

# EU 'very close' to an 'ambitious' trade deal with Canada

## Ratification by EU member states and parliament could be a challenge

By Janyce McGregor, [CBC News](#) Posted: Nov 29, 2012

The European Union is "very close" to an "ambitious" free-trade deal with Canada, its trade commissioner said Thursday, with negotiations still seemingly needed on agriculture and investor protections, among other issues.

European Trade Commissioner Karel De Gucht couldn't confirm when the [trade talks](#) would conclude toward the Comprehensive Economic and Trade Agreement, but he said the EU is "united in working together with Canada to close the gaps on [the final issues](#)."

At a meeting Thursday of the EU's council of foreign affairs and trade ministers, De Gucht and Neoklis Sylikiotis — the commerce minister for Cyprus, which currently holds the rotating presidency of the council — told reporters that the negotiations are "very close to an agreement" as ministers discussed how to conclude several outstanding issues.

De Gucht called the future agreement "ambitious and important" and said the council wants to "conclude the deal as soon as possible."

"The majority of the deal is about setting the future framework for the innovative high-tech trade between two developed economies," De Gucht said. "Of course I'm not interested in a paper deal but one that would bring real and meaningful benefits."

He gave no details on what has been agreed to and what issues remain.

However, a written news release revealed that on Oct. 30 an agreement was reached with Canada on the chapter of the agreement relating to the criminal enforcement of intellectual property rights. It did not elaborate on the exact text of this chapter.

The Netherlands said earlier this fall that if the trade deal included provisions similar to the Anti-Counterfeiting Trade Agreement voted down by the European Parliament last July, it would not support the deal.

## 'Sensitive' agricultural issues broached

International Trade Minister Ed Fast met with De Gucht last Thursday and subsequently said both sides are looking for "ambitious outcomes" that will yield an "appropriately balanced" pact.

"We will only sign an agreement that is in the best interests of Canadians," Fast said in question period on Monday, accusing the opposition of engaging in "idle speculation" about what might be in the final deal.

Last week's talks represented the first time concrete positions were exchanged on several agricultural commodities prioritized for inclusion in the final deal. More work remains as negotiators figure out the technical aspects of these proposals.

The "sensitive" agriculture sector had been left to the final stages of the talks, as [both sides grapple with contentious issues](#).

## Investor protections discussed

Some of the EU's trade and foreign affairs ministers said at their meeting Thursday that the European Union's policy on investor protections also has to be finalized before a trade deal with Canada comes into force.

Similar but not identical to Chapter 11 in NAFTA, the Comprehensive Economic and Trade Agreement will have a dispute-settlement process to allow foreign investors to hold countries accountable for breaching aspects of the deal.

A leaked EU briefing document dated earlier this fall suggested the two sides remained apart on aspects of the investment protection Canada originally asked to include in the deal.

Much of Thursday's public deliberations of the EU ministers involved the final responsibility, or liability, of member states. While the EU

negotiates deals on behalf of all its 27 member states, the actions of one or more specific countries could trigger a dispute in which the entire EU would share accountability.

Canada could face a similar situation if actions by municipal or provincial governments trigger disputes with European companies.

## Ratification challenges

If Canada does successfully negotiate an agreement with the European Commission, that doesn't necessarily mean it would be ratified by the European Parliament.

Members of the European Parliament have expressed dissatisfaction with Canada on several fronts, including its pulling out of the Kyoto Accord, promotion of Alberta's oilsands, lobbying against the EU's fuel directive, and the seal hunt.

Last June, European President José Manuel Barroso quarrelled openly with Prime Minister Stephen Harper and Finance Minister Jim Flaherty over Canada's refusal to contribute to the International Monetary Fund's bailout of European banks and linked the success of the trade talks to Canada's co-operation with Europe on other fronts.

Depending on what's in the final text, individual countries may need to sign off on the deal as well, if it impacts matters of their national jurisdiction.

A vigorous debate among environmental and civil society groups could influence votes, as it did when the Anti-Counterfeiting Trade Agreement was defeated in a surprise vote last July.

An agreement with Canada isn't the only trade pact on the EU's agenda. It's also working toward deals with Japan, Singapore, Morocco and Tunisia.