

Canada – Italy Trade and Investment

Trade between Canada and Italy surpassed \$3 billion in 1989. This raised Italy to 10th position as a market for Canadian goods, while it continued to be Canada's eighth most important supplier.

The 1989 trade balance favours Italy. With \$2 billion in sales to Canada, Italy enjoyed a surplus of more than \$900 million. Canadian imports consisted mainly of clothing and footwear, textiles, food products, furniture, automobile parts and machine tools. A high demand by Canadians for consumer goods and a favourable exchange rate are largely responsible for the success of Italian products on the Canadian market.

Canada's sales to Italy doubled over five years to \$1.1 billion in 1989. Italian imports consisted mainly of agricultural products and industrial raw materials, particularly wood pulp, metals, and ores. But Canada is increasing its sales of finished products such as aircraft, aircraft parts and engines, and electronic equipment and components.

Italy continues to provide an excellent market for Canadian industry, especially in all areas of advanced technology.

A number of Canadian companies are established in Italy. They operate in textiles and clothing, farm machinery, oil exploration, mining and agri-food. Two Canadian banks are also represented.

Major Canadian companies with operations in Italy include Alcan, Bata, Seagram, Cominco, the Royal Bank of Canada, the Canadian Imperial Bank of Commerce, Canadian International Airlines, Canadian Forest Industries, Northern Telecom, Hiram Walker, Massey Ferguson, Moore, Mitel, and Labatt (which recently acquired 70% of Moretti and through the latter 100% of Prinz Brau).

Italian investment should be favoured by the liberalization of capital flows and the elimination of exchange control in Italy.

Italian companies with an important presence in Canada include: Banca Commerciale Italiana (banking), Banca Nazionale del Lavoro (banking), Alitalia (airlines), E.N.I. (petroleum), Benetton (clothing), Carraro (agricultural machinery), Ferrero (confectionery), Gruppo Finanziario Tessile (fashion), Maccaferri (steel), Montedison (chemicals), Olivetti (office equipment), Pirelli Cables (cables), Riello (heaters) and Tonolli (steel).

To strengthen and diversify cooperation between Canada and Italy, and to develop trade and investment in particular, the two governments concluded an Economic and Industrial Cooperation Agreement in 1988.

The agreement has led to numerous meetings between industrialists from both countries and to a visit to Canada in October 1989 by a delegation from the CONFINDUSTRIA (the federation of Italian industrial associations). A number of priorities were singled out, including processing of food products, machine tools, advanced manufacturing technologies, and urban transportation.