

EU trade deal expected by summer

No date for the summit yet: EU official; partnership agreement also in works.

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Relatively few issues remain within the Canada-European free trade talks, and officials expect the deal to be completed by the summer, European representatives say.

"The negotiations are still going on, but they are really getting down to details that need to be solved, and simply going on with a very good dynamic," said Tomás Dupla del Moral, director for the Americas for the European External Action Service, during a visit to Ottawa last week.

There has been widespread speculation on when the deal will be completed, with some reports saying that it could be finished by February or March.

"There is a joint [will], together with the Canadians, to wrap this up this year, ideally before the summer break, but not weeks," said Matthias Brinkmann, ambassador of the EU to Canada.

The date of a Canada-EU summit would likely be tied to progress within the trade talks. The government website states that the annual summit is a chance for the prime minister to meet with the president of the European commission.

Mr. Dupla del Moral said the two sides have not decided on a date for the summit as yet.

"One of the things that we will be able to do at the summit is celebrate the fact that we have concluded our most important negotiating processes," he said.

John Curtis, former chief economist in the Department of Foreign Affairs and International Trade, said the summits often take place in May or June.

Canada and the EU started talks for a Comprehensive Economic and Trade Agreement in 2009. The ninth round was completed on Oct. 21 in Ottawa. While that was the last formal round, negotiators will be meeting again next week.

"I'm not sure another comprehensive round is any longer needed. Now it's a question of solving a number of remaining issues and that can be done without any need for big rounds, which of course is an expression of how advanced things are," Mr. Dupla del Moral said.

Trade Minister Ed Fast said during a teleconference on Jan. 23 that he doesn't expect there will be any additional rounds.

"Now we're down to a set of very intense and focused negotiations on a sector-by-sector and industry-by-industry basis," Mr. Fast said. "These are obviously the last issues we have left to negotiate before we are able to finalize an agreement."

It is said that the deal will add \$12-billion to the Canadian economy each year.

"Both on the Canadian side, and we sense on the EU side, there's still a high level of ambition and goodwill at the table," Mr. Fast

said.

Stuart Trew, trade campaigner with the Council of Canadians, said the Canada-EU deal would be a priority for the government this year.

"They're really going to want to promote this...in terms of something new," Mr. Trew said, arguing that there could be quick movement on it with the government trying to push it through parliament once it is signed.

Andrew MacDougall, Prime Minister Stephen Harper's associate communications director, said Mr. Harper speaks about the negotiations when meeting with European leaders, and encourages them in order to ensure that Canada can conclude a deal.

Not everyone is as enthusiastic about the deal. Some city councilors in Toronto are trying to have the city excluded from the agreement. They say it could hurt their ability to promote local jobs or create incentives for investment.

Meanwhile, Phil Rourke, the executive director of the Centre for Trade Policy and Law at Carleton University and the University of Ottawa, said it will be interesting to listen to the messages that come out—or, even more interestingly, don't come out—from either side as the negotiations draw to a close.

"They will give us an indication of how well things are going," he said.

"Most observers are expecting a deal of some kind; the question is

how innovative both sides can be to achieve the ambitious agenda that was first envisaged."

The House Standing Committee on International Trade has also been examining the deal, and is working on a report. Committee chair Rob Merrifield said they would likely finish the report within the first two or three weeks of Parliament resuming.

Members of the committee travelled to Europe in early December where they met with representatives from Germany, Poland, Belgium and others.

"We had a very good week to discern exactly the feeling in Europe with regards to a free trade agreement with Canada—the sore spots, all the areas where they are eager to see an agreement on and some of the things they're reluctant on, that will all come out in our report."

While Mr. Merrifield said he could not comment on potential sore spots, he did say the committee heard a lot about procurement and supply management.

"It depends on the member states, it depends on what kind of a priority they are, the negotiators are still working on where they might go on all those."

While some issues still remain within the talks, a number of irritants between Canada and the EU have come up during the past few months, including the EU's proposed fuel quality directive that labels oil sands crude as being particularly emissions intensive.

But Mr. Dupla del Moral said such factors don't play a role in the negotiations.

"There are areas where we have discrepancies; if you look at the internal Canadian scene, there are discrepancies there as well," he said.

"But we deal with them in a structured manner, we speak, we negotiate...that doesn't prevent us from establishing an ambitious relationship on trade and other matters."

Strategic partnership agreement

In a parallel process, Canada and the EU are working towards strengthening political ties through a Strategic Partnership Agreement.

The first round of talks on this agreement was held last September during Mr. Dupla del Moral's last trip to Canada.

He said the deal is close to being wrapped up, and it could be "a matter of weeks."

Mr. Brinkmann said it is like a framework agreement and covers all aspects of the Canada-EU relationship.

"It's more an enabling agreement, there are no concessions to be made like in CETA where it's a question of advantages, money and so on."

The agreement would update the existing Framework Agreement, which was signed in 1976.

"This new agreement takes into account changes that have happened since the entry [into] force of the Lisbon Treaty and the setting up of the European External Action Service and the new way in which the EU operates in its relations," Mr. Dupla del Moral said.

Mr. Curtis said it is part of Canada's diversification policy and is more of a contextual part of Canada-EU relations. It wouldn't necessarily have teeth, he argued.

The agreement will cover areas of cooperation including justice, law enforcement, development assistance, climate change, youth, counterterrorism and more.