



Minutes of the ECR Meeting of October 2, 2012

Attendance: All except Bulgaria, Cyprus, Estonia, Italy, Lithuania, Luxemburg, Malta, Romania, Slovenia

1. CETA debriefing and state of play

EUDEL recalled that the last CETA working session took place in Ottawa the week of September 17th and that the EU Chief negotiator met the EU HoMs on September 19th. Furthermore, DG Trade provided a full debriefing at the Trade Policy Committee in Brussels on September 28th.

[DELETED]

The EU believes that negotiations can be concluded before the end of the year but in order to respect this deadline it is essential that most of the open issues be closed during the next working session that will take place in Brussels from the 15th to the 26th of October. This should give us time to organise an EU/Canada Ministerial meeting before mid-November with a view to prepare a final package for the consideration of the EU Trade Ministers at their meeting scheduled on November 29th.

EUDEL also reported about an event between Trade Minister Ed Fast and the EU HoMs that took place that same morning at DFAIT. It was a one hour event where the Minister invited the EU HoMs and Croatia to discuss openly about CETA, its challenges and opportunities. On the Canadian side, the Minister was accompanied by Steve Verheul and Ana Renart (CETA Chief and deputy chief negotiators), Gerald Keddy, Parliamentary Secretary of Minister Fast, and J. Stirk, Assistant Deputy Minister, Global Issues and Strategic Policy - Europe and Middle East.

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2. WTO Panel on seal products

EUDEL informed that Canada, along with Norway, recently requested the WTO's Director General (Pascal Lamy) to appoint panellists to hear their WTO complaint against the EU concerning the EU's measures prohibiting the importation and marketing of seal products ("seal ban"). The WTO had already agreed to establish a panel to hear this dispute in March 2011 but both sides had been unable to agree on the composition of the panel. M. Lamy should announce his decision on the Panellists on 4 October. Once the Panellists are appointed, the Panel normally has about 7 months (i.e. until early May 2013) to hear the case and give its report and recommendations to WTO members. EUDEL noted some speculation in the Canadian media about whether Canada's decision to move forward with this case would negatively affect the CETA negotiations. However, although the European Commission regrets Canada's decision to do so, it recognizes its right to do so and there is

no linkage with the CETA negotiations. The Commission also believes that the EU measures at issue are fully compatible with the EU's WTO obligations.

EUDEL also noted that the WTO Panel decision on the EU's complaint concerning the domestic content requirements under Ontario's Green Energy Act is expected to be made public in mid-November 2012.

3. Canadian Trade Policy Developments

Foreign Investment and Protection Agreement with China published

Canadian government has tabled in the House of Commons the Foreign Investment and Protection Agreement it had recently concluded with China.

The agreement should be approved through the silent procedure in the coming weeks.

From the first reading it seems that it was the Chinese approach to bilateral investment treaties that prevailed, in that:

- the pre-establishment phase is not covered
- financial services are covered to a limited extent (the FIPA applies only in cases of expropriation and prohibition of capital transfers)
- transparency in case of arbitration is very limited and only allowed if both sides agree to make ongoing cases public

The full text of the FIPA can be found under:

<http://www.international.gc.ca/trade-agreements-accords-commerciaux/agr-acc/fipa-apie/china-text-chine.aspx?lang=en&view=d>

FTA with Jordan entered into force

Free Trade Agreement with Jordan has entered into force on the 1st October 2012. Bilateral two-way trade between Canada and Jordan is limited and in 2011 accounted for around \$90m.

4. Other issues

Sugar CVD review – reversal by the CITT

EUDEL informed that the Canadian International Trade Tribunal (CITT) has reversed its November 2010 decision to allow anti-dumping and anti-subsidy measures on certain EU imports of refined sugar to expire, following an appeal from the domestic industry (These anti-dumping measures affect exports from Denmark, Germany, the Netherlands and the UK). As a consequence, these anti-dumping and anti-subsidy measures will continue for at least another 3 years, until November 2015, meaning that overall these measures will be in place for at least 20 years. EUDEL distributed a copy of the CITT's decision, which can be found at this link: http://www.citt.gc.ca/dumping/reviews/orders/rr2j003r_e.asp.

Asbestos – Announcement by the Federal Government

On September 14th the Canadian Federal Government announced that it will no longer block international efforts to list chrysotile asbestos as a hazardous material in the Annex III of the Rotterdam Convention. The federal government took this position in light of the election results in Quebec which saw the Parti Québécois narrowly take power two weeks ago. The new Premier, Pauline Marois, has committed to cancel a government loan guarantee of \$58 million designed to resurrect the large Jeffrey asbestos mine. As a result, production will be

halted permanently. The federal government will contribute to \$50-million to support industry diversification of the Asbestos region.

NAFO Annual Meeting (17 – 21 September -- St. Petersburg, Russia)

EUDEL distributed the press releases issued by the European Commission, Canada and NAFO (Northwest Atlantic Fisheries Organization) outlining the main results of that meeting. Of particular note was a significant increase in the quota for cod in an area totally managed by NAFO (Flemish Cap), as well as further progress in the protection of Vulnerable Marine Ecosystems (VMEs).

ECR Activities

EUDEL informed that it made an enquiry with Porter Airline about the possible cost of a joint ECR mission trip to Toronto. Porter would be the most practical option as it flies to Toronto city airport instead of Pearson International which is far from the city centre. [**DELETED**] Considering the time necessary to organise such a trip, EUDEL suggested that the trip could take place next March.

EUDEL also recalled that it expects to receive MS contribution for the drafting of the ECR annual report during the month of November. The idea is that a first draft report should be ready by the December ECR.

Agora

EUDEL announced that all but one MS is now registered on the agora electronic platform. The next ECR agendas and communications will be transmitted exclusively through this platform. Contrary to what was announced at the last ECR, Poland was already registered on Agora.

Next ECR meeting

The next ECR meeting will take place on November 6th.