

*EU-Canada CETA negotiations
Round VIII, Brussels, 11-15 July 2011*

Round VIII of the negotiations for the EU-Canada Comprehensive Economic and Trade Agreement (CETA) took place in Brussels between 11-15 July.

Both sides had planned to exchange their second market access offers on goods as well as their first offers on government procurement in the week ahead of the round. It was foreseen to focus the discussions during the round on these offers and to start the market access negotiations proper. Furthermore, both sides had the intention to continue to advance on the resolution of open text issues, in particular those which are linked to market access.

Art. 4.3

However, the negotiators continued to work on open text issues.

As in previous rounds, there was progress in most of the chapters but no major break-through to report at this point.

Art. 4.1(a)

However, there remains a clear willingness on both sides to find solutions for these outstanding issues, but it takes time.

Art. 4.1(a)

With regard to **market access**, the Member States received the offers exchanged on **goods** and **government procurement** as well as a general assessment of the Canadian offers on 19/07 (GP - documents m.d. 373/11 and m.d. 374/11) and on 20/07 (goods – documents m.d. 379/11 and 380/11). These documents were also sent to the INTA Committee of the European Parliament.

The **market access** offers for **services and investment** will be exchanged at the beginning of October.

Art. 4.3

Negotiators continued to review all remaining open text issues on **Trade in Goods**. Negotiators also continued to work on the **Trade in Services** chapter.

Progress was made in the **Trade in Services** chapter, in particular in the **Market Access** and **Investment** sections. The **Investment** section is still under discussion.

Sanitary and Phytosanitary Measures (SPS) remain a key area of discussion. Both sides are working to resolve the outstanding issues. The **Investment** section is still under discussion.

that Canada establishes import conditions and approvals for plants and plant products on an EU-wide basis. Both sides also discussed how the existing Veterinary Agreement could be linked to/integrated into CETA.

In the TBT chapter the negotiators reviewed all outstanding issues. Some progress was made, and text on the cooperation between standardization bodies was agreed. Issues that are still open, but under ongoing constructive discussions,

Art. 4.1(a)

Rules of Origin (RoO) continue to be, given the different systems on both sides, one of the most complex and the most time-intensive area of the negotiations. Outstanding specific rules of origin have been reviewed with progress on some lines. No breakthrough, though, on the products which are considered more important and where the rules on both sides significantly differ (in particular autos/auto-parts, textiles and apparel, meats, sugar containing products, fish). For these products, the joint reflections continued along the lines described in the document m.d. 312d/11 of 21 June ('List of major issues with Rules of Origin (RoO) linked to tariff offers in the framework of a Comprehensive Economic and Trade Agreement (CETA) between the EU and Canada'). Viable options that could be further consulted internally by both sides have not yet been found.

In the area of **Wines and Spirits**, both parties continued to discuss the three pending issues (out-of-province sales/own brands of certain liquor boards, private wine-stores and the Cost of Service Differentials (COSD) applied by the Liquor Boards to European wines and spirits). While on the first two issues both sides are working on language, the discussions on the COSD were more difficult, although technical clarifications allowed the EU to improve its understanding of how they are calculated and implemented across the different Provinces. Important progress has been made in the question of the Canadian blending requirement for imported spirits as Canada confirmed it would be willing to lift this measure on imports of EU products.

On **Procurement**, the text was already well advanced prior to the round; further progress is linked to the exchange of offers and the discussions on market access.

On **Cross border trade in Services** the text is far advanced and most remaining open issues now depend on the market access discussions or are linked to other chapters. Both parties focussed their discussion on scope issues related to maritime and air transport. On **Domestic Regulation**, both sides concentrated on scope and definitions in order to narrow remaining differences. The discussions on **Mutual Recognition** led to significant progress in narrowing differences in all remaining areas of divergence.

Art. 4.1(a)

In the area of **Financial Services**, there were further exchanges of information on the respective regulatory frameworks.

Art. 4.1(a)

Intellectual Property Rights (IPR) only limited progress was made on text. The deadlock on pharma-related issues persisted. The discussion on copyright was not substantive pending the re-tabling of a new copyright bill announced by the Canadian government. Regarding **Geographical Indications (GIs)**,

Art. 4.1(a)

On **Sustainable Development** the situation remained unchanged with little progress on the major divergences, in particular with respect to the level of obligations in labour, the scope of the environment chapter and the way to address MEA issues as well as the enforcement mechanism.

Similarly on **Subsidies**, the Canadian side remains reluctant to consider the prohibition of certain market distorting subsidies for undertakings related to the trade in goods (Article X3 of the EU text proposal) and to take any commitments, be it on transparency, on services.

In the chapter **Monopolies and State Enterprises**, Canada made a new text proposal which, after a first assessment, is considered a good basis for further work. It needs to be further consulted internally.

Regarding **Dispute Settlement and Mediation** there were further discussions on the remaining two points of difference, of non-violation claims and the mechanism of compliance.

The discussions on **energy** will be taken up again at the next round, once the services and investment offers have been exchanged and it is clear which elements could be covered by the services chapter. Generally, however, there has been little commitment so far by Canada to engage in this area. **Raw material cooperation** is also planned for further discussions at the next round.

The next round will take place in Ottawa 17-21 October 2011.