

Article on EU-Canada Comprehensive Economic and Trade Agreement (CETA)

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The European Parliament said “Yes!”

The European Parliament said “Yes” on Wednesday, 15th February 2017, to the EU-Canada Comprehensive Economic and Trade Agreement (“CETA”). After many years of negotiations and following the Belgian blockade in October 2016, the CETA, which has the objective of liberalising trade between Canada and the EU, could provisionally enter into force in March or April 2017. With the recent pull out of the US from the TPPP, and while somewhat expected, this vote was indeed some needed good news for proponents of liberalized trade.

However, before it can take full effect, the CETA has to be approved by the EU’s national and regional parliaments. These approvals are likely to be difficult to obtain due to the gradual increase of protectionism in the world, a trend which is firmly opposed by Canadian Prime Minister Justin Trudeau.

In his recent speech to the Members of the European Parliament, Prime Minister Trudeau once again praised the merits of the CETA. A few days earlier, he had said that the CETA is *“the most progressive trade agreement ever negotiated by Canada or the European Union. CETA sets a high standard for free trade agreements of the future. It will benefit Canada and the European Union by opening new markets and creating new opportunities for Canadian businesses and workers on both sides of the Atlantic.”*

Essentially, the CETA will remove 99% of custom duties, end restrictions on access to public contracts, open up the services market, offer predictable conditions for investors and help prevent illegal copying of EU innovations. The European Commission estimates that with the CETA, trade between EU and Canada should increase by around 25%. However, opponents of the CETA argue that it would essentially lead to a disruption of food, social and environmental standards.

Notably, after the *Brexit* and the election of President Trump, this vote for the CETA shows to the rest of the world the policy of openness in the EU and Canada. While technically, Canada and the other would be signatory nations of the TPPP could proceed without the US, it remains to be seen whether this will happen and whether they follow the example of the CETA.

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