

CANADA EUROPE POLICY BRIEFING

# Fortier: 'We're Trying to Cast a Very Wide Net'

By Lee Berthiaume

**W**hen the Conservative government unveiled its foreign policy priorities last year, the short list identified Afghanistan, the Americas and emerging economies such as India and China as the areas of paramount interest to Canada.

Conspicuously absent from the list was any mention of Europe, despite the fact the European Union is Canada's second-largest trading partner and changes in Russia and Eastern Europe were opening up new opportunities for Canadian business.

The government's decision last March to close consulates general in Russia and Italy, as well as the shuffling of trade commissioners away from the region in favour of Latin America and Asia elicited strong reactions.

And yet over the past year or so there have emerged signs the Conservative government is starting to come around on Europe. Last year, it completed negotiations with the four-country European Free Trade Association. Prime Minister Stephen Harper and other ministers have been taking more trips and engaging European counterparts more often. More trade commissioners have been sent to some parts.

Against this backdrop, Mr. Harper will be welcoming EU President José Manuel Barroso and French President Nicolas Sarkozy, whose country currently holds the EU presidency, to Montreal on Oct. 17 for the Canada-EU Summit.

All eyes are on whether Canada and the 27-member bloc will launch negotiations on some sort of economic agreement, a feasibility study for which was launched last year.

Embassy spoke to International Trade Minister Michael Fortier yesterday about the summit and a possible economic agreement.

then see where we direct our efforts. But hopefully this will be a very broad effort towards a broad and encompassing agreement."

**Do you get a sense the provinces are on board and are there more things the federal government can and should be doing to make sure there's unanimous consensus on the importance of this?**

"The provinces are aware of this initiative and my understanding is that during the last Council of the Federation, which took place this summer, that this was discussed and that the provinces agree with the direction the federal government is taking this initiative.

"That being said, the provinces are also aware that, for example, provincial procurement has been raised by not just the EU but by prior partners in the past and I'm encouraged by the fact that Dalton McGuinty and Jean Charest... signed a joint declaration which called for closer economic relationship between us and the EU, and specifically addressed the fact that the provinces would be co-operating with the federal government in all areas possible.

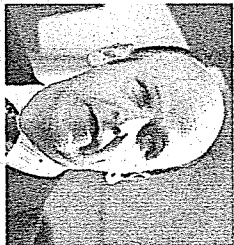
"So that tells me that the provinces are aware that they will need to participate fully in terms of the deliverables, and I'll give you one example: procurement is one where we're hoping the provinces will be able to meet the EU's expectations."

**Is there anything that the federal government is doing to facilitate that, or can do?**

"Under our Constitution, some of these matters are of the exclusive domain of the prov-

also met several of my EU counterparts who were in Geneva and I sensed from them that they are looking forward to talks with Canada.

"And so I get a sense that the EU is looking forward to getting this on the road and believes Canada is probably a good partner to be looking at these types of issues with because of the type of economy we have and also because of the close economic ties we already have with several countries that form part of the EU."



International Trade Minister Michael Fortier.

**The consulate-general in St. Petersburg, Russia was closed [last year] and that elicited strong responses from Russian authorities. What is the vision when it comes to commercial relations with Russia at this point in time?**

"Our vision is that we need to build closer economic ties and, more importantly, to build the environment in which our Canadian companies, our exporters can do business in Russia and thrive in Russia.

"We've announced this summer that we'd be deploying new trade commissioners to Kiev and Moscow. Russia is an important market for Canadian exporters and part of my job is to facilitate their business dealings for Canadian exporters around the world, and Russia is a market that is very attractive for Canadian companies and so we need to make sure that we have the right platform on the ground in Russia to accommodate the needs of Canadian exporters."

**Are there priorities in Eastern Europe?**

"When one refers to priority or priorities, I'm also worried that people will then assume because you're not part of the top-15, you don't

this is to the benefit of many Canadian companies and this is not a partisan issue, it's a bipartisan issue and I do hope that we can obtain the support of a number of the opposition parties to get this done as quickly as possible.

"Once that is done, obviously we'll do what's necessary here in Canada and abroad to ensure we promote the benefits of this agreement with Canadian companies and also non-Canadian companies who are based in those four countries, for them to look at Canada as an opportunity."

**Do you get a sense that because that agreement has been signed, the European Union is more likely or there's a more favourable attitude towards the possibility of an agreement with Canada?**

"Whether the fact that we sign an agreement or not boosts the notoriety of fact that we're trying to do a deal with the EU, I can't say. All I'll say is I found, as I said earlier, with my colleagues in Geneva, those from the EU that attended, including Peter Mandelson, there was a great desire of sitting down with Canada and entertaining a closer economic relationship.

"Obviously when they look at us in terms of how our economy is structured, and the type of relationship we've had with several of the EU members, clearly that's an advantage. But they also look at the type of FTA we have signed with other countries, and I'm sure that's looked at favourably by several members of EU."

**Does Canada have any plans to open more trade offices in Europe or allocate more trade commissioners?**

"That's a good question. As you know, we've made announcements with respect to Latin America and Asia. I think we need

27-member bloc will launch negotiations on some sort of economic agreement, a feasibility study for which was launched last year.

**Embassy** spoke to International Trade Minister Michael Fortier yesterday about the summit and a possible economic agreement, as well as the government's plans and priorities for the EU, EFTA, Eastern Europe and Russia. The following is an edited transcript of that discussion:

**Europe isn't listed as one of the top priorities for this government. Where exactly does Europe fit into the government's plans?**

"As a matter of fact, it is a priority for the government. As you know, in the upcoming Canada-EU summit in Montreal in October, we will be discussing with the EU closer economic ties, a closer economic partnership with them, and that results from the last Canada-EU summit that took place in June of 2007 in Germany. It's our second largest export economic market. Foreign direct investment into Canada is around 24, 25 per cent. So no, Europe is a priority for us, there's no doubt about it.... The Global Commerce Strategy talks about the Americas and talks about Canada and India, but it's not exclusive of other markets. As a matter of fact, Europe is one of our 13 priority markets around the world."

**There's a lot of talk about this pending Canada-EU summit and the economic framework agreement. It sounds like everyone is hoping something will happen. There has been a feasibility study conducted and I'm wondering what the results of that were.**

"The studies are not yet completed. Once they are completed, this actually is one of the discussion items I will be having with [EU Trade Commissioner] Peter Mandelson during the summit: basically talking stock of the studies and deciding where we go from there."

**At this point, does the government have any clear idea on what exactly closer economic ties would entail?**

"We want to cast as wide a net as possible. I mean that's where I start from, and obviously this exercise began before I showed up, but that's how it was cast. And so the studies, in terms of the topics they are addressing, demonstrate the fact that both ourselves and the EU are trying to cast a very wide net. And so we'll have to see what the studies come up with, and

meet the EU's expectations."

**Is there anything that the federal government is doing to facilitate that, or can do?**

"Under our Constitution, some of these matters are of the exclusive domain of the provinces. But we want a robust agreement with the EU, and I believe so do the provinces, and hence they will need, in some areas, to show flexibility, and I believe they will."

**There's been some lack of interest by some members in the EU. Does the government have a plan to drive the issue further up on their agendas or get more attention for it?**

"I don't sense that. As you know, France holds the presidency and President [Nicolas] Sarkozy will be here during the summit. In my talks with Peter Mandelson when I was in Geneva with him for these most recent WTO negotiations, I sensed that the EU, as Canada, is anxious to get the results of these studies. I

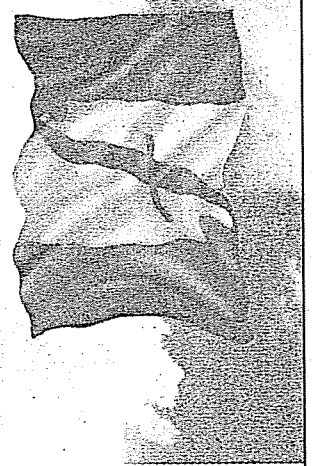
needs of Canadian exporters."

**Are there priorities in Eastern Europe?**

"When one refers to priority or priorities, I'm also worried that people will then assume because you're not part of the top-15, you don't count.... But I would tell you that with respect to, for example, Eastern Europe, because you're asking me, I'm seeing a lot more activity in many of these countries as some of these countries turn into market economies, more Canadian companies are looking at opportunities, whether it's in mining...[or] other types of services. In my opinion they're all priorities."

**The European Free Trade Association free trade agreement is currently before committee. Is Canada doing anything to promote it in the EFTA countries or even in Canada?**

"We are going to get it through Parliament, and I do hope it gets done as early as possible in the fall—I won't speculate on an election. But



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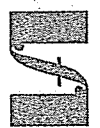
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**Does Canada have any plans to open more trade offices in Europe or allocate more trade commissioners?**

"That's a good question. As you know, we've made announcements with respect to Latin America and Asia. I think one needs to look at the platform on a regular basis because needs increase, needs shift. This is, to me, not something that's cast in stone for years and decades to come."

"The current platform—I've been on the job for two months—but the platform as I look at it right now in terms of our footprint, is well designed to the current needs of Canadian businesses. Now, I'm not saying that won't change, but currently I'm not dissatisfied with how we're structured on a global basis."