

CANADA-EUROPEAN UNION TRADE AND INVESTMENT ENHANCEMENT AGREEMENT

Framework for the Agreement

Introduction

Following the instructions given by Leaders at the Canada-EU Summit in Ottawa on 19 December 2002 to “design a new type of forward-looking, wide-ranging bilateral trade and investment enhancement agreement (TIEA)”, the European Commission and the Government of Canada have worked towards the definition of the scope and main objectives of such an agreement.

The TIEA builds on the long and fruitful co-operation established under the 1976 Framework Agreement for Commercial and Economic Co-operation, the 1996 Joint Action Plan and the 1998 EU-Canada Trade Initiative, as well as the various bilateral sectoral agreements concluded between the Parties, most recently the Agreement on Trade in Wines and Spirits Drinks signed in Niagara on 16 September 2003. The TIEA is aimed at further developing existing co-operation where it has proved successful while providing a general framework for bilateral trade and investment relations.

Canada and the EU¹ also seek to address new challenges and opportunities for trade and investment between two open and developed economies in the XXI century, given the significant potential impact of regulatory barriers and the increasingly prominent role of investment in the bilateral economic relationship. The EU and Canada agree to work to prevent and eliminate unnecessary barriers to trade and investment while ensuring better quality and efficiency of regulations to achieve legitimate policy objectives. Therefore, regulatory co-operation will be an important element of the TIEA.

The TIEA will also reinforce the Canada-EU partnership in the pursuit of common objectives, notably further trade liberalisation based on a strong multilateral rules-based system, and reflect the shared commitment to promote sustainable development, cultural diversity, and science and technology linkages.

In addition to contributing to the enhancement of the bilateral trade and economic relationship, the TIEA should support and contribute to multilateral trade negotiations, to which the EU and Canada remain highly committed. Therefore, for those issues covered by the World Trade Organization (WTO) Doha Ministerial Declaration, bilateral co-operation under the TIEA will take place without prejudice to on-going WTO negotiations.

Canada and the EU agree to intensify discussions based on the design of the TIEA with the aim of further clarifying the scope of the Agreement and explore the potential for co-operation in any other areas. The agreement should provide an opportunity for review in light of any future multilateral/regional/bilateral trade agreements negotiated by the Parties. Negotiations will begin in 2004.

¹ EU refers to the European Union or the European Union and its Member States as appropriate. The competence of the EU and/or Member States will be clarified during the negotiations subject by subject.