

EUROPE 1992

The European Community's ambitious single market initiative has already dramatically changed the way Europeans are doing business. The pace of change is rapid and accelerating.

The 1992 EC integration will see the elimination of internal barriers to trade and the harmonization of technical standards. It will also permit freedom of movement of people, capital, goods and services within the EC.

Europe 1992 presents major challenges and opportunities for Canadian business. It will allow Canadian companies easier access to all EC member states, but may require increased investment in European operations or alliances to take full advantage of the new rules. It will open up new markets, in telecommunications for example, but it will also increase competition in Europe, in third countries and in Canada's domestic market.

More than 200 000 Canadian jobs depend on trade with Western Europe. Canadian exports to the EC in 1988 totalled \$10.7 billion. This is an annual growth rate of 18 per cent over the preceding two years in what is one of Canada's fastest growing global markets.

The political and economic changes in Eastern Europe also have enormous significance for international business in general and for Canada's trading access to the region over the coming decades. In time, there will be a valuable manufacturing and business resource within easy reach of, and probably with preferred access to, the expanded EC. Companies with the resources to invest major sums for the long term are already capitalizing on the potential they see.

EAITC has taken a two-pronged approach to ensure the promotion and defence of Canadian interests in the integrated European market. First, it has refined and augmented its programs of assistance and counselling for the business community. Second, it has added some major new elements to existing programs.

MAJOR ELEMENTS FOR WESTERN EUROPE

a) **Analysis and Assessment of the Implications of the 1992 Single Market.** EAITC is sponsoring a series of studies. Part I focuses on the effects on Europe and part II analyzes the effects on 12 Canadian industries. Additional sectorally focused reports are being prepared in other areas which offer promise for Canadian business. Also, inter-departmental working groups on Europe 1992 are publishing reports on their sectors, which are more technical in nature. (See front pocket insert for listing of publications available.)

"The EC is already Canada's second-largest trading partner and our second most important source of foreign direct investment. We realize that the creation of a Single Market in Europe will have significant impact on Canadian trade, investment and technology. That is why our government is going to be working with Canadian business to expand Canada's role in the Europe 1992 arena."

The Honourable John C. Crosbie

MERCHANDISE IMPORTS TO CANADA FROM EC

