

Canada's Four Pillars Policy on China

While Canada's foreign policy objectives in China are many and diverse, its overall aim is to engage Chinese leaders on a range of bilateral and multilateral issues. The pillars of this relationship — economic partnership; sustainable development; human rights, good governance and the rule of law; and peace and security — are strong and are the underpinning upon which this government intends to base long-term relations. Canada believes that only through systematic and wide-ranging contact will it be able to encourage greater openness and freedom in China and to advance Canadian interests there.

Economic Partnership

Since China launched its immense economic reform program in 1978, bilateral trade relations have evolved considerably. Today, China is Canada's third most important market in the Asia-Pacific region and its fifth largest trading partner in the world, with two-way trade totalling \$4.8 billion in 1993.

In the past, Canadian exports to China consisted of basic commodities such as wheat, fertilizers and wood pulp. But in recent years Canadian manufactured goods have gained importance in the Chinese market. In 1988, manufactured goods represented 4 per cent of imports from Canada; by mid-1994 they represented 43 per cent.

The fact that many of China's import and infrastructure requirements parallel Canada's top export strengths — especially in such areas as telecommunications, oil and gas, power generation, environmental technology, transportation, construction, the mining and petrochemical industry, agricultural products and technology — also strengthens the partnership.

In 1993, Canada exported close to \$500 million in value-added goods to China, a growth rate of almost 50 per cent over 1992. And these exports are expected to increase as China's modernization drive continues.

Canada's Export Development Corporation plays a critical role in financing our value-added exports to China. In July of this year Canada's Minister of Foreign Affairs, André Ouellet, witnessed the signing of a \$100 million extension of Canada's line of credit to China. To further support Canadian businesses pursuing opportunities in China, Canada's Minister for International Trade opened a trade office in Guangzhou, Guangdong Province, during his visit in April 1994.

Canadian companies, large, medium and small, are active in the Chinese market and are eager to work with Chinese counterparts. Northern Telecom and CAE Electronics Limited of Dorval, Quebec, and Vancouver-based Chemetics Ltd. are all active in China.