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# CETA

Comprehensive Economic Trade Agreement

6 December 2016

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# CETA, a FTA between Canada and the European Union

- **CETA was officially signed on 30 October 2016**
- **It will now be presented to the European parliament to give its consent. The FTA will then enter into force provisionally**
- **The agreement has to be approved by Member States in the Council and the EU Parliament**
- **To make take away trade barriers between Canada and the EU:**
  - Equal rules for own and foreign product on the home market
  - Simplified Customs procedures
  - Improvement of working (labor) conditions
  - Improvement of sustainable environment
  - Eliminating 99% of all import duties
- **CETA is more than only an FTA to minimize duties and simplify customs procedures**
- **Expected Benefits:**
  - Increase of exports from the EU to Canada may be € 17 billion
  - Annual savings of import duties of EU exporters approximately € 500 million
  - Improve a sustainable development of both Canada and the Union

# CETA, Reduction and elimination of customs duties

- **Customs duties on originating goods will be reduced or eliminated according a specific schedule**
- **The duties for most goods will be eliminated on the day of entry into force (provisionally) of the agreement**
- **Other, more sensitive, goods will be subject to a 4 or 8 year scheme**
- **For certain agricultural goods a specific scheme is set up**

<b>Year</b>	<b>Applied Duty</b>
1	87.5 % of the duty calculated as per EC Reg. 642/2010
2	75 % of the duty calculated as per EC Reg. 642/2010
3	62.5 % of the duty calculated as per EC Reg. 642/2010
4	50 % of the duty calculated as per EC Reg. 642/2010
5	37.5 % of the duty calculated as per EC Reg. 642/2010
6	25 % of the duty calculated as per EC Reg. 642/2010
7	12.5 % of the duty calculated as per EC Reg. 642/2010
8	0 % of the duty calculated as per EC Reg. 642/2010 (duty-free)

# CETA, Simplification of customs procedures

## To make use of the FTA, the origin of a good is of highest importance

<b>Chapter 95</b>	<b>Toys, games and sports requisites; parts and accessories thereof</b>
95.03-95.05	A change from any other heading; or A change from within any one of these headings, whether or not there is also a change from any other heading, provided that the value of non-originating materials classified in the same heading as the final product does not exceed 50 per cent of the transaction value or ex-works price of the product.

- A simplification of the proof of origin, which will be open for licensed exporters and will be fully automated is foreseen. Until this simplification is implemented, the proof of origin will be made by the existing paper system
- Safety measure on international traffic will apply based on the Agreement between the European Union and Canada on customs cooperation with respect to matters related to supply-chain security (signed in 2013)

# CETA, Anti Dumping countervailing measures, global safeguard measures

## **Both parties hold their rights and obligations concerning**

- **Antidumping and subsidies and countervailing measures according to article VI of the GATT**
- **Global Safeguard Measures under article XIX of the GATT**



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