

Taken together, the EC countries constitute Canada's second largest market. While this trade with the EC continues to grow (the two-way volume reached \$9.5 billion in 1978 with a positive balance with Canada), the growth rate in each case is less than the respective rate of growth in trade with third countries. In addition, from a Canadian perspective, the composition of the trade involves an insufficient portion of manufactured products. Although the value of Canadian sales to the EC may be larger than the value of imports, the heavy concentration on raw and industrial materials gives the trade a low employment-generating capacity.