

Canada-Europe Trade Agreement: Do it Now

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Over five years ago, I proposed to then European Union (EU) Trade Commissioner Peter Mandelson, that Europe and Canada enter into negotiations for the creation of a broad economic partnership between Canada and the EU. The multilateral negotiations of the World Trade Organization (the Doha Round) had failed and the EU would need to propose a new trade policy to its member states.

At the time, several reasons favored, and still do, such an agreement between Canada and the EU.

First of all, the EU is negotiating with a country that, in general, shares the same basic values as its member states. These negotiations are a unique opportunity to create a new generation of treaties and make the most of globalization within our respective economies.

This agreement could break new ground by providing provisions, even if modest, in terms of labour mobility on both continents, and be inspired by the most forward looking labour mobility agreement in the world, concluded between France and Québec in 2008.

Such an agreement would not only allow us to deal with all trade issues (including tariffs, rules of origin, investment and government procurement), but it would also allow us to address the human and social dimensions of our relationship, particularly in regard to the environment, research, innovation and culture.

As Quebecers and Canadians, the opening of new trade opportunities in a market the size of Europe should allow for greater diversification of our economy and give stronger incentives to the development of our businesses, their products and services.

For the Europeans, these negotiations are also strategic in nature. The prospect of an agreement offers a unique opportunity for the EU to enter the NAFTA market through a privileged relationship with Canada and to benefit, in time, from the broad North American market.

More than four years after the launch of these important negotiations, we are

almost there. Soon Canada and the EU will announce an agreement in principle. From then on, Canada will be at the center of a large economic market, a member of the NAFTA zone and with a unique access to the EU.

British Prime Minister David Cameron has included the launch of negotiations between the United States and the EU on the agenda of the G8 meeting, June 17 and 18. As anticipated, thanks to a Canadian agreement which will soon be concluded, the EU will be very well prepared as it begins its negotiations. This could open the way to the creation of one of the world's most important free trade zones, comprised of approximately 850 million people and representing over 45% of global GDP and one third of trade.

In a world of increasingly interdependent economies, each country must work to strengthen trade and ensure its fluidity. The rising economic and political power of China (and all the other emerging economies) will weigh heavily in the decision of the United States and the EU to enter into trade negotiations, with the goal of delivering an agreement aimed at greater reciprocal access to their respective markets.

If we wish to promote our economic interests and our common democratic values, defend the sovereignty of our states and ensure a prosperous future for our children, we will need to develop alliances and work together more than ever. Canada, including Québec, is well positioned to testify to the importance and influence of such trade agreements in our daily lives, since we have prospered and grown as a neighbor of the United States, the world's leading power.