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PRESS RELEASE

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EU and Canada conclude negotiations on trade deal

Commission President José Manuel Barroso and Canadian Prime Minister Stephen Harper have today reached a political agreement on the key elements of a Comprehensive Economic and Trade Agreement (CETA) after months of intense negotiations between EU Trade Commissioner De Gucht and Canadian trade Minister Ed Fast. It will be the first free trade agreement between the European Union and a G8 country. Boosting our trade relations with Canada will generate new opportunities for growth and the creation of jobs in the EU. On the basis of this political breakthrough, the negotiators will now be able to continue the process and settle all the remaining technical issues. Subsequently, the agreement will need to be approved by Council and Parliament.

The EU-Canada agreement will remove over 99% of tariffs between the two economies and create sizeable new market access opportunities in services and investment. In the area of government procurement, Canada has not only taken commitments at the federal level, but has also opened its sub-federal level to European bidders to an extent never done before, thereby creating unique new opportunities. Amongst the many benefits, the agreement will also improve the protection of intellectual property rights in Canada as well as the protection of the names of our flagship agricultural products. Once implemented, the agreement is expected to increase two-way bilateral trade in goods and services by 23% or €26 billion, fostering growth and employment on both sides of the Atlantic. The overall benefits of the agreement are expected to raise the level of the EU's annual GDP by approximately €12 billion a year.

"This is a highly ambitious and far-reaching trade agreement of great importance for the EU's economy," said President Barroso. "Canada is one of the most advanced economies in the world. This agreement will provide significant new opportunities for companies in the EU and in Canada by increasing market access for goods and services and providing new opportunities for European investors. It will be the basis for gaining a strong foothold in the North American market and so provide a catalyst for growth and the creation of jobs in Europe."

"I am delighted that we have managed to conclude negotiations on the EU-Canada free trade agreement. Both sides have worked extremely hard in the last few months to achieve the political break-through needed to ensure the positive outcome that will be beneficial for both economies," stated EU Trade Commissioner Karel De Gucht. He added: "It has been a real challenge to reach this agreement, and it's a real first when it comes to a comprehensive Free Trade Agreement between two mature economies."

Besides bringing almost all tariffs to zero, CETA will also liberalise trade in services, in particular financial services, telecommunications, energy and transport. For the first time ever, all Canadian levels of government will open up their public procurement markets to European suppliers. CETA will also bring the Canadian protection of intellectual property closer to the level of the EU, benefitting the pharmaceutical sector and exporters of agricultural products of specific geographical origin known as GIs. The EU and Canada have also reaffirmed their strong commitment to the principles and objectives of sustainable development in trade. This means that the investment and trade should not develop at the expense of the environment, but rather foster mutual supportiveness between economic growth, social development, and environmental protection.

What is next?

Based on this political agreement, technical discussions will have to be completed so as to finalise the legal text of the agreement. For more information on the next steps following the technical conclusion of the trade negotiations please see:

http://trade.ec.europa.eu/doclib/docs/2012/june/tradoc_149616.pdf

EU- Canada Trade in facts and figures

In 2012 Canada was the EU's 12th most important trading partner, accounting for 1.8% of the EU's total external trade. Based on 2011 figures, the EU was Canada's second most important trading partner, after the US, representing 10.4% of Canada's total external trade.

The value of bilateral trade in goods between the EU and Canada was €61.8 billion in 2012. Machinery, transport equipment and chemicals dominate the EU's exports of goods to Canada, and also constitute an important part of the EU's imports of goods from Canada.

As advanced economies, trade in services such as professional services, transport, banking, and insurance is an important aspect of the EU-Canada trade relationship. Equally, investment remains the most important mechanism through which services are delivered and manufacturing may be carried out. In 2011, the EU's investment stock in Canada was around €220 billion while Canadian investment in the EU amounted to almost €140 billion.

Further information

EU trade relations with Canada:

<http://ec.europa.eu/trade/creating-opportunities/bilateral-relations/countries/canada/>

See also: [MEMO/13/911](#) - Facts and figures of the EU-Canada Free Trade deal

Contacts :

[Koen Doens](#) (+32 2 298 15 66)

[Leonor Ribeiro Da Silva](#) (+32 2 298 81 55)

[John Clancy](#) (+32 2 295 37 73)