

- Many of China's import and infrastructure requirements correspond to Canada's prime export strengths, especially in areas such as telecommunications, oil and gas, power generation, the environment, transportation, mining and petrochemicals, and agriculture and agri-food.
- Canada's Export Development Corporation plays a critical role in financing value-added exports to China. The corporation now has a representative in Beijing (its only overseas office), and it offers non-concessional lines of credit to companies doing business in China. In 1996, the Minister for International Trade negotiated the extension of a concessional line of credit to China for up to \$75 million.
- Canadian imports of goods from China were valued at \$7.7 billion in 1998, up from \$6.3 billion in 1997. Electrical machinery, toys, sports equipment, machinery and footwear accounted for 45.8 per cent of Canada's total purchases from China in 1998.
- Canada has consistently supported the efforts of the Chinese government to open its markets by extending it most-favoured-nation trading status. This status gives China access to the Canadian market on the same basis as most other trading partners. Canada supports China's joining the World Trade Organization, which will provide better access for Canadian goods and services.
- Canadian direct investment in China rose from \$15 million in 1991 to \$377 million in 1997. Investments are concentrated primarily in the manufacturing sector and located in Shanghai and Beijing and the costal provinces of Guangdong and Shandong. The products and services resulting from these investments are intended principally for the Chinese market. About 75 per cent of Canadian investors in China are small and medium-size enterprises.
- Chinese investment in Canada has focused on the resource and real estate sectors. Potential exists for further investment in oil and gas; mineral deposits; and commercial projects, such as hotels.

Environmental Co-operation

- Recognizing that developments in China have global implications and that China can contribute to resolving global environmental problems, Canada is working with China on a wide range of environmental management issues, including climate change.