

Sealing talk could churn up trouble for Canada-EU trade deal: stakeholders

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Trade minister Ed Fast reaffirmed the Harper government's support for the sealing industry Wednesday, but with the EU free trade negotiations approaching their climax, some stakeholders are questioning the wisdom of further politicizing the contentious issue.

In March, the World Trade Organization's dispute settlement panel accepted Canada's request to adjudicate the legality of the EU's 2009 decision to ban the import of seal products. Since then, however, the controversy has instead been overshadowed by the negotiations of Canada's biggest free trade agreement since NAFTA, the Comprehensive Economic and Trade Agreement.

In fact, a **2008 joint EU-Canadian study** suggested removing barriers to trade with Europe could be worth almost \$12 billion to the Canadian economy. With so much on the line, some find Fast's statement confusing.

"I have no idea why they decided to do this today — to reaffirm a commitment and a support that was already announced," Jean-Michel Laurin, vice president of global policy with the Canadian Manufacturers and Exporters told iPolitics.

"As far as I know, nothing new was mentioned or was announced

today. They just reaffirmed their commitment to defend the seal industry in Canada, which is again, laudable, but is it the right timing?”

Minister Fast, who told iPolitics that exports of seal products have decreased dramatically since 2006, took issue with those who see today’s announcement as purely political.

“Well, if you spoke to the stakeholders we spoke to today, you’d know that the heart of this is an economic issue. It’s about sustaining coastal communities, isolated communities, aboriginal communities, and that’s why I’m so disappointed that the EU has lacked sensitivity in understanding the cultural context,” he said on the phone from St. John’s, N.L.

Department of Foreign Affairs and International Trade spokesperson Caitlin Workman said 90 per cent of Canada’s exports of seal fur products have traditionally been destined for Russia, but “that between 2006 and 2010, Canadian exports of raw seal pelts to the European Union decreased by 85 per cent, down to \$800,000 from approximately \$5.3 million.”

Earlier in the day, Fast and Minister of Intergovernmental Affairs Peter Penashue met with members of the sealing industry, the processing industry, and the fur institute of Canada.

Fast said the meeting was “fruitful” and dismissed the possibility of it having a negative impact on the CETA negotiations.

“The sealing issue is totally separate from the CETA negotiations. We are keeping them on a separate track. We believe the EU negotiators understand that,” Fast said.

Jason Langrish, executive director of the Canada-Europe roundtable for business, a group that was instrumental in getting the CETA negotiations off the ground, argues that analysis could be a bit shortsighted.

“It’s fine to say that it’s not effecting the negotiations – it isn’t. But where it could have an effect is within the European parliament, especially when they go to ratify the agreement,” he explained.

“It’ll be an up and down vote. It’ll be a yes or no. And this is an issue that’s of concern to vocal members of the European parliament. Let this matter take its course at the WTO. The more you start flagging this up you could generate opposition within the European parliament to the CETA. In essence, they may try to hold the agreement hostage to the sealing issue.”

While both Laurin and Langrish allowed that Fast had a job to do in standing up for Canadian industries, but suggested that such moves can’t be viewed in isolation from other issues.

“I think it’s fine to be addressing these issues that are of regional importance — that’s the job of a government,” Langrish said.

“We’d like to see a greater focus on how it’s going to benefit the specific parts of the Canadian economy.”