

Trade minister denies threat to walk away from EU trade deal over tar sands

Feb 21 04:19 PM US/Eastern

The Canadian Press OTTAWA - Canada's trade minister has denied a report that the free [trade talks](#) with the [European Union](#) have been put in jeopardy by a growing dispute over the oilsands.

A European news report Monday suggested that Canada had threatened to scrap the talks — Ottawa's top trade priority — if the European Union goes ahead with plans to bar [oil imports](#) that originate from the oilsands.

In an email response, Trade Minister Peter Van Loan acknowledged that he is concerned about the EU initiative.

But he said the issue was not part of the [trade talks](#), which the two sides hope to wrap up by the end of the year.

"Canada and the European Union are working to resolve this issue outside of the negotiations towards a free trade deal," he said.

"Oilsands derived fuel should be treated on a similar basis as other crude oil sources and decisions must be based on sound scientific evidence," Van Loan added.

The minister was not available for an interview, his spokesperson said in forwarding the email response.

The EU has proposed changes to a fuel quality directive aimed at reducing emissions from transport fuels by 10 per cent in the next decade, a goal that would be made more difficult by importation of oilsands fuel.

This would not be the only controversial issue on which Canada and the European Union vehemently disagree, but have left out of the free trade negotiations. European countries have also taken a strong stand against the [seal hunt](#) and banned most imports of seal products.