

Robert Wright, Deputy Ministry of Trade, visited Brussels and held discussions with Enterprise, Trade, and Health and Consumer Protection directorates general on October 20. Respective approaches and positions concerning a new WTO round were discussed in detail prior to the WTO Ministerial meeting in Seattle.

Trade and Investment Flows

According to Statistics Canada data, Canada's merchandise trade exports to the EU increased 2.7% to reach \$15.2 billion in 1998. This increase followed two years of decline. In relation to Canada's other major trade partners, the United States and Japan, the EU was Canada's second most important destination for exports (33.4% of non-USA exports). Canadian imports from the EU rose 5.7% in 1998 and reached \$28.4 billion. This moderate rate follows a spurt of 18% in 1997. The trade balance with the EU reached a record deficit of \$13.3 billion in 1998.

Eurostat data tell another story. EU exports to Canada were 14.8 billion ECU in 1998, while imports from Canada amounted to 12.7 billion EU, resulting in a trade surplus in the EU's favour of 2.1 billion ECU, considerably less than the surplus determined by Canadian authorities. The respective statistical organizations are currently engaged in an exercise aimed at reconciling these discrepancies.

Since 1985, the portion of total foreign direct investment in Canada from the EU rose from 17 to 21%. This represents an increase of 19% over 1997 and an annual increase of 8.5% since 1985. EU foreign direct investment in Canada amounted to \$44.7 billion in 1998. The EU accounted for 64% of all FDI in Canada stemming from countries other than the USA.

Canadian direct investment in the European Union accounted for 19% of total Canadian direct investment abroad. It has grown by a rate of 15% annually since 1985 to reach 45.6 billion in 1998.

Since 1994, the total stocks of Canadian foreign direct investment in the EU and EU direct investment in Canada has been roughly in balance.

JCC Subcommittee Meetings and Related Consultations

The fifth annual meeting of the *Canada-EU Trade and Investment Subcommittee* (TISC) took place in Brussels on April 28. The agenda provided