
CANADA-ITALY RELATIONS

Canada and Italy share strong cultural, trade and industrial ties, enhanced by the fact that Canada is home to more than one million people of Italian origin. Overall relations between Canada and Italy continue to be mutually beneficial and highly diversified.

Canada-Italy trade in 1992 was valued at \$2.9 billion, little changed from 1991. Canadian exports rose slightly and imports from Italy fell, somewhat narrowing the trade balance. Italy is the 11th largest market for Canadian goods and is Canada's eighth most important supplier. In recent years, Italy has enjoyed a trade surplus with Canada. In 1991, this reached nearly \$800 million, falling to \$700 million in 1992.

To strengthen and diversify co-operation between Canada and Italy, and in particular to promote trade and investment, an economic and industrial co-operation agreement was signed in 1988. The agreement has provided the framework for exchanges between the Canadian Manufacturers

Association and Confindustria, the federation of Italian industrial associations. Major Canadian firms doing business in Italy include Alcan Aluminium, Seagram Company, Bata Industries and John Labatt.

Canadian provinces have also been active in Italy. Ontario has been working since June 1990 with the "four motors of Europe," major areas of industrial concentration in Spain, France, Italy and Germany. The Italian "motor" is located in the Lombardy region of northern Italy, centering on the key city of Milan.

Italian investment in Canada would be further enhanced by the removal of Italy's restrictions on the movement of capital and the elimination of currency controls. In addition, both Italy and Canada would greatly benefit from joint ventures and strategic partnerships in the nearby markets of Central and Eastern Europe and in the United States.