

approximately 115,000 tonnes of newsprint, Canada's share is significant and supplemented by substantial quantities imported annually from Sweden, Finland and Chile.

Boxboards have not so far been an import item. However, the Chinese export drive for foodstuffs (including fish) suggests that Chinese production of boxboard would have difficulty in meeting future demand requirements.

Bureau of Paper Industry (BPI) officials have designated four paper mills as users of Canadian pulps. These mills are at Shanghai, Tianjin, Jilin and Shenyang. BPI now wish to have an evaluation of their usage of these pulps in the paper-making process. A technical mission from the Canadian supplier mills has been invited to visit these mills for this purpose.

Fertilizers

Introduction

With China's shortage of arable land, agriculture production cannot be substantially increased by employing marginal lands. Chemical fertilizers are expected to expand greatly the nation's crop yield.

Potash

With mines in Saskatchewan, and more recently two smaller mines in New Brunswick, Canada has about 40 per cent of the world's potash reserves and is a major world supplier. China has become a leading Asian customer as outlined below:

Canadian Potash Exports to PRC

Year	Amount (000 tonnes)	Value (\$ million)
1981	552	61.6
1982	67	8.7
1983	536	59.4

Source: Statistics Canada 65-004.

The PRC agricultural system has the potential to more than double its current potash consumption.

In February 1984, a \$23.1 million export sale agreement was negotiated by Canpotex with Sinochem for the first six months of 1984.

Officials of PRC have made trips to the Saskatchewan, Manitoba and New Brunswick potash mines. Security of future supply was a major point of interest. Canadian consultants have recently visited China to discuss potential potash projects for Manitoba. The PRC is now assessing the possibility of taking an equity position in a potash mine, either existing or new, in Canada.

Sulphur

More than 90 per cent of Canada's sulphur production is recovered from sour gas in Alberta. Canada is a major world sulphur exporter with sales to PRC as shown below:

Canadian Sulphur Exports to PRC

Year	Amount (000 tonnes)	Value (\$ million)
1981	221	28.1
1982	310	41.4
1983	217	24.1

Source: Statistics Canada 65-004.

Cansulex, an offshore marketing consortium of 16 sulphur producers has continued to supply most of the sulphur exports.

The PRC is expected to continue to be a large and valued customer.

Non-Ferrous Metals

Lead and Zinc

Lead and zinc resources are not as extensive as the country's deposits of copper and bauxite. However, new lead-zinc deposits have recently been discovered and there is additional exploration still to be carried out. The largest lead-zinc mine is in Shuikou-shan, Hubei Province, Central China. In 1972, its reserves were estimated at 20 million tonnes. Since then, new ore bodies have been discovered beneath the present mining areas. In Hunan, Gansu and Sichuan provinces, rich non-ferrous resources have been located. These new discoveries are now scheduled for development.

In 1983, Canada exported more than \$45 million of zinc to China. British Columbia is in a favourable position to contribute both to China's future lead and zinc imports, and to the development of China's lead-zinc mine, smelter and refining capacity.

Copper

China's copper requirement is estimated to be about 500,000 tonnes annually. The country is heavily dependent on imports, which vary between 110,000 and 300,000 tonnes per year, most in the form of refined copper although small amounts of concentrates are purchased. Domestic production supports only 30 to 50 per cent of total requirements. Chinese imports represent up to 5 per cent of total world copper purchases and account for three-fifths of the country's non-ferrous metal imports. Major foreign suppliers within the last 10 years are the Philippines, Zambia, Chile and Peru.

China has not presented itself as a consistent market for Canadian copper, although in 1983 the PRC