

## PEOPLE'S REPUBLIC OF CHINA

Canada regards the People's Republic of China both as an important trade and economic partner, and as an influential interlocutor on many regional and multilateral issues. The Department continues to stress human rights concerns at every opportunity.

With the introduction of its tenth five-year plan in 1991, China appears to be continuing along the path of economic reform. Total bilateral trade between Canada and China in 1990/91 exceeded \$3 billion, with a favourable trade surplus for Canada.

The last three years have shown a steady growth in exports of capital goods to China, with sales increasing from \$125.7 million in 1987 to \$414.9 million in 1989 and currently representing 50 percent of Canada's total exports to China. Textiles continue to dominate imports from China but light industrial goods, such as toys and sports equipment, leather goods and footwear are also represented.

The second Canada-China Heavy Oil Symposium was held in Beijing in October 1990. Canada hosted the National Petroleum Show in Calgary and a Chinese state planning mission visit by representatives of China's government and business community.

The Canadian Embassy in Beijing and the Consulate General in Shanghai actively promoted Canadian goods and services through trade fairs and symposiums in the automotive, telecommunications, power and energy, and agriculture sectors.

## TAIWAN

Canada adheres to the one China principle which, in 1970, recognized the People's Republic of China and precludes official relations with the Taiwanese authorities. Nevertheless, the Department may still encourage business activities and private contacts with Taiwan.

Opened by the Canadian Chamber of Commerce in 1986, the Canadian Trade Office in Taipei (CTOT) was expanded this year and, under secondment through an Interchange Canada agreement, a trade commissioner is currently located there.

Through a private joint-venture agreement, Canadian Airlines began direct non-stop service between Vancouver and Taipei in December.

Taiwan is currently Canada's fourth largest trading partner in the Pacific, two-way trade reaching \$2.9 billion in 1990.

## SOUTHEAST ASIA — THE ASSOCIATION OF SOUTHEAST ASIAN NATIONS

The Department has completed a set of booklets which survey Canada's economic relationships with each of the Association of Southeast Asian Nations (ASEAN): Brunei Darussalam, Indonesia, Malaysia, the Philippines, Singapore and Thailand. Meanwhile, business, academic and cultural contacts are developing rapidly, assisted through the Canada-ASEAN Centre located in Singapore.

Canada's role as a dialogue partner in ASEAN stands as the cornerstone of relations with Southeast Asia and facilitates discussion on international and regional political and economic issues. The Secretary of State for External Affairs represented Canada at the annual ASEAN Post-Ministerial Conference held in Jakarta, Indonesia in July 1990. Mr. Clark also hosted a very successful meeting of ASEAN foreign ministers in Jasper in October 1990.

The Indonesian Minister of Administrative Affairs undertook an extensive study tour in Canada in October.

Canadian government and private-sector involvement in Southeast Asia continues to develop as cooperation increases across a range of political, economic, social and cultural interests.

## TRADE WITH ASEAN

Bilateral trade between Canada and ASEAN reached \$3.4 billion in 1990. Canadian exports accounted for \$1.6 billion of this total representing an increase from \$1.3 billion the previous year. Imports from ASEAN remained at approximately \$1.8 billion in 1990. There is tremendous potential for growth in the ASEAN-Canada trading relationship as ASEAN and Canadian exports account for just over 1 percent of each other's markets.

The Canadian government has funded a series of conferences, missions and feasibility studies to expand the commercial relationship. To date, Canadian exports to the region have consisted mainly of commodities and resource-based products. Trade development efforts promoting advanced technology products and services are resulting in diversification, with increased sales to ASEAN in the transportation, communications, aerospace and power sectors in particular.

Current estimates of Canadian investment in ASEAN are as high as \$2.9 billion which represents approximately 3 percent of all Canadian direct investment overseas.