

- Canada has engaged China in a sustained and substantive dialogue on non-proliferation questions and regional security, with a view to encouraging China to exercise responsible international behaviour with respect to arms sales and the early and successful conclusion of the Comprehensive Test Ban Treaty.
- Canada has an embassy in Beijing and a consulate in Shanghai. It also has established a trade office in Guangzhou (formerly Canton), in Guangdong Province, the heart of the fast-growing southern region of China.

### **Trade and Investment**

- Canadian businesses have achieved notable success in China over the last year. During the Prime Minister's Team Canada mission, Canadian companies announced \$8.6 billion worth of commercial arrangements, including contracts, memorandums of understanding and joint venture agreements.
- China is now Canada's second most important market in the Asia-Pacific region and our fifth largest export market in the world. Two-way trade surpassed \$6 billion in 1994, an increase of slightly more than 25 per cent over the previous year.
- Canadian exports to China reached almost \$2.2 billion in 1994 — the highest level ever. During the first six months of 1995, Canadian exports to China reached \$1.4 billion — almost equalling the total value of Canadian exports to China in 1993.
- Since China embarked on an open-door policy of economic reform, Canada-China trade relations have evolved rapidly. Traditionally, Canadian exports to China have comprised basic commodities such as wheat, fertilizers and wood pulp. However, in recent years, sales of manufactured goods, such as electrical, mechanical and telecommunications equipment, have gained importance. While they represented only 4 per cent of our exports to China in 1988, high value-added manufactured goods rose to account for 32 per cent of our exports in 1993 and 34.3 per cent, or \$728 million in 1994. Overall, exports of Canadian manufactured goods to China have more than doubled over the past two years.
- Canadian imports from China in 1994 were valued at \$3.8 billion in 1994, up from \$3 billion in 1993. Major imports from China include outerwear, cotton, games and toys, leather goods, footwear, mechanical equipment and oil seeds.