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Strasbourg, 15 February 2017

European Commission welcomes Parliament's support of trade deal with Canada

CETA marks the beginning of a new era in the EU-Canada relationship.

Today, the European Parliament voted in favour of the Comprehensive Economic and Trade Agreement (CETA) between the EU and Canada, concluding the ratification process of this deal at the EU level.

Welcoming the outcome of the vote held in Strasbourg, President Jean-Claude **Juncker** said: *"Today's vote by the European Parliament is an important milestone in the democratic process of ratification of the agreement reached with Canada and it also allows for its provisional entry into force. As a result, EU companies and citizens will start to reap the benefits that the agreement offers as soon as possible. This trade deal has been subject to an in-depth parliamentary scrutiny which reflects the increased interest of citizens in trade policy. The intense exchanges on CETA throughout this process are testimony to the democratic nature of European decision making.*

This progressive agreement is an opportunity to shape globalisation together and influence the setting of global trade rules. The best example of this is the work that we are already doing with our Canadian friends to establish multilateral rules to deal with investment issues.

I now call on all Member States to conduct an inclusive and thorough discussion at national level with the relevant stakeholders in the context of the national ratification process of the agreement".

Trade Commissioner Cecilia **Malmström** said: *"This vote is the start of a new era in EU-Canada relations - together we are sending a strong signal today. By building bridges rather than walls, we can face the challenges that confront our societies together. In these uncertain times, with rising protectionism around the world, CETA underlines our strong commitment to sustainable trade.*

Canada is a close ally of Europe. We share values and ideals, and a commitment to open markets and fair social policies. Canada is an important economic partner, with yearly trade between us worth nearly 100 billion euros. Once the Canadian parliament has ratified this agreement, the next step is to put it provisionally in place, which I hope can be done swiftly and effectively. Citizens and companies on both sides of the Atlantic should start reaping these benefits very soon."

What will CETA do?

CETA creates new opportunities for EU companies. It will save EU businesses over €500 million a year currently paid in tariffs on goods that are exported to Canada. Almost 99% of these savings start from day one. It will give EU companies the best access they've ever had to Canadian public procurement contracts, including at provincial level (as well as federal and municipal).

The agreement will overwhelmingly benefit smaller companies who can least afford the cost of red tape. Small businesses will save time and money, for example by avoiding duplicative testing requirements, lengthy customs procedures and costly legal fees.

CETA will create new opportunities for farmers and food producers, while fully protecting the sensitivities of the EU. The EU's openings on certain products are limited and calibrated and are balanced out by Canadian openings that satisfy important European exporting interests, such as cheese, wine and spirits, fruit and vegetables, processed products and the protection of 143 high quality European products (so-called "geographical indications") on the Canadian market.

The EU's 500 million consumers will also benefit from CETA. The agreement offers greater choice while upholding European standards, as only products and services that fully respect all EU regulations will be able to enter the EU market. This means that CETA will not change the way the EU regulates food safety, including GMO products or the ban on hormone-treated beef.

The agreement will give better legal certainty in the service economy, better mobility for company employees, and a framework to enable recognition of professional qualifications, from architects to crane operators.

The current form of investor-state dispute settlement (ISDS) that exists in many bilateral trade agreements negotiated by EU governments has been replaced with a new and improved Investment Court System. The new mechanism will be transparent and not based on ad hoc tribunals.

Member States will continue to be able to organise public services as they wish. This and other issues have been further clarified in a Joint Interpretative Instrument that will have legal force and that clearly and unambiguously outlines what Canada and the European Union have agreed in a number of CETA articles.

Background and next steps

On 30 October, the EU and Canada signed the trade agreement and today the European Parliament gave its consent. This paves the way for CETA to enter into force provisionally, once it has also been ratified on the Canadian side. CETA will be fully implemented once the

parliaments in all Member States ratify the deal according to their respective domestic constitutional requirements.

There is clear proof that free trade agreements spur European growth and jobs. As an example, EU exports to South Korea have increased by more than 55% since the EU-Korea trade deal entered into force in 2011. Exports of certain agricultural products increased by 70%, and EU car sales in South Korea tripled over this five-year period. The Korea agreement was also provisionally applied during its ratification process. On average, each additional €1 billion of exports supports 15.000 jobs in the EU. 31 million jobs in Europe depend on exports.