

\$25 billion last year. About one third of these re-exports end up in China and the rest in other markets in the Asia Pacific Region. In the case of Canada, approximately one quarter of our exports to Hong Kong are re-exported to other centres in the region.

In addition, we will encourage a selected number of Hong Kong entrepreneurs to set up trading houses in this country in joint ventures with Canadian industry leaders. This will increase the sourcing of Canadian goods for Hong Kong entrepot trade.

And we would like to draw on the considerable expertise of your Association to use Hong Kong entrepot trade as a means of expanding Canadian exports to Asia-Pacific markets.

Our third objective is to position Canada in Hong Kong to enhance future economic ties with China.

We will be demonstrating to Canadian business leaders and their potential partners in Hong Kong that a solid bilateral business relationship can only enhance our present and future trading prospects in China. The business activities of Hong Kong and South China are becoming increasingly integrated. A large number of PRC owned companies are established in Hong Kong. Similarly, many Hong Kong traders and manufacturers are increasingly active in the southern part of China. Canadian exporters who establish sound and profitable business relationships with Hong Kong firms will be well placed to develop the Chinese market in the future. Naturally, we will continue to benefit from the fact that our trade commissioner for the South China region works out of Hong Kong.

Fourth, we want to increase business relationships with Hong Kong entrepreneurs.

We will be promoting closer joint-venture ties, building on existing business relationships between Canadian and Hong Kong companies. This will give Canadians access to Asian distribution systems and give Hong Kong business people access to the North American market.

And we will continue to develop attractive investment opportunities in Canadian manufacturing as well as to encourage leading brokers and distributors to establish operations in this country.

These are the key activities we are planning. I want to point out that officials from my department will be available to explore these plans with you in greater detail in the panel discussions this afternoon.