

# STRENGTHENING CANADA'S OVERSEAS NETWORKS

covered in the respective documents from International Trade, CIDA and DND).

## EUROPE

Our relations with Europe remain a cornerstone of Canadian foreign policy. But this is a dynamic region of the world, and we must adapt to take into account Europe's evolution.

For Canada, relations with Europe are increasingly the story of relations with the European Union. An economic superpower now tied with the United States as the world's biggest economy, the EU is emerging as a major global player on other fronts as well, such as development and security, as its integration deepens and its membership expands. While many European countries remain outside the EU, most have agreements that link them closely to it or are preparing for eventual membership. And while bilateral relations with EU member states (particularly our European partners in the G8) remain important in their own right, Canada's approach to them must take into account their role within the EU.

The EU is a strategic partner for Canada. Our historical, political, cultural and economic ties to

Europe, and our shared values, make us natural allies. Our relationship is key to Canadian prosperity, and to success in advancing our Responsibilities Agenda in the rest of the world, including our collective responsibility to protect civilians from violent conflict and to control WMD. Shared recognition of the need for effective multilateral solutions will enable Canada to work with Europeans through the many organizations—from the UN to NATO and the Organization for Security and Cooperation in Europe (OSCE) to the World Trade Organization—in which we are active together. To advance our relationship, Canada and the EU adopted a Partnership Agenda in 2004, intensifying linkages across a wide range of areas of common interest.

Canada's involvement in the Balkans, to which we have committed 12 years of military, diplomatic and development assistance, representing our largest stabilization and reconstruction effort in the 1990s, illustrates our commitment to working with Europe on common security goals, as did our major contribution to ensuring the success of Ukraine's election. While NATO remains the cornerstone of transatlantic defence and security relations, we also support the EU's development of a European Security and Defence Policy (ESDP) to strengthen its role in crisis management in Europe and beyond, where NATO is not engaged. We have begun to cooperate with the EU under the ESDP, committing police and military to the EU's first security mission in Bosnia. In addition to working together in forums such as the G8, Canada is cooperating with European allies to better protect our common security against terrorist and health-related threats.

Protecting the global environment is also a shared concern. We will continue to engage the EU vigorously on such issues as overfishing and the management of ocean resources. The search for alternative sources of energy is the subject of academic and scientific cooperation between Canada and the EU, and we are collaborating on new measures to fight climate change.

Russia, a permanent UN Security Council member, G8 partner, and an energy giant, is a key global player with which we are expanding relations across the full range of our interests. Russia's first presidency of the G8, in 2006, will provide a fresh opportunity to advance common objectives globally on security, development, governance and environmental issues.

### THE EU AT A GLANCE

25 member states

Population – 454 million (North America, including Mexico – 427 million)

Tied with U.S. as the world's biggest economy (GDP – \$15.4 trillion; Canada – \$1.2 trillion)

Provides 50% of the world's official development assistance (ODA)

World's largest foreign direct investor; EU direct investment in Canada – \$97 billion

Canadian direct investment in the EU – \$109 billion (30% of total Canadian investment abroad)

Canadian annual exports to the EU – \$23 billion

Canadian annual imports from the EU – \$40 billion