Canada-European Union Comprehensive Economic and Trade Agreement (CETA)
Outline

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Trade Relationship

Trade is Critical for Canada’s Agriculture Sector

• The EU is the world’s largest market for agriculture and agri-food products (population of nearly 500 million)

• The EU is Canada’s second-largest trading partner after the United States.
  • Total two-way trade: $90.4 billion*
  • Total agri-food trade: $6.0 billion
  • Agriculture exports to the EU: $2.4 billion
  • Agriculture imports from the EU: $3.7 billion

* All figures for 2008
Milestones

• In 2008, Canada and the EU began exploratory discussions on a deeper economic partnership

• March 5, 2009 - release of Joint Report outlining the scope of an “ambitious and comprehensive Canada-EU economic partnership agreement”

• May 6, 2009 - Comprehensive Economic and Trade Agreement (CETA) formally launched at the Canada-EU Leaders’ Summit
  – Most significant trade negotiation since NAFTA
  – Objective: conclude within 2 years
  – Ambitious pace: 2 rounds completed to date, 3 more rounds to be held by October
The Negotiations

• Broad negotiations cover a range of topics:
  – Trade in Goods (national treatment and market access, tariffs, rules of origin)
  – Sanitary / phytosanitary measures (SPS) and technical barriers to trade (TBT)
  – Intellectual property (including geographical indications)
  – Biotechnology *proposed by Canada
  – Monopolies and state enterprises, subsidies, government procurement, services, investment, environment, among others...

• Unprecedented provincial involvement in free trade talks:
  – Issues of sole or partially under provincial jurisdiction (e.g. government procurement, TBT)
  – Trade in goods: federal jurisdiction but working in close cooperation with provinces

• Intensive and broad consultations with industry stakeholders:
  – Sectoral advisory groups
  – Thematic consultations
  – Individual input
Opportunities for Agri-Food Exporters

• Market access:
  – Canada seeking new and expanded opportunities for agriculture exporters of beef, pork, grains and oilseeds, fruits and vegetables, and processed foods.
  – agreed benchmark of immediate duty free treatment for at least 90% of trade / tariff lines

• Tackling non-tariff measures:
  – Canada seeking satisfactory treatment or resolution of sanitary and phytosanitary (SPS) issues and technical barriers to trade (TBT)
  – Canada tabled issues paper on biotechnology for further discussion
Challenges for Canada

• In general, the EU has taken a mainly defensive position in the agriculture negotiations.

• At the same time, the EU has its own agenda for the talks, including its own market access objectives.

• A key interest for the EU is Geographic Indications and seeking enhanced protection for agri-food products.
Next Steps

**Rounds 4 & 5:**
- July 12-16 (Brussels)
- October 18-22 (Ottawa)

Stock-taking and review of progress planned for fall 2010

AAFC will continue to consult with Canada’s agricultural and agri-food industry stakeholders about how to best advance Canada’s interests.