

Free-trade deal could be delayed until 2012

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Canada's election brings delays to trade talks.

A senior Canadian trade negotiator has acknowledged that free-trade talks between Canada and the European Union could drag on into next year.

Pierre-Marc Johnson, the chief negotiator for the province of Quebec, said that the Canadian side was still aiming at an agreement in principle “very late in the year”, adding that the two sides had already exchanged offers on 90% of the tariff issues at stake.

The European Commission is eager to secure access to Canada's national and provincial public-procurement markets and to gain greater access for dairy products. Canada, for its part, wants barriers to Europe's financial services markets eased, and access to agricultural markets for pork, beef and grain products.

Election delays

The most recent round of talks, held in Ottawa on 11-15 April, made little progress because of Canada's election campaign. An exchange of formal trade offers is now expected in July in Brussels.

Stephen Harper, Canada's prime minister, said in late March that he did not expect a deal until 2012. The European Commission and the Canadian negotiating team, which includes officials from the federal government and from all ten Canadian provinces, had set an end-of-2011 deadline for the completion of talks when they began last year.

On 2 May, Harper's Conservatives won a majority in Canada's federal parliament after five years as a minority government. Provincial involvement in the negotiations makes further delays likely as five provinces – including Ontario, Canada's economic powerhouse – go to the polls later this year. Progress could also be threatened by increasing concerns on the EU side over Canada's tar sands projects in Alberta.

Lead negotiators from the two sides are tentatively scheduled to hold informal talks at the end of May, which could pave the way for negotiations on the most difficult trade issues covered by the EU-Canada Comprehensive Economic and Trade Agreement (CETA).