

## Western Europe/European Community (EC)

Canada's total exports to Western Europe in 1990 were \$13.2 billion, of which \$11.7 billion went to the European Community (EC), making the EC our second largest *integrated* market. The EC is also our second largest source of technology, direct investment and tourism. The EC market demands increasingly innovative and competitive market development strategies, often incorporating investment and technology flows, as well as traditional trade promotion methods. The challenge facing Canada is to transform the nature of our trade, building on existing high export volumes, to increase manufactured exports, investment flows and co-operation in the field of science and technology. As the EC itself evolves, we must be ready to deal with more complex trading patterns and policy issues to ensure the best access for Canadian companies.

### Key Strategic Priorities:

- expand exports in the following sectors: defence products and space systems, advanced technologies, agri-food and fisheries, transportation equipment and building materials;
- increase our market exposure in fields with growing future potential: oil and gas equipment, environmental equipment, software;
- make use of strategic alliances to capture market niches in the lower cost Mediterranean countries;
- expand co-operation in science and technology;
- promote two-way investment flows and strategic ventures by using the Free Trade Agreement (FTA) and, potentially, the North American Free Trade Agreement (NAFTA) to sell Canada as the place of entry to the North American market, particularly to the U.S.

### Key Activities for 1992-93:

- 10 New Exporters Overseas (NEXOS) Missions to the U.K., France, Germany and Italy, with a total of approximately 125 new exporters;
- organize 3 missions, participate in 8 fairs and conduct 20 to 30 round tables to promote strategic alliances;
- organize 46 fairs and 43 trade missions focusing on agriculture, food, defence, advanced technologies and consumer products.

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## Central/Eastern Europe and the Commonwealth of Independent States

Economic change and political turmoil make the challenges facing the region formidable in the foreseeable future. However, this region is an emerging market of 400 million people with a high degree of literacy and technical education and a rich resource base that offers long-term potential for trade and investment links. It is important that opportunities for Canadian companies in these developing market economies be pursued vigorously as they arise. Use of investment linkages will be key tools in maintaining and establishing a market presence in many of these economies.

### Key Strategic Priorities:

- market energy equipment, telecom and space systems, agri-food;
- support joint ventures through cost-sharing of pre-investment studies;
- solidify economic ties through double taxation and foreign investment protection agreements;
- foster technological exchange through the Canada-Russia Mixed Economic Commission.

### Key Activities for 1992-93:

- 10 multi-sectoral trade fairs focusing on oil and gas products and industrial machinery sectors;
- 5 trade missions focusing on oil and gas and industrial machinery sectors;
- ministerial support for trade development initiatives (e.g. the Canadian exhibit at NEFTEGAZ, Moscow, May 1992).

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