



CIRC 2013/06/TRADE

To all members

Brussels, 12^h November 2013

**EU-CANADA FTA
Briefing at Dialogue with Civil Society Dialogue
On 12/11/2013**

See Ref: CIRC 2013/04 for background info EU-CANADA CETA

Participants from DG TRADE Side: Phillip Dupuis and his team, Head of Negotiations EU-Canada

To find technical summary on CETA including key figures on trade concessions, please visit:

<http://www.actionplan.gc.ca/en/page/ceta-aecg/technical-summary>

COM recalled the context and objective of the negotiations:

Canada relatively small in terms of inhabitants than the EU economy, but still important market in terms of market and purchasing power. Canada will be the first country with which COM will conclude an FTA of that scope.

Exports to Canada represent at present 62 billion euros and the EU is its second most important trading partners. One of the objectives of Canada was to diversify itself from the big orientation in terms of trade with the USA- so for them also diversification for export markets was key.

Investment relations is key for the EU: third biggest investor in the EU and the EU the second one in Canada after the US.

COM expect increase of trade flows to Canada by 28% at the end of the liberalisation.

Objective also for the EU was to be at same level playing field than countries within NAFTA - so CETA will help to fill the gap.

COM explain steps on process:

October 18, 2013, there was a political breakthrough after 4 years of negotiations.

Both partners agreed on essential elements for the overall balance of CETA – now this political deal needs to be cast in legal texts. There are still open issues that need to be addressed but which are more technical than political.

By early next year the text should be ready, but then the legal scrubbing will take place (roughly couple of months) and then can initial the text (so both parties can agree on the final text) by summer 2014. After this step, translation into all EU languages shall be done, prior to send the formal proposal to Council and EP to obtain ascent from EP and endorsement from Council.

FTAs with Central America: between end of negotiations and entry into force it takes 2 years more or less. So that gives indication on time lines.

COM gave some indications on trade concessions:

In terms of trade in goods: this FTA brings the widest coverage that the EU has negotiated so far, with 99 % of tariff lines open to Canadian exports. EU agreed to open market for beef and pork and Canada on cheeses.

EU exports to Canada

Cheese 18,500t, of which 1,700t is for industrial cheese and 16,800t of high quality (currently the TRQ

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is 13,400t and the current trade flow is 18,000t). This is estimated to be worth around €150m especially for the high quality.

EU imports from Canada

35,000t for fresh beef (hormone free)
15,000t for frozen beef (hormone free)
75,000t for pork (ractopamine free)
8,000t for sweetcorn

Exclusions from both sides for egg and eggs products and poultry and chicken under the reciprocity clause: EU will liberalise only if Canada does too- as Canada did not want to liberalise on these products, EU did not.

Remaining issues to be further discussed: TRQs management

COM explained the outcome on Rules:

COM succeeded in reaching a high level of protection for EU GIs in Canada:

COM considers this outcome as a big step in the negotiations as traditionally Canada has not supported GIs and extension of GIs protection from wine products to other food products. This was also part of the breakthrough in October, as Canada will protect a positive list of 125 products for GIs and for 20 others, tailored-compromised for the EU interests and Canadian counter-part - for some products, you have some trademarks registered in Canada, which are fully legal. So it was needed to have some coexistence with EU GIs system - so companies who use and own trademarks can continue to use them - Parma ham- is an example - IT Producers could sell the products but not under the name of Parma ham as one Canadian company owned the trademark on Parma ham. Compromise: Italian companies can market under Parma ham and the Canadian company too – as owner of trademark.

In area of SPS, existing veterinary agreement can now be included under the Dispute Settlement of CETA as part of the FTA. COM reiterated that the EU did not water down or lift any rules on SPS.

COM explained that there is also a solid chapter on sustainable development included in CETA which includes provision on labour and environment.

Q & A

Many organisations raised that Canadian side was more transparent than the EU, ie technical report of CETA publically available– see link above.

Answering to questions from organisations, COM explained that there have been roughly 14 working group negotiators and number of chapters are along the same order.

COM explained that they put on the table of negotiations a list of 145 GIs, signalled to COM by Member States as the main GIs relevant and important for agriculture – out of 145, Canada will recognise and protect 125 and 20 with coexistence trade mark / GIs will apply.

Answering a question on wines: as far as wine is not liberalised, it will be put to zero tariff duties once FTA is fully implemented- and this applies for any wine either GI protected or not.

Wine and spirit agreement will be integrated into CETA and therefore under the Dispute Settlement - in the past some issues about interpretation arose - so now there is a better tools to look at it and better clarity

On cheese TRQs: high quality cheeses - what falls under this category needs to be further defined in details but it is not cheeses which are foreseen for further processing - all cheeses for direct consumption to Canada should fall under this category and we hope to double our export to Canada.

Answering a question from Copa-Cogeca on BSE lift from Canada, COM stressed that there is a strong political link between TRQs and BSE – in addition, commitments from Canadian to lift the BSE trade measures existed for quite some time but Canadian were claiming the link with the US economy as there is a very strong integrated beef market. As the US committed to lift the BSE ban, it has become easier to lift it from Canadian side - COM expect this to lift to happen as quickly as possible even before implementation of CETA.

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Answering question of animal welfare, COM explained that the usual cooperation clause is included but did not provide any details.

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