



Canadian Embassy

Ambassade du Canada

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November 28, 2002

Mr. Claus Larsen-Jensen
Chair, European Affairs Committee
Folketinget
Christiansborg
1240 Copenhagen K

Dear Mr. Larsen-Jensen:

I wish to thank you most sincerely for the time you and your colleagues took to meet today with members of the Canada-Europe Parliamentary Association (CEPA). The discussions were most productive. This was the first occasion on which a CEPA delegation has visited the EU Presidency capital. Our hope is that we have established a pattern for future Presidencies.

We discussed the interest of Canada joining with the EU to make a commitment to examine seriously the negotiation of a free trade agreement after the results of the Doha Round are known. We would like to see this commitment become a central feature in the joint statement to be issued at the December 19th Canada-EU summit in Ottawa - which Prime Minister Anders Fogh Rasmussen will attend.

In light of our discussions with you, I am attaching a paper setting out Canada's specific interests. This approach has been discussed with the Commission in Brussels and the paper has been circulated in EU capitals. I have discussed it with senior officials of the Danish government. We hope it will be of interest to you and your Committee as preparations for the December 19th summit take concrete shape.

I would like to add just a few points in support of the case for a free trade agreement which Canada is advocating:

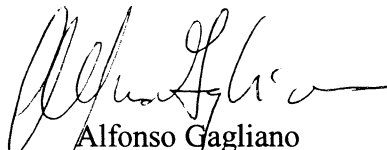
- We believe the December 19th Joint Summit Statement should send a strong message in this area, in follow-up to the Toledo Summit Statement which read:

“We have asked our Ministers and Commissioners to review the relevant material and to advise us at our next Summit in Ottawa in December on what further steps we might take to expand our relationship.”

- We are, indeed, looking towards a “21st century agreement” that deals with the new generation of issues and challenges beyond tariffs.
- The objective is to move the relationship onwards and upwards, away from individual problem issues towards a broader and more meaningful path.

The Embassy looks forward very much to keeping in contact with you in regard to this issue. We are at your disposal should you or your staff have any questions.

Yours sincerely,



Alfonso Gagliano
Ambassador

CANADA - EUROPEAN UNION RELATIONS -- FREE TRADE AFTER THE DOHA ROUND

At the summit meeting between the European Union and Canada in Ottawa on December 19th, the EU Commissioner for Trade and Canada's Minister for International Trade will recommend to the President of the EU and the Prime Minister of Canada next steps in bilateral trade liberalization. **Canada will propose that the EU and Canada seriously examine the negotiation of a free trade agreement once the results of the Doha Round are known.**

The Prime Minister of Canada has been advocating free trade between North America and Europe since 1994. Since then, Canada and the EU have developed a series of bilateral agreements and regulatory cooperation. Several studies have been undertaken to determine how best to solve outstanding trade issues, to demonstrate the benefits of tariff elimination and to poll business perceptions of the problems in bilateral trade.

A recent survey of Canadian business showed that the majority of Canadian exporters to the EU believe that tariffs are a significant problem, and 87% across all sectors are in favour of a free trade agreement with the EU. Both Canada and the EU attach priority to concluding the Doha Development Agenda (DDA) of multilateral trade negotiations, which should, *inter alia*, address trade and investment barriers between us. We are convinced that a Canada -EU Free Trade Agreement (CEUFTA) would be an important complementary step toward our shared objective of greater trade liberalization.

In recent years, the European Commission has chosen to enter into FTAs with South Africa, Mexico, Chile, Mercosur and the African, Caribbean and Pacific countries. At the same time, Canada has concluded FTAs with Chile, Israel and Costa Rica and is negotiating with the countries of the Free Trade Area of the Americas, the European Free Trade Association, four Central American countries and Singapore. Canada believes that free trade with the EU should become a joint priority objective to enhance bilateral trade and investment.

A commitment by the EU to explore free trade with Canada at the same time as the Union is about to undergo significant enlargement would provide an important impetus to the further development of Canada-EU relations. Canada is not suggesting the negotiation of a CEUFTA now, but will be seeking, at the December summit, a commitment from the EU to examine seriously the negotiation of an FTA with Canada once the results of the Doha Round are known. It is important to note that until then, we will continue our ongoing efforts to resolve our bilateral trade issues and otherwise work to strengthen the Canada - EU relationship.

The views of the EU Presidency are regarded as particularly important in pursuing this initiative to a productive conclusion. Canada is counting on Denmark's support for this important step forward that it is seeking from the EU at the Canada-EU Summit in December in Ottawa.

