



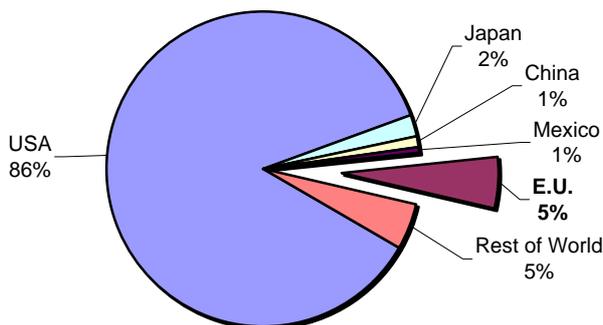
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Economic and Trade Relations between the European Union and Canada

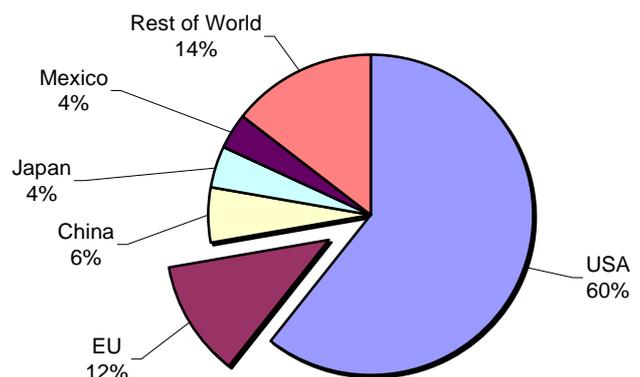
The economic partnership between the EU and Canada dates back to 1958, when Canada accredited its first Ambassador to the European Economic Community (EEC). In 1976 the EEC and Canada signed a historic Framework Agreement for Commercial and Economic Co-operation, the first international agreement between the EEC and an industrialised third country. Under the 1976 Agreement, Canada and the EEC committed “to develop and diversify their reciprocal commercial exchanges and to foster economic co-operation.” Since then, the EU and Canada have concluded several agreements covering a wide range of economic activities ranging from fisheries and wines and spirits to veterinary issues, atomic energy and nuclear research.

As the EEC has evolved into the European Union (EU), governance in the economic field remains at the heart of the EU-Canada relationship. In 2002, trade in goods and services between the EU and Canada accounted for €53 billion.¹ EU-Canada investment amounted to €130 billion.² After the United States, the EU is Canada’s most important trading partner. The EU is also the second investor in Canada (after the US), while Canada is the fourth investor in the EU (after the US, Switzerland and Japan).³ The EU and Canada are committed to build on these strong economic ties.

Canadian exports in 2003



Canadian imports in 2003



¹ Source: Eurostat

² Total EU and Canadian FDI stocks in each other’s market in 2002. Source: Eurostat.

³ Investment refers here to FDI stocks in the EU.

To this end, European and Canadian leaders agreed at their Ottawa Summit in December 2002 to “design a new type of forward-looking, wide ranging bilateral trade and investment enhancement agreement.” This agreement (known as the ‘TIEA’) will address new challenges and opportunities for trade and investment between two open and developed economies in the 21st century. In particular, it will tackle the significant impact of regulatory barriers in bilateral trade and investment and pay due consideration to the increasingly prominent role of investment in the bilateral economic relationship.

The TIEA will also reinforce the well-established partnership between the EU and Canada in the pursuit of common objectives, notably to liberalise trade based on a strong multilateral rules-based system. It will also reflect the EU’s and Canada’s shared commitment to promote sustainable development, cultural diversity, and co-operation in the field of science and technology.

European and Canadian leaders will approve the scope and main objectives of the TIEA at their Summit in Ottawa on 18 March 2004, with the aim of launching negotiations to conclude the Agreement also this year.

Additional information on EU-Canada relations may be found at the following websites:

http://europa.eu.int/comm/trade/issues/bilateral/countries/canada/index_en.htm

<http://www.delcan.cec.eu.int/>