

# EU trade minister heading to Canada, free trade deal close to completion

**BY JASON FEKETE, POSTMEDIA NEWS** JANUARY 29, 2013

OTTAWA — European Union Trade Commissioner Karel De Gucht will be in Ottawa next week to meet International Trade Minister Ed Fast and look to complete negotiations on the Canada-EU free-trade agreement.

De Gucht is scheduled to be in Ottawa on Feb. 6 and 7, as the two sides look to seal a Canada-EU Comprehensive Economic and Trade Agreement (CETA) that is years in the making. The final sticking points in the negotiations involve some of the major drivers of the Canadian economy, such as agriculture, automobiles and natural resources.

The trade pact — which would give Canadian companies preferential access to an EU market of 500 million consumers in 27 member states — is viewed by observers as the most important free-trade agreement for Canada in a generation.

“EU Trade Commissioner Karel De Gucht is planning to meet Trade Minister Ed Fast in Ottawa next week (Feb. 6-7) to seek bringing the negotiations on the EU-Canada Comprehensive Economic and Trade Agreement towards closure,” John Clancy, EU trade spokesman, told Postmedia News in an email Tuesday.

Both sides are ambitious to finally complete trade negotiations that were launched in 2009, although Canadian officials are trying to temper expectations a bit.

Prime Minister Stephen Harper initially pledged to complete negotiations by the end of 2012, and there’s a mounting sense of urgency to sign a deal before the EU launches into trade talks with the United States.

De Gucht is planning a trip to Washington D.C. on Feb. 5, before his stop in Ottawa, to work on final preparations before the EU launches into free-trade negotiations with the U.S.

Canada's trade minister maintains, however, there's no timeline for finalizing a trade deal with the EU.

Fast said this week during a trade mission to Africa that Canada will not be rushed into signing an agreement with the EU, and will only do so if it's in the best interests of the country.

A spokesman for the minister said Tuesday that Fast and De Gucht will speak later this week to take stock of the negotiations, ahead of any trip by the EU trade commissioner to Canada.

"With Canada-EU, as in all negotiations, nothing is agreed to until everything is agreed to," said Rudy Husny, press secretary for Fast.

"We continue to encourage the EU to maintain and demonstrate a high level of ambition, especially on the core issues of importance to Canada."

It's expected CETA will immediately eliminate tariffs on approximately 98 per cent of European goods in Canada, with some trade observers believing the deal could lead to a three- to five-per-cent drop in the price of consumer goods, ranging from European automobiles to clothing to housewares.

The Harper government says a Canada-EU agreement would boost the Canadian economy by \$12 billion annually, create thousands of new jobs by expanding export markets, and increase two-way trade by 20 per cent, or \$38 billion a year.

The federal government is still fighting for greater market access into Europe for Canadian agricultural products — especially beef and pork — as well as for Canada's automobile and parts manufacturers.

In return, Europe is seeking duty-free access into Canada for cheese and other dairy products. However, the federal government has fiercely protected Canada's supply managed dairy sector, which features tariffs between 200-300 per cent on imports.

Europe is also demanding stronger intellectual property (IP) protection, including an additional two years of patent protection on brand-name drugs in Canada, which would likely increase the cost of some pharmaceuticals for the provinces and consumers.

As well, the two sides have been battling over geographical indications, a form of IP. The EU is upset Canadian producers continue to label their products with protected European names, such as Roquefort cheese or Parma ham.

The EU also wants greater access to some areas of provincial and municipal jurisdiction, such as government procurement and the natural resources sectors, but a number of cities and provinces have been resisting the move.

Rules of origin — which establish the minimum amount of production that must occur in Canada or the EU for an exported product to receive preferential tariffs — are also proving to be problematic.

Once negotiations are completed, both sides would conduct a legal review of the text and ratify the accord in their respective jurisdictions, a process that could take a few months.

In Canada, the Tory government would introduce legislation on a finalized trade accord that would need to be debated and passed in the Conservative-controlled House of Commons and Senate.