

Although it exists in both the private sector and public institutions an increasing awareness of innovation and technology being the most effective means to improve productivity, Spain is a major importer of technology<sup>19</sup>. In 1991 the deficit in the Technology Trade balance was \$2 billion<sup>20</sup>. Nevertheless, the R & D policy of the Government appears to be paying off as the technology trade coverage was 13.5 % in 1987 , in 1990 the coverage grew to 19.3 % and in mid-1991 reached 29.8 %.<sup>21</sup>.

Of the sectors carrying out extensive R & D activity, the pharmaceutical industry is the most important, especially in connection with antibiotics technology. Important R & D investment is also found in food technology, biotechnology, medical and chemical sectors, and in the electronics and computer industries. Most of the R & D activity is located in Madrid followed by Barcelona.

Important opportunities for Canadian firms lie in the areas of waste water treatment and the environment (Spanish industry will have to spend Cdn \$ 13.3 billion over the next four years to meet the European Community environmental standards). Other major sources of opportunities are in the pharmaceutical and agrifood industries, medical and hospital equipment, wood-forest processing, telecommunication technology, energy conservation products and services, automotive parts, precision machining, electronics, computers and peripherals, laser equipment, and new materials.

## 6. CANADIAN EXPORTS TO SPAIN AND OTHER OPPORTUNITIES

Canadian exports to Spain include copper mineral, pulp and paper, computer equipment, construction materials, aircraft, asbestos, cattle, iron, and steel. The potential for commercial growth in both directions is excellent as Canada only supplied 0.3 % of all Spanish imports in 1991 valued at \$482 million.

The removal of trade barriers under EC transition makes Spain an attractive investment country. Additional factors favouring investment includes, political stability, availability of both skilled and unskilled labour, size and purchasing power of the population, its position as a platform to the rest of the Community, temperate climate and attractive culture, and special historical and commercial ties with the 350 million Hispanic American market. To complete the picture, it would be convenient to recall that in Europe, 1992 has been called the year of Spain. Not only is Barcelona a host to the Olympic Games, and opens the biggest world's fair ever, Expo'92 in Seville (four times the size of Expo '67 in Montreal), but also Madrid is the nominated European capital of the culture. The year will mark the 500 anniversary of the Spanish discovery (for the Europeans) of