

TRADE EU-Canada

EU to launch free-trade talks with Canada at Prague summit

By Toby Vogel

30.04.2009 / 05:15 CET

Member states want 'enhanced' trade deal. Canadian ambassador says his country is 'enthusiastic'.

Canada and the European Union are to launch free-trade talks at a summit in Prague on Wednesday (6 May) after the member states of the EU agreed on Monday (27 April) a negotiating mandate for an "enhanced" trade agreement with Canada.

Ross Hornby, Canada's ambassador to the EU, told European Voice that the negotiations would be "complex and comprehensive" and go beyond the market-opening foreseen by the World Trade Organization (WTO). "We are quite enthusiastic," he said.

Open markets

The negotiations will be carried out on the EU side by the European Commission, acting on the mandate agreed by foreign ministers. Catherine Ashton, the European commissioner for trade, said that the mandate sent a signal "that the EU remains committed to trade and open markets at a time of economic crisis and rising protectionist sentiment". A first round of talks has not yet been scheduled but might take place in Canada in early June, according to sources.

Alexandr Vondra, the Czech Republic's deputy prime minister, said that the agreement would bring "new opportunities for business".

Bilateral trade

Bilateral trade in goods and services last year exceeded €70 billion, according to Commission figures.

A first, less ambitious attempt to conclude a trade pact between the EU and Canada was suspended in May 2006 to allow the two sides to study the implications of the Doha round of global trade talks. But with the Doha round stalled, the Canadians became increasingly interested in a more comprehensive agreement.

Open skies

Canada and the EU will also sign an 'open skies' agreement in Prague aimed to liberalise air travel between the two sides and to boost passenger numbers by up to 40% within a few years, according to Commission figures.

The Commission also predicts economic benefits of at least €72m and 1,000 new jobs in the first year. EU and Canadian airlines are now free to fly without restrictions between any two locations in Canada and the EU.

Canada-EU relations are generally good, despite differences over climate change, the fight against the Taliban in Afghanistan and, most recently, moves by the EU to ban seal products. Both sides view the other as a 'strategic partner' and there are regular high-level meetings on a range of issues.

EU-Japan

Prime Minister Taro Aso will head Japan's delegation for a summit meeting with the EU on 4 May in Prague. The EU side will be headed by Václav Klaus, the president of the Czech Republic. According to a senior EU diplomat, the summit comes at "a tricky time". A general election has to be held in Japan by September, which creates a lot of political uncertainty.

On the EU side, a new government is to be sworn in on 8 May in the Czech Republic, which holds the presidency of the Council of Ministers, and the Parliament and Commission are coming to the end of their mandates. But at the same time, "very big deadlines are looming on the horizon", the diplomat said, notably for the international conference on climate change in Copenhagen in December that is supposed to agree a successor to the Kyoto treaty. The EU hopes that next week's summit will give "new impetus to the relationship", the diplomat said.