



*** Check against delivery ***

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AN AMBITIOUS COMPREHENSIVE ECONOMIC PARTNERSHIP AGREEMENT

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DIRECTOR GENERAL OF BUSINESSEUROPE

Prime Ministers,
Ladies and gentlemen,

I am honored to welcome you here in Brussels today to discuss the Comprehensive Economic Partnership Agreement or CEPA negotiations between our two economies. First, let me congratulate our trade negotiators for having reached an agreement on the name of this agreement. It's a good start!

BUSINESSEUROPE has been actively engaged in the preparatory discussions to launching these negotiations and our vice-president from the federation from the Czech Republic, Mr Mil, welcomed Canadian business and the Canadian Prime Minister for an EU-Canada Business Summit in Prague on 6 May of this year.

From a business perspective, the partnership between Canada and the EU should be focused on:

- 1) Strengthening our trade partnership to create new transatlantic trade and investment opportunities
- 2) Strengthening our global partnership to tackle international challenges such as climate change and free markets for raw materials.

First: our trade partnership

I will not deny that Canada and the EU already have a strong bilateral trade and investment relationship. Canada and the EU rank high on the lists of their respective trade and investment partners and the figures are impressive: EUR 70 billion in total trade in goods and services and even EUR 260 billion in total investment stock.

However, the business community is convinced that there is a significant amount of untapped bilateral trade potential as a result of tariff barriers and regulatory obstacles. We are now working closely with European companies and associations to prepare for the CEPA negotiations.



Let me stress that the business community has high expectations for this EU-Canada FTA. We believe the agreement should set a new benchmark for bilateral economic integration. It should:

- secure real market access for goods, services and investments and include an ambitious regulatory cooperation agenda.
- eliminate tariff and non-tariff barriers and ensure greater reciprocal access to public procurement at all levels of government and public bodies;
- include cooperation on access to raw materials and stronger intellectual property protection;
- facilitate investments in new technologies to foster energy security and address environmental challenges;

I would like to highlight that we see an important role for the Canadian federation and the Canadian provinces in this trade deal because many of the challenges for closer economic cooperation lie at the provincial level. I am heartened by the fact that the provinces of Québec and Manitoba are honoring the commitment made by the Council of the Federation of Canada to engage fully in the CEPA negotiations by sending their prime ministers to Brussels on this historic joint visit.

In fact, the Canadian provinces hold the key to unlocking many potential benefits in this deal.

1. First, many technical, health and safety regulations or standards are set at provincial level in Canada and our aim is to move towards either regulatory convergence or the mutual recognition of regulations and standards with this agreement. This will create “true” free trade between our markets while ensuring that we maintain a high degree of health and environmental standards.
2. Second, we want to open procurement markets as much as possible in Canada and in the EU to competition from all of our firms on a level playing field. Canadian provincial governments but also provincial utilities – like the world famous Hydro Québec and Manitoba Hydro – offer interesting possibilities for partnership with EU firms.
3. Third, we want to deepen cooperation with Canada on energy and environmental projects through this deal. As our economies move toward a low carbon future, we need to explore ways that this deal can facilitate new investment projects. We see a real opportunity to use this deal to enable a linking up of our carbon regulation systems to reduce the costs of new investments in low-carbon energy projects. This would boost European investment in your recently announced infrastructure projects and vice-versa and this would also be a concrete step to reduce carbon emissions.



4. Fourth, we want to boost trade and investment in raw materials between our two economies. We are all aware that Canada is a large supplier of industrial raw materials to EU industry – especially in metals related sector. But we can improve this relationship in two ways. First, we can improve market access guarantees for Canadian raw materials suppliers by giving your industry a bigger say in EU regulations that may affect your exports to Europe. I'm thinking of the recent problems that Canada had with the export of nickel which I hope is now solved. Second, this agreement could create incentives for more EU investment into the raw materials (mining) sector in Canada and to Canadian investment in the mining sector in the EU (mainly for gold and copper in Eastern Europe). For this, we would need stronger investment rules and cooperation on competition policy through this agreement. The Canadian Provinces have a good deal to say on these matters.

I recognize that these issues are very complex and will require a deep exchange and negotiation to achieve concrete results. But I am convinced that with good will that the negotiations could be concluded within an ambitious timeframe to provide economic benefits to our respective companies as rapidly as possible. The EU and Canadian business communities will also have to work hard during this period to define the challenges and help the negotiators overcome them.

As a first step, BUSINESSEUROPE will go to Canada in April (most likely) 2010 with our President Mr Jurgen Thumann as well as the Presidents of our member federations from Germany, France, Italy and the UK to have a G8 Business Summit. We would also like to have an EU-Canada business summit on that occasion to advance the CEPA negotiations.

Second: our global partnership

EU-Canada relations cannot limit themselves to agreements on bilateral trade and investment rules. We must also join forces to strengthen our competitiveness ahead of considerable economic challenges. The European Union and Canada will face similar global challenges in the coming years.

Taking into account our shared values and foreign policy objectives, the EU and Canada are ideally placed to show collective leadership in advancing common transatlantic and multilateral interests.

The business community urges you to focus your attention to two distinct international goals:

- 1) Keeping trade open for all

Canada and the EU have a shared commitment to an open, rules-based multilateral trading system. They should jointly pursue the fight against protectionism, promote undistorted global trade in raw materials and work closely together for the successful and timely completion of the Doha Round. We will both gain from an ambitious Doha Round – but more importantly, we need to focus on helping the world's poorest



countries improve their export opportunities through trade facilitation and duty free access to the world's biggest markets.

2) Reaching a successful International Climate Change Agreement

The EU and Canada must also cooperate closely in international climate change negotiations. We should ensure that all major players, including emerging economies, join the fight against global warming. Canada and the EU can also join forces to develop the new technologies that will be needed to truly address the climate change and energy security challenges of the future.

Conclusion

In conclusion, the European business community has high expectations for EU-Canada cooperation, both at bilateral and global level. Our goals are ambitious, but reaching them is essential for our industries' competitiveness.

As you embark on the negotiations of the EU-Canada free trade and economic agreement, I want to remind you that the EU and Canada have signed historic agreements before. In 1976 Canada and the EU signed the first ever Framework Agreement for Commercial and Economic Cooperation between the EU and an industrialized country. Perhaps in 2010, the EU and Canada sign another historic agreement. Our business communities are putting our trust in you as leaders to deliver on these promising opportunities.

Thank you for your attention.

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