

Chief trade negotiators meeting in Brussels this week on EU deal

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Provinces are staying home, says Quebec's chief negotiator.

Canadian and European chief negotiators are in Brussels this week playing their best hands in hopes of striking a trade deal that one observer says could be signed "literally any time" in the next few months.

The provinces won't be present at the meetings.

Provincial negotiators collectively decided on Jan. 9 that they wouldn't be joining chief negotiator Steve Verheul in Brussels this week, said Pierre Marc Johnson, the chief negotiator for Quebec and former premier of the province.

"We felt it would be more practical to do it that way at this point," Mr. Johnson told Embassy.

"We're aware that we're really in the final stretch here, and we're aware that the chief negotiators have to meet on certain issues," he said.

Mr. Johnson added that provincial representatives have either individually or as a group conveyed to Mr. Verheul their points of view on issues concerning them.

This week's meetings are the second time the chief negotiators are meeting this month.

Mr. Verheul and his European counterpart, Mauro Petriccione, met in early January in Ottawa, and the provincial negotiators were debriefed on Jan. 9, Mr. Johnson said.

He said Mr. Verheul will debrief the provincial negotiators once again next week.

They are also waiting to hear whether more meetings between negotiators will be needed before a possible ministerial meeting, Mr. Johnson said.

Stakeholders are waiting to see whether negotiators will resolve outstanding issues after nearly four years of talks between Canada and the European Union.

Documents on the talks that were leaked in November 2012 suggested that dairy market access for the Europeans, access to the European beef and pork markets for Canadian producers, geographical indicators, wine and spirits, intellectual property, and procurement would be kept until the final stretch.

Both European and Canadian officials had hoped to wrap up the Comprehensive Economic and Trade Agreement, a deal they say would be larger in scope than

NAFTA, in 2012. Even though the talks have extended into this year, observers think the two sides are close.

“This meeting this week I would think is pretty important,” said Canada’s former chief NAFTA negotiator John Weekes.

“I think they’re trying to figure out...what can they do to put together something that would warrant the ministers coming back together again,” said Mr. Weekes, who is currently a senior adviser with Bennett Jones LLP in Ottawa.

Trade Minister Ed Fast and EU Trade Commissioner Karel De Gucht met on Nov. 22 in Brussels. A statement from Mr. Fast’s office said that the two trade officials were assessing the final points and had instructed their negotiators to work towards solving remaining issues.

Mr. De Gucht’s office also put out a statement saying that the two had “decided to meet again very shortly.”

Kathleen Sullivan, executive director with the Canadian Agri-Food Trade Alliance, said while it’s generally understood that there will be another ministerial meeting between the counterparts, the timing is very much up in the air.

Before this happens, negotiators would want to create possible solutions so that the ministers would have a shot at reaching an agreement, Mr. Weekes said.

“Our negotiations on CETA are in their final stage and Commissioner De Gucht will travel to Canada when it is deemed appropriate to conclude negotiations with his Canadian counterpart,” wrote John Clancy, Mr. De Gucht’s spokesperson, in an email to Embassy.

John Curtis, a former chief economist with the Department of Foreign Affairs and International Trade, said the face-to-face meetings are important.

“They really have to discuss without everyone else being in the room, how far they think their respective governments can go in each of these issues,” Mr. Curtis said.

“You’ve got to have your chief negotiators actually say, ‘Well, I might be able to get my minister to do this if you can do this for me.’”

Mr. Curtis said this shows how close the two sides are getting to the “crunch time” because the chief negotiator would then go to Cabinet and say, “This is what I can get or can’t get.”

Timing

Ms. Sullivan said while she hopes the deal will be concluded during the next couple of months, she isn’t overly concerned about the date.

“I’d rather see the issues have the time they need,” she said. “We’re kind of on call...and [it] could be literally any time I would think over the next few months.”

Mr. Curtis outlined a few reasons why the government would need to wrap up discussions soon: the fact that the talks have flowed past the hoped 2012 endpoint and into 2013, potential provincial leadership changes, and the possibility of the United States and the EU launching trade talks.

US-EU talks loom large

The latter is a risk for Canada, Mr. Curtis said.

“Once the big fellows get together, the smaller trading partners such as Canada get left behind.”

Stuart Trew, trade campaigner with the Council of Canadians, which has been critical of the talks so far, agreed that the EU could get “distracted.”

If repeated efforts to resolve outstanding issues aren’t successful, it could be put on the backburner for a while if the EU gets busy with other partners, Mr. Weekes added.

But some aren’t too concerned about the EU starting trade talks with other countries.

“They certainly can negotiate more than one deal at the [same] time,” Ms. Sullivan said.

Jason Langrish, executive director of the Canada Europe Roundtable for Business, said that the idea of potential US-EU talks putting a timeline on CETA is “misguided.”

He said the Europeans would need to show that they could conclude an “ambitious” deal with Canada first.

They would look for many of the same things that would likely be in a Canada-EU deal, such as procurement offers.

“What good would it do them to enter into a negotiation with the US without having a template for what is achievable on procurement and having been concluded with Canada?”

Ms. Sullivan said the bigger concern is that when the two sides are down to a handful of issues, there is a balance between making sure the issues have a full hearing and letting the talks go on for too long.

“I think everybody’s sort of cognizant of the risk that if you let things linger on too much then more often than not people lose ambition.”