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# Canada and the

# Federal Republic of Germany



The Federal Republic of Germany is a modern industrialized country in Central Europe. It is composed of 10 federated states with a central parliamentary government.

Following the division of Germany after the Second World War, Canada and the Federal Republic of Germany (F.R.G.) established diplomatic relations, and Canada opened an embassy in Bonn in 1949. Since then Canada's relations with the F.R.G. have grown considerably. Today they are strong and dynamic, characterized by substantial economic and commercial ties, close political consultation, mutual security commitments and extensive co-operation in scientific and technological research ventures. The F.R.G. is the world's largest exporter and second-largest importer. Its economic power has given it great influence and responsibility on the world stage.

Apart from its embassy in Bonn, Canada has two consulates general in Düsseldorf and Munich, a military mission and consulate in Berlin, honorary consuls in Hamburg and Stuttgart, and an office of tourism in Frankfurt. The F.R.G. has an embassy in Ottawa, four consulates general (in Edmonton, Montreal, Toronto and Vancouver) and six honorary consuls (in Calgary, Halifax, Kitchener, Regina, St. John's and Winnipeg).

## POLITICAL RELATIONS

Similar forms of government, many similar views on international issues and similar interests have led to a co-operative approach between Canada and the Federal Republic of Germany to problems of mutual concern. The relationship is rooted in common membership in the United Nations (UN), the economic summits, the General Agreement on Tariffs and Trade (GATT), the Organization for Economic Co-operation and Development (OECD) and the

North Atlantic Treaty Organization (NATO).

For the F.R.G., Canada's commitment to NATO is a significant aspect of the bilateral relationship. The Federal Republic of Germany is Canada's most important defence partner after the United States. Canada has 7 500 troops and their families stationed in Germany – a total of approximately 20 000 personnel. Each year some 5 500 German soldiers and air personnel train at Shilo, Manitoba, and Goose Bay, Newfoundland, as part of NATO exercises. Nearly 70 000 German armed forces personnel have trained in Canada over the past 15 years.

As members of the OECD Development Advisory Committee and the UN, both the F.R.G. and Canada provide large sums for development assistance to Third World nations. The two countries often find themselves working together on development projects, such as in southern Africa as part of the Southern Africa Development Co-ordination Conference initiative. The F.R.G. has resisted the call from some of its European Community partners (and many other nations including Canada) to impose economic sanctions against South Africa, suggesting that such sanctions would harm the black majority most.

Chancellor Helmut Kohl's official visit to Ottawa, followed by his participation in the Toronto Economic Summit in June 1988, gave an opportunity to increase dialogue and emphasize the importance the two countries attach to the relationship. To that end, parliamentary exchanges have had a particularly positive influence.

## ECONOMIC RELATIONS

Canada's trade with the F.R.G. grew dramatically during the 1970s with a fivefold expansion between 1971 and 1980. Canadian exports declined from

\$1.6 billion in 1980 to \$1.1 billion in 1985, but have risen again in recent years.

Like Canada the F.R.G. depends heavily on trade. Exports of goods and services in both countries account for approximately 30 per cent of Gross National Product. Unlike Canada the F.R.G. has few raw materials of its own. Almost half of its imports are therefore raw materials, semifinished products, foodstuffs and energy; 86 per cent of its exports are finished products such as cars, machinery, chemicals and electrical equipment.

Two-way trade was valued at \$5.3 billion in 1987 with Canada incurring a deficit of \$2.0 billion. In 1987 Canadian exports to the F.R.G. rose 20 per cent, and two-way trade grew 9 per cent. The Canadian government has actively promoted the products of Canadian high-technology firms. Recent sales have included a Canadair contract to build drones for the German defence ministry and the sale of four de Havilland Dash-8 passenger aircraft to Hamburg Air.

The Federal Republic of Germany remains Canada's third most important source of foreign capital, after the United States and the United Kingdom. It provides substantial amounts of capital (\$2 to 3 billion annually) to meet Canadian government obligations at the federal, provincial and municipal levels. In the private sector, Germans have invested close to \$3 billion in Canada. In total some 1 500 Canadian companies are owned or controlled by German parent companies. Though German companies invest in a wide variety of sectors, their interests are concentrated in real estate, mining, pharmaceuticals and chemicals.

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