

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

Opening up a wealth of opportunities
for people in Belgium



CETA will benefit people across Belgium
It'll do so by:



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



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



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



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



Protecting Belgium's **research and creativity**



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



Encouraging more **investment** between Belgium and Canada



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

Belgium's economy is open to trade

Over 571,000 Belgian jobs – one in six –
rely on exports outside Europe

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

12th

Canada is Belgium's 12th biggest
trading partner outside the EU

€2.3 bn

The value of Belgian exports of
goods and services to Canada

€3.7 bn

The value of Belgian imports of
goods and services from Canada



Scrapping customs tariffs on Belgian exports of goods

Belgian goods exports to Canada: €1.9 bn (2015)

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.

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

- **Pharmaceuticals**

Belgian exports to Canada: €660 m (2015)

This sector accounts for a significant portion of Belgian exports to Canada. The pharmaceutical industry faces very low tariffs but will particularly benefit from CETA's intellectual property provisions (*see below*).

The protocol on mutual recognition of **Good Manufacturing Practices (GMP)** will make it easier to trade in this sector, by allowing one party's authorities to accept GMP compliance certificates issued by the other party.

- **Chemicals**

Belgian exports to Canada: €200 m (2015)

Tariffs are in general low with a peak of 6.5%.

- **Machinery and electrical equipment**

Belgian exports to Canada: €160 m (2015)

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

Apart from savings on customs duties, CETA will enable Belgian 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*).

- **Mineral fuels (including petroleum)**

Belgian exports to Canada: €114 m (2015)

These are largely crude oil and oil products.

Belgium is the EU's 3rd largest exporter of mineral fuels to Canada.

Canadian tariffs are up to 5%.

- **Motor vehicles and parts**

Belgian exports to Canada: €57 m (2015)

Canadian tariffs are up to 9.5%.

- **Textiles**

Belgian exports to Canada: €30 m (2015)

Belgium is the EU's 4th largest exporter of textiles to Canada, accounting for 12% of all EU textile exports to Canada.

Canadian tariffs average 16%; 18% peak for many product categories.



Creating new opportunities for Belgian farmers and food producers

CETA also offers **big opportunities for Belgian farmers and the agri-food industry**. Canada agreed to eliminate duties for 90.9% of all its agricultural tariff lines when CETA enters into force.

Belgian exports to Canada: €131 m (2015)

Belgium is the EU's 5th largest exporter of processed foods to Canada, accounting for 6% of total EU exports to Canada.

Exports include:

- **Confectionery products made of chocolate**

Belgian exports to Canada: €35 m (2015)

Canadian tariffs are around 6%.

- **Cake and biscuits**

Belgian exports to Canada: €17 m (2015)

Canadian tariffs are up to 15%.

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 Belgian fruit and vegetable producers.

All Canadian exports **will also need to comply with the EU's food safety standards**, including its legislation on Genetically Modified Organisms and on the use of hormones and antibiotics in food production, and provide proof of such compliance wherever this is required by EU legislation.



Opening up the Canadian services market to Belgian firms

Belgian services exports to Canada:
€410 m (2015)

Belgium's main services exports to Canada are:

- transport (including maritime transport)
- travel
- telecommunications
- financial services

Belgian services imports from Canada:
€803 m (2015)

CETA will **improve and secure Belgian 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 Belgian 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

CETA also offers **new market access in key areas.**

In particular, Canada agreed to new liberalisation in **maritime transport**. Canada takes market access commitments on **dredging**, on **repositioning of empty containers** and on **feeder activities** on the route Halifax-Montreal, which was limited to national operators under previous agreements.

These could also be relevant to Belgium's maritime services sector. Dredging is particularly important for Belgium, as it has world-class firms in this field, capable of sending highly specialised ships and crews almost anywhere in the world.



Enabling Belgian firms to bid for more public contracts in Canada

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

Belgian 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 Belgium's research and creativity

CETA gives Belgian 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.

CETA also covers **intellectual property rights for pharmaceuticals.**

The agreement includes:

- the possibility of **up to two years of additional patent protection to compensate for undue delays** in granting the marketing authorisation that reduce the useful life of the patent
- a commitment to ensure that all litigants have an **effective right of appeal** under Canada's patent linkage regime (the link between the marketing authorisation for a generic drug and the patent status of the originator drug)
- a commitment to maintain Canada's current practice of offering eight years of data protection.

This is good news for Belgium, given the importance of pharmaceuticals in Belgium's exports to Canada.



Making it easier for Belgian professionals to work in Canada

CETA includes provisions to make it easier for Belgian 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

Provisions to facilitate movement of people can be particularly beneficial for small and medium-sized firms, as they may not be able to ensure the presence of 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 Belgium and Canada**

Belgian Foreign Direct Investment in Canada: €1.2 bn (2015)

CETA will **make it easier for Belgian 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).

Canada, on its side, has interests in Belgium in many fields, and Canadian investors are an important source of growth and of jobs in Belgium.

Around **50 Canadian subsidiaries operate in Belgium** and about the same number of Belgian subsidiaries operate in Canada.

Belgium does not have a bilateral investment treaty with Canada. This makes the investment protection and the dispute settlement provisions in CETA all the more relevant to Belgian investors in Canada and Canadian investors in Belgium.

Once CETA enters into force definitively, these provisions **will provide Belgian and Canadian investors with greater predictability, transparency, and protection** for their investments in Canada and in Belgium respectively.



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

Belgian small businesses are very export oriented and make up 69% of the total

number of Belgian 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.