

# EU edges toward Canada free trade deal

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BRUSSELS - EU trade commissioner Karel de Gucht is to meet Canadian leader Stephen Harper as the EU executive steps up its bid to secure the latest in a series of lucrative free trade agreements.

De Gucht, who will meet Harper on Wednesday (6 February) is expecting to sign off on the EU/Canada deal within the coming weeks after four years of negotiations starting in 2009.

Although there had been hopes that final agreement would be reached before the end of 2012, the two sides are still haggling over Canadian beef and pork exports and quotas on EU cheese imports, as well as public procurement, vehicle parts and patent protection.

A paper by the European Parliament's research department says that the EU/Canada agreement could increase trade flows by 20 percent and create 80,000 new jobs in the EU. It would be Canada's biggest trade agreement since signing up to the North American Free Trade Agreement (Nafta) in 1994.

De Gucht will also be in Washington for talks with the Obama administration with a view to formally launching trade talks with the US this week.

Political leaders on both sides of the Atlantic have lined up to extol the potential benefits of an agreement.

Speaking at a security conference in Munich at the weekend, vice-president Joe Biden said that a trade deal would be "good for growth, job creation, and ... would strengthen our global trading system." He added that "the rewards for success are almost boundless."

Meanwhile, speaking with reporters in advance of this week's EU summit, UK Europe minister David Lidington described an EU/US

trade deal as "a fantastic prize", adding that failure to pursue an agreement would be "betraying future generations."

Although tariffs between the two are relatively low, there remain disparities in regulations and technical standards on products

According to a study published in 2010 by the US chamber of commerce, eliminating remaining tariff barriers could boost trade by around €100 billion within five years. The European Commission, meanwhile, believes that a US deal could increase EU GDP by over 1 percent and could kick-start the stagnant European economy.

Following the collapse of the Doha round of talks at the World Trade Organisation, the EU has moved towards a series of bilateral trade deals in a bid to increase export opportunities for European companies and generate economic growth.

A deal with Singapore was concluded in December while talks with Japan, the world's second largest economy, are also being lined up in advance of the annual EU/Japan summit this spring.

EU free trade agreements are also expected to be discussed by leaders at this week's EU budget summit in Brussels.

In a letter to EU leaders circulated in advance of the summit, commission chief Jose Manuel Barroso described trade as "an essential lever in our strategy to boost growth and jobs in the EU. At a time of weak economic growth and essential fiscal consolidation, trade is making a vital contribution to our recovery."

The EU currently has around 30 trade agreements in force although so far only four - Mexico, South Africa, Turkey and South Korea - are with countries in the G20 bloc, which accounts for over 80 percent of the world's trade and over two thirds of the global population.

Speaking last week in Chile at a summit with Latin America and Caribbean countries, De Gucht said that "Europe has the most ambitious trade liberalisation agenda in the world today."