

Canada and the EU in the Global Trading Regime: *Business advocacy in the trade policy process, 24 April 2009*

Background on Canada-EU

- 1948 Mackenzie King proposed that transatlantic economic ties be embedded in the North Atlantic Treaty – Article 2 – in efforts to stave off what he considered to be a political dangerous drift towards continentalism and as an effective way to clean of the political and economic mess left by WWII. It was dead on arrival, and has been for 60 years
- NATO would have been a more coherent, although more complex, organization
- Instead, we witness the near miracle of the European Union
- 1994 Uruguay Round of GATT completed. US then focused more on bilateral trade policy, to a degree to counter the EU's growing economic influence
- 1995s - Where was trade policy at the time? Leon Brittan advocated a NAFTA-EU FTA, but business priorities being to put forth to address irritants was more politically saleable – the New Transatlantic Agenda (NTA). Created the TABD
- 1996 Canada-EU Joint Political Declaration and Action Plan

CERT

- Formed in 1999, no access to TABD – to represent bilateral business interests
- Initially, more of a shopping list of policy priorities than a sustained campaign for an FTA

Next stage

- WTO created and DDA launched in November 2001, prematurely many may argue.
- Was it an effort by the US in efforts to display global unity in the wake of 9/11
- None-the-less, the Round was strongly supported by the EC
- At that time, CERT developed a comprehensive policy platform for Canada-EU, outlining how a bilateral agreement could be a WTO+ initiative
- Helped lead to a launch of TIEA negotiations, proposed by Pascal Lamy at a reception CERT hosted at the European Parliament in December 2002

TIEA - Failure

- Lack of ambition
- EU focus on WTO
- Provinces not fully engaged
- Luke-warm members state support for negotiations
- EU Policy not oriented towards OECD countries
- Iraq tensions created divides within Europe and transatlantically

A change of focus: 2005-2007

- CERT relocated to the commercial centre of Toronto with renewed focus on building out the business support, provincial support and member state support
- **Put in a media savvy chair in Bill Emmott – articles in the FT and IHT. Chairs members of Trilateral Commission – helps network the idea to a broader audience**

- Reinforced comprehensive policy positions, as opposed to a shopping list. Buy in from other major business associations (CCCE, CME, Chamber, Business Europe, Medef)
- CERT trade mission to Brussels in 2006; met EC VP Verheugen and other officials.
- Lesson from TIEA to engage the provinces – November 2006 meeting with Jean Charest, who then led through the Council of the Federation. Met McGuinty, other provincial leaders.
- EC Ambassador Dorian Prince was a great supporter and advocate.
- Greater business support, particularly European, from CEO declaration launched Jan 2007
- **A note on the role of Germany: This helped move forward the June 2007 EU-Canada Summit in Germany to launch a joint study, by which time there were over 40 signatories. Merkel was shy to go bolder, given the rejection of her proposal for a comprehensive EU-US FTA earlier in her Presidency of the EU.**
- DFAIT launched an industry advisory committee
- Charest pushed Sarkozy at the World Economic Forum of 2007 to lead
- Harper supported the idea; trade minister David Emerson strongly supported it. CERT organized dinners in Brussels and Berlin in September 2007 at which Minister Emerson outlined his support for an FTA
- Our chairman spoke at heads of mission dinner on November 2007 Brussels and then met in Paris with French representatives – this helped push DFAIT to launch a European strategy for pushing forward towards an agreement.

2008

- CEO declaration grew to over 100 signatories
- CERT CEOs wrote / called directly to Trade Commissioner, PM etc to urge negotiations
- Active in the press and media – national and international
- July 2008 CERT meeting with Mandelson to launch scoping exercise
- Public Policy Forum meeting in May built further momentum
- 2008 Quebec City Summit
- Continued to push through media and with member states and provinces – visited permanent 133 members

What will the launch mean?

- Market access, NTBs, opening of capital and procurement, GIs, S&T, trade facilitation and labour mobility and possible tax, although it is a bilateral competency
- Statement against protectionism and in support of open markets
- Similar approaches to the market, wealth distribution, governance etc.
- Diversification of Canadian economic interests
- EU first mover advantage for eventual NAFTA-EU negotiations
- Also, a test run for how to deal with a developed country
- Cannot be allowed to fail, as it will be a statement that the EU can't go bilateral with other rich nations, and would tie Canada into continental integration
- Geopolitical benefits; cooperation on raw materials, energy and arctic sovereignty.
- Note today from friend who is launching a Canada-EU Mining Council to represent industry interests in the negotiations.

