

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

Opening up a wealth of opportunities  
for people in Sweden



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CETA will benefit people across Sweden

It'll do so by:



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



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



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



Protecting Sweden's **research and creativity**



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



Encouraging more **investment** between Sweden and Canada



Helping Sweden's **small businesses** export more to Canada

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Sweden's economy is open to trade

Over 763,000 Swedish jobs – one in five –  
rely on exports outside Europe

**And Sweden and Canada already have a close  
trading and investment relationship**

**11<sup>th</sup>**

When it comes to goods, Canada is  
Sweden's 11<sup>th</sup> biggest trade partner outside the EU

**€300 m**

The value of Sweden's trade surplus  
in goods and services with Canada

**€1.3 bn**

The value of Swedish exports to Canada

**€1 bn**

The value of Swedish imports from Canada



## Scrapping customs tariffs on Swedish exports of goods

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### Swedish goods exports to Canada: €977 m (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.

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

- **Machinery and electrical equipment**

### Swedish exports to Canada: €330 m (2015)

These sectors employ 90,000 people in Sweden.

Machinery and electrical equipment face low average tariffs but some products face tariff peaks of 9%.

Apart from savings on customs duties, CETA will enable Swedish 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**

### Swedish exports to Canada: €215 m (2015)

This sector employs 30,000 people in Sweden.

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.

- **Motor vehicles and parts**

### Swedish exports to Canada: €80 m (2015)

Sweden is the EU's 5<sup>th</sup> largest exporter of motor vehicles to Canada.

This sector employs around 80,000 people in Sweden.

Canadian tariffs are up to 9.5%.

- **Optical instruments and medical instruments**

### Swedish exports to Canada: €27 m (2015)

Canadian tariffs are up to 8.5%.

- **Vodka**

Swedish exports to Canada: €24 m (2015)

Vodka faces specific duties of 12.28 CAD cents per litre of pure alcohol. For wine and spirits, tariff elimination is complemented by the removal of other relevant trade barriers, including several 'behind the border' barriers that make it difficult for Swedish exporters to access the Canadian market.

The cost-of-service-differential fee imposed by the Provincial Liquor Boards on imported wines and spirits will for instance be:

- applied based on volume and not value
- calculated more transparently

This lowers the costs for EU producers to sell their products in Canada.

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.

Regarding wine and spirits CETA also:

- abolishes the Canadian requirement to blend imported bulk spirits with local spirits before bottling – a requirement that made it impossible for EU makers of products classified as Geographical Indications from labelling them as such.
- incorporates the 2004 EU-Canada Wines and Spirits Agreement. Because this will be made subject to CETA's general rules, notably dispute settlement, the legal guarantees become stronger.
- provides a forum for further discussions in the future on any other issue of concern for the EU and Canada related to Wines and Spirits.

The EU expects that the combined effect of these measures will be to further **increase the EU market share** of the Canadian wine and spirit sector.



## Opening up the Canadian services market to Swedish firms

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Swedish services exports to Canada:  
**€313 m** (2015)

Sweden's main services exports to Canada are:

- telecommunications
- transport
- tourism
- financial services

CETA will **improve and secure Swedish 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 Swedish 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



## Enabling Swedish firms to bid for more public contracts in Canada

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

Swedish 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 Sweden's research and creativity

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Swedish Gross Domestic Product percentage spent on research and development: **3.16%** (2014)

This is the 2<sup>nd</sup> highest proportion of all EU member states.

CETA gives Swedish 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 Sweden, given the importance of chemicals and pharmaceuticals in Sweden's 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 fish roe as **Kalix Ljöjrom** unless it comes from vendace fish from Kalix in Northern Sweden.

The prioritised list of 143 distinctive products was chosen by EU Member States on the basis of their export potential to Canada.



## Making it easier for Swedish professionals to work in Canada

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CETA includes provisions to make it easier for Swedish 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.

Provisions to facilitate movement of people can be particularly beneficial for small 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 Sweden and Canada

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### Swedish Foreign Direct Investment in Canada: **€2.63 bn** (2015)

CETA will **make it easier for Swedish 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 Sweden: **€1.81 bn** (2008)

Canada, for its part, has interests in Sweden in many fields. In 2012 for example the Canada Pension Plan Investment Board **invested €122 million in the Kista Galleria**, a mall north of Stockholm's central business district.

Sweden 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 Swedish investors in Canada and Canadian investors in Sweden.

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





## Helping Sweden's small businesses export more to Canada

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Swedish small businesses are very export oriented and make up 94% of the total number of Swedish 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.