

# Canada Weekly

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## **Towards increased trade between Canada and China**

Speaking to the sixth annual general meeting of the Canada-China Trade Council last month, Minister for International Trade James Kelleher called for closer economic ties between Canada and China. He said small- and medium-sized businesses need more help from the government to improve their export performance, and he announced a number of steps the federal government will take to increase trade with China.

**Following are excerpts from Mr. Kelleher's speech:**

...There seems to be a stability now in China, a pragmatism, a sense that life belongs to the person rather than to the state, and that would seem to bode well. There is also a great swelling of consumerism that will be difficult to reverse. Nine out of ten urban households in China now have television sets, and a lot of them are colour TV. People are buying things they have never had before, and doing things they never could before....

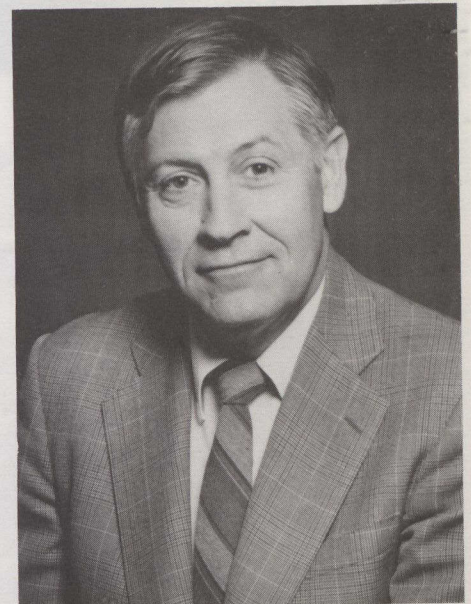
What does this all mean for Canadian business? What does it mean particularly for the small- and medium-size companies that are the backbone of Canadian industry?....

This is the group of companies with which the Chinese wish to deal because of the current emphasis on renovation of their existing facilities. An increasing number of Chinese delegations has recognized that small- and medium-size Canadian firms have the technology that China is looking for in this area. And a number of contracts have been signed by firms such as STM Computers, Dyer Equipment, Dipix, MecFab and Canterra Engineering.

### **Assistance required**

There are, of course, some problems when small- and medium-firms attempt to pursue opportunities in the China market. One of them is that their main, if not only trade experience has been with the United States, which is a very simple market compared to China. In addition, small- and medium-size firms do not have the financial and personnel resources enjoyed by multinational corporations. They are in need of more substantial assistance and we are now reassessing the federal trade assistance programs at their disposal.

Because of the costs involved in establishing a presence in China, one of the most



*International Trade Minister James Kelleher.*

valuable tools we in the government can offer those firms is a strong and effective commercial staff in our embassies and at our headquarters. Our staff on the China front is sorely overstretched and has not always been in a position to service our business community as well as we would all like. The obvious solution is to beef up the staff.... We will speed up the construction of the new embassy in Beijing. We will also be considering ways and means of establishing a Canadian presence in Shanghai.

We are also reviewing a range of export incentives. The most important of these at the moment is the Program for Export Market Development (PEMD)....

### **Trade fair involvement**

As part of our fairs and mission programs, I would like to announce today that at the



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