

# Hopes high for Canada-EU trade deal: official

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CALGARY — The political will is high to conclude a free trade deal between Canada and the European Union, even if negotiations to resolve outstanding issues are taking longer than expected, the head of the economic and trade section of the EU's delegation in Canada said Wednesday.

Speaking at the European Union–Canada Conference in Calgary, Maurizio Cellini said the financial crisis is motivating Europe to complete the agreement — known as the Comprehensive Economic and Trade Agreement (CETA) — because of the growth opportunities it offers.

“What Europe needs today is growth,” said Mr. Cellini, a participant in the negotiations. “A lot of the restructuring has been done and it's painful because it's associated with lack of growth. So we are looking internally and externally for ways to improve economic growth. That is why we want free trade agreements, why we want to start an agreement with the United States and we want to finish an agreement with Canada.”

After nearly four years of talks, and another couple of years of preparation, the deal is close to completion and any remaining issues will be resolved, he said at the meeting, organized by the Italian Chamber of Commerce in Canada-West.

“We have done so much during these three years I think that

what is left is quite small,” he said. “It’s important. It’s quite sensitive. We cannot play down the importance of these gaps, which remain to be bridged. There is already a very substantial agreement on many issues. So I don’t see why there should not be a timely agreement.”

Previous deadlines have come and gone, but Mr. Cellini said the schedule was very ambitious to begin with and the issues on the table complex.

The agreement is larger than the North America Free Trade Agreement between Canada, the U.S. and Mexico that in 1994 launched the world’s largest free trade area.

CETA involves traditional areas such as tariff reductions, but also non-traditional areas like regulatory cooperation, intellectual property rights, labour mobility, sustainable development and investment.

Mr. Cellini said agriculture has been a challenging area. For example, Alberta is interested in exporting beef, but the EU is generally defensive about that. Meanwhile, Italy is protective of goods such as Parmigiano Reggiano or Parma ham.

Another contentious issue is determining where a product originates. While the final assembly of cars may happen in Canada, if most parts are made in the U.S. or Mexico, it raises questions about whether they should benefit from Canada’s free trade terms with Europe, Mr. Cellini said.

The agreement is the most ambitious negotiated by the EU so far and will be used as a model for negotiations with the United States, he said.

Ted Menzies, minister of state for finance, said there is no deadline and it’s more important to get the deal right.