

Acknowledgments

I would like to thank Albert Galpin and Bob Hannah of DFAIT in Ottawa for their help and input into the process that gave birth to this paper. In Halifax, I would like to thank Darren Byers for superb research assistance - he has essentially been responsible for compiling the survey results and retrieval of CANSIM data throughout the project. He is also responsible for Annex B of this paper. I would also like to thank Robin Rowley of McGill University for providing guidance on various aspects of the project, Bernadine Halliday of the Department of Economics for arranging most of the administrative aspects of the study and to Greg Stewart for helping to prepare and send the questionnaire. Lastly, I would like to thank members of the European Commission who met with me to discuss the project at such short notice.

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JEL Classification

F33, F36, F42, F41, E52, E58, E62.

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.