

# Czechs could delay EU trade deal over visa issue

**Analysts predict it won't derail Canada-EU free trade deal.**

By [Kristen Shane](#)

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The Czech government is indicating it could delay the ratification of a Canada-EU free trade agreement, a deal that would be larger in scope than the North American Free Trade Agreement, if the Canadian government doesn't scrap a visa requirement it imposed on Czech citizens in 2009.

This is the latest in a series of European diplomatic moves that use the trade deal as leverage to pressure Canada to trash its Czech visa requirement.

Canadian analysts following the trade talks say it makes sense for the Czechs to play the free-trade card to get their way on the visa issue. But they say it's likely the two governments will resolve the issue separately and it won't derail the trade agreement.

## **'Against the spirit of CETA'**

Canada started requiring visas for every Czech national travelling to Canada in July 2009, after the Czech Republic quickly rose to be the second top-source country for Canadian refugee claims, many of which were from the country's Roma community who have said they were subject to ethnic violence. A month before the government imposed the visa requirement, the minister's spokesperson at the time, Alykhan Velshi, told the *National Post* "No one is saying that the Czech Republic is a perfect country. That said, we find it hard to believe that [it] is an island of

persecution in Europe."

The visa requirement has led to the number of refugee claims from Czech nationals dropping by 99 per cent in 2010 from 2009, according to Citizenship and Immigration Canada.

At the same time, the Czech business community says it's hampering entrepreneurs and companies in the 10-million-strong central European country from doing business in Canada.

A March declaration from the European Parliament noted that "delay in the termination of the unequal status of Czech citizens could threaten the future ratification of the Comprehensive Economic and Trade Agreement between the EU and Canada."

The trade deal would have to be ratified by the European Parliament, European Council and national governments, if the content of the deal falls within their competency.

Last week, the Czech ministry of foreign affairs gave a statement to the English-language *Prague Post*, which the Czech Embassy in Canada provided to *Embassy*. It said that although the Czech Republic has always been supportive of the Canada-EU Comprehensive Economic and Trade Agreement negotiations, the visa obligation "represents a disadvantage for Czech entrepreneurs and goes against the spirit of CETA (free movement of persons)." It also noted that the "visa non-reciprocity creates inequality within the EU," as citizens of other EU member states don't need visas to come to Canada.

"If the issue is not resolved by the time the negotiations are

concluded, it cannot be granted that the Czech Parliament will not postpone its ratification...until a substantive progress towards a solution for the visa asymmetry is reached with a positive result for Czech citizens," the Czech government warned.

To prove it's not bluffing, it pointed to the Czech parliament's delay to ratify an air transport agreement that the EU signed with Canada in 2009.

The ninth round of Canada-EU free trade talks ended Oct. 21, with an exchange of offers on services and investment. The two sides exchanged offers on goods and procurement in July. The Canadian government has said it aims to conclude the deal in 2012.

If passed, the deal has the potential to boost bilateral trade 20 per cent, inject \$12 billion yearly to Canada's economy and create almost 80,000 new jobs, according to the Canadian government.

### **'Lots of room to resolve this issue'**

Stuart Trew, a trade campaigner with the Council of Canadians, which has been critical of the Canada-EU trade talks, said the Czech government's actions are rational.

"The Czech government can see that CETA's important for [Prime Minister Stephen] Harper. It's more important for the Harper government than it is for the EU. They're a bigger market. Canada's the *démandeur*," he said. "I think the Czechs are pretty smart. They're in a good position to get what they want at the end of the day because Canada's made it clear they're so

desperate to get this deal at any cost."

Other analysts stressed that while significant, the Czech threat will likely not amount a huge problem for the agreement.

"The Czechs will surely make the visa issue a condition for their ratification of the part of CETA that requires national parliamentary approval," wrote Patrick Leblond, a professor at the University of Ottawa's Graduate School of Public and International Affairs, in an email to *Embassy*. "It is the only leverage they have."

But he said he thought a solution would be found in the end. "The Canadians might have to give in on that one or find another solution to the problem," he wrote.

The federal government is set to implement parts of its Balanced Refugee Reform Act in June 2012, including one provision that would let the federal government create a list of Designated Countries of Origin, countries it says don't normally produce refugees and have strong human rights records. The government won't reveal which, if any, countries will be on the list once the refugee system changes come into effect.

But immigration lawyer Max Berger says that given the comments from Mr. Kenney's office suggesting a lack of credibility of Czech claims, and the lack of IRB approvals, it's likely the government will list the Czech Republic. Even so, he said, that doesn't mean it will lift the visa restrictions.

In any case, said Jason Langrish, executive director of the

Canada-Europe Roundtable for Business, although labour mobility is up for discussion at the free-trade deal table, it's separate from the visa issue, which is not on the table.

"It's a significant issue," he said. "It's a bothersome issue, but it just simply doesn't affect a large enough number of people to constitute something that can torpedo a very large deal," he said.

"There's still lots of room to resolve this issue," he said.

John Curtis, a former Canadian trade negotiator and current adjunct professor at Queen's University and distinguished fellow at the Centre for International Governance Innovation, agreed that the visa problem likely isn't a deal-breaker.

He too was careful not to downplay it, but said: "I don't think that [the Czech opposition is] insuperable by any means."

The threat is to some extent directed at a domestic Czech audience, he said, and to Brussels, in an attempt to say: "Don't assume that just because we're all in this partnership together that we all haven't got very specific bones to pick. And there's ours."

But Mr. Curtis said he thought if it came down to an intra-European fight over whether or not individual parliaments of the 27 EU members states should ratify the agreement, he predicted, "they'll get rolled by Brussels, frankly," comparing it to Slovakia, whose Parliament held out on agreeing to a deal last month to help fix the European debt crisis, but eventually reversed its position.

Mr. Langrish said that he thought there would be a degree of European solidarity on the issue. "But beneath it, I think there'll be a number of western European countries who will probably privately agree with Canada."

Several other EU member states, such as France and Italy, have faced Roma-related policy problems of their own. France made worldwide headlines when it moved to deport Bulgarian and Romanian Roma from illegal camps last year.

For its part, no one from Trade Minister Ed Fast's office responded to media requests for comment on the Czech position before deadline.

In March, after the EU declaration supporting the Czech Republic, a spokesperson for then-trade minister Peter Van Loan said Canada's visa requirements are not affecting the EU trade talks.

"Canada recognizes the interest European Union citizens have in the visa question, and will work co-operatively with the European Commission and the EU's member states on these issues," Monika Bujalska told *Embassy*.