

# The EU-Canada Comprehensive Economic and Trade Agreement (CETA)

Opening up a wealth of opportunities for people in Austria



---

CETA will benefit people across Austria  
It'll do so by:



Scrapping **customs tariffs** for Austrian exporters and importers



Opening up the Canadian **services** market to Austrian firms



Enabling Austrian firms to bid for more **public contracts** in Canada



Protecting Austria's **research** and **creativity**



Making it easier for Austrian **professionals** to work in Canada



Encouraging more **investment** between Austria and Canada



Helping Austria's **small businesses** export more to Canada

---

Austria's economy is open to trade  
Over 750,000 Austrian jobs – almost one in five –  
rely on exports outside Europe

**And Austria and Canada already have a close  
trading and investment relationship**

**7<sup>th</sup>**

When it comes to goods, Canada is  
Austria's 7<sup>th</sup> biggest trade partner outside the EU

**10<sup>th</sup>**

When it comes to services, Canada is  
Austria's 10<sup>th</sup> biggest trade partner outside the EU

**€693 m**

The value of Austria's  
trade surplus with Canada

**€1.2 bn**

The value of Austrian exports of  
goods and services to Canada

**€537 m**

The value of Austrian imports of  
goods and services from Canada



## Scrapping customs tariffs on Austrian goods exports

---

**Austrian exports to Canada: €1 bn (2015)**

CETA will bring big **savings on customs duties** by eliminating duties on 99% of all tariff lines, of which 98% will already be scrapped at entry into force.

Austria will **benefit from tariffs being removed on virtually all of its exports**, in particular:

- **Machinery & electrical equipment**

**Austrian exports to Canada: nearly €460 m (2015)**

This sector employs more than 125,000 people in Austria. Austria accounts for 5% of total EU exports of machinery and electrical products to Canada. These face low average tariffs but some products face tariff peaks of up to 9%.

Apart from big savings on customs duties, CETA will enable Austrian companies to do away with costs of double testing thanks to the provisions on **recognition of conformity assessment certificates** in sectors such as machinery, electrical goods and electronic equipment. These sectors can also benefit from CETA's provisions on public procurement and movement of professionals (*see below*).

- **Iron and steel products**

**Austrian exports to Canada: €65 m (2015)**

Austrian exports face tariffs of up to 8%.

- **Pharmaceuticals**

**Austrian exports to Canada: €65 m (2015)**

This sector employs more than 13,500 people in Austria. Tariffs will be eliminated but they are low. CETA's main benefit for this sector, however, is its intellectual property provisions (*see below*).

The protocol on mutual recognition of **Good Manufacturing Practices (GMP)** will make it easier to trade in this sector, by allowing one Party's authorities to accept GMP compliance certificates issued by the other Party.

- **Motor vehicles and parts**

**Austrian exports to Canada: €64 m (2015)**

This sector employs around 37,000 people in Austria.

Canadian tariffs are of up to 9.5%.



## Opening up the Canadian services market to Austrian firms

---

**Austrian services exports to Canada**  
**€220m (2015)**

**Austrian services imports from Canada**  
**€175m (2015)**

Austrian and Canada do a lot of trade in services with each other.

Canada is Austria's **10<sup>th</sup> largest non-EU market for services exports.**

In 2015, Austria's main services exports to Canada included:

- tourism
- transport
- telecommunications services.

**CETA will improve and secure Austrian companies' access to the Canadian services market.**

For example in the professional services sector, Canada has removed a number of limitations on citizenship and residency conditions for Austrian professionals to practice in Canada who are:

- lawyers
- accountants
- architects
- engineers.

CETA also brings legal certainty for EU services exporters: Canada has locked in its current level of openness towards EU companies, for example in:

- financial services
- telecoms
- postal and courier services.



## Enabling Austrian firms to bid for more public contracts in Canada

---

**With CETA, EU companies will get access to Canada's large public procurement market.**

Austrian companies will have the opportunity to bid to supply goods and services for tenders at all levels of government in Canada (federal, provincial and municipal).

Canada has also agreed to make the tendering process more transparent by publishing its federal and provincial public tenders on a single procurement website.

Canada's government procurement commitments in CETA are **the most ambitious Canada has ever granted.**



## Protecting Austrian research and creativity

---

CETA gives Austrian innovations, copyrights and trademarks a **similar level of protection** in Canada to that they enjoy in Europe.

In particular, Canada will **bring its copyright protection in line with international standards**.

This is important because it will protect the intellectual property of the EU's creative industries (artworks, publications, music and software), including its dissemination online.

CETA also covers **intellectual property rights for pharmaceuticals**.

The agreement includes:

- the possibility of **up to two years' additional patent protection to compensate for undue delays** in granting the marketing authorisation that reduce the useful life of the patent
- a commitment to ensure all litigants have an **effective right of appeal** under Canada's patent linkage regime (the link between the marketing authorisation for a generic drug and the patent status of the originator drug)

- a commitment to maintain Canada's current practice of offering eight years of data protection.

This is good news for Austria, given the scale of Austria's pharmaceuticals exports to Canada.

CETA also provides a high level of **protection for 143 distinctive EU food and drink products** that hold a geographical indication (GI) – a sign to show they have a specific geographical origin and possess qualities or enjoy a reputation because of it.

With CETA, Canadian producers won't be able to sell local or foreign products as European GIs if they are not the real thing.

So, for example, they won't be able to market ham as *Tiroler Speck* unless it actually comes from the Tirol in Austria.

The prioritised list of 143 distinctive products was chosen by EU Member States on the basis of their export potential to Canada and includes:

- **Tiroler Speck**
- **Steirischer Kren**
- **Steirisches Kürbiskernöl**



## Making it easier for Austrian professionals to work in Canada

---

CETA includes provisions to make it easier for Austrian professionals to work in Canada (and vice versa) and to have their qualifications recognised.

This is a big plus for companies that:

- provide services such as after-sales services for exported machines or software
- make complex products that require after sales services such as installation or maintenance of machinery.

Provisions to facilitate the movement of people can be particularly beneficial for small and medium-sized firms, as they may not be able to provide permanent staff on the ground to directly supply the service.

CETA establishes legal certainty and significantly **improves mobility for services suppliers** because it:

- makes it easier to transfer key personnel across the Atlantic
- allows companies to send staff for after sales services for machinery, software and equipment
- creates a framework for the recognition of professional qualifications for regulated sectors like architects and accountants.



## Encouraging investment between Austria and Canada

---

### Austrian Foreign Direct Investment in Canada totals **€1.6 bn**<sup>1</sup> (2012)

Some Austrian companies have set up 80 production sites in Canada, including:

- Austria Metal AG
- Engel Maschinenbau
- RHI
- Doppelmayr
- Frequentis.

CETA will make it easier for Austrian firms to invest in Canada because it **substantially increases the threshold for reviewing the acquisition** of Canadian firms by non-Canadians from CAN \$354 m (€247.26 m) to CAN \$1.5 bn (€1.4 bn).

Canada has interests in Austria in many areas.

### Canadian Foreign Direct Investment in Austria totals **€2 bn** (2012)

There are about 30 Canadian affiliates located in Austria, such as:

- **Magna** - the largest automobile parts manufacturer in North America.
- **BRP-Rotax** - develops and manufactures engines.
- **TMS Turnkey Manufacturing Solutions** - produces automated assembly systems; subsidiary of Valiant in the same sector.
- **Bombardier Transportation** - manufactures trains and underground railway systems.

- **Husky Injection Molding Systems** - supplies machinery for the injection molding of plastics.

Austria does not have a bilateral investment treaty with Canada.

This makes the investment protection and the dispute settlement provisions in CETA all the more relevant to Austrian investors in Canada and Canadian investors in Austria.

Once CETA enters into force definitively, these provisions will provide Austrian and Canadian investors with greater predictability, transparency, and protection for their investments in Canada and in Austria respectively.

---

<sup>1</sup> This is the latest available data in Eurostat.



## Helping Austria's small businesses export more to Canada

---

Austrian small businesses are very export oriented and make up 95% of the total number of Austrian exporters. They will be able to take full advantage of CETA.

Reduced trade barriers, tariff elimination, simplified customs procedures and more compatible technical requirements all make it easier and cheaper to export. This allows smaller firms to:

- compete more easily with large companies
- sell the same product (or with fewer modifications) into both markets
- participate more in supply chains and e-commerce.

Specific provisions reinforce the CETA benefits for small companies, such as:

- taking into account their needs in electronic commerce
- improved access to information on public procurement tenders
- the use of the Investment Court System.

The Investment Court System provisions in CETA allow for faster proceedings and reduced costs for smaller firms that bring a case.