
















Procedure file

Basic information		
NLE - Non-legislative enactments	2016/0205(NLE)	Awaiting final decision
EU/Canada Comprehensive Economic and Trade Agreement (CETA)		
Subject 6.20.03 Bilateral economic and trade agreements and relations		
Geographical area Canada		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	 International Trade	 PABRIKS Artis	13/07/2016
		Shadow rapporteur	
		 MOISĂ Sorin	
		 CAMPBELL BANNERMAN David	
		 SCHAAKE Marietje	
		 JADOT Yannick	
		 BEGHIN Tiziana	
		 FERRAND Edouard	
	Committee for opinion	Rapporteur for opinion	Appointed
 Foreign Affairs	 TANNOCK Timothy Charles Ayrton	08/09/2016	
 Employment and Social Affairs		09/11/2016	
	 PIRINSKI Georgi		
 Environment, Public Health and Food Safety		10/11/2016	
	 STAES Bart		
Council of the European Union	Council configuration	Meeting	Date
	Foreign Affairs	3493	18/10/2016
European Commission	Commission DG	Commissioner	
	Trade	MALMSTRÖM Cecilia	

Key events			
05/07/2016	Preparatory document	COM(2016)0443	Summary
21/09/2016	Legislative proposal published	10975/2016	Summary
18/10/2016	Debate in Council	3493	
21/11/2016	Committee referral announced in Parliament		
24/01/2017	Vote in committee		
30/01/2017	Committee report tabled for plenary, 1st reading/single reading	A8-0009/2017	Summary
15/02/2017	Results of vote in Parliament		
15/02/2017	Debate in Parliament		
15/02/2017	Decision by Parliament	T8-0030/2017	Summary

Technical information	
Procedure reference	2016/0205(NLE)
Procedure type	NLE - Non-legislative enactments
Procedure subtype	Consent by Parliament
Legal basis	Treaty on the Functioning of the EU TFEU 218-p7; Treaty on the Functioning of the EU TFEU 100-p2; Treaty on the Functioning of the EU TFEU 218-p6a; Treaty on the Functioning of the EU TFEU 207-p4; Treaty on the Functioning of the EU TFEU 091
Stage reached in procedure	Awaiting final decision
Committee dossier	INTA/8/07056

Documentation gateway					
Document attached to the procedure		COM(2016)0444	05/07/2016	EC	
Document attached to the procedure		COM(2016)0470	05/07/2016	EC	
Preparatory document		COM(2016)0443	05/07/2016	EC	Summary
Document attached to the procedure		10973/2016	14/09/2016	CSL	
Legislative proposal		10975/2016	21/09/2016	CSL	Summary
Committee draft report		PE593.835	31/10/2016	EP	
Committee opinion	AFET	PE592.207	29/11/2016	EP	
Committee opinion	EMPL	PE593.983	08/12/2016	EP	
Amendments tabled in committee		PE595.613	13/12/2016	EP	
Committee opinion	ENVI	PE595.582	13/01/2017	EP	
Committee report tabled for plenary, 1st reading/single reading		A8-0009/2017	30/01/2017	EP	Summary
Text adopted by Parliament, 1st reading/single reading		T8-0030/2017	15/02/2017	EP	Summary

EU/Canada Comprehensive Economic and Trade Agreement (CETA)

PURPOSE: to conclude the Comprehensive Economic and Trade Agreement between Canada of the one part, and the European Union and its Member States, of the other part.

PROPOSED ACT: Council Decision.

ROLE OF THE EUROPEAN PARLIAMENT: Council may adopt the act only if Parliament has given its consent to the act.

BACKGROUND: on the basis of negotiating directives adopted by the Council, the Commission has negotiated the Comprehensive Economic and Trade Agreement (CETA) with a view to establishing a state of the art and privileged economic relationship with Canada.

Canada is a strategic partner of the European Union and they have reached an ambitious agreement which will open up new opportunities for trade and investment for economic actors on both sides of the Atlantic.

Both sides have also underlined through this agreement the importance of economic activity taking place within a framework of clear and transparent regulation defined by public authorities, and that they consider the right to regulate in the public interest as a basic underlying principle of the Agreement.

The CETA negotiations were completed and initialled at the level of the Chief Negotiators on 1 August 2014.

It is now necessary to conclude this comprehensive agreement on behalf of the Union.

CONTENT: the Commission called on the Council to adopt a Decision to conclude the Comprehensive Economic and Trade Agreement (CETA) between the European Union and its Member States, of the one part, and Canada, of the other part.

Aim of the Agreement: the CETA is a comprehensive trade and investment agreement which contains provisions on:

- national treatment and market access for goods,
- trade remedies,
- technical barriers to trade,
- sanitary and phytosanitary measures,
- customs and trade facilitation,
- subsidies,
- investment,
- cross-border trade in services,
- temporary entry and stay of natural persons for business purposes,
- mutual recognition of professional qualifications,
- domestic regulation,
- financial services,
- international maritime transport services,
- telecommunications,
- electronic commerce,
- competition policy,
- state enterprises,
- monopolies, and enterprises granted special rights or privileges,
- government procurement,
- intellectual property,
- regulatory cooperation,
- trade and sustainable development,
- trade and labour,
- trade and environment,
- bilateral dialogues and cooperation,
- administrative and institutional provisions,
- transparency and dispute settlement.

Specific trade aim: CETA will significantly improve business opportunities for European companies in Canada. With CETA, European companies will receive the best treatment that Canada has ever offered to any trading partner, thus levelling the playing field on the Canadian market for EU companies.

By opening markets, CETA should support growth and jobs in the EU and bring further benefits for European consumers. It has the potential to keep prices down and provide consumers with greater choice of quality products. CETA will not change EU standards. Standards and regulations related to food safety, product safety, consumer protection, health, environment, social or labour standards etc. will remain untouched. All imports from Canada will have to satisfy all EU product rules and regulations ? without exception.

- **Customs duties:** CETA will bring tangible benefits to European consumers and companies by eliminating or cutting customs duties? some of the most far reaching cuts achieved by the EU in a trade agreement. This will provide important market opportunities for European companies including SMEs.
- **Services:** CETA is by far the most far reaching agreement ever concluded by EU in the area of services and investment. European firms will have more opportunities to provide specialised maritime transport services like dredging, moving empty containers, and shipping of certain cargo within Canada. European firms will also have new advantages when it comes to getting investment projects approved in Canada, protecting their investments and enforcing their rights in case of unfair treatment through a balanced and

effective dispute settlement system. For all services sectors, such as environmental services, telecom and finance, market access is ensured, both at federal level and - for the first time - provincial level. In CETA - as in all its trade agreements - the EU protects public services. Again, Canadian investors and service providers will have to respect applicable EU regulations.

- Investment protection: CETA includes all the innovations of the EU's new approach on investment and its dispute settlement mechanism, thus meeting the expectations of stakeholders for a fairer, more transparent and institutionalised system for the settlement of investment disputes. It introduces important innovations in this field, ensuring a high level of protection for investors, while fully preserving the right of governments to regulate and pursue legitimate public policy objectives such as the protection of health, safety or the environment.
- Mutual recognition of professional qualifications: the agreement provides a framework to facilitate the mutual recognition of qualifications in regulated professions such as architects, accountants and engineers. The relevant professional organisations in the EU and Canada now have a framework that sets out the conditions for the negotiation of mutual recognition agreements for their respective professions.
- Easier transfers of company staff and other professionals: CETA will make it easier for firms to move staff temporarily between the EU and Canada. This will facilitate European companies' operations in Canada.
- Access to Canadian public tenders: Canada has opened up its government tenders to EU companies to a greater extent than with any of its other trading partners. EU firms will be able to bid to provide goods and services not only at federal level but also to Canadian provinces and municipalities, the first non-Canadian firms to be able to do so.
- Conformity assessments: the EU and Canada have agreed to accept each other's conformity assessment certificates in areas such as electrical goods, electronic and radio equipment, toys, machinery or measuring equipment. This means that a conformity assessment body in the EU can test EU products for export to Canada according to Canadian rules and vice versa.
- Better protection for EU innovation and creative works: CETA will create a more level playing field between Canada and the EU on intellectual property rights. It will strengthen the protection of copyrights (alignment with EU rules on protection of technological measures and digital rights management as well as on the liability of internet service providers) and enforcement (namely by foreseeing the possibility of provisional measures and injunctions for intermediaries involved in infringing activities). Canada also agreed to strengthen its border measures against counterfeit trademark goods, pirated copyright goods and counterfeit geographical indication goods.
- Traditional European products: many medium-sized and smaller businesses trading in agricultural products will benefit from Canada agreeing to protect 143 geographical indications for high-quality European products, such as Roquefort cheese, balsamic vinegar from Modena or Dutch Gouda cheese and many others.
- Sustainable Development: in CETA, the EU and Canada affirm their commitment to sustainable development. Both agree that trade and investment should further environmental protection and labour rights - and not be at their expense. The EU and Canada are committed to CETA helping to ensure that economic growth, social development and environmental protection are mutually supportive.
- Settling disputes: CETA also sets up a process for settling disputes, including government consultations and a panel of experts.

Institutional component of the Agreement: the Agreement establishes a CETA Joint Committee that will continuously monitor the implementation, operation and impact of this agreement. The CETA Joint Committee is comprised of representatives of the European Union and representatives of Canada who will meet once a year or at the request of a Party and will supervise the work of all specialised committees and other bodies established under this Agreement.

BUDGETARY IMPLICATIONS: the CETA will be the first to incorporate the new Investment Court System (ICS) in the context of the Investment Dispute Resolution System. Accordingly, an amount of EUR 500 000 of additional yearly expenditure is foreseen from 2017 onwards (subject to ratification) to finance the permanent structure comprising a First Instance and an Appeal Tribunal.

It is estimated that foregone duty will reach an amount of EUR 311 million upon full implementation of the Agreement.

EU/Canada Comprehensive Economic and Trade Agreement (CETA)

PURPOSE: to conclude the Comprehensive Economic and Trade Agreement (CETA) between Canada, of the one part, and the European Union and its Member States, of the other part.

PROPOSED ACT: Council Decision.

ROLE OF THE EUROPEAN PARLIAMENT: Council may adopt the act only if Parliament has given its consent to the act.

BACKGROUND: in accordance with a Council Decision, the Comprehensive Economic and Trade Agreement (CETA) between Canada, of the one part, and the European Union and its Member States, of the other part, was signed and subject to its conclusion at a later date.

Pursuant to Article 218(7) of the Treaty on the Functioning of the European Union, it is appropriate for the Council to authorise the Commission to approve modifications to Annex 20-A of the Agreement to be adopted by the CETA Joint Committee.

It is now necessary to conclude this Comprehensive Agreement on behalf of the Union.

CONTENT: under this proposal, it is proposed that the Council approve the Comprehensive Economic and Trade Agreement (CETA) between Canada, of the one part, and the European Union and its Member States, of the other part, on behalf of the Union.

Objectives of the Agreement: CETA is a comprehensive trade and investment agreement which contains provisions on:

- national treatment and market access for goods,
- trade remedies,
- technical barriers to trade,
- sanitary and phytosanitary measures,
- customs and trade facilitation,
- subsidies,
- investment,
- cross-border trade in services,
- transparency and dispute settlement, etc.

Trade objective: CETA will significantly improve business opportunities for European companies in Canada. It will not change EU standards. Standards and regulations related to food safety, product safety, consumer protection, health, environment, social or labour standards etc. will remain untouched.

All imports from Canada will have to satisfy all EU product rules and regulations without exception.

Other important provisions relating to customs duties, services, public procurement and sustainable development are provided (please refer to the summary of the Commission's initial proposal of 5.7.2016 for further information).

Joint Committee and interpretation provisions: the Agreement provides for the creation of a CETA Joint Committee that will continuously monitor the implementation, operation and impact of this agreement. The CETA Joint Committee is comprised of representatives of the European Union and representatives of Canada who will meet once a year or at the request of a Party and will supervise the work of all specialised committees and other bodies established under this Agreement.

Modifications to Annex 20-A of the Agreement through decisions of the CETA Joint Committee shall be approved by the Commission on behalf of the Union.

It is also stated that if an opposition is received in the framework of the examination carried out under Article 20.19.1, and no agreement can be reached between interested parties, the Commission shall adopt its position in accordance with the procedure laid down in Article 57(2) of [Regulation \(EU\) No 1151/2012](#) of the European Parliament and of the Council on quality schemes for agricultural products and foodstuffs.

EU/Canada Comprehensive Economic and Trade Agreement (CETA)

The Committee on International Trade adopted the report by Artis PABRIKS (EPP, LV) on the draft Council decision on the conclusion of the Comprehensive Economic and Trade Agreement (CETA) between Canada, of the one part, and the European Union and its Member States, of the other part.

The committee recommended that the European Parliament give its consent to conclusion of the agreement.

In the explanatory statement accompanying the report, it was recalled that CETA is the first FTA the EU has completed with another major established OECD economy. It is also the most ambitious agreement both the EU and Canada have concluded.

Canada is a strong trade and investment partner for the European Union. For Canada, the EU is the second most important trading partner (after the US). Canada is also the fourth-largest investor in the EU.

The main points of the Agreement are as follows:

Trade in goods: CETA will eliminate almost all customs duties, at a value of EUR 400 million for goods originating in the EU. There are, however, some restrictions to free market access, including a few agricultural products, public services, audio-visual services and transport services. Several agricultural goods considered as sensitive will either be offered as quotas (i.e. dairy) or excluded completely (poultry and egg).

Trade in services: CETA will provide new and better market access for European suppliers of services in which EU companies are world leaders, ranging from maritime services, telecoms, and engineering to environmental services and accountancy. It will make it easier for service suppliers to travel between the EU and Canada to connect with their customers. CETA will also establish a framework to simplify the recognition of profession qualifications, e.g. for architects.

All services markets are liberalised except those explicitly excluded. Exclusions include public services such as health care, education and other social services, as well as water distribution, audio-visual services and some air services.

Public procurement: Canada has opened up its government tenders to EU companies to a greater extent than with any of its other trading partners. EU firms will be able to bid to provide goods and services not only at the federal level but also at the level of Canadian provinces and municipalities.

Canada has also agreed to publish all its public tenders in a single procurement website. This will be of particular importance for SMEs in the EU.

Geographical Indications: Canada agreed to provide protection for over 140 European GIs of food and drink products at a level equivalent to that provided in the EU. A list of these GIs is included in an Annex of the Agreement, and may be supplemented later with other Geographical Indications.

Investment: CETA contains a separate investment chapter, including all relevant investment protection provisions. It puts forward a new investment court system and enhanced rules on investment protection. The new system makes the resolution of investment disputes fairer and more transparent.

In conclusion, the final agreement represents a balanced and comprehensive outcome of significant economic value for the EU, fully in line with what was set out in the negotiating mandate and [the resolution](#) adopted by the European Parliament.

Beyond the economic aspects, the Agreement is also of geopolitical importance, as it will strengthen relations between the EU and one of its closest allies.

EU/Canada Comprehensive Economic and Trade Agreement (CETA)

The European Parliament adopted by 408 votes to 254, with 33 abstentions, a legislative resolution on the draft Council decision on the conclusion of the Comprehensive Economic and Trade Agreement (CETA) between Canada, of the one part, and the European Union and its Member States, of the other part.

In line with the recommendations made by the Committee on International Trade and the opinions of the Committee on Foreign Affairs, the Committee on Employment and Social Affairs and the Committee on the Environment, Public Health and Food Safety, Parliament gave its consent to the conclusion of the Agreement.