

KOREA

Special Partner is Solid Export Target

The Republic of Korea is a proven export target and an important and continuing marketing challenge for Canadian business. Canada, whose goal is \$8 billion in two-way trade by the year 2000, has built a "Special Partnership" with Korea.

Economic Overview, Bilateral Trade

Korea is Canada's sixth-largest export market, with exports to Korea in 1995 of \$2.7 billion, up 22 per cent over 1994. Imports from Korea in 1995 totalled \$3.2 billion.

With a per capita income (1995) exceeding US\$10,000 and an economy growing at an annual rate of more than 7 per cent, Korea is preparing to join the ranks of the world's most developed nations. As a result, while Korea will remain a significant market for Canadian resource products, a range of new market opportunities is opening.

Positive Developments

Canada, acknowledging Korea's impressive rapid development, democratic evolution, and commercial strength, has expanded its relationship with this dynamic country.

The special partnership, created by Prime Minister Chrétien and President Kim Young Sam, forms the basis for many bilateral discussions. The *Special Partnership Working Group* was established to help build stronger political, economic, trade, and investment ties. It, and the *Steering Committee of the Agreement on Industrial and Technological Cooperation*, are active in identifying and creating joint venture/strategic alliance opportunities. They also are effective venues for Canadian companies to raise concerns about market access issues.

Opportunities

The quest for globalization and improved competitiveness means Korean industry must continue to source highly sophisticated equipment and technology. Korea is also undertaking massive investments in infrastructure upgrading and development in order to maintain and enhance its competitive position. Mega projects include the construction of the Incheon international airport and the TGV transportation system.

The information technology and telecommunications market, expected to exceed C\$50 billion within the next five years, is already a significant source of opportunities for Canadian companies.

The marine, automotive and aerospace sectors are primarily interested in electronic systems, components and finished products. There is interest in forming partnerships with automotive parts manufacturers.

Korean electrical generating capacity is expanding at a rate of approximately 20 per cent per year. Canada expects to build on AECL's success and add to the four CANDU reactors already completed or under construction.

Korea is Canada's third-largest overseas defence market, with annual sales of \$100 million. There is market potential for electronics, radar simulators, systems controls, military vehicles and aircraft.

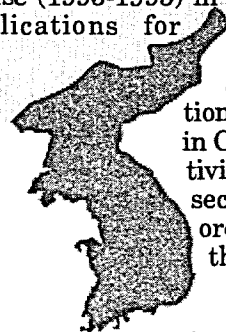
While Korea's US\$6-billion environmental market is concentrated on basic abatement systems, there are opportunities for Canada's high-end products and services in specialized niche markets.

Canada, with about four per cent of Korea's \$10-billion agri-food market, plans to focus on the value-added end of the market.

Forest products, including pulp and paper, and wood products (in-

cluding timber frame houses) are expected to be a key area of focus over the next few years.

The market for educational services is growing rapidly, as witnessed by an eight-fold increase (1993-1995) in applications for



student authorizations to study in Canada. Activities in this sector are coordinated by the Canada Education Centre, Seoul.

Team Canada to See Dynamic Market

Team Canada 1997 will demonstrate to Korean industry and government decision makers the importance which Canada places on the Korean market. Participants will get a first-hand look at this dynamic and fast-paced economy, and have an opportunity to meet many of Korea's most important and hard-driving business representatives.

Team Canada: Who Benefits

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you an opportunity to expand your business activities in Korea, the Philippines and Thailand.

Canadian companies that participate will:

- gain access to senior political and industry leaders in these countries;
- enhance their visibility and credibility in the market, particularly in contract closure;
- meet other Canadian com-

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