

Canada-EU free trade talks `75 per cent' complete, EU rep says

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OTTAWA - At least two issues continue to stand in the way of a free-trade agreement between Canada and the European Union, but a deal should be finalized ``within half a year," the Danish trade minister said Monday.

Speaking to reporters in Ottawa, Denmark's Pia Olsen Dyhr said ``75 per cent" of the comprehensive trade agreement has been completed.

However, rules of origin - which determine what goods can be subject to tariffs - and supply management of agricultural goods continue to be points of contention between the two parties, said Dyhr, whose country holds the EU presidency.

Dyhr and Canadian International Trade Minister Ed Fast said they expect the trade pact to be finalized this year, but indicated they weren't willing to rush into a deal.

``I'm quite satisfied with the progress we have been making," Fast said. ``We don't see any holdups rights now. We continue to negotiate in good faith."

The meeting between the two trade ministers came as the tenth round of negotiations took place in Brussels. At the end of the meeting, the two issued a communique reaffirming their ``strong support" for a deal.

Free-trade talks between Canada and the EU have been going on since May 2009. The parties originally aimed to have a deal wrapped up by the end of 2011.

The Conservatives have said free trade with the EU could add \$12 billion annually to Canada's economy and boost trade by \$38 billion.

Critics of the deal on both sides of the Atlantic argue that parts of the agreement could have effects on domestic jobs, make the privatization of public services a likelihood and increase the prices of consumer goods and pharmaceutical drugs.

Dozens of Canadian cities have asked the government for exemptions from the agreement, worried the pact will limit their ability to award contracts to local organizations.

“They are asking why they should have to give up important job creation tools like putting Canadian content requirements on public contracts or using ‘buy-local’ policies to help local farmers,” said Maude Barlow, head of the Council of Canadians, a national organization that opposes the agreement.

“The Canada-EU trade deal offers little new access to the European market that Canadian companies don’t already have.”

Fast said Canadian negotiators aren’t bending on areas that Canada believes are “sensitive,” and neither is the EU. Fast said he wanted to make sure Canada signed a deal in its best interest, and wanted to “do it properly.”