

**EU-Canada CETA negotiations,
Round III, Ottawa/Brussels, 19 – 23 April 2010**

Round III of the negotiations for the EU-Canada Comprehensive Economic and Trade Agreement (CETA) took place in Ottawa from 19 – 23 April 2010. However, due to flight restrictions, the majority of EU negotiators were unable to travel to Ottawa, and most negotiations took place through a series of tele- and video-conferences which extended into the week of 26th April. Only the Services negotiators were able to engage in face-to-face discussions and the EU's Chief Negotiator and his Deputy, who had left Europe in advance of the flight ban in order to visit Provinces, were present in Ottawa throughout the week. A concluding meeting to the Round took place in Brussels between Chief Negotiators on 6th May.

The objectives set in advance of the Round had been to (a) continue to narrow differences on texts; (b) close, or quasi-close, those chapters capable of closure or quasi-closure; (c) identify issues not capable of being solved at negotiating group level and requiring review by Chief Negotiators and (d) continuing work on structures for offers (on GP and services).

Progress was made during this third round and the negotiating space could be further narrowed. While the negotiators had worked during the first two rounds and between sessions to restrict as much as possible their differences on text, they now began to focus on the more difficult issues which will need more detailed work in order to find common ground.

[REDACTED]

The outcome of the Round in the various negotiating areas is summarised below:

- On **Trade in Goods** some further steps were made in finding common ground with regard to text, but on a number of issues positions are still substantially apart (this includes in particular the elimination of customs duties on exports [REDACTED]; national treatment [REDACTED] special provisions on administrative cooperation; specific exceptions from national treatment as well as import and export restrictions [REDACTED]. It was decided to further postpone the exchange of revised market access offers, chiefly because of the multiple linkages this subject has with other areas under negotiation. Both sides also discussed the process for addressing the conditions associated with each side's initial tariff offers.
- Discussions on the **TDI** chapter are far advanced, with the exception of a possible bi-lateral safeguard clause (which will be addressed in the context of further tariff discussions).
- Limited progress was made in the **Monopolies and State Enterprises** chapter, where views still diverge on scope: Canada wants certain entities to be excluded from the coverage of monopoly or state enterprise disciplines (notably territorial Liquor Boards).

- Both sides exchanged further information on their proposals for the **TBT** chapter. Further agreement in principle was reached on a few items. However, issues such as the incorporation of the WTO Agreement into the CETA, additional notification obligations and the treatment of Canadian conformity assessment bodies remain open.
- **SPS** is well advanced. Discussions are ongoing in particular on the scope of coverage and application of CETA and the link with the EU-Canada Veterinary Agreement.
- On **Services and Investment**, as reported to the TPC Services Committee on 28th April, useful discussions that further improved the mutual understanding of our respective aims in the negotiation.

On the sectoral side, good advance on telecoms and e-commerce without any fundamental disagreements. On financial services, a good first discussion took place.

- **Labour Mobility**: presented in the TPC Services Committee on 28th April. Discussions further improved our understanding of the Canadian ideas. Canada is putting forward the mutual ambition and the mutual interest that both economies have in facilitating the operations of professional service suppliers and investors. Both issues relating to temporary entry/mode 4 and the mutual recognition of professional qualifications have been discussed. Canada is expected to present a draft proposal on how to handle the mutual recognition of professional qualifications in the agreement, taking into account that both in Canada and in the EU qualifications are not regulated at a central level.
- Good progress was made on the **Regulatory Cooperation** chapter, which is far advanced.
- In the **GP** discussions, little further progress was made on the text, but discussions were deepened in areas of divergence (in particular transparency requirements) which should allow for progress in Round IV. Both sides are enhancing the mutual understanding of their respective procurement systems and are clarifying which entities are covered by the proposed definitions through an ongoing exercise of questions and answers.
- On **Competition**, much of the text currently on the table is agreed. However, Canada announced that it was considering the possibility of tabling proposals for additional provisions at Round IV.
- No progress was made on the chapter on **Subsidies** proposed by the EU:
- On **RoO**, an agreement on methodology is needed in order to allow further progress.
- Discussions on **Customs and Trade Facilitation** progressed well and the chapter is far advanced.

- Discussions remain difficult on substance on **IPR (including GIs)**. Some progress was made on enforcement. On copyrights, Canada is preparing new legislation to be tabled in Parliament before summer. The contents of this bill will determine the further evolution of the bilateral negotiations on this important item. Discussions are ongoing in the other IPR areas, notably on protection of pharmaceuticals. [REDACTED]
- Negotiations on the **Dispute Settlement** chapter are well advanced, with the discussions now focussing on the rules of procedure.
- **Sustainable Development** could not be discussed in this round because the EU negotiator was engaged in parallel negotiations.

As in previous rounds, the Canadian Provinces and Territories were present in force during the Round III negotiations.

Next Steps

In preparation for Round IV (Brussels, 12 – 16 July) inter-sessional work will be undertaken with the aim of further advancing a jointly agreed text.

Round V (Ottawa, 18 – 22 October) will be followed by a stocktaking exercise in order to assess whether the negotiations can be concluded in line with the objectives and the ambition of both sides and within a reasonable timeframe.

Further rounds are tentatively scheduled in January and April 2011.