

International Trade inviting Mr. Petrie to chair the Task Force. A copy of this letter is attached hereto, as Annex I. It should be noted that the emphasis on hydro power in the Minister's letter was subsequently amended to include all aspects of power sector development.

The Task Force has interpreted its mandate as concerning mainly the trade relationships between Canada and China since the Canadian International Development Agency (CIDA) has already planned and is implementing Canada's development assistance program. However, because China is Canada's fifth biggest trading partner and our aid and trade objectives converge in the power and other sectors of commercial and development priority in China, the Task Force has not hesitated to explore the impact of various CIDA programs in the context of all relevant federal programs which affect present and future trade relationships between China and Canada.

1.2 PROCESS

Shortly after it was established the Task Force set up Working Groups to prepare briefs on the power sector and on six other major economic sectors of interest to Canadian exporters: agriculture, forestry, mining, oil and gas, telecommunications and transportation. These seven sectors have accounted for just over 95 per cent of Canadian exports to China during the last five years. Each Working Group included sector specialists from federal agencies and departments and several consultants, all of whom had direct experience with the Canadian resource base and/or the development needs and commercial opportunities within the relevant sector in China. Each Working Group was encouraged to seek information and experience from Canadian private sector organizations which have been actively pursuing work in China. Many individuals and firms were contacted in this process.

The Task Force arranged for more formal consultations with selected organizations from the power sector, the principal focus of the assignment. Each organization was asked to submit a written presentation which responded to certain common topics outlined in advance by the Task Force. Senior representatives from each organization were invited to make verbal presentations to Task Force members. A total of 24 written presentations were received and 14 organizations discussed their presentations with the Task Force. These organizations are listed in Annex II.

The sector briefs for the seven principal economic sectors provide valuable background and contain much information which is not repeated in the body of this report. These companion documents form Appendices A to G of this report and follow a common format, with four principal chapters in each:

1. Opportunities in China
2. Canadian Industry Capability and Capacity
3. Competitive Considerations re Chinese Exports
4. Possible Federal Role in Supporting Sector Exports

Each sector brief includes a list of firms consulted in the process of preparing the overview on the China market.