

with it will begin only after the EU's political criteria have been met. While reluctant to establish a precise date, Member States agreed at the December 2000 Nice Summit that they hoped that those candidates deemed ready to join by the end of 2002 will be able to do so before the next European Parliamentary elections scheduled for 2004. The European Union is also negotiating regional free trade agreements with other parts of the world. In recent years, agreements have been reached with Mexico and South Africa and with developing countries who are members of the ACP bloc (Africa-Caribbean-Pacific). Economic ties with Switzerland have also been deepened through a series of bilateral agreements. In addition, the European Union is engaged in negotiations with the Mercosur countries and Chile. In consequence Canada is only one of eight economies which does not have some form of preferential trading relationship with the European Union.

Canada-EU trade relations are managed under the WTO agreements, as well as the bilateral 1976 Framework Agreement for Commercial and Economic Cooperation, which established a structure of consultative committees. The 1996 Joint Political Declaration on Canada-EU Relations and the *Canada-EU Action Plan* set goals for broadening Canada-EU relations not only in the trade and economic areas, but on a broad range of foreign and domestic policy issues as well.

The EU-Canada Trade Initiative (ECTI), launched in December 1998, established a sub-set of objectives for market access and economic co-operation drawn from the action plan which were considered achievable within a reasonable time frame. These objectives include: regulatory co-operation, services, government procurement, intellectual property, competition issues, cultural co-operation, business-to-business contacts, and electronic commerce. ECTI also calls for regular consultations between both parties on multilateral trade issues.

A report on progress made under ECTI is submitted to trade ministers at each twice-yearly Canada-EU Summit which also set priorities for the coming period. Under ECTI, both sides will be looking to continue co-operation toward a professional services mutual recognition agreement, setting out ways to increase cultural co-operation, continue dialogue on biotechnology and work toward revising. The review

of ECTI objectives reflects the fact that many of ECTI's initial goals have already been achieved.

The establishment of a dialogue between the respective business communities has been a key ECTI objective. A Canada-Europe Round Table (CERT) has been established, which brings together firms from a range of sectors who support the development of the Canada-EU economic relationship. CERT is currently in the process of expanding its membership base and setting itself on a sustainable financial footing.

The Minister for International Trade, the Honourable Pierre Pettigrew, and his counterpart, the EU's Commissioner for Trade, meet frequently to discuss bilateral and multilateral trade questions, most notably at the twice-yearly Canada-EU Summit meetings. The most recent meeting was held in Ottawa in December 2000, when prospects for a new multilateral trade round and progress under the EU-Canada Trade Initiative (ECTI) were key agenda items. Canada-EU trade questions are also dealt with by officials through the Joint Cooperation Committee (JCC) and the Trade and Investment Sub-Committee (TISC), as well as in other sectoral working groups.

### **Market Access Results in 2000**

- In March 2000, the European Union enlarged its annual TRQ for cooked and peeled shrimp to 5,000 metric tonnes at a 6 percent tariff (compared with the standard 20 percent tariff rate), an increase of 1,000 MT from the 4,000 MT quota set for 1999.
- Discussions have been held throughout 2000 on a wide range of wines and spirits objectives. A key Canadian breakthrough has been to achieve access to the European Union for icewine.

### **Canada's Market Access Priorities for 2001**

- seek the elimination of export subsidies and the reduction of production-distorting domestic support through the WTO agriculture negotiations;
- continue discussions toward agreements that will improve market access for Canadian wine and spirits;
- complete the implementation of the 1998 Canada-EU MRA by finalizing the confidence building phase;