

## PM announces agreement that will facilitate investment flows between Canada and China

*More stable investment environment will contribute to jobs and growth*

8 February 2012

Beijing, China



Prime Minister Stephen Harper today announced the conclusion of negotiations toward a Foreign Investment Promotion and Protection Agreement (FIPA) between Canada and China, and witnessed the signing of a Declaration of Intent by Canada's Minister of International Trade and Minister for the Asia-Pacific Gateway, Ed Fast, and China's Minister of Commerce, Chen Deming.

"Investment flows between Canada and China are at an all-time high contributing significantly to jobs and economic growth in both countries," said Prime Minister Harper. "Today's landmark agreement will further facilitate these flows by providing a more stable and secure environment for investors on both sides of the Pacific."

As part of the process, Canada consulted with a variety of stakeholders including those in mining, manufacturing and financial sectors.

Now that negotiations have been concluded on a FIPA between Canada and China, both countries will need to conduct a legal review of the agreement and then sign and ratify it.

The potential for increased Canadian investment in China is significant given the country is expected to become the world's largest economy by 2020.

Standing at a record high of almost \$5 billion at the end of 2010, Canadian investment in China increased by 38 percent over 2009 levels. Chinese investment in Canada the same year totalled \$14 billion, an increase of 9 percent from 2009.

Canada currently has FIPAs in force with 24 countries and is engaged in active negotiations with 10 others.