

exports of \$446 million in 1981, Korea is Canada's fourth largest Asian and Pacific market.

Much of the impetus for this growth came from the rapid and sustained expansion of Canadian exports to Korea led by materials and equipment for use in the CANDU nuclear power unit under construction in Korea and a blend of other semi-manufactured goods and raw materials, most notably coal, pulp, asbestos, aluminium and potash. In 1981, fully-manufactured goods accounted for about 12% of total exports, semi-manufactured goods 34% and raw material 50%. The Western provinces are active members of this relationship, particularly in the resource field.

Korean exports to Canada jumped 82.5% in 1976 largely due to the doubling of textile and clothing shipments. Since then, a wide range of non-textile products have spearheaded the expansion of Korea's sales, primarily in the light industrial goods category. Canada remains one of the world's highest per capita importers of Korean textiles.

A concerted effort on the part of both Korean business and government to diversify their current sources of supply away from the traditional trading partners, the U.S.A and Japan, has benefited Canada and will likely continue to do so. As well, as part of Korea's recently evolved "resource diplomacy" policy, Canada has been identified as a country with which Korea intends to improve relations, in order to establish an atmosphere more conducive to obtaining long term contracts for raw and semi-fabricated materials. This factor can also benefit the sale of manufactured products by Canada as Koreans travel more frequently to Canada and become familiar with other areas of Canadian expertise.

Resumed growth in the Korean economy should mean further new markets for Canadian exports, as well as significant opportunities for two-way investment, joint ventures and other economic activities. Three Canadian banks have branches in Korea and two Korean banks have established offices in Canada. Canada's Export Development Corporation has committed increasingly large amounts in support of Canadian exports; the International Development Research Centre and Canadian International Development Agency's industrial cooperation program have funded a number of feasibility and other studies.