

Canada-EU free-trade deal expected by 2011: Ex-premier

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MONTREAL — An ambitious free-trade deal between Canada and Europe could be reached by the end of 2011, a prominent former Quebec premier involved in the negotiations said Tuesday.

Pierre Marc Johnson, who led the province Quebec for a short time in 1985, said negotiations are going well and that a deal may be reached sooner than later for reasons that may not seem completely obvious.

"There's only so much energy that Europe can spend on this subject and it's a matter of attention span," he said after a speech to the Montreal Council on Foreign Relations.

"This could actually happen faster than people think."

Canada began negotiating a free-trade deal with the European Union last May. While most provinces are now at the negotiating table, Quebec took a leading role early on.

Slow to appreciate the benefits of a trade deal with Canada, European bureaucrats are now looking with great interest at Canada's public market procurement system and a variety of other long-term strategic interests, Johnson said.

Jean Charest's government last spring named the ex-Parti Quebecois premier its point man in the international talks.

Johnson foresees a wide-ranging agreement that goes beyond NAFTA since the provinces are at the negotiating table this time on matters of provincial and shared jurisdiction.

He expects the deal will address traditional trade barriers like tariffs and customs procedures as well as capital flow and investment.

Efforts are also underway to streamline product-specific regulations, like those related to the certification of forestry products or the size of mobile home panels.

The deal is expected to include provisions related to labour mobility and science and technology.

"I think the co-operative, the collaborative, the capital flows issues are just as important though as the strictly trade and tariff and barriers-related issues and that (the outcome) is difficult to anticipate."

He hinted consensus between the federal government and the provinces may not be entirely necessary for the agreement to be signed.

"At the end of the day, the federal government will commit itself for Canada and the provinces will have to commit themselves for the provinces," he said.

"Canada, at this point, has actually found a way to be sure that the commitments taken on issues of provincial jurisdiction will be possible."

Johnson admits Canada has more to gain from a free trade deal with Europe and quipped "there's usually a price to pay for that."

Canada should eventually see a 0.77 per cent increase in gross domestic product while Europe will enjoy a modest 0.08 per cent gain.

"For Canada, it (the GDP hike) is a tremendous impact."

While Buy American policies in the United States have threatened relations between Canada and its biggest trading partner, Ottawa has been busy striking trade deals with a variety of countries around the world.