

Also in November, Mr. Clark proposed the formation of a council of the Arctic countries, which would stimulate Canada's cooperation with the Nordic countries and the Soviet Union on Arctic matters. During the Gulf crisis, the Turkish Foreign Minister Mr. Ahmet Kurtcebe Alptemoçin, a representative of a front-line state and important North Atlantic Treaty Organization (NATO) ally, paid a visit to Ottawa.

TRADE

With a combined population of over 400 million people, the countries of Western Europe import over \$1.6 trillion worth of goods annually, or 45 percent of total world imports. The European Community countries account for 85 percent of these imports.

Western Europe is especially attractive to Canadian exporters as a cash market with a high demand for quality products and advanced technology. Canadian exports to Western Europe for 1990 were valued at \$13.8 billion, up 1 percent over 1989. Nearly 80 percent of Canadian exports to Western Europe were end products of fabricated materials.

In 1990, EAITC-sponsored Canadian participation in 55 Western European trade fairs including 18 national stands. One hundred and seventy-two Canadian firms participated in these national stands and they reported on-site sales of approximately \$33 million as well as potential follow-up sales of \$940 million.

The successful New Exporters to Overseas (NEXOS) Educational Program was continued with 10 missions involving some 150 Canadian companies from across Canada. Included was a special Canadian fashion NEXOS to the IGHEDO trade fair in Germany involving 21 Canadian apparel companies ready to tackle the competitive European market.

In its first full year, the Strategic Ventures Program exceeded expectations with 9 successful partnering agreements and 10 more under negotiation. Over 100 Canadian companies have been introduced to prospective partners.

Minister Crosbie led trade missions to Finland in May 1990 and to Portugal in March 1991. In Finland, the Minister signed agreements between Canada and Finland relating to double taxation and air services, and letters were exchanged to further cooperation in the field of science and technology. In Portugal, the Minister made important representations concerning Canada's fisheries relations with Portugal and expressed Canada's desire to increase trade and investment relations with Portugal in the context of Europe 1992.

The following business developments are of note:

- Ontario Bus Industries of Mississauga signed \$16.8-million worth of contracts for 120 easy-access buses for 15 Swedish cities.
- De Havilland of Toronto delivered 23 Dash-8 aircraft (worth \$262 million) to customers in Western Europe.
- Bristol Aerospace of Winnipeg and its Spanish associate CASA were awarded a \$45-million contract by the Spanish Ministry of Defence.
- Canadian Hunter Exploration Ltd. and Petrofina (Belgium) concluded a joint venture for oil and gas exploration and testing in Western Canada.
- Nordion International of Kanata purchased the Institut des Radios Eléments of Belgium, a major European radioisotope manufacturer.
- Nova Corporation completed the sale of its Polysar Rubber Division in Sarnia to Bayer A.G. of Germany for approximately \$1.25 billion.
- Bombardier Inc. acquired U.K. rail manufacturer Procor Engineering Ltd.
- As part of a deal with Lufthansa Commercial Holding and Deutsche Airbus, an Airbus A340 flight simulator valued at \$40 million will be supplied by CAE Electronics from its Montreal plant.

THE EUROPEAN COMMUNITY

Canada's close relationship with the European Community is evolving and expanding as the Community gradually achieves greater economic and political integration.

The Canada-EC Framework Agreement for Commercial and Economic Cooperation continues to be a focus of the bilateral relationship with activities ranging from joint action in science and technology to industrial cooperation. The annual ministerial level meetings are held at the same time as the annual review of activities under the framework agreement. Canadian and EC ministers regularly meet and collaborate on a wide range of issues either bilaterally or in multilateral forums.

Over the year, the EC made great progress in implementing the 1992 single market initiative, its project to remove the last remaining barriers to the free movement of goods, people, capital and services among the member states. Almost two-thirds of the measures necessary to complete the program are now in place. The Community has also convened intergovernmental conferences to revise the Treaty of Rome to provide for greater economic, monetary and political union.