



Draft Minutes of the ECR Meeting of April 3rd, 2012

Attendance: All except Bulgaria, Cyprus, Lithuania, Luxemburg, Malta, Poland

1. CETA State of Play

EUDEL informed the group about the recent focused working session that took place in Brussels the week of March 19th. A lot of activity was devoted to Rules of Origin (RoO), which is at this stage the crucial issue necessary to make progress on the market access package. CDA made a new proposal which is now being considered by the EU side.

[DELETED]

On procedure, a new working session will take place in Brussels at the end of April whereas a working session in Ottawa should take place in the first half of June. [DELETED]

EUDEL also recalled that last March the Standing Committee on International Trade of the House of Commons finalized and made public its report on the CETA negotiations. Although the text does not present major surprises (strong support to the negotiations by the Conservative majority), the report also includes the dissenting voices of the oppositions which is worth looking at. The text of the report is available at the following link:

<http://www.parl.gc.ca/HousePublications/Publication.aspx?DocId=5431905&Language=E&Mode=1&Parl=41&Ses=1>

[DELETED]

2. ECR Functioning

On the **EU presence in Canada**, EUDEL distributed a slightly up-dated version of the tables summarizing the extension of the different EU trade-related and consular entities on the Canadian territory. EUDEL also said that MS can at any time provide complementary information in order to improve or adjust the relevant information.

It was emphasised that the suggested interaction would be conducted with due regard to national structures, and not compromise the policy-defining prerogative of national representatives in Ottawa. Similarly, the necessity of differentiating between government and private sector trade-involved entities – notwithstanding the latter's national composition – was underlined.

As a follow-up, EUDEL said that it would later circulate an exhaustive list/directory (with names and addresses) of the trade entities, organized by Province. EUDEL said that it would exclude consular representatives unless, for specific cases, MS requested particular inclusions.

Secondly, EUDEL suggested that, on the basis of this exercise, it would be useful to improve the level of interaction between the EU Delegation and the ECR group on the one side and the entire EU trade-related network in Canada on the other side. This activity could be particularly important in view of the future implementation of CETA and to reinforce the EU market access strategy in Canada. In order to give substance to this strategy and establish a contact with such EU commercial representations, EUDEL suggested that ad hoc missions by the ECR group to Montreal, Toronto, and, if possible, to other cities in the West should be organized. EUDEL underlined that such an initiative is aimed at improving communications between the ECR and the EU trade entities and at increasing the synergy between the same EU trade and commercial representatives on the Canadian territory.

In respect to the **visit to Montreal** (Bombardier), EUDEL confirmed that the date is now confirmed for June 5th. EUDEL has already circulated a message outlining the practical arrangements (bus, costs, reservations) and invited MS to confirm their reservations before the end of April. As regards the second part of the mission (in the afternoon) EUDEL suggested that a meeting with EU commercial representatives in Montreal could be a good way to improve the level of interaction with such entities as described above. EUDEL invited MS to make proposals and also to see whether, via Consulates or Chambers of Commerce, they can provide a space for the afternoon activity. Those MS who have ideas in this respect are invited to stay in contact with the Delegation.

For the draft **annual report** EUDEL circulated a final draft of the table of contents indicating also which part each MS has agreed to draft. EUDEL said that this question will not be discussed again until September or October, but it is agreed that those MS who have taken a commitment will deliver their contributions before the end of the year.

3. Canada Trade Policy

EUDEL informed about the recent developments in the Canadian foreign trade policy.

- **Asia**

PM Harper on his visit to Japan has announced a launch of bilateral Economic Partnership Agreement talks. A feasibility study has shown that significant gains are to be expected and both sides are ready to negotiate WTO+ arrangements including other than those covered by traditional FTAs government procurement and investment.

While visiting Thailand, PM Harper announced a launch of a feasibility study for a potential FTA.

- **Trans-Pacific Partnership**

US Census has recently published submissions from interested stakeholders on the call of interest regarding Canada joining the TPP talks. Around 140 submissions were received, vast majority of them being very positive and welcoming. Those more reluctant or rather making specific requests for concessions from Canada before in the process cover the following areas:

- Agriculture: eliminate supply management, eliminate wheat board and explicit request not to accept the EU requests on GIs in the CETA framework
- IPR: reinforce copyright; reinforce patent protection of medicines

All submissions can be found under:

<http://www.regulations.gov/#!searchResults;rpp=25;po=0;s=USTR-2011-0019>

4. Bill C 11

EUDEL explained that the copyright bill C-11 is now set for its 3rd reading after being amended in the special legislative committee. The bill prohibits digital locks removal under any circumstance. However, the audiovisual industry has voiced serious concerns regarding the following exceptions judged as being too broad: user generated content, hosting, search engine, network service, education and broadcast mechanical. The industry also believes that statutory damages set up at the maximum level of 5000\$ for non-commercial IPR infringements are too low. It is expected that the bill should be approved before the summer.

5. The new EU initiative on the access to the EU Public Procurement Market

EUDEL provided some information about the recent initiative of the European Commission for the proposal of a new piece of legislation (regulation) on the access of third-country goods and services to the Union's internal market in public procurement (International Procurement Instrument). The initiative aims at improving the leverage of the EU to negotiate further market opening in the area of public procurement. The draft text was adopted on March 21st and it will go through the standard legislative procedure through Council and Parliament.

[**DELETED**] A full set of documents explaining the objectives and the implementing modalities of this draft regulation is available at the following link:

<http://trade.ec.europa.eu/doclib/press/index.cfm?id=788>

6. Presentation on the Federal Budget

EUDEL summarized the main elements of the recently tabled federal budget. The 2012 budget, named “Canada’s Economic Action Plan 2012,” is the first real budget presented by the Harper Conservatives as a majority government. The main objective of this budget is to accelerate the path towards a balanced budget which the government intends to reach by the fiscal year 2014-15. Currently Canada is running a deficit of approximately \$21-billion. The budget introduces longer-term provisions, notably changes to Old Age Security (OAS) and includes significant cost-saving measures, amounting to \$5.2-billion cuts in federal spending over the next three years.

Also, as widely expected, Ottawa announced that it will introduce legislation to speed approvals of major resource projects, including the controversial Northern Gateway oil sands pipeline to the B.C. coast. This measure is intended to ensure responsible resource development by moving to “one project, one review” within a clearly defined time period for major economic projects while continuing to protect the environment.

It is worth underscoring how the government recognizes the importance of innovation. The budget supports business-led initiatives through the following measures: the introduction of a \$1.1-billion fund over the next five years to directly support R&D, a \$500 million venture

capital fund to promote business-led research initiatives, and a \$37-million for granting councils towards industry-academic research partnerships.

It is also to be noted that, despite the general characterization of this as an austerity budget, a number of analysts have pointed out that the government's size, role and spending will only be fractionally reduced by the adoption of its measures, if taking into account the "doping" effects of the extraordinary post-economic crisis levels of spending, which were among the highest in Canadian history.

7. Other issues

EUDEL announced that a mission of the European Parliament (Delegation for relations with Canada) will be in Canada the week of 30 April. The mission will visit Quebec City and Ottawa and will also focus on the CETA negotiations.

8. Guest Speakers

Gary Pringle, Head, Energy Secretariat, DFAIT and Stéphane Jobin, Director, Transboundary Affairs Division, DFAIT gave a presentation on Canada-US Energy Relations. The presenters characterized Canada as an "energy powerhouse" and underscored the market-based approach of the federal government on energy policy. The government sees its role as one of support to and advocacy for the energy industry in its efforts to increase (mainly to the US) and diversify (mainly to East Asia) exports of oil and gas. The PowerPoint slides of the presentation are attached to these minutes.

9. Next meeting

The next meeting will take place on May 8th, starting at 10.00 am.