

Harper pledges deadline to wrap up EU and India trade talks

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Prime Minister Stephen Harper pledged Thursday to clinch a free-trade deal with the European Union by 2012 and with India in 2013.

“Canada is a trading nation,” the Conservative leader said during a campaign stop in Halifax. “Deepening our trading relationships is key to completing our recovery, creating jobs and strengthening financial security.”

Harper vowed his government would move ahead “full throttle” to complete the talks on deals he said would give Canadian exporters preferential access to more than 1.7 billion new customers.

Harper’s comments came days after an EU-commissioned draft study said the proposed Canada-European Union Comprehensive Economic and Trade Agreement will net less than half the \$13 billion in GDP growth by 2014 initially forecast.

A joint Canada-EU report in 2008 said the agreement would boost Canada’s gross domestic product by 0.77 per cent, with pork, beef and textile exports to gain the most. The EU

was expected to get a 0.08 per cent GDP hike.

But the new study, gauging factors including currency fluctuation impacts, estimates Canada will add only 0.29 to 0.36 per cent in growth. The EU would see a GDP increase of 0.02-0.03 per cent and benefits won't be realized until the year 2020 rather than 2014.

The report added that the deal could reduce economic, social and "potentially environmental policy space."

With the seventh round of Canada-EU talks set for April 11-15 in Ottawa, the latest report gives fuel to critics who say the process should be put on hold until after the May 2 federal election. The Council of Canadians is calling on provincial and territorial governments to use the pause in the negotiations to consult publicly on what should be put on the table.

"Common sense tells us you shouldn't be allowed to make major policy decisions during an election that would bind future governments," said Maude Barlow, the advocacy group's national chair.

"The deal involves controversial social and economic policy changes that should be made by Parliament."

Ottawa says its plan would give European corporations the ability to bid for procurement contracts from federal, provincial and municipal governments as well as public utilities and hospitals.

And it would ban so-called buy local purchasing strategies by municipal governments in order to open up more public spending to European multinational companies. Ottawa says the deal would give Canada increased access to the 27-member EU government procurement market, worth approximately \$2.3 trillion, reduce barriers to cross-border trade and cut red tape for businesses operating on both sides of the border.

Barlow said opening Canada's telecommunications and financial sectors to more foreign ownership could be on the table in April.

Extending Canada's patent terms on brand name drugs, scrapping provincial liquor boards and supply management systems for dairy farmers, and opening up Atlantic fishing ports to more European boats may be discussed as well, she added.

According to Canadian trade negotiators, the next round of talks will be the first time sensitive and to date secret provincial and territorial offers will be exchanged with the EU as the provinces and territories will be at the table for the first time.

Those offers will include services, including public water, health, transit and energy services, as well as public procurement by provincial and municipal government agencies, Barlow said.

A Canada-India study in 2010, meanwhile, pegged the benefits to Canada of bilateral trade between the two countries at between \$6 billion and \$15 billion.