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Canada, EU launch free trade negotiations

By THE CANADIAN PRESS

PRAGUE, Czech Republic — Canada and the European Union have formally launched negotiations toward a free trade agreement.

Prime Minister Stephen Harper, European Union President Mirek Topolanek and European Commission President Jose Manuel Barroso announced the move today after meeting in Prague.

Harper says Canada is moving toward an economic partnership agreement with the EU at a time when many other countries are placing protectionist walls around their trading relationships.

The prime minister estimates a trade agreement with the EU could give a \$12 billion shot in the arm to Canada's economy.

Harper also announced agreements today with the EU on air safety and air transport that could result in lower prices for travel between Canada and Europe.

Harper's visit to the Czech Republic has been overshadowed by an EU decision to ban seal products, which would have a dramatic impact on Canada's seal hunt.

International Trade Minister Stockwell Day has vowed to fight the proposed ban at the World Trade Organization, should it become law as expected at the end of June.