

doc
CA1
EA16
90C12
ENG



1 9 9 2



**CANADA
EUROPE**

Europe 1992

**CANADA-EUROPEAN COMMUNITY
1992 AND RELATED ISSUES**

~~CONFIDENTIAL~~
.67552159 (E)

DECEMBER 1990

Dept. of Foreign Affairs
Min. des Affaires étrangères

DEC 11 2001

Return to Departmental Library
Retourner à la bibliothèque du Ministère

626P2678

CANADA-EUROPEAN COMMUNITY
1992 AND RELATED ISSUES

1992 AND RELATED ISSUES

TABLE OF CONTENTS

1. Introduction
2. National Treatment
3. Reciprocity
4. Quantitative Restrictions
5. Anti-Dumping Regulations
6. Rules of Origin
7. Public Procurement
8. Standards - Testing and Certification
9. Intellectual Property Rights
10. Company Law
11. Common Agricultural Policy
12. European Economic Area
13. EC - Central and Eastern Europe Trading Agreements

Appendices: i. Europe 1992 Sources of Information

INTRODUCTION

This booklet is one of a series of publications dealing with the European Community single market being released by the Government of Canada. This series of publications is one element of the Government's Europe Strategy which is, in turn, part of the Going Global program.

This booklet is intended to provide Canadians, who already have a basic knowledge of the 1992 single market initiative, with insight into some of the major issues posed by 1992 developments. Those who require an introduction to the subject, or those who would like more in depth information on the implications of 1992 for specific sectors and industries should consult the "sources of information" list provided in the appendix.

By the end of 1992 the European Community will have adopted more than 280 specific pieces of legislation designed to eliminate the remaining barriers to the free movement of goods, capital, people and services across the borders of the twelve EC Member States. The single market of 350 million people will result in Community industries rationalizing and realizing the benefits of tremendous increases in economies of scale. European industries will become more efficient and more able to compete in their own markets, in the Canadian market, and in the third country markets which we have in common.

The 1992 Initiative not only presents opportunities for Community firms, but also for Canadian enterprises. Canadian companies can benefit from the increased trade opportunities that this large and wealthy unified market will offer. They will no longer have to face 12 different sets of requirements or border controls between Member States. On the eve of the single market, there is no better time for Canadian firms to secure a presence in Europe, our second-largest trading partner.

External Affairs and International Trade Canada assists Canadian exporters to Europe with a variety of trade promotion and development programs. Exporters and potential exporters will find that this booklet provides an introduction to some of the trade policy issues arising from the single market initiative which they may confront in their efforts to penetrate the European market.

Further information on Canadian Government trade programs can be obtained by contacting External Affairs and International Trade Canada.

NATIONAL TREATMENT

ISSUE

If Canadian subsidiaries are to remain competitive within the EC market, they must have status equal to that of EC-based firms and not face discriminatory regulations because of their non-EC origin. National treatment is the term used to denote a situation where a foreign subsidiary is given the same privileges as a domestic firm in the home market.

BACKGROUND

The basis of the EC's policy on national treatment is found in the 1957 Treaty of Rome (Articles 52-58), stating that EC firms will have the same rights, throughout the Community, as national firms have in their home market. These articles ensure the application of this principle to the right of establishment and the ability of EC firms to set up operations in other EC countries. Whether or not these articles extend the principle of national treatment to subsidiaries owned by nationals of third countries remains unclear. This ambiguity has led to some concern, arising from initially discriminatory draft directives, that 1992 would compromise the principle of national treatment for subsidiaries from outside the EC.

International observance of the principle of national treatment by the industrialized countries stems from their commitment to follow the codes of the Organization of Economic Cooperation and Development, OECD. While OECD codes are binding on member states, there is no formal dispute resolution mechanism or disciplinary authority. However, the OECD, as an organization, has still been fairly effective in both monitoring and limiting the adoption of regulations which discriminate against OECD members; an unfavourable report by the OECD prefaced a redrafting of the EC's Second Banking Directive.

EC POSITION

While the EC accepts the principle of national treatment, Member States' regulations have at times undermined the intentions of the Commission. The gradual development of Community regulations as a result of 1992 should ensure the adherence by all EC Member States to this principle.

CANADIAN POSITION

Canada encourages the development of EC-wide regulations that apply the principle of national treatment and thus ensure that no Member State would discriminate against Canadian subsidiaries on the basis of their place of origin. Non-discriminatory treatment would help to ensure access for Canadian business.

RECIPROCITY

ISSUE

The term reciprocity, when applied to contemporary economic relations, refers to the idea that foreign access to a country's market should be directly linked to the accessibility of the foreign country's market to domestic firms.

BACKGROUND

Two of the more commonly discussed forms of reciprocity associated with 1992 are "mirror image" and national treatment with "comparable effective market access". "Mirror image" reciprocity means that foreign firms are granted exactly the same access to the domestic market as domestic firms have to the foreign country's market. This requires both countries to have or adopt identical business regulations. Market access becomes a function of regulatory harmonization. As a result, the unilateral adoption of the principle of "mirror image" reciprocity by a country is seen as an attempt by this country to project its influence and preferences abroad.

Reciprocity, when referring to national treatment with "comparable effective market access", implies that firms will be granted "equivalent" access to each other's markets. While this form of reciprocity can accommodate regulatory differences, it suffers from the subjective nature of the terms "comparable" or "equivalent".

EC POSITION

The Community has contemplated the use of "mirror image" reciprocity as a pre-condition for allowing foreign firms access to the EC, the initial draft of the Second Banking Directive being a case in point. After considerable international pressure, the final directive incorporates reciprocity in the form of national treatment with "comparable effective market access".

There does remain the question of how exactly "comparable effective market access" will be interpreted by the Commission. This point is of considerable importance since the Commission has been granted the authority to implement sanctions against "non-conforming" countries.

CANADIAN POSITION

Canada, due to its federal system and the existence of provincial regulations, favours a form of reciprocity based on the idea of national treatment with "equivalent" market access.

QUANTITATIVE RESTRICTIONS

ISSUE

The application by Member States of quantitative restrictions (QRs) on imports will be incompatible with the aims of the Single Market. In developing a common import policy, the Commission may be under pressure to replace national QRs with EC-level protection, with trade distorting effects.

BACKGROUND

Currently, EC Member States, especially France and Italy, make use of some 736 QRs which include quotas and various restraint agreements. Covering such diverse products as autos, textiles, shoes, VCRs etc., these measures have largely been directed at (former) state-trading countries, Japan and other Asian states. These QRs are bolstered by provisions in Art. 115 of the Treaty of Rome permitting Member States to restrict entry of goods that may be routed through another Member State. Representing barriers to trade within the EC, the 1992 program calls for the elimination of all national QRs.

EC POSITION

The Community is examining the possibility of eliminating many of these QRs outright. Continued protection, however, is likely in some sectors. Some Member States are thus likely to insist that certain national QRs be replaced by restrictions at the EC-level, at least for a transition period. The most prominent sector in this regard is automobiles. To replace national QRs, the EC is negotiating a voluntary restraint agreement with Japan on its auto exports for a five year (negotiable) transition period, beginning 1 January 1993. Both the EC and Member States will monitor imports. The aim is to avoid a large increase in the Japanese share of the EC market. The question of Japanese cars produced outside Japan is presently excluded from the prospective agreement as the EC has stated publicly that third country exports would not be encompassed by the arrangement.

CANADIAN POSITION

Canada encourages the EC's attempts to eliminate national QRs in sectors of Canadian interest. Canada accepts the replacement of national QRs by restrictions at EC-level as a second-best alternative after total elimination. Canada recognizes that it would be preferable for Canadian exporters to face EC-wide QRs rather than several varying national restrictions.

ANTI-DUMPING REGULATIONS

ISSUE

Dumping is said to happen when a foreign exporter sells a good in a foreign market for less than the comparable price in its home market, or less than the cost of production plus "reasonable" profit. The prices of the foreign products may be so low that they drive or threaten to drive the competing domestic industry out of business, or materially retard the establishment of such an industry. The European Community frequently imposes anti-dumping duties on foreign exporters. The Community has been criticized for the manner in which it has applied its anti-dumping legislation.

BACKGROUND

In response to a complaint filed by an industry, the EC may initiate an investigation as to whether (1) foreign products have been dumped, and, if so, (2) the dumping has caused injury. If these two conditions have been met, the Commission imposes provisional anti-dumping duties. The Council subsequently determines, after reviewing the Commission decision, the definitive imposition of such duties. The exporter may avoid duties by offering a minimum price or quantitative undertaking during the course of the investigation. When a price agreement is concluded, the exporter agrees to sell its products at a sufficiently high minimum price. Under a quantitative undertaking, the foreign firm agrees to restrict its exports, which also has a price increasing effect.

Between 1983-1987, the Community initiated some 150 anti-dumping investigations, while still having to decide on an equally large number of cases from previous years. About half of these investigations were concluded by imposition of definitive anti-dumping duties, acceptance of price undertakings or a determination of insufficient proof.

EC POSITION

The Community maintains that its anti-dumping regulations and practices are consistent with GATT rules.

CANADIAN POSITION

Canada has not been a major target of EC anti-dumping practices. During the period 1985-1987, only 1 out of the 99 cases initiated by the EC involved Canada. Nevertheless, EC anti-dumping practices present the following concern: the general nature of GATT rules allows the EC to interpret these rules in a broad manner. Canada has sought to establish a more rigorous GATT anti-dumping regime.

RULES OF ORIGIN

ISSUE

The Community has been criticized for the manner in which it has applied its rules of origin. These rules have the potential to restrict access for Canadian exports.

BACKGROUND

The principal provisions on rules of origin maintained by the EC are outlined in Regulation 802/68, which provides a general rule of origin when no other specific rule applies to the goods of a given country. This Regulation is used, *inter alia*, in the application of quantitative restrictions and the EC's Common Customs Tariff. This regulation begins with the relatively simple concept of goods which originate *in toto* from a single country. Where two or more countries are involved in the production, the good shall be considered as originating in the country in which the last substantial process or operation, that is economically justified, was performed. To ensure that the "last substantial process" is met, the EC has set out a number of criteria, *inter alia*, that the percentage of value added through the process or operation meets a specific level and that the operation results in a change of tariff heading. Recent EC measures in this area have raised concerns. In 1989, the EC adopted rules of origin for semi-conductors. These are to be treated as non-EC products, irrespective of the level of EC content, if the process of diffusion takes place outside the Community. The aim is to encourage Japanese manufacturers to transfer more technology to the EC. The manner in which the Commission arrived at its conclusions suggests that, in application, the EC determines origin on the basis of the most substantial phase of production rather than the last substantial stage.

EC POSITION

The EC is likely to argue that the complexities of trade and investment patterns have overtaken the rather simplistic approach of the "last substantial transformation" criterion and that greater precision is needed in this area, while, at the same time, continuing to unilaterally develop and apply their own rules.

CANADIAN POSITION

Canada is concerned about the changed application of rules of origin. The adoption of increasingly restrictive rules of origin lends a more protectionist face to the EC's commercial policy, and sends the wrong message to its trading partners. Canada is in favour of arriving at new disciplines for applications of rules of origin under the GATT.

PUBLIC PROCUREMENT

ISSUE

The EC has opened up public procurement by public entities of goods falling within the previously excluded sectors of transportation, energy, water, and telecommunications within the Community. It is prepared to consider extending this access to others on a reciprocal, multilateral or bilateral basis.

BACKGROUND

Public procurement in the EC represents some 15% of Community GDP, of which over half of the projects fall within the sectors excluded by the GATT Procurement Code. Similarly excluded from previous EC directives, this market is characterized by strong dependent relationships between buyers and sellers, with little trade within the EC: most procurement is sourced from national suppliers. As part of the Single Market initiative, the EC's objectives are to increase transparency in the tendering and award process, improve redress and enforcement mechanisms, and introduce competitive tendering in the excluded sectors.

The proposed Excluded Sectors Directive (ESD) covers all public bodies and private sector purchasers having "special and exclusive rights" (ie. subject to government influence). It applies to the production/distribution of water, gas and electricity; airport and port facilities; transportation services (rail, buses); and, telecommunication networks and services. Outlining procedures/criteria for tenders and the awarding of contracts, the ESD calls for the use of "European" standards and/or common technical specifications.

EC POSITION

The Community wishes to ensure that EC firms be the principal beneficiaries from such liberalization. Regarding non-EC bids, the ESD includes a 50% local content requirement and a 3% price preference for EC suppliers. These provisions, however, may be waived for any country having a reciprocity agreement with the EC (bilateral or multilateral), granting EC firms "comparable and effective" access to their local procurement market.

CANADIAN POSITION

Canadian export capabilities within the excluded sectors range from little or none, through to technological leadership. The liberalization of public procurement presents thus greater opportunities for Canadian firms in some sectors than in others. Canada is opposed to measures which unduly discriminate against Canadian goods, and is thus desirous of obtaining assured access to the EC public procurement market. To this end, Canada has participated, with the EC, in negotiations to extend the provisions of the GATT Procurement Code.

STANDARDS - TESTING AND CERTIFICATION

ISSUE

The European Commission is in the process of formulating procedures for establishing mutual recognition of testing and certification agreements with third countries. Canada is concerned that unless mutual testing and certification agreements are concluded between Canada and the EC, Canadian exports to the Community may be curtailed.

BACKGROUND

An integral part of the Single Market process has been the harmonization of existing standards among EC Member States, and the development of new EC (and, indeed Europe-wide) standards. Early in 1991, the European Commission will be seeking a negotiating mandate from the EC Council prior to engaging in the negotiation of mutual recognition agreements with third countries. Canada has already made known its views, and has familiarized the Commission with the Canadian national standards system which can serve as the basis for the negotiation of an EC-Canada agreement.

EC POSITION

The Commission's mandate will include the requirement of reciprocity in any negotiated agreement. Preliminary discussions have revealed that the EC expects a bilateral agreement with Canada to be less problematic than may be the case with other trading partners.

CANADIAN POSITION

Canada recognizes that there is an advantage to exporters of a broader standards regime as it should be easier to comply with one common set of standards, rather than several.

Canada has requested that the EC's negotiating mandate allow for existing agreements between Canadian organizations and EC Member States to continue to function. Specific agreements already in place include (a) B.C. Council of Forest Industries (COFI); (b) Canadian Standards Association (CSA) and British Standards Institute, on acceptance of test results on electrical products; (c) CSA and Netherlands standards body, also with respect to electrical products. The CSA would also like to continue its present training program for product inspectors in Europe.

Current product areas of Canadian priority for inclusion in a mutual recognition agreement include: (a) wood products; (b) telecommunications equipment; (c) pharmaceuticals and medical devices; (d) manufactured machinery and equipment products; (e) non-wood products affected by construction directives.

INTELLECTUAL PROPERTY RIGHTS

ISSUE

The EC is developing a regime for the protection of intellectual property, granting certain proprietary rights to the creators of knowledge-based goods.

BACKGROUND

Intellectual property rights (IPR) include trademarks, geographical indication, patents, copyright, neighbouring rights, performing rights, industrial designs and trade secrets. Rights are granted to innovators so that they may prevent others from exploiting the benefits of their labour. Presently, these rights are obtained/protected through national laws of the Member States, and thus subject to territorial limitation. The result is a lengthy, expensive process of applying for protection in each jurisdiction, subsequently producing different rights throughout the EC. These distinct national rights serve as obstructions that are inconsistent with the completion of the single market.

EC POSITION

The Community approach is to maintain an appropriate balance between IPR and the free flow of goods/know-how. On the one hand, the EC is attempting to bring IPR in line with the objectives of the single market through harmonization and creation of EC-wide rules. There are proposals to create a Community Patent (CP) and a Community Trademark (CTM) whereby protection throughout the EC can be obtained on a single application. Similarly, national trademark laws have been harmonized to achieve uniformity in the conditions for obtaining trademarks and subsequent protection. Furthermore, so as not to constrain the practice of licensing technology, the EC has adopted a regulation outlining the conditions for which bloc exemptions are available for patent licensing agreements.

At the same time, the EC wishes to ensure that IPR are sufficiently protected so as to encourage continued investment in research and innovation. To this end, the Community has adopted measures concerning counterfeit goods and the protection of computer chips. Protection of biotechnology patents and copyright protection for computer software have also been proposed.

CANADIAN POSITION

Canada encourages EC initiatives to enhance uniformity and simplify the application process for protecting intellectual property. The proposed CP and CTM should serve to improve access for Canadian interests. Furthermore, to the extent that Canada offers reciprocal protection to EC interests, Canadians will be subject to non-discriminatory treatment. However, rights owners may prevent competing imports of products embodying their intellectual property coming from outside the EC.

COMPANY LAW

ISSUE

The 1992 project includes proposed measures to regulate and harmonize provisions of company law/competition policy, effectively expanding the competence of the EC in this field.

BACKGROUND

The traditionally fragmented EC market has often prevented EC firms from achieving economies of scale necessary for economic efficiency. The removal of barriers under the single market initiative has prompted considerable restructuring within the EC as firms attempt to build the necessary scale to compete in an increasingly global environment. This is evident from the significant increase in takeover activity in recent years. As this restructuring is necessary to improve competitiveness, it is important that the process encounter as few barriers as possible.

EC POSITION

Regarding the restructuring process as positive, the EC is attempting to encourage mergers and takeovers. Directives have been proposed to harmonize divergent national regulations, with the view to ensuring transparency, equality for shareholders and limiting speculation. In May 1990, the Commission proposed eliminating barriers to take-overs, albeit with mixed reviews. But despite encouraging such activity, the EC remains cautious in preserving competition. Under the new merger control regulation, after Sept. 1990, the Commission will have primary authority to vet mergers of a "community dimension" (those exceeding a given threshold). The effects of such mergers on competition in the EC is to be the principal criterion for evaluation.

The EC also desires to encourage the creation of pan-European companies. This may be achieved through the formation of European Economic Interest Groupings (EEIGs), providing for cooperation in such areas as R&D, and/or, the establishment of a European Company, recognized under a single set of rules in all Member States. Revisions to the proposed European Company Statute are expected after the European Parliament renders its opinion.

CANADIAN POSITION

Canada recognizes that EC company law initiatives are taking place in a non-discriminatory manner. Consequently, Canadian firms operating in the EC should not be adversely affected; our subsidiaries will continue to be treated as "European", subject to the same opportunities and constraints as EC-based firms. Similarly, the fact that competition is to be the primary basis for evaluation under the merger control regulation is regarded as positive. However, at the present thresholds, most Canadian firms will be subject to national regulation, which may be less liberal under certain circumstances.

COMMON AGRICULTURAL POLICY

ISSUE

The EC's Common Agricultural Policy (CAP) seeks to increase agricultural productivity, to ensure a fair standard of living for the agricultural community, to stabilize markets, to assure the availability of supplies, and to guarantee reasonable prices for EC consumers. While the CAP has sustained the development of Community agriculture, this policy has hampered Canadian export opportunities in agricultural products, both in the EC and third country markets. The CAP has also resulted in market disruptive penetrations of EC agricultural products into the Canadian market. The current EC efforts to limit the growth in CAP expenditures and reduce agricultural overproduction make the CAP more market-oriented. However, far-reaching reforms are necessary to liberalize the agricultural trading regime.

BACKGROUND

In 1985, the EC came to the conclusion that CAP reform was necessary in order to reduce the growing expenditures, and to respond to the sharp conflicts with trading partners, notably the United States, Canada, Australia and New Zealand. Proposals for reform, aimed at curbing spending, include cuts in guaranteed prices to penalize overproduction; incentives to early retirement of farmers; compensations for taking land out of production; and limits to the total level of spending on crop- and export subsidies, and intervention purchases.

EC POSITION

The Community has shown a genuine commitment to reforming the CAP, but progress has been slow. The most recent proposal includes a 30 % cut in farm subsidies. The decision making on reforms is complicated by the political sensitivity of the EC agricultural policies.

CANADIAN POSITION

Canadian farmers have been affected by the CAP in three ways. The CAP's incentives to agricultural production and barriers to imports have reduced the export opportunities of Canadian farmers to the EC market. Specifically, the CAP has detrimentally affected Canadian exports of quality wheat, barley and cheddar. Canadian exports to third markets have been reduced as well, due to EC price competition through subsidies, resulting in price suppression or a complete shut-out of Canadian firms from certain markets. Additionally, Canadian farmers have suffered from highly subsidized EC imports into Canada such as beef and pasta. Moreover, the EC agricultural policies have provoked the US into a subsidy war that has caused Canada still more harm. Although recent CAP reforms are encouraging, the measures have neither improved Canadian access to the EC market nor significantly countered the CAP's market disruptive effects.

EUROPEAN ECONOMIC AREA

ISSUE

The members of the European Free Trade Association Council (Iceland, Finland, Norway, Sweden, Switzerland, Austria) and the EC Commission are engaged in ongoing negotiations on the creation of a European Economic Area (EEA). At present, more than 50% of total EFTA imports come from the Community, while an equally large share is exported to the Community. The EEA would lead to even deeper economic ties between EFTA countries and the EC. The conclusion of such an agreement would result in a market of more than 350m people, with minimal trade barriers.

BACKGROUND

In the 1970s, each EFTA country concluded a bilateral free trade agreement with the EC which eliminated most tariffs on EFTA-EC trade in industrial goods. In 1984, a European Economic Area was defined for the first time, signalling the deepening of integration and expansion of cooperation between EFTA and the EC.

EC POSITION

The EEA would not only cover the extension of freedom of movement of capital, goods, services and persons to the EFTA countries, but also the adoption by EFTA of a competition policy analogous to that of the EC; the extension of cooperation; the harmonization of taxes; the simplification of border-crossing procedures; and special treatment for disadvantaged areas and groups of people. The EEA would require a strengthening of EFTA institutions to implement these provisions. The EC-EFTA negotiations are marked by three main problem issues: EFTA's determination to play a greater role in EC decision-making, the diverging interests among EFTA members and thus their inability to speak with one voice, and the requests of the individual EFTA countries to be exempted from various existing EC rules. Further complications arise from EFTA countries' varying attitudes towards full EC membership. Austria has formally applied to join the Community. Other EFTA countries, particularly Norway and Sweden, are considering very seriously the possibility.

CANADIAN POSITION

The EEA would improve access of EFTA countries to the EC market. Since Canada competes directly with EFTA countries in supplying the EC market for fish, forestry products and some other commodities, the EEA would increase the competition that Canadian exporters to the Community face. Canada is attempting to use the Uruguay Round to reduce or eliminate the margin of preference for many EFTA products in the EC market, and to ensure that any future EFTA-EC agreements comply with GATT rules. Canada recognizes, however, that the EEA would provide a larger single market, and more trade opportunities for Canadian firms.

EC - CENTRAL AND EASTERN EUROPE TRADING AGREEMENTS

ISSUE

In the latter half of the 1980s, the EC and the countries of Central and Eastern Europe concluded a number of trade and cooperation agreements, providing for trade benefits and financial assistance. Following the internal changes in Eastern Europe, the EC is now replacing these pacts with the more comprehensive "Europe Agreements". These would allow for deeper economic, political and cultural ties. Ultimately, the EC expects that the closer cooperation will lead to integration of the EC and these countries into a continental free trade zone, together with the EFTA countries.

BACKGROUND

The current trade agreements with Hungary, Poland, Czechoslovakia, Bulgaria, Yugoslavia, Romania and the USSR, have three components in common: trade concessions, economic cooperation in agriculture, energy, technology and environment, and promotion of a favourable climate for Western investments. In particular, the EC granted Poland and Hungary relatively favourable access to the internal market.

EC POSITION

Under the Europe Agreements, the East and Central European countries and the EC will gradually introduce free movement of goods, services, capital and persons. Additional provisions such as non-discrimination in taxes and approximation of laws in various areas will be made to facilitate the liberalisation of trade. The agreements will provide for cooperation, and will form an institutional framework for political dialogue. However, eventual membership in the EC is not among the objectives of these agreements, and is treated as a separate issue. Czechoslovakia, Hungary and Poland have shown a strong interest in a Europe Agreement; in September 1990, Hungary started preliminary discussions with the Community. Another candidate is Yugoslavia. At present the necessary (political) preconditions for concluding such agreements have not yet been established in Bulgaria and Romania.

CANADIAN POSITION

Closer economic cooperation between the EC and Central and East European countries will lead to the establishment of an even larger market, presenting opportunities for Canadian business. Concurrently, however, competition from Soviet and East European exporters in supplying the EC market for forestry products, etc. will likely increase. In addition, trade diversion might result from granting preferential access to the EC, thus limiting opportunities for Canadian goods and services in Eastern Europe. Canada encourages cooperative projects and investment in East European markets.

EUROPE 1992 SOURCES OF INFORMATION

NOVEMBER 1990

By 1992 Europe will become a single market without barriers to the movement of goods, capital, services and people. This will directly affect all of us, particularly the Canadian business community.

External Affairs and International Trade Canada (EAITC) has been monitoring the process closely and is keeping the public informed through a variety of activities: cross-Canada conferences, publications, and consulting services (at EAITC, the regional International Trade Centres and our posts abroad). In addition, many of the provincial trade ministries plus other organizations offer assistance and advice on opportunities in Europe.

Listed below is an outline of publications available, Europe 1992 conferences held to date, and lists of contacts.

PUBLICATIONS ON EUROPE 1992

1992 Implications of a Single European Market
(available through INFO EXPORT)

Part I. Effects on Europe

This report details the major economic and trade effects of the integration of the European Community. It presents a clear picture of the unification legislation and implementation measures and the general expectations and responses of European industry.

Part II. Effects on Canadian Industrial Sectors

A series of studies on the implications of the Single European Market on Canada's trading, investment and technology interests. Each report analyses the trends, export impact, competition and investment implications for one of Canada's industrial sectors.

Reports on the following sectors have been published:

- Agriculture and Food Products
- Automotive Products
- Fisheries Products
- Forest Products
- Minerals and Metals
- Professional and Consulting Services
 - Law and Accounting
- Specialty Chemical Products, New Materials,
Pharmaceuticals and Biotechnology
- Telecommunications and Computers

Additional reports on the following sectors will be published later in 1990-91:

Company Law
 Consumer Goods and Cultural Industries
 Defence, Aerospace and Transportation
 Financial Services
 Industrial Products and Services
 Overview

Other Reports:

Technology Prospecting Abroad

(available through)

Science and Technology Division (TDS)
 External Affairs and International Trade Canada

Europe 1992 Working Group Reports:
 (available from INFO EXPORT)

The Europe 1992 Working Groups were formed in late 1988, each with a responsibility for a particular industrial sector or a particular cross-sectoral interest. The Groups were charged with the task of monitoring the measures taken by the EC in its Internal Market program and assessing those which may offer opportunities or might be of concern to Canadian industry.

The Working Groups, composed of representatives of interested departments and agencies of the government of Canada have each put together a summary of their findings based on the examination to date of currently available information. These differ from the sectoral studies mentioned above in that they offer no analysis of the current or future market conditions in Europe or Canada - concentrating more on the details of the legislative changes.

Reports on the following sectors have been published:

Defence Products
 Agriculture and Food Products
 Telecommunications and Computers
 Minerals and Metals

Reports on the following sectors will be published later in 1990-91:

Competition Policy
 Industrial and Transportation Equipment and Services
 Standards

EXPORTER'S GUIDES

The European Economic Community: A Guide for Canadian Exporters
(available from the Western Europe Trade and Investment Development Division)

A book designed to help Canadian exporters with practical, pragmatic information on the rules and regulations for marketing in each country.

Europe 1992: Your Business Opportunity
(available from Provincial Trade Ministries in Ontario and Quebec, from International Trade Centres elsewhere)

Another practical book on the EC countries, with a description of each of several industrial sectors and a brief overview of the Single Market program, it will appeal to those with a real and immediate interest in doing business in Europe.

Canada-Western Europe Trade Fairs 1990-1991
(available from INFO EXPORT)

This booklet has been produced to acquaint the Canadian Exporter with the Government Initiated Trade Fairs Program in Western Europe.

Link 1992: The Experience of Successful Canadian companies in Europe
(available from the Western Europe Trade and Investment Development Division)

This document offers Canadian companies on the threshold of international expansion the opportunity to learn from the experience of those who have preceded them. Lessons are drawn from Canadian companies that have already successfully established themselves in European markets.

EC DIRECTIVES (available from Renouf Publishing)

The directives are the legislation, as accepted by the European Community's Council of Ministers, that defines the steps to be taken to implement the Single Market.

Also available online through the U.K. Department of Trade and Industry's Spearhead database are summaries of the individual 1992 measures, more detail on the stage they have reached, and the full texts of the individual measures (Financial Times Business Information Service, Profile Information, U.K. Tel. 0932-761444; also available on British Telecom Gold, One to One, Mercurylink Electronic Services and IRS Dialtec; or for further information call 01-215-4720).

CONFERENCES

A series of conferences, each focusing on specific industry sectors and their trade relationship with Europe, are being held across the country. To date, 10 have taken place (Toronto, Montreal, Vancouver, Calgary, Edmonton, Halifax, Winnipeg, Charlottetown, Moncton, St. John's), with the next venue being Toronto in January 1991. Each conference is unique. Each focuses on the sectors of particular interest to that region, (agriculture, forest, fisheries, telecommunications), brings in specialists in those fields, and distributes the results of in-depth research into those fields. In addition, sector specific seminars are being organized, (Automotive was held in February and Medical Engineering, Minerals and Metals, Communications and Information

Technology, Advanced Technology, and Fisheries Workshops were held in June), with future seminars including both specific sectors and topics of general interest such as standards, and strategic alliances. For more information, contact the European Community Trade and Economic Relations Division of EAITC.

FURTHER INFORMATION

Trade Promotion Activities

There are four specific program underway to promote trade with Europe. The first concerns itself with strategic partnering. This is a new word for old-fashioned cooperation between companies. It can range from reciprocal distribution arrangements to joint ventures and technology transfers. The role of EAITC is to assist Canadian companies identify where such an approach makes sense and to help them find an appropriate partner. In addition to drawing on our trade commissioners in the field, we have specific highly focused studies to identify mutually beneficial and enhancing company matches. This process is of importance to smaller to medium-sized companies seeking to compete in foreign markets.

Second, technology acquisition, will continue to be of importance to Canada. EAITC offers financial support to firms in their search for technology via the TIP (technology inflow program) which covers a portion of travel costs for firms visiting potential sources of technology. We have 6 technology development officers in Canadian embassies in western Europe and, based on the demand being generated by the business community, we expect to expand this aspect of its services in the future. Focused activities will include up to ten incoming and outgoing technology missions in targeted sectors and five studies of European niche technologies in sectors of interest to Canadian firms.

Third, to encourage investment of benefit to Canada there are four full time investment counsellors now stationed in western Europe and five embassies have major investment development programs. Incremental funding will also be added to the investment development program to increase productive investment flows from western Europe.

Fourth, trade fairs are a proven mechanism to introduce new products and establish representation. European trade fairs, the biggest in the world, are selling fairs. Certain events such as the Paris Air Show, Telecom 91 and the Canada-UK Marketplace in London, require our maximum participation. We will be up-grading Canada's presence at these major shows. This past year Canada had 25 national stands at fairs in Europe. In 1990-91, we will have 31 national and core area stands at key European trade fairs, 27 information booths at other shows and 39 trade missions either outgoing or incoming.

Another program, NEXOS (New Exporters to Overseas Markets) was announced last year and the response has been so positive and the demand so great that it will be expanded. NEXOS will introduce companies to European style marketing and train them in such aspects of business as customs procedures and documentation. To date, 4 NEXOS missions have gone to Europe and they have proven to be extremely successful. We are planning at least 8 such missions in 1990-91 with 15-20 exporters new to Europe participating each time.

Further information on this is available from EAITC'S Western Europe Trade and Investment Development Division.

Science and Technology

EAITC has a science and technology strategy that aims at giving Canadians better access to European technology. Funding is available for R&D missions, researcher exchanges, and joint projects to enable us to identify and assess specific opportunities arising from the massive new European programs. For further information contact EAITC's European Community Programs Division, (tel. (613) 992-3934).

EC Tariffs and Standards

To counsel the business community, we are creating a computer information service on the European Community tailored for Canadian users. Information on European duties and other regulations will be accessible to Canadian company through EAITC and the International Trade Centres across the country.

We are working jointly with the Canadian Standards Council to facilitate dissemination of facts pertaining to EC standards, and an online service on EC standards data is now available through the Standards Council (available on Datapac Network and INET, tel. 1-800-267-8220).

INFORMATION SOURCES

Renouf Publishing
1294 Algoma Road
Ottawa, Ontario
K1B 3W8
(800) 267-4164
(613) 741-4333
Fax: (613) 741-5439

INFO EXPORT (BTCE)
External Affairs and International Trade
Canada
125 Sussex Drive
Ottawa, Ontario
K1A 0G2
(800) 267-8376
Fax: (613) 996-9709

European Community Trade and Economic
Relations Division (REM)
External Affairs and International Trade
Canada
125 Sussex Drive
Ottawa, Ontario
K1A 0G2
(613) 996-2727
Fax: (613) 995-1277

Western Europe Trade and Investment
Development Division (RWT)
External Affairs and International Trade
Canada
125 Sussex Drive
Ottawa, Ontario
K1A 0G2
(613) 996-9401
Fax: (613) 996-9103

European Community Programs Division
External Affairs and International Trade
Canada (REP)
125 Sussex Drive
Ottawa, Ontario
K1A 0G2
(613) 992-3934
Fax: (613) 996-9103

Science and Technology Division (TDS)
External Affairs and International Trade
Canada
125 Sussex Drive
Ottawa, Ontario
K1A 0G2
(613) 996-4160
Fax: (613) 996-9265

Ontario Ministry of Industry, Trade and
Technology (MITT)
900 Bay Street
Hearst Block
Toronto, Ontario
M7A 2E1
(613) 965-0709
Fax: (613) 965-8852

Ministère de l'Industrie, du Commerce et de
la Technologie du Québec
710, place d'Youville,
9^e étage
Québec (Québec)
G1R 4Y4
(418) 691-5950
Fax: (418) 643-4545

Standards Council of Canada
350 Sparks Street
Suite 1203
Ottawa, Ontario
K1R 7S8
(613) 238-3222
Fax: (613) 995-4564

INTERNATIONAL TRADE CENTRES

International Trade Centre
 Confederation Court Mall
 134 Kent Street, Suite 400
 P.O. Box 1115
 Charlottetown, P.E.I.
 C1A 7M8
 (902) 566-7443
 Fax: (902) 566-7450

International Trade Centre
 Central Guarantee Trust Building
 1801 Hollis Street
 P.O. Box 940, Station "M"
 Halifax, N.S.
 B3J 2V9
 (902) 426-6125
 Fax: (902) 426-2624

International Trade Centre
 Assumption Place
 770 Main Street
 P.O. Box 1210
 Moncton, N.B.
 E1C 8P9
 (506) 857-6440
 Fax: (506) 857-6429

International Trade Centre
 Stock Exchange Tower
 800 Victoria Square, Suite 3800
 P.O. Box 247
 Montreal, Quebec
 H4Z 1E8
 (514) 283-8791
 Fax: (514) 283-3302

International Trade Centre
 90 O'Leary Avenue
 P.O. Box 8950
 St. John's, Nfld.
 A1B 3R9
 (709) 772-5511
 Fax: (709) 772-2373

International Trade Centre
 6th Fl., 105-21 Street East
 Saskatoon, Sask.
 S7K 0B3
 (306) 975-5318
 Fax: (306) 975-5334

International Trade Centre
 4th Fl., Dominion Public Building
 1 Front Street W.
 Toronto, Ontario
 M5J 1A4
 (416) 973-5053
 Fax: (416) 973-8161

International Trade Centre
 Scotia Tower
 900-650 West Georgia Street
 P.O. Box 11610
 Vancouver, B.C.
 V6B 5H8
 (604) 666-1438
 Fax: (604) 666-8330

International Trade Centre
 Suite 608, 330 Portage Ave.
 Winnipeg, Manitoba
 R3C 2V2
 (204) 983-4099
 Fax: (204) 983-2187

International Trade Centre
 Edmonton Office
 Canada Place
 Suite 540, 9700 Jasper Avenue
 Edmonton, Alberta
 T5J 3C3
 (403) 495-4415
 Fax: (403) 495-4507

International Trade Centre
Calgary Office
11th Floor
510-5th Street, S.W.
Calgary, Alberta
T5P 3S2
(403) 292-6409
Fax: (403) 292-4578

International Trade Centre
10th Floor
Precambrian Building
4922-52nd Street
Yellowknife, Northwest Territories
X1A 2R3
(403) 920-8575
Fax: (403) 873-6228

International Trade Centre
Suite 301
108 Lambert Street
Whitehorse, Yukon
Y1A 1A2
(403) 668-4655
Fax: (403) 668-5003

LIBRARY E A/BIBLIOTHEQUE A S
3 5036 20096480 0

DOCS
CA1 EA16 90C12 ENG
Canada-European Community : 1992
and related issues. --
62682678

Canada