

Canada to be EU gateway to N. American markets: Harper

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MONTREAL (AFP) — Canada would become Europe's gateway to lucrative North American markets after the signing of an EU-Canada free trade agreement, Prime Minister Stephen Harper said in an interview published Tuesday.

Ottawa and Brussels launched wide-ranging trade talks in Prague last week aiming to boost bilateral trade by an estimated 20 billion euros (27 billion dollars) per year over the first seven years.

In an interview with the French-language La Presse daily newspaper, Harper said the ambitious project would help Canada decrease its trade reliance on the United States while offering foreign investors the lowest tax rates on the continent.

"Despite our difficulties, we have a much more stable situation in Canada compared to the United States," Harper said.

"Our taxes and tariffs are decreasing, while in the United States, it is inevitable that Washington will hike taxes and tariffs," he noted.

"We thus have an opportunity to become a gateway to the North American market," he said.

For the first time in history, Canada also stands to offer "a better environment for investors at the end of the current recession than the United States," the prime minister added.

EU-Canada trade relations currently are regulated by a 1976 accord and several sectoral agreements.

Canada is also a partner in the North American Free Trade Agreement, which in 1994 created the largest trading bloc in the world by eliminating import tariffs on goods circulating among Canada, the United States and Mexico.

Some 85 percent of Canadian exports currently go to the United States while only six percent goes to the European Union's 27-member states. Harper also commented that a proposed Free Trade Area of the Americas pact was now all but dead.

In the mid-1990s, 34 democracies in the Americas launched talks to try to unite the economies of the Americas by reducing barriers to trade and investment.

"I believe that a free trade agreement comprising the two Americas (North and South) is not realistic," he said, noting it was not even mentioned at the recent Summit of the Americas in Trinidad and Tobago.

"Canada's current strategy," Harper said is "to sign trade agreements with individual countries: Colombia, Peru, the Caribbean and Central American countries."

"We've already signed accords with Costa Rica and Chile," he noted.