

mainly concentrating on agriculture, energy, forestry and human resources development. This development assistance, which is projected to double in the next five years, has aroused considerable interest about China but has not involved export of capital equipment.

- b) Some \$6.8 million was disbursed during the past five years under CIDA's Industrial Cooperation Program. These funds support initiatives by Canadian exporters to develop trade with China. Pre-feasibility studies of six power projects represented 38 per cent of this program funding in China. In June, 1986, a Technology Cooperation Program for China was announced which will provide further funding for feasibility studies.
- c) External Affairs has provided three types of funding for trade activities in China. Some \$7.7 million was authorized for 759 PEMD projects in the past four years plus \$1.3 million for trade fairs and mission support. In addition \$0.9 million was provided for three pre-investment studies in the power sector as part of a trade promotion initiative.
- d) The Export Development Corporation has provided financing for Canadian exports to China by means of a \$2 billion line of credit, first extended in 1979 and renewed in 1984. Some \$158 million has been committed over the period to mid-1986, 90 per cent in the power sector. The recent establishment of a \$350 million concessional financial facility, expected to be part of the EDC line of credit, could provide up to some \$1 billion of credit mixte finance if blended with funds at Consensus rates.

Commercial lending activities by Canadian banks in China have been modest in the past but five banks have now established offices in China and may be expected to expand their activities in future. If the banks are prepared to lend approximately \$1 billion in total over the next fifteen years in China, an assumption which appears reasonable, and if the banks were to finance 15 per cent of the value of export transactions supported by EDC, the combined