

No trade deal unless Canada offers more, says EU commissioner

BARRIE MCKENNA

OTTAWA — The Globe and Mail

Published Thursday, Feb. 21 2013, 1:36 PM EST

Ottawa says it too wants concessions from the European Union after the EU's top trade official threatened to walk away from free-trade talks unless Canada puts more on the table.

EU Trade Commissioner Karel De Gucht complained Thursday that there won't be an agreement unless Canada offers more access for Europeans.

"What was on the table simply didn't please me, so I didn't make an agreement," Mr. De Gucht told the European Parliament's international trade committee in Brussels. "They need to make additional steps and, if not, there will not be an agreement."

Mr. De Gucht did not specify what the EU wants, but urged Ottawa to "take additional steps" in a number of areas.

Canadian officials likewise said Europe has yet to fully meet Ottawa's "core" demands.

"We continue to appreciate and encourage the EU's high level of ambition, especially on the core issues of importance to Canada," said Rudy Husny, spokesman for Trade Minister Ed Fast.

He said the federal government is looking for an agreement that "reflects an appropriate balance of our respective interests."

The tit-for-tat follows a meeting in Ottawa Feb. 6-7 between Mr. De Gucht and Mr. Fast that exposed a still-wide gap in negotiations.

Canada, for example, is seeking lower duties on Canadian-made cars plus substantial access for beef and pork.

The EU wants tougher protection for pharmaceutical patents, a sizeable boost in duty-free cheese quota and the ability to sell to some sensitive provincial Crown Corporations.

“Public relations is part of the game and Canada should be shouting about how the Europeans have been less than forthcoming about increasing Canada’s market access, especially in the agrifood, automotive and procurement areas,” said trade lawyer Lawrence Herman of Cassels Brock in Toronto.

“The EU is one of the world’s poster boys for protectionism so it’s a bit rich for De Gucht to make it appear as if Canada is not being forthcoming,” he said.

In spite of the increasingly testy rhetoric, both sides remain eager for a deal in the coming weeks. The Europeans want to use the agreement with Canada as a model for proposed deals with the United States and Japan. And with many of the 27 members of the EU in recession, trade is seen as a key way to lift the region’s economy.

The Harper government too wants a major win after pushing trade to the top of its economic priorities. Ottawa also has several other trade deals in the works and would like to shift attention to those.