



26 March 2010

## **EU-CANADA CONFERENCE 28 APRIL 2010, OTTAWA (CANADA)**

### **A MODERN TRADE AGREEMENT TO DEEPEN EU-CANADA ECONOMIC INTEGRATION**

#### **ADDRESS BY JÜRGEN R. THUMANN, PRESIDENT OF BUSINESSEUROPE**

Ladies and Gentlemen, good morning

I am very happy that you join us so early in the morning. For -what I am sure- will be a very interesting discussion about the EU-Canada Comprehensive Economic Treaty Agreement, **CETA** negotiations.

For those of you not following trade negotiations: "CETA" is a new term. It stands for a free trade agreement. A CETA tries to remove traditional barriers to trade, as well as "behind the border" measures that affect trade and investment - like industrial regulation or procurement rules.

When I first read about the term CETA I confused it by mistake with CEPA : the Canadian Energy Pipeline Association, in which almost all Canada's transmission pipeline companies are represented. I remember CEPA well, because I was impressed by this organisation: one of their members told me that Canada has 580,000 kilometers of pipelines. 580,000 kilometers of pipelines transferring oil and natural gas to various locations within the country, North America, and to ports, where products are shipped globally.

No CEPA - no energy.

Now back to our CETA. Here we could say: no CETA, no boost to bilateral trade. Of course, an agreement like this requires tough negotiations. Therefore I am grateful that we are here today to make a start.

Thank you very much, Shauneen Bruder and Perrin Beatty, my Canadian counterparts. Your team at the Canadian Chamber of Commerce has worked incredibly hard over the past year to organise this event as well as the G8/G20 Business Summit. Well done.



Canada and the EU already have a strong bilateral economic relationship. Total trade amounts to EUR 70 billion. Investment stocks are at EUR 260 billion. However, there is a significant amount of untapped bilateral trade potential. Therefore we have high expectations for the CEPA to set a new benchmark for bilateral economic integration by:

- securing real market access for goods and procurement
- ambitious regulatory cooperation- eliminating tariff and non-tariff barriers
- facilitating investments in new technologies and climate
- advancing cooperation on raw materials
- and strengthening intellectual property rights

Let me take a closer watch at these themes.

First, we want to **open procurement markets** to competition from all of our firms on a level playing field. Canadian provincial governments, but also provincial utilities, offer interesting possibilities for technology partnership with EU firms. For instance the world famous Hydro Québec and Manitoba Hydro. We need to look also at how issues like *work visas* or the *recognition of qualifications* can be covered by this agreement.

Second, we must pay attention to **regulations and standards**. Many technical, health and safety regulations or standards are set at provincial level in Canada. Our aim with this agreement is to move towards either regulatory convergence, or mutual recognition of regulations and standards.

As this ensures a high degree of health and environmental standards, this will create “true” free trade between our markets.

Third, we want to deepen cooperation with Canada on **energy and environmental** projects. Our economies move toward a low carbon future, and this deal should facilitate new investment projects. For instance, we see a real opportunity to link up carbon regulation systems to reduce the costs of new investments in low-carbon energy projects.

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 metallic minerals. We in Europe should consider giving your industry a bigger say in EU regulations that may affect exports to Europe. I’m thinking of the recent problems that Canada had with the export of nickel. Also, this agreement could create incentives for more cross-border investment in the mining sector in Canada and the EU - mainly for gold and copper in Eastern Europe.

Our fifth point of attention: BUSINESSEUROPE and the Chamber of Commerce share the ambition to converge intellectual property rights regulation in the **pharmaceutical** sector notably, to foster more cooperation on research in new drug technologies. I recognize that all of these issues are complex. If we want to harvest concrete results, we must communicate and negotiate! Here I am heartened by the fact that the Canadian provinces are actively involved in the negotiations, because they hold the



key to unlocking many potential benefits in this deal. And I am convinced that with such good will the negotiations could be concluded within an ambitious timeframe.

The EU and Canadian business communities will also have to work hard during this period. They must define the challenges and help the negotiators overcome them.

Ladies and Gentlemen,

EU-Canada relations should not be restricted to the CEPA alone. We share values and foreign policy objectives. Therefore the EU and Canada are ideally placed to show collective leadership in advancing multilateralism. We need to focus on two goals:

- fighting protectionism
- and address climate change.

Canada and the EU have a shared commitment to an open, rules-based multilateral trading system and will both gain from an ambitious Doha Round. We clearly have a role to play in convincing our American friends and partners to re-engage in the **Doha** negotiations!

The EU and Canada must also cooperate closely in international **climate change** negotiations. Canada is a major energy producer, advancing rapidly in developing key technologies like carbon capture and storage. Together with the EU, Canada can play a bigger role in convincing other major emitting countries to engage in ambitious climate negotiations. Our businesses need to make the business case for this engagement more forcefully.

In conclusion, the European business community has high expectations for EU-Canada cooperation, both at **bilateral** and **global** level. BUSINESSEUROPE and the Canadian Chamber of Commerce will stay pro-active to help our governments find their way through complex negotiations.

This conference is a big step in that direction.

Ladies and Gentlemen, Numbers have always fascinated me. So I have checked: 580,000 Canadian kilometers of pipelines is equivalent to more than 50 return flights from Ottawa to Brussels! I do not hope that so many more meetings are needed to finalize the EU-Canadian CETA.

And so I wish us all a fruitful and constructive discussion!

---