

Canada-Korea Trade

Trade figures for 1990 indicate that, in the Asia and Pacific region in 1990, Korea was Canada's second-largest trading partner (after Japan). Overall, Korea was our sixth-largest trading partner. In fact, as an export market, Korea surpassed France, Eastern Europe, and Latin America.

In 1990, Canadian exports amounted to \$1.56 billion, with two-way trade exceeding \$3.8 billion. This is down almost 5 per cent from 1989, when two-way trade amounted to over \$4 billion. This reflects the trend in Canadian trade worldwide.

In the first four months of 1991, Canadian trade with Korea rose 9.3 per cent (to US\$1,151.7 million). Canadian exports to Korea were up 30.3 per cent (to US\$643.2 million), while Korean exports to Canada were down 11 per cent (to US\$508.6 million). This resulted in a trade surplus for Canada of US\$134.7 million, compared to a deficit of US\$78.1 million for the same period in 1990.

Korean exports to Canada consist principally of fully manufactured products, including computers, automobiles, household appliances, footwear and textiles.

Canadian business is seeking increased market access for agricultural products in Korea and access to its financial services market for Canadian banks.

Exports of Canadian resource-based products are led by sales of coal, aluminum, sulphur, uranium, potash, copper and iron ore. In 1990, Canadian mineral exports alone totalled over \$600 million and represented almost half of all Canadian exports to Korea.

Fully manufactured products comprise less than 8 per cent of Canadian exports to Korea.

Specific trade objectives are designed to improve the market share for our resource-based products; gain access for products of the Canadian agro-fish industry; increase export opportunities for Canadian manufactured products in such areas as

defence, aerospace, and biotechnology; improve accessibility for Canadian companies in the services sector; and increase direct investment in Canada by Korea.

To highlight Canadian capabilities in the high technology sectors of telecommunications, electronics and aerospace, External Affairs and International Trade Canada organized a Canada Week in Seoul in March 1988, a smaller event in March 1990, and a Canada Business and Technology Week in November 1990. A similar event is planned for the fall of 1991.

Other initiatives include incoming and outgoing missions, supported by government programs, in the aerospace, defence products, autoparts, energy, telecommunications, instrumentation and processed food sectors.

Recent successes such as the sale of a second CANDU nuclear reactor bode well for future sales in this field. Co-operative ventures in other areas, such as the recent sale by Champion of \$3 million worth of road graders to a Korean construction company for use in the reconstruction of Kuwait, indicate that our two countries can collaborate in mutually developing each other's markets.

In terms of investment, Sammi Steel's recent announcement of the expansion of their facilities at Tracy, Quebec, valued at \$350 million will make it the largest specialty steel manufacturer in the world. This investment expresses the confidence that Korean companies have in the stability of Canada.