

OPENING DOORS TO EUROPE

decided that, given the extensive linkages to the WTO talks, it would be best to pause the TIEA negotiations until the results of the WTO negotiations are known. However, work will continue bilaterally on other ways to enhance our trade and investment relations, for example, through the regulatory cooperation framework of 2004.

EUROPEAN FREE TRADE ASSOCIATION (EFTA)

Canada's bilateral relations with the European Free Trade Association states (Iceland, Liechtenstein, Norway and Switzerland) are strong, and our commercial ties continue to grow. Two-way merchandise trade in 2005 was \$10.9 billion, up 22.4% from 2004.

Negotiations for a free trade agreement with the EFTA states were launched on October 9, 1998. The last negotiating session was held in May 2000, in Geneva. Agreement has been reached on most issues, and there is a framework for a deal. Canada remains interested in concluding free trade negotiations with the EFTA countries. However, no date has been set for the formal resumption of negotiations.

The EFTA countries are developed, modern economies, offering state-of-the-art technology as well as significant potential markets for competitive Canadian exporters. An agreement would provide an opportunity for our industries to further enhance their joint venture activities and to work together to develop stronger and more efficient domestic industries.