

Mr. Chairman, ladies and gentlemen,

I would like to begin today by saying "thank you" to the Canada-China Trade Council - both for organizing this workshop on the China market and for giving me the opportunity to speak to all of you.

There are four messages which I bring to you today. The first is that our strategy for expanding trade relations with China is an integral part of the Mulroney Government's focus on improving the Canadian economy and creating more jobs for Canadians. The second is that we have established some major new tools to help you - the private sector - in China. We must now work together to ensure those tools are used most effectively. The third is that the market in China for B.C. remains exciting. The final message is that China is a tough market to penetrate but attention to some basic guidelines will help.

When my Government took power, we were determined to turn Canada's economy around. Canada is a trading nation and we naturally focussed on expanding international markets as the main engine of our economy.

We therefore undertook a series of discussions with the provinces and the private sector and have established the "National Trade Strategy". This strategy is a major plank in the Government's plan to revitalize Canada's economy. Its objective is to create more jobs in Canada by increasing Canada's success in the international marketplace. In order to accomplish this, we are taking steps to improve the competitiveness of Canadian firms and to expand and solidify our access to international markets.

As part of the strategy, we determined that we should focus our efforts on priority markets. The first of these is, of course, the United States as our largest trading partner. You are all aware of our intention to solidify and stabilize the environment for Canadian firms in our southern neighbour's market. The growing protectionist sentiment in the U.S. which we have seen recently makes it even more important that we succeed in our efforts with the United States. That is our first priority.

The expanding economies of the Pacific Rim represent the other priority focus of our trade strategy. Canada is a Pacific nation and we must look across that ocean for our future. In 1985, for the first time, Canada's total exports to the Asia/Pacific region were greater than those to West and East Europe combined. This trend continues in 1986 making Asia Pacific our second most important market area.