

Stephen Harper urged to ‘fish or cut bait’ on Canada-EU trade negotiations

BY JASON FEKETE, POSTMEDIA NEWS SEPTEMBER 11, 2013

OTTAWA — Canadian business leaders and trade observers are urging Prime Minister Stephen Harper to “fish or cut bait” on the Canada-EU free-trade negotiations, arguing the deal has a shelf life and is becoming more difficult to complete each day talks drag on.

Trade specialists familiar with the Canada-EU trade talks say three issues — and the potential implications for three provinces — are effectively holding up the broader agreement: Alberta’s demands for additional beef exports into Europe, Quebec’s worries about greater EU access to its cheese and dairy industry; and Newfoundland and Labrador’s requirements that fish caught in the province be processed there.

The Canadian Chamber of Commerce and the Canada Europe Roundtable for Business are calling on the Conservative government and the European Union to finalize a trade deal before it falls apart, following Harper’s assessment last week that “very significant gaps” remain between the two sides.

“It’s time to fish or cut bait for everybody. So much is riding on this, both for Europe and for Canada, that it’s important to get the deal done. The longer that it simply sits out there with people picking at threads, the more likely it is that you get things starting to unravel,” Perrin Beatty, president of the Canadian Chamber of Commerce, said Wednesday in an interview.

“Both sides have to decide now whether or not to do the deal, as opposed to simply dragging it out any longer.”

The Canada-EU trade negotiations have already dragged on for more than four years, and the risk of prolonging talks any further is that the deal can “melt away,” he said.

Beatty said there is frustration in the business community on both sides of the Atlantic and also questions about whether the stalemate is simply a matter of political will among the leaders.

Further protracting the talks could see the EU shift its focus to other matters, including negotiating a free-trade deal with the United States, and hurt Canada's chances on other trade talks, he said. The EU and U.S. launched their trade negotiations over the summer.

"It's important for Canada to move ahead or else we'll find ourselves isolated in the global economy," he added.

The Canada-EU Comprehensive Economic and Trade Agreement (CETA) would be the biggest trade deal in Canadian history, but it's already long overdue after the prime minister promised negotiations would be completed by the end of 2012.

Jason Langrish, executive director of the Canada Europe Roundtable for Business, said the sentiment around the business community is the deal needs to be completed quickly — by the end of the year at latest — otherwise Canada risks watching the negotiations unravel.

The longer talks continue, the more likely positions can become entrenched and both sides dig in their heels, he said.

"These trade deals, they can't be open-ended and go on forever. They have a shelf life because other people are trying to get the same deal," Langrish said.

If the deal isn't completed soon, it will "severely challenge" the rest of the Canadian trade agenda, including negotiations on the Trans-Pacific Partnership of 12 Pacific Rim nations as well as Canada's free-trade talks with Japan, he said.

Harper met last week on the sidelines of the G20 summit in Russia with European Commission President Jose Manuel Barroso to discuss the Canada-EU trade talks.

The prime minister told reporters in Russia the two sides are "very close" on a number of issues. Yet, Harper said that, based on his meeting and recent discussions, "we still have some very significant

gaps that have not been bridged.”

Those gaps, according to trade observers, are most likely the amount and quality of duty-free Canadian beef going into Europe, the EU’s access into Canada’s cheese and dairy market (especially in Quebec), and Newfoundland’s minimum fish processing requirements.

Canada wants more than 40,000 tonnes of non-hormone treated Canadian beef going to Europe each year. However, France and Ireland — two of the largest beef producers in the EU — have been resisting Canada’s trade demands for more duty-free market access.

Sources say the Canadian beef quota into Europe could be as low as 40,000 tonnes a year, but potentially go as high as 60,000 tonnes annually.

However, Canadian beef producers want the vast majority of the beef sent to Europe to be fresh meat, which is more valuable than frozen product, although the EU hasn’t been willing to budge much on the file.

“What’s holding this deal up is agriculture, but they (the federal government) don’t want to say that,” said one source.

Alberta Intergovernmental Relations Minister Cal Dallas said his province doesn’t have any problems holding out longer for a better deal for Canadian beef producers.

Dallas said it’s “probably unrealistic” to expect Alberta and Canada will achieve their initial hopes for beef and pork access into Europe. However, the minister said he remains optimistic both sides are making progress and that September “will be fruitful.”

“Getting the best deal possible for Canada, getting the best deal possible for Albertans in the context of beef and pork access — we have time,” he said.

“We’ve recognized all along it’s a sensitive issue . . . sensitive issues are dealt with at the end of the process, not the beginning of the process, and that’s where we’re at.”