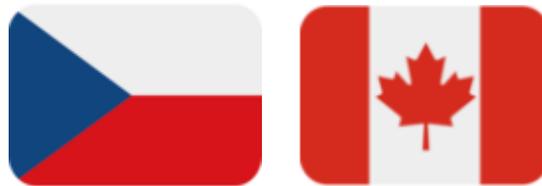


The EU-Canada Comprehensive Economic and Trade Agreement (CETA)

Opening up a wealth of opportunities
for people in the Czech Republic



CETA will benefit people across the Czech Republic

It'll do so by:

-  Scrapping **customs tariffs** for Czech exporters and importers
-  Opening up the Canadian **services** market to Czech firms
-  Enabling Czech firms to bid for more **public contracts** in Canada
-  Protecting the Czech Republic's **research and creativity**
-  Making it easier for Czech **professionals** to work in Canada
-  Encouraging more **investment** between the Czech Republic and Canada
-  Helping the Czech Republic's **small businesses** export more to Canada

The Czech Republic's economy is open to trade

Over 620,000 Czech jobs – almost one in six –
rely on EU exports outside Europe

**And the Czech Republic and Canada already have a close
trading and investment relationship**

10th

When it comes to services, Canada is the
Czech Republic's 10th biggest trade partner outside the EU

€161 m

The value of the Czech Republic's trade
surplus in goods and services with Canada

€339 m

The value of Czech exports to Canada

€179 m

The value of Czech imports from Canada



Scrapping customs tariffs on Czech exports of goods

Czech goods exports to Canada: €235m
(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. The Czech Republic will benefit from tariffs being removed on virtually all of its exports, in particular:

- **Machinery and electrical equipment**

Czech exports to Canada: €64m (2015)

This sector accounts for 27% of Czech exports to Canada.

Canadian tariffs low on average; peaks on some products of 9%.

Apart from big savings on customs duties, CETA will enable Czech 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 can also benefit from CETA's provisions on public procurement and movement of professionals (*see below*).

- **Plastics and articles made of plastic**

Czech exports to Canada: €16m (2015)

Canadian tariffs up to 6.5%

- **Rubber and articles made of rubber (mainly tyres)**

Czech exports to Canada: €15m (2015)

Canadian tariffs up to 7%

- **Motor vehicles and parts**

Czech exports to Canada: €8m (2015)

Canadian tariffs up to 9.5%

- **Optical and medical instruments**

Czech exports to Canada: €7m (2015)

Canadian tariffs up to 8.5%

- **Pharmaceutical products**

Czech exports to Canada: €5.4m (2015)

Canadian tariffs low on average; 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 Good Manufacturing Practices compliance certificates issued by the other Party.

- **Ropes and cables**

Czech exports to Canada: **€5m** (2015)

Canadian tariffs on average 5.7%; peaks on some products of 10%

- **Furniture**

Czech exports to Canada: **€5m** (2015)

Canadian tariffs up to 8%



Creating new opportunities for Czech farmers and food producers

CETA also offers **big opportunities for Czech farmers and the agri-food industry.**

Canada will eliminate duties for 90.9% of all its agricultural tariff lines when CETA enters into force.

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

- **Sugar confectionery**

Czech exports to Canada: **€2.2m** (2015)

Canadian tariffs up to 10%.

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 in order 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 Czech 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 Czech firms

Czech services exports to Canada: €104m (2015)

Canada is the Czech Republic's **10th largest market for services exports outside the EU.**

Czech services imports from Canada: €78m (2015)

The Czech Republic's main services exports to Canada are:

- transport services
- tourism services

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

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

Czech 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 the Czech Republic's research and creativity

CETA gives Czech 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 online.

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.

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 beer as *České pivo* unless it actually comes from the Czech Republic.

The list of 143 distinctive European food and drinks products was chosen by EU Member States on the basis of their export potential to Canada and includes **České pivo** and **Žatecký Chmel**.



Making it easier for Czech professionals to work in Canada

CETA includes provisions to make it easier for Czech 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

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 the Czech Republic and Canada

Canadian Foreign Direct Investment in the Czech Republic: €278m (2015)

Canadian Foreign Direct Investment is an important source of growth and job creation for the Czech Republic. Many large Canadian investors are present in the Czech Republic, including:

- Bombardier
- Magna
- Molson Coors
- CGI
- Borealis a Adastr

Czech Foreign Direct Investment in Canada: €23m (2015)

The Czech Republic has a traditional bilateral investment treaty with Canada dating from 2012.

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



Helping the Czech Republic's small businesses export more to Canada

Czech small businesses are very export oriented and make up 60% of the total number of Czech 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.