



Negotiations for a Comprehensive Economic and Trade Agreement (CETA) Between the EU and Canada

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28 October 2010**



Bilateral economic relationship



Canada is to EU:

The 11th most important trading partner (1.7% of EU's external trade)

2.1% of EU's services trade

The 4th largest investor in EU (4.3% of the EU's inward FDI)

EU is to Canada:

The 2nd largest trading partner (9.3% of Canada's total trade in goods)

18% of Canada's services trade

The 2nd largest investor in Canada (26.3% of Canada's inward FDI)

CETA Process



- **The launch of CETA negotiations took place at the EU/Canada summit in May 2009 in Prague.**
- **The decision to launch negotiations followed almost two years of study on the costs and benefits of a closer EU / Canada partnership, the so-called “Joint Study”.**
- **The Joint Study was then followed by the “Scoping Exercise” , which set the objectives of the negotiations.**

JOINT STUDY : Potential gains from EU-Canada Agreement

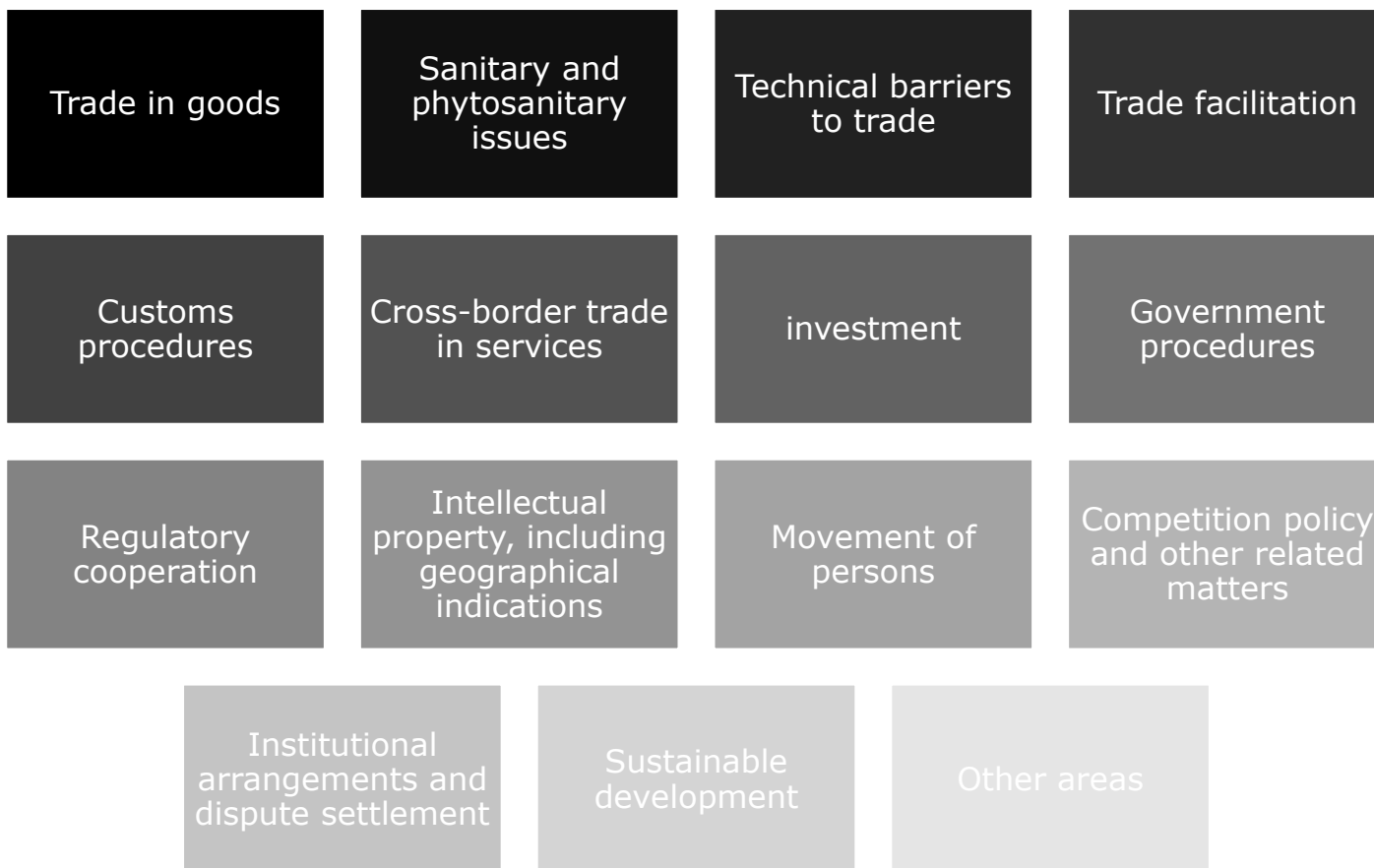


Potential gains for Canada	Potential gains for the European Union
<ul style="list-style-type: none">• Annual increase of 0.77% of GDP (or \$12 billion) by 2014• 45.5% gains from the liberalization of services• 33.3% from full tariff elimination• 21.2% from the reduction of non-tariff barriers• Canadian exports to the EU to increase by 20.6%	<ul style="list-style-type: none">• Annual increase of 0.08% of GDP (or \$17 billion) by 2014• 50% gains from the liberalization of services• 25% from full tariff elimination• 25% from the reduction of non-tariff barriers• EU exports to Canada to increase by 24.3%

SCOPING EXERCISE



Specific areas of relevance to any future agreement (Joint Report on the EU-Canada Scoping Exercise, March 5, 2009)



MODALITIES for the negotiations



- **This new agreement would go far beyond WTO commitments, with maximum degree of liberalization of trade in goods and services.**
- **No minimalist deal: all issues on the table and move towards a closer economic integration.**
- **Negotiations led by the European Commission and federal government. Both sides aim at completing within 2 years.**

CETA Negotiations Modalities



Twelve main negotiating tables:

- **Market Access for goods**
- **Rules of origin, customs procedures, trade facilitation**
- **Technical barriers to trade**
- **Regulatory cooperation**
- **Sanitary and phytosanitary measures**
- **Trade defense instruments**
- **Investment and services**
- **Public procurement**
- **Intellectual property, including GIs**
- **Competition policy and other related matters**
- **Sustainable development (labour and environment)**
- **Dispute settlement and institutional matters**

THE ROLE OF THE PROVINCES



- **Provinces and territories affirmed their commitment to these negotiations and to implement provisions negotiated in any agreement in areas of their jurisdiction, in the *Statement of the Council of the Federation* of 20 February 2009.**
- **For the EU, an essential condition for the success of any agreement.**

CETA Negotiations



Five Rounds so far:

1. **October 2009** (Ottawa) – first substantive discussion. Good progress towards reaching a consolidated text.
2. **January 2010** (Brussels) – based on common working document (consolidated or side-by-side texts) and first set of offers (tariffs) and requests (procurement and services/investment).
3. **April 2010** (Ottawa) - round heavily affected by volcanic ash, but still good progress on services and investment; other topics were covered by videoconferences.

CETA Negotiations



4. **July 2010 (Brussels)** - focused on better understanding of the reciprocal systems in areas such as public procurement, services, investment and labour mobility,

 5. **October 2010 (Ottawa)** – focused on technical discussions on rules of origin, services, temporary entry, government procurement, services, investment and intellectual property.
- Next round – week of 17 January 2011 (Brussels).**

STATE OF PLAY - 1



- **Excellent atmosphere and high ambitions on both sides.**
- **Hope to continue fast progress and respect the 2 year deadline.**
- **Satisfaction for the serious and constant implication of the Provinces in the negotiations; hope Provinces avoid “easy retreat” to “buy local” policies.**

STATE OF PLAY - 2



- **The negotiations have progressed so far very well. We are now in a phase where issues that need a deeper exchange of information and mutual understanding start to appear:**
 - a lot of areas of the negotiations are technically complex and require deep understanding of the reciprocal systems in place (procurement, services, investment, labor mobility, etc.). Inevitably, this takes time.
 - There are areas which are complex and delicate: agriculture, fisheries, procurement, certain aspects of services and investment (areas of restricted foreign ownership, labor mobility etc.), IPR protection.
 - Negotiators have an ambitious mandate and strong political support on both sides. Creative solutions are needed.

PERSPECTIVES



- **CETA will succeed if it remains ambitious (comprehensive). It is important to avoid the temptation to withdraw one sector or another from the table if it becomes too difficult. It is important to avoid a negative domino effect.**
- **Provinces must remain active players and some of them better define their offensive interests.**

Civil Society Dialogue



The civil society dialogue consists of regular meetings between civil society and European Commission officials to discuss aspects of Europe's trade policy.

Component of the European Transparency Initiative.

Objectives:

- 1. Consult widely in a framework of a confident working relationship;**
- 2. Address concerns on trade policy;**
- 3. Improve EU trade-policy making through structured and qualitative dialogue; and**
- 4. Improve transparency and accountability.**



- **May 2009 to July 2009 – web-based public consultations on a comprehensive economic agreement with Canada.**
- **Quarterly meetings with civil society on bilateral trade negotiations.**
- **July 2010 to January 2011 -- EU-Canada Trade Sustainability Impact Assessment (SIA).**

EU-Canada Trade Sustainability Impact Assessment



- **Independent consultant funded by the European Commission (Development Solutions).**
- **Assess the potential impacts of proposed trade and economic liberalization under CETA on all pillars of sustainable development (economic, social and environment).**
- **Analysis considers real income and levels of employment, biodiversity, natural resources stocks, poverty, equity, educational quality, quality in work and decent work, etc.**
- **Workshop planned in Canada in late November 2010.**
- **www.eucanada-sia.org**



- **Advisory body of the EU.**
- **Representation from employer, employee and other civil society groups.**
- **Enables civil society organizations from the Member States to express their views at European level.**
- **3 Objectives:**
 - 1. helping to ensure that European policies and legislation tie in better with economic, social and civic circumstances on the ground;**
 - 2. representing, informing and expressing the views of and securing dialogue with organized civil society;
and**
 - 3. promoting participatory democracy and the role of civil society organizations.**



- **European Economic and Social Committee (EESC) adopted 'own-initiative opinion' on EU-Canada relations and CETA on 16 September 2010.**
- **<http://www.eesc.europa.eu/?i=portal.en.opinions.10982>**
- **Mission to Ottawa to present the main conclusions of the opinion to the Canadian government and civil society organizations (15 – 17 November 2010).**



- **EESC position on CETA:**

- 1. Supports in general the opportunity to forge closer relations.**
- 2. Need to maintain an open dialogue with civil society during the negotiations of the agreement and its subsequent implementation.**
- 3. Set up an EU-Canada joint consultative committee comprising representatives of organized civil society to promote dialogue and cooperation on the economic, social and environmental aspects arising from the implementation of CETA.**



thank you

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