

The EU-Canada Comprehensive Economic and Trade Agreement (CETA)

Opening up a wealth of opportunities for people in the Netherlands



CETA will benefit people across the Netherlands

It'll do so by:



Scrapping **customs tariffs** for Dutch exporters and importers



Creating new opportunities for Dutch **farmers** and food producers



Opening up the Canadian **services** market to Dutch firms



Enabling Dutch firms to bid for more **public contracts** in Canada



Protecting the Netherlands' **research and creativity**



Making it easier for Dutch **professionals** to work in Canada



Encouraging more **investment** between The Netherlands and Canada



Helping the Netherlands' **small businesses** export more to Canada

The Netherlands' economy is open to trade

Over 1,000,000 Dutch jobs
rely on exports outside Europe

**And the Netherlands and Canada already have a close
trading and investment relationship**

10th

Canada is the Netherlands' 10th
biggest trade partner outside the EU

€1.3bn

The value of the Netherlands' trade surplus
in goods and services with Canada

€4.4 bn

The value of Dutch exports to Canada

€3.1 bn

The value of Dutch imports from Canada



Scrapping customs tariffs on Dutch exports on goods

Dutch goods exports to Canada: €3 bn
(2015)

CETA will bring big **savings on customs duties** by eliminating duties on 99% of all tariff lines, of which 98% will already be scrapped at entry into force.

The Netherlands will **benefit from tariffs being removed on virtually all of its exports**, in particular:

- **Machinery and electrical equipment**

Dutch exports to Canada: €420 m (2015)

This accounts for nearly 5% of total EU exports to Canada.

Tariffs are on average low but some products face tariff peaks of 9%.

Apart from savings on customs duties, CETA will enable Dutch companies to do away with costs of double testing thanks to the provisions on **recognition of conformity assessment certificates** in sectors such as:

- machinery
- electrical goods
- electronic equipment

These sectors will also benefit from CETA's provisions on public procurement and movement of professionals (*see below*).

- **Pharmaceuticals**

Dutch exports to Canada: €146 m (2015)

The pharmaceutical industry faces very low tariffs but will particularly benefit from CETA's intellectual property provisions (*see below*).

The protocol on mutual recognition of **Good Manufacturing Practices (GMP)** will make it easier to trade in this sector, by allowing one party's authorities to accept GMP compliance certificates issued by the other party.

- **Chemicals**

Dutch exports to Canada: €44 m (2015)

Tariffs are in general low with a peak of 6.5%.

- **Mineral fuels (including petroleum)**

Dutch exports to Canada: €1.2 bn (2015)

These are largely crude oil and oil products.

The Netherlands is **the EU's biggest exporter** of mineral fuels to Canada, accounting for nearly two-thirds of total EU exports to Canada in this sector.

Canadian tariffs are up to 5%.



Creating new opportunities for Dutch farmers and food producers

CETA also offers **big opportunities for Dutch farmers and the agri-food industry**. Canada agreed to eliminate duties for 90.9% of all its agricultural tariff lines when CETA enters into force.

Dutch exports to Canada: €113 m (2015)

The Netherlands is the EU's 6th largest exporter of processed foods to Canada, accounting for 5% of total EU exports to Canada.

Exports include:

- **Beer**

Dutch exports to Canada: €74 m (2015)

The Netherlands is **the EU's largest exporter of beer** to Canada.

Canada has no import tariffs on beer.

Market access will be improved by the removal of other relevant trade barriers, including several 'behind the border' barriers that make it difficult for Dutch exporters to access the Canadian market.

CETA will ensure that EU wine and spirit producers can compete on the Canadian market, for example by:

- freezing the number of shops selling only Canadian products, and
- preventing businesses with a local monopoly from expanding into neighbouring provinces.

- **Cheese**

Dutch exports to Canada: €9.2 m (2015)

EU cheese exports to Canada are limited by the EU's portion of an existing World Trade Organization duty free quota; outside this quota, exports face prohibitive tariffs of on average 227% which makes them uncompetitive.

CETA offers two new annual duty free quotas, or permanent Tariff Rate Quotas, for EU cheese:

- 16,800 tons of high-quality cheese (16,000 tons in CETA, and 800 tons that will be added to the EU portion of the existing World Trade Organization quota thanks to CETA)

- 1,700 tons of industrial cheese

These quantities will be phased in progressively over a period of 5 years.

- **Vegetable seeds for sowing**

Dutch exports to Canada: €31 m (2015)

The Netherlands is **the EU's biggest exporter** of vegetable seeds for sowing to Canada, accounting for 87% of total EU exports to Canada in this sector.

Canadian tariffs are up to 5.5%

- **Ornamentals (tuber/bulbs)**

Dutch exports to Canada: €27 m (2015)

The Netherlands is **the EU's largest exporter** of such products to Canada, accounting for 99% of total EU exports to Canada.

Canadian tariffs are up to 6%.

The EU will also open its market to Canadian agricultural products. This will **give consumers more choice**.

For sensitive products such as **beef and pork**, CETA limits liberalisation **to duty-free quotas**. Above these agreed quotas, the EU's high tariffs continue to apply. CETA excludes certain sensitive products like **poultry and eggs** from any tariff cuts.

The EU will still be able to use its traditional tools to protect EU farmers, including the entry price system for fruits and vegetables which prevents imports from undercutting EU seasonal products. This is of particular relevance for Dutch fruit and vegetable producers.

All Canadian exports **will also need to comply with the EU's food safety standards**, including:

- EU legislation on Genetically Modified Organisms
- EU legislation on the use of hormones and antibiotics in food production
- providing proof of such compliance wherever this is required by EU legislation.



Opening up the Canadian services market to Dutch firms

Dutch services exports to Canada: €1.3 bn (2015)

The Netherlands' main services exports to Canada are:

- technical services (engineering, mining)
- maritime transportation
- air transportation
- computer services

Dutch services imports from Canada: €677 m (2015)

CETA will **improve and secure Dutch companies' access to the Canadian services market.**

For example in the professional services sector, Canada has removed a number of limitations on citizenship and residency conditions for Dutch professionals to practice in Canada, who are:

- lawyers
- accountants
- architects
- engineers

CETA also brings legal certainty for EU services exporters: Canada has locked in its current level of openness towards EU companies, for example in:

- financial services
- telecoms
- postal and courier services

CETA also offers **new market access in key areas**. In particular, Canada agreed to new liberalisation in **maritime transport**, a key Dutch interest.

Canada takes market access commitments on **dredging**, on **repositioning of empty containers** and on **feeder activities** on the route Halifax-Montreal, which was limited to national operators under previous agreements.

The Netherlands has an important cargo fleet and is a global leader in dredging activities, and it stands to be **one of the main beneficiaries**.



Enabling Dutch firms to bid for more public contracts in Canada

With CETA, **Dutch companies will get access to Canada's large public procurement market.**

Dutch companies will have the opportunity to bid to supply goods and services for tenders at all levels of government in Canada (federal, provincial and municipal).

Canada has also agreed to make the tendering process more transparent by publishing its federal and provincial public tenders on a single procurement website.

Canada's government procurement commitments in CETA are **the most ambitious Canada has ever granted.**



Protecting the Netherlands' research and creativity

CETA gives Dutch innovations, copyrights and trademarks a **similar level of protection** in Canada to that they enjoy in Europe.

In particular, Canada will **bring its copyright protection in line with international standards**.

This is important because it will protect the intellectual property of EU's creative industries (artworks, publications, music and software), including its dissemination through online distribution channels.

CETA also covers **intellectual property rights for pharmaceuticals**. The agreement includes:

- the possibility of **up to two years of additional patent protection to compensate for undue delays** in granting the marketing authorisation that reduce the useful life of the patent
- a commitment to ensure that all litigants have an **effective right of appeal** under Canada's patent linkage regime (the link between the marketing authorisation for a generic drug and the patent status of the originator drug)
- a commitment to maintain Canada's current practice of offering eight years of data protection.

This is good news for the Netherlands, given the importance of chemicals and pharmaceuticals in the Netherlands' exports to Canada.

CETA also provides a **high level of protection for 143 distinctive EU food and drink products** that hold a geographical indication (GI) – a sign to show they have a specific geographical origin and possess qualities or enjoy a reputation because of it.

With CETA, Canadian producers won't be able to sell local or foreign products as European GIs if they are not the real thing. So, for example, they won't be able to market cheese as **Gouda Holland** unless it actually comes from Gouda in the Netherlands.

The prioritised list of 143 products concerns the most exported European food products and includes **Gouda Holland** and **Edam Holland** cheeses. These were priority GIs requested by the Netherlands.



Making it easier for Dutch professionals to work in Canada

CETA includes provisions to make it easier for Dutch professionals to work in Canada (and vice versa) and to have their qualifications recognised.

This is a big plus for companies that:

- provide services such as after sales services for exported machines or information and communication technologies software
- make complex products that require after sales services such as installation or maintenance of machinery.

This can be particularly beneficial for smaller and medium-sized firms, as they may not be able to provide permanent staff on the ground to directly supply the service.

CETA establishes legal certainty and significantly **improves mobility for services suppliers** because it:

- makes it easier to transfer key personnel across the Atlantic
- allows companies to send staff for after sales services for machinery, software and equipment
- creates a framework for the recognition of professional qualifications for regulated sectors like architects and accountants.



Encouraging investment between the Netherlands and Canada

Dutch Foreign Direct Investment in Canada: **€108 bn** (2015)

The Netherlands is the EU's 2nd biggest investor in Canada.

Some of the Dutch companies that have interests in Canada are:

- Shell
- Philips
- Nutreco
- DSM

Dutch investors have interests in fields such as:

- information and communication technologies
- agri-food
- plastics
- chemicals

CETA will **make it easier for Dutch firms to invest** in Canada, as Canada has agreed to **substantially increase the threshold for reviewing the acquisition** of Canadian companies by non-Canadians from CAN \$354 million (€247.26 million) to CAN \$1.5 billion (€1.4 billion).

Canadian Foreign Direct Investment in the Netherlands: **€7.7 bn** (2015)

Canada is the 13th largest investor in the Netherlands.

The Netherlands is the hub of over 100 Canadian companies in Europe, employing over 15,000 people.

For example, the Canadian company Northland Power has invested \$4 billion in the Gemini Energy Services wind farm in the North Sea.

CETA will help the Netherlands and Canada realise the full potential of their investment relations by making investment easier and more attractive, to the benefit of growth and of job creation.

The Netherlands does not have a bilateral investment treaty with Canada.

This makes the investment protection and the dispute settlement provisions in CETA all the more relevant to Dutch investors in Canada and Canadian investors in the Netherlands.

Once CETA enters into force definitively, these provisions will provide Dutch and Canadian investors with **greater predictability, transparency, and protection** for their investments in Canada and in the Netherlands respectively.



Helping the Netherlands' small businesses export more to Canada

Dutch small businesses are very export oriented and make up 91% of the total number of Dutch exporters. They will be able to take full advantage of CETA.

Reduced trade barriers, tariff elimination, simplified customs procedures and more compatible technical requirements all make it easier and cheaper to export. This allows smaller firms to:

- compete more easily with large companies
- sell the same product (or with fewer modifications) into both markets
- participate more in supply chains and e-commerce

Specific provisions reinforce the CETA benefits for small companies, such as:

- taking into account their needs in electronic commerce
- improved access to information on public procurement tenders
- the use of the Investment Court System

The Investment Court System provisions in CETA allow for faster proceedings and reduced costs for smaller firms that bring a case.