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MARKET PROFILES

WESTERN EUROPE

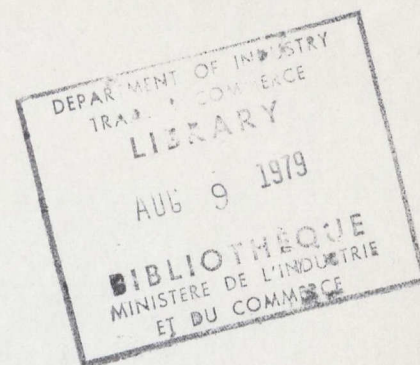


Government
of Canada

Gouvernement
du Canada

Industry, Trade
and Commerce

Industrie
et Commerce



MARKET PROFILES

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WESTERN EUROPE

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AUSTRIA

1 - FOREIGN TRADE

Imports: \$15.1 billion in 1977. From Canada, \$18.9 million in 1977 (\$23.9 million in 1978). Major suppliers are Germany, Italy, Switzerland, Britain, Holland, U.S. and France. Major Imports are machinery for construction and industry, motor vehicles, chemicals, electrical equipment, petroleum and petroleum products, clothing, iron and steel. Major Imports from Canada are wood pulp, asbestos (unmanufactured), wood and log handling equipment, polyethylene resins, snow-mobiles.

Exports: \$10.4 billion in 1977. To Canada, \$61.9 million (1977), \$82.4 million (1978).

Major Customers: Germany, Italy, Switzerland, Britain and Poland.

Major Exports: Building and industrial machinery, textiles, iron and steel, electrical machinery, chemicals, timber, engines.

Major Exports to Canada: Skis and equipment, snowmobiles and parts, spectacle frames, molding machinery, engine parts, fabrics, cheese.

Trade Policy: Austria is a member of EFTA, GATT, OECD, and concluded an agreement with the European Economic Community in 1972 which phased out tariffs on most industrial products from and to the Community since mid-1977. Austria has its own tariff schedule for other countries.

Trade Prospects: Forage seeds; cattle semen; pea beans; seed for oilseeds; telecommunications equipment; electronic equipment and components; logging and sawmilling equipment; certain

industrial machinery; agricultural equipment; aircraft and aircraft engines; airport vehicles; and some defence material.

2 - FOREIGN INVESTMENT

Data not available on Canadian direct investment in Austria but includes the following industries: engines, distilleries, rendering plants, pharmaceuticals. Austrian investments in Canada are in such fields as injection molding machines, valves, sailboats, eyeglass frames.

Austrian Policy: Approval by Austrian National Bank needed for capital imports for participation in Austrian companies. Normally granted if investment is necessary for economic benefit of local companies. Basic objective is to prevent speculation and control inflationary tendencies.

3 - FINANCE

Currency: Unit of currency is the schilling. On May 7, 1979, \$1.00 Cdn. = 12.10 schillings.

Domestic Credit: Restrictive monetary policy with high discount rates to improve balance of payments problem. Interest rates lowered by one per cent in mid-1978. Bank lending slowed sharply. Money supply stable.

Balance of Payments: In 1977 greater priority was given in Austria's economic policy to the re-establishment of equilibrium in the BOP. Despite this,

the basic BOP deficit was \$2.5 billion in 1977 after a \$1.5 billion deficit in 1976. The deficit was expected to be slightly less in 1978.

4 - ECONOMY

GNP: Austria has a well-developed industrial economy heavily dependent on foreign trade and characterized by a wide diversity of industries. GNP in 1977 was \$50.9 billion, a 3.5% real increase over 1976, after a growth of 5.2% in 1976. Growth in 1978 was 1.5% and is forecast at 3.0% for 1979. Per capita income in 1977, Cdn. \$6,872. Contribution by major sector: manufacturing 37.6%, commerce 15.4%, construction 10.0%, agriculture and forestry 6.2%, transportation and communications 7.2%, public administration 7.5%, other services 16.1%. The rate of inflation is about 4%.

Agriculture: About half of Austria's land is used for food production. Milk, beef, veal and pork are its most important agricultural products, and wheat its most important crop. Productivity continues to increase while its relative contribution to GNP continues to decline. More than half the farms are 10 hectares (24 acres) or less, however there is a tendency towards larger and more productive holdings. Austria is 75% self-sufficient.

Industry: Total industrial output increased by 3.8% in 1977 with the index rising to 122.6 (1971 = 100), and now accounts for about half the GNP. Major industrial products: chemicals; electrical equipment and appliances; machinery; pulp and paper; iron and metal goods; textiles;

food products; and petroleum products.

Commerce: Increase in wholesale trade in 1977, 4.1% vs. 8.9 in 1976. Retail sales up 7% vs. 4.2% in 1976. Total trade turnover AS 91.520 billion (excluding VAT).

Tourism: The number of tourists in Austrian resorts increased from 16.1 million in 1976 to 16.6 million in 1977, of which approx. 70% were foreigners. Provided \$3.5 billion net foreign exchange receipts in 1977 (\$3.1 billion in 1976), and contributed 8% to GNP. Tourists come mainly from Germany, France, Britain, The Netherlands, U.S. and Switzerland.

Development plans: Keep economic developments as favourable as in 1977, with maintenance of close to full employment and low inflation rate. Aim to improve current account with investment policy to stimulate economy and ensure that production is channelled into modern product lines meeting current national and export demands to better compete against imports. Heavy construction program also envisaged.

5 - BASIC ECONOMIC FACILITIES

Transportation: Well-developed system composed of the Austrian State Railway, six commercial airfields, inland waterways, highways. There were 1.7 million passenger cars in 1976.

Communications: Postal system, telephone, telegraph, radio and television generally meet demand.

Power: In 1977, 37.7 billion kWh electricity were produced by public utilities, 67% of which was hydro, the balance thermal. Some nuclear energy is forecast by 1985.

6 - NATURAL RESOURCES

Land: 84,000 km² (32,374 square miles); 19% cultivated, 70% mountainous. Austria is completely landlocked.

Climate: Generally temperate but with hot summers and cold winters.

Minerals: Magnesite (available in exportable quantities), iron ore, lignite, non-ferrous metals, natural gas, crude oil, salt, coal.

Forestry: 44% of total land is forest and woodland. Forests cover 3.4 million hectares (7.39 million acres), of which 16% are federally owned, 9% by municipalities, 4% by the Church, and the balance by private owners. The 1977 timber cut per thousand cubic metres was 10,707 cubic metres (2,854 cords), composed of 8,095 (2,234) coniferous, 894 (247) deciduous, and 1,718 (474) firewood.

Fisheries: Production in 1977 was about 3,500 metric tons (3,284 tons), principally carp, trout, grayling and pike. Per capita consumption is 1.9 kilos (7.6 lbs.) of fresh/salted/smoked or pickled, and 1.5 kilos (6 lbs.) of canned fish. Good import market.

Energy resources: Proven reserves in 1977 were: 43.0 billion kWh hydro; 25 million metric tons (24.5 million tons) oil; 27 billion

cubic metres (923 billion cu. ft.) gas; 145 million metric tons (142 million tons) lignite. Soft coal production in 1977 totalled 3.1 million tons.

7 - POPULATION

Size: 7.52 million (54% urban). Main cities: Vienna (capital) 1,615,000; Graz 250,000; Linz 208,000; Salzburg 139,000; Innsbruck 123,000; Klagenfurt 86,000.

Language: Official language is German. Working knowledge of English is fairly widespread in the business community.

Labour Force: 2.7 million people (including 188,000 foreign workers, mostly Yugoslavs and Turks). Unemployment is currently at 1.9%. Distribution of work force is estimated at 43% in manufacturing, 43% in services and 14% in agriculture and forestry.

8 - GENERAL

Weights and measures: The metric system is in use.

Electric Current: 220 volts AC, 50 cycles.

Local Time: EST + six hours.

BELGIUM

1 - FOREIGN TRADE

Imports: \$44 billion in 1978.

Major Suppliers: Germany, France and The Netherlands.

Major Products: Minerals, transportation equipment, electrical machinery, appliances and equipment, steel products and textiles.

Exports: \$47.5 billion in 1978.

Major Markets: Germany, France and The Netherlands.

Major Products: Steel products, transportation equipment, electrical machinery, appliances and equipment, chemical and pharmaceutical products, and textiles.

2 - TRADE WITH CANADA

Canadian Exports: \$474 million in 1978.

Major Items: Zinc ores and concentrates, wood pulp, molybdenum ores and concentrates, nickel anodes, copper refinery shapes, lumber (softwood), wheat and asbestos.

Canadian Imports: \$201 million in 1978.

Major Items: Natural and synthetic gemstones, steel products, photographic film and plate, inorganic chemicals, compressors, blowers and vacuum pumps.

Trade Prospects: Export opportunities exist for cereals, base metals, construction and agricultural machinery, electrical and electronic equipment, navigational instruments, apparel, sporting and recreational equipment, pollution equipment, secondary industries machinery.

3 - TRADE POLICY

Liberal except for agricultural products subject to the Common Agricultural Policy of the European Community; outward-looking, reflecting heavy dependence on foreign trade. Member of Belgian-Luxembourg Economic Union (BLEU), European Economic Community, OECD, GATT, and IMF.

4 - FOREIGN INVESTMENT

Canadian direct investment in Belgium totals \$35 million (1976). Belgian direct investment in Canada estimated at \$443 million (1975).

Investment Prospects: Generally favourable climate. Special incentives for firms establishing in certain designated parts of the country.

5 - FINANCE

Currency: Basic unit is Belgian franc. \$1.00 Cdn. = 26.27 BF (May 7, 1979).

Domestic Credit and Investment:

Tight commercial and investment credit being eased. Stock exchanges at Brussels, Antwerp, Ghent and Liège.

Balance of Payments: BLEU current account surplus estimates at BF. 1.3 billion (1977).

6 - ECONOMY

Firmly based on private enterprise.

GNP: BF. 2,700 billion (1977 estimate).

Agriculture: Small farms; intensive cultivation; livestock most important sector.

Major crops: Grains, sugar beets, fodder beets, potatoes, hay.

Industry: Highly active industrial sector processes imported raw materials and semi-manufactured and finished goods, about 70% of which are exported. Major industries: steel, metal manufacturing, non-ferrous metal, textile, diamond cutting, chemical, glass.

7 - BASIC ECONOMIC FACILITIES

Transportation: One of the world's densest railway networks. Inland waterways vitally important, carrying more goods than the railways since 1960. Integrated highway system with well-developed bus and truck services. Country served by about 300 shipping lines; a leader in adopting containerization. Antwerp is chief port and a leading world port handling 80% of BLEU traffic. Air service: SABENA, a semi-private, government-controlled airline, has monopoly on scheduled international service; principal international airports at Zaventem (Brussels) and Deurne (Antwerp).

Communications: Telephone and telegraph service controlled by government. Radio and TV are monopolies of two separate government companies; no commercial broadcasting permitted.

Power: Electricity about 100% privately produced. Power sources: oil 36%, gas 25%, coal 17%, and nuclear power 21%.

8 - NATURAL RESOURCES

Land: Area, 30,507 km² (11,781 square miles); northern, western areas level and fertile; southern, eastern regions hilly, wooded and infertile.

Climate: Cool, temperate, rainy.

Minerals: Poor in natural resources except coal.

9 - POPULATION

Size: 9.8 million. Brussels is capital and largest urban centre, 1,050,787; Antwerp, 928,608; Liège, 620,771; Charleroi, 456,510; Ghent, 478,234.

Labour: Total labour force of about 4.0 million. In agriculture, 4.0%; mining, 1.2%; manufacturing, 32.3%; construction, 7.9%; transportation, 7.7%; commerce, banking and other services, 43.2%.

10- GENERAL

Weights and Measures: Metric.

Electric Current: 220 volts, 50 cycles.

Time Difference: EST + six hours.

BRITAIN

1 - FOREIGN TRADE

Imports: \$82 billion (1978).

From Canada: \$2.0 billion (1978).

Major Suppliers: U.S. 11%; EEC 37%; EFTA 12%; Canada 2.5%.

Chief Imports from World:

Agricultural products; industrial raw materials; chemicals; paper and paper products; fabrics; yarns; petroleum and derivatives; machinery; transportation equipment; instruments and manufactured consumer products.

Chief Imports from Canada: Wheat, nickel, lumber, wood pulp, newsprint, paper, tobacco, iron ore and copper.

Exports: \$74 billion (1978).

To Canada: \$1.6 billion (1978).

Major Markets: U.S., EFTA, EEC.

Chief Exports to World:

Machinery, transportation equipment, manufactured goods, chemicals.

Chief Exports to Canada: Motor vehicles and parts, whiskey, chemicals, pharmaceuticals, aircraft engines and parts.

Trade Policy: Imports are now subject to the common external tariff of the EEC. Trade in agricultural products is subject to the Common Agricultural Policy of the EEC and imports may be subject to tariffs, variable import levies or other charges. Procurement by industries under state control such as steel, power utilities, and the Post Office (including telephone and telegraph services) may give preference to British suppliers. It is also British government policy to encourage local procurement of equipment and services in the offshore oil and gas industry.

Trade Prospects: Export opportunities exist for equipment and services for offshore oil and gas exploration and development, apparel, textiles, wood and building products, commercial food preparation, food products and agriculture commodities.

2 - FOREIGN INVESTMENT

Total British investment in Canada at the end of 1975 amounted to \$3.7 billion (10% of British direct investment abroad). Total Canadian direct investment in Britain at the end of 1975 amounted to \$1.0 billion (11% of total Canadian direct investment abroad).

Investment Prospects: British government policy welcomes inward direct investment and encourages outward direct investment which generates earnings, new outlets for British technology, and new markets for exports of goods. Takeovers of British companies by foreigners require exchange control consent, scrutinized under the Monopolies and Mergers Act.

3 - FINANCE

Currency: \$1.00 Cdn. = .42 pound sterling (May 7, 1979).

4 - ECONOMY

Increased economic activity resulted in an advance of an estimated 3.4% of gross domestic product in 1978, compared with an increase of only 1.3% for 1977. Inflation showed some signs of accelerating toward the end of 1978. In December 1978 the retail price index was 8.4% higher than that for 1977. Unemployment declined throughout 1978 to level of 5.5%.

Problems exist in certain industries such as steel, shipbuilding and textiles. On the other hand, North Sea oil production is making a positive contribution to Britain's trade balance and economic prospects generally. Major sectors and their percentage contribution to GDP include agriculture (3%), manufacturing (29%), transportation and communications (9%), insurance and banking (10%), construction (7%), and distribution trades (10%).

5 - BASIC ECONOMIC FACILITIES

Transportation: Britain is well serviced by rail and road.

Shipping: London, Manchester, Southampton, Bristol and Greenock are served regularly by sailings from Canadian east and west coast ports.

Telecommunications: Virtually all state owned. Extensive telephone and telegraph systems are operated by Post Office.

Power: Public utilities have 18.5 million commercial and industrial customers. National capacity is 236,417 gigawatt-hours, largely thermally generated.

6 - NATURAL RESOURCES

Size: 244,013 km² (94,214 square miles); England, 130,631 km² (50,437); Wales, 20,997 km² (8,107); Scotland, 52,865 km² (30,411); Northern Ireland, 14,139 km² (5,459).

Climate: Mean average temperature is 10.3°C.

Minerals (non-fuel): Requirements of industrial raw materials are met mainly by imports. Mineral production was valued at more than 500 million

pounds in 1975 and employed about 45,000 people. Production includes iron ore, relatively small quantities of non-ferrous metal ores, salt, potash, china clay.

Energy Resources: In overall terms Britain expects to be self-sufficient in energy by 1980 when North Sea oil production reaches a level equivalent to British oil consumption. Britain now obtains all its natural gas requirements from the North Sea and has abundant resources of coal, sufficient for at least 100 years. Quality considerations related to blast furnace operation mean a continuing requirement for imported metallurgical coal.

7 - POPULATION

Size: 55.9 million (1976 estimate).

Marketing Centres: Greater London 7.4 million; Manchester (Southeast Lancashire) 2.4 million; Birmingham and Wolverhampton (West Midlands) 2.4 million; Glasgow (Central Clydeside) 1.7 million; Liverpool (Merseyside) 1.3 million; Newcastle-upon-Tyne (Tyneside) 800,000.

8 - GENERAL

Weights and Measures: The metrication board was established in 1969 to promote the planning and changeover to the international metric system of units for weights and measures throughout the economy and education system. However, the changeover is behind schedule and not likely to be completed before 1980.

Electric Current: 220 volts/460 AC, 50 cycles.

Time Difference: EST + five hours.

DENMARK

1 - FOREIGN TRADE

Imports: \$14.5 billion in 1977, including \$69 million from Canada. Leading Suppliers: Germany, Sweden, Britain, Norway and the United States.

Major Imports: Oil and petroleum products, motor vehicles, iron and steel, textile products and clothing, industrial machinery and electrical appliances and equipment.

From Canada: Coal, asbestos, Douglas fir plywood, salmon, potash, computers and office equipment, automotive parts and accessories, Irish moss, soya-based oilcake and expellers, and soya bean oil.

Exports: \$11 billion in 1977, including \$81 million to Canada. Principal markets: Germany, Britain, Sweden, Norway, the United States and Italy.

Major exports: Meat and processed meats, industrial and electrical machinery, dairy products and ships.

To Canada: Furniture, cheese, farm equipment, furs, meat and processed meats.

Trade Policy: Denmark is a member of the European Communities and applies the EEC common tariff in its trade with third countries, including Canada. Danish and Community trade policy is generally liberal except for imports of farm produce which come under the EEC Common Agricultural Policy. Denmark is a member of the OECD, GATT and the IMF.

Trade Prospects for Canada: Denmark offers good markets for Canadian exports of products such as coal, asbestos, plywood and salmon. There are worthwhile opportunities for finished Canadian products such as electronic components and telecommunications equipment, anti-pollution equipment,

navigational instruments, automotive parts and accessories, aircraft, clothing and other textile products, sports and recreational equipment, and defence material.

2 - DANISH FOREIGN INVESTMENT POLICY

Generally liberal. However, Danish authorities require guarantees of reciprocal treatment for domestic firms before allowing the incorporation of branches of foreign companies. Only Danes or citizens of the EEC member countries may hold equity in or control firms active in navigation, fishing, agriculture and arms production. Eleven Canadian companies have Danish subsidiaries or branches, or hold an interest in local firms.

3 - CURRENCY

\$1.00 Can. = 4.62 Danish kroner (May 7, 1979).

4 - AVAILABILITY OF CREDIT

Loans are difficult to obtain and interest rates are high. Main sources of credit are long-term loans which are used mainly to buy homes or small businesses. Medium and short-term loans are offered primarily by commercial banks which frequently offer leasing and services.

5 - ECONOMY

The GDP which was estimated at \$55 billion in 1978, is expected to increase by 3% in 1979, comparing favourably with the 1.9% and 1.1% increases of 1977 and 1978 respectively. It is expected that private consumption will increase by 2% in 1979 and 3% in 1980 with increases of 6% and

4% respectively in public expenditures. The balance of payments still shows a deficit. Although the anticipated 5% expansion in industrial exports for 1979 and government efforts to limit wage increases will produce positive results, the deficit in the balance of payments is expected to rise from \$1.4 billion in 1978 to \$1.7 billion in 1979 and \$1.8 billion in 1980. Despite a \$12.7 billion foreign debt, the Danish position is not a problem for the immediate future.

6 - AGRICULTURE

For the 1976-77 accounting year, the total value of agricultural production amounted to \$3.6 billion of which \$500 million came from crop production and \$3.1 billion from stock raising. Agricultural exports were \$2.6 billion in 1977--24% of the value of all Danish exports.

7 - INDUSTRY

Industry is the largest sector in the Danish economy. Industrial products account for 70% of the country's exports. Main items produced are machinery and instruments, food products and beverages, textiles and clothing, paints and varnish, plastic products, chemicals, medicines and farm equipment. Industrial sales in 1977 are estimated at \$23.4 billion.

8 - COMMERCE

In 1976, there were 24,847 registered wholesalers with total sales of \$38.3 billion and 53,960 registered retailers with sales of \$13.9 billion.

9 - TOURISM

Tourist revenues in 1977 were \$0.99 billion.

10 - ELECTRICITY

All electrical production is thermal.

Denmark imports electricity from and exports it to Norway, Sweden and Germany as required. 250 volts AC, 50-cycle.

11 - NATURAL RESOURCES

Limited quantities of oil are produced in the Danish sector of the North Sea and plans have been worked out for extracting natural gas in the same area. Denmark also has small quantities of salt, peat, lignite, diatomite, chalk, marl, kaolin and limestone.

12 - FISHING

In 1977, Danish catches reached 1,770,000 metric tons valued at \$348.2 million, or less than 1% of the GNP. It was estimated that per capita fish consumption in 1977 was 21.5 kg.

13 - POPULATION

Estimated at 5.1 million. Biggest cities: Copenhagen (1.4 million), Aarhus (198,981), Odense (137,276) and Aalborg (100,262). In October 1977, the working population totalled 2.6 million. Public administration (27%), manufacturing (24%), agriculture (7%).

14 - WEIGHTS AND MEASURES

Metric system.

15 - DIFFERENCE IN TIME

EST + five hours.

16 - TRANSPORTATION

Copenhagen is a free port with modern facilities for container handling. The other large ports are Esbjerg, Aalborg, and Odense. Air Canada and S.A.S. make direct flights between

Canada and Denmark. Other airlines also link Copenhagen's International Airport to other cities in Europe and around the world. Local airlines serve provincial airports. A large railway network is operated by the Danish Railways Corporation. There are also ferryboat services between Denmark and Britain, Finland, Norway, Sweden, the Federal Republic of Germany and the German Democratic Republic.

17 - COMMUNICATIONS

Postal and telex services are provided by the Danish post office. Radio and television are state owned.

FINLAND

1 - FOREIGN TRADE

Imports: \$7.5 billion in 1976.

From Canada: \$19.6 million in 1977, \$30.5 million in 1978.

Major Suppliers are Germany, U.S.S.R., Sweden and Britain. Major imports: machinery and transportation equipment, miscellaneous manufactures, mineral fuels, chemicals, foodstuffs. Major Imports from Canada include: Zinc ores and concentrates, paper-makers' felts, pickled herring, tobacco, linerboard and hockey equipment.

Exports: \$6.5 billion in 1976.

Major Exports: pulp and paper products, metal products; agricultural and forestry products account for about 3% of exports.

To Canada: \$38.4 million in 1977, \$43.2 million in 1978. in such goods as metals and ores, ski and hockey equipment, machinery and furs.

Trade Policy: Tariff generally moderate; system being converted to ad valorem in 1978. In October, 1973, Finland signed an industrial free trade agreement with EEC which provided for phased removal of tariffs on most non-agricultural trade between Finland and the EEC by mid-1977. Finland will continue to maintain its own tariff schedule. Duty-free entry is also allowed on goods from EFTA and the U.S.S.R., and trade agreements have been signed with other Eastern European countries. Member EFTA, GATT, and OECD.

Trade Prospects: Canadian exports have traditionally been in the agriculture, fisheries, mineral and textile sectors. Potential areas for growth in Canadian exports include machinery, electronics, transportation and

energy sectors where real growth is currently taking place.

2 - FOREIGN INVESTMENT

Canadian investment in Finland is minimal, while Finnish investment in Canada is approximately \$62 million, largely in pulp and paper operations.

Finnish Policy: Bank of Finland approval is required for the import of both equity and loan capital. Foreign companies are usually treated on same terms as domestic and benefit from same incentives, but no preferences. Law forbids foreign participation in production and sale of alcohol, coastal shipping, real estate dealings, trading in foreign exchange and automatic energy production. Foreigners are not likely to be granted approval to participate in oil refining, mining, banking or basic forest industry.

3 - FINANCE

Currency: The unit is the markka (Finmark), divided into 100 pennia. On May 7, 1979, \$1.00 Cdn. = 3.49 Finmarks (Fmk).

Domestic Credit and Investment: Two large and five small commercial banks (with a total of 840 branch offices) are the major credit source.

Balance of Payments: Finland has experienced continuous current account deficits for several years, which worsened in 1974 and 1975, but considerably improved in 1976 and 1977.

4 - ECONOMY

GDP: Finland's GDP totalled \$28.3 billion in 1976. After zero real growth in 1976 and 3% growth in 1977, a GDP volume growth of 2% was achieved in 1978, with an inflation rate of 9%. GDP forecast for 1979 is 4-5%. Industrial origin of GNP in 1976 at factor cost: manufacturing, 31%; commerce, banking and insurance 14%; construction 8%; transport/communications 7%; agriculture, forestry and fishing 10%; ownership of dwellings 6%; public administration 5%; other services 19%.

Agriculture: Though still a major source of employment, is declining in economic significance. Self-sufficient in broad cereals and meat. Dairy products an export earner. Only 9.6% of land surface is arable.

Industry: Strong industrialization trend in postwar period. Largest branches are engineering (machinery), ships, forest products (lumber, pulp, paper products, board), chemicals, primary metals.

Commerce: Trading in consumer goods dominated by four large competitive wholesaler-retailer groups. Consumer co-operatives important in distribution and production. Strong trend to self-service.

Tourism: Earns 1.4% of GDP and 4.8% of total export income. (Inflow, \$390 million; outflow, \$394 million). Visitors mainly from Scandinavia, Germany, U.S. and U.S.S.R.

Development plans: Finland's policy line has been for several years to

reduce rate of inflation and restore equilibrium in balance of payments. As these were achieved in 1977, new targets are reduction of unemployment to less than 2.5%, a current account deficit to less than 2% of GDP, and foreign debit to maximum of 21% of GDP by 1982.

5 - BASIC ECONOMIC FACILITIES

Transportation: Finnish railroads, almost all state owned, generally adequate to serve growing industrial needs. Large-scale highway program under way. Finnair, major airline with international routes (now serving Montreal). Passenger cars in 1976: 996,284.

Communications: State-owned radio and television cover entire country.

Power: Both thermal and hydroelectric, with nuclear facilities under construction. Production (1975): 25.6 billion kWh, of which 12 billion hydroelectric.

6 - NATURAL RESOURCES

Land: Area 337,000 km² (130,160 square miles). Land generally flat, broken with numerous lakes in the south.

Climate: The mean temperature in Helsinki is about 17°C in July and about -6°C in February. In the north, the corresponding means are 14°C and -12°C.

Minerals: Iron, copper, zinc, nickel, lead, vanadium pentoxide, silver. Leading copper firm Iutokumpu Oy. exploits what is believed to be Europe's largest copper fields. Largest iron mine is at Otanmaki in central Finland.

Forestry: About 70% of land covered with forests. Main species: pine, spruce, birch, elm and aspen -- Finland's most important raw material for key forestry and chemical industries.

Fisheries: Annual catch estimated at 115,000 metric tons (value \$60 million). This satisfies 75% of consumption of fresh fish and 45% of canned fish.

Energy Resources: Finland has no coal, oil or gas. Aside from hydro resources which supply 13% of power, peat is the only resource, covering 1/3 of the country, about 3.8 million hectares (9.5 million acres) accessible for usage.

7 - POPULATION

Size: 4.7 million. Helsinki (capital) 493,000. Greater Helsinki, approx. 700,000; Turku, 164,000; Tampere, 166,000. Distribution: 42% in rural areas, 58% in urban centres.

Language: Both Finnish (93.2%) and Swedish (6.6%) official. English often used in commerce, widely understood in large cities.

Labour: Total labour force 2.2 million. Agriculture and forestry (14%), manufacturing and construction (40%), commerce (14%), transportation and communications (7%), services (25%).

8 - GENERAL

Weights and Measures: The metric system is in use.

Electric Current: Domestic: 200 volts, AC, 50 cycles.

Local Time: EST + seven hours.

FRANCE

1 - FOREIGN TRADE

Imports: \$90.1 billion in 1978.

Major Suppliers: EEC, U.S.

Major Imports: Minerals, fuels, machinery, foodstuffs, chemicals, ferrous and non-ferrous metals.

Imports from Canada (1978): \$459 million; main items: wood, fish, pulp, copper, ships, boats and parts, iron ores, asbestos, lumber, office machines, meat, paperboard, aircraft parts, sulphur, telecommunications and related equipment.

Exports: \$90.7 billion in 1978.

Major Markets: ECC, U.S.

Major Exports: Machinery, foodstuffs, chemicals, motor vehicles, iron and steel.

Exports to Canada (1978): \$683 million; main items: beverages, tires, newspapers, magazines, books/periodicals, transportation equipment, cars, motor vehicle parts, bars and rods, steel outerwear, special industry machinery, etc.

Trade Prospects: a) Export opportunities exist for electronic components, office equipment, wood and building products, metallic ores, sports and leisure products, fish, avionics, hotel equipment, agricultural and forestry machinery, offshore equipment; b) consulting and engineering services and subcontract work through French firms for projects in third countries.

2 - FOREIGN INVESTMENT

Canadian direct investment in France at the end of 1976 was \$215 million. French direct investment in Canada amounted to \$665 million at the end of 1975.

Investment Prospects: French government favours investments involving new technology, those creating new factories and jobs in development zones, or those conducive to exports. It is selective in approving takeovers of French firms by foreign companies.

3 - FINANCE

Currency: Basic unit: French franc.
\$1.00 Cdn. = 3.80 FF (May 7, 1979).

Domestic Credit: High interest rates. Special financing mechanisms available for troubled companies which can offer firm guaranties only.

Balance of Payments: External position is strong.

4 - ECONOMY

Principal economic sectors: (% in added value) trade and services 48%, industry 37%, agriculture 6%, building and public works 9.0%.

Agriculture: Prices supported under Common Agricultural Policy of EEC. Government encourages land consolidation, improvement of production methods. Major commodities: wheat, barley, potatoes, sugar beets, fodder, green forage, fruits, wines, vegetables, meat, dairy products.

Industry: Major industries: automobiles, aerospace, food processing, iron and steel machinery and equipment, ladies' clothing, chemicals, electronics.

Commerce: 80% retail sales by

small retailers, recent development of supermarkets and shopping centres. Consumer price index up 9.4% during 1977.

Tourism: Represents 6% of total exports of goods and services. Paris and Mediterranean Coast major centres. Government promotes construction of hotels, motels and resorts.

5 - BASIC ECONOMIC FACILITIES

TRANSPORTATION: Up-to-date railways, state owned. Mass transit system being expanded at an accelerated rate. Navigable waters important. 50% of goods transported by road.

Communications: All are state owned. Largest French civilian investment budget. Extensive telegraph and telephone systems. Telephone lines to double by 1982. Efforts are now directed at improving quality of services.

Power: Electric power production and distribution is nationalized. Total electricity output 1977; 183 billion kWh. Nuclear facilities to meet more than half of electricity needs by 1985, or 20% of total energy needs. Intensive research in solar energy.

6 - NATURAL RESOURCES

Land: Area 550,753 km² (212,650 square miles).

Climate: Temperate.

Minerals: Coal, iron ore, bauxite, potash, sulphur.

Fisheries: One of principal producers in Europe.

7 - POPULATION

Size: 52.8 million. Largest cities including suburbs: Paris, 8.6 million; Lyon, 1.2 million; Marseille, 1.1 million; Lille, 1 million; Bordeaux, 600,000.

Language: French.

Education: Population highly educated, 23 major universities; numerous other technical and advanced schools.

Labour: 21.3 million (1977). Trades and services 54%; industry 28%; building and public works 9%; agriculture 9%. Unemployment 4.6% (1977).

8 - GENERAL

Weights and Measures: Metric.

Electric Current (household use): 220 volts, 50 Hertz.

Time Difference: EST + six hours.

FEDERAL REPUBLIC OF GERMANY

1 - FOREIGN TRADE

Imports: \$U.S. 101.4 billion in 1977.

Major Suppliers: France, Italy, Benelux, U.S. Major Products: Food and agricultural products, industrial raw materials, semi-finished goods, electro-technical products, automotive products, textiles.

Exports: \$U.S. 118 billion in 1977.

Major Markets: France, Benelux, Italy, U.S.

Major Products: Machinery, automotive products, electrotechnical goods.

Canadian Trade--Exports: \$767 million (1977), \$780 million (1978).

Main items: Pulp and paper, asbestos, copper, newsprint, crude non-metallic products.

Canadian Imports: \$959 million (1977), \$1,243 million (1978).

Main items: Auto parts, electrotechnical goods, machinery, agricultural equipment, optical products, wine.

Trade Prospects: A large open market with potential for Canadian products such as specialized machinery of various types, electronic equipment, automotive parts and accessories, fur apparel and sporting goods.

2 - FOREIGN INVESTMENT

Total direct and indirect German investment in Canada (1977) was \$Cdn. 1.64 billion. Total Canadian investment in Germany (1977) totalled \$274 million.

Prospects: German industry looking to Canada for future capital invest-

ments in industrial raw materials, joint ventures, manufacturing.

3 - FINANCE

Currency: German mark one of world's strongest currencies due to healthy balance of payments surplus. \$1.00 Cdn. = 1.67 DM (May 7, 1979).

4 - ECONOMY

The provisional value of GNP for 1978 was Cdn. \$836 billion. Real GNP growth was approximately 3.4%, compared to the year before. For 1979, the official growth forecast is 4%. Inflation is expected to be limited to 3% in 1979.

5 - GEOGRAPHY AND CLIMATE

The Federal Republic of Germany lies in the heart of Europe bordered by nine other countries. It occupies an area of about 249,600 km² (96,000 square miles). The northern third of the country is part of the Great European Plain. Rolling hills in the south merge with the Alpine foothills, rising to about 2,700 m (9,000 ft.) in the Alps.

Climate: The climate is temperate, 18° and 24°C (65° and 75°F), and -5°C and -1°C (20° and 30°F) are average July readings. Rainfall occurs throughout the year, averaging about 67.5 cm (27 inches).

6 - POPULATION

The Federal Republic of Germany, including West Berlin, has a total population of slightly more than 61 million.

The population of principal cities as of June 1976: West Berlin - 1,966,700; Hamburg - 1,707,400; Munich - 1,311,300; Cologne - 1,010,400; Essen - 674,000; Duesseldorf - 658,400; Frankfurt - 631,300; Bonn - 283,000.

7 - TRANSPORTATION

The Federal Republic is readily accessible by sea and air. The country is served by a highly-developed system of rail, inland waterways, road and air transportation. Air Canada provides daily service to Frankfurt, while CP Air flies into Amsterdam for connecting flights to other destinations. The major ports of Hamburg and Bremerhaven offer excellent cargo handling facilities. The most practical method of getting about the country is by rail. The trains are numerous, swift, punctual and comfortable. The most important waterways are the Rhine with its tributaries, and the canal network between the Ruhr and Emden. The inland water fleet includes about 7,700 ships and barges.

Superhighways, the famous Autobahn connecting all major cities in Germany, place small towns and villages within easy reach by car. The Autobahn is usually crowded on holidays and weekends. Driving speeds are much higher than in Canada.

8 - INDUSTRY

Germany is highly industrialized. There are more than 100,000 manufacturing establishments, employing about 30% of the total work force and producing approximately 54% of the GNP. Manufacturing is spread throughout the country, with light industry

located mainly in West Berlin; shipbuilding in the north; coal, steel and machinery in the Ruhr; heavy chemicals in the Rhineland and Frankfurt areas; textiles, shoes, light machinery in the southwest; and electronics, technological products and handicrafts in the Munich area.

9 - GENERAL

Weight and Measures: Metric.

Electric Current: 220/380 volts, AC, 50 cycles.

Time Difference: EST + six hours.

GREECE

1 - FOREIGN TRADE

Imports: \$6.4 billion in 1977.

Major Suppliers: U.S., EEC, Japan.

Chief Imports: Consumer goods, machinery, fuels/lubricants, foodstuffs, raw materials, transportation equipment. Imports from Canada: \$33.8 million in 1977, \$55.5 million in 1978.

Main items: Wood pulp, aircraft (CL-215s), asbestos, copper, fur cuttings, seed potatoes, ships and locomotives.

Exports: \$2.5 billion in 1977.

Major Markets: EEC, U.S.

Chief Exports: Textiles and clothing, tobacco, fruits, fruit juices, dried fruits, minerals and ores, chemicals, olives/olive oil.

Exports to Canada: \$31.5 million in 1977, \$36.3 million in 1978. Main items: iron and steel alloys, footwear, magnesite, dried fruits, fur plates, wines, tomato paste.

Trade Policy: Since 1962 an associate member of EEC. Adopting Community's Common Customs Tariff. All duties are due to be abolished by 1984. Has applied for full EEC membership; complete accession could take place by 1981. Member of GATT, OECD, and IBRD. Maintains bilateral clearing arrangements with Eastern Bloc countries.

Trade Prospects: Good opportunities for Canadian capital goods in transportation, telecommunications and electronics, mining, pollution control, food processing and packaging, avionics and aircraft, marine equipment and power and solar energy.

2 - FOREIGN INVESTMENT

Canadian investment in Greece is minimal. Largely in oil exploration

and production, and banking. There are no significant Greek investments in Canada. Greek policy encourages foreign investment in Greece. Special laws have been enacted to attract foreign capital, and restrictions are relatively few and minor.

3 - FINANCE

Currency: Drachma. \$1.00 Cdn. = 31.03 drachmas (May 7, 1979).

Balance of Payments: Greece's traditional balance of payments situation is characterized by an increasing, marked trade deficit partially offset by a surplus on services (shipping, tourism, emigrants' remittances). Capital inflows have usually covered the current account deficit which in 1977 was \$1.3 billion, with an overall balance of payments deficit of \$69.5 million. Corresponding figures for 1976 were \$1.1 billion and \$106.5 million.

4 - ECONOMY

GNP: \$24.2 billion in 1977, \$20.2 billion in 1976. Growth rate of economy averaged slightly more than four per cent between 1975 and 1977. Per capita GNP about \$2,500.

Agriculture: Accounted for 15% of GNP in 1976 (22% in 1966) and 34% of labour force (53% in 1961). Agricultural products represent more than 30% of total exports. About one-quarter of production is exported. With exception of sugars and rice, Greece is not self-sufficient in staple foods. Principal products: tobacco, cotton, sugar beets, citrus fruits, grapes/wines, olives/olive oil, tomatoes.

Industry: Accounted for about 33% of GNP and 26% of labour force in 1976. Manufacturing represents 20% of GNP, construction 7%, mining and quarrying, 1.5% and electricity, gas and waterworks, 1.5%. Chief manufacturing sectors are textiles, food processing, footwear, chemicals and basic metals processing. About half of industrial capacity is located around Athens with Thessalonika being the second largest sector.

Services: Accounted for 52% of GNP and 40% of labour force in 1976. Largest component is wholesale and retail trade, including banking, which represented 16% of GNP.

Tourism: Contributes four per cent to GNP. Important source of foreign exchange and valuable sector in balance of payments. Approximately 4 million visitors in 1977 (1970 - 1.2 million). Tourism earnings, \$976 million (1970 - \$194 million). In 1977 government policy shifted emphasis away from mass tourism towards maximization of per capita foreign exchange earnings.

Development Plans: Long-term policy aims at an annual growth of GNP of 6 to 7%; of 9 to 10% in industrial output and 11.7% in fixed investment. To be an effective member of the EEC, Greece must make basic structural reforms in its economy, especially in the agricultural, power and transportation sectors as well as in the industrial sector which suffers from a relatively lower level of productivity.

5 - BASIC ECONOMIC FACILITIES

Transportation: Air, rail and highway links are adequate. Greek State Railways has large 15-year development plan. Excellent direct air connections with Europe and rest of world including Montreal and Toronto. Passenger cars registered in 1976 - 440,000, lowest per capita in Western Europe.

Communications: Telephone sets in use (1977) 2.2 million. TV sets (1975) 1.1 million.

Power: Installed capacity end of 1976 = 4,800 mW. By 1985, two-thirds of power will be lignite fired. Public Power Corporation generated 16.3 billion kWh in 1976.

6 - NATURAL RESOURCES

Land: 133,000 km² (50,547 square miles); 25% arable; 40% rough pasture; 35% unsuitable for cultivation.

Climate: Hot dry summers, wet winters. Average rainfall 355 mm - 1.2 m (14" - 48"), depending on area; heaviest in the north.

Minerals: Greece is one of Europe's leading producers of bauxite, magnesite and other non-metallic minerals. Except for these, resources are modest by world standards; lignite is abundant; petroleum has been discovered in the North Aegean Sea near Thassos. Other commercial deposits include nickel, chromite, asbestos, copper, uranium and iron ore.

Forestry: Total forest estimated at 18.5% of entire land area.

Fisheries: A leading source of natural sponges.

7 - POPULATION

Size: 9.2 million in 1977.

Principal Cities: Athens - 2.5 million; Salonika - 545,000; Patras -120,000; Volos - 88,000; Heraklion -84,000.

Language: Greek. French and English may also be used in business.

Labour: Labour force 1976, 3.3 million of which 40% employed in agriculture.

8 - GENERAL

Weights and Measures: Metric.

Electric Current: 200 volts AC, 50 cycles.

Time Difference: EST + seven hours.

IRELAND

1 - FOREIGN TRADE

Imports: \$6.5 billion (1977)
\$31 million from Canada (1977), \$31 million (1978).
Major Suppliers: EEC, U.S., EFTA countries.
Chief Imports from World:
Cereals, lumber, chemicals, petroleum, iron and steel, machinery, motor vehicles.
Chief Imports from Canada: Newsprint, lumber, mining equipment, telephone equipment.
Exports: \$5.3 billion (1977). \$41 million to Canada (1977), \$57 million (1978).
Major Markets: EEC, U.S., EFTA countries. Chief Exports to World: Meat, dairy products, yarn, clothing, medicinal/pharmaceutical products.
Chief Exports to Canada: Industrial chemicals, threads and yarns, footwear.
Trade Policy: Generally liberal: agricultural imports are, however, subject to Common Agricultural Policy of EC, GATT, IMF and OECD.

Trade Prospects: Good opportunities for sales of capital equipment in view of Ireland's intensive industrialization program. Irish economy showing clear signs of strong recovery from recent recession.

2 - FOREIGN INVESTMENT

Canadian direct investment in Ireland is more than \$120 million, in mining, distilling and manufacturing. There is also a Canadian interest in a new aluminum plant capitalized at \$580 million. Direct Irish investment in Canada is minimal. Foreign investment is actively encouraged by the Irish Industrial Development Authority, with generous incentives through grants, loans, and tax holidays.

3 - FINANCE

Currency: Irish pound.

\$1.00 Cdn. = .43 Irish pound (May 7, 1979).

Domestic Credit: Modern banking system and stock exchange.

4 - ECONOMY

GNP: Increased more than 5% (in real terms) in 1977--the highest rate in EC--to \$11.4 billion. Growth of 7% in 1978, and of 3.5% expected in 1979.

Agriculture: Large livestock industry, production of wheat, potatoes, sugar beets, barley, oats.

Industry: Growing secondary industry with generous government incentives.

Tourism: A major industry actively supported by government.

5 - BASIC ECONOMIC FACILITIES

Transportation: Railway modernization under way. Extensive road network.

Telecommunications: Telephone, telegraph, radio and television state controlled.

Power: Plans for introduction of nuclear power generation in early 1980s.

6 - NATURAL RESOURCES

Size: 84,747 km² (32,595 square miles). Hilly and sometimes mountainous coastal regions bordering rolling central plains.

Climate: Mild and free of temperature extremes. Rainy and humid.

Minerals: Lead and zinc (Navan ore body reputedly fifth largest in world), gypsum, limestone, slate, clay, peat.

Forestry: Extensive program of reforestation.

Energy Resources: Largely imported.

7 - POPULATION

Size: 3.2 million (1976).

Dublin (900,000); Cork (134,000); Limerick (63,000).

Language: English

Labour Force: 1 million (1977), 22.8% in agriculture, 29.9% in industry, 47.3% in services.

8 - GENERAL

Weights and Measures: Imperial system, but a changeover to the metric system is in progress.

Electric Current: 220 volts AC, 50 cycles.

Time Difference: EST + five hours.

ITALY

1 - FOREIGN TRADE

Imports: \$57 billion (1978), \$481 million from Canada.

Major Suppliers: EEC, U.S., Saudi Arabia.

Chief Imports from World: Petroleum, minerals, machinery.

Chief Imports from Canada: Wood pulp, wheat, barley, iron ore, copper, asbestos, steel, hides, lumber.

Exports: \$57 billion (1978), \$524 million to Canada.

Major Markets: EEC, U.S., EFTA countries.

Chief Exports to World: Machinery, motor vehicles, textiles and clothing, footwear, agricultural products.

Chief Exports to Canada:

Footwear, clothing, farm tractors, wines, fabrics.

Trade Policy: Generally liberal; however, agricultural imports are subject to Common Agricultural Policy of EC. Italy is a member of the EC, GATT, IMF and OECD.

Trade Prospects: Good opportunities in Italy for Canadian exporters with technological advantages. As a natural resource-poor country, Italy will continue to rely largely on imported raw materials.

2 - FOREIGN INVESTMENT

Total foreign investment in Italy is more than \$8 billion. Canadian direct investment in Italy is about \$40 million. Italian direct investment in Canada is more than \$70 million. Italy welcomes foreign investment. Incentives for industrial development in the south.

3 - FINANCE

Currency: The lira. \$1.00 Cdn. = 734.75 lira (May 7, 1979).

Domestic Credit: Tight credit conditions, offset by elaborate reflationary programs of Italian government. Well-developed local financial markets.

4 - ECONOMY

State-owned firms control major sectors such as metals, petroleum, machinery and engineering, shipping and most public utilities.

GDP: Increased 1.9% (in real terms) in 1978 to \$208 billion. 4% rate of increase anticipated in 1979.

Agriculture: Decreasing in importance. Main crops: grapes, tomatoes, citrus, rice. Output 7.3% of GDP (1977).

Industry: Concentrated in northern Italy. Main sectors: automobiles, textiles, machinery, chemicals. Output 42.4% of GDP (1977).

Commerce and Tourism: More than one million retail and about 990,000 wholesale establishments. Tourism is a major industry. These sectors together accounted for 14.2% of GDP in 1977.

5 - BASIC ECONOMIC FACILITIES

Transportation: Good railway system, road system well developed. Ports undergoing expansion and modernization. Air freight facilities expanding.

Telecommunications: Domestic and international services adequate.

Power: Large-scale expansion in progress, including nuclear generation.

6 - NATURAL RESOURCES

Size: 301,165 km² (116,280 square miles), generally mountainous except for Po Valley and some coastal areas.

Climate: Generally temperate.

Minerals: Limited supplies of mercury, pyrites, potash, sulphur.

Energy Resources: Largely imported but limited supplies of natural steam.

7 - POPULATION

Size: 56 million (1975).

Rome: 3 million; Milan: 4 million;

Naples: 1.5 million; Turin: 1.2 million.

Language: Italian. English and French should be used only in correspondence with larger firms.

Labour Force: 20 million (1977).

14.7% in agriculture, 37.6% in industry, 17.7% in commerce and tourism.

8 - GENERAL

Weights and Measures: Metric.

Electric Current: 220 volts AC, 50 cycles.

Time Difference: EST + six hours.

THE NETHERLANDS

1 - FOREIGN TRADE

Exports: \$53.5 billion (1977).

Major Markets: Germany, Belgium, France.

Major Products: Meat and dairy products, fuel, chemicals and pharmaceuticals, iron and steel products, machinery and electrical equipment.

Imports: \$55.9 billion (1977).

Major Suppliers: Germany, Belgium, France.

Major Products: Food, drink, tobacco, metals and minerals, fuel, non-electrical machinery, textiles and footwear, electrical machinery and appliances, vehicles and transportation equipment, chemicals and pharmaceuticals.

2 - TRADE WITH CANADA

Canadian Exports: \$562.7 million (1978).

Major Exports: Iron ores and concentrates, cereals, wood pulp, oilseeds and meal, asbestos, sulphur and other crude non-metallic minerals, newsprint, paperboard and other papers, organic chemicals, petroleum and coal products, ferro alloys, office machines and equipment, aircraft parts, machinery and equipment.

Canadian Imports: \$227.3 million (1978).

Major Imports: Chemicals, food products including cocoa and chocolate; alcoholic beverages; organic chemicals; textiles; non-ferrous metals and alloys; machinery including for food, beverage, tobacco, plastics and chemical industries; natural and synthetic gemstones; telecommunications and electronic equipment; medical and pharmaceutical products; office machines and equipment.

3 - TRADE POLICY

Liberal except for agricultural products subject to the Common Agricultural Policy of the European Community. Member of European Community, OECD, GATT and IMF.

4 - FOREIGN INVESTMENT

Direct investment from The Netherlands in Canada totalled \$11.4 million in 1977, compared with \$9 million of Canadian direct investment in The Netherlands.

The Netherlands welcomes foreign investment and provides incentives for locating outside the highly-industrialized Amsterdam-Rotterdam corridor.

5 - FINANCE

Currency and Exchange Rate: Basic unit, guilder (Fl.) \$1.00 Cdn. = Fls. 1.79 (May 7, 1979).

Domestic Credit and Investment: Commercial banks concentrate on short and medium-term loans. Long-term capital is available from insurance companies and investment banks.

Balance of Payments: Current account surplus was Fls. 2 billion in 1977, considerable decrease from previous years.

6 - ECONOMY

GNP: \$104 billion (1977).

Agriculture, forestry and fishing	= 5.0%
Raw materials, manufactured goods, gas and water	= 37.8%
Trade and finance	= 15.0%
Transport and communications	= 7.3%

Other services = 18.3%
 Government = 16.6%
Agriculture: small, well managed farms under intensive cultivation. World leader in production of dairy products, poultry, pork, fruits and vegetables.

Industry: Highly developed, producing a wide variety of capital and consumer goods.

Major industries: Metalworking, petroleum refining, chemicals and petrochemicals, food processing, electronics.

Commerce: Among world's foremost trading nations. Foreign trade plays vital role in The Netherlands' economy. Internally, consumer demand strong and inflation relatively controlled despite other weaknesses in economic situation.

7 - BASIC ECONOMIC FACILITIES

Transportation: Extensive modern railway and highway network with excellent domestic and international connections. The principal port, Rotterdam, is world's largest port in tonnage, handled 265 million metric tons (291.5 million tons) in 1977. Railway and highway networks provide excellent connections with Germany, Belgium, Switzerland and France via Rhine and other inland waterways. Schiphol, the main international airport located near Amsterdam, is an important passenger and freight terminal. 8,591,000 passengers and 274,000,000 kg (302 million tons) freight in 1977.

Power: Virtually all premises connected to national electricity and gas grids. Utilities owned by municipalities and provinces. Supplies are adequate to meet demands.

8 - NATURAL RESOURCES

Land area: 37,000 km² (14,286 square miles). Almost totally flat with two-thirds below sea level.

Climate: Maritime temperatures. Mild, wet winters, cool summers.

Energy Resources: Large reserves of natural gas. Some coal.

Minerals and Forestry: Minimal. Some salt.

Fisheries: Fishing fleet underutilized at present (future depends largely on EEC decisions). Current catch more than adequate to meet domestic needs, but insufficient considering traditional export demands.

9 - POPULATION

Size: 13.9 million. Principal centres: Amsterdam 738,500, Rotterdam 601,000, Hague 421,000.

Labour Force: Total working population 5,054,000, with wage earners employed in:

agriculture	289,000
industry	1,516,000
services	2,185,000
government	657,000

10 - GENERAL

Weights and Measures: Metric.

Electric Current: 220 volts, 50 Hertz.

Time Difference: EST + six hours.

NORWAY

1 - FOREIGN TRADE

Imports: \$13.7 billion in 1977.

From Canada: In 1977, \$223.4 million, \$144.3 million in 1978.

Major Suppliers: Sweden, Germany, Britain, Japan, U.S.

Major Imports: Transportation equipment (including ships), basic manufactures, non-electric machinery, industrial raw materials and food.

From Canada: Nickel, copper, platinum and zinc ores and concentrates; wheat, rye, aircraft and aircraft engines and parts, motor vehicles and parts.

Exports: \$9.3 billion in 1977.

To Canada in 1977 \$69.7 million, \$56.5 million in 1978.

Major Customers: Britain, Sweden, Germany, Denmark, U.S.

Major Exports: Ships, oil rigs, miscellaneous machinery, semi-processed metals, foodstuffs and animals, pulp and paper.

To Canada: Nickel ingots, skis and equipment, ferromanganese, ships and boats and accessories, fish and cheese.

Trade Policy: Tariff moderate. Free trade agreement with EEC (in most non-agricultural products) since mid-1977. Norway retains its own tariff schedule. Member EFTA, GATT, and OECD.

Trade Prospects: Activity in the North Sea petroleum/natural gas sector generates strong demand for offshore drilling and related equipment and potential for pipeline technology and equipment. Other product areas which offer significant potential include consumer products, various types of transportation equipment, forest harvesting equipment and electronic components.

2 - FOREIGN INVESTMENTS

Canadian direct investment in Norway is estimated at \$58 million, largely in aluminum smelter and nickel/copper operations. Norwegian direct investment in Canada is valued at \$11 million, mainly in petroleum/natural gas and financing operations.

Policy: All applications must be negotiated with the appropriate ministry and are considered on individual merit.

3 - FINANCE

Currency: Norwegian krona (plural kroner) or crown, is floating. Value on May 7, 1979: \$1.00 Cdn. = 4.49 kroner.

Domestic Credit and Investment: Commercial banking system highly developed and centralized.

Balance of Payments: Norway normally sustains a merchandise trade deficit, largely offset by income from shipping. Present current account deficit expected to be reduced as oil and gas exports increase.

4 - ECONOMY

The GDP increase was 3.1% in 1978 and is forecast at 1.8% for 1979. The increase in oil and gas production is expected to lead to an average growth rate of about 6% until the beginning of the 1980s. GDP per capita in 1976 was \$7,757. Composition of GNP: private consumption 55%; public consumption 17%; gross domestic investment 28%.

Factor income by industry: mining and manufacturing 28%; commerce 20%; banking and ownership of dwellings and buildings 11%; construction 7%; shipping 5%; other transport and communications 7%; agriculture, fishing, forestry 6%; other 16%.

Agriculture: Only three per cent of the land is farmed--climatic conditions are not suitable for large-scale farming. Activities include dairy farming (self-sufficient), fruit and vegetable growing, and livestock breeding. Industry, heavily protected with most imports controlled, contributes less than four per cent of GNP.

Industry: Major industries are primary metals (aluminum, nickel, steel, magnesium), pulp and paper, shipbuilding, industrial machinery, electronics, fertilizers and chemicals. Rapid growth of advanced industry (mostly energy-intensive) in recent years. Exploitation North Sea oil and gas reserves will stimulate petrochemical and related industries.

Shipping: Norwegian merchant fleet ranks fourth in world tonnage. Tanker fleet totalled 27.4 million deadweight tons at the end of 1977. Shipping is vital foreign exchange earner.

Commerce: Wholesale and retail trade contribute 20 per cent of GNP.

Tourism: Largely from Scandinavia and other European countries. Total income in 1977, \$500 million or 3.3 per cent of exports of goods and services.

Development Plans: To maintain full employment and reduce inflation. Restructure industrial sectors in difficulty (such as shipbuilding). Satisfy country's energy requirements and increase self-sufficiency in food products.

5 - BASIC ECONOMIC FACILITIES

Transportation: Railroads, 4,409 km (2,756 miles) of track, 36 per cent electrified. State-owned system. 41,200 km (32,000 miles) of roads, more than 4,000 km (2,500 miles) hard surfaced. Passenger cars (1976); 953,657.

Communications: Radio, TV and telegraph are state owned, as are 85 per cent of telephones.

Power: Cheap hydroelectric power a major resource, spurring electro-metallurgical and electrochemical industries. Electric power production 77.5 billion kWh in 1975 (almost totally hydro). World's highest per capita electric power consumption.

6 - NATURAL RESOURCES

Land: 322,680 km² (123,587 square miles). 75% mountainous, 22% forest, 3% cultivated. 2,736 km (1,700 miles) of coastline with large number of small rocky islands.

Climate: Tempered by Gulf Stream. Precipitation greater in the west than in the east, and temperatures varying from -18°C in winter to about 29°C in summer.

Minerals: Important fields of iron ore in Kirkenes and Rana in north. Ilmenite deposits in south. Several pyrite mines.

Forestry: The productive forest area totals some 64,800 km² (25,000 square miles) of which coniferous forests 52,600 (20,300) and broad-leaved forest 12,000 (4,630). The large majority is privately owned. Annual roundwood cut is about 9.5 million cubic metres (2,621,000 cords), insufficient for national pulpwood requirements

(balance is imported). Forestry accounts for 0.8% of GNP.

Fisheries: Contribute 1.2% to GNP and 6.1% to exports. Industry is largely composed of thousands of individual fishermen operating small boats along Norway's west coast. Fish resources will increase with Norway's 322 km (200 mile) fisheries limit.

Energy Resources: Hydroelectric: estimated total potential is 149,594 kWh of which slightly more than half has been developed. Oil and gas: as of January '78 there were 665 million metric tons (654,490,000 tons) of oil, 20 million metric tons of LNG and 645 billion cubic metres (23,484 billion cu. ft.), of dry natural gas. At present there are two fields in production in the North Sea and three more declared commercial.

7 - POPULATION

Size: Four million. Cities: Oslo, 463,000; Bergen, 213,000; Trondheim, 136,000; Stavanger, 87,000.

Language: Most Norwegians, particularly officials and businessmen, speak English and can conduct business in English.

Labor Force: Monthly average of 1.7 million, with less than one per cent unemployment.

8 - GENERAL

Weights and Measures: The metric system is in use.

Electric Current: Domestic--220/230 volts.

Local Time: EST + six hours.

PORTUGAL

1 - FOREIGN TRADE

Imports: \$4.4 billion in 1977.

Major Suppliers: EEC, U.S., Spain, Middle East. Chief Imports: Agricultural products, machinery, mineral products and petroleum, chemicals, metals and metal products, transportation equipment, textile fabrics. Imports from Canada: 1977: \$34.1 million; 1978, \$28.5 million. Main items: copper, hides and skins, asbestos, wood pulp, salt cod, iron ore, aluminum.

Exports: \$1.9 billion in 1977.

Major Markets: EEC, Sweden, U.S., ex-African colonies.

Chief Exports: Textiles and footwear, wood and cork products, agricultural products, transportation machinery. Exports to Canada: 1977, \$26.3 million; 1978, \$37.5 million. Main items: wines and brandy, tomato paste, fish products, textile fabrics, ferromanganese, cork products.

Trade Policy: Goods move duty-free between Portugal and fellow EFTA members or enjoy preferential rates of duty. Remaining duties are to be eliminated in stages by 1980. Former EFTA members, Denmark and Britain, continue to be accorded preferential treatment. A free trade agreement between EFTA and the EEC provides for duty-free trade in industrial products. Extended schedules are in effect until 1985 to protect the relatively weak Portuguese manufacturing sector. Has applied for EEC membership. Since May 1975, luxury imports are subject to temporary surcharges of 30 and 60 per cent. Member of GATT, OECD, IMF and IBRD.

Trade Prospects: Political and

economic uncertainties, industrial and agricultural unrest and IMF demands that Portugal reduce its substantial trade deficit and adopt stringent austerity measures will restrict import demand for some years. On the other hand, the need to restructure Portugal's economy prior to EEC entry will provide opportunities for machinery, transportation, electrical and electronic equipment.

2 - FOREIGN INVESTMENT

Canadian Investment in Portugal is minimal as is Portuguese investment in Canada.

Portuguese Policy: Foreign investment in business enterprises is generally permitted. An investment code enacted in April 1976 contains provisions to make foreign investments in Portugal safer and more attractive. Following the 1974 revolution direct foreign investment fell drastically; recovery will depend largely on political and economic stability.

3 - FINANCE

Currency: Escudo.

On May 7, 1979 \$1.00 Cdn. = approximately 42.59 escudos.

Domestic Credit and Investment:

Bank of Portugal functions as a central bank, while the Banco do fomento Nacional provides medium and long-term credit for industry and commerce. All Portuguese-owned banks were nationalized in March, 1975. The two stock exchanges, at Lisbon and Oporto, were closed shortly after the 1974 coup, but Lisbon resumed operations in early 1976.

Balance of payments: Portugal has consistently incurred a substantial trade deficit, which in the past was offset by a surplus on invisibles, particularly tourism and emigrants' remittances. Since 1974, substantially higher imports, coupled with declining exports, earnings from tourism and emigrants' remittances resulted in a marked decline in foreign exchange reserves. The overall balance of payments deficit for 1977 was estimated at \$1.4 billion, compared to \$1.2 billion for 1976. As a condition of obtaining a \$750 million line of credit in 1977, the IMF imposed severe economic measures designed to reduce the deficit to less than \$1 billion in 1978 with successive reductions in succeeding years.

4 - ECONOMY

GNP: Approximately \$16 billion in 1977, a growth of 4.7%. The rate of GNP growth which averaged 8% in 1971-73, fell sharply in 1974, was negative in 1975 but recovered in 1976 and 1977. For 1978, real GDP rate of growth of 3.7% is anticipated. GNP per capita about \$1,600 in 1977.

Agriculture: Accounts for 28% of labour force but contributes only 18% to GNP. Because of low productivity and insufficient rainfall in recent years, Portugal has become a net importer of foodstuffs. Principal products: tomatoes, olives/olive oil, wine, cork, sardines.

Industry: Accounts for 35% of labour force and contributes 43% to GNP. Textiles and clothing are the largest industries in Portugal, followed

by food processing but the relative importance of the chemicals, petroleum shipbuilding and capital goods sectors has been increasing rapidly. Following the 1974 revolution, the nationalization of banks and insurance companies gave the government a significant holding in private industry (about 25% of GNP; 20% of work force is now in the public sector).

Services: Account for 37% of work force and 39% of GNP.

Tourism: Important source of foreign exchange and valuable item in the balance of payments. After significant declines in numbers and receipts in 1975 and 1976, recovery commenced in 1977. Three million foreigners entered Portugal in 1977 compared to 2.2 million in 1976 and 3 to 4 million in 1970 to 1974. Spain is by far the largest source of tourists followed by Britain, U.S., Germany and France.

Development Plans: The Portuguese government is expected to take the lead in stimulating the economy by making heavy investments in energy, transportation, industry, mining, agriculture, fishing, housing and public works.

5- BASIC ECONOMIC FACILITIES

Transportation: Air, rail and highway networks adequate. International air and shipping connections excellent with Europe and rest of the world. Direct flights between Lisbon and Toronto and Montreal operated by Canadian and Portuguese carriers. Passenger cars: 1976, 744,000 (one of lowest per capita in Western Europe).

Communications: Portugal is an important international gateway for cable and radio communications. It has 17 radio stations with an estimated audience of five million; one TV station which relays to all areas in Portugal; 30 TV sets per 1,000 population.

Power: Electricity generated in 1975; 10.7 billion kWh. Electricity is 60% hydro generated, 40% thermal.

6 - NATURAL RESOURCES

Land: Continental Portugal, 88,420 km² (34,139 square miles). Generally mountainous north of Lisbon and flattening out to the plains of the Alentejo.

Climate: Temperate. Summer highs, 28°C to 32°C, winter lows 12°C to 14°C.

Minerals: Tungsten, uranium, copper pyrites, coal. Except for pyrites and tungsten, reserves are modest.

Forestry: World's leading cork producer. Pine and eucalyptus are important raw material for the pulp and paper industry.

Fisheries: A traditional Portuguese national industry. Landings remained fairly constant, averaging 305,720 metric tons between 1960 and 1973. Landings decreased considerably after 1974. Canned sardines and anchovies are exported, salt cod is produced for the domestic market. Per capita consumption of salt cod world's highest.

7 - POPULATION

Size: Continental Portugal,

Azores and Madeira, 10 million in 1977.

Principal Cities: Lisbon, one million; Porto, 320,000; Coimbra, 110,000; Setubal, 56,000; Braga, 94,000.

Language: Portuguese. French and English may also be used in business.

Labor: Labor force 1975, 3.1 million.

8 - GENERAL

Weights and Measures: Metric.

Electric Current: 220 volts, 50 cycles, AC.

Time Difference: EST + six hours.

SPAIN

1 - FOREIGN TRADE

Imports: \$16.6 billion in 1977.

Major Suppliers: U.S., EEC, Middle East. Chief Imports: Mineral products (petroleum), machinery, agricultural products, chemicals, metals and metal products.

Imports from Canada: 1977, \$130 million; 1978, \$133 million. Main items: asbestos, wood pulp, iron ore, nickel, primary aluminum, copper ores, newsprint.

Exports: \$10.6 billion in 1977.

Major Markets: EEC, U.S., Latin America, Middle East. Chief Exports: Food and agricultural products, metal and metal products, transportation equipment, machinery.

Exports to Canada: 1977, \$114 million; 1978, \$135.2 million. Main items: footwear, tires, olives, wines, jeans.

Trade Policy: Tariffs relatively high (10-35%). Approximately 66% of imported products are liberalized. A preferential trade agreement with EEC provides for reciprocal and progressive tariff reductions. Spain formally applied for EEC membership in July 1977. Accession in EEC could occur by early 1980s with a probable 10-year transition period. Member of GATT, OECD and IMF.

Trade Prospects: Move towards EEC entry can be expected to result in a less restrictive attitude regarding protection of domestic industry. Demand for industrial materials will remain strong. Potential areas for growth in Canadian exports include: mining and other machinery, telecommunications and electronic equipment, transportation equipment, particularly aircraft; and energy-related

equipment as Spain attempts to reduce its dependence on imported fuels.

2 - FOREIGN INVESTMENT

Canadian direct investment in Spain: Estimated at \$100 million, is concentrated in aluminum smelting, mining, paper, agricultural implements, distilling, processed food products and petroleum exploration and production. Most investments are joint ventures with Spanish public or private entities.

Spanish investment in Canada is minimal, confined to participation of Spanish state corporations in newsprint production and mineral exploration.

Spanish policy: Encourages, within limits, the participation of overseas investors in the domestic economy. Except in specified industries, (e.g. defence, public utilities, public information), foreign investors are free to acquire up to 50% equity in Spanish companies. More than 50% requires approval by the Ministry of Commerce and the cabinet.

3 - FINANCE

Currency: Peseta. \$1.00 Cdn. = 57.37 pesetas (May 7, 1979).

Balance of payments: Until 1973, the traditional heavy deficit on trade account was amply covered by tourist receipts, remittances from abroad and foreign investment. The rise in oil prices has been largely responsible for the chronic balance of payments deficit suffered by Spain since 1973. Because of a levelling off of imports

and increased exports and tourism earnings, this deficit was reduced from \$4.3 billion in 1976 to \$2.5 billion in 1977.

4 - ECONOMY

GNP: \$123.0 billion in 1977 compared to \$103.2 billion in 1976, a growth of 2.4%. Spain's rapid growth and industrialization of the 1960s and early 1970s slowed considerably after the oil crisis. The annual rate of growth of GNP fell from 7% on average between 1970 and 1973, to 2.5% between 1973 and 1977, a rate only slightly faster than the OECD average. In the past, Spain's growth was considerably more rapid than the OECD. GNP per capita in 1976 was approximately \$2,600. In 1978 unemployment and inflation were high. GNP growth in 1978 was lower than average of past three years.

Agriculture: Including forestry and fishing, accounts for 9.4% of GNP and for about 20% of labour force. This however represents decline from levels of 24% and 42% respectively in 1960. Accounted for 22% of 1977 exports. Principal products: citrus fruits, vegetables, wines, fish, grains, olives.

Industry: Accounts for 30% of GNP and about 26% of labour force. Chief manufacturing sectors: iron and steel, shipbuilding, machinery, automobiles, textiles, footwear, chemicals. Direct state participation in the economy is considerable.

Commerce: Services account for 53% of GNP and 40% of labour force. Construction accounts for 8% of GNP and 10% of labour force.

Tourism: After a peak of 34.6 million in 1973, visitors declined to 30 million in 1976 (170,000 from Canada). Visitors' expenditures increased in 1977. 1977 tourism receipts rose to \$3.4 from \$2.7 billion in 1976.

Development Plans: No formal plan now exists. Government policy, however, aims to bring the chronic balance of payments deficit under control, reduce inflation to less than 20% from the current 30% level, and generally restructure the relatively antiquated Spanish economy in preparation for EEC membership.

5 - BASIC ECONOMIC FACILITIES

Transportation: The mountainous nature of much of Spain is chief obstacle to the creation of good road and railway networks. In 1970 there were 17,307 km (10,754 miles) of railway track, most operated by RENFE, a state company. At end of 1976, there were 4.8 million cars and one million trucks registered.

Communications: On January 1, 1976, there were 7.8 million telephones, and 6.6 million television sets in use. Power: Crude oil supplies about 70% of total energy requirements; coal and hydroelectricity 25%; natural gas 3% and nuclear energy 2%. By 1985, nuclear energy is intended to supply 22% of energy requirements and natural gas, 11%. Electricity production in 1975, 79.22 billion kWh.

6 - NATURAL RESSOURCES

Land: 509,212 km² (196,607 square miles), largely mountainous with the exception of the Salamanca grain-growing area.

Climate: Variable. Cool in the north, warm and dry in the south. Summer highs 30°C to winter lows -2°C, and frequently lower in the north depending on altitude.

Minerals: Iron ore is main mineral product. Spain is also rich in mercury, potash and pyrites. Wolfram, lead and zinc are mined.

Forestry: Limited resources. Large producer of cork.

Fisheries: Total landings in 1974 1,360,000 metric tons (1.5 million tons).

7 - POPULATION

Size: 36 million (1977 estimate).
Principal cities: Madrid, 3.12 million; Barcelona, 1.7 million; Valencia, 648,000; Seville, 546,000; Zaragoza, 469,000.

Language: Spanish. English and French also may be used in business.

Labor: Labor force, 13 million, rising percentage classified as skilled.

8 - GENERAL

Weights and Measures: Metric.

Electric Current: Generally 220 volts, AC, 50 cycles.

Time Difference: EST + six hours.

SWEDEN

1 - FOREIGN TRADE: \$21.5 billion in 1977.

From Canada: (1977) \$105.5 million; (1978) \$115.5 million.

Major Suppliers: Germany, Britain, Denmark, Norway, U.S. Major Imports: Machinery, mineral fuels, transportation equipment, chemicals, food and steel. From Canada: Fuel, oil, copper, auto parts and accessories, salmon, shellfish, herring, nickel, fabrics, snowmobiles and chain saws and parts.

Exports: \$20.4 billion in 1977.

To Canada: (1977) \$260.2 million; (1978) \$325 million.

Major Customers: Britain, Norway, Germany, Denmark, Finland, France, U.S. Major Exports: Machinery, and instruments, forest products (wood, pulp, paper), cars and vehicles, ships and boats, iron and steel. To Canada: Motor vehicles and parts and accessories, rock drills and parts, iron and steel products, wire and cable, chain saws and parts, pulp mill and machinery furniture.

Trade Policy: Tariffs generally low but variable levies apply on agricultural products. Import licences required for certain goods. An agreement establishing free trade with the EEC on most non-agricultural products is in effect since July 1, 1977. Sweden retains its own tariff schedule vis-à-vis non-EEC, non-EFTA countries. Member EFTA, GATT and OECD.

Trade Prospects: Sectors of particular interest include defence products, marine components, automobile components, scientific and other precision instruments, forest harvesting and sawmill equipment, leisure products, consumer goods, fish and other foodstuffs.

2 - FOREIGN INVESTMENT

Canadian direct investment in Sweden is valued at \$25.4 million. Aluminum smelter, nickel mining, shoe manufacturing, wholesale and retail trade, and mining and smelting operations.

Swedish Policy: Central Bank approval required and issued on basis that investment will contribute to Sweden's export and industrial growth.

3 - FINANCE

Currency: Swedish krona, divided into 100 ore. On May 7, 1979, \$1.00 Cdn. = 3.82 krona.

Domestic Credit and Investment:

Commercial banking highly developed and centralized. Bond market oriented to mortgage institutions and government borrowing.

Balance of Payments: Sweden's heavy dependence on imported oil, and its continuing negative trade balance contributed to a negative BOP of \$112 million in 1977, a net improvement over 1976, but the fourth consecutive deficit since 1974. However, there still is strong capital inflow.

4 - ECONOMY

GNP: \$73.2 billion in 1976, a real growth of 1%. GNP fell by 2.4% in 1977 while growth in 1978 was slightly above 1%. It should grow by 3-4% in 1979. Per capita GNP of U.S. \$9,030 in 1976 establishes the Swedish standard of living as the highest of industrialized countries.

GNP by Sector of Origin: Manufacturing and mining 27%; commerce (trade) 13%; construction 8%; agriculture, forestry, fishing 7%; transport and

communications 7%; private services 14%; public services 24%.

Agriculture: Accounts for 2.6% of GNP and 5% of labour force. Arable land used 60% for grains and seeds, 30% for hay and pasture; other crops are sugar beets and potatoes. Agricultural policy has two main objectives: 80% self-sufficiency and farm incomes comparable to those of other workers.

Industry: Based primarily on forest and mineral resources plus hydro-electric power but highly developed in manufacturing and services. Chief manufacturing sectors are machinery and equipment, automobiles, ships, pulp and paper, iron and steel, electronics and electrical equipment, chemicals, wood products.

Commerce: Rapid growth of self-service, supermarkets, department stores, shopping centres. Except for department stores, number of sales outlets declining.

Tourism: Contributes only 1.4 per cent to GNP. Tourists come largely from Germany, other Scandinavian countries, U.S., The Netherlands, Britain and France.

Development Plans: Sweden's postwar policy has been high employment, rapid economic growth (currently almost at standstill), more equal distribution of real income, regional economic balance (through subsidies), and price stability with inflation slightly more than 10 per cent. Sweden is currently more concerned in achieving balance of current account (in heavy deficit since oil crisis), environmental protection, job security, industrial democracy

(workers on boards of directors), and increasing aid to Third World.

5 - BASIC ECONOMIC FACILITIES

Transportation: Efficient railway, road, air transport. 90,000 km railway track, 60% electrified. Three major ports: Gothenburg, Stockholm, Malmo. Passengers cars (1976): 2,700,264, highest per capita in Europe.

Communications: Highest European per capita ownership of TV and telephones. 2.9 million TV set owners (760,000 colour). Automated telex facilities.

Power: Hydroelectric power a major natural resource. Total production 1975: 81 billion kWh, of which 72% hydroelectric and 15% nuclear. Active nuclear power program under way (with some controversy on future developments). Six nuclear plants are now operating and four are under construction.

6 - NATURAL RESOURCES

Land: 449,165 km² (173,423 square miles). Nine per cent area inland waters, 10% cultivated or grazing land, 55% forests.

Climate: Temperate with moderating influence of the Gulf Stream. July average temperature in Stockholm is 17°C to 20°C, and -3°C in winter.

Minerals: High-grade iron ore primary mineral. Sweden has five per cent of world's exploited iron ore resources, and is one of world's leading exporters. Small supplies of gold, silver, lead,

copper, zinc, pyrites, tungsten, manganese, granite, quartz, marble.

Forestry: Forests cover 55% of land area, with 1/4 owned by government and municipalities, 1/4 by corporations, and balance by private owners. Half of forest industry products are exported, and account for 20% of export earnings. Sweden is world's fourth largest pulp producer and second leading exporter. Pulp and paper industry represents 6% of total industrial output and employment.

Fisheries: Annual catch approx. 176,000 metric tons. Sweden is major exporter of herring but is an important market for other fish products, with imports of 172,000 metric tons in 1977 (approx. value, \$232 million).

Energy Resources: Large resources of hydroelectric power, but no oil or coal. More than 75% of energy requirements are met by imported oil (which accounts for 16% of all imports) and some coal. There are known uranium reserves but ore content is low and so far they have not been exploited.

7 - POPULATION

Size: 8.2 million.

Metropolitan areas: Stockholm, 1,358,000; Gothenburg, 692,000; Malmo, 454,000.

Language: Official language is Swedish. Most people (particularly officials and businessmen) speak English well. Fewer people speak German and French well.

Labour Force: 4.2 million in Dec. 1977, with 1.8% unemployment. Work week 40 hours. Working population by sector: administrative services 29%, mining and manufacturing 28%; trade 14%; construction 8%; agriculture, fisheries, forestry 7%; other; 14%.

8 - GENERAL

Weights and Measures: The metric system is in use. A Swedish mile corresponds to 10 km.

Electric Current: Domestic: 220 volts, AC and DC, 50 cycles.

Local Time: EST + six hours.

SWITZERLAND

1 - FOREIGN TRADE

Imports: \$19.0 billion in 1977.

From Canada: \$89.5 million in 1977, \$107.6 million in 1978.

Major Suppliers: Germany, France, Italy, Britain, and U.S., and other European countries. Main Imports: Machinery, chemicals, food, iron and steel, fuel, motor vehicles, precious metals, jewels, medical supplies. From Canada: Fur apparel, fur skins, copper and aluminum, barley and wheat, aircraft engines and parts, motor vehicles and parts, horsemeat, fish.

Exports: \$18.6 billion in 1977.

To Canada: (1977) \$219.8 million; (1978) \$289.8 million.

Major Swiss Customers: Germany, France, Italy, U.S. and other European countries.

Main Exports: Machinery and equipment, precious metals and jewels, chemical products, watches, miscellaneous medical/optical goods and instruments, textile and clothing. To Canada: Pharmaceutical and medical goods, watches, synthetics, chemicals, circuit breakers, cheese, fabrics, marine engines and parts.

Trade Policy: Switzerland's need for access to other markets led to membership in EFTA in 1960, and the conclusion of an industrial Free Trade Agreement with the EEC in 1972 which provides for free access for most industrial goods since July 1977. Member of GATT and OECD.

Prospects for Canadian Exports:

Markets have been identified for the following products: fish, egg products, grains, certain communication equipment, shingles and shakes, specialty steels, equipment and accessories for hockey, curling, and gold. Future growth will include supplying materials to the growing Swiss chemical industries which produce pharmaceuticals, dyestuffs, petrochemicals, aromas and flavouring; supplying parts, components and equipment needed for the rapid expansion of the Swiss nuclear electric power; and parts and components for computer and peripherals; supplying machinery for the growing manufacturing industries, including graphics and printing and packaging for manufactured products and foods.

2 - INVESTMENT - INDUSTRIAL DEVELOPMENT

Switzerland is an important international trading and financial centre and source of investment funds. It is also a country where scientific research is given a prominent role, especially by the private sector, and where industry traditionally looks toward acquisition of production capacity abroad.

Canadian direct investment in Switzerland is about \$88 million, largely in manufacturing and wholesale/retail trades. Swiss investments in Canada are valued at \$477 million, essentially in financial operations and manufacturing.

Policy: Switzerland subscribes to OECD decision of June 21, 1976 on

national treatment, with exceptions on admission of new foreign investment. Foreign banks must receive authorization from Federal Banking Commission. There are also restrictions on establishment of insurance companies and purchase of real estate.

3 - FINANCE

Currency: The Swiss franc has been exceptionally strong in recent years. On May 7, 1979, \$1.00 Cdn. = 1.49 Swiss francs.

Domestic Credit: Sufficient credit available through the well-developed banking system.

Balance of Payments: A trade deficit is normally covered by invisible transactions (mostly investment income and net receipts from tourism) which have produced, since 1966, a surplus or balance in the current account. In fact, the large current account surpluses since 1975, inflows of capital, (and price stability) are elements which account for a steady appreciation of the Swiss franc.

4 - ECONOMY

GNP: \$67.6 billion in 1977, a real increase of 4.3% after Switzerland suffered severe recession in late 1974 through early 1976, and since then a slightly negative real growth. GNP increased by less than 1% in 1978. The rate of inflation was the world's lowest at 1.3% in 1977. The per capita income at Cdn. \$9,056 is one of the highest in the world. The strength of the economy will be maintained in 1979.

Agriculture meets about 45% of food requirements. Agriculture's contribution to the GNP is about four per cent. Swiss agriculture is heavily subsidized. In 1975 there were 133,126 holdings, half of which were less than 10 hectares (25 acres); there is however a move towards larger farms, which

in a few years should open the market for more sophisticated farming equipment.

Industry: Contributes about half of the GNP. About 75-95% of the production is exported. Main industries: machinery and equipment, construction, chemical and pharmaceutical, food, textiles, watchmaking.

Tourism: In 1977, revenues from tourists brought in about \$4.0 billion or six per cent of GNP. The majority of tourists came from Germany, France, Belgium, The Netherlands, U.S. and Britain.

Development plans: On strength of recent successes, economic policy will continue to be oriented towards full employment and growth without inflation.

5 - BASIC ECONOMIC FACILITIES

Transportation: Excellent air, land and canal facilities. Major inland port at Basle on the Rhine. Swissair provides worldwide air service. In 1976 there were 1.8 million private passenger cars in use.

Communications: Highly developed. Extensive telephone, telegraph, radio and television services. Postal service provides one-day delivery throughout the country.

Power: Hydroelectric plants provide virtually all electric power. Nuclear plants are in operation to supplement fully exploited resources and plans call for five more by 1985. Production in 1977 was 44.1 billion kWh of which 78% hydro and 17% nuclear.

6 - NATURAL RESOURCES

Land: 41,277 km² (15,937 square miles). About half the country is forested or covered by glaciers, rock or water.

Climate: Varies with altitude. Average in Zurich is -1°C in winter and 15°C in summer. In Geneva, the averages are 1°C in winter and 18°C in summer.

Minerals: Poor in mineral resources. Mining of little economic importance.

Forestry: 1977 wood production (incl. timber, industrial and firewood) is expected to show an increase of 15-20 per cent over 1976, reaching approx. 3.8 million cubic metres (1,480,000 cords).

Fisheries: 1976 production was 3,587 metric tons (incl. 25 per cent sport fishing). The 1976 estimated per capita consumption was 4.75 kilos (10.5 lbs.) including fresh, frozen and canned fish.

Energy Resources: Essentially hydro power, with marginal but increasing nuclear production. Switzerland imports its oil, gas, coal and uranium.

7 - POPULATION

Size: 6.3 million of which 16 per cent are foreigners (1976). Major cities: Zurich, 497,233; Basle, 234,495; Geneva, 156,000; Berne (capital city), 255,219.

Languages: German 65%; French 18%; Italian 12%. Although many businessmen will speak English, knowledge of German and French will facilitate business.

Labour Force: 2.7 million (1977); 8% in agriculture; 45% in industry; 47% in services (1976). About 20% of the labour force are foreigners, a large number of whom are Italians. Unemployment in 1977 was 0.5% of work force.

8 - GENERAL

Weights and Measures: Metric.

Electric Current: Domestic: 220 volts AC, 50 cycles.

Time Difference: EST + six hours.

INDUSTRY CANADA/INDUSTRIE CANADA



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