

Many other countries also recognize the benefits of developing trade with China. As a result, the competition to win major projects in China is keen, and this extends to the financing terms offered. It was specifically to provide companies pursuing projects in that market with competing financing that the Prime Minister announced the Canadian \$350 million concessional financing facility during his May 1986 visit to China. Where applicable, this concessional financing is mixed with the regular financing provided by EDC to form an overall "soft" financing package that is competitive with other countries.

This approach has proven to be very successful. Eight projects involving concessional funds have already been financed by EDC, and four other contracts recently signed by Canadian suppliers with Chinese customers will utilize concessional funds. An additional 10 projects involving major Canadian exporters, which could use a substantial portion of the line of credit, are at an advanced state of negotiation and will likely be signed in the next six months. Given that the line of credit is mixed with regular EDC financing, more than \$1 billion of Canadian exports to China will be supported by the concessional line of credit.

Another area in the region attracted much attention recently. Taiwan's spectacular economic success has aroused the interest of business people from all around the world, including many in Canada. In fact, it is a fellow Albertan, Jack Morrish, the President of Fording Coal of Calgary, who is the Canadian Chairman of the Canada-Taiwan Business Association.

The island's outstanding economic performance last year resulted in a record trade surplus of U.S. \$19 billion, and its foreign exchange reserves now stand at U.S. 76 billion, second in the world only to Japan.

Taiwan is now Canada's fifth largest source of imports and twelfth largest export market. Total trade was close to Cdn. \$2.8 billion, with a surplus of almost \$1.3 billion in Taiwan's favour.

Canada's recognition of the PRC in 1970 precludes our having official relations with the Taiwan authorities; however, as the trade figures dramatically illustrate, we are happy to see private and commercial contacts. In fact, this Government applauded the decision of the Canadian Chamber of Commerce to open a trade office in Taipei in October, 1986.

This Government has made a strong commitment to the Asia Pacific region. This has been reflected in a number of ways. Comprehensive country strategies have been adopted for managing the full range of our relations with Japan, China and India; trade and investment action plans have been developed for Korea, Hong Kong and ASEAN.