

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

Opening up a wealth of opportunities
for people in Malta



CETA will benefit people across Malta

It'll do so by:



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



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



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



Protecting Malta's **research and creativity**



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



Encouraging more **investment** between Malta and Canada



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

Malta's economy is open to trade

Over 32,000 Maltese jobs – almost one in five –
rely on exports outside Europe

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

7th

When it comes to goods, Canada is
Malta's 7th biggest trade partner outside the EU

€326 m

The value of Maltese exports of
goods and services to Canada

€538 m

The value of Maltese imports of
goods and services from Canada



Scrapping customs tariffs on Maltese exports of goods

Maltese goods exports to Canada: €37 m (2015)

Canada is Malta's 7th largest goods export market outside the EU. CETA will create many new opportunities to increase these exports even more.

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.

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

- **Pharmaceuticals**

Maltese exports to Canada: €28 m (2015)

The pharmaceutical industry accounts for more than three quarters of Maltese exports to Canada. It 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**

Maltese exports to Canada: €5.3 m (2015)

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 Maltese 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*).

- **Chemicals**

Maltese exports to Canada: €1.2 m (2015)

Tariffs are in general low with a peak of 6.5%.

- **Toys (such as tricycles, dolls or models)**

Maltese exports to Canada: €1.1 m (2015)

Canadian tariffs are up to 8%.



Opening up the Canadian services market to Maltese firms

Maltese services exports to Canada:
€296 m (2014)

Canada is Malta's **biggest market for services exports** outside the EU.

Malta's main services exports to Canada are:

- financial services
- transport
- tourism.

Maltese services imports from Canada:
€255 m (2014)

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

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

Maltese 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 Malta's research and creativity

CETA gives Maltese 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 Malta, given that pharmaceuticals account for more than three quarters of its exports to Canada.



Making it easier for Maltese professionals to work in Canada

CETA includes provisions to make it easier for Maltese 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 Malta and Canada

**Maltese Foreign Direct Investment in
Canada: €21 m (2013)**

**Canadian Foreign Direct Investment in
Malta: €75 m (2008)**

Canada continues to have interests in Malta in many fields. In 2016 for instance, MFC Industrial Ltd invested €91 m in the Maltese banking sector, by acquiring the Bawag Malta Bank.

Malta 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 Maltese investors in Canada and Canadian investors in Malta.

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



Helping Malta's small businesses export more to Canada

Maltese small businesses are very export oriented and make up 91% of the total number of Maltese 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 lower costs for smaller firms that bring a case.