

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

Opening up a wealth of opportunities
for people in Estonia



CETA will benefit people across Estonia

It'll do so by:



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



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



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



Protecting Estonia's **research and creativity**



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



Encouraging more **investment** between Estonia and Canada



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

Estonia's economy is open to trade

Over 75,000 Estonian jobs – almost one in six –
rely on exports outside Europe

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

9th

When it comes to goods, Canada is
Estonia's 9th biggest trade partner outside the EU

€78 m

The value of Estonia's trade surplus with Canada

€106 m

The value of Estonia's goods and services exports to Canada

€28 m

The value of Estonian imports from Canada

Canada is home to the world's
second largest Estonian community outside Estonia,
estimated at 24,000 people.



Scrapping customs tariffs on Estonian goods exports

Estonian goods exports to Canada: **€80m**
(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.

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

- **Petroleum and bituminous minerals**
Estonian exports to Canada **€58m** (2015)

These exports face tariffs up to 5%.

- **Yeasts**

Estonian exports to Canada: **€4.5m** (2015)

These exports face Canadian tariff of up to 8%.

- **Furniture**

Estonian exports to Canada: **€4.2m** (2015)

Exports face Canadian tariffs up to 8%.

- **Optical instruments and medical instruments**

Estonian exports to Canada: **€3.5m** (2015)
Canadian tariffs are up to 8.5% for these goods.

- **Toys and Sports Equipment**

Estonian exports to Canada: **€1.6m** (2015)

Such products face Canadian tariffs up to 7%.



Opening up the Canadian services market to Estonian firms

Estonian services exports to Canada: €26m (2015)

In 2015 Estonian imports from Canada amounted to €10 million.

Estonia's main services exports to Canada include:

- maintenance and repair services
- information and communications technology services.

CETA will **improve and secure** Estonian 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 residency conditions for Estonian professionals to practice in Canada.

This will apply to:

- 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 Estonian firms to bid for more public contracts in Canada

With CETA, **EU companies will get access to the large Canadian public procurement market.**

Estonian 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 Estonia's research and creativity

CETA gives Estonian innovations, copyrights and trademarks a **similar level of protection** in Canada as 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.



Making it easier for Estonian professionals to work in Canada

CETA includes provisions to make it easier for Estonian 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 communications 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 Estonia and Canada

In 2015 Canadian Foreign Direct Investment in Estonia was **€53 million**.

There are around **60 companies in Estonia with at least partial Canadian ownership**, 17 of which have been set up entirely with Canadian capital.

For example:

- Alimentation Couche Tard (retail)
- Lallemand / SalutaGuse Parmitehas AS (agri-food)
- CSC Telecom / Top Connect (information and communications technology)
- GPE Globalpharma (life sciences)
- Ehvert Mission Critical (engineering services)
- Fairmont Raffles Hotels International (tourism sector)

Estonian companies also have some investment interests in Canada in areas including real estate activity and the professional, research and technical activity sector.

Estonia 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 Estonian investors in Canada and Canadian investors in Estonia.

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



Helping Estonia's small businesses export more to Canada

Estonian small businesses are very export oriented and make up over 60% of Estonian 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.