

Smaller companies have a presence, too. Recently our Consulate General in Shanghai received a list of over 50 Canadian joint ventures in that city. These were mostly small, service-oriented businesses with obvious potential for future growth in China's largest metropolis and industrial centre.

Northern Telecom's joint-venture experience, for one, has been positive enough to lead that company to embark on what will likely develop into their largest manufacturing base outside of North America. Such initiatives do not export jobs but rather allow Canadians to enjoy a piece of an expanding pie.

For example, I have heard from visitors to the Northern Telecom plant in Shekou that the place is full of crates marked Bramalea, Ontario. Through investing in the burgeoning Guangdong economy, Northern Telecom and several other Canadian companies have seen results in sales not only for their Chinese plants but for their Canadian ones as well.

I mention Guangdong in particular because the growth rate there exceeded 20 per cent last year. The Chinese are worried about the economy there overheating, so I am sure we in Canada would be happy to take a few percentage points off their hands.

Outward investment to China may allow Canadian firms to establish a local presence and develop the relationships and local distribution channels required to successfully position a long-term strategy in China. Many companies can reduce the foreign exchange requirement for their products by assembling in China, thus making our exports more competitive in China and in the Pacific region as a whole.

I am very pleased to note that China's new global perspective now includes the realization of the fact that Canada also is an ideal place in which to invest. There are now many substantial investments by Chinese firms in Canada, to take advantage of our reliable resources and advanced technology. Dr. Ding of CITIC no doubt told you earlier today that his company's largest investment outside of China and Hong Kong is in British Columbia.

China National Petroleum Corporation has recently established offices in Alberta to look at taking equity in the Canadian energy sector. Canada welcomes these developments, and my government and those of my provincial colleagues are working in support of this trend.

During my visit to China last year I became convinced that Canada has a very special place in the hearts of the Chinese people. We would be deluding ourselves, however, to believe that warm feelings toward Canadians are sufficient to secure business opportunities in China.