

Canada-EU trade pact final wording delayed

Intellectual property, financial services, tariff rates, investment protection listed as irritants

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Canada and the European Union failed to ink the final text of their long-sought free trade agreement this week after a series of familiar irritants reared their heads once more.

One of the obstacles to resurface was a disagreement over protection of intellectual property rights in the pharmaceutical sector, an EU briefing note says.

The setback could be politically damaging to Prime Minister Stephen Harper, who has staked his government's reputation as ardent free traders on the potentially lucrative and wide-ranging agreement in goods and services with Europe.

The two sides reached an agreement in principle in October on the Comprehensive Trade and Investment Agreement, or CETA, after Harper jetted to Brussels for a high-profile signing ceremony with European Commission President Jose Manuel Barroso.

'Technical problems'

More recently, there was much anticipation that a planned meeting in Paris this past Wednesday between Trade Minister Ed Fast and EU Trade Commissioner Karel De Gucht would produce the final text.

However, de Gucht said "technical problems" in three or four areas prevented he and Fast from sealing the deal, as many had anticipated. He predicted a resolution in the "coming weeks."

Fast's spokeswoman played down the differences between the two sides, but offered no timeline.

"Canada and the EU are continuing to work diligently to conclude CETA negotiations on the small number of outstanding technical

matters," Shannon Gutoskie told The Canadian Press in an email.

A senior Canadian official, who was not authorized to speak for attribution, said even if an agreed text emerges, the deal remains a long way off because both sides still need to consult with their member countries and provinces, and then consult lawyers.

Why the delay?

"We have the same processes as the EU; they have to go back to their member states, we have to go back to our provinces," said the official.

"The whole expectation — that this week was the week — was never that."

NDP trade critic Don Davies said it is time for the Harper government to "come clean" with a full report to Parliament on what the obstacles are so Canadians can "hear that from Minister Fast and not be hearing it from the Europeans."

"Prime Minister Harper's visit to Brussels last October was a charade. It was meant to change the channel politically and mislead Canadians," said Davies.

"There was not a deal then; there is not a deal now."

De Gucht seemed to say as much as he addressed reporters in Brussels on Thursday.

"To be quite frank, final technical discussions have proven to be more difficult than originally foreseen," he said.

"This is simply the nature of trade negotiations, any negotiations in fact. It really isn't over until it's over, but rest assured, we'll get there in the coming weeks."

De Gucht refused to say specifically what the obstacles are.

"There are not that many anymore, there are three or four that we still have to resolve, but a lot — a couple of them are a little bit thorny."

Tariffs, investment protection

A EU briefing prepared in advance of Wednesday's meeting identified "intellectual property rights for pharmaceuticals" along with financial services, tariff rates, geographical indications and investment protection, among others.

The dispute over intellectual property protection for pharmaceuticals was a major irritant between the two sides during their four years of marathon negotiations.

Canada wants to exclude "a decision by a court, administrative tribunal, or other government intellectual property authority" under a section dealing with licenses for intellectual property rights, according to an April 4 draft text on services and investment obtained by The Canadian Press.

According to a report on Friday in the industry publication Inside U.S. Trade, de Gucht told Fast in their Wednesday meeting that Canada's position on the issue was unacceptable. The report cited an unnamed source.

Davies reiterated the NDP's long-held view that the government needs to show more "transparency" on the negotiations. He said there's room for the government to do that without compromising its negotiating position.

"The Europeans are actually publishing their investment chapter in their EU-U.S. negotiations, while negotiations are going on," said Davies, who added that U.S. legislators are allowed to read texts of the ongoing Trans-Pacific Partnership trade talks.

"We, here in Canada, are still being held in the dark by the Conservatives."