

a leading customer, with Canadian suppliers holding about 50 percent of the Chinese imports of potash.

NON-FERROUS METALS AND MINERALS

China currently ranks fourth in world production of nonferrous metals (2.52 million tons of the ten major nonferrous metals in 1991) after the Commonwealth of Independent States, the U.S.A. and Canada. Chinese nonferrous metals exports exceeded U.S. \$920 million in 1990, twice the 1985 figure. During the Seventh Five-Year Plan, (1986-1990), China invested a total of \$3.5 billion in construction and technical upgrading to increase production capacity; annual production during this period grew an average eight percent.

In the early 1990s, the country's dramatic move away from a command economy to market mechanisms fuelled demand for nonferrous metals. Metal shortages periodically shut down processing factories and occasionally forced internal prices above international levels. Only recently have restrictions on the use of metals previously in short supply (aluminum and copper) been relaxed.

China's nonferrous metals demand is expected to grow more rapidly than production over the next twenty years. The Eighth Five-Year Plan, (1991-1995), seeks to increase total production capacity by five percent annually to three million tons by 1995 and to almost five million tons by the year 2000. However, unless foreign investment can be channelled into the sector, this growth may be impeded. Foreign investment regulations for mining should be implemented in the first half of 1994.

Copper and aluminum production receive top priority from the PRC, followed by lead and zinc production and development. Currently underway are several retrofitting projects to incorporate advanced processing, environmental protection and energy conservation technologies in existing operations.

Since the mid-1980s China has become a major importer of metals and ore concentrates, including copper