

Table 7: Geographic distribution of the Chinese balance of merchandise trade

Regional Distribution								
Mn US\$	Asia	Western Europe	North & Central America	Middle East	South America	Africa	Oceania	Rest of the World
Year								
1990	14,606	-3,260	-2,202	948	-819	800	-935	-393
2002	-29,037	8,574	71,739	-2,579	-3,208	-428	17	-14,715
Major partner countries; sorted on year 2002 level of trade balance								
Mn US\$			1985	1990	1995	2000	2001	2002
WORLD			-15,151	8,950	16,792	24,099	23,131	30,271
Hong Kong, China			2,386	12,598	27,405	35,091	37,079	47,695
United States			-2,863	-1,277	8,621	29,787	28,174	42,812
Netherlands			53	543	2,415	5,451	5,837	7,497
United Kingdom			-396	-720	819	2,718	3,262	4,722
Italy			-608	-214	-1,049	724	221	508
Singapore			1,823	1,166	102	702	652	-86
France			-490	-1,020	-804	-237	-537	-211
Australia			-941	-893	-958	-1,595	-1,856	-1,263
Malaysia			-12	-482	-784	-2,915	-2,982	-4,320
Russia			n.a.	n.a.	-2,125	-3,537	-5,244	-4,884
Japan			-9,087	1,555	-541	142	2,268	-5,006
Germany			-1,702	-918	-2,363	-1,131	-3,935	-5,052
Korea, Rep. of			0	196	-3,600	-11,915	-10,869	-11,179
Canada			-917	-1,041	-1,148	-593	-680	677

Note: These trade balances are based on trade data reported by China and may not correspond with trade balances derived from trade data reported by China's trading partners.
Sources: Asian Development Bank (ADB), Key Indicators of Developing Asian and Pacific Countries and International Monetary Fund (IMF) Direction of Trade statistics

Table 8: The importance of trade with China for major trading partners**Exports to China as a share of the respective country's total world exports**

Country ranking based on the share of exports to China in 2002

	1985	1990	1995	2000	2001	2002
1. Hong Kong	26.0%	24.8%	33.3%	34.5%	36.9%	39.3%
2. Korea, Rep. of	0.0%	0.0%	7.0%	10.7%	12.1%	14.7%
3. Japan	7.1%	2.1%	5.0%	6.3%	7.7%	9.6%
4. Australia	3.8%	2.5%	4.3%	5.7%	6.2%	6.9%
5. Russia	n.a.	n.a.	4.4%	5.1%	4.9%	6.3%
6. Malaysia	1.0%	2.1%	2.6%	3.1%	4.3%	5.6%
7. Singapore	1.5%	1.5%	2.3%	3.9%	4.4%	5.5%
8. United States	1.8%	1.2%	2.0%	2.1%	2.6%	3.2%
9. Germany	1.2%	0.6%	1.5%	1.6%	1.9%	2.2%
10. Italy	1.0%	0.6%	1.2%	0.9%	1.2%	1.5%
11. France	0.8%	0.6%	0.9%	1.0%	1.0%	1.1%
12. United Kingdom	0.5%	0.4%	0.5%	0.8%	0.9%	0.8%
13. Netherlands	0.4%	0.1%	0.5%	0.4%	0.5%	0.6%
Canada	1.0%	1.0%	1.2%	0.9%	1.0%	1.0%

Imports from China as a share of the respective country's total world imports

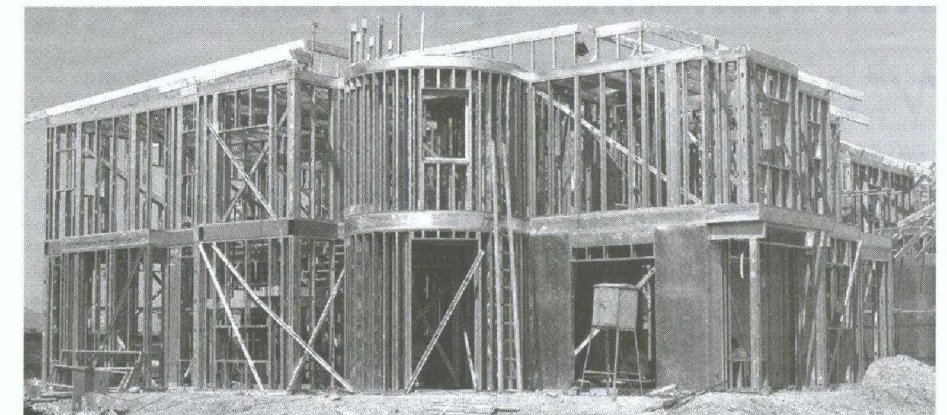
Country ranking based on the share of imports from China in 2002

	1985	1990	1995	2000	2001	2002
1. Hong Kong	25.5%	36.8%	36.2%	43.0%	43.4%	44.3%
2. Japan	5.0%	5.1%	10.7%	14.5%	16.6%	18.3%
3. Korea, Rep. of	0.0%	0.0%	5.5%	8.0%	9.4%	11.4%
4. United States	1.2%	3.2%	6.3%	8.6%	9.3%	11.1%
5. Australia	1.2%	2.7%	5.0%	7.8%	8.8%	10.1%
6. Malaysia	2.0%	1.9%	2.2%	3.9%	5.2%	7.7%
7. Singapore	8.6%	3.4%	3.2%	5.3%	6.2%	7.6%
8. Russia	n.a.	n.a.	1.9%	2.8%	4.4%	5.2%
9. Netherlands	0.3%	0.6%	1.4%	3.6%	4.5%	5.1%
10. Germany	0.5%	1.4%	2.5%	3.4%	3.6%	4.0%
11. Italy	0.7%	1.0%	1.9%	2.7%	2.9%	3.2%
12. United Kingdom	0.4%	0.5%	1.2%	2.2%	2.7%	3.1%
13. France	0.5%	0.9%	1.8%	2.3%	2.3%	2.5%
Canada	0.4%	1.0%	2.1%	3.2%	3.7%	4.6%

Source: International Monetary Fund (IMF) Direction of Trade statistics

Davey International Inc. builds in China

Housing companies looking to expand outside North America generally find China a very lucrative market. However, at the same time, a lack of infrastructure in China and a different way of doing business can be a barrier to success. **Davey International Inc.**, with the help of Canada Mortgage and Housing Corporation (CMHC) and Canada's missions in China, has managed to firmly establish itself in this burgeoning, yet complex, market.



Davey International's lightweight steel frame technology used in the construction of North American-style luxury homes north of Beijing

Davey, an Ontario-based manufacturer of pre-engineered metal building systems, recently signed a contract with Napa Valley Real Estate Development Co. of China to design and supply 50 homes. The project, occupying 700,000 square metres and situated 40 kilometres north of Beijing, features North American-style luxury homes ranging from 250 to 450 square metres. Phase I of the four-phase project consists of 120 homes to be completed by the end of 2003. The project will have some 1,000 homes upon its completion in spring of 2005.

The LSF system

A typical steel frame consists of wall studs, floor joists and roof trusses. The lightweight steel frame (LSF) system is a versatile and durable building product that offers a multitude of cost and structural advantages. The LSF system facilitates shorter building times, reduces loads on foundations and has high resistance to natural calamities such as fire, earthquakes and hurricanes.

At the same time, the system requires no treatment for termites or organic hazards and, because steel is a very stable material, the steel-framed walls remain straight

regardless of contact with moisture. In addition, the LSF system eliminates the need for heavy construction equipment and is easy to assemble. Steel construction has environmental advantages as well; it is 100% recyclable and offers outstanding thermal and energy efficiency.

Davey's journey through China

Established in 1956, Davey has been a pioneer in providing Canadian pre-engineered metal building systems to the Chinese market. Over the past decade, Davey has completed projects across China in cities such as Beijing, Chongqing, Foshan, Nanjing, Shanghai, Tianjin and Wuhan.

Davey has received help from CMHC International in the Chinese market. In September 2002, CMHC helped Davey to secure a contract valued at \$1.5 million to design, supply and build three high-end, single, two-storey LSF homes for Du Hu Real Estate Development Co. Ltd. Located in Shanghai, each of the homes is over 500 square metres and, due to the central location and high-end clientele, can rent for some \$15,000 monthly.

Davey was also a member of CMHC's November 2002 China Mission, when Napa Valley Real

Estate Development Co. made its first contact with Davey's Elaine Yu, Vice-President, International Marketing and Business Development, at CMHC's LSF presentation. Jorge Malisani, CMHC's Trade Consultant for China, notes that "an in-depth knowledge of Canadian industries, combined with a strong relationship with the top Chinese developers and good understanding of their needs, makes CMHC International the ideal partner to penetrate the Chinese market."

Albert Chan, Executive Vice-President at Davey, adds: "Our company is very excited about this project in Beijing. We truly appreciate the effort and support provided by CMHC International, the Canadian Consulate General in Shanghai and the Canadian Embassy in Beijing in making this project possible."

The increasing worldwide popularity of the LSF system is one of the reasons for Davey's success, not to mention its ability to build lasting business relationships. According to Napa Valley Real Estate Development Co., "We are a firm believer in the LSF system. All 1,000 homes will be built in steel framing."

For more information on Davey International Inc., go to www.davey.com.cn