

KOREAN INVESTMENT IN CANADA CONTINUES TO INCREASE. MAJOR KOREAN SUCCESSES IN CANADA INCLUDE HYUNDAI MOTOR COMPANY, POSCO, KEPCO, SAMMI STEEL, THE KOREAN EXCHANGE BANK AND HANIL BANK. IN MY OWN PROVINCE OF NEWFOUNDLAND, THE HAN YAN CHEMICAL CORPORATION RECENTLY INVESTED \$16.5 MILLION TO ESTABLISH A PCV WINDOW FRAME PLANT IN ST. JOHN'S, NEWFOUNDLAND.

WE HAVE BEEN, AND REMAIN IMPORTANT TRADE PARTNERS. KOREA IS CANADA'S SECOND LARGEST TRADING PARTNER IN THE PACIFIC. OVERALL, KOREA IS CANADA'S FOURTH LARGEST TRADING PARTNER; WE ARE KOREA'S FIFTH MOST IMPORTANT EXPORT MARKET.

TO PUT THIS INTO PERSPECTIVE, WE SHOULD NOTE THAT CANADA'S EXPORTS TO KOREA ARE GREATER THAN OUR EXPORTS TO ALL OF AFRICA, ALL OF MIDDLE EAST OR EVEN SUCH MAJOR EUROPEAN POWERS SUCH AS GERMANY OR FRANCE.

SIMILARLY, KOREA'S EXPORTS TO CANADA EXCEED YOUR SALES TO FRANCE, ALL OF AFRICA, OR ALL OF CENTRAL AND SOUTH AMERICA COMBINED. OUR TWO-WAY TRADE CONTINUES TO INCREASE REACHING \$3.5 BILLION CDN LAST YEAR WITH A 20% INCREASE INDICATED FOR THE FIRST 5 MONTHS OF THIS YEAR. WHILE KOREA ENJOYS A TRADE SURPLUS WITH CANADA, I NOTE THAT IN THE FIRST FIVE MONTHS OF 1989, CANADA'S EXPORTS INCREASED 42.5% WHILE KOREAN EXPORTS TO CANADA INCREASED BY 10.2%.

WHILE PLEASED WITH THE OVERALL INCREASES, CANADA IS PARTICULARLY HAPPY TO SEE OUR CHRONIC AND SIGNIFICANT TRADE DEFICIT WITH KOREA DECLINING IN THE FIRST HALF OF THIS YEAR. WE ARE ENCOURAGED BY THE RECENT TRENDS TOWARDS MARKET LIBERALIZATION IN KOREA WHICH, IF CONTINUED, SHOULD PROVIDE OPPORTUNITIES FOR CANADA TO BOTH INCREASE AND DIVERSIFY OUR TRADE INTO OTHER SECTORS.