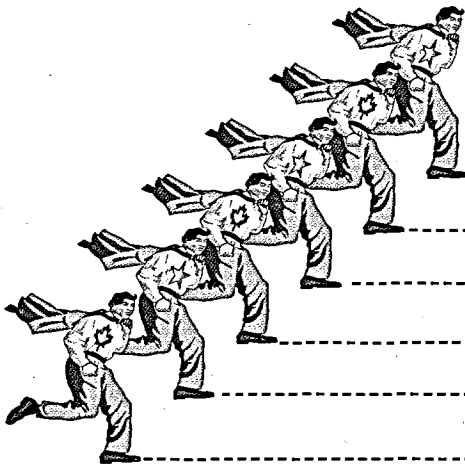




# The European Union and Canada: Solid Trade and Investment Growth

The 1990s have seen a renaissance of EU-Canada trade and investment growth. The EU is Canada's second most important trading partner after the United States. Here are some of the highlights of this dynamic relationship:



- Since 1985, EU exports to Canada have increased in value by 210%.
- 20% of Canadian direct investments are in the EU.
- From 1985 to 1995, EU exports of services to Canada rose 94% led by tourism and business services.
- Canadian exports to the EU show an increasing share for value-added products such as manufactured and high-technology goods.
- From 1976 to 1995, EU merchandise exports to Canada have grown 6% per year on average.
- The EU supplies 10% of Canada's imports.

## A Partnership in the Skies

Canada has vast distances and large wilderness areas. So, it is no surprise that the aerospace industry is particularly vibrant in Canada. Exports rose 30% over 1994 levels, and Canada could soon have the fourth largest national aerospace sector in the world.

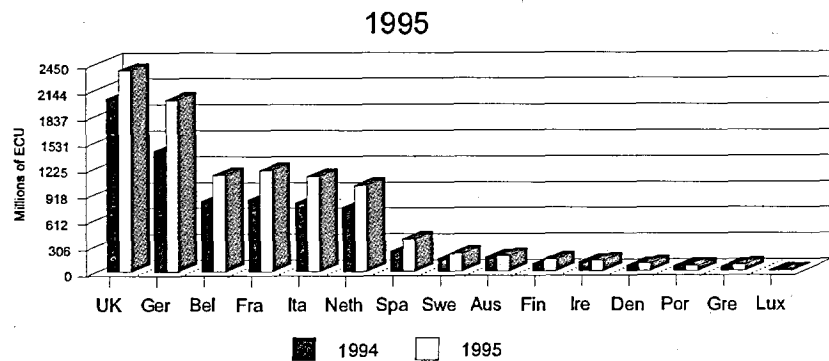
The latest milestone in Canadian aviation is Bombardier's *Global Express*. However, Canada shares this milestone with many of Europe's leading aerospace companies. The world's first corporate jet designed for high speed, long-range travel is the result of partnerships that span the Atlantic.

Major contributors to the success of *Global Express* include Short Brothers of Northern Ireland, which is manufacturing many key components. Other European partners include BMW/Rolls Royce, Messier-Dowty, Sextant Avionics, Hella KG, ABEX NWL and Lucas Aerospace.

The expertise of these and other companies make the *Global Express* a leader in its class. It can fly 6 500 nautical miles non-stop. It can carry executives from Tokyo to New York in less than 14 hours. Able to fly at mach 0.88, it is faster than any aircraft of its type.

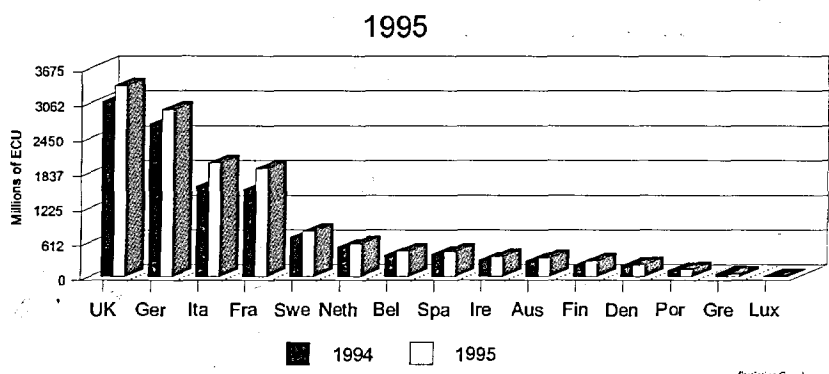
CANADIAN EXPORTS TO THE EU

1 ECU = \$1.63 CAN



CANADIAN IMPORTS FROM THE EU

1 ECU = \$1.63 CAN

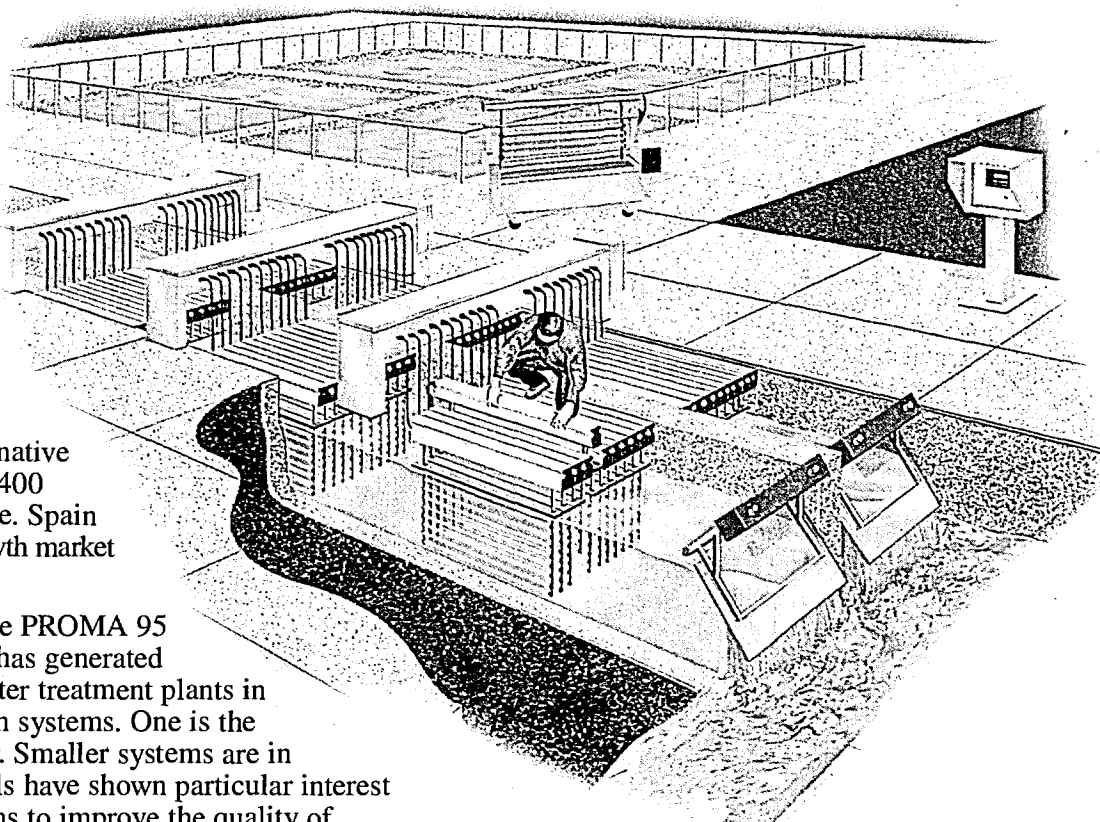


## Innovative Environmental Solutions

The environment is important to Canadians. That priority, combined with strong scientific expertise, has made Canada a leader in environmental technologies such as water purification and wastewater treatment. Trojan Technologies is a Canadian company that specializes in this field.

The Trojan treatment system uses ultraviolet light to disinfect water and wastewater. The technology is cost-effective and an excellent alternative to the use of chlorine. More than 1 400 Trojan systems are in use worldwide. Spain is the company's most important growth market in Europe.

Interest in Trojan's technology at the PROMA 95 environmental trade show in Spain has generated sales in that country. Two major water treatment plants in Valencia have already bought Trojan systems. One is the largest in Europe for reusable water. Smaller systems are in place in the Barcelona area. Officials have shown particular interest in the ability of Trojan water systems to improve the quality of wastewater discharged into the sea in populated and tourist areas.



Over the 1985-1995 period, bilateral investment between Canada and the EU was the most dynamic element of our economic relations. Foreign direct investment from the EU to Canada increased from 9.2 billion ECU to 22 billion ECU over this period. At the same time, Canadian direct investment in the EU grew from 4.3 billion ECU to 17.2 billion ECU. The EU remains Canada's second most important source and destination of investments after the United States.