

EU trade deal troubles denied by Canadian, German officials

Newspaper says Germany prepared to 'scuttle' CETA trade deal, but German government denies that

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Canadian officials are quietly preparing a ceremony to formally mark the successful conclusion of EU trade deal negotiations, but Germany says it's too early to know what the final text will look like.

Officials acknowledge the negotiations aren't quite completed, but International Trade Minister Ed Fast's office said Monday "excellent progress is being made."

A German newspaper kicked off a flurry of speculation over the weekend by quoting unnamed German officials saying Europe's leading economy would [refuse to sign the Comprehensive Economic Trade Agreement \(CETA\)](#) with Canada due to certain contentious provisions concerning investor-state dispute settlement (ISDS) regulations.

Still bumps ahead

The current draft of CETA includes provisions that, at least in Germany's view, would allow activists and individuals to use the courts to block a country's legislature from passing some laws and regulations.

A spokesperson for Germany's economic ministry dismissed the weekend report, which relied on an unnamed German diplomat. Tobias Dünow is quoted by the AFP news agency as saying it "doesn't reflect the position of the government or the ministry."

That view is shared by Germany's ambassador to Canada.

"I think both sides want to go ahead with this agreement, it is in our mutual interest.... I am very confident we will succeed in doing so," Werner Wnendt told host Evan Solomon during an interview on CBC News Network's *Power & Politics*.

Wnendt admits the German government has concerns about ISDS, but says negotiations are about compromise from both sides. "No it isn't [a deal breaker] — I think this is something that needs to be discussed," he added.

Concerns go beyond this deal

Germany's government also says the agreement will be studied very closely — that's largely because it is expected the EU will use its deal with Canada as a template for trade negotiations with the U.S.

The issue of ISDS arose out of stakeholder consultations in Germany that were held after Canada signed an agreement in principle, says Lawrence Herman, a principal at Herman and Associates Law firm and an expert on trade law. "They're very concerned about his whole field where foreign investors have the right to sue governments that local investors don't have," he said in an interview with CBC's *The Lang & O'Leary Exchange*.

Herman said the Canada-EU deal is too important to Canada to scuttle over investor rights provisions.

"Canada in a sense is small beer. What the Germans are really concerned about is if they reach an agreement with Canada with these arbitration measures, that makes it possible to provide those kinds of provisions in the EU-U.S. negotiations," Herman said.

Canadian government officials say trade deal talks are continuing.

In an email to the CBC, Fast's office said, "Canada's work with our European Union partners to complete the legal text of our agreement in principle continues."

Already signed once

Although Prime Minister Stephen Harper flew to Brussels last October to attend a ceremony where the EU and Canada signed an “agreement in principle,” officials admitted at the time some “technical issues” remained to be negotiated.

As negotiations continue over those issues, Canadian trade sources say they expect some tough talk from certain corners before the last points are finalized.

Officials and others familiar with the talks are confident none of the remaining issues are significant enough to derail the progress already made.

A number of sources, speaking on condition of anonymity, say planning is already well underway to hold another signing ceremony when talks formally conclude.

This time Canada would play host and the intention is to have the premiers from each province on hand to show support for the deal. The ceremony would likely be held in September or October.