

Others exist in agriculture; training; distribution and retailing; commercial legal services; health care and administration; and cultural industries.

Poland: The main opportunities for Canada in Poland can be found in construction, telecommunications, informatics, geomatics, agriculture and food processing, and environmental goods and services. Poland also offers opportunities in forthcoming World Bank projects in forestry, energy, highway construction, telecommunications, steel, health care, and rail equipment. In addition, there will likely be increased demand for pharmaceutical products in the years ahead.

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Northern European Markets

United Kingdom: The commercial relationship with the United Kingdom is Canada's most extensive in Europe. The U.K. is Canada's most important export market in Europe and the third-largest in the world, after the U.S. and Japan. It is Canada's largest European partner in investment, tourism and military exchange.

In 1994, bilateral merchandise trade amounted to \$8.1 billion, with Canadian merchandise exports to the U.K. totalling \$3.1 billion. The U.K. is a major market for Canadian primary products, and is a growing market for manufactured goods and services. Canadian merchandise exports are shifting steadily to value-added products and to services, which account for a growing share of total exports (20 percent in 1983 to 40 percent in 1993). When tourism services are added to business services, this figure climbs from 27 percent in 1983 to 49 percent in 1993.

Sectors that offer excellent opportunities include transportation; defence; informatics and telecommunications; forestry; agri-food (grains and oilseeds); construction; fisheries; environment; health care; and general machinery and equipment.

The U.K. remains the first and most promising point of entry within the EU for a large number of Canadian producers of manufactured goods. Exports

of high-technology goods continue to flourish, with robust growth in computer networking.

Canadian earnings from business services in the U.K. have increased by 33 percent over the past five years. The U.K. maintains its position as Canada's leading overseas tourism market, with some 620 000 visitors annually (32 percent of the European total).

The U.K. is Canada's second-largest source of foreign direct investment, with 1994 holdings estimated at \$18.7 billion (12.6 percent of total investment in Canada). Investments are concentrated in manufacturing (primarily food processing and chemicals), wholesale and retail distribution, finance, real estate, other business services, and energy.

Canadian direct investment in the U.K. at the end of 1994 stood at \$12 billion (9.6 percent of the Canadian total). From the United Kingdom's perspective, Canada ranks sixth as a source of investment but is considered the second-largest foreign employer after the United States. More than 200 Canadian companies are established in the United Kingdom.

Scandinavian Countries: Canadian exports to the Nordic countries amounted to \$1.1 billion in 1994. Nordic investments in Canada are quite extensive, with Sweden leading the way in both direct investment (in excess of \$1 billion) and corporate presence (close to 140 companies have subsidiaries in Canada). Sweden and Finland joined the EU on January 1, 1995, but Norway rejected economic integration with the European Union. The Nordic countries, with a combined GDP of \$736 billion, have more commercial importance than their total population of 23 million would suggest. While recession caused a decline in trade in the last few years, with the exception of Norway, the Scandinavian economies have bounced back, and trade between Canada and the Nordic countries has increased accordingly.

The following sectors have been identified as offering excellent opportunities: oil and gas; computers; telecommunications equipment; agri-food; environment; fisheries; forestry; transportation; health care; and sporting equipment.

The Baltics: With considerable success in implementing economic reforms, Estonia and Latvia offer a number of promising opportunities for Canadian businesses. Recent successes in building materials confirm that a substantial market has opened up in Latvia and Estonia, and, to