

## **Deepen All-round Cooperation and Promote Common Development**

Address by President Hu Jintao of China at Dinner of the  
China-Canada Trade and Economic Cooperation Forum

Toronto, 10 September 2005

Chairman Kruyt,  
Friends,  
Ladies and Gentlemen,

It is a great pleasure for me to visit this beautiful "Country of Maple Leaves" on the occasion of the 35<sup>th</sup> anniversary of China-Canada diplomatic relations and to attend the first China-Canada Trade and Economic Cooperation Forum in Toronto. Let me begin by expressing my warmest congratulations on the convocation of the Forum and my heartfelt thanks to all the friends present here for the great job you have done over the years in promoting trade, economic ties and friendship between our two countries.

In the past two days, I have had extensive exchanges of views with Governor General Clarkson and Prime Minister Martin in Ottawa on ways to deepen our all-round cooperation and reached agreement on many issues. We agreed that the two countries should seize the good opportunities now to deepen bilateral cooperation across the board and to promote common development. China is ready to work with Canada to tap the potential of continued cooperation in all fields in the spirit of equality and mutual benefit so as to better serve our two peoples and further promote peace, stability and prosperity in the Asia-Pacific region and the world at large.

Ladies and Gentleman,

Today, I want to speak on China-Canada relations, trade and economic cooperation in particular, in the context of China's development.

Since embarking on reform and opening-up towards the end of 1970s, China has undergone unprecedented and profound changes. During the 26 years between 1978 and 2004, China's GDP grew from some US\$147.3 billion to US\$1.6494 trillion, registering an average annual growth rate of 9.4%. Its annual import and export volume jumped from

US\$20.6 billion to US\$1.1548 trillion, representing an average annual growth rate of over 16%. By the end of 2004, China's accumulative FDI in paid-in value reached US\$562.1 billion. During the first six months of this year, China's GDP reached US\$814.6 billion, up by 9.5% over the corresponding period of last year. Imports and exports reached US\$645 billion up by 23%. Foreign exchange reserves hit US\$711 billion by the end of last June. The key to such an impressive performance lies in our success in finding a path of development suited to our national conditions, that is, building socialism with Chinese characteristics.

Needless to say, China is still a developing country of 1.3 billion people. Its productive forces are not fully developed and its development is still highly uneven. China's GDP as a whole ranks among the world's largest. But in per capita terms, it lags behind the 100<sup>th</sup> place. We must work hard for still more decades before we can turn China into a moderately developed country. We have already identified the goal for the first two decades of this century. That is to build a moderately prosperous society of a higher standard in all-round way for the benefit of our well over one billion people. By quadrupling the 2000 GDP by 2020, namely about US\$4 trillion in aggregate and US\$3,000 in per capita terms, we will further develop the economy, improve democracy, advance science and education, enrich culture, foster greater social harmony and upgrade the texture of life for the people. China's development will benefit not only the 1.3 billion people in China, but also the economic growth in the Asia-Pacific and the world at large, providing other countries with enormous business opportunities and a broad market.

Ladies and Gentlemen,

Thanks to the person care and attention of the Chinese and Canadian leaders of several generations and the joint efforts of the two peoples, substantial progress has been made in China-Canada relations over the past 35 years since the establishment of diplomatic ties. While increasing high-level exchanges and interactions in various circles, as well as deepening mutual understanding and mutual trust, the two countries have worked together fruitfully in the economy, trade, science, technology, environment, culture, education and other areas and maintained close consultation and cooperation on regional and international issues. The strategic working group set up by the two countries has provided yet another important channel for China and Canada to strengthen strategic dialogue and deepen cooperation in various fields.

Trade and economic cooperation, part and parcel of China-Canada partnership, is an important force driving bilateral ties forward. Thanks to our joint efforts, China-Canada economic ties have evolved from small, simple-item commodity trade into all-dimensional cooperation covering trade in commodity and services, capital flows and personnel exchanges. According to Chinese statistics, two-way trade increased over 100 times from US\$150 million in the early days of China-Canada diplomatic relations to US\$15.5 billion in 2004. Consumer goods and household electrical appliances made in China, good in quality and affordable in prices, meet the needs of Canadian consumers. Canada's capital, technologies and managerial expertise have added fresh vitality to China's growing economy. Canada-made high-speed locomotives and buses equipped with gas-powered Canadian engines are running all over China. The third-phase nuclear power plant at Qinshan has become a good example of China-Canada cooperation in peaceful use of nuclear energy. All in all, the rapid development of China-Canada economic partnership has delivered enormous tangible benefits to the two peoples.

China and Canada are each other's important trade partners. However, given the size of the two economies and our respective foreign trade volume, there is still a great potential for bilateral trade and economic cooperation. At present, China-Canada trade accounts for a mere 2% of the respective foreign trade volumes. Canadian investment in China makes up less than 1% of China's FDI, while Chinese investment in Canada is barely starting. Canada, with its highly developed economy, complete industrial sectors and rich natural resources, and China, with its rapid growth and huge market, are highly complementary. It is therefore a common task before the governments and business communities of China and Canada to seize the historic opportunities, expand the areas of cooperation and move our trade and economic cooperation to a new high.

To upgrade China-Canada economic partnership so as to reap the benefits of our respective strong points and achieve win-win results, the two sides should pool their efforts in the following areas.

**First to set up mutual investment and expand the areas of investment.** Right now, China is pushing for the strategy of developing its western region, rejuvenating the old industrial bases in the Northeast, promoting the rise of the central region and encouraging faster development of the eastern region. All this offers a huge market and an excellent opportunity for more Canadian investment in China. The "west development strategy" alone offers more than 60 key investment projects worth more than US\$100 billion ranging from transportation and energy to

water conservancy and ecology. Canada is advantageously placed in all these areas. We hope that the Canadian business community will give full scope to its advantages, invest in China's high-tech industry, modern agriculture, modern services, environmental protection and infrastructure, and take part in developing China's west, rejuvenating the old industrial bases in the Northeast and reforming China's state-owned enterprises. Not long ago, Canada came up with the initiative to build a "Pacific Gateway", turning its Pacific coast into an Asia-oriented trade and investment base and a transportation hub. This, in my view, will generate a significant opportunity for business communities of our two countries.

**Second, to enhance cooperation in energy and resources and forge a long-term and stable partnership.** China is as much a big energy producer as a big energy consumer. Our policy is to meet our energy demands mainly with domestic supply, put equal emphasis on production and conservation, and improve our capacities to ensure energy supply. At the same time, we stand ready to work with other countries or regions in the energy sector on the basis of equality and mutual benefit. Canada is an important producer and exporter of energy and resources, and China has a stable, large and still growing market. The *Statement on Energy Cooperation in the 21<sup>st</sup> Century* jointly issued by China and Canada last January has pointed out the direction of future cooperation. Dialogue on mineral resources cooperation between our two countries has been launched successfully. Both China and Canada stand to gain from a long-term and stable partnership in the fields of energy and resources. We can step up cooperation in the research, development and use of clean and replaceable energies and deepen cooperation in the field of traditional energies. The two sides should further tap their potential and conduct strategic cooperation in energy and mineral resources with a view to achieving win-win results.

**Third, to promote cooperation in service trade and cultivate new growth points in the mutually beneficial cooperation.** China is trying to transform the mode of growth in its foreign trade, an important aspect of which is to accelerate the development of trade in services. We encourage Chinese enterprises to go abroad and engage in trade distribution, banking, insurance, securities, fund management, telecommunications, logistics, shipping and intermediary service. In the meantime, we will further open our own service industry. Some well-known Canadian financial and telecom companies have entered the Chinese market successfully and established long-term cooperative relations with China. More Canadian enterprises are welcome to develop the market and expand their businesses in China.

**Fourth, to strengthen trade policy dialogue and improve the cooperation climate.** China and Canada have done a great deal to improve the environment for cooperation. We should do still more in this regard to make it even easier for goods, investment and services to enter the respective markets. The two sides should sign an agreement on protecting mutual investment as soon as possible so as to ensure sustained and steady growth of two-way trade.

**Fifth, to promote exchanges in various fields and prepare a solid foundation for enhanced cooperation.** China and Canada should step up personnel exchanges in culture, education, science, technology and talent, training, conduct multi-level and multi-channel exchanges and cooperation, and learn from each other through mutual promotion for common development. China has become one of the biggest sources of foreign students in Canada, and more and more young Canadian students have been attracted to China for academic pursuit. Beijing and Vancouver will host the 2008 Summer Olympics and 2010 Winter Olympics respectively, which provides a good opportunity for the two countries to carry forward the Olympic spirit and promote cultural exchanges.

Ladies and Gentleman,

The trend of economic globalization is surging forward. Science and technology are making dazzling progress. Both industrial upgrading and industrial transfer between countries are accelerating. With countries becoming increasingly interdependent, the global economy has developed into an integral and interactive whole. Such circumstances have left countries with no choice but to go for deepening all-round cooperation for win-win results.

As the developing country and the developed country with the largest landmass in the world, China and Canada are both important countries in the Asia-Pacific region and both shoulder important responsibilities for world peace and common development. Looking back, we are satisfied with what we have achieved. Looking ahead, we are fully confident in the promising future of our relations. Let us work together to deepen all-round cooperation, expand our common interests and jointly write a new chapter in China-Canada partnership.

Thank you.