

Technology (S&T) Cooperation Agreement that will promote greater collaboration in research and development between Chinese and Canadian academics, as well as researchers and innovators from and both the private and public sectors. The work conducted under the Agreement will initially focus on four priority areas: energy, environment, health and life sciences, and agricultural foods and bioproducts.

A number of problems and practices continue to impede Canadian access to the Chinese market such as import requirements for agricultural and food products. As well, some elements of the former planned economy remain.

Since its WTO accession in 2001, China has made great efforts to reform its IPR regime to comply with obligations in the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). Canada will continue to urge China to meet the terms of TRIPS by encouraging further efforts to uphold IPR. These efforts are essential to address the growing global problem of counterfeiting and piracy. We will continue to engage China in dialogue in multiple international forums, to provide support to Canadian companies with specific concerns, and to urge China to participate in initiatives to address this common problem. In addition, Canada filed a request with China on April 25, 2007, to join consultations, initiated by the United States, at the WTO concerning certain aspects of China's legal framework for the protection of IPR.

A number of Canadian industries have raised concerns regarding Chinese government support and subsidies for Chinese manufacturing sectors such as the steel sector. Canada, along with other WTO members such as the United States and the European Union, has raised its concerns and sought clarification regarding Chinese programs in the WTO and, in the case of steel, the Organisation for Economic Co-operation and Development (OECD). In addition, Canada has engaged in direct dialogue with China on these programs.

As a member of the WTO with a significant portion of world trade, China is an important participant in the Doha Round of multilateral trade negotiations. Canada will continue to cooperate with China in supporting an early conclusion to these negotiations.

Hong Kong (China)

The Hong Kong Special Administrative Region, which maintains autonomy in economic, trade, cultural and political affairs, continues to develop its own economic, fiscal and budgetary policies, reflecting its own interests and dependence on trade. It continues to be an aggressively free market economy, with virtually no barriers to entry or doing business. Canada exported \$1.6 billion in merchandise to Hong Kong in 2006 and imported merchandise worth \$513 million.

India

India remains on track to becoming a world economic power through acquiring foreign technology and expanding investment abroad. Opportunities for Canadian services exports to India abound due to India's highly skilled, English-speaking workforce. Growth in two-way trade is expected to continue, and significant commercial opportunities in India will continue to emerge with rising consumerism and infrastructure development in India. Total Canada-India merchandise trade in 2006 was \$3.6 billion.

Two-way cumulative direct investment is modest, but growing – up from almost \$349 million in 2005 to \$528 million in 2006 – and is likely to increase further once a FIPA, currently under negotiation, comes into force. The conclusion of a FIPA would boost investment opportunities by providing added security and predictability to the legal framework pertaining to foreign investment.