



## CETA Questions & Answers

Q1. What is the Canada-European Union Comprehensive Economic and Trade Agreement (CETA)?

- CETA is a free trade agreement between Canada and the EU.
- CETA will encourage Canada's exports to the EU through ambitious tariff elimination, clear and favourable rules of origin, streamlined customs and trade facilitation, the reduction of non-tariff barriers, and new preferential access in services, investment and government procurement.

Q2. Why is it important for Canada to have a free trade agreement with the EU?

- Canada is a trading nation:
  - One in six jobs is related to exports.
  - Canadian exports of goods and services are equivalent to one third of Canada's GDP.
  - Canada ranks second among the G7 for both trade and foreign direct investment as a share of GDP.
  - More than 43,500 Canadian companies exported goods in 2014—mostly small and medium-sized enterprises!
  - Trade has helped build our country into a top-10 global economy with only the world's 37th-largest population.
- The Government of Canada strongly believes that trade and investment mean growth for our businesses and economy.
- And growth, in turn, means well-paying jobs for the middle class and those working hard to join it.
- The EU, comprising 28 member states, is a market of more than 500 million consumers and has a combined GDP of \$22 trillion.
- Preferential access to this large, dynamic market offers tremendous opportunities and a real competitive edge for Canada.
- CETA will open new markets in the EU for Canadian exporters and generate significant benefits for all Canadians.

Q3. Why is CETA a “gold-standard” agreement?

- CETA is by far one of Canada's most ambitious trade initiatives, setting new standards in trade in goods and services, non-tariff barriers, investment, and government procurement, as well as in other areas such as labour and the environment.
- CETA is a progressive trade agreement that fosters inclusive growth, advances higher standards of living, promotes labour rights and ensures strong environmental protections. This means that all segments of society can take advantage of the opportunities that flow from it—with a particular focus on women, Indigenous peoples, youth, and small and medium-sized businesses.



Q4. When will Canadians see the benefits of the CETA?

- Canadian businesses will see the economically significant benefits of CETA from day one of provisional application (September 21, 2017), leading to increased economic growth in Canada.
- This includes the implementation of benefits such as tariff elimination, services commitments, temporary entry commitments and government procurement obligations.

Q5. What is provisional application?

- The EU decided that CETA would be a “mixed agreement,” meaning that it needs to be signed by both the EU and member states, and ratified by all relevant national and regional parliaments for the full agreement to enter into force.
- However, with the approval of the European Parliament, the EU can provisionally apply the agreement for those sections under EU jurisdiction, as well as those that member states have agreed can be provisionally applied.
- The EU has decided to provisionally apply all of CETA with very few exceptions, such as some provisions on investment protection, investment dispute resolution and “camcording” under the intellectual property chapter.

Q6. When will full application take place?

- Once all 28 EU member states have ratified CETA, Canada and the EU can complete the ratification process and bring the full agreement into force.
- This is not expected for some time. It took four years following the provisional application of the EU-South Korea Free Trade Agreement for it to be ratified by all EU member states.

Q7. How have the provinces and territories been involved in CETA?

- Canada’s provinces and territories were engaged throughout the negotiating process, ensuring that CETA will serve the interests of all provinces and territories, as well as the broader interests of Canadians.
- Provinces and territories have been responsible for making any amendments to their statutes, regulations and policies as necessary for CETA implementation.
- Government of Canada officials have worked closely with colleagues in all provinces and territories to support these amendments.

Note: Provinces and territories were not required to approve CETA in their legislatures in order for the Government of Canada to implement the agreement. For more information about how CETA will benefit a certain region or sector, please see other material in the kit.

Q8. How do I know if the EU is a good export market for my business?

- Determining if a particular export market is right for your business can be a difficult undertaking, especially as the EU consists of 28 distinct Member States. That is why the Government of Canada has developed a multitude of tools and resources to help guide Canadian businesses, particularly small and medium-sized enterprises (SMEs), through the process:



- The Canadian Trade Commissioner Service (TCS) stands ready to assist you in 161 **TCS offices** across Canada and around the world. To find a trade commissioner for your target market, please visit: <http://tradecommissioner.gc.ca/trade-commissioner-delegue-commercial/search-recherche.aspx?lang=eng>.
- For **information about the EU and its individual Member States** from a business perspective, please visit <http://tradecommissioner.gc.ca/world-monde/97445.aspx?lang=eng>.
- For an **overview of EU legislation affecting Canadian businesses' exports to Europe**, please consult, "Exporting to the EU - A Guide for Canadian Business" at <http://tradecommissioner.gc.ca/european-union-europeenne/market-facts-faits-sur-le-marche/0000256.aspx?lang=eng>.
- To find out more about the **Canada-European Union Comprehensive Economic and Trade Agreement (CETA)**, please visit [www.international.gc.ca/CETA](http://www.international.gc.ca/CETA). Tools and information specifically targeted toward businesses can be found at <http://www.international.gc.ca/gac-amc/campaign-campagne/ceta-aecg/index.aspx?lang=eng>.

Q9. What advantages does CETA provide my business?

- From tariff elimination for goods, improved access for trade in services and government procurement, as well as addressing other trade barriers, CETA can push your international expansion to new heights. Highlights include:
  - On the day CETA enters into force, 98 percent of EU tariff lines will be duty-free for Canadian goods, and an additional one percent will be eliminated over a seven-year period.
  - CETA can help facilitate the ease of doing business in the EU market and make the movement of goods cheaper, faster and more efficient. For example,
    - CETA establishes clear and simple rules of origin that reflects the real-world sourcing patterns of Canada and the EU and seeks to simplify the customs process by implementing automated border procedures where possible; and
    - The CETA Protocol on Conformity Assessment creates a framework to allow Canadian producers to have certain products tested and certified for EU markets right here in Canada.
  - CETA gives Canadian service providers the best market access the EU has ever granted and makes it easier for highly-skilled Canadian professionals to conduct business and provide expertise in the EU.
  - CETA expands and secures opportunities for Canadian firms to supply goods and services to all levels of the EU governments including the EU Member State governments, regional and local governments, and public utilities. For procurement opportunities, Canadian companies can access tender notices for all CETA-related procurements using the Tenders Electronic Daily (TED) portal at [ted.europa.eu](http://ted.europa.eu).
- These are advantages Canadian companies will have over competitors from countries without a trade agreement in place with the EU.
- To learn more about the benefits CETA provides, please consult our website at <http://international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/ceta-aecg/index.aspx?lang=eng>.



Q10. How do I know if my product will be tariff free under CETA?

- On the day that CETA enters into force, 98 percent of EU tariff lines will be duty-free for Canadian goods, and an additional one percent will be eliminated over a seven-year period.
- The Government of Canada has launched the Canada Tariff Finder tool at [www.tariffinder.ca](http://www.tariffinder.ca) which will allow exporters to look up and compare tariffs across markets where Canada has a free trade agreement, including CETA.
- CETA also allows access to advance rulings on the origin or tariff classifications of products. The EU TAXUD offers advance rulings for tariff classification, which provide binding, written advice as to the HS classification of a product. For more information, please visit: [http://ec.europa.eu/taxation\\_customs/home\\_en](http://ec.europa.eu/taxation_customs/home_en).

Q11. How would I go about exporting to the EU?

- If you would like to further explore the EU as a potential market, the Canadian Trade Commissioner Service stands ready to assist you in 161 offices across Canada and around the world: <http://tradecommissioner.gc.ca/trade-commissioner-delegue-commercial/search-recherche.aspx?lang=eng>.
- The Government of Canada offers an online resource, “[Exporting to the EU - A Guide for Canadian Business](#)”, providing Canadian companies, particularly small and medium-sized enterprises (SMEs), with an overview of EU legislation affecting their exports to Europe. A “Step-by-Step Guide to Exporting” can also be found at: <http://tradecommissioner.gc.ca/exporters-exportateurs/guide-exporting-guide-exportation.aspx?lang=eng>