

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

Opening up a wealth of opportunities
for people in Poland



CETA will benefit people across Poland

It'll do so by:



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



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



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



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



Protecting Poland's **research and creativity**



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



Encouraging more **investment** between Poland and Canada



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

Poland's economy is open to trade

Around 1.5 million Polish jobs – one in eight –
rely on exports outside Europe

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

11th

When it comes to goods, Canada is
Poland's 11th biggest trade partner outside the EU

10th

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

€1 bn

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

€1.3 bn

The value of Polish
exports to Canada

€318 m

The value of Polish
imports from Canada



Scrapping customs tariffs on Polish exports on goods

Polish goods exports to Canada: €1.1 bn (2015)

Poland is the EU Member State in Central and Eastern Europe with **the biggest goods trade** with Canada.

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.

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

- **Machinery and electrical equipment**

Polish exports to Canada: €503 m (2015)

This represents nearly half of Polish exports to Canada, and accounts for nearly 6% of total EU exports to Canada in this sector.

Machinery and electrical equipment face low average tariffs but some products face tariff peaks of 9%.

Apart from savings on customs duties, CETA will allow Polish 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*).

- **Fur and fur clothing**

Polish exports to Canada: €232 m (2015)

Poland is the EU's **largest exporter of fur** to Canada, accounting for nearly all the EU's fur exports to Canada.

Canadian tariffs face a peak of 9%.

- **Furniture**

Polish exports to Canada: €54 m (2015)

Canadian tariffs are up to 8%.



Creating new opportunities for Polish farmers and food producers

CETA also offers **big opportunities for Polish farmers and the agri-food industry**. Canada will eliminate duties for 90.9% of all its agricultural tariff lines when CETA enters into force. These include:

- **Chocolate confectionery**

Polish exports to Canada: **€13 m** (2015)

Canadian tariffs are up to 6%.

- **Apple juice**

Polish exports to Canada: **€6 m** (2015)

Canadian tariffs are up to 8.5%.

- **Vodka**

Polish exports to Canada: **€4 m** (2015)

Vodka faces specific 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 Polish exporters to access 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 Polish 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.

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.

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 Polish 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 Polish firms

Polish services exports to Canada:
€227 m (2015)

Canada is Poland's 10th largest services export market outside the EU. Poland's main services exports to Canada include:

- professional and management consulting services
- information and communication technology services
- architectural services
- engineering services
- scientific services.

Polish services imports from Canada:
€103 m (2015)

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

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

Polish 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 Poland's research and creativity

CETA gives Polish 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.



Making it easier for Polish professionals to work in Canada

CETA includes provisions to make it easier for Polish 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 Poland and Canada

Canadian Foreign Direct Investment in Poland: €282 m (2015)

EU membership, coupled with Poland's resilience to the global economic slowdown, makes it an **attractive place for Canadian companies to invest**. Major Canadian investors in Poland include companies such as:

- Bombardier
- Pratt & Whitney Canada
- McCain
- Apotex
- Valeant
- Redknee
- SNC-Lavalin
- Heli-one
- CGI

Polish Foreign Direct Investment in Canada: €689 m (2015)

This is a five-fold increase in 2015.

Polish companies have investment interests in Canada in areas including:

- mining
- oil
- gas

CETA will **make it easier for Polish firms to invest** in Canada, as Canada has agreed to **substantially increase the threshold for reviewing the acquisition** of Canadian companies by non-Canadians from CAN \$354 million (€247.26 million) to CAN \$1.5 billion (€1.4 billion).

Poland has a traditional bilateral investment treaty with Canada dating from 1990.

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



Helping Poland's small businesses export more to Canada

Polish small businesses are very export oriented and make up 93% of the total number of Polish 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.