Canada-EU Trade Talks: No Fanfare, No Deal Yet

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There was little fanfare as Canadian Trade Minister Ed Fast met with European Union Trade Commissioner Karel De Gucht in Ottawa this week to try to bridge the gap standing in the way of a free-trade deal between Canada and the EU.

The low-key affair kicked off with a working dinner Wednesday and continued with a full day of meetings Thursday, and neither side issued a statement when the visit was over. That comes as no surprise, since a person close to the talks had said ahead of the visit that a deal wouldn't be concluded this week.

Neither Mr. Fast nor Mr. De Gucht spoke to reporters, and their spokesmen didn't respond to requests for comment.

A person familiar with the talks suggested Mr. De Gucht's visit had been planned well in advance, on the assumption a trade deal would have been concluded by the end of 2012. He and Mr. Fast spoke on the phone last weekend, apparently to decide whether to proceed. If they had cancelled, that would have sent a signal that negotiations were going badly, this person suggested.

Industry sources said agriculture is a major—and politically sensitive—issue that has to be resolved to secure a deal.

Canada wants more access for its beef and pork products in

the EU, which in turn wants to ship more dairy products into Canada. The EU also wants more protection for pharmaceutical patents in Canada.

Ultimately, a Canadian decision on the deal rests with Prime Minister Stephen Harper. Industry sources said they expect Mr. Harper to sign off on a deal in the coming weeks.

Expect the fanfare then.