Chrystia Freeland: CETA 'a truly gold standard agreement'

Written by Brian Johnson on 6 April 2016 in Interviews

Canada's international trade minister Chrystia Freeland on why she believes CETA will bring tremendous benefits to both sides and why she is proud to be on a Russian travel ban list.

It's been less than three years since Chrystia Freeland swapped her career as a journalist and author for that of a Canadian MP.

Her swift ascent through the Canadian Liberal party ranks, to the post of international trade minister, embodies the dramatic change in fortune of the party under the youthful leadership of Justin Trudeau, Freeland's junior by just three years.

Describing herself as "capitalist, red in tooth and claw", Freeland once said in an interview - just before the 2013 by-election victory that propelled her into Canadian political life - that, "One of the exciting things to me about politics is the opportunity and requirement to transform big areas of inquiry into practical action."
As far as big areas come, seeing the Canada- EU Comprehensive Economic and Trade Agreement (CETA) fully ratified and up and running by this time next year is as big opportunity challenge as they come.

Following the recent 'legal scrub' of the CETA agreement, we asked how confident Freeland was that the treaty would be implemented in early 2017.

"This agreement is a key priority for me and I am committed to seeing it enter into force in 2017," she says, adding, "CETA will bring tremendous benefits to both of our economies."

The successful conclusion of the legal scrubbing - primarily aimed at allaying concerns over controversial investor protection rules - was announced earlier this year by Freeland and her European counterpart, EU Trade Commissioner Cecilia Malmström, with the Canadian calling the outcome "a gold-plated" trade deal.

"On February 29, I was very pleased to jointly announce with Commissioner Malmström that the legal review of the English CETA text was complete and publicly available. This was an important milestone and we have both committed to signing CETA in 2016 and implementing it in 2017," she says, adding that there had been considerable legal work surrounding the dispute settlement mechanism.

"In the last few months, Canada and the EU engaged in exploring new, progressive and innovative approaches to investment protection and arrived at the revisions announced on February 29."

"We modified the way the investment tribunal will function, including how the members are appointed, raising the accountability requirements for such appointments. We also reaffirmed governments' right to regulate, in order to achieve legitimate policy objectives."

In addition, she argues, the revisions will deliver a fairer and more politically acceptable investor-state dispute system.

"Canada intends to be a leader on the principles that guide international investment in the 21st century and I will be looking to collaborate further with like-minded partners in the days ahead. CETA has laid a strong foundation for that."

Given the widespread disquiet surrounding the ISDS achieving public acceptance was always going to be difficult.

However she says that she is, "confident that Canadians and Europeans will recognise that CETA is a truly a gold-standard agreement, reflecting our desire to strengthen our trade and commercial ties, while building upon our shared values."

The new trade deal will, she argues, "respect governments' right to regulate in important areas,
including the environment, health and labour, [and] with the refinements that we made to the investment chapter, Canada and the EU responded to concerns our citizens were raising on investment protection and investment dispute resolution."

It's now a system, she believes, which embraces transparency, independence and high ethical and procedural standards.

"I have spoken with many EU colleagues, who have echoed these positive views on the modifications. This includes a recent delegation of MEPs from the European Parliament's international trade committee, and I was very pleased to host them for a dinner where we discussed this important progress."

Indeed, a leading member of that MEP delegation, Dutch Liberal deputy Marietje Schaake, told the Parliament Magazine that the reformed investment protection model was, "a great example" of how the EU and Canada can work together to raise standards.

Establishing trade deals with the rest of the world is seen as "absolutely essential" for Canada, according to Freeland.

With the North American Free Trade Agreement (Nafta) incorporating the giant US and Mexican markets and with CETA set to open the door to the EU's riches, the next target in Freeland's sights is improved access to trade and investment in China's vast and fast growing market.

"Canada is a trading nation, so achieving trade deals with the world is absolutely essential to the prosperity of the Canadian middle class. This is at the core of my government's agenda."

"When it comes to the United States, we have been able to capitalise on our geographic proximity by first entering in a free trade agreement in 1989 and then entering the North American Free Trade Agreement in 1994. This created the largest free trade region in the world, and we saw an unprecedented increase in trilateral trade, from $2.9bn USD in 1993 to well over $1.1 trillion USD in 2015."

China is Canada's third largest trading partner - behind the US and the EU. "We recognise the tremendous opportunities that this market represents. Expanding Canada's trade and investment relationship with China is a key component of my mandate as international trade minister, and I will continue to engage with Canadians on this."

An outspoken champion of Canada's role in supporting Ukrainian independence, her active and vocal support for sanctions against Russia resulted in a retaliatory travel ban imposed by President Vladimir Putin in March 2014. That action led to Freeland, who speaks both Ukrainian and Russian, to tweet that it was "an honour" to be on Putin's sanction list.

"Like well over a million Canadians, I trace my family's roots to Ukraine. Canada, as a country, firmly supports international efforts to seek a resolution to the crisis in Ukraine. We will continue to work with our allies to apply pressure on Russia - including through sanctions - until it fully complies with its international obligations and ends its illegal occupation in Ukraine."

"Yes, I am on the list of 13 Canadian politicians who were banned from visiting Russia, by the Kremlin, after Canada imposed sanctions together with the US and EU. This is an honour I share with, amongst others, Irwin Cotler, who served as Canada's Minister of Justice, and Artis Pabriks, former Latvian Foreign Minister and current MEP."

Capitalist, red in tooth and claw, she may well be, but Freeland is no traditionalist, having written
widely on the profound changes impacting western societies from globalisation and new
technologies.

Her 2012 book, 'Plutocrats: The Rise of the New Global Super-Rich and the Fall of Everyone Else', was
a New York Times bestseller. She talks of an economic path for Canada that encompasses both
technological growth and social welfare and of a more balanced and inclusive prosperity.

"Our government was elected on an agenda to strengthen the middle class and improve economic
opportunities for all Canadians, including the most vulnerable; one key way to achieve our
overarching goal is through trade and investment."

Canada, she argues, may be geographically large, but the country's future prosperity will depend on
strengthening its global trade links.

Trade accounts for more than 60 per cent of Canada's GDP, while exports are directly linked to one in
five Canadian jobs. "As Canada's second largest bilateral trading partner and our largest source of
foreign direct investment, the EU is an important element in our plans for economic growth."

The CETA deal is expected to boost bilateral trade between Canada and the EU by around 20 per cent
or around €12bn annually for the EU.

She is also a believer in the economic power of innovation, which she says is "central to creating good
quality jobs for Canadians and I'm very pleased that our government unveiled unprecedented funding
in this area in our first budget last month."

"As partners with common values and objectives, we have much to gain in furthering our cooperation
in science, technology, research and innovation. The 1996 Canada-EU Science and Technology
Agreement is an example of a solid foundation for collaboration on this front."

About the author

Brian Johnson is managing editor of the Parliament Magazine

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