

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

Opening up a wealth of opportunities
for people in Croatia



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



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



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



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



Protecting Croatia's **research and creativity**



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



Encouraging more **investment** between Croatia and Canada



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

Croatia's economy is open to trade

And Croatia and Canada already have a close trading and investment relationship

€49 m

The value of Croatia's trade surplus
in goods and services with Canada

€87 m

The value of Croatian
exports to Canada

€38 m

The value of Croatian
imports from Canada



Scrapping customs tariffs on Croatian exports of goods

Croatian goods exports to Canada: €28 m (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.

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

- **Machinery and electrical equipment**

Croatian exports to Canada: €9 m (2015)

Machinery and electrical equipment account for one third of Croatian exports 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 Croatian 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
- electronic equipment

These sectors will also benefit from CETA's provisions on public procurement and movement of professionals (*see below*).

- **Pharmaceuticals**

Croatian exports to Canada: €8.2 m (2015)

This represents almost 30% of Croatian exports to Canada. CETA's main benefit for this sector 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.

- **Furniture**

Croatian exports to Canada: €1.6 m (2015)

Canadian tariffs are up to 8%.



Opening up the Canadian services market to Croatian firms

Croatian services exports to Canada: €59m (2015)

Croatia's main services exports to Canada are:

- tourism
- telecommunication
- transport services

Croatian services imports from Canada: €26m (2015)

CETA will **improve and secure Croatian 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 Croatian 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 Croatian firms to bid for more public contracts in Canada

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

Croatian 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 Croatia's research and creativity

CETA gives Croatian 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 through online distribution channels. CETA also covers **intellectual property rights for pharmaceuticals**.

The agreement includes:

- the possibility of **up to two years of 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 that 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 Croatia, given the scale of Croatia's pharmaceutical exports to Canada.



Making it easier for Croatian professionals to work in Canada

CETA includes provisions to make it easier for Croatian 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 Information and Communication Technology software
- make complex products that require after sales services such as installation or maintenance of machinery

Provisions to facilitate 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 Croatia and Canada

Canadian Foreign Direct Investment in Croatia: €3 m (2015)

Thanks to its membership of the EU and its economic stability, Croatia **has the potential to become an attractive destination for Canadian investment.**

Croatia has a traditional bilateral investment treaty with Canada dating from 2001.

Once CETA enters into force definitively, it will **replace this bilateral investment treaty** and will provide Croatian and Canadian investors with **greater predictability, transparency, and protection** for their investments in Canada and in Croatia respectively.



Helping Croatia's small businesses export more to Canada

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.