

Is CETA Redundant?

POPULIST RESISTANCE TO RATIFICATION AND CARNEY'S
TRANSATLANTIC OUTREACH



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IS CETA REDUNDANT? A RHETORICAL QUESTION

- It will not be fully displaced given trade growth under provisional application which will likely continue indefinitely
- Could CETA be supplanted or altered by “associate member status”?
- CETA is a warning of the difficulties of securing agreement between the fragmented Canadian polity with its myriad first peoples and provincial and regional interests
- And the highly complex EU, balanced between Commission ambition and member state recalcitrance, especially in areas of mixed competencies
- Could these complications stall any deepened relationship?

Trump's transatlantic disruption: implications for agreements like Canada-EU and CETA

- Could the Trumpian demolition of much of the liberal trading order from 2025 inspire collective responses in the EU favouring ratification of CETA with a reliable transatlantic trade partner?
- Existential crisis for Canada? Is this a panicked reaction to Trump's assault? Is there any alternative to diversification of this kind?
- Will it push both parties to liberalization and militarization at the expense of other “shared values” on the environment, social equity, promotion of peace?
- Ultimately who benefits from this new collaboration?

Will the blocking of CETA ratification by populists in some European states be overcome?

- FRANCE and ITALY as important cases among non-ratifying states
- There is no question that Trumps' assertive, confrontational use of tariffs and other measures created challenges for right populist movements in such countries
- They might distance themselves from the US president on issues like Ukraine while sharing many of his economic and cultural priorities.
- But skepticism about immersing member states in more transnational engagements has increased and may make CETA ratification and any new associate status more elusive

FRANCE and ITALY CASE STUDIES

- Important cases of non-ratifying states
- There is evidence that Trump's unpredictable and arbitrary tariffs. Wavering re NATO and Ukraine and verbal attacks on the EU concern right populist leaders in both countries
- Fieschi (2026, 4) argues for France that "Trump's policies and rhetoric that challenge European sovereignty, disrupt trade, and undermine economic stability are threatening the economic and national interests of the voters the National Rally seeks to represent"
- Tocci (cited in Di Sario, 2025) notes similar dilemmas in Italy. Given that country's large trade surplus with the US, Trump's tariffs will harm Italy substantially. For Meloni, this emerges as a "sovereigntist contradiction." Despite "ideological convergence" with MAGA, the "economic costs of Trumps' American first vision creates tensions. "

Polarized positions between pro CETA interests and nationalist populists persist

- each side interprets the dangers of Trumps disruption of trade rules according to their existing preconceptions
- Pro CETA parties, governments and interest groups touted CETA as means of preserving the benefits of the liberalized order
- collaborating with like-minded “middle powers” on trade diversification and rules based practices, to withstand great power domination (as PM Carney argued in his Davos speech.
- Italian supporters indicated that geostrategic conditions including tariff wars made ratification to promote diversification more urgent. (Passariello, (2025)

Canada- Italy Trade Balance by Year

Merchandise Trade (\$thousands)

Year	Exports	Imports	Balance
2014	4172232.5	6422982.2	-2250749.7
2015	2280754.0	7364303.9	-5083549.9
2016	2340025.6	7538775.2	-5198749.6
2017	2291654.0	8151768.3	-5860114.3
2018	3110240.9	8999952.7	-5889711.8
2019	3240843.1	9475240.7	-6234397.6
2020	3693872.9	9008678.7	-5314805.8
2021	2671697.3	10467888.7	-7796191.4
2022	2862868.0	12130497.6	-9267629.6
2023	2689451.7	12895847.1	-10206395.4

Statscan Table 12-10-0171-01.

Canada- France Trade Balance by Year Merchandise Trade (\$ thousands)

Year	Exports	Imports	Trade Balance
2014	3312415.9	5961910.4	-2649494.5
2015	3126663.9	6772302.5	-3645638.6
2016	3399712.0	5932406.8	-2532694.8
2017	3407880.7	6192826.3	-2784945.6
2018	3442166.9	7194638.8	-3752471.9
2019	3635006.0	8813336.8	-5178330.8
2020	3716712.4	6479895.7	-2763183.3
2021	4051071.5	7105421.5	-3054350
2022	3953217.9	7800056.2	-3846838.3
2023	4260367.4	8636346.5	-4375979.1

Statscan Table 12-10-0171-01.

Among far-right parties, Trump's tariffs increased nationalism, protectionism and skepticism about FTAs

- .Strengthening the national community became a priority. Italian groups which have historically been critical of CETA focused energy on offsetting the negative impacts of Trumps tariffs via countermeasures or negotiations.
- A nationalist edge was included: “To respond, we need to promote Made in Italy excellence” (Raso, 2025) This diverted from consideration of CETA which is largely dormant in Italian legislative and political discussion despite government acknowledgement of its benefits
- In France, the stalemate persists, despite authorities' consistent efforts to draw distinctions between CETA based on shared values and the stillborn TTIP which threatened US dominance, (Hurrelmann, and Wendler,.2023)
- Trump's unpredictable aggressive trade campaign made his far-right allies increasingly distance themselves from the US leader. Jordan Bardella, potentially the next FN candidate for PM, derided the proposed EU-US trade pact, negotiated under the duress of tariffs as “economic, financial and industrial vassalization.” (Kayali and Solletty, 2026).

Progress Beyond CETA?

- While some more EU member states might ratify and EU-Canada collaboration will deepen, CETA may remain in its suspended provisional state indefinitely.
- EU-Canada collaboration now proceeds through new fora
- SAFE defense collaboration
- fossil fuels megaprojects; liquified natural gas, “green hydrogen”
- critical minerals supply chains,
- AI and digital commerce initiatives.
- These initiatives make headway, especially when Commission has competence and member state approvals are not required
- In March 2026, the European Parliament endorsed Deeper EU–Canada Alignment

What could be added in “associate member status”?

- **EU GOALS:**

- Fulfilling CETA? Stable trade partner
- Access to resources
- Suppliers independent of US and China
- Sustaining NATO?
- Security collaboration on Ukraine and Arctic fronts
- Mobility of persons
- Streamlined regulations and rapid approvals on medicines, food
- Independent tech platforms?

- **CANADA GOALS:**

- Alternative tariff free markets for resources, agriculture, critical minerals
- Procurement access
- Defence industry integration (limiting US dependence?)
- Access to European financial sector and payments system
- Reduced restrictions or taxes on transactions, services
- Not full incorporation into EU rules
- Mobility without open borders
- Alternatives to preserve sovereignty

Is there any social dimension left?

- CETA Chapters 22, 23, and 24
- Are the environmental and labour components now moribund?
- Energy, minerals, military spending as key priorities
- Emphasized without consulting first peoples, civil society
- Von der Leyen CETA would be upgraded to an “alliance for the future” to create a “common prosperity and economic security space”.
- Carney seeks cooperation on critical minerals, defence industrial capacity, AI and computing, energy security, space and payments.
- “seamless digital trade in non-agricultural goods and services”.
- Few mentions of climate and sustainability – beyond references to clean energy – is this outweighed in impact but fossil fuels expansion?
- Labour law changes? Mediation before strikes?
- Does the social dimension still matter? Or Is this a linking of neo-liberal projects?

Will “associate member status” be approved more quickly than CETA?

- Diplomats and scholars remain skeptical given the complex approvals required.
- But extraordinary times may breed innovation
- Populism remains a challenge
- France likely lost to right populists next year? Divisions in Italy and elsewhere?
- Trump's reaction? Threatens ending trade with EU –as Carney said, he signs his agreements in pencil .Can he coerce Europe to abandon Canada?
- Will his far-right alliances in several EU states torpedo associate member plan?
- Greenland “deal” as untimely gift before midterms
- How to sustain joint resolve when he can divide and conquer?

Partner	Total EU Trade (Goods + Services)
United States	Over €1.77 trillion [consilium.europa.eu]
Canada	About €130.8 billion [consilium.europa.eu]

How real is the commitment?

- Canada under threat – wartime footing
- Will Europe be sufficiently concerned? Ukraine priority
- Canadians fear being isolated
- Self interest may pry some countries away
- but many Canadians sacrificed their lives in the 2 World Wars and were left in European graves at Vimy and elsewhere
- If the bonds and values run deep, a degree of shared sacrifice may be required
- Essential to prevent Manifest Destiny from spreading from the Yukon to Yucatan or even Tierra del Fuego.

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