

# PM won't put deadline on EU trade pact

## Content, not calendar, must drive accord, Harper says

BY JASON FEKETE, POSTMEDIA NEWS JUNE 13, 2013

Under enormous pressure to secure an overdue Canada-EU free-trade agreement, Prime Minister Stephen Harper says the content of the accord - "not some artificial time limit" - will drive the negotiations and his government's trade strategy.

On the first full day of his eight-day European trip, Harper also said his government has no problem with the concept of the EU's proposed fuel-quality directive, as long as it's objective, scientific and doesn't unfairly punish the oilsands.

Harper said both sides have made "a lot of progress" on Canada-EU trade talks and that they will be on the agenda this week during his stops in London, Paris and Dublin, before he heads to the G8 summit at Lough Erne, Northern Ireland.

"Obviously, this (trade talks) will be a big discussion this week. But obviously, that said, we are not going to set a timeline or a fixed date on which we are going to have an agreement because it is essential that we be driven by the contents of the discussions," Harper told reporters at the Canadian High Commissioner's official residence.

"We will not arrive at an accord until such time as we think we have the best accord we can get for the Canadian people. And that will be what drives us - the contents, not some artificial time limit," added Harper, who later had a private meeting with the Queen.

The prime minister had promised negotiations would be completed by the end of 2012, and now pressure and expectations are mounting on him to finalize a deal during his European tour. The government has said that's unlikely.

Harper and a handful of his ministers on the trip will also be trying to build support this week against the proposed European Union fuel law that, as drafted, would label the oil-sands a dirtier form of crude.

The Conservative government says it supports Europe's efforts to reduce greenhouse-gas emissions but maintains the fuel directive as initially proposed is a discriminatory and non-scientific approach that singles out the oilsands.

"This is a matter we've discussed before with European leaders and will continue to raise. We've been very clear: we don't have a difficulty with the concept of evaluating the various qualities of fuels, but that this simply has to be done on an objective, scientific and transparent basis, and that's our only point," Harper said.

A council of EU ministers is expected to vote on the proposed fuel-quality directive in the fall, after an impact assessment has been completed and released.

On trade talks, a deal for a Canada-EU Comprehensive Economic and Trade Agreement (CETA) remains elusive, with beef access into Europe and government procurement on urban transit in Canada issues that must be resolved.

However, leaked documents obtained by Postmedia News show the federal government is willing to provide preferential treatment to the EU for takeovers of Canadian companies by European firms.

Canadian negotiators, according to the documents, have agreed to increase to \$1.5 billion the threshold for reviewing foreign acquisitions of Canadian firms by European companies. All EU takeovers under \$1.5 billion would not be subject to review under the Investment Canada Act to determine whether they're of "net benefit" to Canada.

Both sides have agreed to eliminate all industrial tariffs within seven years, saving Canadian exporters almost \$215 million annually in duty payments (based on current exchange rates) and European exporters nearly \$640 million annually.