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Canada and the United Kingdom: Lifelong Partners in Trade

The United Kingdom is one of the strongest political and economic partners Canada has in Europe and globally is second only to the United States. More than one third of Canada's exports to the European Union (EU) are sold in the U.K. and it is Canada's third-largest market for exports.

Bilateral merchandise trade, which has remained relatively constant over the past seven years, increased by 12 per cent in 1995 to \$9.4 billion. Canadian exports to the U.K. totalled \$3.9 billion in 1995, up 16 per cent from the previous year, while imports grew by 9 per cent to \$5.5 billion. Canadian exports for the first nine months of 1996 have risen by 7.4 per cent from 1995 to \$2.9 billion.

While merchandise and services trade performance has been strong, 1996 provided further evidence that investment is becoming the most dynamic element of

the Canada-U.K. economic relationship. Nearly half of Canada's direct investment in the EU is located in the U.K.; \$13.8 billion in 1995, which is 9.7 per cent of all foreign Canadian investment.

Total U.K. investment in Canada in 1995 was \$16.5 billion, representing nearly 40 per cent of Europe's investment in Canada.

For Canadian companies, the U.K. is considered a favoured point of entry into the EU and a stepping stone to other European markets. In the same manner, Canada remains an important gateway for British companies

entering the North American market.

London is also a key foreign exchange market as well as a vital source of international capital for portfolio and equity investment. A world leader in scientific and technological development, the U.K. offers significant opportunities for Canadian companies for co-operation in research and development.

This issue of *CanadExport* features an eight-page supplement on the United Kingdom, outlining the many opportunities available to Canadian companies in various sectors of the U.K. market as well as information on upcoming trade fairs, tips on doing business in the U.K. and Canadian success stories.

Eggleton Leads Business Mission to Israel

Acting quickly on the opportunities opening up for Canadian businesses as a result of the signing of the Canada-Israel Free Trade Agreement, Minister for International Trade Art Eggleton will lead a business mission to Israel from February 23 to 27, 1997.

"Since we signed the free trade agreement with Israel on January 1, 1997, the potential for increased business with Israel has risen considerably, and we want Canadian companies to take advantage of these opportunities as soon as possible," said the Minister.

Although the Israel 1997 Busi-

ness Mission will showcase Canada's expertise in all areas, its focus is on seven rapidly emerging sectors that have been enhanced by the agreement: agri-food and fish; high-technology products and services; telecommunications; pharmaceuticals and health care; construction
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