

2. I'D LIKE TO FOCUS FIRST ON WHY THE CREATION OF THE SINGLE MARKET MATTERS TO US. FOR CANADIAN BUSINESS, THE FIRST STRIKING THING ABOUT IT IS THE SHEER SIZE OF THAT MARKET: (SLIDE TWO) WITH 325 MILLION AFFLUENT CONSUMERS, THE EC IS THE WORLD'S LARGEST EXPORTER AND THE WORLD'S SECOND-LARGEST IMPORTER.

3. BUT IT IS ALSO WORTH FOCUSING ON THE COMMON MARKET'S OWN INTERNATIONAL TRADE NETWORK. (SLIDE THREE) THE EC HAS A FREE TRADE AREA IN INDUSTRIAL GOODS WITH THE EUROPEAN FREE TRADE AREA COUNTRIES (THE SCANDINAVIAN COUNTRIES, SWITZERLAND AND AUSTRIA) AND HAS PREFERENTIAL TRADING AGREEMENTS WITH A LARGE PART OF THE REST OF THE WORLD MAINLY-THE FORMER COLONIES OF ITS MEMBER STATES.

4. THAT NETWORK INCREASES THE EC'S OWN COMMERCIAL AND ECONOMIC WEIGHT, WHICH RESTS ON THE FACT (SLIDE FOUR) THAT THE EC HAS A GROSS DOMESTIC PRODUCT (GDP) ABOUT EQUAL TO THAT OF THE USA. THE EC'S ECONOMIC WEIGHT IS ALSO EVIDENT IN WORLD CAPITAL MARKETS: EC FINANCIAL CENTRES NOW ACCOUNT FOR 45% OF TOTAL INCREMENTAL BANK LENDING, COMPARED TO 18% FOR JAPAN AND 10% FOR THE USA. (SLIDE FIVE)

5. ABOVE ALL, THE EC IS A GIANT IN INTERNATIONAL TRADE; (SLIDE SIX) IT ALONE CONDUCTS ABOUT SIXTEEN PERCENT OF WORLD TRADE.