

**EU-Canada CETA negotiations,
2nd Round, Brussels, 18 – 22 January 2010**

The **2nd Round of negotiations for the EU-Canada Comprehensive Economic and Trade Agreement (CETA)** took place in Brussels from 18 – 22 January 2010. As in the first round, the negotiations covered the full gamut of trade and trade-related areas, with a number of more detailed sectoral discussions this time, in particular in the area of services.

The Chief Negotiators for the CETA are Mauro Petriccione, Director, DG TRADE for the EU and Steve Verheul, Assistant Deputy Minister, Department of Foreign Affairs and International Trade (DFAIT) for Canada.

Discussions in Brussels centred on the key areas of a future agreement: Trade in Goods, TBT, SPS, Investment and Services, IPR (including GIs), Government Procurement, Customs and Trade Facilitation, Rules of Origin, Subsidies, Monopolies and State Enterprises, Competition, Regulatory Cooperation, Sustainable Development, Trade Defence, Institutions and Dispute Settlement. In addition, an informal exchange was held on "other areas" for possible inclusion in the CETA, where the EC put forward for Canada's consideration concept papers on science and technology, energy and raw materials.

The objectives set in advance of the Round had been to (a) further consolidate the joint negotiating texts, such that the text remaining bracketed reflected either fundamental differences on substance or areas in which further internal consultation or clarification was required, and (b) to provide the other side with a detailed explanation of the offers and requests exchanged in mid-December.

Both sides worked constructively to meet these objectives, and the round was judged to have been positive and productive overall. In a number of areas (notably Regulatory Cooperation, Trade Defence, Customs and Trade Facilitation and Competition), the consolidation of texts is well advanced, with no apparent significant divergences on substance outstanding. The Dispute Settlement text has also progressed well, and some progress was made on the Trade in Goods and TBT texts, although significant areas of divergence remain. Difficult discussions are also ahead on Rules of Origin, SPS and Monopolies and State Trading Enterprises, in particular as regards treatment of the Provincial Liquor Boards. In Services and Investment, the resolution of the issue of presentation of the specific commitments (positive list versus negative list) is key to further progress being made.

Art 4.1(a)

Art 4.3

On both IPR/GIs and Government Procurement, there were good discussions, but Canadian negotiators appeared to need more time for internal consultation (with the Provinces on the latter). The possible final outcome still remains unclear. On IPR, in particular, the differences on substance remain significant.

Both sides presented their offers on goods, though there were no line-by-line negotiations. Similar presentations took place on the Services/Investment and on the GP requests.

As for the first Round, Canadian officials – both Federal and Provincial – were present in great numbers in Brussels, indicating both the degree of importance Canada attaches to the CETA and the importance the Provinces attach to reaching an agreement which responds to their individual offensive interests.

In preparation for the 3rd Round (Ottawa, 19 – 23 April) considerable inter-sessional work will be undertaken with the aim of further advancing a jointly agreed text. Updated texts will be consolidated in a full document by 26th March, and will serve as the baseline for the Round III text discussions. Leads for Trade in Goods will advance work on issues related to the exchange of tariff offers, and Leads in Services, Investment and GP will signal areas of flexibility, so as to allow for deeper discussions in April.

Dates for the 4th and 5th Rounds were set at 12 – 16 July 2010 (Brussels) and 18 – 22 October (Ottawa).