

Acknowledgments

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Abstract

Despite the fact that Canadian trade with Europe is dwarfed by the bilateral trade flows with the United States, trade with the EU is still important to Canada, and reflects not only historical, cultural and linguistic ties, but also a major component of our total trade outside of NAFTA. The level of bilateral Canada-EU Foreign Direct Investment is also significant, hence any major change in the EU will undoubtedly have both direct and indirect effects on Canadian individuals, businesses and governments. The implications for Canada may be on two levels. On one level, the most immediate concern, for Canadian individuals, businesses and governments, will be to adapt to the new currency, the euro, ensuring acceptability, recognisability, and transfer of legal contracts currently denominated in Member State currencies, into the new currency, where appropriate. On another level, concerned Canadians will also have to monitor developments in the EU, as events will unfurl fairly rapidly during the next five years, and these may be profound, posing both threats and opportunities for Canadian individuals, businesses and governments. This paper explores some of the possible and potential developments in the EU over the next decade, and draws some conclusions as to the extent that these changes will impact Canada.