

through such fora as the Economic Summits, the International Monetary Fund (IMF), the Group of Seven Finance Ministers (G-7), the Multilateral Trade Negotiations (MTN), the General Agreement on Tariffs and Trade (GATT) and the International Energy Association (IEA).

Canada – FRG trade and economic cooperation has intensified in recent years. The FRG is Canada's third leading source of foreign capital. Notably, it provides substantial amounts of investment in Canadian government obligations – federal, provincial and municipal – with an annual flow of between Cdn \$ 2 and 3 billion. Two-way trade in 1987 was valued at \$ 5 billion with Canada incurring a deficit of \$ 2 billion. In 1987, Canadian exports to the FRG rose by 20% while two-way trade grew 9%. Although Germany is Canada's fourth largest trading partner after the USA, Japan and Britain, it purchases only 1.4% of Canada's total exports. Similarly, Canada absorbs less than 1% of the FRG's total exports.

From 1985 to 1986, German direct investment in Canada increased from Cdn \$ 98 million to \$ 280 million, while its direct investment in the USA decreased. German companies with an important presence in Canada are BASF, Bayer, Hoechst, Mannesmann, Siemens, Budd, Metallgesellschaft, Melitta, Thyssen and Volkswagen. In 1985, Canadian direct investment in the FRG amounted to \$ 475 million or 0.9% of Canada's total direct investment abroad. Major Canadian companies with operations in the