

PM announces signing of new investment agreement with China

8 September 2012

Vladivostok, Russia



Prime Minister Stephen Harper and Hu Jintao, President of China, today witnessed the signing of the Canada-China Foreign Investment Promotion and Protection Agreement (FIPA). The Agreement was signed by Ed Fast, Minister of International Trade and Minister for the Asia-Pacific Gateway, and Chen Deming, China's Minister of Commerce, on the margins of the Asia Pacific Economic Cooperation (APEC) Leaders' Meeting in Vladivostok, Russia.

"Our Government is committed to creating the right conditions for Canadian businesses to compete globally," said the Prime Minister. "This agreement with China – the world's second largest economy – will provide stronger protection for Canadians investing in China, and create jobs and economic growth in Canada."

The conclusion of negotiations with China was announced by Prime Minister Harper during an official visit to China in February 2012. Throughout the negotiating process, Canada consulted with a variety of Canadian stakeholders. Now that the agreement has been signed, both countries will proceed with their respective ratification process. In Canada, this will include tabling the agreement in the House of Commons for 21 sitting-days.

Foreign direct investment between Canada and China has increased more than five-fold between 2005 and 2011 to a total of \$15.4 billion. The potential for

increased Canadian investment in China is significant given the country is expected to become the world's largest economy by 2020. Chinese firms have also expressed a desire to invest in Canada. Sectors of interest include mining, and oil and gas extraction.

Since 2006, Canada has concluded or brought into force FIPAs with 12 countries, and is in active negotiations with 13 others.