

## EC-Canada Trade and Investment

With the entry to the EC in 1973 of Britain, Denmark and Ireland, the Community became Canada's second most important trading partner and source of foreign investment capital. About two-fifths of Canadian trade with the EC is with Britain, while Germany and France together make up another third. The EC buys about one-third of Canada's overseas exports or about 9 per cent of Canada's total world exports. However, this represents only 2.5 per cent of total EC imports. The Community supplies more than a quarter of Canada's non-USA imports or about 9 per cent of Canada's total imports. In comparison, about 70 per cent of Canadian exports go to the United States, representing some 19.5 per cent of US imports, while only 6 per cent of EC exports go to the US. But this represents some 21 per cent of US imports.

Almost every year since the EC was founded in 1958, Canada has enjoyed a trade surplus with the Community. In 1978, the surplus was \$178 million based on \$4.825 billion exports and \$4.647 billion imports.

Trade between Canada and the Community is largely complementary.

About 80 per cent of Canada's exports to the EC consist of farm products (mainly cereals and oilseeds); minerals (especially copper and alloys, iron ore, nickel and asbestos) and other raw materials (e.g. timber and wood pulp). Only some 10 per cent of Canadian sales to the EC are finished goods. However, such items represents some 30 per cent of Canada's total manufactured exports. EC purchases account for 20 per cent of Canada's total forest product exports and 25 per cent of its mineral exports.

Some 70 per cent of *EC exports to Canada* are fully-manufactured products such as automobiles, machinery, textiles, chemicals and processed foods.

As for *direct foreign investment*, the EC represents 15 per cent of the total of \$36.2 billion (1974 figures), while the US accounted for 80 per cent. As an area for Canadian investment abroad, the EC ranks second to the US, with 15 per cent of the \$9.3 billion total, as opposed to 53 per cent in the US.

