

Canadian exporters face various constraints, including:

- a preponderance of small-capacity, state-owned mills equipped with antiquated equipment that lacks effective pollution controls, making sales of Canadian high-technology equipment difficult except for new turnkey projects;
- difficulties in financing purchases of imported machinery;
- annual import quotas and delays in obtaining import licences for pulp;
- a general lack of current information about domestic production, local companies and planned projects;
- an overburdened transportation system; and
- high import tariffs on value-added products such as paper and paperboard (approximately 30 per cent) and doors and windows (approximately 50 per cent).
- promote exports of high-quality paper and actively pursue market opportunities for value-added wood-based construction materials;
- develop co-operation between the Canadian Pulp and Paper Association (CPPA), the Pulp and Paper Research Institute of Canada (PAPRICAN) and counterpart Chinese associations and research institutes;
- seek renewal of the forestry memorandum of understanding signed between Canada and China and seek clarification of priority sectors for co-operation;
- target projects supported by international financial institutions;
- use the Canada Mortgage and Housing Corporation's demonstration project in Shanghai to promote Canadian value-added construction materials, housing technology and related services;
- encourage a Team Canada approach to the China market by facilitating contact among Canadian manufacturers, service providers, and pulp, paper and value-added product suppliers;

Action Plan

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

- increase Chinese awareness and knowledge of Canadian products and technologies through missions, shows and technical seminars;
- collect and disseminate market intelligence and information;
- assist Canadian firms in finding local representatives, agents and joint-venture and other business partners; and
- seek to address import constraints such as quotas and licences.