

total export financing which might be available from EDC and the banks to the year 2000 might be of the order of some \$7 billion. This figure is considerably less than the \$30 to \$40 billion which would result from the prospective total Canadian exports outlined earlier, some of which would, however, be supported by the Canadian Wheat Board. Although the amount of available financing will apparently not constrain exports in the near term, this matter warrants consideration and monitoring in the longer term.

China has obtained financing from a variety of sources to support its ongoing transformation to a major economic power. In 1980 China joined the World Bank, which approved more than \$3 billion in loans in the five years from mid-1981. Roughly 20 per cent of these loan funds were for power sector projects. China joined the Asian Development Bank in 1986 and will be eligible to start borrowing from that institution in 1991.

Barter arrangements finance a very large amount of China's international trade. All trade with the USSR is based on barter, as is most trade with other COMECON countries. China apparently swaps its oil exports with Japan for steel imports, a transaction valued at US\$ 2.7 billion in 1984 alone.

Other OECD countries have agreed to provide extensive concessional financing to support their exports to China. Facilities currently in existence provide for more than \$6 billion on concessional terms, with almost 90 per cent offered by Japan. Other countries also offer such subsidized financing in order to win specific contracts. Most of this concessional financing is targeted on infrastructure projects. The recently announced EDC facility for concessional financing should make it easier for Canadian exporters to win orders in the competitive Chinese market.

Canadian trade with the world's most populous country already places China as Canada's fifth most important trading partner. Canada-China trade relations are evolving rapidly, particularly as China establishes a new framework of laws and regulations governing its internal and external commercial activities and moves toward full participation in the General Agreement on Tariffs and Trade. The Task Force is convinced that Canada needs