

Former Interbrew Chairman: Canada Told to Turn Eyes to Europe

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Atlantic Trade Lagging
By Drew Hasselback

Baron Paul de Keersmaecker, former chairman of Interbrew SA, yesterday told a meeting of the Toronto Board of Trade that Canada should pursue a free trade agreement with the European Union.

Mr. de Keersmaecker, currently chairman of the Canada Europe Roundtable for Business, said cross-Atlantic trade is suffering from a lack of attention as Canada directs the vast majority of its exports to the United States.

‘Canada and Europe could benefit greatly by enhanced economic relations through increased trade liberalization and a reduction of trade barriers’ Mr. de Keersmaecker said. ‘Canadian and European companies should be encouraged to proactively look across the Atlantic for new investment and business opportunities.’

Canada’s trade with Western Europe accounts for only 4.5% of about \$20-billion of total exports while 87% of trade is focused on the United States. Mr de Keersmaecker said economic relations between Canada and the EU have been overlooked since the introduction of the North American Free Trade Agreement (NAFTA).

Mexico signed a trade agreement with the EU in February, 2001. The EU has begun trade negotiations with Chile. Canada has tried to interest the Europeans in bilateral discussions. Pascal Lamy, EU Trade Commissioner, has balked at the idea, citing the need for more research.

In an interview, Mr. de Keersmaecker said Canadians and Europeans must encourage governments on both sides of the Atlantic to launch talks. ‘One can put the question as to why a certain reluctance still exists to the proposal of a free trade agreement, when there are other bilateral initiatives which have been successful.’

The Canadian government expressed its interest in launching talks with the EU in a discussion paper last April. The discussion paper said Canada is only one of eight WTO (World Trade Organisation) members without preferential access to the EU market. The discussion paper followed a report by the House of Commons trade sub-committee calling for a free-trade deal between Canada and the EU.