

Trade between Canada and Italy has undergone considerable expansion in recent years. Pulp wood, wheat, barley, iron products, aircraft motors and softwood lumber are our major exports.

Canadian Trade promotion activities in 1989 in Italy will be centered on a number of traditional products, as well as new high technology sectors, including telecommunications, data processing, other electronics, and cooperation with Italian companies on capital projects in third countries.

It is expected Canadian sales to Italy in 1989 will continue to show growth. There is a favourable outlook for expansion in the high-technology sectors of electronics, data processing, radioactive elements/isotopes, and synthetic rubber and plastics.

Canada's exports to Italy in 1987 were \$836 million and imports increased to \$1.7 billion resulting in a Canadian trade deficit with Italy of \$857 million.

CANADA AND THE U.K.

With the U.K., there has been an upsurge of bilateral economic activity with increased trade, investment and tourism, and numerous examples of Canadian and British businesses co-operating in marketing, technology and product development following the relatively quiet period of the economic recession of 1981-82. A new bilateral air agreement, greatly liberalizing air traffic, was signed in 1987, and in the Organization for Economic Co-operation and Development, General Agreement on Tariffs and Trade, Economic Summit and G-7 Finance Ministers Meeting, the two governments have co-operated closely on a number of initiatives, especially on trade, agriculture, and international debt problems.

During his London stay, the Minister will pursue the possibilities for linkages between Canadian and U.K. firms in the field of energy. He will meet with the Right Honourable Cecil Parkinson, Secretary of State for Energy, with Peter Morrison, Britain's Minister of State for Energy and will host a breakfast for representatives of firms interested in Newfoundland's offshore.