

Hong Kong is the world's busiest container port and the world's sixth most active air freight terminal, busier than London's Heathrow. And Hong Kong is reputed to be the fifth largest banking centre in the world.

Last year, Hong Kong experienced GNP growth of an astounding 12 per cent and a 40 per cent increase in imports. It is a market that offers a free trade regime with virtually no tariff or non-tariff barriers. And, it is a hard currency area where financing is seldom a problem and the market is characterized by quick, firm business decisions.

This is the reality of Hong Kong. Unfortunately, Canadians have been slow to recognize it. In 1986, we ranked an unimpressive 23rd among suppliers to this market. By comparison, the U.S. exported 16 times more than we did to Hong Kong, and Australia two and a half times more.

We can do more. We must do more. Our industrial and economic future will depend to a large extent on our ability to do business in Asia-Pacific markets.

Although we have been slow off the mark, the future shows promise. Hong Kong and Canada have a unique bond of friendship and partnership that is a solid base on which we can build a greater, more diverse relationship.

We are Pacific neighbours and partners. Some 600,000 Canadians of Chinese descent live in Canada, many of whom have family ties in Hong Kong. And, more than 10,000 Canadians live in Hong Kong. About 25 per cent of Canada's foreign student population is made up of students from Hong Kong -- by far the largest group from any one country.

Residents of Hong Kong participate very actively in our program of entrepreneurial immigration. Under this program, the investment dollars from Hong Kong and the number of jobs they create in this country have been increasing.

Between 1986 and 1987, for example, Hong Kong investment under this program rose from \$590 million to \$776 million and jobs created rose from 3,400 to 4,500.

Working from this base of friendship and partnership with Hong Kong, Canadian entrepreneurs have begun to make some headway in Asia-Pacific markets.

Since 1985, our exports to the Asia-Pacific Region as a whole have been greater than our exports to Western and Eastern Europe combined -- making Asia-Pacific our second most important market after the U.S.