

CANADA AND EUROPEAN UNION SIGN ACTION PLAN

On December 17, 1996, Canada and the European Union (EU) signed a Political Declaration and Action Plan to consolidate and guide Canada's close, historic links with the EU. The Action Plan will advance Canadian-European relations in areas such as trade, foreign and security policy and new, emerging global issues such as migration and the internationalization of organized crime.

The European Union is the world's single largest market, accounting for about 37 per cent of total world trade. It is the world's largest exporter of services and largest importer of goods, and is Canada's second-most important trading and investment partner after the United States. Canadian exports to the EU, which increased 33 per cent in 1995 over 1994, support over 130,000 jobs in Canada. In 1995, direct foreign investment from the European Union countries in Canada totalled \$36 billion. During the same period Canadian investment in the EU amounted to \$27.9 billion making EU the second-largest recipient of Canadian direct investment.

Asian Business Opportunities

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Export Development Corporation, the Business Development Bank of Canada and the University of Toronto.

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CanadExport will be attending the Team Canada business conference...look for coverage in future issues.

The Political Declaration underscores the common values, history, traditions and culture that bind Canada and the EU together. It commits both parties to co-operate in the pursuit of common interests in the areas of trade and security as well as in respect for democratic values.

The Action Plan builds on the 1976 Joint Framework Agreement on Economic Co-operation which established an improved structure for managing the bilateral relationship between Canada and the European Community, and the 1990 Transatlantic Declaration which addressed the political dimension of the relationship, and serves as a roadmap for future co-operation between Canada and the EU in four main areas: economic and trade issues; foreign policy and security issues; global issues; and fostering links.

The Action Plan obliges both partners to undertake a study on ways to facilitate trade in goods and services and to further reduce or eliminate tariff and non-tariff barriers. This study could lay the basis for future trade negotiations in the World Trade Organization (WTO) or elsewhere in which Canada could resolve other regulatory and trade problems with the EU.

It provides for the initiation of a transatlantic business dialogue that would result in the establishment of transnational strategic business alliances, technology transfers and other forms of industrial co-operation. This dialogue is also intended to provide an early opportunity for the business community to be consulted and provide input on these or other matters of mutual interest, including the trade study.

The Action Plan calls for improved mechanisms aimed at the early identification and timely resolution of trade disputes. It urges maximum support for the completion of a number of ongoing negotiations. Foremost among these are four agreements dealing with recognition of standards certification, competition policy, customs co-operation and veterinary standards equivalency. These agreements should greatly assist Canadian exporters in gaining access to the EU markets.

The Action Plan commits both parties to co-operate on information technology by:

- exchanging views and co-ordinating on regulatory issues, paying particular attention to pro-competitive policies and regulatory regimes, interconnection and interoperability, including

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