

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

Opening up a wealth of opportunities  
for people in Ireland



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CETA will benefit people across Ireland

It'll do so by:



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



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



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



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



Protecting Ireland's **research and creativity**



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



Encouraging more **investment** between Ireland and Canada



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

Ireland's economy is open to trade.

Over 450,000 Irish jobs – over a quarter of the total –  
rely on exports outside Europe

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

**7<sup>th</sup>**

When it comes to goods, Canada is  
Ireland's 7<sup>th</sup> biggest trade partner outside the EU

**€726 m**

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

**€1.4 bn**

The value of Irish exports to Canada

**€662 m**

The value of Irish imports from Canada



## Scrapping customs tariffs on Irish exports of goods

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**Irish goods exports to Canada: €865 m**  
(2015)

CETA provides for significant **savings on customs duties** by eliminating duties on 99% of all tariff lines, of which 98% will already be scrapped at entry into force.

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

- **Pharmaceuticals**

**Irish exports to Canada: €345 m** (2015)

The industry faces very low tariffs but will 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.

- **Chemicals**

**Irish exports to Canada: €242 m** (2015)

Generally low tariffs, with a peak of 6.5%.

Ireland is the EU's **biggest exporter** of chemicals to Canada.

- **Medical instruments**

**Irish exports to Canada: €64 m** (2015)

Canadian tariffs are up to 5%.

Ireland accounted for **more than 16% of EU exports** of such products to Canada.

- **Machinery and electrical equipment**

**Irish exports to Canada: €49 m** (2015)

Generally low tariffs, with a peak of 9%.

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



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

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CETA also offers **big opportunities for Irish farmers and the agri-food industry**. Canada will eliminate duties for 90.9% of all its agricultural tariff lines upon the entry into force of CETA.

Irish agricultural and food exports to Canada include:

- **Whiskey, liqueurs and beer**

**Irish exports to Canada: €48 m (2015)**

Exports of beer were worth €14 million.

Beer and whiskey is tariff-free, but liqueurs face duties of 12.28 CAD cents per litre of pure alcohol.

For spirits, tariff elimination is complemented by the removal of other relevant trade barriers, including several 'behind the border' barriers that make it difficult for EU exporters to penetrate the Canadian market.

The cost-of-service-differential fee imposed by the Provincial Liquor Boards on imported wines and spirits will for instance be:

- applied based on volume and not value
- calculated more transparently

This lowers the costs for EU producers to sell their products in Canada.

CETA will ensure that EU wine and spirit producers can compete on the Canadian market, for example by:

- freezing the number of shops selling only Canadian products, and
- preventing businesses with a local monopoly from expanding into neighbouring provinces.

Regarding wine and spirits CETA also:

- abolishes the Canadian requirement to blend imported bulk spirits with local spirits before bottling – a requirement that made it impossible for EU makers of products classified as Geographical Indications from labelling them as such.
- incorporates the 2004 EU-Canada Wines and Spirits Agreement. Because this will be made subject to CETA's general rules, notably dispute settlement, the legal guarantees become stronger.
- provides a forum for further discussions in the future on any other issue of concern for the EU and Canada related to wines and spirits.

Thanks to this Agreement, **Irish Whisky/Whiskey and Irish Cream** will continue to enjoy full protection.

The EU expects that the combined effect of these measures will be to further increase the EU market share of the Canadian wine and spirit sector.

- **Cheese**

**Irish exports to Canada: €1.1 m (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 would face prohibitive tariffs of on average 227% which would make 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.

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 Irish 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 Irish firms

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**Irish services exports to Canada: €522 m (2015)**

Ireland's main services exports to Canada are financial services (including insurance and pension services).

**Irish services imports from Canada: €224 m (2015)**

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

This will apply to people 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 Irish firms to bid for more public contracts in Canada

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

Irish 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 Ireland's research and creativity

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CETA gives Irish 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 an important outcome as 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.

This is good news for Ireland, given the importance of pharmaceuticals in Ireland's exports to Canada



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

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CETA includes provisions to make it easier for European 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 Technology 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 Ireland and Canada

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### Irish Foreign Direct Investment in Canada: **€2.2 bn** (2015)

Canada is the **7<sup>th</sup> most important** country for Irish Foreign Direct Investment outside the EU.

Irish investors have interests in fields such as:

- food and beverages
- information and communications technology
- construction

CETA will **make it easier for Irish firms to invest** in Canada, as Canada has agreed to **increase substantially the threshold for reviewing the acquisition** of Canadian companies by non-Canadians from CAN \$354 million (€247.2 million) to CAN \$1.5 billion (€1.4 billion).

### Canadian Foreign Direct Investment in Ireland: **€1.6 bn** (2015)

Canadian firms have interests in sectors such as:

- financial services:
  - TD Global Finance
  - Sunlife
  - Canada Life
  - Great-West Lifeco
- retail services:
  - Celestica
- consulting services:
  - Braithwaite Technology Consultants inc.

Ireland 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 Irish investors in Canada and Canadian investors in Ireland.

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



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

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**Irish small businesses are very export oriented and make up 79% of the total number of Irish 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.