

technology missions, promoting Canadian technology capabilities in Europe through public events (information booths, partnering activities), and support for incremental costs to pursue R&D projects.

United Kingdom: The commercial relationship with the U.K. is by almost every measure the most extensive Canada has in Europe. It is Canada's third-largest market for merchandise exports (\$2.9 billion). It is a major market for Canadian primary products and a growing market for manufactured goods and services. Canadian merchandise exports are shifting steadily to value-added products and to services, whose combined ratio to total exports has grown in 10 years from 20 percent in 1983 to 40 percent in 1993. When tourism services are added to business services, this ratio climbs from 27 percent in 1983 to 49 percent in 1993.

Sectors offering excellent opportunities include transportation, defence, informatics and telecommunications, forestry, grains and oilseeds, construction, fisheries, environment, health care, general machinery and equipment.

Germany: This is the largest economy in Western Europe with a population of 80 million and a GDP of \$2.5 trillion. It ranked as the fourth most important export destination of Canadian goods in 1993 (\$2.5 billion). The market offers a highly sophisticated financial and communications infrastructure. Transportation facilities are excellent and professional services are widely available. German companies favour long-term strategies and market share over short-term profits. They look for partners and suppliers who are committed to staying in the market through good and bad times. Consumers are not reluctant to buy from foreign suppliers, but there is a strong preference to buy from companies established in Germany, particularly in the service industry.

Sectors offering excellent opportunities include computers, telecommunications equipment, housing, agri-food, environment, automotive,

geomatics, wood products, machinery, aerospace, security, tourism, medical products and devices, and farm equipment.

The Benelux Countries (Belgium, Netherlands and Luxembourg): With two-way trade totalling \$3.6 billion and Canadian exports amounting to \$2.4 billion in 1993 (\$1.3 billion to the Netherlands and \$1 billion to Belgium, Canada's seventh- and ninth-largest export markets respectively), the Benelux region is Canada's third-largest export market in Europe and fifth-largest in the world. An extremely important source of investment, technology and strategic alliance partners, the area is also considered particularly attractive as entry points for penetrating European Union markets, as evidenced by the approximately 150 Canadian firms established there.

More than half our merchandise exports to this region consist of fabricated materials such as wood, paper, metals, chemicals and textiles. There are good market opportunities for finished products such as pharmaceuticals, medical equipment and supplies, telecommunications and related equipment, industrial machinery, transportation equipment, industrial instrumentation, office equipment, and a variety of consumer products, including sports and recreational goods. Other sectors of opportunity include defence, civilian security, environmental technologies, consumer software and business services.

France: With a population of 57.7 million and predicted GDP growth of 3 percent in 1995, France plays a key role in the European economy. Given the potential of both partners, current levels of trade are modest (France is Canada's eighth-largest market for merchandise exports \$1.3 billion in 1993). The value of finished products exported to France has doubled in five years, with major sales in the aviation/aerospace sector.

The following sectors have been identified as areas of commercial opportunity: aerospace and defence; agri-food; automotive parts; biotechnologies; cable broadcasting networks;