

Harper opens free trade talk, skies, with European Union

Peter O'Neil, National Post, Wednesday, May 6, 2009

PRAGUE -- Canada and the 27-nation European Union launched free-trade negotiations on Wednesday, aimed at generating an extra \$12-billion in economic activity in Canada.

"At a time when many countries are retreating into protectionism, Canada is showing the way," Prime Minister Stephen Harper said in a statement issued before the announcement.

"We are working to open new markets and positioning our country for the future."

An essay published Wednesday in The New York Times and that paper's global edition, the International Herald Tribune, described the negotiations as a powerful international symbol in favour of free trade and against protectionism.

The authors, former Liberal trade minister Roy MacLaren and former Economist magazine editor Bill Emmott, noted that demands are growing in the American business community for similar negotiations so that the U.S. isn't left out of the movement to reduce trade barriers.

"It is not only the U.S. that is taking notice of the EU-Canada answer to protectionism," they wrote.

"Asian countries will not fail to recognize that with transatlantic liberalization afoot, it is time that they negotiated seriously with the West for fear of losing competitive access to a potentially yet more massive transatlantic economy."

Mr. Harper made the announcement here at the annual Canada-EU Summit with European Commission President Jose Manuel Barroso and Czech President Mirek Topolánek, whose country holds the rotating EU presidency.

The Canadian government also announced the signing of a Canada-EU Agreement on Civil Aviation Safety and the conclusion of negotiations leading to Canada-EU Comprehensive Air Transport Agreement. The latter deal will "lower prices and give more choices for people travelling between Canada and Europe," according to a news release from Mr. Harper's office.

The statement made no reference to growing Canada-Europe tensions over the European Parliament's overwhelming vote Tuesday to ban seal products imports.

European politicians say the Canadian seal hunt is inhumane, despite long-standing Canadian arguments that Europe is being manipulated by misleading propaganda from animal rights groups.

Both Canada and Norway have threatened to challenge the law at the World Trade Organization.

The negotiations with the EU, Canada's second-largest trade and investment partner, will include "trade in goods, technical trade barriers, trade facilitation, customs procedures and rules of origin, trade in services, investment, central and sub-central government procurement, food safety and animal and plant health measures, regulatory co-operation, intellectual property, competition policy, dispute settlement and sustainable development," according to a Canadian government news release.

A joint Canada-EU study concluded that Canadian trade would grow by \$12-billion by 2014. Two-way merchandise trade totalled \$90.4-billion last year, a seven-per-cent rise over 2007.

The air transport agreement is intended to provide airlines and shippers with access to more flights and routes, with the increased competition resulting in a "potential for lower fares."

The accord allowing for harmonized safety regimes will "allow the Canadian aviation industry to compete more successfully in the European market, a community of 27 countries, resulting in more opportunities for the trade of civil aviation products and services."