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Embassy Magazine | May 6, 2009

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by Michelle Collins

While negotiations for a Canada-European Union economic partnership will finally get the go-ahead today in Prague, officials from both sides appear to be stridently apart about what exactly is on the table.

That gap has led to concerns the negotiations-already expected by many to be extremely difficult given the parties involved and the range of issues to be addressed-are falling off the rails even before they have started.

The talks for a Canada-EU economic partnership agreement, named as such because it is expected to scope far beyond a traditional free trade agreement, are expected to be the most challenging Canada has ever attempted.

The agreement is expected to tap into federal and provincial sectors and regulations across Canada, and aims to bring them in line with those of the 27-country EU. It will also include things like labour mobility, government procurement and intellectual property rules.

An EU official last week told Embassy that Canada had, after resisting for years, agreed to put all federal and provincial sectors up for possible negotiation-and that this is why the EU finally approved trade talks.

"Both sides have said everything is on the table for discussion, and we've been very clear about that," said Anya Oram, head of the economic and commercial section at the delegation of the European Commission to Canada. "Nothing is taboo as far as bringing it into these negotiations is concerned...We're prepared to discuss everything, we have no hidden issues."

But during a technical briefing on Friday in advance of today's Canada-EU summit in the Czech Republic, a spokesman for Prime Minister Stephen Harper said that was not the case-especially when it comes to politically sensitive agricultural sectors protected in Canada by supply management.

"Our position on supply management has not changed, from our perspective that has not changed," said Kory Teneycke. "Like the seal hunt, this is an area where Canada has been very clear."

According to an expert who has researched the pending Canada-EU agreement, the apparent "disconnect" is not new.

"When we were working on the study, I was getting dramatically different views from the two sides, and they were talking sort of past one another," the expert said, asking not to be named because of his involvement in the talks. "That one side has a different perspective versus the other about what's going to be on the table, that doesn't surprise me."

As a 27-country bloc offering a market of about 500 million people and a GDP of \$19.5 trillion, the European Union is no small fish in the seas of global trade.

The decision to undertake an agreement with Canada was not taken lightly, and is widely considered to be the template for all future trade negotiations-the EU is in talks with several countries and regional groupings, including Japan, Australia, New Zealand, and even the United States. They already have an agreement with Mexico, and are currently negotiating with South Korea.

"This is a very significant change of policy for the European Union to negotiate an outside trade agreement with an OECD or developed country," said Jason Langrish, executive director of the Canada Europe Round Table, which has been instrumental in pushing for the Canada-EU deal.

"I mean, Korea aside, this has been a number of years coming and Canada's first in line...which is big."

Being first in line, however, also means that the European Commission is likely to be dogged in pushing Canada to break down its trade barriers, with little regard for political sensitivities.

"It's not going to be an easy negotiation across the board, on both sides there are going to be some very, very difficult issues that will need to be

addressed," Ms. Oram said.

Where the EU expects the greatest resistance from Canada is with regards to easing labour mobility and cross-border recognition of qualifications, agriculture, public procurement, copyright, and geographic indications-which designate that a food or product has been produced in a specific geographic place. Most all of these sectors' political sensitivities vary by province, and have influential lobbying arms.

Indeed, it is provincial issues-such as agriculture, public procurement tenders, and recognition of credentials-that the EU is determined to have included, and which will likely prove to be the most contentious to negotiate.

But at Friday's background briefing, Canadian officials were adamant that Canada remained opposed to discussing many of the issues the EU is squarely focused on, such as geographic indications and agriculture.

Agriculture has tied up many negotiations for Canada-talks with the four-country bloc of El Salvador, Honduras, Guatemala and Nicaragua have been tied up for three years in part because of agriculture issues-or have stopped them from even taking place.

"The big challenge of course is going to be that there will be winners and losers," Mr. Langrish said. "And politically, will there be the overall will to say 'Hey, we're going to have to take some privilege away from you so that we can get greater overall privilege for the Canadian economy'? And that's going to be the big challenge."

What's more, where the EU has been breaking down such internal barriers for decades, Canada is only starting to consider it, forcing Canadian negotiators to juggle domestic and international challenges.

"There are a lot of gaps still in the [Agreement on Internal Trade] and you don't want to end up giving EU suppliers better treatment than you give Canadian suppliers from other provinces, for example," Ms. Oram said. "There are still gaps in the EU as well, but in Canada there are far more gaps."

Just how long the negotiations will take is yet another issue with little agreement; where Mr. Langrish expects a speedy timeline of about 18 months, Ms. Oram estimates at least two years, while experts say as many as three to five years.

The real test for provincial support will come at the negotiating table, where provincial trade ministers expect to have input.

Just two weeks ago, International Trade Minister Stockwell Day stood before reporters, surrounded by provincial and territorial trade ministers, and said the provinces had pledged support.

"We've already established that provinces are to be involved in a vital way and as the negotiations move on, and that's something that's taking that to a new level," Mr. Day said. "We just absolutely need their involvement and that gives comfort also to the industries and the various producer groups across the country that will be affected."

In an interview, Alberta's international trade minister, Ron Stevens, said: "It's unprecedented so there's going to be some bumps because we've never done this before.

"We've never worked this way before and people will have to spend more time than we're used to establishing some of the rules of engagement among ourselves, on our team if you will, because we just haven't played this game before."