



Minutes of the ECR Meeting of January 8th, 2013

Attendance: All except Bulgaria, Cyprus, Estonia, Greece, Latvia, Lithuania, Malta, Poland, Slovenia

1. Short presentation on Irish Presidency priorities

Ireland gave an overview on the priorities of the Irish Presidency of the Council of the EU. The overarching theme of the Irish Presidency will be about economic stability, and ensuring that it leads to jobs and growth. It was noted that, as part of the drive for stability, jobs and growth, the Irish Presidency will prioritise bilateral trade agreements with key partners so that exporters have expanded access and opportunities in these markets. The Irish Presidency will place a special focus on the EU-US trade relationship, with the aim of working toward a formal Council mandate for the start of negotiations on a new comprehensive EU-US trade agreement. It will also work to help achieve the finalisation of the CETA, as well as seeking to advance FTAs negotiations with India, Japan and other strategic partners.

The full Irish Presidency programme (since launched in Dublin on 9 January) may be downloaded at the following link:

http://www.eu2013.ie/media/eupresidency/content/documents/EU-Pres_Prog_A4.pdf

2. CETA Update

EUDEL recalled that contacts at the level of chief negotiators continue to be intense. The objective is to reduce gaps on key sensitive issues in order to prepare a new ministerial meeting between Commissioner De Gucht and Minister Fast that could take place in Ottawa at the beginning of February.

In the second half of January the Commission will also debrief MS in Brussels at the next TPC meetings (both Full Members and Deputies). EUDEL confirmed that Minister Fast and Commissioner De Gucht are scheduled to have a stock taking conversation by telephone by the end of the current week.

The Group noted that, while CETA remains undoubtedly the top priority for Canadian trade policy, the CETA debate in the media over the last weeks seems to be less heated.

3. ECR Annual Report

EUDEL circulated the draft ECR 2012 Annual Report and said that this first attempt at drafting a joint report was successful and that, even if some parts could still be improved, the

exercise was useful and commendable. EUDEL added that it would draft also an executive summary which will be circulated shortly.

EUDEL indicated that additional contributions and adjustments to the text could still be provided until January 29th -- the objective being the adoption of the final text at the ECR meeting on February 5th. MS are required to make reference to the draft Annual Report circulated by email on 20 December 2012.

EUDEL added that if the Group supported the idea, EUDEL would launch the 2013 Annual Report in February/March with the objective to identify soon (as last year) MS volunteering for the drafting of specific chapters of the Report. The ECR Group convened that the 2012 Report was a success and broadly supported the idea to replicate this exercise for 2013.

4. ECR Mission to Toronto

EUDEL confirmed that the ECR mission to Toronto will take place on March 5th and informed that, until now, 21 ECR colleagues from Ottawa (including the EU delegation) have expressed an intention to participate. Another couple of colleagues may decide to participate at a later stage.

[DELETED]

As for the substantial part of the mission a draft programme will be circulated by the EUDEL in the coming days. As already anticipated, meetings with TSX, CERT, Ontario government and EU consuls, trade representatives and Chamber of Commerce will be organized.

In principle, EU representatives in Toronto (Consuls, Trade Representatives and Chamber of Commerce) are welcome to join the programme of the ECR group. However, EUDEL warned that, for some events, restrictions on the number of participants may apply because of the venue capacity.

5. Other ECR Annual Activities

EUDEL suggested that, as in 2012, the ECR Group should undertake a number of joint activities.

The production of a joint annual Report – already discussed – is agreed and will be pursued. Also, the list of EU trade entities on the Canadian territory (produced during the first semester last year) could be usefully updated. The joint mission to Toronto is already part of such programme but other mission or joint initiatives could be considered, particularly in the second half of the year.

NL suggested that, further to the conclusion of CETA, a specific joint initiative could be taken on CETA, either in Ottawa or in another large Canadian city. The Group agreed that such an idea should be seriously studied once the negotiations are completed.

In addition, EUDEL invited MS to make any other type of proposals and also to suggest guest speakers on issues of common interest.

6. Canadian Trade Policy Update

EUDEL reported that the beginning of the year was quiet on the trade policy front in Canada. It was a good time for Trade Minister Ed Fast to summarise his achievements of past year. Among key accomplishments he quoted:

- Canada's joining the Trans-pacific Partnership
- The extension of the Canada-US Softwood Lumber Agreement that secures access to Canadian products to the US market until 2015
- The launch of FTA talks with Japan and the achievement of progress in trade talks with India and the EU
- The decision to pursue exploratory discussions on a possible trade deal with Thailand.

7. WTO Panel on Green Energy Act of Ontario

EUDEL informed that the WTO Panel had released its decision on this case on 19 December and distributed a copy of the European Commission's Press Release reacting to the decision ("EU Welcomes WTO report on Ontario's Energy programme"). Canada is expected to appeal the decision.

8. Investment Canada Act

EUDEL informed about the December 7th decision of the Canadian government to approve two proposed controversial investments in Canadian energy companies by state-owned enterprises (SOEs) under the Investment Canada Act (ICA), namely the proposed CDN \$15 billion acquisition by the China National Offshore Oil Company (CNOOC) of a Canadian producer of oil sands oil (Nexen) and the CDN \$5.5 billion acquisition by a Malaysian SOE, Petronas, of a Canadian producer of natural gas, Progress Energy Resources Corp. These decisions follow several months of sustained public and political discussion concerning the perceived increase in SOE acquisitions in Canada and, in particular, the wisdom of having Chinese SOE investment into perceived strategic resources, such as the oil sands.

Concurrent with these approvals, the Canadian government also released new guidelines on the application of the ICA's so-called "net benefit" to Canada test, most of which is intended to clarify how it will approach any future acquisitions of control of Canadian businesses by SOEs. These new guidelines would, in particular, effectively block any future proposed large acquisition of oil sands companies by SOEs. These guidelines, however, do not clarify the Canadian investment review process, as has been promised by the government for several years. Instead these guidelines may have made the process even less clear. In particular, there is no further clarity on the "net benefit" to Canada test and the new guidelines have added even more complexity with a widened definition of an SOE, no definition of what an "exceptional basis" is and different review thresholds for SOEs and non-SOEs.

9. AOB

EUDEL distributed a draft agenda of the upcoming meeting of the Trade and Investment Sub-Committee (TISC) scheduled on 28 January. EUDEL asked Member States for suggestions for possible additional items to be put on the agenda by the end of the week

EUDEL announced that DFAIT, in coordination with the Alberta Government, is organizing the presentation of a new study on the oil sand to the EU MS in Ottawa on January 22nd. DFAIT will send out invitations and communicate the exact venue shortly.

10. Next ECR Meeting

The next ECR meeting will take place on February 5th.
