

'Difficult issues' remain in Canada-EU trade talks

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OTTAWA — The Globe and Mail

Published Tuesday, Oct. 30 2012, 11:41 AM EDT

Several thorny issues are holding up the Canada-Europe free trade agreement, putting at risk the year-end deadline for securing a deal.

Karel De Gucht, the European Commission's top trade official, says there are "a number of issues you can only resolve at the political level."

In a videotaped [interview](#) with Belgian news web site viEUws, Mr. De Gucht did not identify the outstanding problems. But he dampened expectations a deal will be done before the end of the year – the self-imposed target set by the two sides.

"We should have no illusions," he said. "There are still a number of difficult issues to tackle. So I'm not promising anything."

Mr. De Gucht said a scheduled Nov. 20 meeting in Brussels between Canadian Trade Minister Ed Fast and his European counterpart would be a final opportunity "sort it out and do the necessary political arbitration."

The two sides are still at odds over a number of issues, including intellectual protection for drugs, government procurement and foreign investment rules.

But these are not the only sections of the deal, where final language remains elusive.

In a letter sent this week to Mr. De Gucht and Mr. Fast, Canadian and U.S. business groups urged the two sides to pursue a deal with "renewed ambition and resolve."

Among other items, the letter calls for "non-discriminatory" access to energy, an end to protection of services, resolution unscientific trade barriers in agriculture as well as procurement deal that covers all

levels of government and public utilities.

Among the signatories to the letter are Canadian Chamber of Commerce President Perrin Beatty, Shirley-Ann George of the Canadian Services Coalition and former Liberal cabinet minister Roy MacLaren, chairman of the Canada-Europe Roundtable for Business.

Mr. Fast is in regular contact with Canadian negotiators and Mr. De Gucht to "ensure any agreement reached is in the best interests of Canadians," said Rudy Husny, the Minister's spokesman.

The fact that the Europeans are playing up the Fast-De Gucht meeting suggests the two sides "really do think they're in the end game," remarked John Weekes, former top Canadian trade negotiator and now a consultant with law firm Bennett Jones in Ottawa.

The tricky part now is structuring a deal that has enough of what both sides want to prevent it all from coming undone, he said. "In a big negotiation, nothing is agreed until everything is agreed," Mr. Weekes said.