

Canada Still Sees Trade Deal With EU Concluded In 2012

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OTTAWA--Canada has made "significant" progress on negotiations for a free-trade agreement with the European Union and is keeping to the goal of a conclusion this year despite the deepening crisis in Europe, Trade Minister Ed Fast said Thursday.

In a telephone interview just hours after Prime Minister Stephen Harper announced that German Chancellor Angela Merkel will make an official visit to Canada Aug. 15-16, Mr. Fast said the two countries share a common aim to make the trade deal a "gold standard, 21st century agreement that others will seek to emulate."

Mr. Fast described as "hypothetical" a suggestion that the crisis in Europe could derail negotiations, maintaining that the EU hasn't shown any "diminishment" of its desire for a pact.

"We are still aiming to conclude negotiations in 2012, and that is a sentiment shared on both sides," Mr. Fast said. "Right across the board I have sensed a clear desire to conclude these negotiations soon."

Canada and the EU concluded nine formal rounds of negotiations last year, two years after the official launch. Officials have been focusing on outstanding issues since then, and Mr. Fast said their negotiations over the last two weeks have "certainly moved our discussions forward."

He declined to discuss details, saying only that officials are making "significant progress in achieving the goal of an ambitious agreement that's going to address all of the major sectors and all of the major issues."

"At the end of the day, we will only sign an agreement that is in Canada's best interest. That is the standard we've set and that is the standard that we will meet," he said.

Mr. Harper and Ms. Merkel will discuss "new ways" to deepen already strong ties between the countries, not just on trade and investment but

also on science and technology, Mr. Fast said. Canadian foreign direct investment in Germany increased 8.9% in 2011, while German investment in Canada was up 15.6%. Meanwhile, Canadian exports to Germany climbed 0.5% while imports were up 13.3%.

Mr. Fast said there is "very heightened interest in the opportunities between our two countries," and expects Mr. Harper and Ms. Merkel to have "very open, very productive" discussions. But the leaders are not expected to sign any agreements, he said.