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## CANADA-NETHERLANDS COMMERCIAL RELATIONS

The Netherlands is a significant commercial and economic partner for Canada. In 1992, Canadian exports to the Netherlands were valued at \$1.425 billion, making it our sixth most important export market and giving us a trade surplus of \$825 million. Major Canadian exports to the Netherlands include a significant percentage of manufactured and value-added products. Principal export categories include metals and minerals, computer and office equipment, chemicals, forest products, aerospace and electronic equipment, agricultural and food products, machinery and fish. Identified sectors with good prospects for export expansion include advanced technologies, forest products, fish and seafood, and tourism. In the period 1987-1991, Canada's merchandise exports to the Netherlands grew by 65%.

The Netherlands is rapidly emerging as a principal springboard into Europe for Canadian companies. In the last six years, the number of Canadian companies to establish operations in the Netherlands has more than doubled to 80 and Canadian direct investment there has reached about 1.2 billion. A significant number of Canadian firms have established their European headquarters or distribution centers in the Netherlands. Canadian companies with operations in Holland include Northern Telecom, McCains, Gandalf, DMR, Cognos, Zenon, Geac Computers, MacMillan Bloedel, Pratt and Whitney, Moore Corporation and Canada Trust Bank.

There are relatively few active problems impeding trade and investment flows between Canada and the Netherlands. Those issues which required recent interventions have principally been EC matters, such as the pinewood nematode, overfishing in the Northwest Atlantic, and quotas on plywood and newsprint. In these cases Canada has been able to count on fair and sympathetic hearing from the Dutch, although not always outright support.

On policy-related issues, the two countries generally look to each other as valuable partners with numerous common interests. This stems to a large degree from the fact that both Canada and the Netherlands are both middle powers which are also essentially trading nations. The Netherlands is even more dependent on trade than Canada, with over 50 percent of its GDP based on trade. It recently displaced Canada as the seventh largest exporter in absolute terms.

Consequently, the Netherlands is a strong advocate of liberal trade (and believes the GATT Uruguay Round must be successfully concluded by the end of this year). This lends itself to natural cooperation with Canada in such fora as the GATT and OECD, on such matters as the MTN, environmental trade barriers, global trade in energy, regional trading arrangements and the economic development of Eastern Europe. Our Dutch allies are particularly valued as a moderating voice and reliable source of information and insights within the EC.