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BILATERAL AIR AGREEMENT BETWEEN CANADA AND HONG KONG

The Secretary of State for External Affairs, the Right Honourable Joe Clark, and the Minister of Transport, the Honourable John C. Crosbie, announced today that Canada has reached revised interim air services arrangements with Hong Kong.

Canada has negotiated new or improved air services agreements with six other Asian Governments in the last sixteen months including Thailand, Singapore, Korea, India, Pakistan and China. They indicate the importance of the Asia/Pacific region to Canada. "They will help consolidate and enhance the Canadian presence in the region", Mr. Clark said.

The revised arrangements with Hong Kong will enable Canadian Airlines International to operate beyond Hong Kong to Europe in addition to its existing rights to serve other Asian points via Hong Kong. Canadian has been serving Hong Kong since 1949 and extended its service beyond Hong Kong to Bangkok in October, 1987. The airline has now obtained the right to extend its Hong Kong services to Amsterdam from April 1989.

With the addition of Hong Kong to Air Canada's network of all-cargo services, Air Canada will be able to commence this year its planned eastbound around-the-world all-cargo operation.

In welcoming the new opportunities for growth by Canadian and Air Canada, Mr. Crosbie said that, "the airlines' expansion plans demonstrate their commitment to providing new services for the travelling public and shippers".

In addition to its existing services to Vancouver, the Hong Kong airline, Cathay Pacific, will be able to serve Toronto and will have improved flexibility to serve a third point in Canada - Calgary, Edmonton or Montreal. Cathay Pacific is expected to begin service to Toronto by April 1989.