

News Release

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CANADIAN TRADE MISSION VISITS NORDIC REGION

A Canadian trade mission composed of representatives from 14 Canadian firms, six of which come from the high technology sector, will be visiting the five Nordic countries from October 2 to 17. The objective of the mission is to promote trade and investment between Canada and the Nordic region.

"This Nordic Initiative is part of the Government's three pillar trade strategy to seize opportunities in the North American market, in Europe, and in Asia-Pacific," said International Trade Minister John C. Crosbie. "It is of particular importance given the significant and dynamic changes taking place in Europe generally and notably with respect to Europe 1992, the Single Market."

In Iceland, the Canadian firms will participate in "Canada Days." This is a two day trade and cultural event organized by the Canadian Embassy in Oslo, Canada's Honorary Consul in Reykjavik, and the local Chamber of Commerce. A Canada-US Free Trade Agreement seminar will be held and mission participants will meet with Icelandic firms. Cultural highlights include performances by Heather Ireland, a classical singer from British Columbia, and a Canadian art exhibition and book fair.

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Accompanied by officials from External Affairs and International Trade Canada, the trade mission will visit Finland October 2-3, Sweden October 4-6, Iceland October 8-10, Denmark October 11-12, and Norway October 13 to 16. Canadian Embassies have arranged meetings between the Canadian companies and local industry. Representatives from the following 14 Canadian firms will be participating in the mission to the Nordic region:

Alexander Plus Inc.  
Alltec Heaters Inc.  
ATS Aeronautical Training Systems Inc./Ballistech Systems  
CANPOLAR East Inc.  
First Byte Software Inc.  
G.W.N. Systems Inc.  
Health Care Systems Inc.  
Mi-Sask Industries  
Northumberland Seafoods Ltd.  
On-Line Data  
Periphlex Inc.  
Quantum Software Systems Ltd.  
Vulcan Equipment Company Inc.  
YM/YWCA Enterprise Centre

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## CANADA'S ECONOMIC RELATIONS WITH THE NORDIC COUNTRIES

### MEDIA BACKGROUNDER

The Nordic group of countries consists of five countries--Denmark, Finland, Iceland, Norway and Sweden--with a total population of 23 million. These countries share many common policies and aspirations. They have cooperative agreements in economic, legislative, social and cultural fields as well as in environmental protection, communications, transportation, industry and energy.

Intra-Nordic trade has increased substantially since the establishment of the European Free Trade Association (EFTA) in the 1960s. In recent years, priority has been given to further development of the Nordic area into a "home" market by identifying and eliminating obstacles to trade cooperation. The greatest proportion of Nordic trade, however, remains with members of the European Community. Consequently, an important consideration for the Nordic countries is what position to take individually and collectively on the development of the EC's single market slated for completion by 1992.

#### Canada and the Nordics

The Nordics and Canada offer each other special access to much larger markets. While Canada can provide access to the entire North American market through the Canada-US Free Trade Agreement, the Nordic region offers a special entree to Europe as a whole that is difficult to match. Four of the Nordics are members of the EFTA, while Denmark is a member of the EC. Additionally, Finland has trade agreements with the Council for Mutual Economic Assistance (CMEA) and a bilateral agreement with the USSR.

Canadian trade with Nordics has traditionally been in the latter's favour. In 1988, Canada exported some \$1.1 billion in total to the Nordics and imported approximately \$2.04 billion. Among the Nordics, Norway is Canada's largest export market, while Sweden is our largest source of imports.

Investment flows are much more in Canada's favour due to the high degree of internationalization of Nordic business in general. Many Nordic companies have plants or joint ventures in Canada while few Canadian companies have invested in the Nordic region. Nevertheless, considerable scope exists for cooperation in the form of representation, distribution, joint ventures, technology transfer, and licensing. Both Canada and the Nordics have many niche companies that could benefit from strategic association with complementary organizations.

#### Denmark

The net trade balance between Canada and Denmark has traditionally been in Denmark's favour, but the imbalance is lessening as Canadian exports are successful in new product areas. There is good potential for Canadian products and services in the following sectors: communications and informatics; sophisticated office equipment; specialized machining and process control equipment; high design consumer; biomedical equipment; waste water treatment

processes and machinery; specialty food; and defence. As Denmark moves into the era of the EC Single Market, there will be opportunities for Canadian and Danish firms to cooperate through technology transfer, joint ventures and strategic partnering arrangements.

### **Finland**

Canadian-Finnish economic and trade relations are steadily expanding due to the similarity between the two countries: Like Canada, Finland is a highly innovative OECD country with world class technology in forestry, shipbuilding, metals, telecommunications, electronics, informatics, consumer goods and construction. As Finland's economic well being depends on new developments, there is increased emphasis on high tech applications, research and development, and related cooperation with other countries. Canada is an increasingly favoured destination for Finnish investment: With investments totalling over CAD 500 million, more than 60 Finnish companies have an increasingly important presence in the Canadian economy and employ over 6000 Canadians.

### **Iceland**

There is a very low level of trade between Canada and Iceland. Iceland's economy is small and most of its trade is with other EFTA countries and the EC. There is room for growth particularly in the fisheries products sector.

### **Norway**

Norway's foreign trade is one of the largest in the world on a per capita basis. Norway is the only Nordic country with which Canada enjoys a trade surplus: In 1988, total Canadian exports to Norway were CAD 494 million, while total imports were 480.3 million. Given the few Norwegian tariff barriers, Canada's favorable exchange rate, and the similarities and opportunities for cooperation that exist for aggressive entrepreneurs, the Canadian Embassy in Oslo has identified the following three sectors of particular promise for Canadian firms: defence programs and products; oil and gas equipment and services; and, communications and informatics.

### **Sweden**

Two-way trade between Canada and Sweden in 1988 totalled CAD 1.4 billion, a little over two thirds of this accounted for by Sweden. The most significant aspect of the Canadian-Swedish economic relationship is the level of foreign investment: Although Canadian investment in Sweden is limited with only 18 Canadian firms (mainly high tech) having offices in Sweden, Sweden is the ninth largest source of direct foreign investment in Canada. The Swedish corporate presence in Canada is extensive--much beyond what one would expect from a country of 8.4 million. About 100 Swedish companies have subsidiaries in Canada, which account for 80 percent of Swedish imports into Canada. Half have manufacturing facilities employing over 8000 Canadians. An additional 350 Swedish firms have distributors in Canada, or have arranged licensing agreements or joint ventures.