

Canada and EC Talk Standards

Canada and the Commission of the European Community recently held exploratory discussions on the possible negotiation of a mutual recognition agreement on conformity assessment of products.

Canada was one of the first countries outside of the Community to hold such talks with the Commission. This is due, in part, to our own interest in and preparedness for such negotiations, as well as to the similarity of our well-structured standards systems to those of the EC.

A mutual recognition agreement would allow manufacturers of both parties to have their products assessed at home with respect to the other side's requirements, and to have that assessment recognized by the other side. It would facilitate business in many industrial sectors in which testing and certification requirements apply.

Both parties will decide this spring as to when, or whether, negotiations on a mutual recognition agreement on conformity assessment between Canada and the European Community will proceed. Meanwhile, the Canadian government is undertaking extensive consultations with provinces and industry to assess the benefits of and interest in an agreement with the European Community in this area.

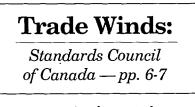
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An Exporter's Dream Destination

The State of São Paulo, Brazil, often is referred to as "the engine driving Brazil's economy". It's also a state that offers Canadian exporters numerous potential trade opportunities.

With a gross domestic product of US\$158 billion and a population of 31 million people within an area of 248,000 square kilometres, São Paulo stands out as the primary industrial region of Latin America and the most important consumer market in Brazil.

In early 1990, Brazil jumped on the international band wagon of trade liberalization. The federal



government implemented measures to open up Brazil's economy to imports, with the Brazilian business community realizing that survival and competitiveness depend on reducing costs and absorbing state-of-the-art technology.

Brazilian companies are striving to improve productivity levels, reorganize production processes, and prepare themselves for international competition in their own local market. The days of a "comfortable environment", formerly provided by trade barriers such as high tariff levels, market reserves and an overall protectionist trade policy, are over.

As a result, a very large potential market is developing for Canadian

companies. While the Brazilian government is experiencing financial difficulties, and international financing is still limited, excellent business prospects can be found in the private sector.

There are increasing opportunities for joint ventures and technology transfer agreements upon which to build commercial sales for a wide variety of products.

The capital and the state of São Paulo both bear the same name. São Paulo, with a population of 15 million people, is the sixth-largest metropolitan area in the world (after Tokyo, Mexico City, New York, Shanghai and Beijing) and is the main industrial and commercial centre in Latin America.

It is to Brazil what New York is to the United States. It supplies industrial and consumer products to the whole of Brazil and to many export markets. It is a sophisticated market where one can buy everything from designer clothes by Armani to chocolates by Godiva.

However, all of the environmental problems that are brought on by excessive growth, with overpopula-

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