

Overview:

Canada and Italy are like-minded countries on key global and regional issues, partners in a range of multilateral institutions such as the UN, G8 and NATO, and allies in NATO's International Security Assistance Force (ISAF) in Afghanistan. Canada's large and dynamic Italo-Canadian community is particularly interested and engaged in all aspects - cultural, social, economic and political - of our bilateral relations. The recently elected governments of both countries have signalled their intention to work closely in a bilateral context and internationally. Important business and S&T delegations in both directions between Canada and Italy have given new impetus for the advancement of innovative commercial opportunities and partnerships. Cultural exchanges and people-to-people ties are strong.

Political Relations and Cooperation:

Canada and Italy work particularly closely in the UN and its institutions, and are especially interested in supporting UN reform. The Government of Italy and key Italian business associations have given their strong support for the proposed "Canada-EU Closer Economic Partnership". The Government of Italy, which has played a significant role in promoting peace, stability, reconstruction, governance and criminal justice in Afghanistan, operates a Provincial Reconstruction Team in Western Afghanistan. Italy will preside over the G8 in 2009, with Canada to follow in 2010. During their meeting in Rome in May 2008, Prime Ministers Harper of Canada and Berlusconi of Italy agreed to work together on G7/G8 planning to take advantage of their "natural partnership" on key issues, including climate change and Afghanistan.

Trade, Investment and S&T Relations

Canada and Italy have a strong and growing commercial relationship. The greatest potential lies in promoting two-way investment, as well as innovation and technology-based partnerships. The recently launched "Ambassador's Advisory Council", composed of leading Italian business and research executives, helps the Canadian embassy in Rome to identify new opportunities and challenges, and to focus the attention of Italian business leaders on Canada.

Italy is Canada's 11th largest export market, and our 10th largest source of imports. Canadian exports to Italy increased 49% from 2002-07, and Italy ranks 7th on the Canadian Commercial Interest List (CCIL). Canadian imports from Italy totalled \$5 billion in 2007, with an increase of 3.2% over 2006. In 2006, Italy's FDI totalled \$1.2 billion, ranking as the 11th largest foreign direct investor in Canada from Europe, and 18th globally. In 2006, Canadian direct investment in Italy dropped to \$523 million, down 36% from the previous year, with Italy ranking as the 15th largest destination of CDIA in Europe, and 36th overall.

Cultural, Academic and Youth Exchanges

Canadian and Italian cultural institutions and artists have strong linkages which are supported through various institutional mechanisms. The 1997 bilateral Film Co-Production Agreement has fostered greater cooperation in cinematic and audiovisual technologies. Canadian Studies programmes in Italy are well developed and supported by the Italian Association for Canadian Studies (IACS). It organizes regular conferences and counts more than 200 members. Its network comprises seven centres of Canadian studies at the universities of Pisa/Milan, Messina, Bologna, Siena, Udine, Genova, and an inter-university centre of Quebec Studies headquartered in Bologna. In addition, there are a number of individual arrangements covering student exchanges, academic exchanges, summer programmes, and joint research projects between universities in each country. In January of 2008, Canada and Italy renewed the very popular bilateral working-holiday program, aimed at facilitating travel, study and employment for young Canadians and Italians in both countries.

Bilateral Instruments

The two governments are working on the ratification of both new and amended bilateral agreements to promote enhanced bilateral contacts, travel and business between our two countries and to facilitate official business between the two governments. Specifically, these bilateral instruments cover the areas of social security, youth exchanges, double taxation, extradition and air services.