



COMPREHENSIVE ECONOMIC AND TRADE AGREEMENT (CETA)

MEETING OF BILATERAL DIALOGUE ON FOREST PRODUCTS 7 JULY 2021 BY VIDEOCONFERENCE

JOINT REPORT

The fourth CETA Bilateral Dialogue on Forest Products, established under Article 25.4 of the CETA, took place by video conference on July 7, 2021. Discussion topics included:

- **Forest products trade**

Parties discussed current trade in forest products, including impacts of COVID 19 on supply chains, impacts of decrease in demand for paper products, development of new value chains, and impacts of duties imposed by the US on Canadian softwood lumber. Canada also flagged its concern about individual Member States putting in place requirements that are separate from and additional to the RED II Directive given that it would complicate trade for exporters and reduce the value of the single market. In that context, Canada expressed its interest in being kept informed of these developments.

- **Industrial policies – Promoting long-term circular harvested wood products**

Parties discussed the updated EU Industrial Strategy adopted in May 2021, in particular in relation to the new objectives in the path to the climate neutrality by 2050, and Canada's Federal Decarbonisation Regulatory and Policy Frameworks adopted to support Canada's emissions' reduction commitments attached to the Paris Agreement. Topics also included the EU Renovation Wave strategy aimed at improving the energy performance of buildings, including through the use of wood products. Finally, the EU presented on Cluster 6 of the Horizon Europe Programme that is devoted to "Food, Bioeconomy, Natural Resources, Agriculture and Environment".

- **Forest Management Policies**

Parties exchanged information on current forest management policy frameworks and programmes. The EU presented the European biodiversity strategy for 2030 as the EU implementation of the Convention on Biological Diversity. Canada presented on voluntary, third-party forest certification, which many Canadian companies are using to provide added assurance that they are operating legally, sustainably and in compliance with world-recognized standards for sustainable forest management.

- **Planning for next meeting**

It was agreed that the next bilateral dialogue would take place in May 2022.

Participants

EU

European Commission

- DG Internal Market, Industry, Entrepreneurship and SMEs (DG GROW)
- DG Trade
- DG Energy
- DG Research and Innovation (RTD)
- DG Agriculture (AGRI)
- DG Environment (ENV)
- DG Climate Action (CLIMA)

Canada

- Global Affairs Canada: Technical Barriers and Regulations Division
- Natural Resources Canada – Canadian Forest Service: Trade and International Affairs Division and Economic Analysis Division
- Mission of Canada to the European Union