

Recent trade statistics show that Canada can compete in Europe. Our two-way trade with the EU alone was worth \$25 billion last year. Since 1986 our exports to the European Union have grown at an average annual rate of six per cent. Surprisingly, that is slightly faster than the rate of growth of our trade with either the United States or Japan.

Our investment statistics are equally impressive. Canadian direct investment in the EU almost tripled from 1985 to 1992 to reach \$21 billion, while EU investment in Canada doubled to reach \$32 billion in the same period. In 1992, the EU accounted for almost one quarter of the total foreign direct investment in Canada.

More than half of that investment originated in the Britain. However, the importance of other EU countries in regard to total direct investment in Canada has increased significantly in the last five years.

Diversified sources of foreign direct investment are highly desirable and necessary. They reflect the reality of globalization as well as the concept of broadly based investment and trade that is central to Canada's international economic policy.

I believe the newly formed World Trade Organization [WTO] will provide the critical framework necessary for a stronger economic relationship in the years ahead. The improved market access provided by the Uruguay Round coupled with economic recovery in Europe holds great promise for Canada.

There is now, for example, duty-free entry into Europe for Canadian newsprint and other paper products. There will be freer trade in high-tech equipment and software; and there are broad-based tariff reductions averaging 40 per cent or more on a wide range of industrial and resource products.

Canada and Europe share a commonality on issues facing the World Trade Organization. We must work hard to ensure that the WTO develops a forward-looking and balanced agenda to deal with unfinished business such as the reform of anti-dumping regimes.

We must also tackle emerging issues such as the possible harmonization of national competition policies and questions of trade and the environment and labour standards. The outcomes will have a considerable bearing on future Canada-EU relations.

Within this international framework, Canada and the Union are building other trade-related bridges through specific agreements on science and technology, standards-testing and customs co-operation, to name but a few.