

Lastly, it should be stressed that the results are not definitive, as they are based on ongoing research in this area, all of which is extremely scenario-dependent. Clearly, most of the conclusions presented depend on a successful implementation of EMU, which cannot yet be assured.

D) Recommendations

The following recommendations flow from the discussion and analysis presented in the study, and the logic of the study conclusions above:

- a) Further studies should be commissioned to explore the long-term consequences of the decline in trade with the EU, in terms of i) to what extent this decline is the counterpart to NAFTA integration, and the long-term consequences of NAFTA on Canadian trade outside of NAFTA; ii) the extent to which this decline can be arrested by unilateral trade agreements with the EU; and iii) the extent to which the US has followed the same trends in transatlantic trade.
- b) A study should be commissioned to determine the trade invoicing practices of Canadian exporters and the invoicing practices of countries exporting to Canada. This study should also incorporate an evaluation of how these practices are changing over time.
- c) Substantial effort needs to be directed towards an evaluation of market opportunities for Canadian companies in the EU. In particular, there appears to be significant scope for an increase in service exports to the EU. The means whereby Canadian service companies can access such market information and establish a market presence in the EU should be addressed.
- d) Canada should explore the possibility of negotiating further trade agreements with the EU, perhaps not along the lines of a Transatlantic Free Trade Area (TAFTA) because of the reticence of the US on this issue, but in areas where reciprocity can be meaningfully applied. Also in this regard, trade agreements should be sought so as to encourage further increases in transatlantic intra-industry trade. Such trade agreements would also be beneficial in enhancing trade prospects with Central and Eastern European countries that hope to join the EU in the near future.
- e) The possibility of mounting a "Team Canada" mission to the EU should be explored, with particular reference to encouraging transatlantic trade and advocating Canada as a desirable location to service the NAFTA bloc of countries.
- f) Development of business education courses (such as in International MBA programs) in Canada (perhaps sponsored by DFAIT) to encourage greater understanding of what doing business with EU companies entails, so as to enhance the level of awareness of EU issues and foster a greater understanding of the opportunities that exist for Canadian companies in the EU.