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# news release

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Date **November 16, 1993**

No. 212

For release

## MACLAREN WELCOMES VISIT OF CHINESE TRADE MINISTER WU YI

The Honourable Roy MacLaren, Minister for International Trade, announced today that Wu Yi, Minister of Foreign Trade and Economic Co-operation of the People's Republic of China (PRC), will pay an official visit to Canada November 22 to 29. During the Minister's stay, she will visit Vancouver, Ottawa, Montreal and Toronto.

"The visit of Minister Wu provides an opportunity to explore ways in which Canada and China can increase trade and investment," said Mr. MacLaren. "The evident strength of all Pacific economies demands a dialogue to determine how we can maximize the benefits of growth for both countries."

Minister Wu's official visit to Canada begins after the conclusion of the meeting of the heads of government, foreign ministers and trade ministers of the 15-member Asia Pacific Economic Cooperation (APEC) forum in Seattle, Washington, November 17 to 20.

Madame Wu will meet Mr. MacLaren in Ottawa on November 23, when they will discuss increased co-operation in such key export sectors as telecommunications, oil and gas, hydro-electric power, transportation, agriculture, environment and financial services.

The Chinese Trade Minister will also meet with the presidents of the Canadian International Development Agency and the Export Development Corporation.

Madame Wu will visit several leading Canadian manufacturers of advanced technological goods in all four cities and meet senior provincial representatives. She will also attend a signing ceremony in Toronto for the first major Sino-Canadian public offering on the Toronto Stock Exchange.

Minister Wu's visit follows a trade mission led by the Canadian Minister for International Trade to the PRC in April 1992, and visits to Canada by Chinese Vice-Premier Zhu Rongji and Shi Dazhen, Minister of Electrical Power, in May and September 1993, respectively.

China is Canada's fifth-largest trading partner, with two-way trade exceeding \$4.6 billion in 1992.

- 30 -

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## Backgrounder

### CANADA-CHINA TRADE RELATIONS

Canada enjoys a strong trading relationship with China. Built on a foundation of wheat sales, two-way trade grew substantially throughout the 1970s and 1980s. In 1992, two-way trade was valued at \$4.6 billion. China is Canada's fifth-largest trading partner, with imports valued at \$2.4 billion and exports at \$2.2 billion.

Aside from traditional exports, Canadian value-added goods such as telecommunications, electrical and specialized mining equipment, aircraft, and plastics were worth approximately \$400 million in 1992. During the first six months of this year, sales of some value-added goods such as electrical and railway equipment and optical precision equipment have risen, compared to the same period in 1992.

Economic reforms in China over the last several years have progressively begun to open China's markets. This has increased the demand for imports and infrastructure equipment and, as a result, created greater opportunities for Canadian exports in such areas as power generation, agriculture, telecommunications, petrochemicals and transportation equipment. Canada's exports to China are expected to reach \$6 billion by 1995.

Textiles account for the largest share of our imports from China. While many items in this category are under restraints, China has experienced in recent years the largest growth in value of clothing exports to Canada of any supplying country. China also sells to Canada toys, fabrics, footwear and small appliances.

Canada's trade activities in China are managed by the Canadian Embassy in Beijing; a Consulate General in Shanghai, which covers eastern China; and a satellite office in Hong Kong to cover the southern Chinese provinces. In addition to this federal presence, the provinces actively pursue China trade development programs.

The Export Development Corporation (EDC) also plays an active role in supporting Canadian marketing efforts in China. The EDC currently has commercial lines of credit available with three key banks, namely the Bank of China, the People's Construction Bank of China and the Bank of Communications, to facilitate the procurement of Canadian products and services.

The Canadian International Development Agency (CIDA)'s China Program has sought to contribute to China's developmental efforts, to help strengthen the tendency toward more open, tolerant policies, and to cultivate China as a partner in

development, trade and international affairs. The China Program includes human-resource development projects in management education and institutional linkages, as well as other projects in agriculture, forestry, energy, transportation and telecommunications.

Canada and China are both members of the Asia Pacific Economic Cooperation (APEC) forum. Canada also supports China's accession to the General Agreement on Tariffs and Trade (GATT) and has taken an active role in the GATT Working Party concerning China's accession.