EU–CANADA RELATIONS: ENHANCED TRADE

BUSINESS OPPORTUNITIES

1. CANADA-EU RELATIONS

2. NEGOTIATION FOR A CETA

3. CETA NEGOTIATIONS

4. BUSINESS OPPORTUNITIES

May, 2010

1. CANADA-EU RELATIONS

1.1 LONG TERM BONDS

1.2 EVOLUTION OVERTIME

1.3 COMMERCIAL BLOCKS

1.4 DOHA ROUND

1.5 ECONOMIC AND COMMERCIAL RELACIONS IN A GLOBALIZED WORLD

1.6 FINANCIAL AND COMMERCIAL CRISIS EFFECTS

May, 2010

1.2 LONG TERM BONDS

❖ Europe and Canada have had historical, cultural, commercial and political ties since the beginning

❖ European immigration has been the seed for the building of the nation

❖Current links with two EU countries explain some of the idiosyncrasy of the nation.

1.3 EVOLUTION OVERTIME

- ❖ Initially, almost exclusive economic and commercial relations
- ❖ While the country was growing links with the southern neighbor increase exponentially.
- ❖ Openness to the Pacific Gate changed the attraction poles and new commercial and economic relations were developed.
- ❖ The EU remains, nonetheless, one of the major partners providing some needed qualities for Canada.

1.4 DOHA ROUND

- ❖ Doha Round has failed to provide enough approach to new requirements of multilateralism
- ❖ Wide gap between developed and developing countries
- ❖ Emerging economies can keep stronger positions than in the past.
- ❖ Political pressure still remains to try to close positions.

May, 2010

1.5 ECONOMIC AND COMMERCIAL RELACIONS IN A GLOBALIZED WORLD

- ❖ **Increasing exchanges**
- ❖ **Delocalization based in costs**
- ❖ **Challenges for developed economies: value added productions**
- ❖ **New requirements for the production factors**

1.6 FINANCIAL AND COMMERCIAL CRISIS : EFFECTS

- ❖ Origins in the financial sector, so contagion by strong financial links worldwide.
- ❖ Crisis affecting mostly developed countries and their financial sectors.
- ❖ Rapid transmission to real economy
- ❖ Strong fiscal and monetary responses: extraordinary efforts
- ❖ Consequence: extraordinary imbalances.

2. NEGOTIATION FOR A CETA

2.1 PREVIOUS ATTEMPTS

2.2 NEW CIRCUMSTANCES

2.3 NEW ATTEMPTS: STUDY AND MUTUAL COMMITMENT

2.1 PREVIOUS ATTEMPS

- ❖ First collaboration agreement: 1976 Framework Agreement for Economic and Trade Cooperation.
- ❖ Legal framework developing the one above via including several other areas of interest beyond the economic field
- ❖ TIEA: start negotiations in 2004. Abandoned in 2006 due to Doha Round problems.

2.2 NEW CIRCUMSTANCES

- GLOBALIZATION
- DOHA ROUND FAILED: STOP MULTILATERALISM
- EXCESSIVE DEPENDENCE ON THE US: 2008 CRISIS
- CANADIAN BET ON FTAs AND OPENNESS

2.4 NEW ATTEMP: STUDY AND MUTUAL COMMITTTMENT

- ❖ STUDY ON BENEFITS OF A CETA
- ❖ MUTUAL COMMITMENT

May, 2010

2.4 NEW ATTEMP: SIMULATION STUDY

- ❖ TRADE BENEFITS: increase 22.9% (25.7 b€: 18.6 b goods and 7 b services)
  - ❖Canada: + 24.3% goods (6.3 b€); +14.2% services (2.2 b€)
  - ❖EU: +36.6% goods (12.2 b€); +13.1% services (4.8 b€)
- ❖ GROWTH BENEFITS: annual increases of GDP:
  - ❖Canada: 0.77% (8.2 b€)
  - ❖EU: 0.08% (11.6 b€)
- ❖ BUSINESS CONDITIONS BENEFITS

2.4 NEW ATTEMP: MUTUAL COMMITTMENT

- STRONG RELATIONS BETWEEN BOTH PARTS
- SIMILAR CULTURAL, ECONOMIC, AND HUMAN RIGHTS BACKGROUND
- SIMILAR POSITION IN INTERNATIONAL RESOLUTION OF CRISES

3. CETA NEGOTIATIONS

3.1 PREVIOUS REQUIREMENTS

3.2 LAUNCH OF NEGOTIATIONS: PRAGUE SUMMIT, MAY 2009

3.3 CONTENT

3.4 STARTING POINT

3.5 ROUND OF NEGOTIATIONS

3.6 STATE OF THE PLAY

3.1 PREVIOUS REQUIREMENTS

- ❖ AMBITION: COMPREHENSIVE
- ❖ COMMITMENT: SHORT PERIOD OF NEGOTIATIONS
- ❖ PROVINCES INVOLVEMENT

3.2 LAUNCH OF NEGOTIAONS

- QUEBEC SUMMIT OCTOBER 2008
- PRAGUE SUMMIT MAY 2009

May, 2010

3.3 CONTENT

COMPREHENSIVE ECONOMIC AND TRADE AGREEMENT

- TRADE OF GOODS
- TRADE OF SERVICES AND INVESTMENTS
- TRADE EASING, TRADE BARRIERS AND PHITOSANITARY RULES
- PUBLIC PROCUREMENT
- REGULATORY COOPERATION
- IPR AND GI
- MOVEMENT OF PEOPLE
- COMPETENCE
- SUSTAINABLE DEVELOPMENT

3.4 STARTING POINT

- ❖ PREVIOUS KNOWLEDGE
- ❖ UPDATING POSITIONS

3.5 ROUNDS OF NEGOTIATIONS

- 1ST : OTTAWA, OCTOBER 2009
- 2ND : BRUSSELS, JANUARY 2010
- 3RD : OTTAWA, APRIL 2010
- 4TH : BRUSSELS, JULY 2010
- 5TH : OTTAWA, OCTOBER 2010
- 6TH: BRUSSELS, JANUARY 2011
- 7TH: OTTAWA, APRIL 2011

May, 2010

3.6 STAY OF THE PLAY

- ADVANCES
  - CHAPTERS: Regulatory cooperation, trade defense, customs and access, conflict resolution and competition.
  - COMMITMENT: Ample delegations
- CHALLENGES
  - CHAPTERS: GI, Public Corporations, Monopolies. Investments: positive or negative list
  - PROVINCES : Legal binding
- ASSESSMENT: POSITIVE

4. BUSINESS OPORTUNITIES

4.1 ACCESS TO MARKETS: AS BIG AND UNIQUE AS POSSIBLE

4.2 NORMALIZATION AND SIMPLIFICATION OF REGULATIONS: IMPROVEMENT IN BUSINESS CONDITIONS

4.3 OPENNESS OF SECTORS TO COMPETION: BENEFITS FOR CONSUMERS INCREASE OF EFFICENCY

4.4 STRONG FLOW OF KNOW HOW AND TECNOLOGY

4.5 SPANISH SECTORS OF INTERESTS

4.5 SPANISH SECTORS OF INTEREST

- ❖ INFRASTRUCTURES
- ❖ RENEWABLE ENERGY AND GREEN ECONOMY
- ❖ PUBLIC PROCUREMENT
- ❖ AEROSPATIALE
- ❖ AUDIOVISUAL
- ❖ BIOTECHNOLOGY AND LIFE SCIENCE
- ❖ TRADITIONAL SECTORS
  - ⇨ WINES AND FOOD
  - ⇨ FASHION
  - ⇨ TOURISM