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CANADA'S INTERNATIONAL TRADE MINISTER SIGNS AGREEMENTS WITH FINLAND

International Trade Minister John C. Crosbie signed two important agreements in Helsinki which will strengthen trade and investment ties with Finland.

The Minister signed a revised Canada-Finland Double Taxation Convention and a bilateral Agreement for Air Services.

"I believe these two agreements will help to contribute to the strengthening of our relationship," he said. "Our exports to each other are growing although the volume involved is still relatively small given the complementary strengths of our two economies. It is my hope that our mission will stimulate considerable growth in the commercial relationship."

Mr. Crosbie was in Finland heading a delegation of senior executive officers of 10 Canadian companies, to promote bilateral trade, from May 26 to 29, 1990. He spoke at a luncheon hosted by the Confederation of Finnish Industries and at a dinner given by the Finnish Trade Minister.

The revised Convention for the Avoidance of Double Taxation was required as important legislative changes have taken place in both countries since the last revision in 1971. The new Convention will benefit Canadian and Finnish companies through reductions in withholding taxes on dividends, royalties and interest and from new provisions on the taxation of immoveable property and pension income. The Convention must now be ratified by both signatories. In Canada, this requires an amendment to the Income Tax Act. It will take effect on January 1 of the taxation year following ratification.

The new Agreement for Air Services inaugurates scheduled flights between Helsinki and Toronto, and contains significantly improved provisions on avoidance of double taxation

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and applicability to charter services. In addition, it increases flexibility for all Canadian carriers to take full commercial advantage of future evolving market conditions in Europe.

Minister Crosbie also expressed his pleasure at the administrative agreement which was reached during his visit, between Canada and Finland, on cooperation in the fields of science and technology. Initial areas of contact will include forest products, cold region building construction, roads and maritime transportation, fisheries and leisure.

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