

Implementation of the EU-Canada Comprehensive Economic and Trade Agreement (CETA)

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The Committee on International Trade adopted the own-initiative report by Javier MORENO SÁNCHEZ (S&D, ES) on the implementation of the EU-Canada Comprehensive Economic and Trade Agreement (CETA).

The report noted with satisfaction that trade in goods between the EU and Canada increased by 66 % between 2016 and 2022, while EU-Canada trade in services increased by 46 %, outperforming other extra-EU trade. Members also noted the fact that EU goods exports to Canada increased by 47 % during the first five years of provisional application, where the biggest gains were registered in the cases of manufactured products, chemical products as well as food and animal products. Canadian exports to the EU saw an increase of 46.4 %, where the biggest gains were registered in ores, precious stones and metals, and mineral fuels and oils.

The report underlined the considerable growth in bilateral trade in food and agricultural products between the EU and Canada, with EU agri-food exports to Canada increasing by 62 % and EU imports of such products from Canada by 52 % since the start of the provisional application of CETA. The report welcomed the substantial increase in the number of the Union's micro, small and medium-sized enterprises exporting to Canada, as well as in the value of their exported products, noting that the agreement thus significantly serves their interests.

Members stressed that, in the implementation of CETA, as with all other EU trade agreements, due account must be taken of respect for sustainable agricultural production, reciprocity and maintaining high standards, in particular sanitary, phytosanitary and veterinary standards, as well as of adequate controls and monitoring mutual compliance with those standards.

In addition, the two most important product categories that the EU and Canada export to each other are machinery and transport equipment, accounting for around 34 % of both exports and imports, and chemical, pharmaceutical and plastic products, making up around 20 % of total exports and imports. The mining and extraction sector, in particular fertilisers, nickel, uranium and sand oils is highly significant when it comes to imports from Canada, compared to other trading partners, accounting for nearly 20 % of the EU's total imports from Canada.

The report welcomed the fact that European and Canadian firms are making increasing and continuous use of preferences granted by CETA, with preference utilisation rates for both the EU and Canada standing at 60 % in 2022 compared to 40 % and 52 % respectively in 2018. It noted with interest that smaller companies are using the preferences to a larger extent than large companies and that utilisation rates are significantly higher for agri-food industries compared to manufacturing industries. Both partners are encouraged to continue to promote actions to **raise awareness of CETA** among stakeholders in both regions.

Members called on the parties to make available all the **legal and administrative support and tools** **SMEs need** to engage in trade and investment under CETA, in order to foster an increase in exchanges

and to enhance participation so they can reap the benefits of CETA, including through active measures to facilitate the internationalisation of SMEs, simplify procedures and address technical barriers to trade that disproportionately affect SMEs.

Lastly, Members urged Belgium, Bulgaria, Cyprus, France, Greece, Hungary, Ireland, Italy, Poland and Slovenia to **swiftly ratify CETA**, as this will also be essential in order to update the agreement, and reiterated the importance of full application of CETA, including its investment protection provisions.