

Canada, EU Agree to Continue Talks on Free Trade Pact

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(Updates with comments from Van Loan and De Gucht in third and fifth paragraphs.)

Dec. 15 (Bloomberg) -- Canada and the European Union have agreed to continue negotiations on a free trade agreement, the top trade officials from the two regions said today.

Trade Minister Peter Van Loan, who met today with EU Trade Commissioner Karel De Gucht in Ottawa, told reporters the negotiations have been proceeding ahead of expectations.

“Commissioner De Gucht and I are satisfied with the substantial progress that has been made in the negotiations,” Van Loan said.

Officials from Canada and the European Union will begin a sixth round of negotiations next month on a trade agreement that will include government procurement and investment and regulatory standardization, which would make it deeper than the North American Free Trade Agreement. The two sides plan to complete negotiations next year.

“As we now enter the final crucial stages, it’s vital for both sides to double up their efforts to reach our common goal,” De Gucht told reporters in Ottawa. “It is really important to remember that trade is a two-way street.”

De Gucht cited the EU’s interest in opening up government

procurement markets, while Van Loan said “geographical indications” for food items is also being discussed.

Bilateral Agreements

Canada, which has completed eight trade accords since Prime Minister Stephen Harper came to power in 2006, has been turning to bilateral trade agreements to reduce its dependence on a slowing U.S. economy amid stalled talks at the World Trade Organization. Canada also is negotiating free-trade agreements with Turkey, India and South Korea.

Van Loan said he supports an ambitious conclusion of the Doha round of trade talks at the WTO, while De Gucht said only an ambitious timetable can “save” a global pact. Trade ministers will meet in January in Davos, Switzerland, to discuss the Doha round, Van Loan said.

A joint study by Canada and the EU found that a trade accord would boost the Canadian economy by C\$12 billion (\$11.9 billion) annually. Europe is Canada’s second-biggest trade partner after the U.S.

De Gucht also said a trade agreement with the United States is not on their “radar screen for the moment.”