

# In Canada-EU Trade Talks, Lessons from South Korea?

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*By Nirmala Menon*

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Could beef and autos—the stumbling blocks that have held up Canada’s trade deal with South Korea for years—also stall Canada’s current negotiations with the European Union?

Canada wants greater market access for its beef into European markets. But France and Ireland, major beef producers in Europe, are reluctant to allow big quota increases, according to people familiar with the talks. For autos, Ottawa wants the EU to relax so-called rules of origin—a requirement that a majority of its auto-parts exports are actually Canadian made. Canada says that’s impossible because of the highly integrated nature of the North American industry.

These are probably the most significant of the outstanding issues Canadian and EU negotiators are dealing with as they try to hammer out a deal in the third week of meetings in Brussels, according to people familiar with the talks.

Autos and beef caused negotiations with South Korea to stall in 2008. Those talks have yet to be revived even as the U.S. has gone ahead and forged a pact with South Korea.

The Canada-EU pact was supposed to have been finished by now. The U.S. injected some urgency on the part of Canada by saying earlier this year it would pursue its own deal with the bloc.

Rudy Husny, Trade Minister Ed Fast's spokesman, said negotiations are ongoing and "we are committed to achieving an outcome that is in the best interests of Canadians and opens up new opportunities for Canada's exporters." A spokesman for EU Trade Commissioner Karel De Gucht said he had nothing to update.

French Prime Minister Jean-Marc Ayrault arrives in Ottawa for meetings with Mr. Harper on Wednesday and Thursday. On the agenda?

"Beef and everything related to dairy," an official at the French embassy in Ottawa told Canada Real Time. (The EU is seeking greater access into Canada's protected dairy products market.)

Mr. Ayrault will also raise the issue of greater patent protection for pharmaceuticals, another outstanding issue in the talks, the official said.