



Geneva WATCH

An overview of the bilateral, plurilateral and multilateral trade negotiations

Charles Akande, Editor

EU Commission Proposes CETA be Considered a Mixed Agreement

In a move that may have surprised some trade observers, the European Commission proposed on July 5th that the European Council ratify the Comprehensive Economic and Trade Agreement (CETA) as a “mixed agreement.” This implies that the EU-Canada free trade agreement (FTA) will have to be approved by both the European Parliament, and then again by each member states’ national parliaments.

It’s the first time that the Commission proposes that one of its bilateral trade negotiations be considered mixed, a Brussels-based trade observer said, adding that the move should not come as a surprise given the events that have shaken the European Union recently (Brexit). In addition, many EU member countries have called the Council to consider the accord mixed and reiterated that request at the June 28-29 European Council summit.

The Commission President, Jean-Claude Juncker, who described CETA as the “best and most progressive” FTA the EU has negotiated thus far, also called for a swift ratification of the deal in order for the accord to enter into force as soon as possible, going as far as to say that the credibility of the EU trade policy was at stake.

However, sources say the Commission could not ignore the potential complications associated with CETA being considered as a non-mixed accord. This move would have been interpreted as overlooking the various concerns expressed by many of its member states toward both CETA and the agreement under negotiation with the U.S., the Transatlantic Trade and Investment Partnership (TTIP).

Instead, by agreeing on the mixed label, the Commission can now push for a swift signature and expect part of the benefits of the accord to be harvested without delay, leaving Member states with the heavy political burden of backtracking from a deal that has been partially implemented.

“I now hope that the deal with Canada can be signed, provisionally applied, and concluded quickly, to the benefit of consumers, workers, and entrepreneurs – this is an agreement that Europe needs,” EU Trade Commissioner Cecilia Malmström, adding that the issue of competence will be clarified by the European Court of Justice, in the near future.

“From a strict legal standpoint, the Commission considers this agreement to fall under exclusive EU competence. However, the political situation in the Council is clear, and we understand the need for proposing it as a ‘mixed’ agreement, in order to allow for a speedy signature,” Malmström stressed.

CETA is expected to be signed at the next EU-Canada summit in October. All eyes will then turn to the European Parliament, which is supposed to approve the agreement sometime this fall, before it can partially be implemented. The agreement will fully enter into force when Canada’s Parliament and the EU Council, Parliament, and member states’ national parliaments complete their respective ratification procedures.

G-20 Ministerial: Key Outcomes on Environmental Goods

The Group of 20 (G20) Trade Ministers wrapped up a two-day meeting in Shanghai, China on July 10th by approving a trade growth strategy with the objective of boosting global trade by lowering costs and stimulating both services and trade finance sectors. In addition,

Trade Ministers from the Environmental Goods Agreement (EGA) met on the sideline to advance their plurilateral negotiations on EGA, which aim to eliminate tariffs on a wide range of green technologies such as solar panels.

The group – which includes Australia, Canada, China, the EU, Japan, Korea, New Zealand, Singapore, Turkey, and the U.S. – declared that they reached an agreement on a package of outcomes covering the EGA plurilateral trade negotiations that will help to promote economic growth and environmental protection by making pollution reduction technologies more affordable and widely available.

Global trade in environmental goods is estimated at nearly \$1 trillion annually, and some WTO Members charge tariffs as high as 35 percent on these goods,

which can add to their cost of deployment significantly. The EGA group aims to conclude their negotiations by the end of this year. The Shanghai meeting provided important political momentum, which in turn permitted participants to identify a clear path to reaching the year-end goal.

U.S. Trade Representative Michael Froman hailed the “strong results” on the EGA plurilateral negotiations as a good example of G20 leadership and shared goals in promoting global trade growth and public support for trade.

“Ministers agreed to finalize a landing zone by the G20 leaders meeting in September in Hangzhou (China) and to hold a final ministerial meeting to conclude the [EGA] agreement before the end of the year” the USTR stressed.

Geneva Watch is published by Dairy Farmers of Canada, Chicken Farmers of Canada, Egg Farmers of Canada, Turkey Farmers of Canada and Canadian Hatching Egg Producers to report on the various events occurring in Geneva, particularly on the WTO negotiations on agriculture.

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