EU/Canada Comprehensive Economic and Trade Agreement (CETA)

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The Committee on International Trade adopted the report by Artis PABRIKS (EPP, LV) on the draft Council decision on the conclusion of the Comprehensive Economic and Trade Agreement (CETA) between Canada, of the one part, and the European Union and its Member States, of the other part.

The committee recommended that the European Parliament **give its consent** to conclusion of the agreement.

In the explanatory statement accompanying the report, it was recalled that CETA is the first FTA the EU has completed with another major established OECD economy. It is also the most ambitious agreement both the EU and Canada have concluded.

Canada is a strong trade and investment partner for the European Union. For Canada, the EU is the second most important trading partner (after the US). Canada is also the fourth-largest investor in the EU.

The main points of the Agreement are as follows:

Trade in goods: CETA will eliminate almost all customs duties, at a value of EUR 400 million for goods originating in the EU. There are, however, some restrictions to free market access, including a few agricultural products, public services, audio-visual services and transport services. Several agricultural goods considered as sensitive will either be offered as quotas (i.e. dairy) or excluded completely (poultry and egg).

Trade in services: CETA will provide new and better market access for European suppliers of services in which EU companies are world leaders, ranging from maritime services, telecoms, and engineering to environmental services and accountancy. It will make it easier for service suppliers to travel between the EU and Canada to connect with their customers. CETA will also establish a framework to simplify the recognition of profession qualifications, e.g. for architects.

All services markets are liberalised except those explicitly excluded. Exclusions include public services such as health care, education and other social services, as well as water distribution, audio-visual services and some air services.

Public procurement: Canada has opened up its government tenders to EU companies to a greater extent than with any of its other trading partners. EU firms will be able to bid to provide goods and services not only at the federal level but also at the level of Canadian provinces and municipalities.

Canada has also agreed to publish all its public tenders in a single procurement website. This will be of particular importance for SMEs in the EU.

Geographical Indications: Canada agreed to provide protection for over 140 European GIs of food and drink products at a level equivalent to that provided in the EU. A list of these GIs is included in an Annex of the Agreement, and may be supplemented later with other Geographical Indications.

Investment: CETA contains a separate investment chapter, including all relevant investment protection provisions. It puts forward a new investment court system and enhanced rules on investment protection. The new system makes the resolution of investment disputes fairer and more transparent.

In conclusion, the final agreement represents a balanced and comprehensive outcome of significant economic value for the EU, fully in line with what was set out in the negotiating mandate and the resolution adopted by the European Parliament.

Beyond the economic aspects, the Agreement is also of geopolitical importance, as it will strengthen relations between the EU and one of its closest allies.