



COMMISSION OF THE EUROPEAN COMMUNITIES

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COMMUNICATION FROM THE COMMISSION TO THE COUNCIL

on EU-Canada relations

Communication from the Commission to the Council on EU-Canada relations

1. Introduction

The European Council meeting in Madrid in December 1995 expressed the hope that other Atlantic democracies would share the goals of the New Transatlantic Agenda adopted by the 3 December 1995 EU-US Summit. This statement recognises the ties of history, shared democratic traditions, social culture, as well as political and economic links which bind the EU to countries such as Canada, one of the pillars of the transatlantic relationship. This shared background creates a solidarity in the face of many common problems and re-inforces the incentive to co-operate in an inter-dependent and often uncertain world.

Following the end of the Cold War many long standing relationships are being reviewed and updated to ensure that they meet the needs of the future. Since the entry into force of the Maastricht Treaty the EU has been reassessing its own external relations and the Commission has presented a series of integrated policy approaches on a country-specific or regional basis, which have been endorsed by the Council.

Europe and Canada have always maintained close links, going far beyond those habitually to be found between all developed countries. History, language and longstanding cultural exchanges have cemented these ties, which have been further strengthened by the distinctive contribution of Canada to the transatlantic dialogue and security. The EU has always valued highly Canada's commitment to an international role. In organisations such as the UN, NATO, OSCE, OECD, WTO and APEC Canada plays an important role and is also a member of G7. Canada's most important foreign political and economic partner is the United States but both the EU and Canada attach considerable importance to good bilateral relations as well as to close co-operation with the US.

The EU and US have recently decided to strengthen and adapt their partnership and adopted a new transatlantic agenda and joint action plan to help them revitalise the EU-US relationship. Many of the factors which motivated this reassessment are also present in the EU-Canada relationship. For example, the need to re-affirm the indivisibility of transatlantic security, the need to re-inforce political dialogue on the many international challenges faced by both parties and the need to re-appraise economic and trade links with a view to stimulating further growth and creating new opportunities. The purpose of the present Communication is to carry out an assessment of the current state of EU-Canada relations and, where appropriate, to present proposals for their further strengthening.

2. Current EU-Canada relations

(i) Institutional Framework

EU-Canada relations were first formalised in 1959 in a nuclear co-operation agreement. The EU's current relationship with Canada is based on the 1976 Framework Agreement for Commercial and Economic Co-operation¹ and a 22 November 1990 Declaration on EU-Canada relations. The Framework Agreement, which was the first co-operation agreement with an industrialised country, provides for closer business and commercial links, encouraging economic co-operation, exchanges and joint undertakings between industries and companies. Under its auspices co-operation and policy consultation have developed in a number of fields. It also facilitated efforts by both sides to manage and resolve trade and investment disputes, and encouraged dialogue as both parties sought to contribute to multilateral trade liberalisation in GATT and WTO.

In 1988 steps were taken to enable a political dialogue to take place and in 1990 the President of the European Council and the Canadian Prime Minister adopted a Declaration on EC-Canada Relations. Its purpose was to reaffirm the common commitments and outlook of the EU and Canada, and to "endow their mutual relations with a long term perspective". This Declaration did not change the scope of the 1976 Agreement, but for the first time formalised the political aspects of the relationship, and set up new consultative mechanisms which reflected the importance of a broadly based approach. It provided the political impetus to extend co-operation to new areas and permitted a wide range of activities within a more comprehensive structure. This resulted in new agreements in science and technology and also on higher education and vocational training which were signed in 1995. Since 1990 a regular rhythm of political consultations has built up at all levels.

Relations between the EU and Canada on fisheries have always been of economic significance. In the early part of 1995 consideration of a strengthened relationship was interrupted by a dispute over fishing. This was resolved first on a bilateral basis and then on a multilateral basis in NAFO.

Annex I contains details of regular EU-Canada contacts.

(ii) The security relationship

The 1990 EC-Canada declaration recalls the historic role of transatlantic solidarity in preserving peace and freedom and in contributing to the continued stability and prosperity of Europe and North America. The firm commitment of Canada and the EC Member States concerned to the North Atlantic alliance and to its principles and purpose was noted. In addition to playing an important role in NATO structures, Canadian troops have been actively involved in many UN peace-keeping operations, including in Cyprus and the former Yugoslavia, and recently Canada decided to deploy 1000 troops in Bosnia. Both in terms of policy formulation and on the ground, Canada will

¹

OJ L260, 24/09/1976

continue to play an active role in maintaining the security of Europe. Canada also plays an active role in the international fora where questions related to non-proliferation, nuclear security, terrorism, disarmament, arms controls and exports are dealt with. The Union and Canada frequently pursue the same objectives and have informal contacts to this effect.

(iii) The political relationship

Political dialogue on a structured basis began in 1988 and was significantly expanded under the impetus of the 1990 Declaration. As a result, regular summit meetings now take place between the President of the European Council, the President of the Commission, the Prime Minister of Canada and since November 1993, the troika of EU political directors conducts bi-annual consultations with the Canadian political director on a wide range of international issues of mutual concern. On a trilateral level the EU meets regularly with Canadian and US officials in a special working party to discuss policy towards Iran. Canada has expressed a desire to participate in EU working groups on select topics.

(iv) The economic and trade relationship

Canada is an important trade partner for the EU and one which faces similar challenges in areas such as the need to combat unemployment, deal with the burden of financing the costs of social protection and of adjusting to the changes brought about by the Information Society.

Annex II contains details of recent trade patterns. Over the period 1985 - 1994, trade in goods has remained in approximate balance, but trade flows have either grown very slowly or declined.

The position with regard to trade in services is somewhat different. Here, growth in both imports and exports has been strong. However, due to the proportionately smaller contribution of services to total trade activity, this relatively strong growth is not, by itself, sufficient to compensate for the effect of the relative loss of ground experienced in trade in goods.

In contrast to trade, growth in foreign direct investment has showed continued progression. The EU remains the second most popular destination for Canadian direct investment after the US, representing approximately 20% of the total stock of Canadian foreign investment in 1994, up from 13.7% in 1983. Similarly, the EU ranked as Canada's second highest foreign investor, representing 22.6% of stock in Canada in 1994, as opposed to 14.1% in 1983.

These trade and investment patterns have to be seen in the context of Canada's changing economic relations with its neighbours. In 1989 the US-Canada Free Trade Agreement came into effect and in 1994 Canada, the United States and Mexico entered into the North American Free Trade Area (NAFTA). Canada's growing interest in the Asia Pacific region is reflected in its participation in APEC.

(v) Development cooperation and humanitarian assistance

In the field of development cooperation the EU and Canada share many of the same concerns. Both have significant financial resources at their disposal to assist third world countries. In the past there has been close collaboration, including annual high level consultations. The Commission considers it important to revitalise this relationship. The humanitarian principles applied by the EU are in many respects shared by Canada, which is an important donor. Exploratory discussions have begun on identifying ways in which the Commission and the Canadian government can work more closely together.

(vi) Justice and home Affairs

The EU and Canada share many similar concerns in the area of Justice and Home Affairs, including combating international crime, drugs abuse control, and achieving common standards in the area of immigration and asylum policies. The Canadian authorities have in recent times repeatedly made clear their interest in cooperation with the EU in this area.

3. The need for a new relationship with Canada

A review of relations with Canada has been prompted by a number of considerations :

- the changing nature of the EU's relations with third countries now that the Maastricht Treaty is in force;
- the role of Canada in the transatlantic relationship, given the recent strengthening of EU-US relations;
- the opportunities which a strengthened relationship will offer, both in bilateral terms and in pursuing issues of mutual concern in international fora;
- the opportunity to facilitate trade by removing barriers and avoiding trade disputes;

The Commission is of the opinion that the institutional mechanisms provided for in the 1976 Agreement and the 1990 Declaration are sufficient to provide for present and future needs, and that no new institutional framework is needed. However, it is convinced of the need to deepen and give substance to the relationship in a wide range of policy areas. Given the similarities between the challenges facing the EU-US relationship on the one hand, and the EU-Canada relationship on the other, a similar procedural approach is considered appropriate. The Commission recommends to the Council to decide to explore with Canada the desirability of a new political declaration linked to a joint action plan which would focus on areas where EU-Canada co-operation can be enhanced. The approach should be tailored to reflect the scale and specificity of EU-Canada relations and should not therefore simply consist of the extension of the EU-US Action Plan to Canada. In most areas the most appropriate response will be the strengthening of the bilateral

relationship. However, in certain areas e.g. combatting international crime, terrorism and drugs trafficking and on issues such as asylum and immigration it may make sense to pursue a trilateral approach with the US. Facing similar threats the EU, Canada and the US could agree to consult and act together, in those areas where it may be practical and advantageous to all parties. Such areas will have to be identified on a pragmatic, case by case basis by common agreement.

Subject to the views of the Council, the Commission would propose together with the Presidency to enter into discussions with the Canadian authorities to identify issues of mutual interest where closer co-operation is desirable. In the course of these discussions possible areas for trilateral co-operation with the US would also be identified, which would then be explored with the US authorities. The resulting action plan together with a political statement on the overall relationship would be presented for adoption to a future EU-Canada Summit. Preliminary details on the possible contents of such a joint action plan are given below for each of the main policy areas.

(i) Foreign policy and security

The developing role of the European Union in international affairs and the international stance of Canada on global issues, coupled with their shared values, makes an improved level of coordination and cooperation between Canada and the EU in areas of foreign policy desirable.

Given the wide range and the complexity of many of the problems in this area, priority should be given to those issues where there is a clearly established mutual interest. Specific subjects should be identified for increased consultation and cooperation. There is scope for advancing EU-Canada foreign policy co-operation in areas such as human rights, in Russia, Ukraine and the other NIS. This increased co-operation can be expressed not only through the existing bilateral channels but also in multilateral and regional fora. This would also apply to increased dialogue on UN organisation, including its financial reform and also specific aspects such as UN humanitarian operations.

European security arrangements are currently under discussion in a number of fora. Through its membership of NATO and OSCE, Canada will remain closely involved in the general development of security enhancing arrangements on the continent of Europe.

(ii) Trade, cooperation and investment

Both the EU and Canada have a commitment to supporting the WTO and maintaining the progress which has been made in the shaping of the multilateral trading system. There are, in this respect, a number of areas of common interest where it should be possible to work together with Canada, both in terms of completing unfinished business and also in consolidating the WTO process.

It is suggested that the following aspects be addressed:

- working together for the completion of the unfinished business of the Marrakesh Agreement;
- commitment to the early completion of WTO negotiations on public procurement;
- conclusion of a multilateral investment agreement in the OECD and commencement of work on it in the WTO;
- addressing together in the WTO, and other international fora, the new issues on the trade policy agenda (trade and investment, environment, competition and social issues)

The persistent trade disputes which have dogged the EU-Canada relationship have tended to overshadow the otherwise cooperative approach resulting from converging views and a shared trade philosophy. Several long running disputes have been settled recently but ways must still be sought of avoiding, where possible, the reappearance of such problems. Should they, however, emerge, a commitment must be made to resolve them quickly, in accordance with the principle of upholding both the multilateral agreements on which the international trading system is based and the common resolve to cement solid and constructive ties in this field.

In seeking to support joint progress in the development of more healthy patterns of bilateral trade, investment and technology transfers, the EU and Canada should endeavour to develop a favourable climate and to remove the obstacles which still exist in this respect. On the other hand, while the volume of trade between the EU and Canada remains important, direct trade flows are increasingly being supplemented by investment in each other's economies. This is because of increasing complementarity between their respective factors of production. These direct investments contribute both to economic growth and job creation and also mean that the relationship between the EU and Canada must move beyond the removal of trade barriers to new areas, such as competition policy, regulatory cooperation, investment, financial services, standards and certification etc.

There are a number of important steps to be taken in order to support this process, including,

- more effective use of existing mechanisms to provide "early warning" of trade and investment disputes, and continued efforts to resolve existing disputes;
- a joint study on ways of facilitating trade in goods and services and further reducing or eliminating tariff and non-tariff barriers;
- development of regulatory cooperation and early completion of MRA

negotiations;

- joint contribution to a global navigation satellite system
- the promotion of co-operation in areas of common interest in the employment and social policy fields
- ongoing negotiations on competition policy, customs cooperation and mutual assistance, veterinary equivalency should be continued with the aim of further enhancing trade and economic flows;

In the light of the importance of a sound macroeconomic framework both for the development of an harmonious relationship and for the fostering of non-inflationary growth, the reduction of imbalances and international financial stability, the EU and Canada could exchange views on macro economic issues

Strengthened cooperation should also take place in a series of fields where constructive links have already been built (such as science and technology, telecommunications and the development of the information society, environment, energy, industrial cooperation, statistics), as well as in new areas to be decided by mutual agreement such as combating the diversion of drugs precursor chemicals.

Concerning fisheries, since the resolution of the 1995 dispute there appear to be favourable prospects for more co-operative relations in this field. Certain outstanding issues need to be addressed, notably the implementation by Canada of the bilateral fisheries agreement of 1992, which includes the re-opening of Canadian waters and ports to Community vessels. Opportunities for the development of scientific and technical co-operation between the EU and Canada in this field should also be explored. Such efforts should help narrow the past differences in points of view on fisheries between the EU and Canada.

(iii) Justice and home affairs

Since the entry into force of the TEU, in particular its Title VI on cooperation in the fields of Justice and Home Affairs, many third countries have expressed an active interest in working with the European Union in these areas. This is especially true of Canada which already had an established tradition of such cooperation in the context of TREVI even before the Treaty on European Union.

Although in due course the whole range of subjects covered by Title VI of the TEU could offer possibilities for EU-Canada cooperation, the following areas might deserve particular and early attention:

- immigration and asylum issues where Canada, as a country of major immigration, has a particular interest and experience;

- the growing problems of international organised crime, terrorism, illegal drug trafficking and money laundering;
- the smuggling of illegal immigrants and trafficking in women in particular.

(iv) Building bridges

Links between peoples on both sides of the Atlantic should be promoted and the views of the business communities sought. To this end business-to-business contacts could be organised to allow companies in the EU and Canada to discuss trade and investment issues. This should both help in the establishment of an agenda for discussion and assist the two administrations in prioritising areas for future action.

In other areas, it is proposed to encourage :

- the strengthening of cooperation activities, in particular within the framework of the recent cooperation agreements in the fields of Science and Technology and of Higher Education and Vocational Training;
- the development of joint programmes in the context of the Information Society, in particular in the area of multi-media use in the areas of education and health care;
- discussions on regional development policies
- increased contacts between citizens in diverse fora: youth, professionals, think tanks etc.;
- the study of each other's systems of government as well as the histories, cultures and languages of our countries;
- voluntary cooperation and dissemination of information for the mutual recognition of university studies and degrees;

4. Conclusion

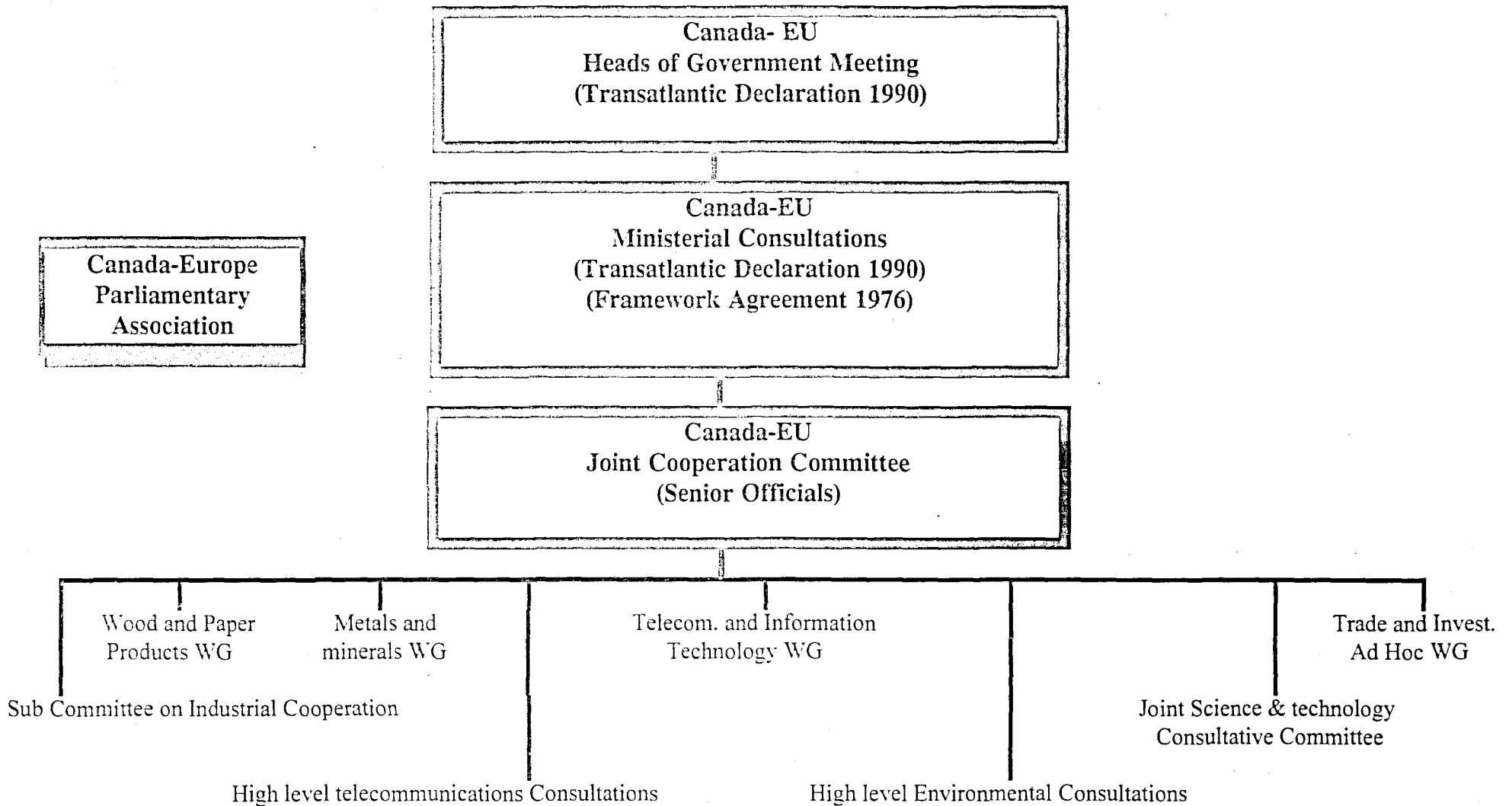
Both the EU and Canada stand to gain in political and economic terms from taking steps to re-inforce their relationship. Many of the factors which underpinned the recent reappraisal of EU-US relations are valid in the case of Canada, which has always been a valued transatlantic partner for the EU. In the light of the considerations set out in this Communication, the Commission recommends opening discussions with the Canadian authorities with a view to drawing up a political statement on EU-Canada relations to be accompanied by a joint action plan designed to enhance co-operation across all policy areas.

ANNEX I

CANADA-EC CONSULTATIVE MECHANISMS	
MEETING	FREQUENCY
TAD - Heads of Government	Regular
TAD - Foreign Ministers	each Presidency
CDA-EU Presidency Troika Political Directors	each Presidency
CDA-EU Presidency Experts Meeting Political Issues	each Presidency
CDA-EU Presidency Foreign Policy Planners	each Presidency
Framework Ministerial	annual
Joint Consultative Committee	annual
Trade and Investment Sub-Committee	annual
Subcommittee on Industrial Cooperation	annual
Joint Science and Technology Cooperation Committee	annual
Minerals & Metals Working Group	annual
Wood and Paper Products Working Group	annual
Policy Consultations on the Information Society	12 to 18 months
Telecommunications and Information Technologies Working Group	annual
Policy Consultations on Environment	annual
Canada-EC Parliamentary Association	annual
Canada-EURATOM Joint Technical Working Group	annual
Canada-EURATOM XIII Consultations	annual

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CANADA - EUROPEAN UNION FORMAL CONSULTATIVE MECHANISMS

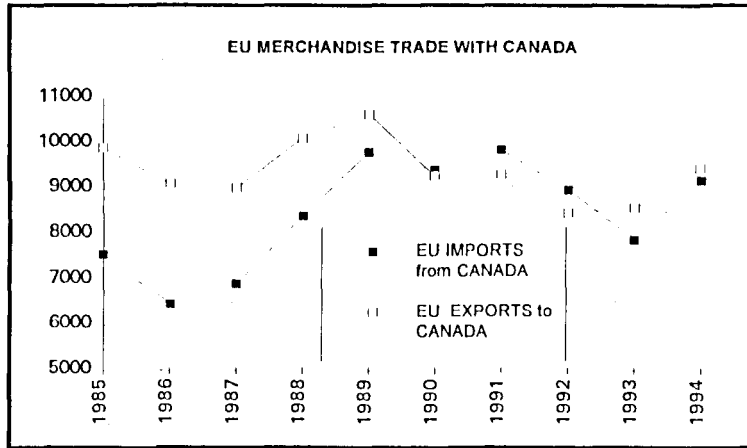


WG = Working Group

ANNEX II

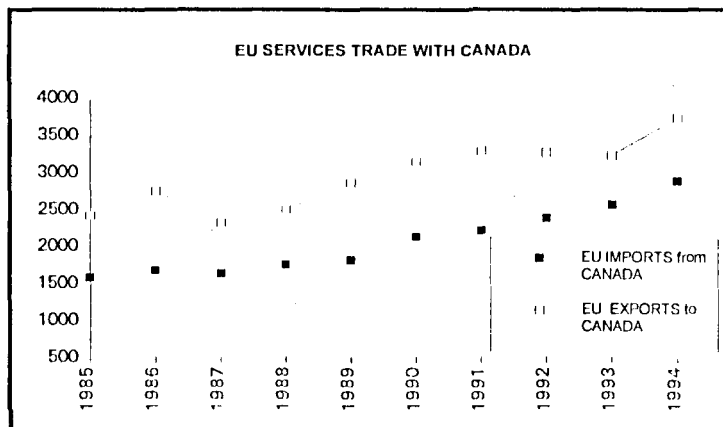
MERCHANDISE TRADE

Year	EU IMPORTS from CANADA Base Year 1985 = 100	EU EXPORTS to CANADA Base Year 1985 = 100	EU IMPORTS from CANADA In Mill ECUs	EU EXPORTS to CANADA In Mill ECUs
1985	100	100	7 571	9 916
1986	85,5	91,93	6 473	9 116
1987	91,48	91,02	6 926	9 026
1988	111,05	102,07	8 407	10 122
1989	129,59	107,44	9 811	10 654
1990	124,39	93,71	9 417	9 291
1991	130,35	94,01	9 869	9 322
1992	118,62	85,44	8 980	8 472
1993	104,43	86,48	7 883	8 576
1994	121,36	95,39	9 188	9 459

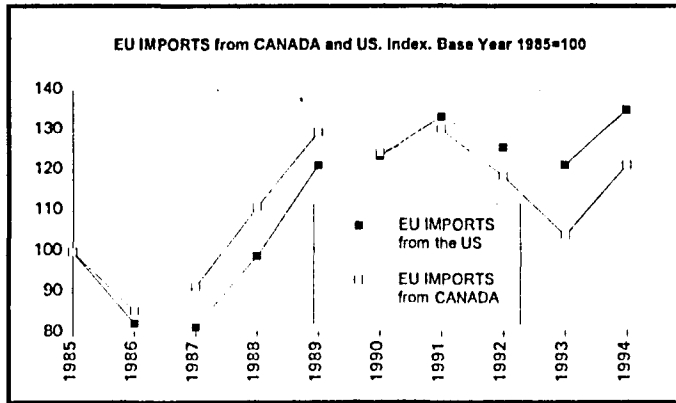
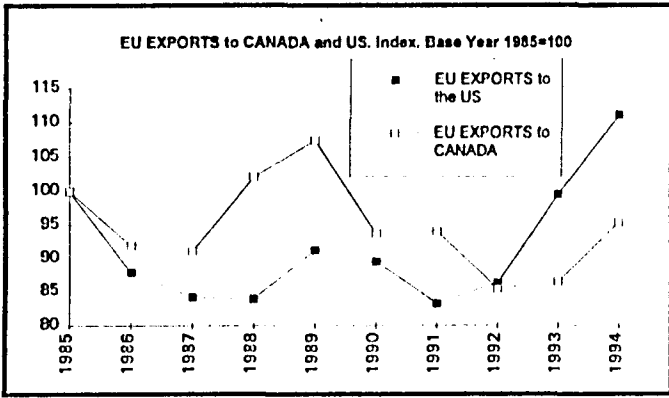


SERVICES TRADE

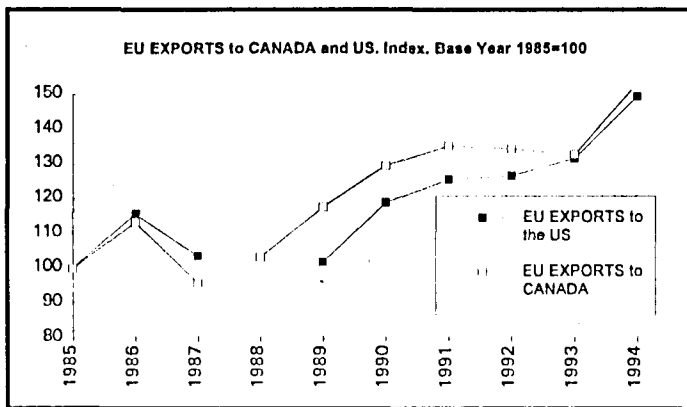
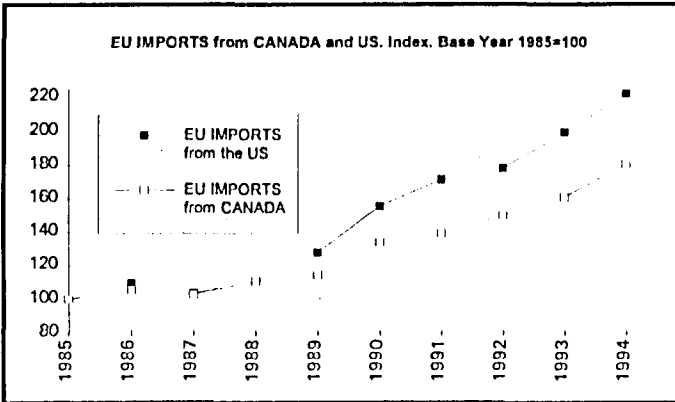
Year	EU IMPORTS from CANADA Base Year 1985 = 100	EU EXPORTS to CANADA Base Year 1985 = 100	EU IMPORTS from CANADA In Mill ECUs	EU EXPORTS to CANADA In Mill ECUs
1985	100	100	1 611	2 452
1986	105,83	113,41	1 705	2 781
1987	103,16	95,88	1 662	2 351
1988	110,61	103,26	1 782	2 532
1989	114,33	117,82	1 842	2 889
1990	134,01	129,62	2 159	3 180
1991	139,47	135,44	2 247	3 321
1992	150,34	134,50	2 422	3 298
1993	161,14	132,87	2 596	3 258
1994	180,88	153,34	2 914	3 760



MERCHANDISE TRADE



SERVICES TRADE



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EU/CANADA MERCHANDISE TRADE 1989-94

I. EU-SHARE (%) OF TOTAL CANADA IMPORTS/EXPORTS

YEAR	IMPORTS	EXPORTS
1989	11.14	8.46
1990	10.16	8.09
1991	10.88	8.08
1992	9.75	7.11
1993	8.69	5.71
1994	8.77	5.12

Source: EUROSTAT

II. CANADA-SHARE (%) OF TOTAL EU IMPORTS/EXPORTS

YEAR	IMPORTS	EXPORTS
1989	2.19	2.57
1990	2.04	2.23
1991	1.99	2.20
1992	1.84	1.94
1993	1.62	1.76
1994	1.70	1.75

Source: EUROSTAT

EU MERCHANDISE TRADE WITH CANADA BY MEMBER STATES. 1994

(in 000 ECU)

	BELG. LUX	DENMARK	FRANCE	GERMANY	GREECE	IRELAND	ITALY	THE NETHERLANDS	PORTUGAL	SPAIN	UNITED KINGDOM	EURO 12
EXPORTS	506 438	176 671	1 420 950	2 285 178	37172	267 864	1 462 909	521 187	101 175	353 828	2 323 609	9 456 981
IMPORTS	699 035	104 000	1 324 432	1 946 673	49356	128 576	1 224 199	904 110	57 497	320 649	2 426 401	9 184 928
BALANCE	(192 597)	72 671	96 518	338 505	(12 184)	139 228	238 710	(382 923)	43 678	33 179	(102 792)	272 053

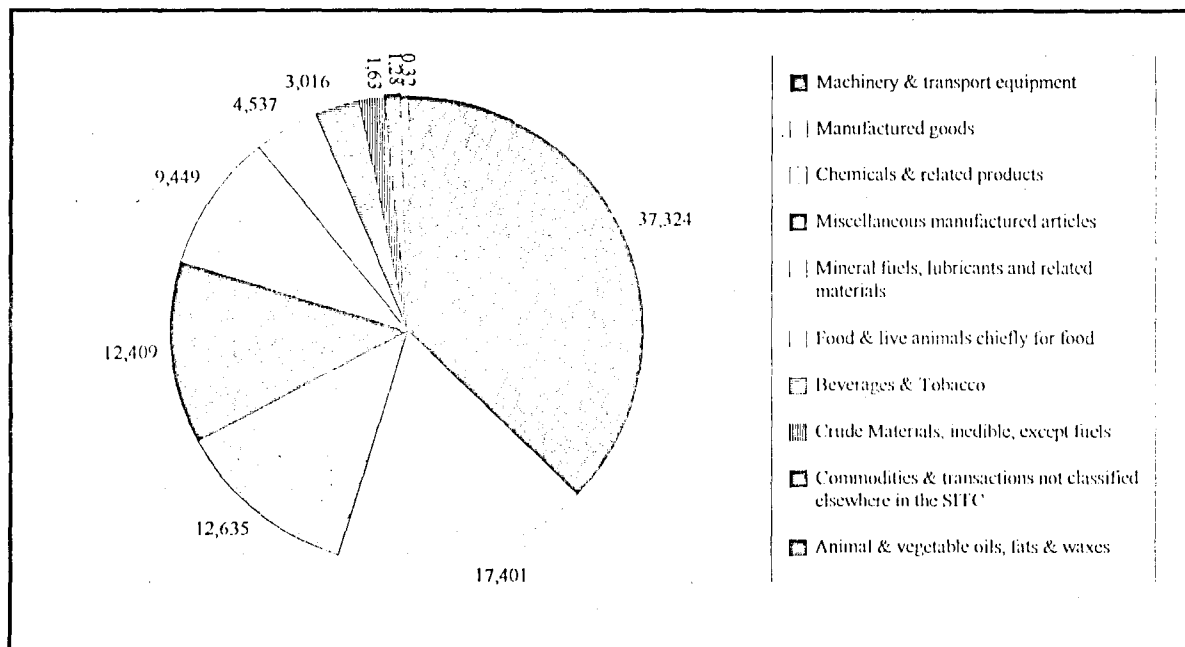
Source: EUROSTAT

EU TRADE WITH CANADA BY GROUPS OF PRODUCTS. 1994

EU EXPORTS

<i>PRODUCTS</i>	SHARE (%)
Machinery & transport equipment	37,324
Manufactured goods	17,401
Chemicals & related products	12,635
Miscellaneous manufactured articles	12,409
Mineral fuels, lubricants and related materials	9,449
Food & live animals chiefly for food	4,537
Beverages & Tobacco	3,016
Crude Materials, inedible, except fuels	1,626
Commodities & transactions not classified elsewhere in the SITC	1,282
Animal & vegetable oils, fats & waxes	0,322

Source: EUROSTAT

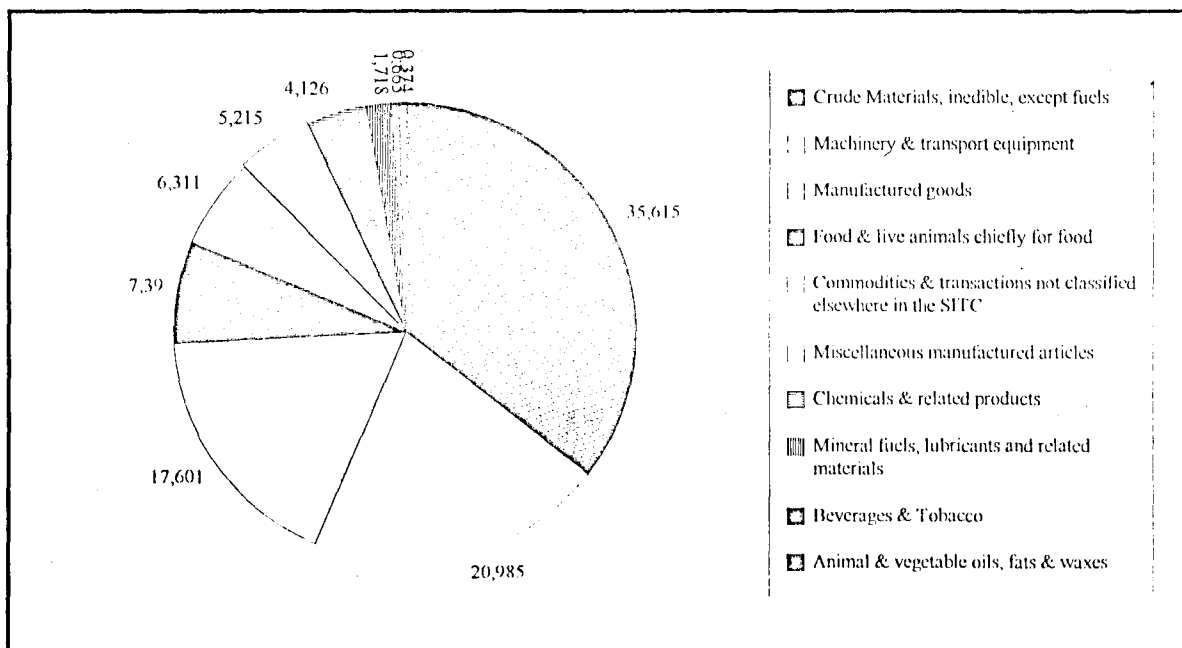


A

EU IMPORTS

PRODUCTS	SHARE (%)
Crude Materials, inedible, except fuels	35,615
Machinery & transport equipment	20,985
Manufactured goods	17,601
Food & live animals chiefly for food	7,39
Commodities & transactions not classified elsewhere in the SITC	6,311
Miscellaneous manufactured articles	5,215
Chemicals & related products	4,126
Mineral fuels, lubricants and related materials	1,718
Beverages & Tobacco	0,665
Animal & vegetable oils, fats & waxes	0,374

Source: EUROSTAT



RANKING
EU12 MERCHANDISE TRADE 1994

1. IMPORTS

<i>PARTNER</i>	IMPORTS (000 ECU)	MARKET SHARE %
EXTRA EC	539 777 089	100
USA	93 137 790	17.25
JAPAN	48 784 700	9.04
SWITZERLAND	38 702 507	7.17
SWEDEN	27 501 964	5.10
AUSTRIA	24 628 842	4.56
CHINA	23 003 701	4.26
NORWAY	19 595 764	3.63
RUSSIA	18 396 300	3.41
FINLAND	12 304 553	2.28
BRAZIL	10 596 647	1.96
T'AI WAN	10 434 724	1.93
CANADA	9 184 928	1.70
POLAND	9 108 154	1.69
SOUTH KOREA	8 632 837	1.60
ARABIA SAUDI	8 601 223	1.59
SINGAPORE	7 794 675	1.44
TURKEY	7 605 145	1.41
MALAYSIA	7 482 638	1.39
INDIA	6 912 842	1.28
SOUTH AFRICA	6 751 259	1.25
HONK KONG	6 570 203	1.22
CHECK REP	6 367 173	1.18
THAILAND	6 332 125	1.17
LIBYA	5 955 382	1.10
INDONESIA	5 885 630	1.09
ALGERIA	5 857 128	1.09
IRAN	5 061 427	0.94
HUNGARY	4 922 554	0.91
AUSTRALIA	4 626 363	0.86
ISRAEL	4 143 066	0.77

Source: Eurostat

RANKING
EU12 MERCHANDISE TRADE 1994

2. EXPORTS

<i>PARTNER</i>	EXPORTS (000 ECU)	MARKET SHARE %
EXTRA EC	538 784 382	100
USA	95 049 449	17.64
SWITZERLAND	42 983 129	7.98
AUSTRIA	32 133 738	5.96
JAPAN	26 573 858	4.93
SWEDEN	24 201 247	4.49
HONG KONG	13 132 889	2.44
CHINA	12 508 209	2.32
RUSSIA	12 176 371	2.26
NORWAY	11 308 099	2.10
POLAND	10 824 606	2.01
SOUTH KOREA	10 024 466	1.86
CANADA	9 456 981	1.76
ISRAEL	8 958 259	1.66
TURKEY	8 867 812	1.65
SINGAPORE	8 841 114	1.64
ARABIA SAUDI	8 745 304	1.62
T'AI WAN	8 727 733	1.62
AUSTRALIA	8 522 832	1.58
FINLAND	8 177 841	1.52
CHECK REPUBLIC	7 934 917	1.47
SOUTH AFRICA	7 097 202	1.32
INDIA	7 053 419	1.31
BRAZIL	6 980 786	1.30

Source: EUROSTAT

RANKING

CANADA MERCHANDISE TRADE 1994

1. IMPORTS

<i>PARTNER</i>	IMPORTS (000 US\$)	MARKET SHARE %
WORLD	147 850 992	100
EXTRA EC12	134 882 400	91.22
USA	99 991 136	67.63
EUR-12	12 968 521	8.77
JAPAN	8 301 945	5.61
MEXICO	3 266 896	2.21
CHINA	2 820 224	1.90
SPEC CATS	2 625 730	1.77
TAIWAN	2 034 374	1.37
KOREA REP	1 832 573	1.23
NORWAY, SVD, J	1 215 447	0.82
MALAYSIA	888 238	0.60
HONG KONG	871 569	0.58
SINGAPORE	843 161	0.57
SWEDEN	826 119	0.55
AUSTRALIA	820 319	0.55
BRAZIL	702 387	0.47
THAILAND	655 696	0.44
SWITZ, LIECH	558 598	0.37
NIGERIA	462 319	0.31
SAUDI ARABIA	395 881	0.26
INDONESIA	382 183	0.25

Source: EUROSTAT

RANKING
CANADA MERCHANDISE TRADE 1994

2. EXPORTS

<i>PARTNER</i>	EXPORTS (000 US\$)	MARKET SHARE %
WORLD	165 836 752	100
EXTRA EC 12	157 341 696	94.87
USA	135 541 984	81.73
EUR-12	8 494 983	5.12
JAPAN	7 064 368	4.26
CHINA	1 677 563	1.01
KOREA REPUBLIC	1 604 170	0.96
TAIWAN	889 637	0.53
HONG KONG	851 106	0.51
MEXICO	767 317	0.46
BRAZIL	711 435	0.42
AUSTRALIA	693 508	0.41
SWITZ LIECH	652 724	0.39
NORWAY, SVD, J	466 248	0.28
VENEZUELA	444 664	0.26
SAUDI ARABIA	415 547	0.25
INDONESIA	347 740	0.21
ALGERIA	335 074	0.20
COLOMBIA	331 096	0.20
IRAN	328 187	0.19
THAILAND	298 982	0.18
SINGAPORE	276 030	0.16

Source: EUROSTAT

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**CANADA'S INTERNATIONAL
DIRECT INVESTMENT POSITION
1992-1994
(In Can bill \$)**

Foreign Direct Investment in Canada from:	1992 (year end)	%	1993 (year end)	%	1994 (year end)	%
USA	89.0	64.3	90.6	64.7	96.0	64.9
UK	17.6	12.7	17.1	12.2	18.7	12.6
Germany	5.2	3.8	5.1	3.6	5.2	3.5
Netherlands	3.4	2.5	3.5	2.5	3.7	2.5
France	4.2	3.0	4.3	3.1	4.5	3.0
Belgium-Luxembourg	0.8	0.6	0.8	0.6	0.9	0.6
Italy	0.4	0.3	0.4	0.3	0.3	0.2
EC-12	31.7	22.9	31.3	22.4	33.5	22.6
Japan	5.8	4.2	5.8	4.1	5.8	3.9
Total	138.5	100.0	140.0	100.0	148.0	100.0

Source: Statistics Canada

Canadian direct investment in:	1992 (year end)	%	1993 (year end)	%	1994 (year end)	%
USA	61.8	57.6	61.6	54.0	67.7	54.1
UK	11.4	10.6	12.0	10.5	12.0	9.6
France	2.0	1.9	1.8	1.6	1.9	1.6
Ireland	1.8	1.7	2.4	2.1	3.2	2.6
Netherlands	1.6	1.5	1.7	1.5	1.8	1.5
Belgium-Luxembourg	1.3	1.2	2.0	1.8	2.2	1.8
Germany	1.1	1.0	1.8	1.6	2.4	1.9
Italy	0.8	0.7	0.8	0.7	0.8	0.7
EC-12	20.3	18.9	23.3	20.4	25.2	20.1
Japan	2.6	2.4	3.0	2.6	3.0	2.4
Total	107.2	100.0	114.1	100.0	125.2	100.0

Source: Statistics Canada

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