

However, the province, at least in percentage terms, has lost ground both in international and Canadian terms.

Ontario has absorbed more immigrants from HK than any other province.

On the international front, Ontario's share of world trade dropped from 4% in 1970 to 2.5% in 1981. Ontario had the highest per capita income in Canada in 1970, but had dropped to fifth spot by 1981 with Alberta having taken over the top spot. While Canada had an overall trade surplus in 1981, Ontario had a deficit of C\$8.9 billion. However, according to one commentator: "A general decline in Ontario's relative economic performance compared to the rest of Canada in recent years has not served to detract from a feeling of prosperity."

The main problem facing Mr. Davis is to revitalize the mature manufacturing industry, which accounts for almost half of the province's output. His strategy, according to the Financial Times, is to encourage a growing high technology industry, the use of industrial robots in the traditional manufacturing industries, and an increase in the manufacture of goods

now imported into the province.

Following are extracts from the more important parts of Mr. Davis' speech covering both future developments within Ontario and links with Hong Kong:

On Hong Kong's future: "Since my last visit to Hong Kong, I have noticed an increasing interest on the part of Canadians in the development of ties. The reasons for this interest are readily apparent. First, this region has experienced phenomenal economic growth on a sustained basis and second, this growth has generated new and long-term opportunities for two-way trade and investment in which we are seriously interested.

"We are also interested in ongoing negotiations regarding the future of the territory. Let me simply state that we in Ontario are confident that the matters at issue can and will be resolved and that Hong Kong will play an important role in the international marketplace for years to come."

Ontario's growth plans: "Accounting for nearly 40% of Canadian economic activity, Ontario's economy is the largest of the 10 provinces. The more than 14,000 firms operating in our province account for over a half of all manufacturing activity in Canada and are responsible for three quarters of Canada's manufactured exports.

"Because of this dependence on trade for economic growth and continued prosperity, our province has developed a

comprehensive trade plan aimed at doubling our export sales to C\$60 billion by 1987. Our strategy is to work with the private sector to build on our product strengths, particularly in high technology and capital goods, and apply these strengths to both our core and growth markets. As such, Hong Kong and the entire Southeast Asian region are of paramount importance to Ontario."

Joint ventures in surrounding markets: "Hong Kong's status as a regional centre, expertise in organising capital ventures, strong entrepreneurial skills and its standing as one of the world's major financial centres will insure the territory a major role in the modernisation programmes of China and many South-east Asian nations. These factors make Hong Kong a strategically important base from which to consolidate and launch joint commercial and capital ventures in surrounding third markets.

"For while your abilities are considerable, there will also be a need for outside expertise in a number of fields. This involvement may range from helping to build up the basic infrastructure — from planning and constructing roads and railways, supplying urban transportation and telecommunications systems and developing major power projects — to refining the existing infrastructure in the more developed economies. This is where Ontario may be able to make a vital contribution as our companies are well equipped to handle each of these needs."

Assisting technology development: "As Hong Kong diversifies its economy and upgrades existing industries to produce a wider range of complex, technology-intensive goods, Ontario companies stand ready and fully able to assist in this process. The fact that several Ontario-based high technology firms such as Mitel, Northern Telecom, AES Data and I.P. Sharp are also established in Hong Kong attests both to their international competitiveness and to the vast opportunities this market offers."

Two-way trade: "Canada already imports three times the amount of goods from Hong Kong that we export in return, and is Hong Kong's largest growth market. In the first five months of this year alone, Canada's purchases jumped by 34 percent over the same period as last year."

"Of the nearly C\$700 million worth of goods Canada imported from Hong Kong in 1982, over one half were purchased in Ontario. Thus, Ontario represents one of the top ten markets for the output of Hong Kong's industrial centres in addition to serving as a prime gateway to the United States. I would suggest, therefore that Ontario represents a choice location for the diversification initiatives for Hong Kong firms." ■



Ontario Premier Bill Davis with Canadian Commissioner to Hong Kong Maurice Copithorne.