

# The other Transatlantic partnership by Karl-Theodor zu Guttenber

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**Forget, for a moment, Barack Obama, Angela Merkel, David Cameron, François Hollande, and all dreams of a renaissance in traditional transatlantic relations.**

Far from the catwalks of vanity in the White House, Berlin's Chancellery, 10 Downing Street, or the Élysée Palace, two often-underestimated transatlantic actors -- the European Union and Canada -- have embarked on an important and timely initiative.

The recently announced EU-Canada Strategic Partnership Agreement (SPA) aims to deepen bilateral ties in “all fields of cooperation,” including education, transport, energy, the Arctic, and science and technology, as well as provide for enhanced foreign-policy cooperation, with a focus on crisis management and security. While the technical and legal details still need to be ironed out, the SPA -- together with the recently negotiated bilateral Comprehensive Economic and Trade Agreement (CETA) -- highlights the growing importance of the EU-Canada relationship.

One of the most significant areas of potential cooperation has not yet received sufficient attention: Canadian energy exports to Europe. But, given Russia's recent incursion into Ukraine, which has forced Western European countries to reconsider their heavy reliance on Russian energy, that may be about to change.

So far, most discussions in Europe regarding how to reduce Russian energy imports -- which account for 34% of the EU's gas consumption -- have focused on the United States, where the rapid development of shale reserves has made a huge supply of gas available for export. But Canada could also play a crucial role as a reliable, long-term strategic energy partner for Europe.

Moreover, Canadian leaders are determined to take advantage of the opportunity to reduce their country's own reliance on the US market. Just three days after the SPA was concluded, Canadian Prime Minister Stephen Harper, on a visit to Berlin, convinced German Chancellor Angela Merkel to pledge to take “a completely new look” at Germany's energy policy.

To be sure, deeper EU-Canada energy ties are not an entirely new prospect. Last year, the Canadian gas supplier Pieridae Energy agreed to deliver five million tons of liquefied natural gas annually to the German utility E.ON for 20 years. While this deal is a step in the right direction, LNG exports are not expected to start until 2020. If sizeable amounts of Canadian gas are to flow across the Atlantic, both Canada and Europe will need to beef up their investments in the necessary LNG terminals and storage facilities -- a complex and expensive undertaking.

When it comes to boosting transatlantic trade and investment ties, the Canada-EU CETA may well be Europe's best hope. After all, efforts to conclude the US-EU Transatlantic Trade and Investment Partnership have lost considerable momentum. With the CETA, European companies trying to enter the US market may decide to set up shop in Canada instead, using it as a beachhead from which to expand -- via the North American Free Trade Agreement -- across the border.

To its credit, the Canadian government has pushed for robust bilateral free-trade agreements worldwide, including, most recently, with South Korea -- Asia's fourth-largest economy and Canada's seventh-largest export market. With Harper's pro-trade credentials well established, it is up to European leaders to win domestic support for the EU-Canada CETA, by explaining to their publics not only its economic merits, but also its critical role in advancing strategic energy-policy objectives.

In fact, Canada's higher international profile is not limited to trade; its diplomatic stature has grown as well. In the wake of Russia's annexation of Crimea, for example, Harper was the only G-7 leader to visit Kyiv, where he drew stark -- if questionable -- historical parallels

between Russia's actions and Germany's annexation of the Sudetenland region of Czechoslovakia in 1938.

During his visit, Harper vowed to re-launch bilateral free-trade talks with Ukraine, aimed at boosting the country's ailing economy. And Canada is contributing 15 of the 100 observers from the Organization for Security and Co-operation in Europe who will monitor Ukraine's presidential election in May -- more than the US or any European country.

Of course, Canada's actions in Ukraine are not purely altruistic. Faced with 1.2 million (highly vocal) Canadians of Ukrainian descent, the Harper government's strong response to the crisis also reflects domestic political necessity.

Furthermore, Canada has experienced the Kremlin's brazen territorial ambitions firsthand. In 2007, Russian scientists descended 14,000 feet below sea level to plant the Russian flag beneath the North Pole, triggering a political firestorm in Canada. And Russia has already announced plans to send a nuclear-armed submarine to raise the national flag on the North Pole this summer -- a measure designed to intimidate Canada and undermine its claims to the Arctic's vast natural resources.

The crisis in Ukraine and the tensions with Russia underscore just how high the stakes are for Canada and Europe alike. Given how much both stand to gain from deeper bilateral economic and energy ties, the SPA must be finalized and put into action as soon as possible.

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