

Europe. An important element of Canadian policy is the Conference on Security and Co-operation in Europe, which deals with security questions, economic co-operation, human rights and humanitarian issues between East and West.

#### 21.4.5 The Middle East

Heightened public interest in this region followed the visit of the Secretary of State for External Affairs in 1986. Recently, this interest has been further strengthened by a number of high level visits to and from the region. During the course of the Palestinian uprising in the occupied territories, Canada has continued its policy of balanced objectivity, seeking to encourage practical measures which can help the parties concerned to move toward a settlement.

On July 18, 1988, Iraq and Iran accepted United Nations Security Council Resolution 598, which provides a framework for a negotiated settlement to the Gulf war. This ceasefire, which was warmly welcomed by Canada, was followed by the creation of a UN peacekeeping force, United Nations Iran-Iraq Mission of Goodwill (UNIIMOG), in which Canadian troops played a prominent role. During 1988, Canada reopened its embassy in Iran, Canada's second largest trading partner in the Middle East, after Saudi Arabia.

Canada has continued an important bilateral development assistance program in Egypt, while beginning a smaller one with Jordan.

The concentration of the energy and attention on the Gulf war, together with relatively depressed oil prices, has had an adverse impact on developmental projects and regional employment opportunities. Employment receipts, a major hard currency source for many Middle East labour surplus countries, have remained low. With the ceasefire in the Gulf war in July 1988, there are now significant prospects for opportunities for the export of Canadian goods and services. Key sectors such as electronics, telecommunications, avionics, oil and gas, power generation and distribution, educational services and training offer the highest prospects for success in the near term. Middle Eastern countries are becoming increasingly aware of Canada's excellent reputation as a competitive and reliable exporter and source of advanced technological expertise.

Immigration from the Middle East to Canada remains at a high level.

#### 21.4.6 Africa

Direct relations were established with former British colonies in Africa as they became independent members of the Commonwealth. Increasing

contacts and diplomatic relations with the newly independent French-language African states soon followed. Canada now maintains diplomatic relations with almost all the independent African states through resident Canadian missions in several countries, most of them having dual or multiple accreditation. The development of diplomatic and commercial relations has been accompanied by a significant and growing program of Canadian development assistance to Africa. There has also been growth in trade, technical assistance and cultural exchanges. Efforts to press for an end to apartheid in South Africa are a major priority.

#### 21.4.7 Asian and Pacific region

The Asia-Pacific region has emerged as an area of great political, economic, cultural and strategic significance for Canada. A total of 43% of Canada's offshore exports go to the region. The area is home to 58% of the world's population, and five of the top 15 exporting nations. Approximately 50% of new immigrants to Canada are from the Asia-Pacific region.

Japan, Canada's second largest trading partner, a major capital exporter and a source of technology, is a top priority for Canadian attention. Canada exports more to Japan than to the next four largest export markets combined. The top 21 financial institutions in the world are all Japanese. Japanese portfolio investment in Canada exceeds \$35 billion.

Relations with Japan were enhanced by the two visits that Japanese Prime Minister Takeshita made to Canada in 1988. Underpinning the relationship are 22 consultative mechanisms which provide avenues for discussion of vital Canadian interests.

Canada reviewed its relations with China in response to the events of June 1989 in Beijing. The People's Republic of China remains an important global partner for Canada however, and Canada continues to value its longstanding relationship with China. Canada wishes to maintain the people-to-people contacts, characterized by the wide range of exchanges across the cultural, scientific, technological and academic spectrum which have steadily developed over the past 10 years. CIDA's development assistance program is assisting in Chinese efforts to improve the living standards of the Chinese people. Canadian exports to China in 1989 were expected to be reduced from 1988, but China will remain Canada's second largest trading partner in Asia.

Canada-Korea relations have flourished in the 1980s. In 1987, Korea was Canada's fifth largest bilateral trading partner and good growth was maintained in the first six months of 1988.