



6 Opening Doors to Asia

ASIA-PACIFIC ECONOMIC COOPERATION (APEC)

Since its inception in 1989, the Asia-Pacific Economic Cooperation forum has evolved its agenda in response to developments in world trade, taking on issues such as security and corruption. During the latest APEC Economic Leaders Meeting, held in Busan, Korea, in November 2005, leaders declared their support for the WTO's Doha Development Agenda negotiations. Leaders also reiterated the importance of the Bogor goals of free and open trade and investment in the Asia-Pacific region, and pledged to work toward this goal with the Busan Roadmap. For more information, please visit <http://www.dfait-maeci.gc.ca/canada-apec/indDec-en.asp> (Bogor goals) and http://www.apec.org/apec/leaders_declarations/2005.html (Busan Roadmap).

Throughout 2005, Canada was involved in a number of APEC-related initiatives aimed at building capacity in developing countries, and these efforts will continue in 2006. Canada is also launching a major initiative in conjunction with New Zealand aimed at fostering private sector development as part of APEC's future trade and economic agenda. This initiative will focus on issues that affect each economy's business environment, especially as it relates to small and medium-sized firms. In 2006, Canada will continue to work with its APEC partners to advance the WTO negotiations. Canada will also continue to support efforts to improve the efficiency and effectiveness of customs procedures and requirements.

CHINA

China (excluding the Hong Kong Special Administrative Region) is Canada's fourth largest export market. In 2005, Canada's total merchandise exports to China amounted to \$7.1 billion, an increase of 6% over 2004. Total merchandise imports from China increased to \$29.5 billion in 2005, up 22% over 2004. In 2003 (the last year for which statistics are available), Canada exported \$754 million in services to China.

China has accelerated the pace of trade and investment liberalization and reaffirmed its commitment to social and economic reform. The country has become one of the drivers of the world economy and an increasingly important market for the world's goods and services. Only the United States and the European Union import more. In 2004, China was the third most important destination in the world for foreign investment.

Canada's approach to its relationship with China takes full account of that economy's rapidly growing importance in world affairs. An economic partnership between China and Canada is a key element in supporting long-term relations and encouraging China's further integration into the global economy.

Despite the opportunities that China presents, a number of significant problems and practices impede Canadian access to the Chinese market. Additionally, some elements of the former planned economy remain.

Canada and China engage in regular formal consultations to review matters related to economic development, trade and investment. These meetings give Canada an opportunity to register specific market access concerns and underline the importance of transparency in a rules-based market economy. Additionally, Canada and China are negotiating a FIPA.

Prime Minister Martin visited China and Hong Kong in January 2005, at the same time as a business delegation led by the Minister of International Trade. A joint action plan related to the Canada-China Strategic Working Group was released on that occasion. Later, in September 2005, Chinese President Hu Jin Tao visited Canada, and several agreements facilitating bilateral trade were signed. Among these were a renewed bilateral air agreement and a protocol on the export of horses to China.