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TRADE MINISTER ANNOUNCES AGREEMENT WITH CHINA

The Honourable James Kelleher, Acting Secretary of State for External Affairs and Minister for International Trade announced today that he has signed an Exchange of Notes with Mr. Li Peng, the Vice Premier of the State Council of China to renew the Canada-China Trade Agreement. The Honourable Charles Mayer, Minister of State for the Wheat Board, on behalf of the Minister of Agriculture, has also exchanged letters with the Chinese Ambassador to Canada to establish a consultative committee on agriculture with China.

Mr. Kelleher said "the signing of these two agreements emphasizes the opportunities which exist for increased commercial activity between Canada and China". He noted that Canadian exports for the first quarter of 1985 of over \$350 million were 40% higher than for the same period last year and that our sales of manufactured goods have already exceeded the total for all of 1984.

The Minister said the Chinese program of modernization was concentrating on such sectors as energy, agriculture, mining, telecommunications and transportation where Canada had well-developed, internationally competitive industries. "A number of Canadian firms are actively pursuing projects in China in such areas as energy, mining and transportation" he said.

Mr. Kelleher said that the exchange of letters on agriculture highlighted the importance of this sector in our trade with China. He noted that the recent signing of five health of animals agreements with China opened the door for Canadian sales of live animals, embryos and semen which, with related services, could reach \$50 million over the next few years. "Both Eastern and Western Canada will benefit from this development", the Minister said.

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Mr. Kelleher said that in response to the tremendous interest shown in this market by the private sector, up to four additional trade representatives will be assigned to the Canadian Embassy in China. Two of those trade officers will specialize in regions of China outside Beijing. After being consulted, the provinces agreed with this project. They had in fact urged that trade representation in China be increased. In addition he indicated that over the next few months further initiatives would be announced to expand our trade relations with China.

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