Canada and the EU After the EPC Summit

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The meeting of the European Political Community (EPC) on May 4, 2026, attracted significant attention for two notable reasons. First, its location, since it took place in Yerevan, Armenia. Second, the participation of Canada, represented by Prime Minister Mark Carney. Both were occurring for the first time. However, as an inter-European forum designed to facilitate political dialogue between governments on various dimensions of the political and economic future of Europe, Carney's presence at the 2026 edition made him the first non-European head of government to attend an EPC summit. António Costa, President of the European Council, even held

a private meeting with Carney, describing the situation as 'politically significant' in his opening speech. Therefore, Canada's participation marked an important milestone in Canada-EU relations and signalled a closer political alignment between Ottawa and Brussels. The symbolism of the event was further strengthened by its timing, as it took place only days after the 50th anniversary of diplomatic relations between Canada and the EU. Under the summit's motto, "*Building the Future: Unity and Stability in Europe*," Canada's inclusion in the EPC seemed to open a new chapter of those relations.

This brief argues that, while it is highly unlikely that Canada will join the EU in the foreseeable future as the first non-European country to be invited into this community, the bilateral relations between Canada and the EU will continue to grow stronger. Moreover, since the relations with the U.S. have lately become less stable for both Canada and the EU, Ottawa seems especially eager to seek alternatives by engaging with Brussels on strategic terms.

Historical and Political Aspects of the Canada-EU Relationship

Historically, the EU and Canada have strong bilateral relations. The Canada-EU relationship is the oldest formal partnership with an industrialised country that the EU has, dating back to 1959 when the Agreement for Cooperation in the Peaceful Uses of Atomic Energy was signed between the two. Canada's historical relationship with Europe was initially shaped by its strong connections with the UK, stemming from the British colonial past and both countries' membership in the Commonwealth. Moreover, because Canada is a member of the UN and NATO, alongside member states of the EU, the ties continued to grow stronger, further fortified by recent economic agreements.

Political cooperation between the EU and Canadian governments is built on a strong foundation of democratic values and shared history. However, recently, opposition to the U.S. transactionalism emerged as a notable field where Canada's and the EU's interests and views align, further strengthening their partnership.

Economic Dimension of the Canada-EU Relationship

The European Union is one of Canada's most important economic partners, ranking as its second-largest trading partner after the United States. The EU is also a major destination of Canada's Foreign Direct Investment (FDI). For instance, the EU's FDI stock in Canada was estimated to be $194 billion in 2024, while Canada's FDI in the EU was $297 billion that year. The bilateral support also stimulates labour markets in both Canada and the EU. Companies affiliated with the EU opened 447.000 new jobs in Canada in 2024,

while Canadian companies are responsible for 275.000 new job openings in the EU member states.

This is possible because of various agreements stipulating bilateral economic relations between those two entities, especially in the economic sector. Ten years ago, this cooperation was strengthened by the Strategic Partnership Agreement (SPA), which was signed by both parties in 2016. Even more recently, in 2017, the Comprehensive Economic and Trade Agreement came into effect, which is a free trade agreement between the EU and Canada. It eliminates all obstructions to free trade between the EU and Canada, ensures a high standard for workers and consumers, and compliance with ecological requirements and sustainability on both sides of the agreement.

Given the recent uncertainty of financial markets and disrupted trade, caused partially by the U.S. inflicted tariffs and developments in the Middle East, and the growing demand for spending on various aspects connected to security, closer economic cooperation between Canada and the EU would be mutually beneficial and is likely to deepen further in the coming years.

Energy and Security Dimension of the Canada-EU Relationship

Energy security, economic security, and military security are closely connected and were treated as such during the EPC Summit. Canada and the EU have previously cooperated on these topics. Recently, Ottawa joined the SAFE instrument after signing the Security and Defence Partnership (SDP) with the EU. SAFE is a loan system managed by the European Commission and a crucial part of the Readiness 2030 plan. As a result, Canada will receive beneficial access to defence mechanisms financed by SAFE and, in return, will contribute financially to the Ukrainian defence industry. Moreover, the Canadian defence industry will have unprecedented access to the EU markets.

As per energy and food security, the Agreement for Scientific and Technological Cooperation Between Canada and the European Community is a framework for developing the Canada-EU relationship in those matters. Canada and Europe are working towards securing supply chains and critical minerals while respecting environmental standards and sustainability requirements. This is happening partially due to the Strategic Partnership on Raw Materials (SPRM), which is also aimed at increasing cooperation in research and innovation as well as securing new trade opportunities. Canada has consequently positioned itself as a reliable supplier of critical minerals, sourced with respect towards the sustainability goals.

Canada's Strategic Implications

The Canada-EU relationship takes on strategic value for both actors. This partnership is also likely to deepen in the long term. From the sole Canadian

perspective, it implies tackling the challenge posed by recent shifts in U.S. foreign policy. Indeed, Washington is Ottawa's largest investor and trading partner in terms of goods and services. Avoiding the transactionalist-prone tendency of the second Trump administration means compensating for this strategic dependency. Inevitably, Brussels emerges as the perfect fallback option for economic integration while Ottawa seeks to multiply partnerships. The EU, by being the largest single market in the world, becomes a rational choice. As an industrial and resource powerhouse, Canada is also likely to make a huge contribution to European countries when it comes to raw material exports, energy production, and industrial cooperation.

Canada undertakes a geopolitical realignment, and the EU matches the expectations. While still in the making, Ottawa's pivot is highlighted by the increase in strategic and security-related agreements with Brussels that the SPRM, the SDP, participation in the EU SAFE instrument for defence procurement and, more recently, the announcement of the New EU-Canada Strategic Partnership of the Future. The Canada-EU security integration has a promising future ahead. In the meantime, Ottawa positions itself as a trustworthy partner that is committed to security and stability in the Euro-Atlantic area and the High North region. This ultimately contrasts with the U.S.' uncertain views over Greenland and discursive behaviour within NATO.

With the latter in mind, and in addition to economic and security integration, the EU becomes for Canada a political like-minded ally that is not prone to turnarounds. The EU therefore embodies a political alternative to the U.S. that has more or less the same historical, cultural, and institutional links. In that regard, Carney's presence at the EPC signals an ongoing geostrategic alignment between Ottawa and Brussels. Canada's influence is ultimately reinforced in this part of the world, delivering benefits to Canada itself as well as to all other actors involved.

Conclusion

The EPC summit in Yerevan in May 2026, marked by Carney's historic participation, symbolises a landmark event in Canada-EU relations. While it is risky to speculate on a potential EU membership for Canada, the partnership is more likely to grow in the coming years through deep integration across political, economic, energy, and security domains.

Given recent disruptions in global supply chains, growing geopolitical tensions and uncertainty, armed conflicts such as the war in Ukraine and Iran, alongside the progressing effects of climate change, the importance of secure and multiplying strategic partnerships is essential. Both Canada and the EU are actively engaging in strengthening ties through existing frameworks (e.g. CETA) and newer initiatives (e.g. New EU-Canada Strategic Partnership of the Future).

This evolving alignment offers Ottawa a stable, like-minded alternative as well as entry to the world's largest market while providing the EU with a reliable partner for critical minerals, energy, security, defence cooperation, and shared values. Ultimately, Canada's engagement offers a pragmatic geostrategic reorientation that benefits both Ottawa and Brussels. This anchoring reinforces transatlantic stability and opens a promising new chapter in Canada-EU cooperation.

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