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

2023/2001(INI) - 17/01/2024 - Text adopted by Parliament, single reading

The European Parliament adopted by 391 votes to 157, with 83 abstentions, a resolution on the implementation of the EU-Canada Comprehensive Economic and Trade Agreement (CETA).

Parliament stressed that CETA relies on a rules- and values-based relationship which promotes a more secure and stable economic environment between the trading partners and built on the principles of sustainable development and respect for human rights and labour and environmental standards.

Developments in bilateral trade

Members 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 resolution 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. Members 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.

Employment and mobility

Parliament welcomed the fact that CETA has contributed to creating new job opportunities, as the number of jobs supported by EU exports to Canada rose from 624 000 in 2017 to more than 700 000 in 2021. It stressed the importance of labour mobility facilitation granted under CETA, as it helps ensure an adequate skills transfer between the EU and Canada and avoid shortages of qualified labour. It welcomed, in this regard, the successful conclusion in 2022 of the first Mutual Recognition Agreement under CETA for architects’ qualifications.

Exported product categories

The resolution noted that 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.

Use of preferences

Parliament 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.

SMEs

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.

Traceability and control systems

The resolution highlighted that according to the audit report of the Commission's Directorate-General for Health and Food Safety, Canada has yet to satisfactorily implement the recommendations made in the Directorate-General's audit on the traceability and quality of the control systems in place governing the **production of beef and pork** intended for export to the European Union. Efforts to ensure stronger traceability systems for meat products should be increased. The Commission is called on to facilitate ongoing cooperation with the Canadian authorities aimed at increasing attention to safeguards for animal welfare standards in CETA.

Members highlighted the importance of recognising the **system of geographical indications** (GIs) as a key component of the agreement; underlines the need for further effective enforcement of GIs protection for EU rights holders in Canada, in order to ensure trust in the correct functioning of the agreement.

Environmental goods

Members welcomed the growth of the environmental goods trade by 27 % since provisional application started. They noted, however, that Canada has considered elements of European legislative and non-legislative initiatives with regard to the European Green Deal as technical barriers to trade. They invited the Parties to find synergies with the implementation of the Carbon Border Adjustment Mechanism (CBAM) and other initiatives in the EU, and to jointly support work to develop joint or comparable carbon emissions methodologies at international level.

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.