

EU-Canada free trade area rejected

The EU has strongly rejected calls for an EU-Canada free trade agreement during the latest twice-yearly EU-Canada ministerial meeting which concluded in Ottawa on Thursday.

Although trade dominated the agenda Trade Commissioner Pascal Lamy avoided sealing the 40 billion euro a year relationship by not backing creation of a free trade area which he dubbed "the wrong cure for the ailment."

Some, such as the influential Europe Canada Roundtable for Business, had been arguing for just such an agreement, not least in order to prompt the convergence of regulation in the two zones.

Rebuttal

The EU instead opted to go for increased ties in multilateral fora particularly the WTO.

"I believe Free Trade Agreement's (FTA), based on bilateral freeing up of the markets, despite their political symbolism, are an outdated formulation," Mr Lamy told the National Press Club in Ottawa on Thursday. "We need to find a trade enhancing agreement, one which addresses rules rather than purely market access issues," he continued.

Such an agreement would be "a new type of forward-looking, wide-ranging bilateral trade and investment enhancement agreement which, combined with the anticipated results of the current world trade negotiations, will enhance market access and facilitate trade and investment," according to Canadian Prime Minister Jean Chrétien.

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Danish prime minister, Anders Fogh Rasmussen, Canadian prime minister, Jean Chrétien and president of the European Commission Romano Prodi present their joint statement in Ottawa (Photo: Canadian Department of Foreign Affairs and International Trade)