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EUROPEAN VISIT OF MINISTER OF INTERNATIONAL TRADE

MEDIA BACKGROUNDER

Major changes in both Canada and the European Community (EC) have combined to initiate a new era in our trade relations. With the Canada-U.S. Free Trade Agreement (FTA), Canada has assured access to a broad North American market. With the EC Internal Market program (Europe 1992), the European community has undertaken to dismantle by 1992 all barriers to the free circulation of people, capital, goods and services, to create a single market of 320 million consumers among its 12 member states. These changes will give rise to new trade and investment opportunities between Canada and the EC.

The visit to Europe by the International Trade Minister, John C. Crosbie, not only highlights the increasing importance to Canada of the EC - our second largest trade and economic partner, but also provides a platform for discussing the advantages of European investment in Canada in light of the FTA. Canada has a highly developed economy with an industrial climate where trade, investment and high technology can flourish within the expanded context of a North American market. While pursuing free trade with the United States, Canada will strengthen and nurture its traditional links with Western Europe and will forge new ties of mutual benefit with the increasingly dynamic economy of Europe.

The gathering of international government and industry leaders at the Davos Symposium offers a prime opportunity for investment promotion. That message will be reinforced by Mr. Crosbie in Rome, Milan and London.

The Minister will also be in a position to follow up on the Multilateral Trade Negotiations which were the subject of the recent GATT meeting in Montreal. He will continue to take a leading role in attempting to achieve progress on a number of pending issues. It was agreed at Montreal that the most difficult issues would be the subject of further consultation prior to a high-level GATT meeting in April.

CANADA AND THE EC

A major reorganization in the industrial and business structure of Western Europe is already taking place in anticipation of 1992. Some estimates indicate the single market could bring about a 4.5 to 6.5 per cent growth in Gross National Product, two to five million new jobs, and a significant drop in prices. With its strong theme of intra-community industrial co-operation, the project will likely result in stiffer competition worldwide from consolidated European companies.

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