

European Union - Alberta Relations



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.

PROFILE

Capital: Brussels (Administrative), Strasbourg (Legislative), and Luxembourg (Judicial)

Population: 511.8 million (2016)

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

Council Presidency: Estonia (July 1 - December 31, 2017). The Council Presidency rotates every six months.

European Parliament: Elections were held in May 2014, with the Group of the European People's Party (center-right representatives from Member States) winning the largest number of seats (currently 221 out of 751). The next elections will be held in 2019.

President of the European Council: Donald Tusk (Poland, December 2014 – December 2019 over two terms).

President of Parliament: Antonio Tajani (Italy, January 2017 - July 2019 term).

President of Commission: Jean-Claude Juncker (Luxembourg, November 2014 - October 2019 term).

High Representative of the Union for Foreign Affairs and Security Policy: Federica Mogherini (December 2014 - December 2019 term).

Currency: Euro, CAD \$1.00 = €0.67, €1.00 = CAD \$1.49 (June 2017)

GDP: USD \$16.40 trillion (2016)

GDP per Capita: USD \$35,632 (2016)

GDP Growth Rate: 1.9 per cent (2016)

Source: World Bank

EUROPEAN UNION (EU) OVERVIEW

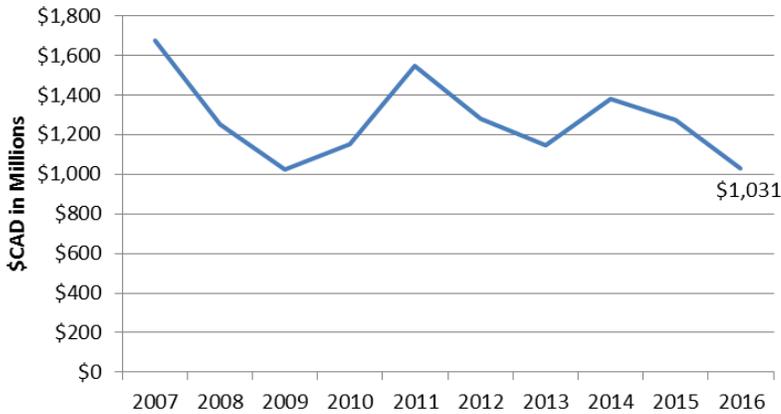
- The EU is an association of 28 sovereign member-states:
 - Belgium, France, Germany, Italy, Luxembourg and the Netherlands founded the EU in 1951.
 - Denmark, Ireland, the United Kingdom (UK) joined the EU in 1973.

- 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.
- Croatia joined the EU in July 2013.
- Macedonia, Montenegro, Serbia, Turkey and Albania are currently official candidate countries to join the EU.
- On March 29, 2017, the UK formally notified the European Council of its intention to leave the EU. For the time being, the United Kingdom remains a full member of the EU.

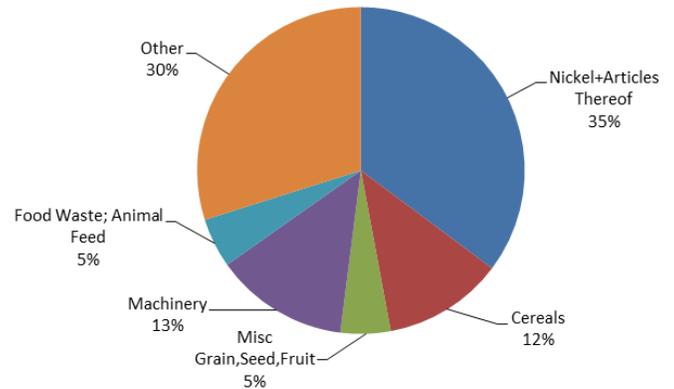
TRADE AND INVESTMENT

- Signed in October 2016, the Canada EU Comprehensive Economic and Trade Agreement (CETA) was provisionally applied on September 21, 2017.

Alberta's Merchandise Exports to EU-28 (2007-2016)



Alberta's Merchandise Exports to EU-28 2012-2016 (Total Average \$1.22 Billion CAD)



- The 2011 Strategic Partnership Agreement (SPA) was renewed in 2016 to further deepen bilateral cooperation. The SPA will now also represent the new foundation upon which Canada-EU political relations are based, and the mechanism through which Canada formally engages the EU.
- Alberta opened an office in Munich in 2002 that was closed in 2015.
- The EU is Canada's second largest trading partner, source of Foreign Direct Investment (FDI), new technologies and destination for Canadian Direct Investment Abroad (CDIA). The EU is Alberta's fourth largest export destination in 2014.
- In 2016, Alberta's leading EU-member-state export-markets were (overall global ranking): the Netherlands (7th), France (12th), Italy (15th) and UK (17th).
- From 2012-16, Alberta's goods exports to the EU averaged CAD \$1.32 billion per year. Top exports included no-ferrous metals, wheat, oilseed and machinery. The export figures do not include trade in services (e.g. tourism, architecture and engineering or IT services).
- From 2012-16, Alberta's direct imports from the EU averaged CAD \$2.55 billion per year, including machinery, navigational 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 with 9.5 per cent of Canada's total external trade in goods in 2015.
- European investors hold investments worth CAD \$406 billion in Canada while Canadian direct investment stocks in the EU amounted to almost CAD \$245 billion in 2015.
- Each year, Alberta receives many tourists from the EU, especially from the UK, Germany and

the Netherlands. In 2015, UK visitors spent \$197 million in the province, German visitors \$122 million and Dutch visitors \$40 million.

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 Euro-zone, which at the time consisted of 12 of the original EU members.
- Out of 28 EU Member States, 19 use the Euro as their currency. Nine Member States, including Denmark, Sweden and the UK, chose to remain outside the Eurozone. Recently-admitted EU members must fulfill certain economic criteria before adopting the currency.

ENERGY

- In November 2010, the EU implemented two policies: a '20-20-20' integrated energy and climate change policy to reduce energy consumption and greenhouse gas emissions each by 20 per cent, and improve the market share of renewable energy by 20 per cent; as well as the 'Energy Roadmap 2050' to reduce greenhouse gas emissions to 80-95 per cent below 1990 levels by 2050, while maintaining supply security and industry competitiveness
- On November 30, 2016, the European Commission published a proposal for a revised target of at least 27 per cent renewables in the energy consumption by 2030.
- The EU consumes nearly 17 per cent of global energy production, and is a net importer of energy. Over half (54.0 per cent) of the EU's gross inland energy consumption in 2015 was imported and this number is expected to reach up to two-thirds by 2020.
- The primary fuel source in 2015 was oil, which comprised 37 per cent of the EU's total energy consumption, followed by natural gas at 22 per cent, nuclear energy at 12 per cent, coal at 16

per cent, hydro at 5 per cent, and renewables at 8 per cent.

- EU consumption of natural gas increased by 4.3 per cent in 2014-15. The most significant increases in consumption were recorded in Slovakia (+21.1 per cent), Croatia (+11.9 per cent) and Portugal (+11.2 per cent). The biggest falls in consumption were Finland (-11.4 per cent), Estonia (-10.4 per cent) and Sweden (-8.9 per cent).
- EU natural gas production fell by 9.3 per cent in 2014-15. Of the main EU producers, the Netherlands registered a drop in production of 23.6 per cent and 53.0 per cent in Bulgaria. In contrast, there was an increase of 160.0 per cent in natural gas production in Spain and 53.9 per cent in France.
- EU natural gas and nuclear energy shares are expected to remain relatively stable by 2050. Oil demand is expected to decline but still represent the largest share in the energy mix, mostly because of transport demand. Renewable energy is expected to increase to 25 per cent of the energy mix by 2050.
- Russia is Europe's primary gas supplier, accounting for 37.5 per cent of its natural gas imports and 30.4 per cent of crude oil imports. Norway accounted for 31.6 per cent of the EU's natural gas imports and 13.1 per cent of its crude oil imports. Norway also produces large amount of hydroelectric power.
- The EU is a world leader in wind energy capacity with several offshore projects. It is estimated that Europe's wind energy output will triple by 2020.
- Major European firms with investments in Alberta include BP plc (UK), Total SA (France), Royal Dutch Shell (Netherlands), and Statoil SA.
- Several Alberta-based energy companies have investments in Europe, including Central European Petroleum (CEP) (Germany and

Poland) and Vermilion Energy (France, Germany, Ireland, and the Netherlands).

EDUCATION

- Germany and Spain each have assigned a language advisor to Alberta. Special language advisors help enhance cultural ties, support curriculum development, and promote their respective language and culture in the province.
- Alberta Education has signed various MOUs with Germany, France, and Spain. These MOUs facilitate activities such as visiting teacher programs and the placement of special language advisors.
- Since 2009, over 650 K-12 students from European countries have studied as international students in Alberta.
- In 2017, the Czech Republic Ministry of Education, Youth and Sport began offering full scholarships to Alberta post-secondary students interested in participating in the Summer School of Slavonic Studies.
- The EU Centre of Excellence at the University of Alberta (U of A) was opened in October 2013. The Centre, led by Jean Monnet Chair Dr. Lori Thorlakson, aims to build a critical mass of EU scholarship through academic exchange, development of EU curriculum resources, promotion of research on the EU and development of EU-related outreach activities.
- The University of Calgary's (U of C) Study Abroad office offers a Trans-Atlantic Science Student Exchange Program (TASSEP) with European and American institutions for exchanges of four to six weeks every spring and summer.
- The U of C's Department of Geography, Faculty of Arts regularly runs a European group study summer program that targets several European countries each year.
- From 2007-13, U of A researchers were involved in 15 projects funded through the FP7 Framework – a funding program created by the EU to foster research in the European Research Area.
- The Wirth Institute for Austrian and Central European Studies at the U of A facilitates a number of EU-focused initiatives. The mandate is to sponsor and encourage scholarship on Central European subjects within the U of A's Faculty of Arts and to raise the profile of Central Europe and Central European Studies in Canada.
- From 2012-16, 4,113 international students from the EU were issued a permit to study in Alberta.

EMERGING OPPORTUNITIES

- 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 next generation networks, mobile data and edutainment as the fastest growing fields. The enterprise ICT market is also expected to grow as companies look to increase efficiency and reduce cost. Opportunities exist in areas such as mobile communications, wireless networks, Internet of Things (IoT), business solutions software, eHealth, eLearning, and gaming.
- Life sciences sector growth in Europe is fueled by increasing demand from an aging population and the prevalence of chronic and communicable diseases, along with intense pressure to reduce cost in the entire value chain of the life sciences sector. These trends provide opportunities for new innovative products and services in healthcare delivery, including products for diagnostics, telehealth, remote monitoring, wellness, homecare, and rehabilitation. European biotechnology and pharmaceutical companies are actively scouting for companies for collaboration and partnership.
- The EU's strong industrial sectors provide opportunities for Alberta technologies in instrumentation, SCADA, robotics, photonics, nanotechnology, sensors, testing and scientific equipment.
- Europe is the second largest aerospace and defense market in the world. The industry is highly concentrated in the UK, France, Germany, Italy, Spain, Poland and Sweden and they are world leaders in the industry. With Canada's Industrial and Technological Benefits policy in defense procurement and plans to increase defense spending, this is generating interest from many European multinational firms such as Airbus (France), Safran (France), Leonardo (Italy), Rolls Royce (UK), BAE Systems (UK), Rheinmetall (Germany), and SAAB (Sweden).
- Europe has been one of the major players since the 1970's in the green building revolution. Leaders of the region include UK and Germany with many others making strides in green building. Opportunities exist to collaborate on many fronts in this industry from design, processes, systems, material development and applications to energy efficiency and energy management technology software.
- The Government of Alberta has established technology partnership programs with partners in Germany and France that leverage existing

resources, accelerate technology commercialization, and open new opportunities for companies.

- With Alberta's current Inventory of Major Projects at an estimated \$200 billion of infrastructure spending and plans for increasing the renewable energy market, Alberta is attracting interest from European firms.
- According to a Canadian Trade Commissioner Service market report, the European Commission qualified sustainable buildings as one of the six priority sectors able to create occupational development in the next few years. Green building and developing sustainable buildings are essential steps towards fulfilling the objectives of the EU Climate Package.

AGRICULTURE AND FORESTRY

- In 2016, Alberta agri-food exports to the EU grew by 6.2 per cent to \$405 million. Exports comprised predominantly of wheat (\$132.5 million), canola seed (\$106 million), and feeds of vegetable origin (\$88.9 million). On average in 2012-16, Alberta exported to the EU region 4.2 per cent of agri-food products.
- The EU is Alberta's second largest market for exports of horse meat, exporting \$13.4 million in 2016. The majority is exported to France and Belgium. The EU introduced a new six-month residency requirement for horse meat effective February 28, 2017.
- CETA presents Canadian agriculture with opportunities to reduce barriers to trade, increased quotas and greater access for exporters to the EU 28 countries. Quotas for beef, pork and bison will increase while grain, oil and processed product tariffs will be eliminated. The largest EU agri-food export markets for Alberta are Italy, the United Kingdom, Belgium, France, Germany and Netherlands.
- The EU's renewable energy directive provides opportunities for increased exports of canola seed, canola oil and canola meal. The average annual export value of canola rose to \$196 million in 2016.
- Ethical consumerism in the EU has become important. Consumers are seeking products that prioritize animal welfare, environmental sustainability. The EU's growing Muslim population has also increased demand for halal meat products.
- Europe has expertise in many areas associated with food production, processing and packaging. Opportunities exist for Alberta in building stronger alliances for developing joint ventures, investments and partnerships for product licensing.

- 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.
- In 2016, Alberta forest product exports to the EU reached CAD \$34 million, most of which was through sales of wood pulp. Canada is the 7th largest supplier of wood products to the EU, and in recent years has become the primary supplier of renewable fuel wood in the form of pellets and sawdust waste.
- The Canada-EU Partnership Agenda of 2004 acknowledges the significant evolution of EU-Canada relations.
- A number of other bilateral agreements designed to facilitate closer trade have been signed, including agreements on cooperation between EU and Canadian customs administrators; a Veterinary Agreement; a Wine and Spirits Agreement; a Civil Aviation Safety Agreement; and a Comprehensive Air Transport Agreement.

AGREEMENTS

- Signed in October 2016, CETA was provisionally applied on September 21, 2017. The agreement ultimately eliminates 99 per cent of tariffs and reduces other barriers to trade.
- Strategic Partnership Agreement (SPA) was renewed in 2016 to further deepen bilateral cooperation. The SPA represents the new foundation upon which Canada-EU political relations are based, and the mechanism through which Canada formally engages the EU.
- 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 EU supports cooperation in scientific and technological research to the benefit of both parties.
- 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, ehealth, science and technology, and education.
- The Canada-Europe Round Table (CERT) for Business, 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.

IMMIGRATION AND COMMUNITY

- Between 2012 and 2016, 16,119 immigrants from the EU chose Alberta as their destination. Of this number, approximately 64 per cent were economic migrants. This includes principal applicants and their dependents.
- From 2012 to 2016, 10,836 foreign workers from the EU were issued a permit to work in Alberta and were largely occupied as truck drivers, sports and fitness instructors, university professors, pipefitters, and farm workers.
- Alberta has a proud European heritage, with the majority of the provincial population originating from Europe. The five largest ethnic groups in Alberta are British or Irish (3.8 million), Germans (683,000), French (792,000), Ukrainians (345,000), and Dutch (182,000).

RECENT VISITS

- March 2016: The Ambassador of the EU, Her Excellency Marie-Anne Coninx, visited Alberta as part of Diplomatic Outreach Economic Mission.
- May 2014: The Minister of Innovation and Advanced Education visited several EU countries to support technology collaboration and investment attraction.
- October 2013: The Ambassador of Canada to the EU, Mr. David Plunkett, met with Government of Alberta officials in Edmonton and Calgary.



For more information, contact:

Alberta International and Intergovernmental Relations
 Phone: 780-427-6543 Fax: 780-427-0699
albertacanada.com
international.alberta.ca