

While Canada spends most of its effort promoting its manufactures, it seems the world is far more interested in its natural bounty — raw materials. The problem has been to create an image for Canada in the international marketplace that goes beyond the rugged vistas of the Rocky Mountains, pine forests and wheat fields.

Now, gradually, a coherent remolding of the image is taking place. Reaching across the vast reaches of the Canadian wilderness, telecommunications towers and transportation networks are bringing a new picture of Canada to the world and turning a natural disadvantage into a high-tech advantage.

Metro Canada International Ltd, for instance, is lobbying hard to supply the rolling stock for Singapore's Mass Rapid Transit System, and the company is also active in Hong Kong, where the government may build a light rail system in the New Territories.

Mitel Ltd has a manufacturing facility in Hong Kong, assembling sophisticated telecommunications equipment, including PABX systems and office automation equipment. Spar Aerospace has signed a preliminary agreement with China to upgrade the country's satellite communications system. Landstat receiving stations are being set up in Thailand with Canadian aid. Northern Telecom is a major supplier of telecommunications equipment to Hong Kong's Cable & Wireless.

Canada's drive to establish itself as a recognized leader in the telecommunications field has been successful to the point that telecommunications equipment ranked as the third largest export in dollar terms from Canada to Hong Kong in 1982.

Add another Canadian strength — energy — and the list becomes even more impressive. Canadian firms are involved in oil exploration offshore China, and in the Philippines, Indonesia and Sri Lanka.

Petro-Canada is providing Thailand with the expertise to conduct a seismic program offshore. Another Canadian company is working with China on treating sour gas and upgrading its pipeline network.

The Ombilin coal mine in Indonesia is being developed by Canadians. And Canadians are making a concerted effort to show China the expertise that Canada has in the fields of hydroelectric power and petrochemicals.

On the side of the ledger that doesn't show up in the trade statistics, Canadian banks have a very strong presence in the region, especially in the syndicated loan market. In China trade, the Royal Bank in particular has made its mark.

As this list shows, the Canadian effort to create an identity for the country as a world leader in a limited number of high-tech fields is paying off. But what of the many manufacturers that don't fit in to this export strategy. How are they faring? Not very well, it must be admitted.

This is not an easy market for the uninitiated to crack. Two of the most obvious problems are the language barrier and the distances involved. One Canadian trade official said that he doesn't recommend a manufacturer to look for business in China unless he has established solid export markets elsewhere. "He's got to be able to stomach a little indigestion."

While there have been some instant success stories, the tales of year-long waits in hotel rooms are also true.

As a result, most Canadian exporters trying to sell here commission agents to look after the market for them. In Hong Kong, the number of Canadian manufacturers that have their own office can be counted on the fingers of one hand.

Yet over 200 Canadian manufacturers are represented here through agents. In China itself, four Canadian firms have set up registered offices, and two of these are Canadian agents acting on behalf of clients.

It is surprising just how little advantage Canadians have taken of their strong historical links with China. Businessmen often lament that, with its wheat deals in the early 1960s and diplomatic recognition in 1970, Canadian business should have been well placed for early entry into the China market. Such criticism, however, ignores the fact that the China market was largely closed until 1977.

Immigrants from China and Japan helped to build western Canada in the last century, and immigration from East Asia has enjoyed a second boom since the 1960s. Many of these more recent arrivals maintain active relationships with businessmen here. The result has been that Canada's exports to Hong Kong run the gamut of Canadian products from apples to yarn, and don't show the same lopsidedness evident in other markets.

Many more from Hong Kong know Canada because they studied at Canadian universities. While the benefits to Canada of welcoming students from abroad go far beyond commercial relationships, some in

the business community wonder whether the Canadian training the students receive pays back later on in the form of a predilection to buy Canadian when a purchasing decision has to be made.

Perhaps the problem is not so much a failure on the part of the returned students to recognize where a Canadian product could do the job best, but rather one of too few of the right kinds of students.

An expanded program of scholarships to Canadian post-graduate education in fields where Canadian technology has distinguished itself would go a very long way to creating an awareness of just what Canada's strengths are. And it would help to open new markets for Canadian products by providing training in Canadian practices.

For instance, imagine what an even limited number of scholarships in petroleum engineering or geophysics available to applicants from China would do for Canada's attempts to crack the market for oilfield equipment and technology, scholarships in forestry for forest products, and architecture for building materials.

One problem of selling lumber into Japan has been the Japanese preference for cuts that do not conform to Canadian industry standards. The Canadian response has been to take a closer look at the Japanese market and try to manufacture to its specifications.

However, in tandem with this approach, a few Canadian-trained Japanese architects and engineers armed with a good knowledge of 2 x 4 frame construction could probably come up with a host of ideas on how to adapt Canadian standards to the Japanese market.

Those who have tried to crack the markets out here know well enough that it's the long-term view that will eventually bring results, not a desire for a quick dollar.

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REGION

Canada and China Sign a Development Co-operation Agreement

Allan J. MacEachen, Deputy Prime Minister and Secretary of State for External Affairs and Chinese Foreign Minister Wu Xueqian, last month signed

an agreement on development cooperation between Canada and the People's Republic of China.

The agreement provides a framework