

18 October 2013

BBC News

Canada and European Union agree free-trade deal

Canada and the European Union have struck a free trade agreement aimed at boosting growth and employment.

The deal will lower tariffs, streamline regulation, and cut red tape.

Canadian Prime Minister Stephen Harper and European Commission President Jose Manuel Barroso agreed the deal at a meeting in Brussels on Friday.

Mr Barroso said they had reached a "breakthrough in negotiations" to achieve "a great agreement for both the European Union and Canada".

The deal still requires approval by parliaments and EU member states.

Once approved, the agreement aims to make it easier for companies in Canada and the 28-member EU bloc to invest in and sell to each other.

The European Union is Canada's second-largest trading partner behind the US.

Mr Harper said the agreement was "the biggest (trade) deal our country has ever made". It will give Canada access to a market of some 500 million people in the EU, making it bigger even than the country's North American Free Trade Agreement signed with the US and Mexico.

The European Commission expects the deal to increase bilateral trade in goods and services by a fifth to 25.7bn euros (\$35bn; £21.7bn) a year.

The commission is negotiating trade pacts with more than 80 countries on behalf of the bloc's members following the collapse of the Doha global trade talks.