency in trade rules and more predictable market access.

Since its 1986 admission request, China has made sweeping reforms to its economy and its trading system. However, there are still areas which require improvement if China is to meet GATT standards. Secrecy about import regulations, restrictive measures applied to foreign investment and import services, and inadequate protection of intellectual property are all areas that will have to be reformed before Chinese accession to the GATT and the WTO.

Canada and China co-operate on regional economic issues and human resource development strategies in Asia-Pacific Economic Co-operation (APEC). Within APEC, the two countries share a common interest in pushing for economic reform and trade liberalization among members.

### **Sustainable Development**

Canada believes that it is essential to protect the environment while promoting economic growth.