

Put Away the Fancy Pens; No Final Canada-EU Deal Expected This Week

Search Canada Real Time
Wall Street Journal
February 4, 2013

By Nirmala Menon

Last year's deadline for a free trade pact between Canada and the European Union came and went. And hopes that a breakthrough may come this week, when EU Trade Commissioner Karel De Gucht turns up in Ottawa, have cooled.

As reported earlier Monday by Dow Jones Newswires, a definitive deal isn't in the cards for this week. Instead Canadian Trade Minister Ed Fast and his European counterpart "need to meet to narrow the gap" according to one person familiar with the matter.

Agriculture is probably the toughest nut to crack. Canada wants greater access for beef and pork exports, and the EU wants to ship more dairy products into Canada.

The stakes are high for Canada which hasn't had a major free trade deal since the North American Free Trade Agreement with the U.S. and Mexico in 1994. The government of Prime Minister Stephen Harper is banking on trade to boost jobs and economic growth. At the same time, it wants to reduce Canada's reliance on the U.S., which currently takes up some three-quarters of Canadian exports.

Adding to the urgency, the EU and the U.S. may soon embark

on their own negotiations for a trade deal.

“I think there is a lot of political momentum to get the deal done,” Lawrence Herman, an international trade lawyer with Cassels Brock LLP and former diplomat, told Canada Real Time. “I’m an optimist. I feel that the agreement is very close to conclusion.”