Dutch give initial approval to EU-Canada trade deal

The Dutch House of Representatives has narrowly voted in favour of CETA, the European trade deal with Canada. However, the upper chamber, the Senate, still has to give its blessing

Dutch Prime Minister, Mark Rutte with his Canadian counterpart, Justin Trudeau at the NATO summit in 2019

House of representatives narrowly agrees deal

The Dutch lower house of parliament has narrowly approved CETA, a trade deal between the EU and Canada, despite widespread opposition. It still has to be passed by the Senate. The Netherlands signed CETA in 2016 and the following year a provisional trade part of the agreement came into force. The deal has to be ratified by all EU countries and Canada.

Traditionally, the population and politicians of the small open economy of the Netherlands have been widely in favour of free trade. Even though Canada is not among the country's main trading partners - turnover of exports from the Netherlands to Canada amounted to €6.7 billion (roughly 1% of total exports) in 2018 and imports from Canada €3.5 billion - the issue matters in light of global trade politics that have recently shifted more in a protectionist direction.

That growing opposition could be seen by the new stance of the Labour Party (PvdA) which supported CETA when it governed and now does not. Generally, in recent years there has been more debate among the Dutch about the effects of international trade. That's why today's vote is getting so much international attention. Ratification is still not a done deal; today's approval by the House of Representatives is only the first necessary step.

Even tougher battle ahead in Senate

Mark Rutte's government holds a minority in both the House of Representatives and the Senate. The coalition initially started its term with a majority in the lower house, but subsequently lost it. Since then, the government seeks support among the opposition parties on a case-by-case basis in both houses, which contain different parties as we show below.

Coalition parties VVD, CDA (Christian Democrats) and D66 (Social Liberals) have always been in favour of CETA, but the fourth coalition partner Christian Union (ChristenUnie) voted against it in 2016 when it was not part of the government. It now supports ratification. In today's parliamentary vote, the absence of a few MPs from the opposition allowed the coalition parties to get a majority in support of the deal.

It's still not clear whether the Dutch Senate will adopt CETA

To ensure full ratification, a majority in the Senate is also required. Opposition parties which may support CETA have signalled their concerns about the Investment Court System (ICS), meat quality standards and competition for the European agriculture and meat sector. They also have worries about animal rights and the impact on the climate. Since the government needs to convince 6 out of 43 opposition seats, for now it's still not clear whether the Dutch Senate will adopt CETA.

With a small majority, the Dutch House of Representatives today prevented the Netherlands from becoming the first EU government ever to reject a free-trade agreement. However, today's vote and the more general public discussion in a typical trading nation show how significantly the tide has turned when it comes to trade.

Composition of Dutch parliament

Political party	House of Representatives Number of seats	House of Representatives Share of seats	Senate Number of seats	Senate Share of seats
VVD*	32	21%	12	16%
FVD	2	1%	10	13%
CDA*	19	13%	9	12%
GroenLinks	14	9%	8	11%
D66*	19	13%	7	9%
PvdA	9	6%	6	8%
PVV	20	13%	5	7%
SP	14	9%	4	5%
ChristenUnie*	5	3%	4	5%
PvdD	4	3%	3	4%
50PLUS	4	3%	2	3%
SGP	3	2%	2	3%
Factie-Otten	0	0%	2	3%
OSF	0	0%	1	1%
DENK	3	2%	0	0%
Van Haga	1	1%	0	0%
Van Kooten-Arissen	1	1%	0	0%
Total	150	100%	75	100%
Coalition parties*	75	50%	32	43%
Seats required for majority	76	51%	38	51%

*Party belongs to coalition goverment

Source: eerstekamer.nl and tweedekamer.nl

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