

EU ready to negotiate new trade deal with Canada

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The European Union has approved opening new negotiations with Canada designed to expand the \$111-billion two-way trade in 2008.

A recent Canada-European Union (EU) study estimated Europe would gain \$18.5 billion a year and Canada about \$13 billion by cutting restrictions on services trade, removing tariffs and reducing non-tariff barriers.

"An EU-Canada agreement will be good news for companies and consumers on both sides of the Atlantic," EU trade commissioner Catherine Ashton said in a news release Monday.

The proposed agreement would extend current trade commitments, the EU said.

Negotiations are expected to begin at the EU-Canada Summit set for May 6 in Prague.

Canada and the EU held talks about a new Trade and Investment Enhancement Agreement (TIEA) in 2005 and 2006, but the negotiations were put on hold while the World Trade Organization discussed a new international agreement.

Those talks, dubbed the Doha round, have stalled without an agreement.

At a 2007 meeting, Canada and the EU agreed to begin the study which produced the estimated benefits of more open trade. In the earlier talks, discussions included regulatory co-operation, the mutual recognition of professional qualifications, government procurement, financial services and intellectual property rights.

The current trading relationship is based on a 1976 framework agreement, along with sector deals, such as an air travel pact signed in December