

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

Opening up a wealth of opportunities  
for people in Cyprus



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



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



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



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



Protecting Cyprus' **research and creativity**



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



Encouraging more **investment** between Cyprus and Canada



Helping Cyprus' **small businesses** export more to Canada

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Cyprus' economy is open to trade

Around 41,000 Cypriot jobs – almost one in ten –  
rely on exports outside Europe

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

**4<sup>th</sup>**

When it comes to services, Canada is  
Cyprus' 4<sup>th</sup> biggest trade partner outside the EU

**€28 m**

The value of Cyprus' trade surplus in goods and services with Canada.

**€41 m**

The value of Cypriot exports to Canada

**€12 m**

The value of Cypriot imports from Canada



## Scrapping customs tariffs on Cypriot exports of goods

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**Cypriot goods exports to Canada: €3 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.

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

- **Preparations of flour or malt extract**

**Cypriot exports to Canada: €450,000**  
(2015)

Canadian tariffs range from 4% to almost 270%.

- **Machinery and electrical equipment**

**Cypriot exports to Canada: €450,000**  
(2015)

Machinery and electrical equipment face low average tariffs but some products face tariff peaks of 9%.

Apart from savings on customs duties, CETA will enable Cypriot 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*).

- **Cheese**

**Cypriot exports to Canada: €270,000**  
(2015)

EU cheese exports to Canada are limited by the EU's portion of an existing World Trade Organization duty free quota; outside this quota, exports face prohibitive tariffs of on average 227% which makes them uncompetitive.

CETA offers two new annual duty free quotas, or permanent Tariff Rate Quotas, for EU cheese:

- 16,800 tons of high-quality cheese (16,000 tons in CETA, and 800 tons that will be added to the EU portion of the existing World Trade Organization quota thanks to CETA)
- 1,700 tons of industrial cheese

These quantities will be phased in progressively over a period of 5 years.



## Opening up the Canadian services market to Cypriot firms

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**Cypriot services exports to Canada: €38 m (2015)**

Canada is Cyprus' 4<sup>th</sup> largest market for services exports outside Europe.

Cyprus' main services exports to Canada are:

- transport services (accounting for 90%)
- tourism

**Cypriot services imports from Canada: €7 m (2015)**

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

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

Cypriot 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 Cyprus' research and creativity

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CETA gives Cypriot 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 EU's creative industries (artworks, publications, music and software), including its dissemination through online distribution channels.

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 cheese as **Loukoumi Geroskipou** unless it actually comes from Cyprus.

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



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

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CETA includes provisions to make it easier for Cypriot 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 technologies software
- make complex products that require after sales services such as installation or maintenance of machinery

This can be particularly beneficial for smaller 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 Cyprus and Canada

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### Cypriot Foreign Direct Investment in Canada: €14 m (2015)

CETA will **make it easier for Cypriot firms to invest** in Canada, as Canada has agreed to **substantially increase the threshold for reviewing the acquisition** of Canadian companies by non-Canadians from CAN \$354 million (€247.26 million) to CAN \$1.5 billion (€1.4 billion).

### Canadian Foreign Direct Investment in Cyprus: €174 m (2008)

Canadian investors have interests in fields such as:

- energy
- banking
- tourism

CETA will help Cyprus and Canada realise the full potential of their investment relations by making investment easier and more attractive, to the benefit of growth and of job creation.

Cyprus 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 Cypriot investors in Canada and Canadian investors in Cyprus.

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



## Helping Cyprus' small businesses export more to Canada

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**Cypriot small businesses are very export oriented and make up nearly three quarters of the total number of Cypriot 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.