

# Pursue EU pact, CEOs urge Harper

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From Wednesday's Globe and Mail

May 16, 2007 at 3:11 AM EDT

OTTAWA — Canada's business leaders have called on Stephen Harper to kick-start discussions with European Union leaders next month aimed at forging a new economic relationship that includes the potential for a free-trade agreement.

The appeal was made in a letter sent to Mr. Harper Tuesday by the Canadian Council of Chief Executives and urges the Prime Minister “to embrace a bold new vision for economic relations between the EU and Canada. “We believe that this vision should be based on a commitment to the elimination of all unnecessary restrictions on transatlantic trade and investment.”

The letter, a copy of which was obtained by The Globe and Mail, is signed by CCCE head Thomas d'Aquino and Philippe de Buck, secretary-general of BusinessEurope.

While trade between Canada and the EU has increased of late, the letter laments that the two sides have overlooked their common links. “The ties between Canada and Europe are strong and deep,” the letter says. “Our societies are bound together by history as well as by common values, including respect for the rule of law and a commitment to market-based economies.

“... [But] the Canada-EU relationship has suffered from political neglect on both sides of the Atlantic for too long. Political leaders must ensure that future opportunities are firmly seized.”

Canadian trade with EU countries stood at approximately \$78.3-billion in 2006, up from \$65.3-billion in 2004.

The letter was also sent to German Chancellor Angela Merkel – whose country holds the presidency of the EU – and to Jose Manuel Barroso, president of the European Commission. Mr. Harper and EU leaders will meet in Berlin on June 4, before a meeting of the G8 industrialized nations in the German resort of Heiligendamm.

Mr. d'Aquino said in an interview that the negotiations are aimed at eventually reaching a comprehensive series of agreements that would liberalize a number of sectors between Canada and the EU. Those include liberalizing air services, an agreement for temporary admission of key business personnel and service suppliers, mutual recognition of professional qualifications and other items.

However, he said the first item the sides might discuss would be to step up work in the area of regulatory co-operation.

Mr. d'Aquino gave the example of pharmaceutical approvals.

“The Europeans have one approach, we have another,” he said. “The Europeans have moved more assiduously on the protection of intellectual property. We should, but we haven't.”

Mr. d'Aquino said such a deal would transcend a strict free-trade agreement by items to include agreements on energy co-operation, harmonized intellectual property rights, investment and other matters.

Earlier this year, Quebec Premier Jean Charest pushed for a free-trade deal between the two jurisdictions.

Mr. d'Aquino said an agreement on regulatory issues could even be made binding by establishing a disputes resolution mechanism. The impetus for an agreement, however, requires that Mr. Harper and his European counterparts invest some of their political capital to push talks along. “Is it an idea whose time has come? I believe so,” Mr. d'Aquino said. “Is there fresh momentum behind it? I believe there is.”

Mr. d'Aquino said starting talks now with a targeted number of issues could eventually expand to other areas.

Sources said Europe might be interested in such a deal with Canada because it could help build pressure to open the door for talks with a new trade arrangement with the United States, something the EU would like to see.

### **Top 10 trading partners**

2006 total trade, in millions of dollars

United States: 576,839.65  
EU 27: 78,321.10  
China: 42,146.90  
Japan: 24,761.90  
United Kingdom: 20,981.08  
Mexico: 20,386.45  
Germany: 14,999.77  
South Korea: 9,029.05  
France: 8,067.10  
Norway: 7,333.14  
Total: 836,687.32