

Canada-EU trade deal urged by business groups

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The heads of Canada's leading business lobby groups are urging the federal government to get on with negotiating a free trade deal with Europe.

The groups issued a letter to assure Trade Minister Ed Fast that they will stand behind the deal, once it is negotiated, and help sell it to workers and communities across Canada.

"You can count on our full support," concludes the letter, signed by the heads of the Canadian Chamber of Commerce, Canadian Council of Chief Executives, the Canadian Federation of Independent Business, the Canadian Manufacturers and Exporters, the Canada-Europe Roundtable for Business and the Canadian Association of Importers and Exporters.

Opponents of a Canada-EU trade and investment agreement are also galvanizing forces.

On Monday, Canadian civil society groups wrote French Prime Minister Jean-Marc Ayrault, who is visiting Canada, to express their opposition with a special emphasis against the investor protection chapter, which allows firms to sue governments over restrictive policies.

Jayson Myers, who heads the manufacturers and exporters group, said in an interview that the business community is anxious that a deal be signed quickly because it will take many months and even years to ratify.

He notes that provinces will likely need to sign on, as will the 27 member countries of the European Community.

But an insider in the business coalition says there is real concern that negotiators have taken the talks about as far as they can go, and that

it's now time for political leaders to make the needed decisions.

Politicians need to step in

"We want to give groundcover to the politicians so they can then make some brave decisions," said one insider.

Since negotiations began almost four years ago, the talks have missed several deadlines including the most recent pledge to complete an agreement by the end of 2012.

Although progress has been made, the two sides are still apart on the controversial issues where compromises will likely come with a political price back home.

For Canada, opposition has formed around European demands that government procurement at the provincial and municipal level be opened up, that drug patents be extended, agricultural quotas be reduced and on the issue of investor protection.

Complicating the matter is the announcement that the United States will seek a similar agreement, which some believe may lessen the appeal of a deal with Canada for the Europeans.

A spokesman for Fast denied that talks are stalled, noting negotiators are continuing to meet in Brussels this week. But he said there is no new formal or informal target date for agreement.

Myers says he is still optimistic a deal will be signed by the end of the spring, although he has some concerns.

"Yes we are concerned," Myers said. "Part of this is to re-energize both the European economy and Canadian economy so the longer it takes, the longer we have to wait to get that economic benefit."

He added there are also political hurdles to overcome, including European parliamentary elections, national elections and provincial votes in Canada.

The EU is currently Canada's second largest trading market after the United States, representing about 10 per cent of Canada's exports. In

turn, Canada is the EU's 12th largest market, representing about 1.6 per cent of its exports.