THE EU-CANADA COMPREHENSIVE ECONOMIC AND TRADE AGREEMENT (CETA)
The elimination of customs duties on almost all products and reduced technical barriers to trade will help increase trade in goods and services between the EU and Canada by nearly 25% and lift up EU output by about €12 billion a year. Tariff savings for EU exporters are estimated to be of around €470 Mio per year for industrial goods. This improves the EU competitiveness against US competitors that don’t face duties.

Improved access to service markets could mean output gains for the EU up to €5.8 billion per year once the agreement is fully implemented. Furthermore, CETA will make it easier for qualified EU professionals to work in Canada because it provides a framework to approve mutual recognition of their qualifications. This is an important benefit for young professionals who are looking to obtain working experience on the other side of the Atlantic.

Full and fair coverage of government procurement markets, including at the sub-federal level (like provinces and cities). EU businesses will be the first foreign companies to have the same market access conditions as Canadian companies when it comes to goods and services that public authorities buy - like trains, road building and healthcare products.

Intellectual Property Rights: European innovations, trademarks will be given high-level protection in Canada like they enjoy in the EU and will be better protected against unauthorised use.

The agreement recognises the special status of traditional food products and offers protection on the Canadian market to numerous European agricultural products from specific geographical origins. The use of 173 geographical indications (GIs) will be reserved in Canada to products imported from traditional European production regions, i.e. Roquefort, Elia Kalamatas Olives, Grana Padano or Aceto balsamico di Modena.

Customs and trade facilitation provisions include access to advance rulings on the origin or tariff classification of products, and automated border procedures where possible. This will make it easier for European SMEs to access the Canadian market.

Data source: European Commission
Key features

- **Increased market access for the EU industries**: the value of imported and exported industrial products amounted to €25,517 Mio and €31,741 Mio in 2015. 90% of the bilateral trade in goods between the EU and Canada is generated by industrial products. Machinery and transport equipment as well as chemicals dominate the EU’s exports of goods to Canada. In total, the top 5 of the Standard International Trade Classification (SITC) represents 81.1% (€22,928 Mio) of the EU’s imports and 86.6% (€30,519 Mio) of the EU’s exports to Canada. (Source: European Commission)

- **CETA will boost the integration of goods and services**: this is one of the most interesting economic changes – CETA will bring new opportunities for European companies that often cannot sell a product without providing accompanying installation or maintenance services.

- **Protecting democracy, consumers and environment**: CETA includes all the necessary guarantees to make sure that economic gains do not come at the expense of democracy, consumer health and safety for instance by reaffirming the rights of governments to regulate and make public policy choices.

- **CETA protects EU public services**: the agreement includes the standard EU approach, which ensures that:
  - nothing will prevent Member States from organising public services the way they want
  - nothing will oblige Member States to privatise a sector
  - nothing will stop Member States from taking privatised services back into public ownership

- **CETA removes investment barriers and includes ICS-Investment Court System**: The EU and Canada have committed to key principles such as non-discrimination between domestic and foreign investors; no new restrictions on foreign shareholding will be introduced. CETA incorporates all the essential elements of the EU’s new approach on investment protection and investment dispute settlement, i.e. an appeal mechanism, permanent judges and explicit reaffirmation of governments’ right to regulate. The new system aims to be more transparent, independent and institutionalised.

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**TRADE IN GOODS - EU WITH CANADA**

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<th>Exports</th>
<th>Imports</th>
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<td>Value (Bn euros - 2015)</td>
<td>28.3</td>
<td>35.2</td>
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**TRADE IN SERVICES - EU WITH CANADA**

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<th>Exports</th>
<th>Imports</th>
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<tr>
<td>Value (Bn euros - 2014)</td>
<td>11.4</td>
<td>16.5</td>
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**TOP 5 EU IMPORTS - SITC SECTIONS**

- Commodity and transactions n.c.e.
- Machinery and transport equipment
- Crude materials, inedible, except fuels
- Chemicals and related prod, n.e.s.
- Manufactured goods classified chiefly by material
- Others

**TOP 5 EU EXPORTS - SITC SECTIONS**

- Machinery and transport equipment
- Chemicals and related prod, n.e.s.
- Manufactured goods classified chiefly by material
- Miscellaneous manufactured articles
- Mineral fuels, lubricants and related materials
- Others

Data source: European Commission
The European pharmaceutical industry welcomes the conclusion of the CETA agreement. This high-technology sector is a major asset to both Canada’s and the EU’s economies, and currently employs nearly 750,000 people. The pharmaceutical industry on both sides of the Atlantic relies heavily on intellectual property (IP) protection as a key incentive for innovation - the life-blood of the industry.

We believe that, if implemented in line with the letter and spirit of the Agreement, it will contribute towards a level playing field in terms of IP protection.

For the innovative pharmaceutical industry, the CETA negotiations represented an opportunity to enhance Canada’s IP regime, with provisions aimed at strengthening Canadian innovation ecosystems to improve patient access to new medicines.

The EU’s proposals have led to the introduction of both an effective Right of Appeal for innovators in court proceedings in Canada, and a form of Patent Term Restoration (PTR), comparable with Supplementary Protection Certificates (SPCs) in the EU, as well as affirming existing levels of Regulatory Data Protection.

We believe this outcome will help the pharmaceutical industry in its mission to develop life-saving innovative medicines for patients.
The European Union and Canada have always shared the same level of high ambition for trade in IT goods and services.

For the global ICT industry, CETA is certainly the most comprehensive and ambitious trade agreement ever concluded by the EU. With the removal of tariffs and the inclusion of a new voluntary mechanism on regulatory cooperation, CETA will go one step further than the Information Technology Agreement of the WTO and will continue to ease the access of EU IT goods to the Canadian market.

The 21st-century agreement also includes commitments on cross-border services, removal of duties on digital products transmitted electronically, and provisions to maintain a transparent and predictable domestic regulatory framework for users engaged in e-commerce.

With Canada’s commitments in all government procurements (including at provincial level), many opportunities open up for EU companies to bid and compete for contracts to supply their ICT products or software services.

Finally, CETA also creates the framework for further cooperation on research, creativity and innovation and partnerships between EU and Canadian stakeholders.

The European services industries welcome the conclusion of CETA. It is the first trade deal where market access commitments are taken through a negative list approach, making clear for companies what they can do and what they cannot do. CETA provides full transparency on the trade restrictions at central and sub-central level, and hence predictability for businesses.

This agreement is the new benchmark in terms of EU trade policy for all the services sectors. EU companies will have better access to key Canadian sectors such as financial services, telecommunications, energy and maritime transport, and also for postal and express delivery and environmental services.

The European Services Forum is also pleased that CETA provides much better access to call for tenders of procurements issued by all public entities in all provinces and territories of Canada. This significantly improves market access for our companies, including in infrastructure works involving construction services.

Furthermore, CETA will make it easier for EU companies to move staff temporarily to the relevant provinces and territories in Canada. This indeed will support trade in services and investment by facilitating operations of European companies in Canada.

Also, the relevant professional organisations of professional services such as architects, engineers, and accountants in the EU and Canada will have the possibility to use the framework agreed in CETA to work on mutual recognition agreement of qualifications, that will allow full use of competences.
Tariff levels are preventing a stronger growth in exports: Canada’s tariffs on clothes go as high as 18%. This sector will feel the benefits immediately as those tariffs will completely disappear from day one.

Non-tariff barriers: the main problem is the specific legislation existing at provincial level, which in most cases goes far beyond federal regulations and creates additional cost. Reduced technical barriers to trade will help to increase exports.

Textiles and clothing have a vast field for applications: construction (roads, buildings, airports, etc.), public services (hospitals, schools, municipalities, fire workers, etc.), in the military/security field, etc. Therefore, opening public procurement markets is also one of the main achievements of CETA.

Dispute settlement mechanisms will improve the protection of EU Geographical Indications (GIs)

Improved transparency in the way provincial Liquor Boards operate in Canada and abroad

No more obligation to blend bulk spirit imports with local content

The same rules, the same retail opportunities and the same tax rates applied to all spirits, regardless of their origin

Removal of arbitrary and non-transparent levies on European products

Dispute settlement mechanisms will improve the protection of EU Geographical Indications (GIs)

Better enforcement

Fair tax treatment

Discriminations removed

Trade barriers abolished

Increased Transparency

Canada is an important partner for the European chemical industry and CETA opens up an interesting sales market as there will be immediate tariff elimination on chemicals at entry into force. Canada is a rich country when it comes to its natural resources.

For the chemical industry the potential future benefits regarding energy and gas supply are particularly important. As it regards regulatory cooperation, CETA takes up important aspects and pursues some interesting new approaches. A few elements more in detail:

- **Regulatory cooperation**
  - Exchange of information
  - Avoiding duplication
  - Mutual recognition
  - Development/use of comparable methodologies
  - BUT: all components are voluntary

- **Regulatory Cooperation Forum (RCF)**

- **TBT**
  - Rules build on existing WTO provisions
  - Stronger cooperation in technical regulations, standards, ...
  - Transparency

- **SPS**
  - Rules build on existing WTO provisions
  - Joint Management Committee
  - Continuing and intensifying the dialogue on biotechnology

European Chemical Industry Council (CEFIC):

European Apparel and Textile Confederation (EURATEX):

The Spirits Sector

Better enforcement

Fair tax treatment

Discriminations removed

Trade barriers abolished

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The Spirits Sector
BusinessEurope is the leading advocate for growth and competitiveness at the European level, standing up for companies across the continent and campaigning on the issues that most influence their performance. A recognised social partner, we speak for all-sized enterprises in 34 European countries whose national business federations are our direct members.