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Charest proposes Canada-EU free-trade pact

Quebec premier
predicts deal
worth \$2.4B a year
for Canada

BY KEVIN DOUGHERTY

DAVOS, Switzerland · Quebec Premier Jean Charest capped his visit to the World Economic Forum yesterday with a proposal for a Canada-European Union free-trade agreement.

"Europe is 450 million consumers who are relatively rich and who can buy our goods and services," Mr. Charest told reporters, projecting a gain for Canada of \$2.4 billion a year.

Mr. Charest said that he has been developing the idea for some time and first proposed it to Prime Minister Stephen Harper in November.

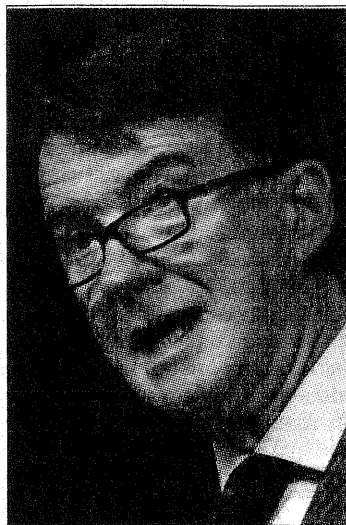
"He was very enthusiastic."

The premier has also broached the idea of Canada-Europe free trade with the premiers of Ontario, British Columbia, New Brunswick and Newfoundland and Labrador.

In Davos, he brought up his proposal in meetings with Michael Glos, Germany's minister of the economy, and Peter Mandelson, trade commissioner for the European Union, which now counts 27 member countries.

Federal Trade Minister David Emerson arrived in Davos yesterday and Mr. Charest spoke with him before Mr. Emerson's meeting with Mr. Mandelson.

Mr. Charest's proposal would ease the movement of goods



SUZANNE PLUNKETT, BLOOMBERG NEWS

Peter Mandelson, EU trade commissioner discussed a Canada-EU free-trade deal with Quebec Premier Jean Charest.

and people between Canada and Europe and would lower barriers to investment.

It would also eliminate customs tariffs, averaging 4.5 per cent on Canadian goods entering Europe. Access to public-sector buying would be open, and the export of services, including financial services, would be covered.

Mr. Charest wants mutual recognition of professional qualifications and the protection of intellectual property rights, as well as cultural diversity.

"The space we want to create would facilitate the movement of manpower, men and women, between Europe, Quebec and Canada for work purposes," Mr. Charest said

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Charest: Canada 'out of sight' for EU

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"This would allow us to recruit more qualified manpower to come to Quebec and it would allow more Quebecers and Canadians to go more easily to Europe and to develop more high-level jobs to meet the competition that will come from emerging countries."

Thomas d'Aquino, CEO of the Canadian Council of Chief Executives, said when Europeans think of North America now, they don't think of Canada.

"We're out of sight and out of

mind," Mr. d'Aquino said, adding that Canada risks being further marginalized as Europeans develop new markets in emerging economies, such as India and China.

Last fall, when the Doha round of negotiations for freer trade among the 150 members of the World Trade Organization appeared to be going nowhere, Mr. Mandelson proposed a free-trade agreement between the U.S. and Europe.

Mr. Mandelson also wants bilateral agreements between Europe and emerging economies.

The Canadian Federation of Independent Business yesterday reacted positively to Mr. Charest's proposal.

"Canada is the only G8 country in the past five years not to have signed a bilateral trade agreement to foster international trade. The reopening of trade discussions is good news because it will contribute to generating wealth in Quebec and Canada," said Richard Fahy, Quebec's vice-president of the business group.

THE MONTREAL GAZETTE