

Build a bridge across the Atlantic

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With progress stalled on a new multilateral trade agreement at the World Trade Organization, countries are increasingly looking to bilateral and regional negotiations to remove barriers and promote economic growth. A good place to start would be by redoubling efforts to reach a Canada-European Union (EU) Comprehensive Economic and Trade Agreement (CETA).

Canada and the EU both need to find ways to allow our businesses to grow, innovate and expand their foreign trade and investment. We estimate that CETA can generate more than \$40 billion in economic gains from open market access across the goods and services sectors, and enhance two-way investment by \$12 billion and up to 80,000 jobs for Canada alone. It will facilitate trade procedures for businesses, reduce technical barriers, strengthen intellectual property protection and send a clear message of support for open, rules-

based global trade and investment.

We are talking about something quite different from a traditional free-trade accord like NAFTA, where tariffs on goods and services are the targets. As a second-generation trade agreement, the Canada-EU arrangement will focus on non-tariff barriers like standards, procedures and regulations. When it comes into effect, CETA will be a template for the rest of the world to follow in negotiating second- or next-generation preferential trade agreements.

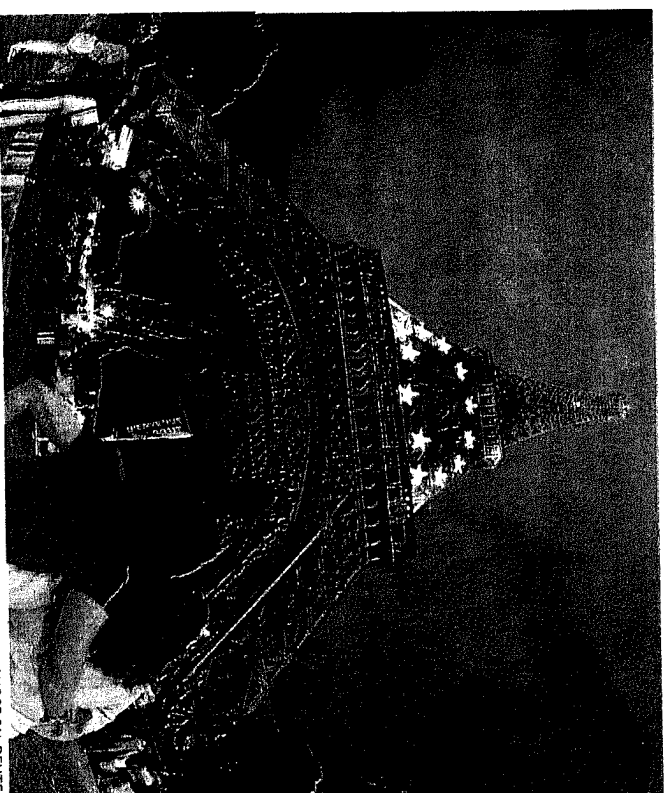
Although the EU is managing its way through serious economic challenges, now is the time to move on CETA. After the United States, the European Union is Canada's largest trading partner, with a total economy generating \$17 trillion. Despite this fact, Canada's economic relationship with Europe is still underdeveloped, leaving important businesses opportunities untapped.

A wide range of economic sectors will benefit from this agreement. For example, Canadian and European companies are global leaders in many areas, including infra-

structure, civil works, transportation, energy, electricity generation, distribution and transmission, and water, all of which are largely governed by public procurement rules and procedures. Given the economic weight of public procurement — about 15 to 20 per cent of GDP in OECD countries and to 30 per cent in non-OECD countries — further opening of public procurement markets in Canada, the EU and in third countries is a very positive development.

The talks have had an unprecedented degree of transparency in Canada, directly involving provinces in the negotiation of an international trade agreement for the first time. While municipalities are not direct participants in the CETA negotiations, they can work closely with their provincial and territorial governments, keeping informed about what is actually on the table and ensuring that the provinces and territories understand the impacts.

At a time when both of our economies can benefit from increased economic activity, Canada and



MAL LANGSDON, REUTERS

The Eiffel Tower is seen lit in the blue and yellow colours of the European Union flag.

The EU have an opportunity to strengthen their partnership and lay the foundations for a marketplace that bridges the Atlantic Ocean. The need and the will exist today.

If we continue the momentum,

we can achieve this groundbreaking agreement this year.

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