

Canada -- F.R.G. Bilateral Relations

Relations between Canada and the F.R.G. are thriving.

The F.R.G. is Canada's third-largest source of foreign direct investment (after the U.S.A. and the U.K.), fourth-largest trading partner (after the U.S.A., Japan and the U.K.), and most important Western European partner in science and technology.

The F.R.G. is one of Canada's most important defence partners. Cooperation within NATO has created a unique relationship through the commitment of roughly 8,000 Canadian troops in Lahr and Baden-Baden and 6,000 German soldiers and airmen who are trained annually in Shilo, Manitoba, and Goose Bay, Labrador.

Canada has been actively enhancing its bilateral contacts with the F.R.G. in the context of that country's pivotal role in the Economic Community (EC) 1992 process and in light of the process of German unification, now nearly complete. Canada has done so through increased high-level visits at the federal and provincial levels, as well as through trade missions, parliamentary exchanges and by strengthening institutional linkages and technical cooperation.

Two-way trade has grown dramatically over the past decade to its present level of over \$5.5 billion. The F.R.G. has consistently enjoyed a trade surplus with Canada (which last year amounted to roughly \$2 billion), while Canada's exports to the F.R.G. increased last year by 11% to \$1.9 billion.

Particularly promising fields for further bilateral cooperation and development are the environment, high technology, manufacturing, and the commercial prospects related to German unification and new markets in Eastern Europe.