

EU trade deal won't hurt Canada, Mercedes exec says

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Canada and the European Union are a natural fit as trading partners, and negotiations should be sped up to ensure the two sides seal a free-trade deal, a prominent executive says.

Marcus Breitschwerdt, chair of the Canadian German Chamber of Industry and Commerce, says fears of job losses from a looming trade pact are unwarranted. Mr. Breitschwerdt is also president and CEO of Mercedes-Benz UK. He led the company's Canadian operations for the past eight years.

"There is absolutely zero reason to be scared that for Canada it would be any kind of disadvantage," he said in a recent interview. "Canada is strong and has no reason to be scared."

He says a deal would boost the country's GDP by about 1 per cent after two years, "and this directly translates into labour."

His comments come as a new round of negotiations begin in Brussels this month. The two sides have completed seven rounds of negotiations and aim to sign a pact by next year.

Several groups, including labour unions, have criticized the deal. In a report last fall, Jim Stanford, economist at the Canadian Auto Workers union, said an agreement will worsen Canada's bilateral deficit with the region and kill up to 150,000 Canadian jobs. European manufacturers, however, will benefit significantly, he said.

"This will destroy tens of thousands of jobs in Canada across the

manufacturing sector,” he said in an interview, adding that the current free-trade model is outdated because it was developed well before the recent runup in the Canadian dollar, which is now making Made-in-Canada goods less competitive.

Mr. Breitschwerdt said Canada stands to benefit more, and that the agreement will not only smooth trade, but also enhance co-operation in research, ease labour mobility and boost access to investments.

“We cannot just rely all over the world on having the party going on in Asia for the next 10 or 20 years, and just focus on India or China,” he said, adding that Canadian agriculture and mining in particular stand to benefit.

The EU has 27 member states, making it the world’s largest single common market. As a block, it represents Canada’s second-largest trading partner.