

Harper government touts EU trade deal, but details months away

[STEVEN CHASE](#)

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The Harper government is launching a major PR blitz to sell Canadians on the benefits of the new free trade deal with the European Union.

But it could be months before the public sees the fine print of the agreement.

International Trade Minister Ed Fast says Canada and the EU are still hammering out a legal text that reflects the details of the deal clinched last week.

“We expect to have a draft text available in the coming months when we’ll make it available to the public so the public can see that the outline and the summary we’ve provided to the public is in fact the deal that we have,” Mr. Fast said.

The government will then table legislation in Parliament to enact the trade treaty and with its Conservative majority in both the Commons and the Senate the Tory government will be able to easily pass the deal into law.

The Harper government is taking special care to market the deal to Quebeckers, where polls show voters are especially protective of their dairy farmers and cheese-producing industry. The Canada-EU deal will allow more than 17,000 tonnes of additional European cheese into this country unhindered by the steep protectionist tariffs that the Canadian government normally applies to cheese imports.

Mr. Fast is anticipating criticism but he predicted the opponents of a Canada-EU trade deal will be the same ones who opposed a Canada-United States trade accord two decades ago.

He pointed out premiers and territorial leaders all back the deal, an agreement he called the “biggest trade deal Canada has ever signed.”

"The provinces and territories have been right there with us. They know what's in the deal and they're very confident this represents their best interests," the trade minister said.

The Comprehensive Economic Trade Agreement, CETA, goes far beyond the North American Free Trade Agreement and is designed to eliminate thousands of tariffs, encourage foreign investment and promote movement of labour. Once implemented, 98 per cent of EU and Canadian tariffs will be eliminated immediately. That includes 95 per cent of EU tariffs on agriculture products such as grains, canola and fruit. Other tariffs and restrictions will be phased out over seven years.

The deal must also be approved by all 28 EU members and all Canadian provinces and territories. That process could take two years.

The deal is expected to take effect in 2015.

The deal will have far reaching impacts, touching just about every sector of the Canadian economy as well as millions of workers and consumers. The final result could see Canadians paying less for thousands of products made in Europe, such as cars, which are currently subject to a 6 per cent tariff. European companies will also be able to bid on large provincial and municipal government contracts. Canadian companies and farmers will gain open access to the EU for hundreds of products, some of which now face tariffs as high as 12 per cent.

Canada has been eager to reach the trade deal, believing access to the EU's \$17-trillion economy will boost gross domestic product by \$12-billion and create 80,000 jobs. The EU is Canada's second largest trading partner, far behind the United States.

Conversely, there are gains for Europe too. The EU's quota of tariff-free cheese imports increase to around 30,000 tonnes from the current level of 13,000. Federal officials said they are working with provincial governments on a compensation program for dairy farmers.

Drug companies will get longer protection, of about two years, for their patents, meaning lower cost generics won't be available as early in Canada. A compensation program for generic firms is also under

consideration, federal officials said. And Canadian auto manufacturers, while gaining larger access to the EU market, will still face some restrictions going forward.

EU companies will also have an easier time taking over Canadian businesses. The threshold for the government to launch a review of a takeover by EU companies will be set at \$1.5-billion, as opposed to \$1-billion for other takeovers.