

EU, Canada trumpet progress despite free-trade deal delay

BY JORDAN PRESS, POSTMEDIA NEWS, WITH FILES FROM REUTERS

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Despite stumbling blocks that have delayed the completion of their deal until at least next year, the European Union and Canada both say substantial progress is being made on a free-trade agreement potentially worth billions in annual trade on both sides of the Atlantic Ocean.

International Trade Minister Ed Fast said Friday that "important progress" is being made, following the conclusion in Brussels this week of the eighth round of negotiations on the Canada-EU deal.

His comments followed news this week that negotiations will continue into next year. Both sides had initially said they wanted to reach a deal this year.

"We are making important progress as we move closer toward an agreement that has the potential to dramatically boost two-way trade and create jobs and prosperity in all regions of Canada," Fast said in a statement.

"Our government is vigorously defending Canada's interests to ensure that any agreement we sign benefits Canadian workers, businesses and their families."

For its part, the EU also said "significant progress" had been made in negotiations this week in Brussels.

EU sources briefed on the negotiations told Reuters the delay was partially a result of the two sides disagreeing over how to open public contracts and services markets to each other's operators.

A spokeswoman for the European Union trade commission said Friday the goal for this year is now to conclude talks on the major issues in the agreement. That would leave smaller items to be dealt with early next year.

A deal could then come into force by the middle of next year.

"While a number of issues remain complex and will need further work over the coming months, significant progress was made across the board," EU trade spokesman John Clancy said in a statement.

"Negotiators remain confident to reach a very ambitious agreement."

The EU is the biggest free trade partner the Conservatives have pursued since 2006. Fast said a deal with the EU would be the largest agreement since Canada signed the North American Free Trade Agreement.

A Canada-EU joint economic study, released in October 2008, said that a free-trade agreement could mean a boost to the Canadian economy of nearly \$12 billion a year within seven years.

The deal could also mean volumes for the eurozone, which is trudging through an economic crisis. The 2008 economic study pegged the financial impact to the EU at almost \$16 billion a year within seven years.

Opponents say a trade agreement would boost the exploitation of the

controversial oilsands, while other critics reject the opening of sensitive sectors such as drinking water, health and defence to market competition on both sides.

Businesses on both sides remain enthusiastic about a deal.

The next round of negotiations will take place in Ottawa in October.