

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

Opening up a wealth of opportunities
for people in Romania



CETA will benefit people across Romania

It'll do so by:



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



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



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



Protecting Romania's **research and**
creativity



Making it easier for Romanian
professionals to work in Canada



Encouraging more **investment** between
Romania and Canada



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

Romania's economy is open to trade

Around 1.2 million Romanian jobs – more than one in ten –
rely on exports outside Europe

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

3rd

When it comes to services, Canada is
Romania's 3rd biggest trade partner outside the EU

€203 m

The value of Romanian exports
of goods and services to Canada

€260 m

The value of Romanian imports
of goods and services from Canada



Scrapping customs tariffs on Romanian exports of goods

Romanian goods exports to Canada: €75 m (2015)

Romania's trade surplus in goods with Canada: €15 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.

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

- **Machinery and electrical equipment**

Romanian exports to Canada: €16 m (2015)

It accounts for almost 20% of Romanian 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 Romanian 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*).

- **Ships and boats**

Romanian exports to Canada: €11 m (2015)

Romania is the EU's 3rd largest exporter of ships and boats to Canada. It accounts for 15% of Romanian exports to Canada. Canadian tariffs are on average 16%, with a peak at 25%.

Besides tariff cuts, increased public procurement access and provisions on movement of professionals will also help increase these exports (*see below*).

- **Furniture**

Romanian exports to Canada: 6.5 m (2015)

Canadian tariffs are up to 8%.

- **Cereals**

Romanian exports to Canada: €6 m (2015)

Canadian tariffs peak up to 76.5%.

- **Rubbers and rubber products (mainly tyres)**

Romanian exports to Canada: €5 m (2015)

Canadian tariffs are up to 7%.



Opening up the Canadian services market to Romanian firms

Romanian services exports to Canada: €128 m (2015)

Canada is Romania's 3rd largest export market for services outside the EU.

Romania's main services exports to Canada are:

- transport
- tourism
- telecommunication services.

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

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

Romanian 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 Romania's research and creativity

CETA gives Romanian 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 jam as **Magiun de prune Topoloveni** unless it actually comes from Topoloveni in Romania.

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 Romanian professionals to work in Canada

CETA includes provisions to make it easier for Romanian 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 Romania and Canada

Canadian Foreign Direct Investment in Romania: €64 m (2015)

These investments are an **important source of growth and job creation for Romania.**

Many **large Canadian investors are present** in Romania, especially in:

- Bucharest
- Bistrița-Năsăud
- Arad
- Harghita
- Alba
- Cluj
- Sălaj

They have interests in many fields, such as:

- electronics
- automobile manufacturing
- agri-food sector
- services

Romania has a traditional bilateral investment treaty with Canada dating from 2011.

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



Helping Romania's small businesses export more to Canada

Romanian small businesses are very export oriented and make up 87% of the total number of Romanian 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.