

Trade and Investment

- Canadian businesses have achieved notable success in the last year. During the Prime Minister's Team Canada mission to China in November 1994, Canadian companies announced \$8.6 billion worth of commercial arrangements, including contracts, memoranda of understanding and joint venture agreements.
- Of the 65 business transactions announced at the time of the mission, 34 are now firm contracts (compared to 14 last November). While a few transactions have not materialized since November — part of doing business in any country — the value of all transactions remains essentially unchanged at \$8.34 billion compared to the original \$8.6 billion.
- Since the Team Canada mission, Canadian firms have reported an additional \$850 million of business transactions with China, attributable to last November's initiatives. Several Canadian firms offering financial, legal and other services have also been authorized to operate in China since the mission. The advances strengthen Canada's commercial presence in China and offer increased support for other Canadian firms doing business in China.
- China is Canada's second most important trading partner in Asia-Pacific 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 increased 34 per cent over the previous year to reach a record of nearly \$2.3 billion. Exports during the first six months of 1995 reached \$1.4 billion — almost equal to the total value of Canadian exports for 1993.
- Since China embarked on an open door policy of economic reform in 1978, 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. Exports of high value-added manufactured goods have more than doubled over the past two years. They now account for close to 35 per cent of total exports, up from only 4 per cent of Canadian exports in 1988.
- Canadian imports from China were valued at \$3.8 billion in 1994, up from \$3 billion in 1993. Major imports include outerwear, cotton, apparel, games and toys, leather goods, footwear, mechanical equipment and oil seeds.