



The European Union Trade Policy & EU – CAN Relations

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Delegation of the European Union to Canada**

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Today's context:

- Globalisation
 - Including fragmentation of value chains
- Emergence of new economic powerhouses
 - China, India
- Economic downturn
 - Trade is part of the solution



4 benefits of EU trade deals



1. EU trade deals help generate the **growth** and **jobs** Europe needs



2. EU trade deals allow EU firms to make the most of **global value chains**



3. EU trade deals work to protect **people** and the **environment**



4. EU trade deals promote **investment**

EU 28 remains a trading power...

14,8 % of world trade (in goods) in 2015

*Second-largest
importer
(after the US)
€ 1,680 bn (2015)*



*Second-largest
exporter
(after China)
€1.703bn (2015)*

*EU-28 received € **523** bn in FDI 2015
(ranking 1st before US €141 bn)*



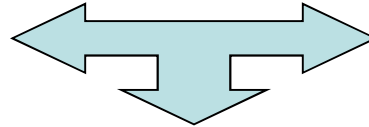
EU Trade and Investment Policy

Basic features

Being the leading trade region

Strong interest in:

- Open markets
- Clear regulatory frameworks



Responsibility towards:

- EU citizens
- Rest of the World

Need to reinforce EU
competitiveness on world
markets



EU Trade Policy Agenda

Trade, Growth and World Affairs

- **Pursue active negotiating agenda**
 - Multilateral / Plurilateral Trade Agreements
 - Bilateral Trade Agreements
- **Deepen relations with strategic partners**
 - Canada, US, China, India, Brazil
- **Enforce EU rights, tackling trade barriers**



Bilateral relations (FTAs)

Context

- Globally more than 200 FTAs
- Covering more than 35% of global trade
- FTAs top up what can be done in WTO
- 'Extended' regionalism



EU Trade and Investment Policy

How we negotiate

Civil Society and Public Consultations

The Commission negotiates

- On behalf of the 28 Member States
- Regular reporting to the Council and the European Parliament

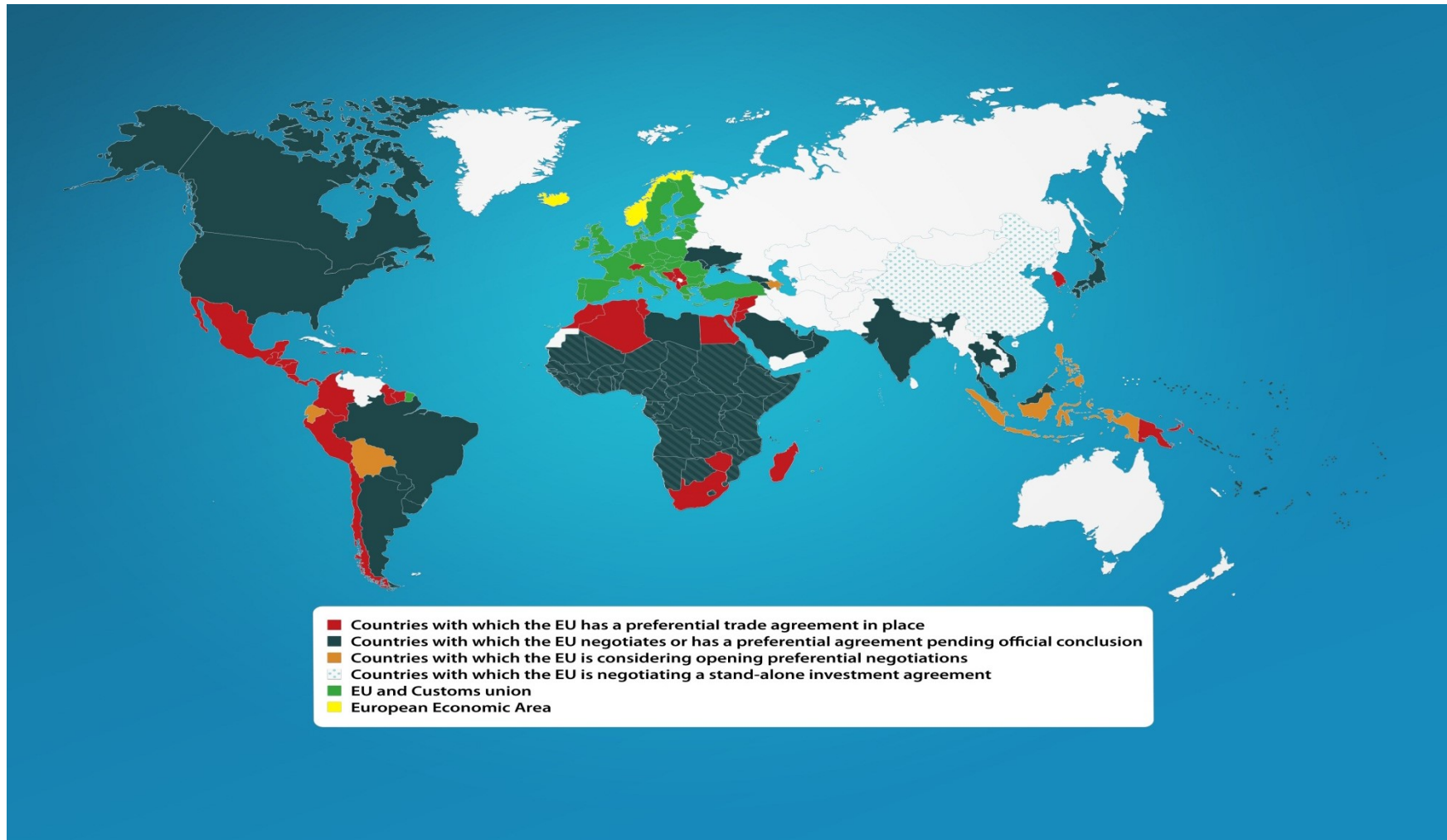
The Council co-decides

- Directives for negotiations
- Follows the negotiation process
- Council approve the results of the negotiation (generally by qualified majority)

The Parliament co-decides

- EP co-decides with the Council on trade legislations (except negotiating directives)
- EP gives consent on agreements

Bilateral agreements – State of play



The importance of CETA

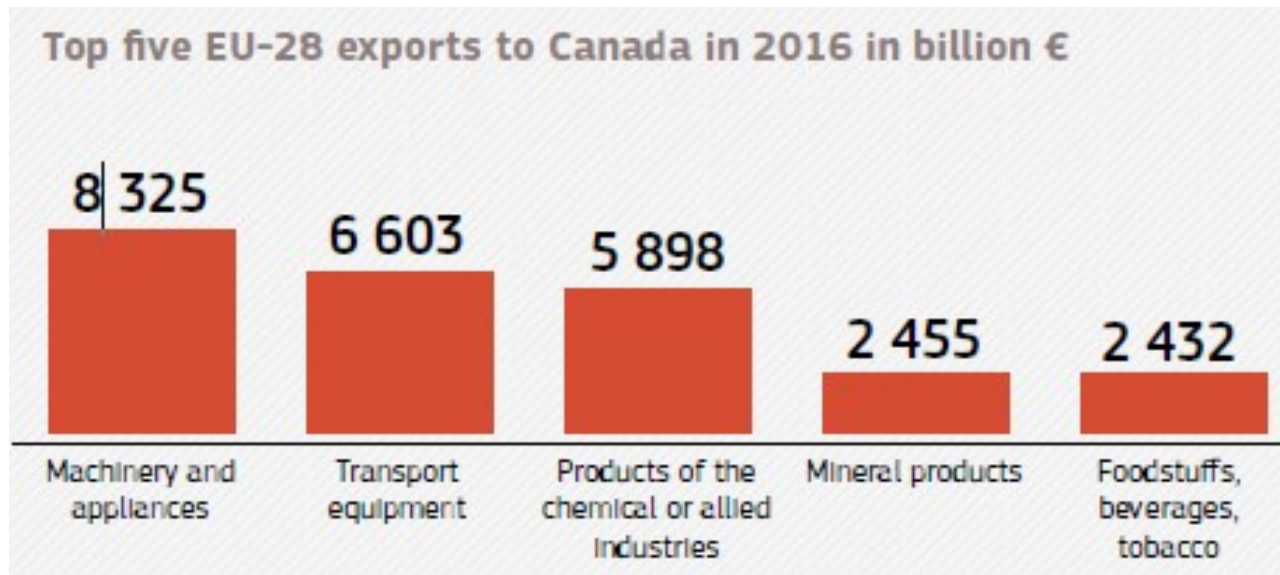
- Why the EU ?



Why Canada ?

EU & Canada

- Canada is EU's 11th trading partner
- EU is Canada's 2nd trading partner
- EU enjoys a positive trade balance on both goods (nearly 7 bn EUR in 2015) and services (nearly 4 bn EUR in 2015)





• **Canada:**

- **10 Provinces, 3 Territories**
- **2 official languages**
- **34.8 million inhabitants**
- **9.9 million sq. km**
- **GDP per capita: 39.000 Euros**
- **Canada is a relatively small but rich market**

• **European Union**

- **28 Member states**
- **24 official languages**
- **500 million inhabitants**
- **4.5 million sq km**
- **GDP per capita: 24.000 Euros**
 - Luxembourg: 80.000 Euros
 - Germany: 31.000 Euros
 - Bulgaria: 5.000 Euros
- **The EU is a vast, integrated market. (Its annual imports alone are worth more than Canada's GDP.)**

With the NAFTA uncertainty, CETA is timely for Canadian exporters keen to diversify into other markets

What actions
are companies
taking as a
result of CETA?



26% paying more attention to
the European market



18% developing
new products,
services, or
production
processes



15% increasing
production to expand
export volumes

11% starting to
import from Europe



11% increasing
imports from Europe

Source: EDC TCI 2017

EU = modern & attractive market

Global Top 10		
	The Global Competitiveness Index 2014-2015	Global rank*
Switzerland		1
Singapore		2
United States		3
Finland		4
Germany		5
Japan		6
Hong Kong SAR		7
Netherlands		8
United Kingdom		9
Sweden		10

“ With just 7 % of the world’s population, the EU accounts for 20.3 % of world GDP, and its trade with the rest of the world accounts for around 15 % of global exports and imports (excluding intra-EU trade). ”

Source: The Global Competitiveness Report 2014-2015

Note: * 2014-2015 rank out of 144 economies

« Wind in our sails »



Growth in the European Union has outstripped that of the United States over the last two years.



Unemployment is at a **nine-year low**

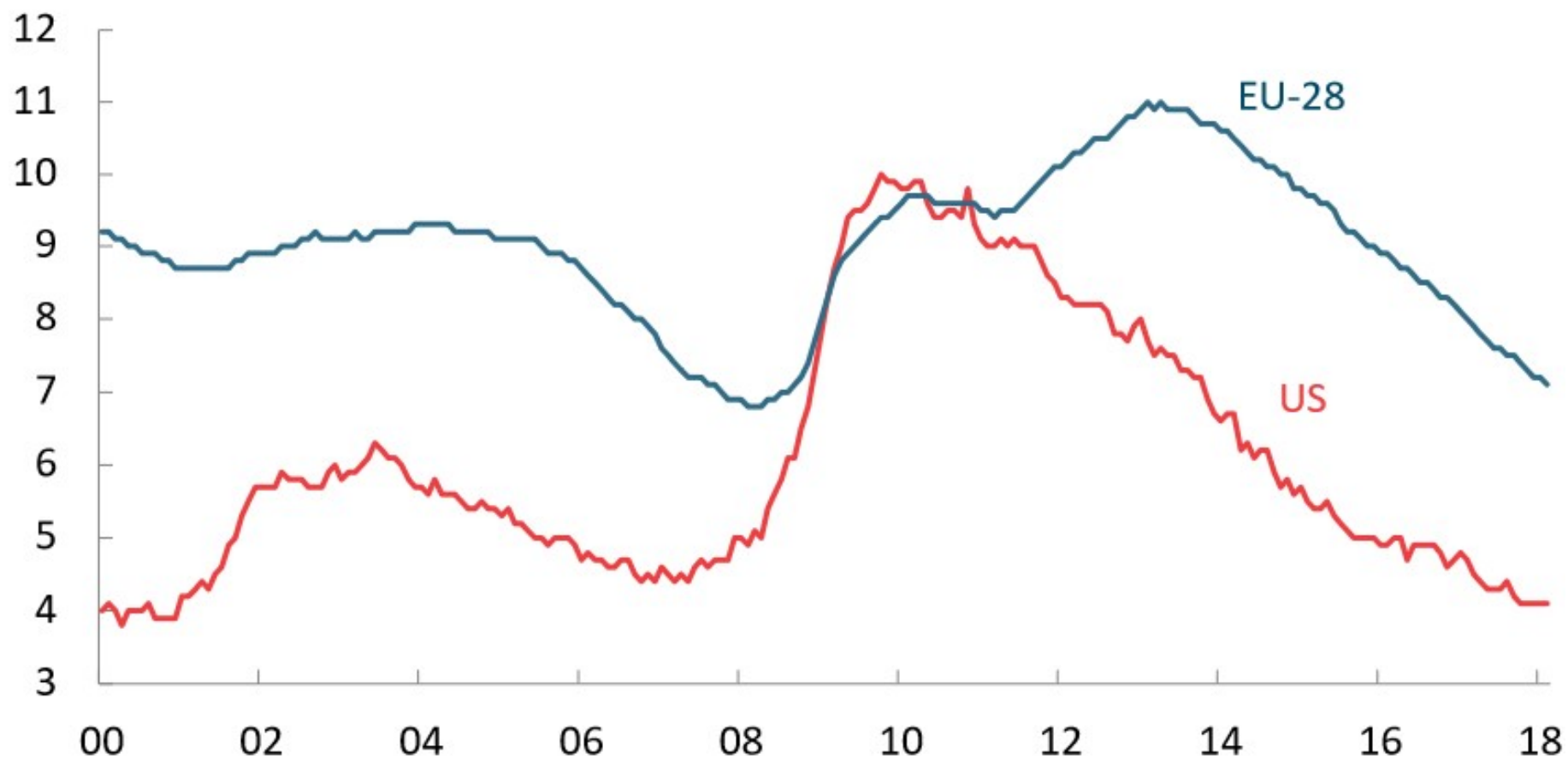
Almost **8 million jobs** were created during the mandate of the Juncker Commission

Growth outlook for selected EU countries

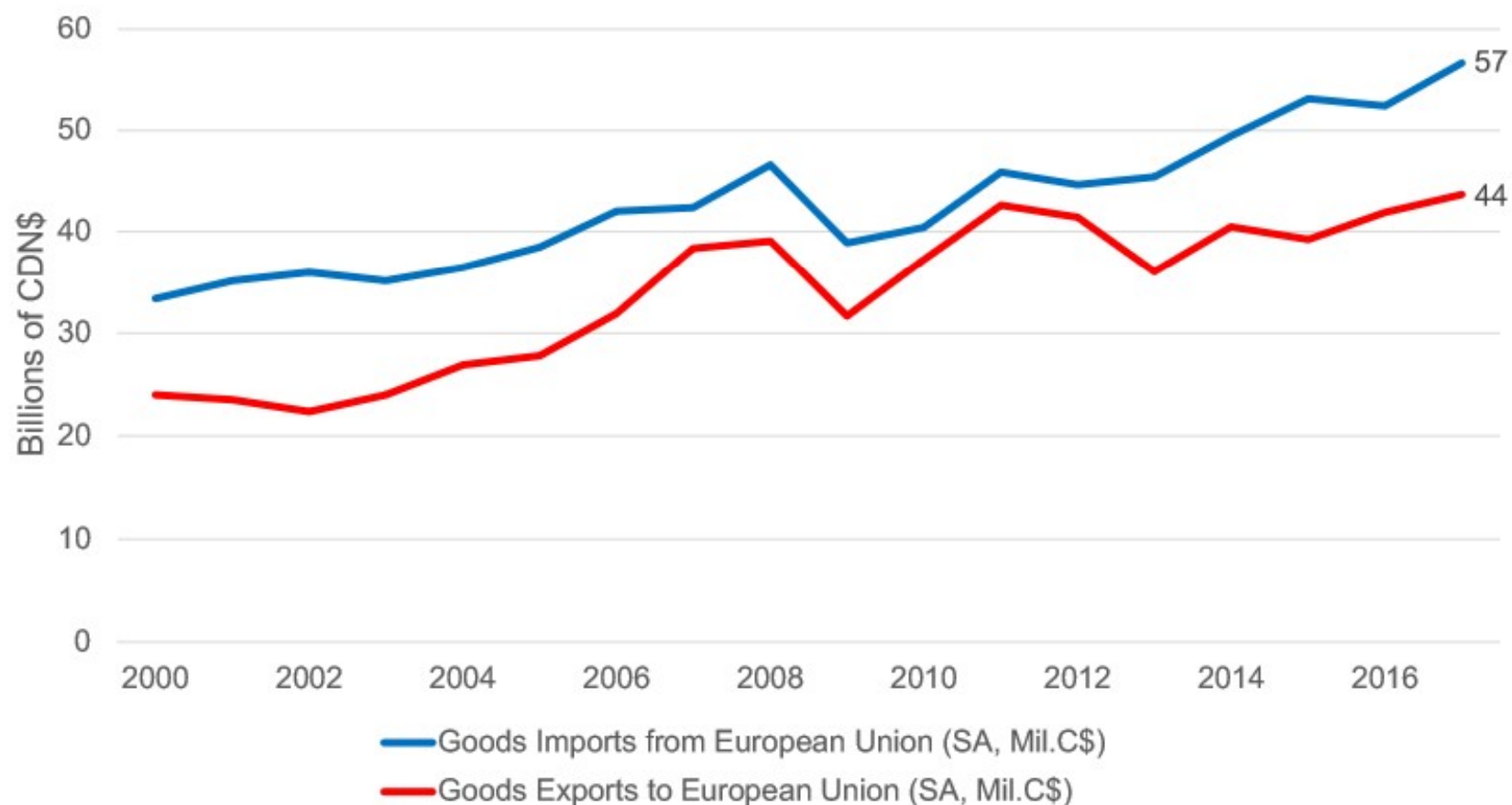
	% of EU GDP (2017)	2017(e)	2018(f)	2019(f)
European Union	100	2.5	2.5	2.2
Germany	21	2.5	2.1	2.1
France	15	1.9	2.3	1.9
Italy	11	1.5	1.6	1.5
Spain	8	3.1	3.0	2.7
Poland	3	4.6	4.3	3.5
Austria	2	3.1	2.6	2.0
Czech Republic	1	4.6	4.1	3.7
Greece	1	1.3	2.4	2.8

...moving in the right direction ...

Unemployment rates (per cent)



Goods trade between Canada and Europe is growing...



Sources: Statistics Canada, Haver Analytics, EDC

CETA

- First trade deal with a G7 Member
- By far the most far reaching and progressive FTA
- The EU can deliver high ambition FTAs without lowering standards
- Reinforce our respective and mutual economic interests
- Strengthen our position on the global stage
- Help bring the EU and North America even closer together





European
Commission





CETA will:

- Eliminate custom duties on 98% of all tariff lines
- Open Canada's procurement market
- Ensure protection of 143 EU traditional products (GIs)
- Facilitate the movement of professionals
- Enabling EU firms to sell services in Canada Enabling EU firms to sell services in Canada
- Open up markets for European food and drink exports
- Make it easier for European firms to invest in Canada
- and more...

CHANGE IN CANADA-EU BILATERAL TRADE AND FDI by 2030 (vs. baseline)

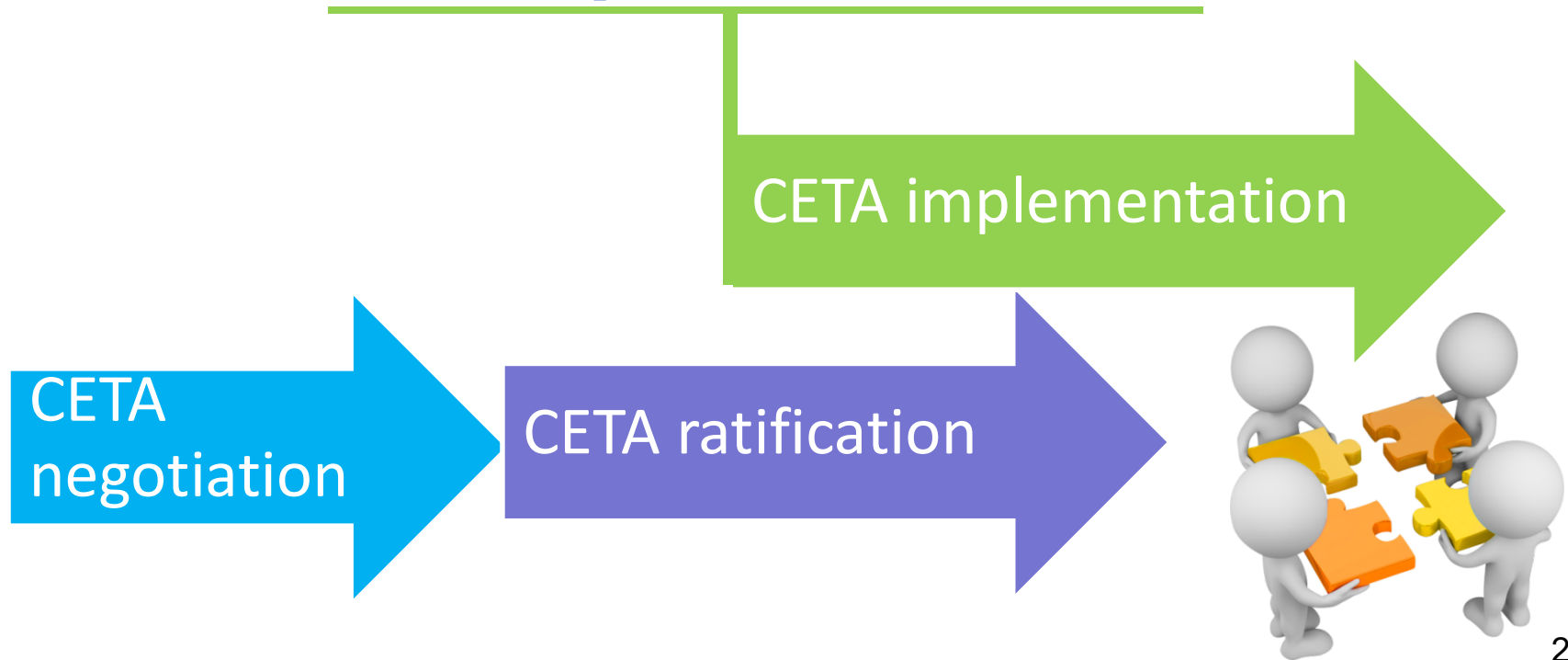
	\$C gain (billions)	% gain
Canadian exports to the EU	8.6	8.1
-- <i>merchandise goods</i>	6.0	8.1
-- <i>services</i>	2.6	8.2
Canadian imports from the EU	8.4	8.0
-- <i>merchandise goods</i>	5.5	8.8
-- <i>services</i>	2.9	6.5
Canadian direct investment in EU	0.6	<1
EU direct investment in Canada	1.2	<1

CHANGE IN EU EXPORTS TO CANADA by 2030 (versus baseline)		
	\$C gain (millions)	% gain
Automotive	1,276	17.8
Textiles, clothing and leather products	1,177	105.7
Business services	934	6.3
Chemical and plastic products	654	5.4
Financial services	638	8.0
Transportation services	608	8.2
Dairy products	435	132.0
Machinery	434	3.1
Other services	403	7.3
Processed foods	289	13.9
Total, all industries	8,450	8.0

Source: European Commission, September 2017.

CETA Timeline

21 September 2017





Thank You