

Canadian-Made Twin Otter



The EC-Canada Framework Agreement has fostered an increase in direct contacts between EC and Canadian politicians, businessmen and officials, both at the federal and provincial level. Various missions in both directions have explored possibilities of industrial and technical cooperation between EC and Canadian firms.

Collaboration between the Business Cooperation Centre of the EC Commission and Canada's Department of Industry, Trade and Commerce is intended to help promote joint ventures between medium-sized Canadian and EC firms.

The two sides are now completing a *study on trade flows* between Canada and the EC in an attempt to understand better the nature of economic and commercial ties between Canada and the EC and the directions in which they are likely to go.

One of the conclusions to come out of the study is that the process of European economic integration has itself contributed to the decline in the relative importance of EC-Canada trade over the years 1962-1977, as the creation of the European Common Market has influenced the terms of access for many Canadian exports to

the Nine. Among other factors cited as having influenced the movement of goods and the relative importance of trade between Canada and the Community are the geographic proximity of the United States market to Canada, the emergence in other parts of the world of efficient producers able to compete for market shares in Canada and Europe, as well as the changing tastes of consumers, the recent world-wide economic recession, and recent changes in commodity prices.

Looking towards the future, the authors of the study foresee greater scope for mutual trade and economic cooperation on the basis of increased

international specialization in sectors in which Canadian and European producers enjoy increasing competitive advantages, such as aerospace, nuclear energy and telecommunications. Business and government will find their jobs of identifying and pursuing the resulting new opportunities for trade facilitated by the mechanisms provided for by the Framework Agreement.