

# European Union - Alberta Relations



- Croatia joined the EU in July 2013
- Iceland, the Former Yugoslav Republic of Macedonia, Montenegro, Serbia, and Turkey are official candidate countries to join the EU.



*This map is a generalized illustration only and is not intended to be used for reference purposes. The representation of political boundaries does not necessarily reflect the position of the Government of Alberta on international issues of recognition, sovereignty or jurisdiction.*

## TRADE AND INVESTMENT

- Alberta is an active participant in the ongoing Canada-European Union Comprehensive Economic and Trade Agreement negotiations and expects that a successful outcome of these negotiations will be beneficial to Alberta. Negotiations are expected to be completed in 2012.
- Alberta opened an office in Munich in 2002 and an office in London in 2003.
- The EU was Canada's second largest and Alberta's fourth largest export destination in 2012.
- In 2012, Alberta's leading EU-member-state export-markets were (overall global ranking): the Netherlands (6<sup>th</sup>), United Kingdom (15<sup>th</sup>) and Belgium (18<sup>th</sup>).
- From 2008 to 2012, Alberta's exports to the EU28 averaged CAD\$1.25 billion per year. Top exports included nickel, machinery and wheat.
- From 2008 to 2012, Alberta's direct imports from EU28 averaged CAD\$2.06 billion per year, including machinery, optical and medical instruments, and alcoholic beverages. This figure does not include goods sold in Alberta that arrived via distribution hubs in other provinces.
- The EU represents Canada's second largest trade and investment partner.
- In 2011, the stock of EU direct investment in Canada amounted to CAD\$161 billion. In the same year, Canadian investment in the EU totalled CAD\$173 billion.
- Each year, Alberta receives many tourists from the EU, especially from the UK, Germany and the Netherlands. In 2010, UK visitors spent almost \$165 million in the province, German visitors \$81 million and Dutch visitors \$28 million.

## PROFILE

**Capitals:** Brussels (Administrative)  
Strasbourg (Legislative)  
Luxembourg (Judicial)

**Population:** 504 million (July 2013 est.)

**Official Languages:** Bulgarian, Croatian, Czech, Danish, Dutch, English, Estonian, Finnish, French, German, Greek, Hungarian, Irish, Italian, Latvian, Lithuanian, Maltese, Polish, Portuguese, Romanian, Slovak, Slovenian, Spanish, Swedish

**Council Presidency:** Lithuania (July 1 – December 31, 2013). The Council Presidency rotates every six months, and Greece will assume office on January 1, 2014.

**Parliament Elections:** Elections were held in June 2009, with the European People's Party (Christians Democrats) winning the largest number of seats (currently 270 out of 748). The next elections will be held in June 2014.

**President of the European Council:** Herman van Rompuy (Belgium, elected for a second two-and-a-half-year term in March 2012)

**President of Parliament:** Martin Schulz (Germany, elected in January 2012 for a two-and-a-half-year term)

**President of Commission:** José Manuel Durão Barroso (Portugal, re-elected for a

second five-year term in September 2009)

**High Representative of the Union for Foreign Affairs and Security Policy:** Catherine Ashton (United Kingdom, in office since December 2009)

**Currency:** Euro, CAD\$1.00 = €0.72, €1.00 = CAD\$1.39 (September 2013)

**GDP (EU28):** US\$16.6 trillion (2012)

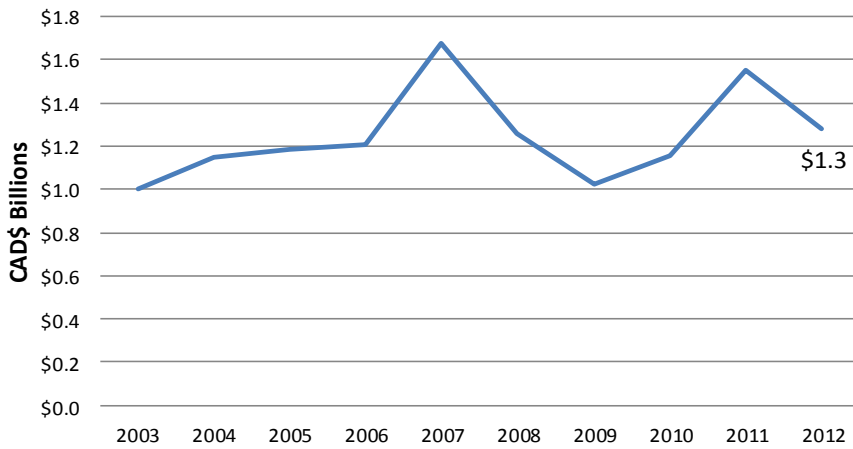
**Real GDP (EU28):** -0.4% (2012)

**Inflation (Euro Area only):** 2.6% (2012)

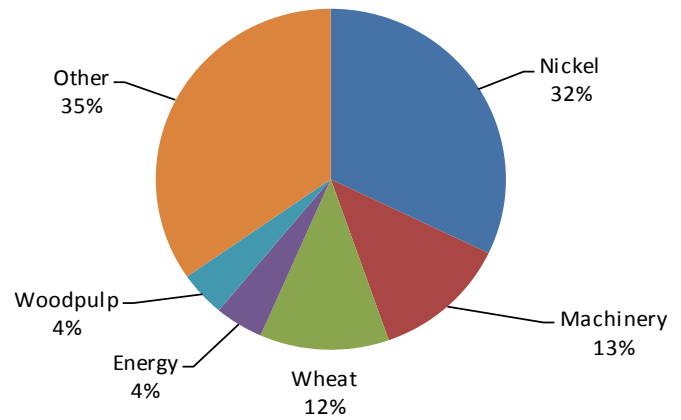
## EU OVERVIEW

- The EU is an association of 28 sovereign member-states:
  - Belgium, France, Germany, Italy, Luxembourg and the Netherlands founded the EU in 1951;
  - Denmark, Ireland, the United Kingdom joined the EU in 1973
  - Greece, Portugal, Spain, Austria, Finland and Sweden joined from the early 1980s to the mid-1990s;
  - Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia became members of the EU in 2004;
  - Bulgaria and Romania joined the EU in January 2007;

## Alberta's Exports to the EU 28, 2003-2012



## Alberta's Merchandise Exports to the EU 28 2008-2012 (Total Average= CAD\$ 1.25 Billion)



### EURO (€) OVERVIEW

- The Euro was introduced in January 1999 for financial transactions, and in January 2002, Euro bills and coins became the legal tender for the Eurozone, which at the time consisted of twelve of the original EU members.
- 17 out of 28, Member States of the European Union use the euro as their currency. Denmark, Sweden and the UK chose to remain outside the eurozone, while other recently-admitted EU members must fulfill certain economic criteria before they can adopt the single European currency.
- The Euro officially became legal tender in Slovenia in 2007, in Cyprus and Malta in 2008, in Slovakia in 2009, and in Estonia in 2011.

### ENERGY

- The European Union (EU) has few energy reserves and remains a net importer of energy as the world's second largest economy, consuming nearly 17 percent the world's energy. It is expected that up to two-thirds of the EU's total energy requirements will be imported by 2020. The continent's fossil fuel use is increasingly relying on imported sources as local resources and production drops.
- The dominant fuel in Europe is oil, accounting for 40 per cent of EU's total energy consumption. Natural gas follows as second at 24 per cent. EU nuclear energy is at 14 percent, whereas coal is at 13 per cent and hydroelectric power at 4 per cent. Other "renewables" such as geothermal, biomass, solar and wind account for 2 per cent of the total EU energy mix.
- EU is reported to have 0.6 per cent of the world's proven oil reserves. Russia remains Europe's main oil and gas supplier.
- Additional amounts of gas are also imported from Norway and Algeria. In 2012, 1/3 of the oil which EU members imported was from Russia while Russia also accounted to 1/4 of all gas supplies

to the EU. EU holds approximately 2 per cent of the world's proven natural gas reserves.

- The EU is the world leader in wind energy capacity and current has nine offshore projects. In July 2011, the European Wind Energy Association (EWEA) estimated that Europe's wind energy output will triple by 2020. The EWEA listed Germany, Spain, Denmark, Portugal, and Ireland as having the greatest percentage of electricity generated from wind energy in Europe for 2011.
- The EU is a strategic partner of Canada, only one of ten exclusive relations. First formalised in 1976 through the Framework Agreement, EU-Canada relations have intensified through a solid platform for foreign policy cooperation. Canada and the EU regularly present and hold consultations in the Arctic region.
- In November 2010, the European Union (EU) implemented the '20-20-20' integrated energy and climate change policy to reduce energy consumption and cut greenhouse gases by 20 per cent, and provide 20 per cent of energy from renewable sources.
- The European Commission's 2010 energy infrastructure plan sets Europe's priority utility corridors. One of these is from an offshore wind parks in the North Sea to cities in northern and central Europe.
- In October 2011, the Commission approved C\$11.1 billion in funding to fast-track the construction of European electricity and energy pipeline infrastructure deemed in the "common interest."
- In December 2011, the European Commission integrated the "Energy Roadmap 2050" to complement the 20-20-20 strategy. The roadmap's purpose is to reduce greenhouse gas emissions to 80-95 per cent below 1990 levels by 2050, while ensuring security of energy supply and competitiveness.
- Many European-based companies have investments in Alberta's oil sands

including Britain's British Petroleum, France's Total SA, Norway's Statoil ASA and Netherlands' Royal Dutch Shell.

### EDUCATION

- *The Canada - European Community Programme for Cooperation in Higher Education and Training* has been in place since 1995. The University of Calgary is a partner in the project entitled, "Collaborative Student Training in Quantum Information Processing" (2008-2011), together with the University of Waterloo and institutions in Germany (Friedrich-Alexander Universität Erlangen-Nurnberg and Max-Planck-Forschungsgruppe, Institut für Optik) and France (L'Université Paris-Sud and L'École Polytechnique).
  - Through internships and appropriate course work provided by consortia-member institutions, participating students will expand the pool of graduates with expertise in the rapidly developing field of quantum information processing on both sides of the Atlantic.

### EMERGING OPPORTUNITIES

- Europe has expertise in many areas associated with food production, processing and packaging. Opportunities exist for Alberta in building stronger strategic alliances for the development of joint ventures, investments and partnerships for licensing of products with European counterparts.
- The implementation of EU directives dealing with environmental issues such as air pollution, waste incineration and water management will provide opportunities in the environmental technologies and service sectors.
- The mobile market continues to be the driving force in the ICT sector with the next generation networks and mobile data and edutainment as the fastest growing fields. The enterprise ICT market is also expected to grow as companies are

looking to increase efficiency and reduce cost. Opportunities exist in areas such as mobile communications, wireless networks, business solutions software, eHealth, eLearning, and gaming.

- The aging population and escalating cost for healthcare will provide opportunities for new innovative products and services in healthcare delivery, including products for diagnostics, remote monitoring, wellness, homecare, and rehabilitation.
- Implemented in December 2010, the EU's renewable energy directive provides opportunities for Alberta's agricultural sector. Exports of canola seed and crude canola oil to the EU rose to \$147 million in 2011, an increase of nearly 750 per cent from 2010.

## AGRICULTURE

- In 2012, Alberta agri-food exports to the EU totalled CAD\$280 million, consisting mostly of wheat (\$134 million), pet food (\$31 million\*), canola seed (\$22.7 million), other oil seeds (\$19.4 million) and horse meat (\$15.3 million).
- The EU is Alberta's 2<sup>nd</sup> largest market for exports of horse meat.
- The EU agreed to raise its duty-free quota on high quality beef imports from North America from 20,000 tonnes to 48,200 tonnes beginning August 2012. Alberta beef producers are expected to benefit from this agreement.
- Alberta attaches great importance to the reform of the EU's Common Agricultural Policy (CAP), and encourages agricultural trade liberalization. CAP subsidies distort world markets and depress world prices.
- Canada and the EU are in the final stages of negotiations towards a Comprehensive Economic and Trade Agreement (CETA). Canada is looking to reduce tariff and non-tariff barriers on agri-food products, particularly in beef and pork.

## AGREEMENTS

- The 1976 Canada-EU Framework Agreement for Commercial and Economic Cooperation facilitates trade and investment and encourages industrial, research, and technical cooperation.
- The Joint Political Declaration and Action Plan of 1996, outlines commitments to work together in areas ranging from strengthening trade to coordinating policies in development assistance, human rights,

disarmament, migration, asylum, the fight against organized crime and increased exchange among our citizens.

- A 1996 Agreement for Scientific and Technological Cooperation between Canada and the European Community supports cooperation in scientific and technological research and encourages the application of the results of such cooperation to the economic and social benefit.
- Canada agreed in 1999, through the Joint Statement on Northern Cooperation, to work together with the EU on northern issues. Areas of cooperation include: environment, e-health, science and technology, and education.
- The Canada-Europe Round Table for Business (CERT), established in 1999, is a transatlantic business forum for companies with business interests on both sides of the Atlantic. CERT promotes greater Canada-EU trade liberalization.
- The Canada-EU Partnership Agenda of 2004 acknowledges the significant evolution of EU-Canada relations.
- A number of bilateral agreements designed to facilitate closer trade have been signed over the years, including agreements on cooperation between EU and Canadian customs administrators (1997); a Veterinary Agreement (1999), aiming to improve bilateral trade in live animals and animal products; a Wine and Spirits Agreement (2003); a Civil Aviation Safety Agreement (2009) and a Comprehensive Air Transport Agreement (2009).

## COMMUNITY

- Alberta has a proud European heritage, the majority of the population originating from Europe. The five largest ethnic groups in Alberta are British or Irish (2.2 million), Germans (680,000), French (388,000), Ukrainians (332,000), and Dutch (173,000).

## RECENT VISITS

- May 2013: The Hon. Thomas Lukaszuk, Deputy Premier and Minister of Enterprise and Advanced Education, undertook a mission to several EU member states to discuss market access opportunities and to renew a Memorandum of Understanding with the State of Bavaria in Germany.
- January 2013: The Hon. Fred Horne, Minister of Health undertook a mission to London.

- January 2013: The Hon. Cal Dallas, Minister of International and Intergovernmental Relations (IIR) and the Hon. Diana McQueen, Minister of Environment and Sustainable Resource Development undertook a mission to several EU member states including Ireland, France, Germany, Italy and the Czech Republic to meet with EU officials on the implementing measures of the proposed Fuel Quality Directive.
- September 2012: The Hon. Cal Dallas, Minister of IIR visited the EU to attend the World Heavy Oil Congress and meet with EU officials and for meetings with officials from Alberta's twinning partner, the State of Saxony.
- July 2012: The Hon. Allison Redford, Premier, the Hon. Heather Klimchuk, Minister of Culture, and the Hon. Christine Cusanelli, Minister of Tourism Parks and Recreation visited the United Kingdom to meet with officials and discuss opportunities for Alberta's energy, tourism and cultural industries.
- December 2011: The Hon. Cal Dallas, Minister of IIR, travelled to France, Switzerland, and the United Kingdom to strengthen Alberta's trade relationships and meet with EU officials on the EU Fuel Quality Directive
- September 2011: Four Members of the European Parliament (from Hungary, Luxembourg, Ireland and Poland) toured the Athabasca oil sands region, learned about carbon capture and storage (CCS) and observed Alberta's reclamation efforts.
- June 2011: A 12-member delegation of pan-European policy makers visited and toured the oilsands and a CCS facility.

## DIPLOMATIC REPRESENTATION

- The European Union's Ambassador-Designate to Canada is Her Excellency Marie-Anne Coninx.
- The Canadian Ambassador to the European Union in Brussels is Mr. H. David Plunkett.

**NOTE:** International and Intergovernmental Relations has more detailed relations papers for European Union Member countries. We encourage you to consult our website at: [www.international.alberta.ca](http://www.international.alberta.ca)



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