

Comox Valley, June 14th, 2015

# **DOING BUSINESS WITH EUROPE:**

European Trade Policy and R&D funding under CETA

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New opportunities and assistance for the  
**BC seafood industry**



**EU CHAMBER OF COMMERCE**  
*in Canada West*

# EU Market

- ❖ **28 countries** with around **500 million consumers**.
- ❖ The **largest single common market in the world**.
- ❖ EU Customs Union (all 28 member countries):
  - Apply a **common customs tariff** for goods imported from outside the EU.
  - Goods legally imported can circulate throughout the EU with **no further custom checks and duties to be paid**.



# EU Market

- ❖ Nominal combined GDP of **CAD \$21.4 trillion** (2013).
- ❖ **Import goods** (2013): machinery and transport equipment (25.8%), other manufactured goods (22.7%), mineral fuels and lubricants (29.6%).
- ❖ Moderate income economies with **high growth rates in Eastern Europe** represent unique opportunities for production facilities.
- ❖ **Affluent central-western European countries** attractive for their robust economic strength and **need for high value imports**.
- ❖ More than **99% of all European business are SMEs**.



# EU - Canada Trade Relations

- ❖ Long history of trade and cooperation upon cultural and historical ties.
- ❖ First formal treaty – EURATOM (1959)
- ❖ Bilateral Framework Agreement for Commercial and Economic Cooperation (1976)
- ❖ Sector specific agreements:
  - ❖ Science and Technology (1996)
  - ❖ Higher Education and Training (1995, 2000)
  - ❖ Customs Cooperation (1998)
  - ❖ Veterinary Equivalency (1998)
  - ❖ Competition Cooperation (1999)
  - ❖ Wine and Spirits (2004)
  - ❖ Trade and Investment Enhancement (2004)
  - ❖ Civil Aviation Safety (2009)
  - ❖ Comprehensive Air Transport (2009)



# EU - Canada Trade Relations

- ❖ The EU is **Canada's second-largest trading partner**:
  - ❖ bilateral trade in goods: CAD \$82 billion in 2014.
  - ❖ bilateral trade in services: CAD \$40.1 billion in 2013.
  - ❖ European direct investment stocks in Canada: CAD \$312 billion
  - ❖ Canadian in the EU: CAD \$162 billion
- ❖ **EU-Canada trade** relationship is **under-performing** and it is dominated by major players in highly concentrated sectors.
- ❖ **Lack of market penetration by Canadian and European SME's.**
- ❖ Canada and the EU share a **public commitment to constantly improving the business environment for SMEs.**



# The Comprehensive Economic and Trade Agreement (CETA)

Declaration marking the end of negotiations signed on September 26, 2014.



- ❖ **Eliminates tariffs and Non Tariff Barriers (NTB`s)** and opens new business development and market access opportunities for Canadian businesses – **SME's especially.**
- ❖ Provides Canadian companies **access to all 28 EU countries** including government procurement.
- ❖ Allows for **investment in Canada from European companies** (EU currently the second largest investor in Canada).

# The Comprehensive Economic and Trade Agreement (CETA)

- ❖ Convergence of Canadian and European strategies:
  - Trade liberalization;
  - Favourable market access terms;
  - Foreign investment attraction;
  - Innovation;
  - Expansion of international commercial networks.
- ❖ Distinctive features:
  - Focus on Non-Tariff Barriers (NTBs);
  - Provinces at negotiating table for first time;
  - Negative list approach.



# CETA Scope

- ❖ Market access;
- ❖ Services;
- ❖ Regulatory cooperation and technical barriers to trade;
- ❖ Labour mobility and movement of business persons;
- ❖ Mutual recognition of professional qualifications;
- ❖ Investment;
- ❖ Public procurement;
- ❖ Intellectual property;
- ❖ Institutional arrangements and dispute settlement;
- ❖ Sustainable development.



# CETA Effects

- ❖ Will boost bilateral trade by **23%** and create jobs in virtually every sector of the Canadian economy;
- ❖ Will translate into a **CAD \$12 billion**, or a **0.8% annual increase in Canadian GDP** (estimates by the Canadian Ministry for Foreign Affairs).
- ❖ Annual **real income gains** of approximately:
  - CAD \$16.2 billion for the EU
  - CAD \$11.5 billion for Canada
- ❖ **Increased exports** of goods and services:
  - Canada → EU                      CAD \$12.5 B    **+20,8%**
  - EU → Canada                      CAD \$25.0 B    **+24,3%**
- ❖ The benefits from the Agreement in the area of NTBs are estimated to result in a **CAD \$4 billion** gain for the EU and **CAD \$2.4 billion** for Canada.

# CETA Effects (continued)

- ❖ **Fewer work and business visa restrictions** will enable Canadian enterprises to **move professional labour** between the EU and Canada.
- ❖ Both countries will **gain from increased access to the respective public procurement markets**. All sub-federal levels of governments in 28 EU countries will be open to Canadian companies to engage in tenders.
- ❖ In the service sector: **transparency** as well as **legal certainty** for operators will be **enhanced**.
- ❖ **Disciplines on investment protection** will make **investments** even **safer**.
- ❖ Establishment of a **framework for dialogue** with the EU **on trade-related sustainable development issues**, as the sustainable management of fisheries and aquaculture.



# EU-Canada cooperation in Fishery

- ❖ Shared commitment to ensure **sustainable fisheries, aquaculture and healthy and productive aquatic ecosystems.**
- ❖ Regional Fisheries Management Organizations (RFMOs): **Northwest Atlantic Fisheries Organization (NAFO).**
- ❖ **2013 Galway Statement** on transatlantic marine and arctic cooperation: starting point for the **Transatlantic Ocean Research Alliance** (CA, US and EU).
  
- ❖ Possible partnership in the framework of **Horizon2020?**



# Horizon 2020

- ❖ The official **financial instrument** implementing the **Innovation Union**, a EU2020 flagship initiative aimed at **securing Europe's global competitiveness**;
- ❖ The 8<sup>th</sup> and last phase of the **Framework Programmes for Research and Technological Development**, funding programmes created by the EU in 1984 in order to support and encourage research in the European Research Area (ERA);
- ❖ **7 years** of duration (2014 to 2020);
- ❖ nearly **€80 billion** (CAD \$110 B) **of funding** available;
- ❖ an increase of 23% on the previous funding phase.
- ❖ **3 main research areas**:
  - "Excellent Science" (€24 billion budget);
  - "Industrial Leadership" (€14 billion budget).
  - "Societal and economic challenges" (€32 billion budget)



# Horizon 2020 and Canada

- ❖ Horizon 2020 is **Open to the World**: recognition of the importance of international cooperation in science and technology.
- ❖ Non-EU countries are **always free to take part** in Horizon2020– but **not always automatically entitled to funding**: preference to developing countries.
- ❖ **The case of Canada**: funding only in specific cases:
  - ❖ when Canadian participation is **expressly requested by the EC in the topic**;
  - ❖ in case of a **joint call** (funded by both the EU and Canada);
  - ❖ when **Canadian participation** is **deemed essential** for the achievement of the project objectives.
- ❖ Canada **has been targeted as an important partner** for cooperation in the Horizon 2020 programme, with topics included in areas such as **marine and arctic research** (notably to implement the Galway declaration and the Transatlantic Ocean Research Alliance), **health research** or **ICT**.
- ❖ The **network of National Contact Points (NCPs)**: main source of guidance, practical information and assistance on all aspects of Canadian participation in Horizon 2020.

# Horizon 2020 and Fishery

- ❖ National contact points for “Food security, sustainable agriculture, marine and maritime research and the bio-economy & Biotechnology”:
  - **Sara Sarkar**, Sr. Analyst, Agriculture & Agri-Food Canada
  - **Karen Davison**, Sr. Science Advisor, Fisheries & Oceans Canada
  
- ❖ **Current funding available (2015)** on fishery-related topics:
  - ❖ Supporting SMEs efforts for the development - deployment and market replication of innovative solutions for blue growth;
  - ❖ Tackling disease related challenges and threats faced by European farmed aquatic animals;
  - ❖ Response capacities to oil spills and marine pollutions .
  
- ❖ More information available on following websites:
  - European Commission, **Research and Innovation portal**  
<http://ec.europa.eu/research/participants/portal/desktop/en/home.html>
  - **Era-Can+** consortium to promote EU-Canada research cooperation:  
<http://www.era-can.net/>

# About the EU Chamber of Commerce in Canada - West

- ❖ Non-profit, membership-based organization.
- ❖ Incorporated in November 2013 under the Society Act of BC.
- ❖ Start-up funded by the Italian Chamber of Commerce in Canada - West with a goal of becoming self sustaining bilateral trade organization based on the income from business services, corporate membership as well as from the project based private and public funding.



# About the EU Chamber of Commerce in Canada - West

## ❖ MISSION:

- To facilitate trade and investments between EU and Canada with a special focus on Western Canada.

## ❖ RATIONALE:

- To increase public awareness of CETA and to support & promote the EU-Canada trade in Western Canada
- To complement activities of the European Union Chamber of Commerce in Toronto.





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*in Canada West*

# EU Chamber: Strategic Partners



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## Canadian partners:

- Export Development Canada
- DFAIT
- CME/ Canada Enterprise Network
- Provincial Governments in Western Canada
- Chambers of Commerce & Trade Associations in Canada
- EU Chamber of Commerce in Toronto

## European partners:

- EU Delegation to Canada and European Countries' Diplomatic Posts in Canada
- Canadian Embassies in EU member states
- Chambers of Commerce in EU member states
- Europe Enterprise Network
- Eurochambres
- Trade Associations in Europe



# EU Chamber: Business Services



- ❖ We act as a service-centre for providing **information, business contacts, organizing trade & investment missions** to Fairs and Conventions and generally acting as a catalyst between economic operators in Western Canada and in the EU.
  
- ❖ We provide business tools, support and assistance for:
  - Canadian companies looking to expand their businesses in the EU
  - EU companies interested in doing business in Western Canada in order for them to take advantage of the market liberalization foreseen under CETA.
  
- ❖ We draw our members from Canadian companies interested in doing business in the EU as well as EU businesses present in Western Canada. As a membership-based organization we offer our business services to members at discounted prices.



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# EU Chamber: Current and Future Activities



EU CHAMBER OF COMMERCE  
*in Canada West*

- ❖ Organization of sector specific Business Forums, Seminars and B2B Workshops for Canadian and European SMEs;
- ❖ Hosting & coordinating Incoming Trade Missions from EU countries;
- ❖ Organization of pan-Western Canadian Trade Missions to selected Trade shows in Europe and organizing independent B2B workshops and promotional activities in the EU countries;
- ❖ Promotion of the BC seafood industry at the Global Seafood Expo 2016 in Brussels and organization of B2B meetings with EU importers and distributors



# THANK YOU FOR YOUR ATTENTION



EU CHAMBER OF COMMERCE  
*in Canada West*

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