

redevelopment project). Notwithstanding the lack of formal Chinese approval of Hong Kong's financing plan for the project, a flood of contracting activity has been unleashed that will add as much as 1% to Hong Kong's GDP growth and will be a prime focus for the post trade development efforts. In this light, the Canadian Commission's trade and investment development program is based on an environment of increased spending and continued heavy construction activity in both private and public sectors. At the same time, heavy outward flows on investment funds associated with business immigration will continue.

In 1992, Hong Kong was Canada's 13th largest market, while Canada was Hong Kong's 9th largest customer. Two-way trade with Hong Kong totalled Cdn\$1.9 billion. In addition, trade in services is estimated to provide Canada with Cdn\$200-\$300 million in receipts by Canadian financial, travel, education and associated service industries. High value-added exports in building materials, telecommunications and datacommunications, food products as well as services continued to grow strongly and these will remain areas of concentration for the Commission for Canada. Also targeted will be environmental industries and major capital projects associated with infrastructure development.

Hong Kong is an important source of investment for Canada and in 1991, an estimated Cdn\$4 billion flowed to Canada, associated with immigration, direct investment and real estate. Increasing emphasis will be given to strategic alliances involving Hong Kong business in South China. In this context, the trade and investment program of the Canadian Commission consciously blurs the traditional distinction between trade, investment and technology transfer activity.