

ACHIEVING FREE TRADE WITH EUROPE

RECOMMENDATION 11:

That the Government of Canada rapidly develop a business case for a free trade agreement with the EU and undertake an aggressive campaign both in Canada and in Europe to promote its findings to key decision makers. In this promotional campaign, every effort should be made to seek out and utilize champions of transatlantic free trade.

The Department of Foreign Affairs and International Trade undertook a study to determine the effects of tariff elimination on Canada-EU trade. Minister Pettigrew presented this study to European Commissioner for Trade Pascal Lamy at the trade ministers' meeting held at the Canada-EU Summit in Stockholm on June 21. The tariff elimination study provides only part of the picture. Non-tariff barriers, investment, services, and rules of origin were not part of the study and are key areas for further analysis. A detailed examination of trade in agricultural products would also have to be undertaken. The potential impact of a Canada-EU free trade agreement on NAFTA and the WTO would also be an area for further examination. This broader analysis — the business case, as it were — will be supplemented by a process of consultation with the private sector, provincial and territorial governments, and other interested parties in order to establish the overall balance of Canadian interests.

If further study and consultation were to reveal that a Canada-EU free trade agreement was in Canada's interests, a campaign directed toward key European decision makers, seeking their support for negotiations as proposed by the Committee, would be considered.

At the same time as Canada is working toward improving our bilateral trading relationship with the EU, we are actively seeking the launch of new multilateral trade negotiations.