



## **Draft Minutes of the ECR Meeting of May 8th, 2012**

**Attendance:** All except Bulgaria, Cyprus, Latvia, Lithuania, Luxemburg, Malta, Poland and Croatia

### **1. CETA State of Play**

EUDEL reported about the **last CETA informal working session** held in Brussels the week of April 23<sup>rd</sup>. EUDEL indicated that most of the discussion focused on Rules of Origin (essential to achieve agreement on trade in goods liberalisation), services and investment protection. EUDEL also reported that the Chief negotiators agreed on a stringent work plan with informal sessions planned the week of June 4<sup>th</sup> (Ottawa), mid-July (Brussels), mid-September (Ottawa) and mid-October (Brussels). Both parties work in view of reaching an agreement before the end of the year. EUDEL also recalled that DG Trade provided a detailed state of play of CETA negotiations at the TPC Deputies held on May 4<sup>th</sup>.

EUDEL recalled that on April 27<sup>th</sup> Minister Fast delivered a strong **pro-CETA speech** in front of the Economic Club of Canada, in presence of J. Baird, Canadian Foreign Minister. This speech marked the start of a nation-wide pro-CETA campaign of the Harper government. On the same day another 13 Canadian ministers have made speeches on CETA in all Canadian provinces and territories, underlining the interests of Provinces in the conclusion of the CETA agreement. This campaign confirms the high political value of CETA for the Harper government and that the government will endeavour to reach an ambitious agreement before the end of this year.

DK briefed the group about the **visit of the Danish Trade Minister to Ottawa** in April and about her meeting with Minister Fast. DK reported that discussion on CETA was positive. Minister Fast in particular expressed appreciation for the progress achieved so far on CETA and reiterated Canada's commitment to reach an agreement before the end of the year.

[ DELETED ]

### **2. Visit of EP Delegation (Quebec City and Ottawa – April 28th to May 3rd)**

EUDEL briefed on the above-mentioned visit of a delegation of the European Parliament , which was composed of six MEPs, including the rapporteurs for CETA and SPA negotiations and the Chairman of the Committee for relations with Canada.

In Quebec, the accent was put on the agricultural chapter of the CETA talks, with dairy supply management being the key item on the menu (meeting with officials of the Quebec

Agriculture ministry [MAPAQ] and a dairy farm visit). The Delegation has also met with the Quebec CETA chief negotiator, Pierre Marc Johnson, and had a good exchange of views. [ **DELETED** ]

In Ottawa, the EP Delegation had a series of trade related meeting. It was extensively briefed on the CETA state of play by Steve Verheul (SV). Lots of progress has been achieved, although a list of outstanding issues is quite long.

[ **DELETED** ]

When meeting the Standing Committee on International Trade of the House of Commons (CIT), both sides expressed concerns regarding timing and a suggestion of a need for a political push appeared.

MEPs have also met twice with the European American Business Council and its corporate members including pharmaceutical, software, telecommunication, energy and postal companies. [ **DELETED** ]

### **3. ECR functioning**

EUDEL circulated an up-dated table summarizing the number of EU trade-related or consular entities divided by Canadian provinces (Annex 1). In addition, EUDEL circulated a "directory" of EU trade-related entities (trade representatives, chambers of commerce, etc.) divided by Province (Annex 2). EUDEL recalled that such a directory is drafted on the basis of MS inputs and that, if some MS so wish, consular representatives may be added to the directory. EUDEL invited MS to verify if the data on the table and the directory need any type of corrections or adjustments.

Regarding the ECR mission to Montreal on June 5<sup>th</sup>, EUDEL circulated the tentative list of participants and a draft program (Annex 3). EUDEL said that if MS had to make any changes to the list of participants, they should do so as soon as possible. EUDEL will shortly circulate a final list indicating the transportation cost per person (around \$37). The meeting point for boarding the bus will be communicated in the coming days.

### **4. Canada Trade Policy – Developments**

#### **▪ Japan**

After having announced a launch of an Economic Partnership Agreement talks, Canada and Japan are defining modalities for negotiations (timings, choice of chief negotiators etc.).

The Standing Committee on International Trade (CIT) of the House of Commons has launched a series of hearings on the process. Ian Burney, assistant deputy minister for trade negotiations was the first one to testify. He said that Canada hopes that its financial services, forestry, fishery, meat and other industrial sectors will greatly benefit from the agreement.

The Conservative Party applauded the government for pursuing more market openings for Canadian businesses. The opposition wondered what sectors may loose because of the agreement. Ian Burney replied that all sectors, including automotive, which has concerns

regarding NTBs in Japan for its products, are going to be winners. Cars, if NTBs are removed, will have it easier to be sold on the Japanese market.

Ian Burney added that an EPA with Japan is compatible with both countries applying to join the TPP process. It is not sure that Canada joins the TPP and even if it does, not sure that the process succeeds. Pork and beef industry representatives called for an elimination of very high tariffs and also some unjustified SPS barriers. Meat industry called the government not to commit the same mistake, as it has a considerable part of market share in South Korea given the fact that both the EU and the US have implemented FTAs with that country, while the Canadian negotiations are stalled.

## ▪ TPP

Trade Minister Ed Fast has concluded a visit to Australia and New Zealand, where he sought support for Canada joining the TPP. While business associations in both countries are favorable, dairy industry request concessions on supply management, before Canada joins the process. It leaves Canada with still 3 major TPP Members to be convinced: US, Australia and New Zealand. During the visit of Prime Minister Harper to Chile, he gained the Chilean support (Chile is one of 9 TPP Members). In addition, an existing bilateral FTA was extended and now covers financial services.

## 5. EU/Canada Trade statistics

EUDEL circulated a set of up-dated EU/Canada trade statistics by Eurostat (Annex 4). EUDEL underlined that the EU continues to enjoy a substantial trade surplus with Canada and while Canada is the 12<sup>th</sup> largest trading partner of the EU, the EU is solidly the 2<sup>nd</sup> trading partner of Canada after US. Canada/EU trade is more than 20 times Canada/India trade and 15 times Canada/Brazil trade.

Some MS (IRL, IT) noted that there are some statistical disparities between trade data provided by Eurostat and trade data supplied by Statistics Canada.

## 6. Aviation ETS

EUDEL recalled that in April Germany had raised the idea of an informal demarche to the Canadian authorities on the question of the aviation ETS, in relation to the technical discussion ongoing in ICAO. Germany raised the point informally with Transport Canada but no further action is foreseen in Ottawa. At this stage the question is essentially technical and discussions are underway at ICAO in Montreal. Some MS (D and B) expressed the need to establish a better connection with the EU colleagues at ICAO in order to avoid disparities between the technical level at ICAO and the political level in Ottawa.

## 7. Proposed Agri-food import licensing scheme

EUDEL reported that on 21 April, the Canadian government published a **Notice of Intent to establish an importer licensing scheme**, with a 30-day comment period (i.e. until 21 May). According to this Notice, the actual proposed regulation intended to implement this licensing scheme will be released in the fall of 2012.

At the same time, the Canadian government released its **"User fee" proposal for this importer licensing scheme**, with a 60-day comment period for this proposal (i.e. until 29 June). This fee will start at about CDN \$260 (about €200) starting in 1 April 2013 and increase annually to about CDN \$278 (about €213) starting in 1 April 2017, based on a "cost recovery" approach. EUDEL requested that the ECRs check whether their respective stakeholders have any concerns about these two proposals. The text of the proposals can be found at the following links:

<http://www.gazette.gc.ca/rp-pr/p1/2012/2012-04-21/html/commis-eng.html#f107>; and  
<http://www.inspection.gc.ca/about-the-cfia/accountability/sound-agency-management/invitation-to-comment/eng/1327026110364/1327032759620> .

## **8. Other business**

The next meeting of the EU-Canada Trade and Investment Sub-Committee (TISC) is scheduled for Tuesday, 12 June in Ottawa. EUDEL asked ECRs to inform it as soon as possible if there are any particular issues that should be raised at this meeting.

## **9. Next Meetings**

The June ECR meeting will coincide with the ECR's mission to Montreal on June 5th. The July ECR will take place on Tuesday, July 3rd. In August, as usual, there will be no ECR meeting.