

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

Opening up a wealth of opportunities  
for people in Denmark



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CETA will benefit people across Denmark

It'll do so by:



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



Creating new opportunities for Danish **farmers** and **agri-food** producers



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



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



Protecting Denmark's **research and creativity**



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



Encouraging more **investment** between Denmark and Canada



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

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Denmark's economy is open to trade

Over 390,000 Danish jobs – one in six –  
rely on exports outside Europe

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

**13<sup>th</sup>**

When it comes to goods, Canada is  
Denmark's 13<sup>th</sup> biggest trade partner outside the EU

**€474 m**

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

**€1 bn**

The value of Danish exports to Canada

**€537 m**

The value of Danish imports from Canada



## Scrapping customs tariffs on Danish exports of goods

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**Danish goods exports to Canada: €507 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.

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

- **Pharmaceuticals**

**Danish exports to Canada: €146 m (2015)**

The pharmaceutical industry faces very low tariffs but will particularly benefit from CETA's 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.

- **Machinery and electrical equipment**

**Danish exports to Canada: €144 m (2015)**

These sectors employ 64,000 people in Denmark and account for more than 28% of total Danish exports to Canada.

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 Danish 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*).

- **Optical instruments and medical instruments**

**Danish exports to Canada: €51 m (2015)**

Canadian tariffs are up to 8.5%.

- **Furniture**

**Danish exports to Canada: €9 m (2015)**

Canadian tariffs are up to 8%.



## Creating new opportunities for Danish farmers and agri-food producers

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CETA also offers **big opportunities for Danish farmers and the agri-food industry**. Canada agreed to eliminate duties for 90.9% of all its agricultural tariff lines when CETA enters into force.

Danish agricultural and food exports to Canada that will see benefits include:

- **Cereals (mainly barley)**

**Danish exports to Canada: €18 m (2015)**

Canadian tariffs are up to 94.5%.

- **Cheese**

**Danish exports to Canada: €12 m (2015)**

Denmark is the EU's 3<sup>rd</sup> largest dairy products exporter to Canada.

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 to 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.

- **Cider**

**Danish exports to Canada: €4 m (2015)**

Canadian tariffs are up to 28.16 CAD cents per litre.

The EU will also open its market to Canadian agricultural products. This will **give consumers more choice**.

For sensitive products such as **beef and pork**, CETA limits liberalisation to **duty-free quotas**. Above these agreed quotas, the EU's high tariffs continue to apply.

CETA excludes certain sensitive products like **poultry and eggs** from any tariff cuts.

The EU will still be able to use its traditional tools to protect EU farmers, including the entry price system for fruits and vegetables which prevents imports from undercutting EU seasonal products. This is of particular relevance for Danish fruit and vegetable producers.

All Canadian exports **will also need to comply with the EU's food safety standards**, including:

- EU legislation on Genetically Modified Organisms
- EU legislation on the use of hormones and antibiotics in food production
- providing proof of such compliance wherever this is required by EU legislation.



## Opening up the Canadian services market to Danish firms

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**Danish services exports to Canada: €504 m (2015)**

Denmark's main services exports to Canada are:

- transport
- tourism
- construction services

Denmark is the EU's 2<sup>nd</sup> largest exporter of construction services to Canada. In 2015, its exports accounted for more than 11% of total EU exports to Canada in this field.

**Danish services imports from Canada: €227 m (2015)**

**CETA will improve and secure Danish 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 Danish professionals to practice in Canada.

This applies to professionals 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

CETA also offers **new market access in key areas**. In particular, Canada agreed to new liberalisation in **maritime transport**, a key Danish interest.

Canada takes market access commitments on **dredging**, on **repositioning of empty containers** and on **feeder activities** on the route Halifax-Montreal, which was limited to national operators under previous agreements.



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

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

Danish 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 Denmark's research and creativity

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**Denmark spends 3% of its Gross Domestic Product on research and development (2014)**

This is the 3<sup>rd</sup> highest proportion of all EU member states.

CETA gives Danish 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 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 Denmark, given the importance of pharmaceuticals in Denmark's 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 blue cheese as **Danablu** unless it actually comes from Denmark.

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 Danish professionals to work in Canada**

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CETA includes provisions to make it easier for Danish 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 small and medium-sized firms, as they may not be able to ensure the presence of 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 Denmark and Canada

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### Danish Foreign Direct Investment in Canada: €1.31 bn (2015)

Danish investors have interests in fields such as:

- bio-pharmaceuticals
- construction/insulation material
- dairy products

CETA will **make it easier for Danish 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 Denmark: €122 m (2015)

Canadian investors have interests in fields such as:

- electronics/software
- transportation
- nutrition

CETA will help Denmark 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.

Denmark 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 Danish investors in Canada and Canadian investors in Denmark.

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



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

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**Danish small businesses are very export oriented and make up 89% of the total number of Danish 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.