Relations EU/Canada

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Relations between the EU and Canada were first made official in 1959 with the signing of an agreement on nuclear cooperation. Current relations between the EU and Canada were based on the 1976 framework agreement on trade and economic cooperation and on the declaration of 22 November 1990 concerning US-Canada relations. The framework agreement, which at its time was the first cooperation agreement to be signed with an industrialised nation, provided for a strengthening of trade relations and to this end sought to promote trade, economic cooperation and the creation of joint industry-business enterprises. This agreement laid the foundations for the development of cooperation and political consultation in a number of areas. It also facilitated efforts deployed on both sides to manage and resolve disagreements on trade and investment matters and encouraged greater dialogue, with both parties keen to help liberalise trade on a multilateral basis within the GATT and WTO frameworks. In 1988 steps were taken to promote political dialogue and in 1990 the President of the European Council and the Prime Minister of Canada approved a joint declaration on EC-Canada relations. This declaration reaffirmed a number of objectives, including the commitments and perspectives of both parties and the express wishes of the European Union and Canada to have their relationship formalised by way of a long term agreement. This declaration, while not actually altering the terms of reference of the 1976 agreement, did for the first time include the political aspects of the relationship and set up new consultative mechanisms that reflected the importance of having a solid foundation from the outset. The declaration also generated the political momentum needed to extend the level of cooperation to other areas and resulted in the deployment of a whole range of activities as part of a more global structure. New agreements were concluded in the fields of science and technology and, more recently (in 1995), in the areas of higher education and professional training. In addition, a regular series of political consultations became established at each and every level. Structured political dialogue was launched in 1988 and was subsequently put on a much wider footing as a result of the 1990 declaration. Henceforth, meetings were to take place at the highest level between the President of the European Council, the President of the Commission and the Prime Minister of Canada, while since November 1993 the troika of political directors of the European Union had been holding biannual consultations with Canada ’s political director on a wide range of international issues of mutual interest. On a trilateral level the EU regularly met senior Canadian and American civil servants within the framework of a special working group set up to examine joint policy towards Iran, while Canada had also expressed its desire to participate in various EU working groups charged with dealing with a number of specific issues. Between 1985 and 1994 trade in goods was fairly well balanced, although there had been slight rises and falls in the flow. Trade in services, on the other hand, had developed somewhat differently and there had been a strong growth both in the import and export of services between the two partners. Owing to the proportionately smaller contribution of the services sector to commercial activity as a whole, however, this sustained growth had not been sufficient to compensate for the relative losses recorded in the goods trade. Compared with the commercial trade sector, there had been continuous growth in direct foreign investment. The European Union was second only to the United States as a target for direct Canadian investment, with European business accounting for some 20% of Canada ’s entire overseas investment in 1994 – compared with 13.7% in 1983. Not to be outdone, the EU for its part had become Canada ’s second most important overseas investor, representing 22.6% of the foreign capital invested there in 1994 (compared with 14.1% in 1983). This movement of trade and investments was likely to suffer from the economic relationships that Canada was developing with neighbouring countries. The free trade agreement between the USA and Canada took effect in 1989 and in 1994 Canada , the United States and Mexico signed up to the North American Free Trade Agreement (NAFTA). Canada ’s participation in the CEAP also demonstrated the growing interest being shown in the ‘Asian Pacific’ region. The European Union and Canada collaborated extensively in the field of development cooperation and both had access to major financial resources for aiding third-world countries. Over the years the two parties had established close links, involving annual consultations at a very high level. The Commission considered

that it was now important to revitalise this relationship. The humanitarian principles applied by the EU were in many respects shared by Canada , which was a major donor. Exploratory talks had been held in order to examine the measures needed to establish closer cooperation between the Commission and the Government of Canada. The European Union and Canada shared many concerns in respect of justice and home affairs, including combating international crime and the drugs trade and the need to draw up common standards for immigration and political asylum, and the Canadian authorities had recently indicated on a number of occasions that they would be keen to cooperate with the EU in these areas.