

Europe 1992 has quickened the pace and shaped the direction of structural changes already under way in European industry. These changes will lead to more national and cross-border mergers and acquisitions; more cross-border alliances in R&D, production and marketing; and a streamlining of production facilities on a European scale.

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

Canada-EC Economic and Science and Technology Co-operation

Though agriculture and fisheries are two areas where Canada and the EC have had differences, overall economic relations are very healthy. In fact, Canada is the only industrialized nation outside Europe to have signed a framework agreement on commercial and economic co-operation with the EC. The agreement, signed in 1976, grants both parties most-favoured-nation status and encourages industrial co-operation in investment, joint ventures, consortia, licensing and technology transfer.

Under the agreement, Canada and the EC meet annually to review the various commercial activities already in motion and those envisaged for the future. Such official meetings are likely to take on added importance as the Community moves to unify its market by the end of 1992, allowing Canada a unique avenue for discussing economic concerns and participating in economic developments in Europe.

The same agreement has also made possible science and technology co-operation between Canada and the EC. As part of this ongoing co-operation, eight formal understandings for research and technology development have been signed since 1980 in the areas of energy, raw materials, health and the environment.

These understandings make possible the exchange of scientific information and research personnel, and the establishment of joint research projects that involve universities, government laboratories and industries. For example,