

- In December 1998, Canada and the EU adopted a joint declaration on small arms and landmines in an effort to develop a co-ordinated approach to peace and security in areas affected by conflict.

Economic Relations

- The European Union is consistently second only to the United States as a buyer of Canadian exports. Its average share of Canada's non-U.S. exports during 1985-97 was 30 per cent. In 1998, Canada's exports to the EU amounted to \$15.1 billion; and imports, \$28.4 billion. Canadian exports to the EU have grown at a long-term (1985-97) compound annual rate of 6.8 per cent, second only to the United States among the major trading partners. Value-added products such as transportation equipment and machinery constitute an increasing share of Canadian exports to the EU.
- Canadian revenues from the EU for travel, transportation, and commercial and government services were \$6.7 billion in 1997. These service exports have grown at an annual rate of 8.1 per cent since 1988 and have consistently fallen short of payments to the EU by an average of \$1.8 billion over the same period, mainly in transportation services.
- Some 65 per cent of the non-U.S. foreign direct investment in Canada originates in the EU. Europe is also an important source of investment capital for Canadian companies.
- Canadian direct investment in the EU is 21 per cent of total Canadian direct investment abroad. It has grown at the rate of 15 per cent per year since 1985 and now exceeds the stock of EU direct investment in Canada.
- Canadian and European Union officials have held discussions on their joint trade initiative, announced at the December 1998 Canada-EU Summit. These discussions focused on preparing for the next World Trade Organization ministerial meeting in November 1999; implementing the 1998 Mutual Recognition Agreement; exchanging information on biotechnology and cultural co-operation; and developing a business dialogue.