

EXPORT SUCCESS STORIES

Following the tragic incidents in Beijing in June 1989, Minister Clark issued a policy statement which called for the scaling down of certain key aspects of the bilateral trade relations, such as the suspension of high-level visits, downgrading Canadian trade representation in Beijing, withdrawal from participation in all Chinese-sponsored trade fairs, and establishment of the China Project Review Committee, in order to assess all EDC projects. At the same time, however, the June 30th policy provided for the continuation of export credit and development assistance in line with new criteria: maintenance of existing links, promotion of people-to-people exchanges, and avoidance of activities which benefit the military or propaganda apparatus.

Since January 1, 1990, the following negotiations and sales agreements have been reached between Canadian companies and the Chinese authorities.

- The Canadian Wheat Board announced the signing of an agreement with the PRC's Cereals, Oils and Foods Corporation for the sale of one million tonnes of wheat for delivery in May, June and July. The contract value is approximately \$180 million. Projected wheat sales to China for 1990 are approximately 4.5 million tonnes for a total value of \$800 million.
- Magna International has signed its first contract worth approximately \$6 million, to supply plastic molds to the First Auto Works in CHangchun.
- Spar Aerospace has signed a \$2.0 million contract to supply a satellite earth station to Qingdao. This contract is viewed as key to Spar's bid on over 10 other upcoming earth stations, valued at more than \$50 million.
- Champion Road Machinery, of Goderich, Ontario, have completed negotiations for the sale of two road graders to Jiangxi Province, valued at approximately \$250,000.
- Inc. Tobacco Company of Charlottetown negotiated several contracts in China for sale of tobacco and tobacco processing technology.

Economic Situation

It seems that China has entered a period of re-centralization, implementation of economic austerity policy and consolidation, during which time the Government will assess the impact that several years of decentralization of decision-making have had on its overall economic performance. While the overall thrust of the reform movement has been blunted, and the economic slowdown is expected to continue over the next two to three years, China's