

Canada-Portugal Bilateral Relations

Bilateral relations have been growing since Portugal established a parliamentary democracy following its 1974 revolution and then joined the European Community (EC) in 1986. Cooperation between Canada and Portugal is reinforced through common membership in NATO, the United Nations, the Organization for Economic Cooperation and Development (OECD) and the Conference on Security and Cooperation in Europe (CSCE).

Because Portugal holds the presidency of the European Council for the first six months of 1992, a number of high-level policy consultations have taken place, notably between Secretary of State for External Affairs Barbara McDougall and her Portuguese counterpart, Foreign Minister Joao de Deus Pinheiro.

A state visit to Portugal by Governor General Ray Hnatyshyn in November 1991 underscored the human and historical bonds that both countries share. Canada is home to more than 400,000 people of Portuguese origin, who reside mainly in Toronto. Portugal has been consistently among the top 20 source countries of immigrants to Canada; and more than 100,000 Canadian tourists visit Portugal each year.

In 1991, two-way trade amounted to \$313 million, down from \$345 million in 1990. This decline is largely due to the reduction of Canadian fish exports to Portugal. Canadian exports to Portugal are now at their lowest level since 1986. Over the same period, Portuguese exports to Canada have doubled.

Canada's exports to Portugal consist mainly of fish (cod), raw materials (pulp and paper, iron ore, copper, coal) and agricultural products (pulses, alfalfa, seed potatoes). Our main imports from Portugal

(\$60 million in 1991) include copper ore and oil, and value-added consumer items.

Portugal's economy is undergoing a radical transformation and modernization. As such, it offers increased opportunities for Canadian exports. There are opportunities for joint ventures in manufacturing, pulp and paper plants, construction materials, high technology (advanced information technology, laser, systems engineering, instrumentation and control, information management systems) and environmental protection technologies.

As a member of the EC, Portugal offers access to the broader European market.

In the field of military cooperation, the Canadian government has contributed sonar material valued at about \$25 million to equip three anti-submarine frigates that the Portuguese government has agreed to purchase in cooperation with its NATO allies. Other programs that are under discussion involve both the civilian and military use of Canadian advanced technology. In December 1991, Defence Minister Marcel Masse paid an official visit to Portugal to explore further defence cooperation.

Overfishing is a current issue that has required special attention.

Portuguese fishermen continue to excessively fish "straddling stocks" just outside Canada's 200-mile fishing zone, adjacent to Newfoundland. Access to Canadian ports was closed to Portuguese vessels in June 1986, except in case of emergency. Efforts are underway to resolve this issue through discussions between Canadian and European Community ministers and officials.