

Despite Brexit vote, key EU powers vow to ratify CETA deal

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Europe's main powers have assured the federal government that the Canada-Europe free-trade treaty will be ratified, despite uncertainty about the role that national parliaments will play in approving the pact, International Trade Minister Chrystia Freeland says.

Ms. Freeland told The Globe and Mail that she has been in touch with her counterparts in Germany, France, Italy, the Netherlands and Britain and they have all vowed to support the Comprehensive Economic and Trade Agreement (CETA).

European Trade Commissioner Cecilia Malmstrom will present the treaty to the European Council in Brussels on Tuesday, starting the process for ratification that Canada hopes can take place early next year. The treaty gives Canada significant access to European markets by removing tariffs on a wide range of goods and services.

The British vote to exit the European Union has refocused Europe's attention on the need to send a message to the world that liberalized trade is the path to greater prosperity, Ms. Freeland said.

"It is now just over a week since the Brexit vote and I've spoken to all our leading European Union partners," she said. "I can absolutely report to Canadians that support is strong and, if anything, there is a view now in the European Union that CETA has really taken on an important political symbolic significance. ... I remain confident that CETA will be signed in the fall and will be ratified next year."

Prime Minister Justin Trudeau will be in Warsaw for the two-day NATO summit, which begins on Friday, and officials say he will lobby hard for other European leaders not to stand in the way of its ratification. He has already spoken by telephone with German Chancellor Angela Merkel and European Council President Donald Tusk.

A squabble has broken out between European Commission President Jean-Claude Juncker, who runs the EU cabinet, and Ms. Merkel about whether the EU leadership can force ratification of CETA without the consent of all 28 countries in the common market.

Mr. Juncker has said the EU executive alone has the power to ratify the deal, while Ms. Merkel and Austrian Chancellor Christian Kern insist their national legislatures must be consulted.

Ms. Freeland claims that most of the treaty would provisionally come into force once the EU Commission and EU Parliament give their approval, even if national parliaments must also eventually give their final endorsement.

"The very likely scenario is after approval of the European Parliament, which is the first stage, that a great deal of the agreement would come into force immediately, more than 90 per cent," she said. "Once it has been passed by the EU Parliament, a good deal of the treaty, those portions deemed to be within the European Union's jurisdiction, those go into force right away."

Ms. Freeland was unable to say which sections of the trade pact would go into effect upon approval by the EU Parliament, saying those are decisions that will be made over the summer months by European politicians.

Even though Britain voted to leave the EU, Ms. Freeland said it will likely take at least two years to negotiate its withdrawal and, in the meantime, Britain has promised to vote in favour of CETA.

Ms. Freeland also played down threats from Romania and Bulgaria to veto CETA – if, as is likely, the national parliaments end up having the final say – unless Canada lifts visa requirements for their citizens. Immigration Minister John McCallum plans to travel to Europe this summer to resolve the dispute, she said, indicating that Canada's recent deal with Mexico could serve as a model.

During last week's North American Leaders' Summit, the Liberal government lifted visa restrictions on Mexican visitors but set a cap of 3,500 on those claiming refugee status. It also required Mexico to share information on travellers to Canada, as is already the case with the United States.

Many European politicians had raised concerns about the investment-protection system in the CETA deal that shielded companies from government intervention. Ms. Freeland said those concerns were addressed after the treaty's investment chapter was rewritten to strengthen the right of governments to regulate in areas of the environment, labour standards, public services and a fairer arbitration process.

Europe is Canada's largest trading partner after the U.S., while Canada ranks as the 12th most important trading partner of the European Union.