

EU, Canada to talk free trade

Negotiations to start May 6, could last two years

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LUXEMBOURG — The European Union endorsed plans Monday to open negotiations with Canada on a new free-trade pact.

The negotiations, which could last two years, are to be officially launched at an EU-Canada leaders summit May 6, in Prague.

EU Trade Commissioner Catherine Ashton said launching the talks "sends a signal that the European Union remains committed to trade and open markets at a time of economic crisis and rising protectionist sentiment."

The "enhanced" trade deal will aim to open up trade in numerous areas including investment services, government procurement and agriculture goods.

"The new economic agreement will bring new opportunities for business," said Czech Deputy Prime Minister Alexandr Vondra, whose country holds the EU presidency.

The trade deal will also aim to include a first-time agreement to allow the temporary movement of workers between Canada and the 27-member bloc and include efforts to bring into line regulatory rules on everything from copyright to food and animal safety rules.

Quebec Premier Jean Charest, a main proponent of closer Canada ties with Europe, has said a trade deal is the best way to protect jobs and to counterbalance Canada's dependence on the American market.

EU foreign ministers approved the mandate for the talks Monday.

A study evaluating the benefits of closer economic ties concluded a deal could open up trade worth \$18 billion Cdn a year for the European Union and \$13 billion annually for Canada. It said both sides could profit from closer ties in science and technology and better environmental co-operation.

Negotiations will involve not only the Canadian federal government but also provincial and territorial officials, who are responsible for many of the issues involved.

The expected launch of negotiations will also come a day after the European Parliament is expected to pass a resolution calling for a limited ban on seal products from Canada, to protest the annual seal hunt off Canada's Atlantic coast, which EU legislators find cruel and inhumane.

Traditional Inuit hunts in Canada's Arctic would be exempt.

Canadian officials said such a move could damage ties and has threatened to take the EU to the World Trade Organization claiming such a ban would be illegal under world trade rules.

The EU is Canada's second largest trading partner after the United States, while Canada is only the EU's 11 most important trading partner.

Interest on the EU side for closer ties is based on getting better access to the North American market, notably to the United States, via its North American Free Trade pact. The EU already has a free-trade deal with Mexico.