

Canada and the European Union [EU] have been busy in recent years with heavy trade policy agendas as well as complex economic and social policy agendas.

Europeans have been preoccupied with unification (and reunification) while we have been adapting to the demands of the North American Free Trade Agreement [NAFTA].

We were all deeply involved in achieving a successful conclusion to the Uruguay Round as well as exploring the emerging markets of the Asia-Pacific region.

Both Europe and North America have been through a severe economic recession which has created new challenges for governments and other economic and social policy makers.

As we faced these common hurdles, we also cast ourselves as economic rivals in a contracting global economy marked by declining market share, diminishing returns and growing competition from newly industrialized countries.

This has put considerable pressure on both Europe and North America to construct regional blocs to counter the effects of globalization.

Paradoxically, against this background of regionalism, it has never been more necessary for businesses to have a global outlook in order to compete and survive.

Accusations of fortress building have been levelled from both sides across the Atlantic. No longer does either side know quite where it fits on the other's trade agenda.

The result has been confusion and miscue for business about which markets are worthy of pursuit.

It is not surprising then, that most Canadian exporters still look no further than their own backyard, to the United States, as their only export market. Last year, a full 77 per cent of Canadian exports went to the United States. Barely six per cent of our total exports go to the European Union.

There is an inherent danger in this. We should again be asking ourselves if we are becoming too dependent on the U.S. market. Are we doing enough to penetrate other markets?

It is true that Europe remains our most important economic partner after the United States, regardless of perceptions to the contrary. Canada recognizes and values Europe as a key market for high, value-added goods and services as well as for our traditional staples of resource-based products.