

Will Canada-EU Talks Suffer As U.S. And Brussels Head to the Table?

Long-drawn-out free-trade negotiations between Canada and the European Union risk falling by the wayside if the two sides can't reach a deal before the U.S. launches its own talks with Europe around the middle of the year.

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Long-drawn-out free-trade negotiations between Canada and the European Union risk falling by the wayside if the two sides can't reach a deal before the U.S. launches its own talks with Europe around the middle of the year. That's at least what some Canadians watching the talks are starting to worry.

Canada is hoping to clinch a deal soon, after almost four years of negotiations. But the Canadian market is roughly one-tenth the size of its much bigger neighbor. The worry in some quarters of Ottawa is that Brussels would rather delay signing anything with the Canadians (whose economy and markets are largely integrated with the much larger U.S.) until they reach a deal with Washington. And that could be years off.

"It changes the priorities" for Brussels, and has "serious implications for Canada," says one former trade negotiator for the Canadian government.

European officials weren't immediately available to comment.

The stakes are high for Ottawa. The government of Prime Minister Stephen Harper calls trade its "new stimulus" and has launched talks with a number of countries, including India and Japan. Canada is also a new member of the U.S.-led Trans-Pacific Partnership, which is negotiating a free-trade zone spanning the Pacific Ocean. But Canada has yet to close a major deal since NAFTA back in 1994.

Canadian negotiators are heading to Brussels this week to work on outstanding issues. After several missed deadlines, the government isn't providing a new timeline for a deal.

“Productive discussions are ongoing between Canada and the EU. As in all trade negotiations, nothing is agreed to until everything is,” Adam Taylor, a spokesman for Canadian Trade Minister Ed Fast, said in an email. Mr Taylor said Ottawa will “only sign a trade agreement that is in the best interests of Canadians” and “we are continuing to pursue that objective with our EU partners.”