Study in support of an ex-post evaluation of the Comprehensive Economic and Trade Agreement (CETA) between the European Union and its Member States and Canada

(TRADE/2023/OP/0012)

Presentation Final Report

Civil Society Dialogue (CSD) Meeting
2 June 2025

Consortium led by Trade Impact B.V.

Contents

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1. Introduction

- From 20 December 2023 – May 2025, **Trade Impact**, together with **IEEP** and **Cambridge Econometrics** conducted the **'Study in support of the ex-post evaluation of the Comprehensive Economic and Trade Partnership between the EU and its Member States and Canada'**

- Using: econometric analyses, statistical data, qualitative research and extensive stakeholder consultations, the **economic, social, environmental and human rights impact of CETA** were investigated.

- This study in support of the ex-post evaluation covered: **effectiveness, impact, efficiency, coherence**, and **relevance** of CETA.

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2. The EU-Canada trade relationship

Table 2: Main EU and Canadian trading partners (2023)

European Union*		Canada**	
Top trading partners	**Total goods trade (€ bn)**	**Top trading partners**	**Total goods trade (€ bn)**
United States (1)	851.0	United States (1)	598.1
China (2)	743.9	China (2)	76.5
United Kingdom (3)	517.3	**EU (3)**	**76.2**
Switzerland (4)	327.7	Mexico (4)	35.7
Türkiye (5)	207.3	Japan (5)	23.1
Norway (6)	174.0	United Kingdom (6)	15.0
Japan (7)	135.3	South Korea (7)	13.5
South Korea (8)	130.7	Switzerland (8)	8.7
India (9)	113.8	Brazil (9)	8.7
Russia (10)	88.9	India (10)	8.1
Mexico (11)	82.1	Australia (11)	4.0
Canada (12)	**76.4**	Saudi Arabia (12)	2.6
Total EU trade in goods	**4,271.3**	**Total Canadian trade in goods**	**876.4**

*Sources: * Eurostat (2024), ** Statistics Canada (2024)*

- For the EU, Canada was the 12th **most important trading partner** in 2023. For Canada, the EU was the **3rd most important trading partner** in 2023.

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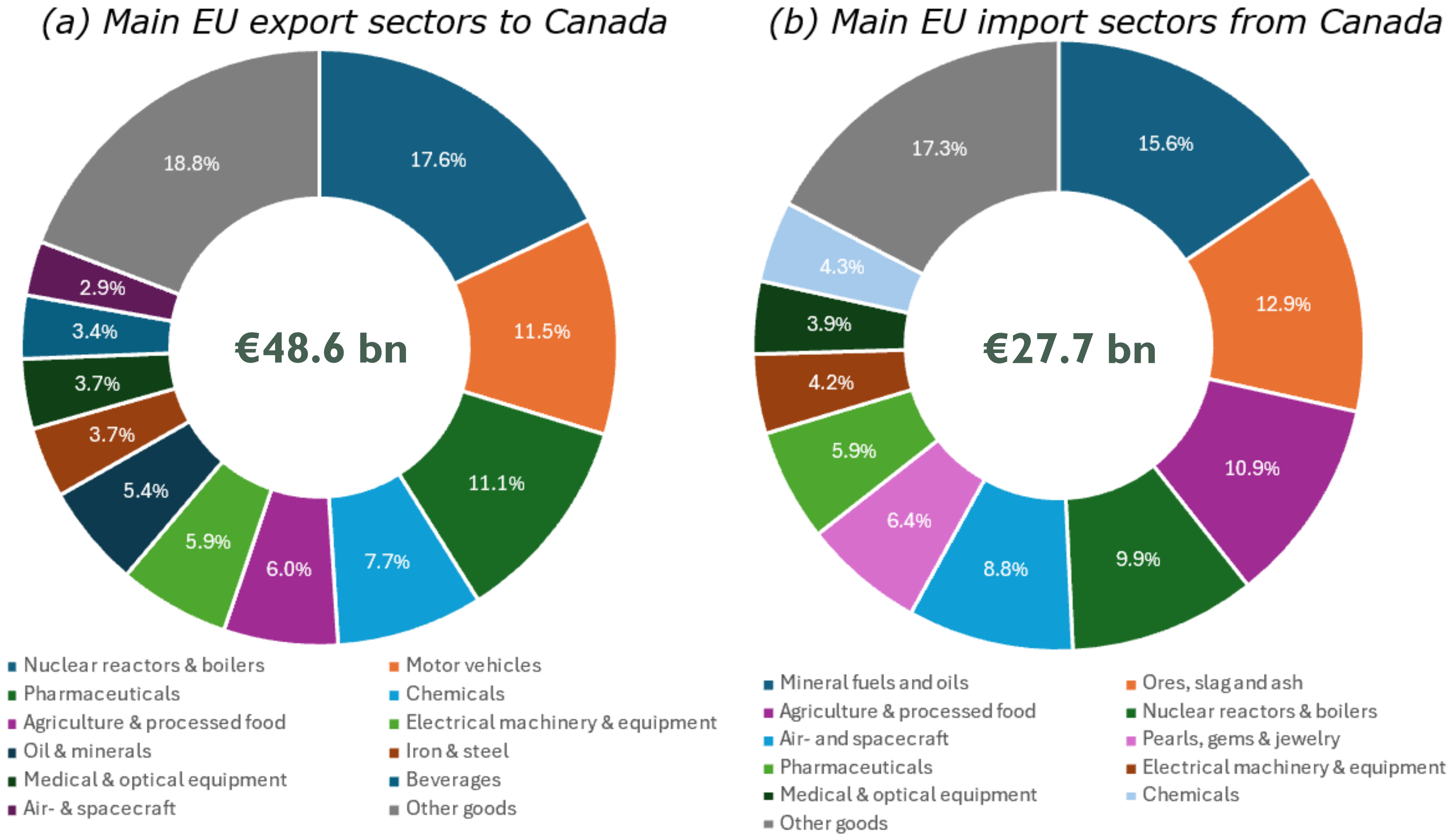
2. The EU-Canada trade relationship: total trade

Figure I: Main EU sectoral exports to and imports from Canada (2023, % total)



Source: Eurostat (2024)

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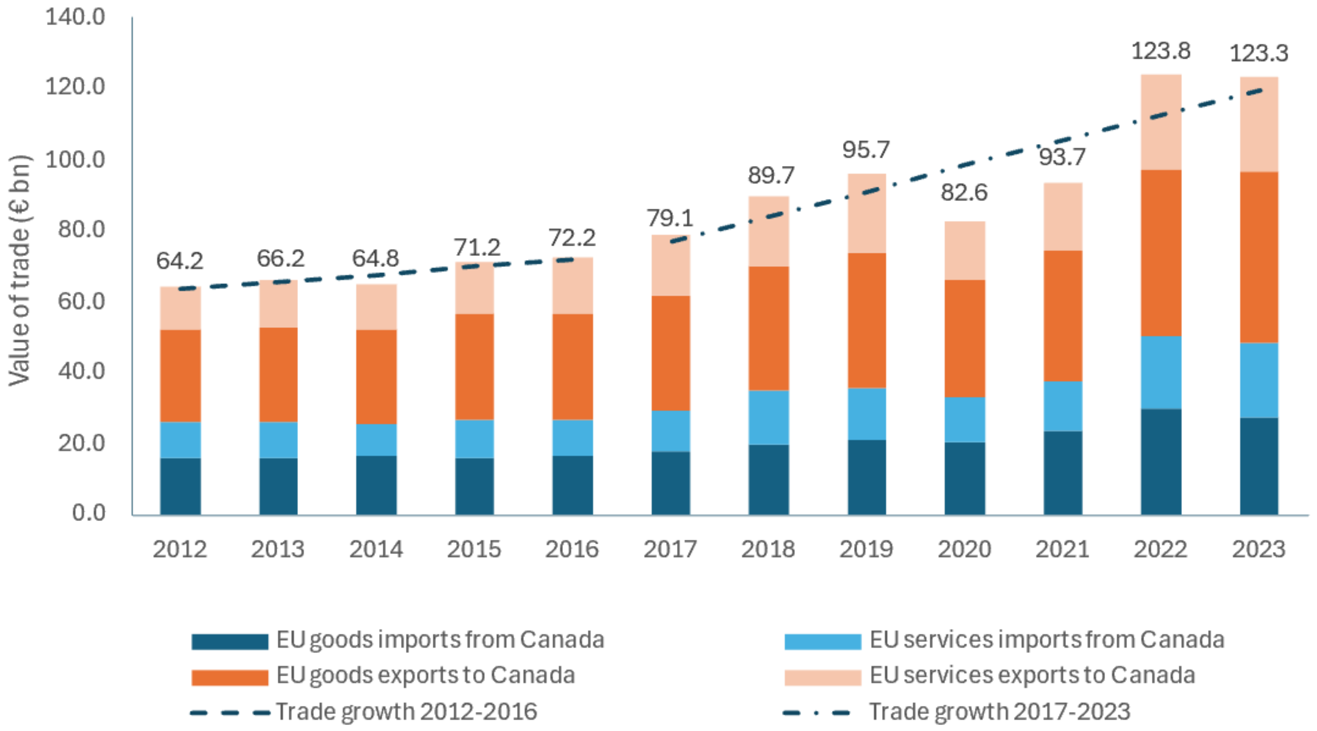
3. Effectiveness: Duty elimination and trade effects

- CETA has eliminated duties for **98.6% of all Canadian tariff lines** and **98.7% of EU tariff lines**. As a result, average EU & Canadian tariffs dropped to near-zero.
- Significant **increase in total bilateral trade** post-CETA: 12.5% increase between 2012-2016 but a **71.0% rise** 2016-2023.

Figure II: Increase in total bilateral EU-Canada trade (2012 – 2023, € bn)



Source: Eurostat (2024)

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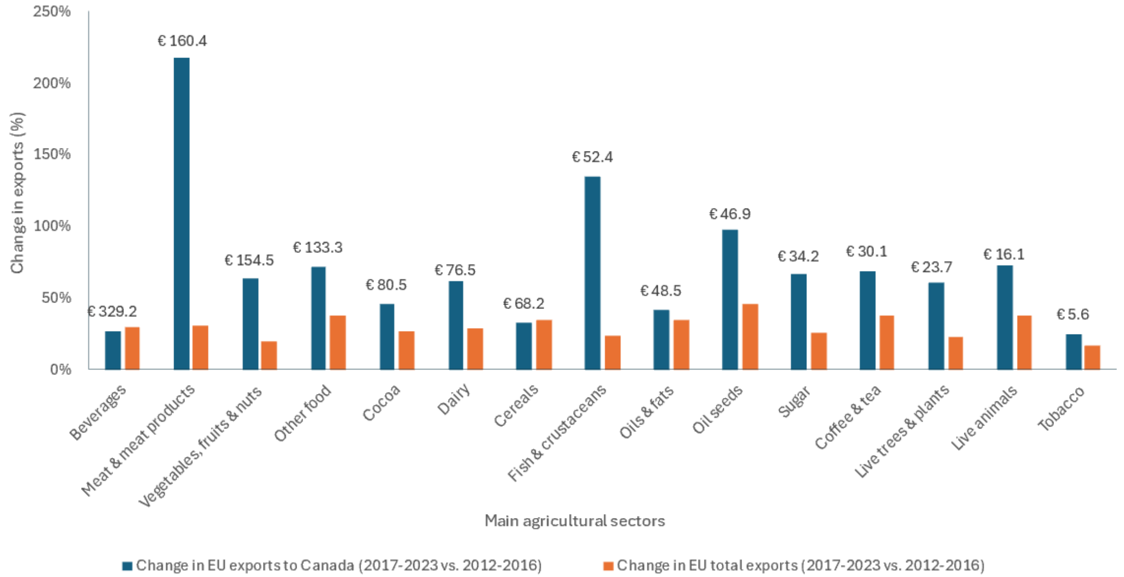
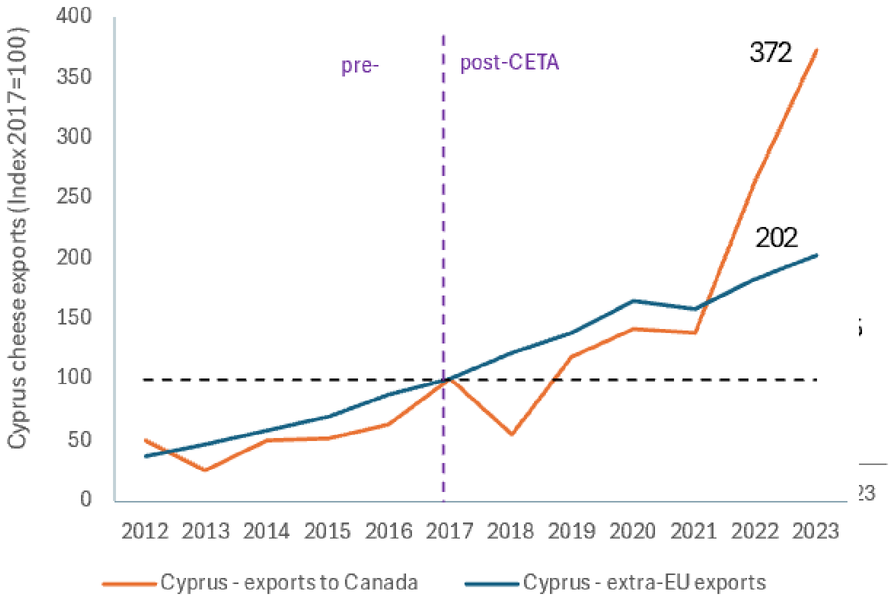
3. Effectiveness: Agricultural trade

Figure 23: Change in EU exports for agricultural sectors (%, value in € mln)



Source: Eurostat (2024)

Figure 32: Index Cypriot cheese exports to Canada compared to Cypriot total extra-EU exports (2017=100)



- Significant EU **export increases in agricultural products** (higher than increases in exports to other countries); large gains in meat, fish & crustaceans, products of animal origin;
- Significant **increases in EU MS cheese exports to Canada** (two cheese TRQs)
- But: **issues** with Cheese TRQ, wines & spirits exports to Canada, and SPS measures (both ways)
- **Geographical indications** – significant improvement; change in Canadian law (not EU GI system in Canada but Canadian GI system) – legal enforcement. Issues: administrative enforcement and grandfathered issues

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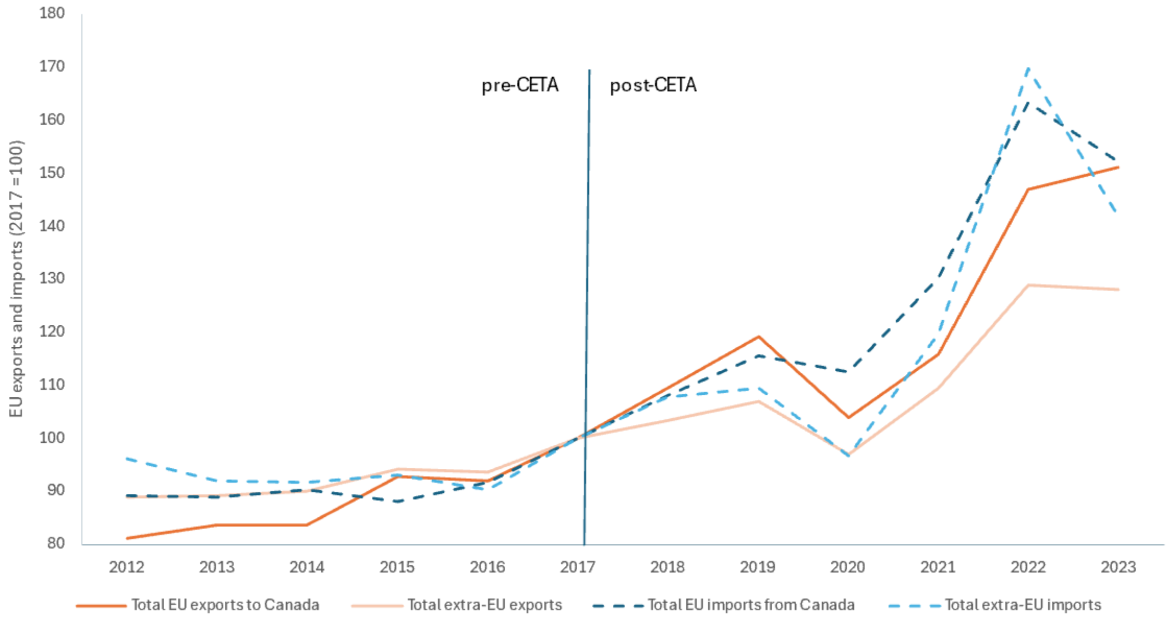
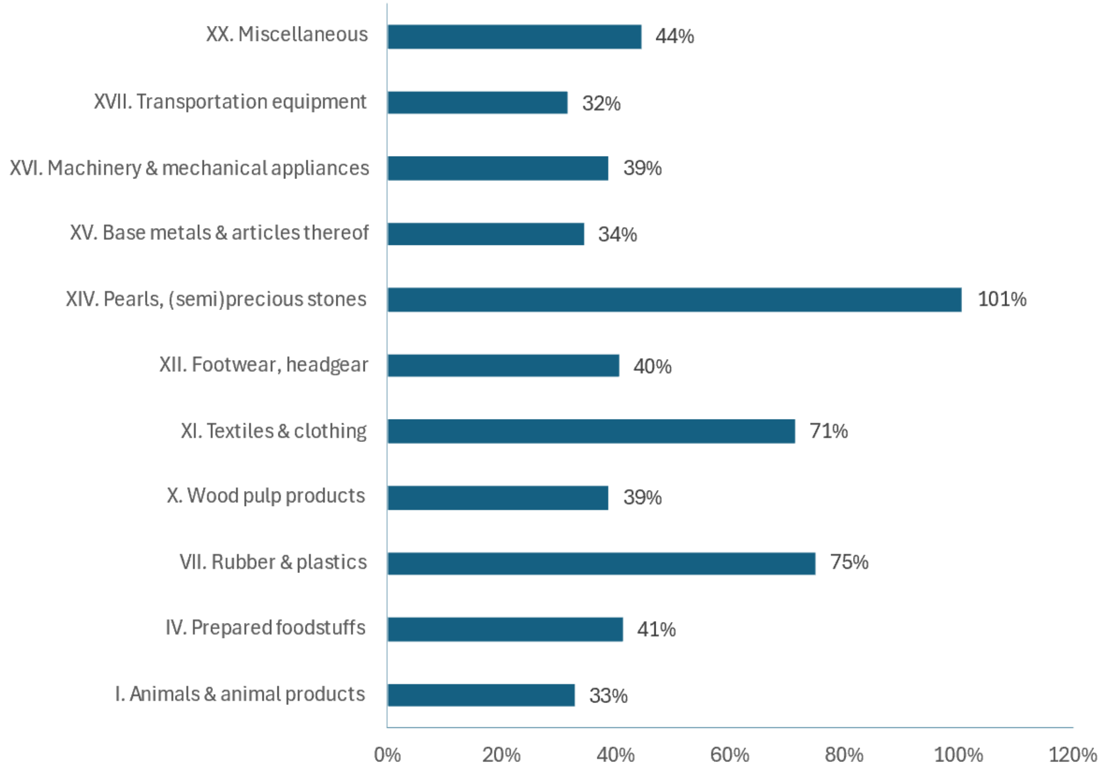
4. Impact: Positive effect on goods trade

Figure 18: Changes in goods trade between the pre- and post-CETA periods (2017=100)



Source: Eurostat (2024)

Figure 41: CETA trade impact EU exports (by HS sectors, %)



- Since 2017 (2017 = 100) the **rise in EU-Canada exports (51%) was much larger than rise in extra-EU exports (28%)**;
- Looking at goods that were already traded before 2017, analysis shows **significant increases in EU exports** in rubber & plastics (+75%), textiles & clothing (+71%), and machinery (+39%)

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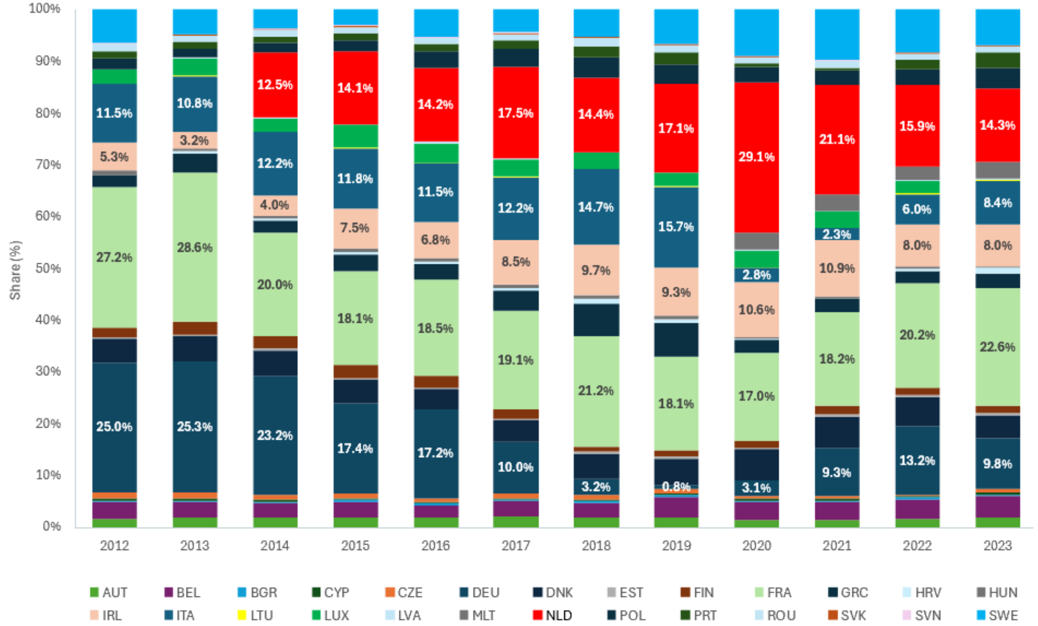
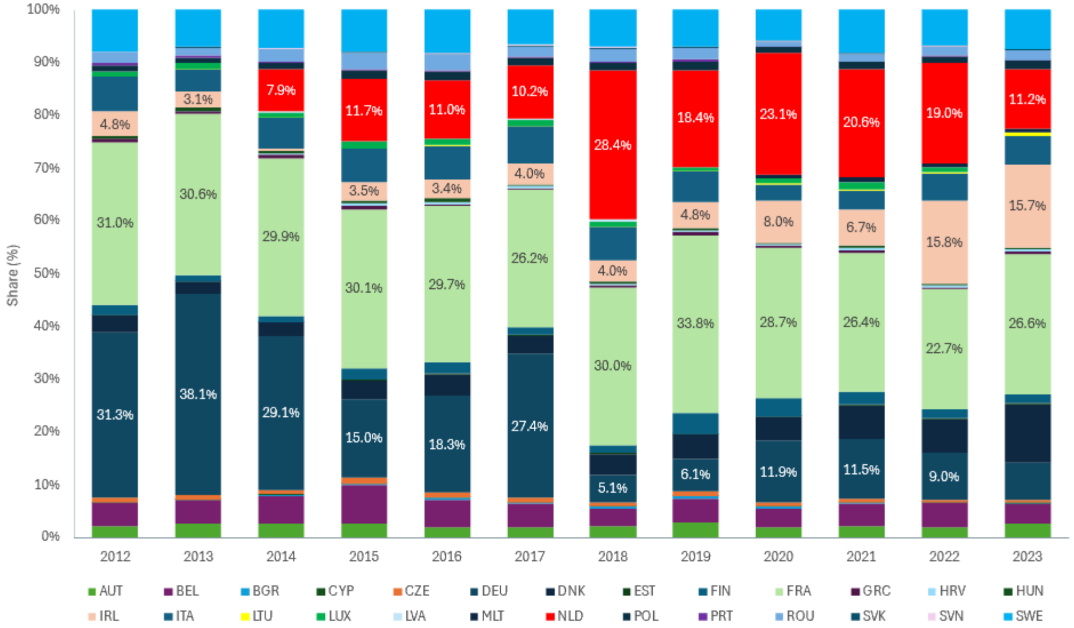
4. Impact: Positive effect on services trade, not FDI

Figure 31: Share EUMS in EU bilateral services exports/imports (2012-2023, %)

a. EU MS shares in bilateral EU services exports to Canada (%)



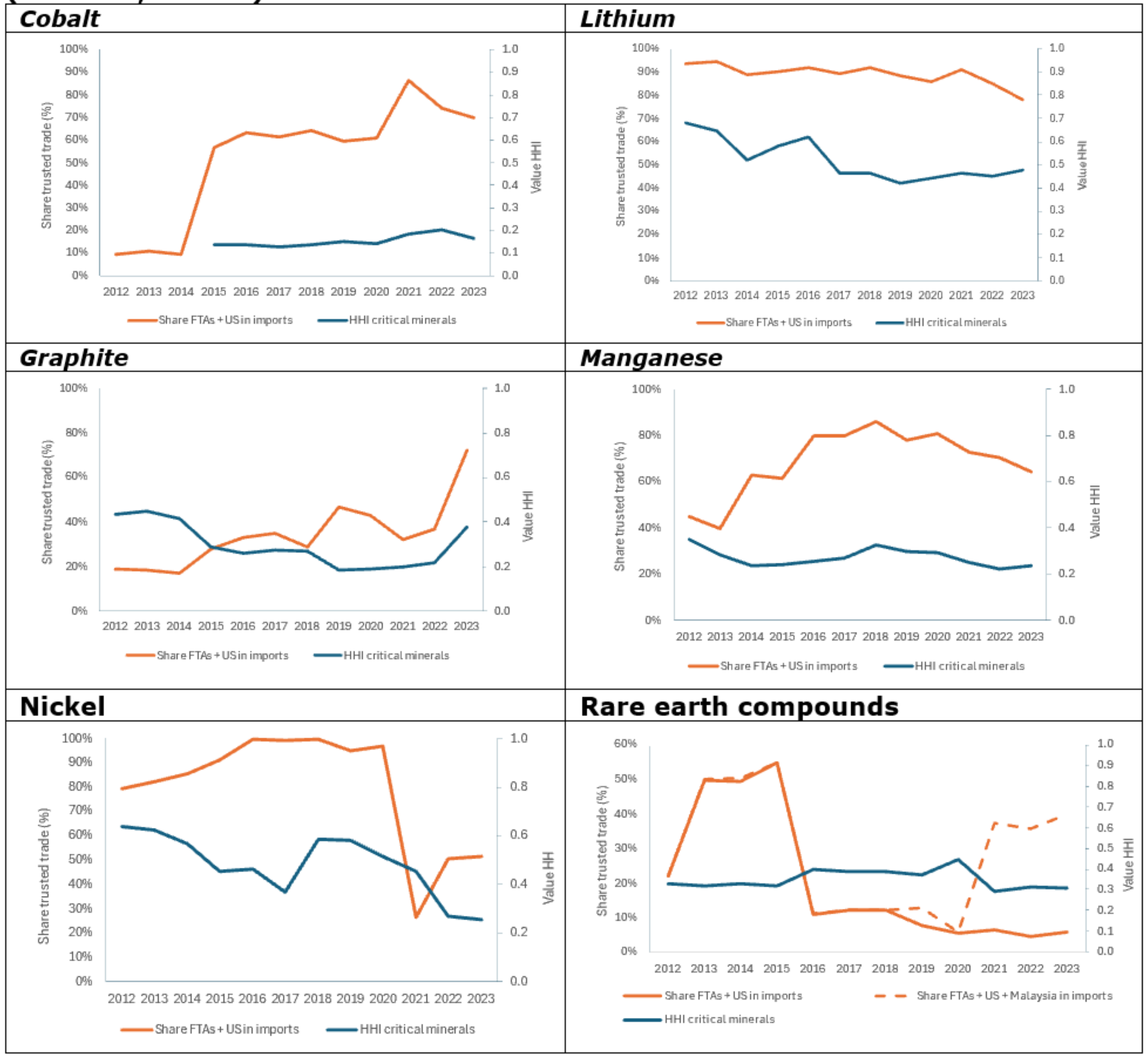
b. EU MS shares in bilateral EU services imports from Canada (%)



- EU **services exports to and imports from Canada have increased** significantly after 2017, despite the COVID-19 pandemic (exports: +73%);
- Main EU MS for trade with Canada are France, Germany and the Netherlands. After CETA, Germany's share decreased while shares of France, Netherlands, Ireland and Denmark have gone up;
- **No significant effect of CETA on the FDI stock and FDI flows** was found. This may be due to the fact that investor protection and services provisions are not yet applied.

4. Impact: Critical raw materials & GVC

Figure V.23: Evolution of the HHI and share of imports from EU FTAs and US (2012-23, tonnes)



Source: Eurostat (2024)

- **EU security of supply for critical minerals increased** since 2012 (e.g. cobalt: larger import share EU FTAs and stable supplier concentration; **most challenging are rare earths**;
- EU Battery regulation (and upcoming Directive): strong focus on **recycling**;
- EU-Canada examples of **significant investing in raw materials, recycling, and battery and battery materials production**;
- But in **mid-stream value chain** Chinese competitive advantage huge (e.g. anodes, cathodes – stakeholders);
- Also examples of **R&D and equipment investments** (e.g. innovation hubs, R&D in solid-state batteries, EV-charger production, 5G technologies & cloud-based architectures to support battery value chain);
- **EU investments in mining** welcomed by Canada but far behind Chinese – one aspect: long-term risk and no investor protection.

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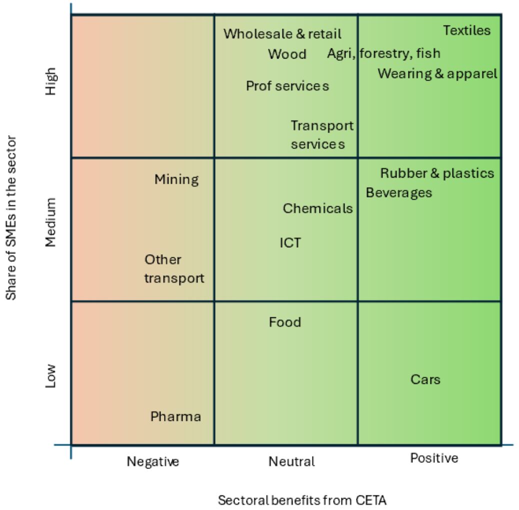
4. Impact: SMEs and Public Procurement

Effects for SMEs

- Significant **increase in number of SMEs exporting** from the EU-Canada and vice versa;
- SMEs are relatively **overrepresented in sectors that benefit from CETA** (e.g. textiles, wearing apparel, agri);
- **Fears on agricultural imports did not happen**, but some issues diminishing benefits of CETA: cheese quota mgt, wines & spirits measures in Canadian provinces, etc.

Figure 53: Relative share of EU SMEs and sector-effects of CETA



Source: own calculations based on OECD Eurostat TEC database (2024) and simulations conducted by DG Trade

Effects on public procurement

- Procurement provisions in CETA are **ambitious**, extending to sub-federal levels of procurement (co-signed by sub-federal authorities in Canada);
- The CETA Committee on Government Procurement has **actively discussed key themes to implement the provisions:** digital procurement platforms, data collection and exchange, strategic procurement initiatives, sectoral issues;
- EU MS suppliers engage mostly (92%) in **procurement for goods contracts** – with German, Danish and Spanish firms benefiting most;
- **Main procurement** happened in military vehicles, armaments, automotive components, telecom equipment & supplies, lab equipment, and computer equipment – accounting for 99% of value of contracts;
- As a result of CETA, public **procurement increased by 8.4%.** This does not include the sub-federal level;
- **But:** sub-federal level data are an issue.

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4. Impact: Improved supply chain resilience

Nr.	Metric	Conclusion on effects of the CETA for supply chain diversification & resilience	Summary effect
1	Changes in the number of products traded between the EU and Canada	**More products are exported to and imported from Canada** post-CETA	Proof for SC diversification & resilience
2	Degree of concentration of EU-Canada exports and imports	**Concentration of EU exports to Canada decreased** following the CETA and **so did the concentration of EU imports.** At top-10 level, the concentration of EU imports from Canada went up (due to geopolitical events, Partnership Critical Raw Materials)	Support for SC diversification & resilience + Canada's importance as a reliable provider for EU raw materials
3	Evolution of share of Canada in EU imports and vice versa	The **share of the EU in Canadian imports went up by 14% and the share of Canada in EU imports went up by 8%.**	Proof for SC diversification & resilience
4	Source country diversification for EU and Canadian imports	**For Canada source country diversification and resilience increased** (more trade with the EU and less with the US). For the EU, despite a **mitigating effect** of CETA **source country diversification decreased due to geopolitical events.**	Support for SC diversification & resilience for Canada and – to a lesser extent – also for the EU (CETA vs geopolitical shocks)
5	Role of SMEs in supporting supply chain resilience	The CETA has had a **positive effect on the number and growth of EU/Canadian SMEs exporting** to Canada/the EU. SMEs form a more resilient network with many nodes, so resilience had gone up.	Proof for SC diversification & resilience through positive effects for SMEs (in resilient networks)
6	Regulatory cooperation and trade & customs facilitation	Regulatory cooperation and trade facilitation through CETA **reduce costs for companies to diversify supply chains** (especially in more regulated environments).	Some progress towards supporting SC diversification & resilience

Figure 21: Change in number of products exported/imported from Canada to the EU and vice versa (2016, 2023)

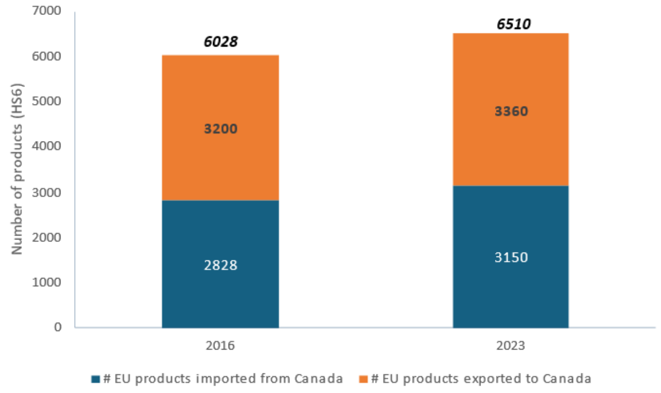
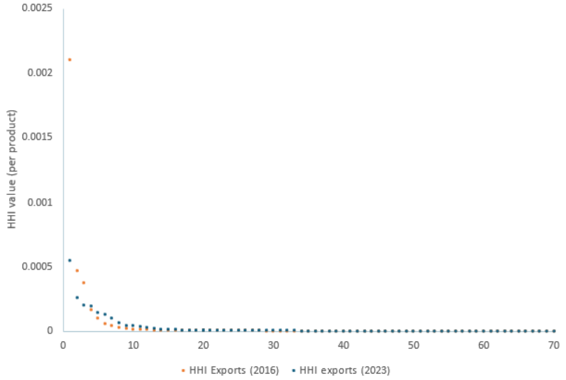
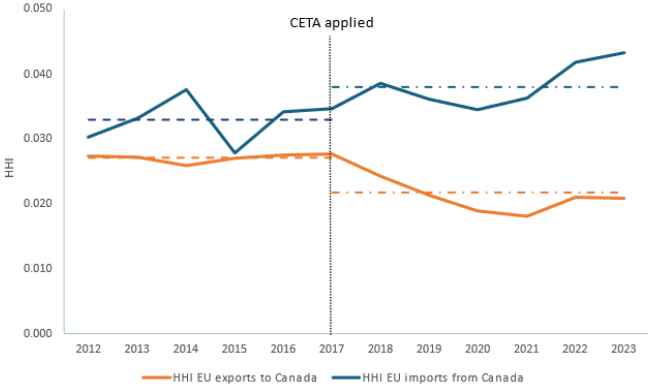


Figure 25: Product shares (HS6) in EU exports to Canada for 2016 and 2023 (HHI, top-70 products shown)



Source: Own calculations based on UN Comtrade data (2024)

Figure 22: HHI of bilateral trade between the EU and Canada (2012-2023)



Source: Authors' calculations based on UN Comtrade data.

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4. Impact: Social effects limited but positive

Effects for sectoral employment and income

- EU exports to Canada and the related production growth have increased demand for labour in the EU red meat, dairy products, textiles, clothing, leather and automotive sectors.
- Canadian exports to the EU support jobs in sectors of grains, textiles clothing, leather products, chemicals, rubber and plastics, automotive, other transport equipment, water transport and business services in Canada.
- Increased imports in both directions are likely to have contributed to a limited slowdown in job creation in the affected sectors in each importing Party.
- CETA has contributed to a limited increase in real wages for skilled and unskilled workers in the EU (by +0.02%) and Canada (by + 0.1%).
- CETA has supported a rise in real spending power for consumers in the EU, EU MS and Canada, with the poorest 20% (Q1) of the EU population benefitting relatively most.

Model Sector	Model Sector Description	EU Skilled workers	EU Unskilled workers	Canada Skilled workers	Canada Unskilled workers
1	Grains	-0.1%	-0.1%	0.4%	0.4%
2	Other agriculture	0.0%	0.0%	0.0%	0.0%
3	Red meat	0.1%	0.0%	-0.2%	-0.2%
4	Other meat	0.0%	0.0%	-0.1%	-0.1%
5	Dairy	0.1%	0.1%	-2.4%	-2.4%
6	Primary	0.0%	0.0%	-0.1%	-0.1%
7	Other food	0.0%	0.0%	0.5%	0.5%
8	Beverages & tobacco	0.0%	0.0%	-0.1%	-0.1%
9	Textiles, clothing & leather products	0.3%	0.3%	0.7%	0.7%
10	Other manufacturing	0.0%	0.0%	-0.1%	-0.1%
11	Chemicals	0.0%	0.0%	0.5%	0.5%
12	Pharmaceuticals	0.0%	-0.1%	-0.2%	-0.2%
13	Rubber and plastics	0.0%	0.0%	0.1%	0.1%
14	Metals	0.0%	0.0%	0.0%	0.1%
15	Computer, electronic & optical prod.	-0.1%	-0.1%	-0.5%	-0.5%
16	Electrical equipment	0.0%	-0.1%	-0.3%	-0.2%
17	Machinery & equipment	0.0%	0.0%	0.0%	0.0%
18	Automotive	0.1%	0.1%	0.3%	0.3%
19	Other transport equipment	-0.1%	-0.1%	0.8%	0.9%
20	Utilities	0.0%	0.0%	0.0%	0.0%
21	Other services	0.0%	0.0%	-0.1%	0.0%
22	Trade services	0.0%	0.0%	0.0%	0.0%
23	Other transport	0.0%	0.0%	0.0%	0.0%
24	Water transport	0.0%	0.0%	1.6%	1.6%
25	Communications	0.0%	0.0%	0.3%	0.3%
26	Financial services	0.0%	0.0%	0.0%	0.0%
27	Business services	0.0%	0.0%	0.1%	0.1%
28	Public services	0.0%	0.0%	0.0%	0.0%

4. Impact: Social effects limited but positive

Country	Q1	Q2	Q3	Q4	Q5
Austria	0.8%	0.7%	0.7%	0.6%	0.7%
Belgium	1.9%	1.8%	1.8%	1.7%	1.7%
Bulgaria	3.5%	3.4%	3.2%	3.0%	2.8%
Croatia	2.5%	2.2%	2.0%	1.8%	1.8%
Cyprus	1.1%	1.0%	1.0%	1.0%	1.1%
Czechia	1.3%	1.1%	1.0%	0.9%	0.9%
Denmark	1.1%	1.0%	1.0%	0.9%	0.8%
Estonia	2.1%	2.4%	2.5%	2.5%	2.9%
Finland	1.2%	1.1%	1.0%	1.0%	0.9%
France	1.0%	0.9%	0.9%	0.9%	1.0%
Germany	0.8%	0.7%	0.6%	0.6%	0.6%
Greece	0.3%	0.3%	0.2%	0.2%	0.2%
Hungary	3.0%	2.9%	2.7%	2.7%	2.6%
Ireland	3.4%	3.0%	3.0%	2.8%	2.9%
Italy	0.1%	0.0%	0.0%	0.0%	0.1%
Lithuania	3.2%	3.2%	3.0%	3.1%	2.9%
Luxembourg	2.1%	2.0%	2.0%	2.1%	2.1%
Latvia	1.2%	1.0%	0.8%	0.8%	0.7%
Malta	3.0%	2.8%	2.6%	2.6%	2.4%
Netherlands	1.9%	1.8%	1.7%	1.6%	1.4%
Poland	4.0%	3.9%	3.6%	3.5%	3.3%
Portugal	0.9%	0.7%	0.6%	0.6%	0.6%
Romania	4.1%	4.0%	3.8%	3.6%	3.4%
Slovakia	2.0%	1.9%	1.7%	1.8%	1.8%
Slovenia	1.9%	1.7%	1.5%	1.5%	1.5%
Spain	0.1%	0.0%	0.0%	0.0%	0.1%
Sweden	1.7%	1.6%	1.5%	1.5%	1.5%
EU27 (total)	1.3%	1.2%	1.1%	1.1%	1.1%
Canada	1.5%	1.5%	1.5%	1.5%	1.5%

Effects for consumers

- Increased trade flows in many sectors mean a better availability of goods and services to consumers (e.g. meat, dairy products, apparel, and motor vehicles).
- An increase in wages and spending power has improved the accessibility of goods and services to consumers.
- RCF plays a positive role in removing administrative obstacles to trade (e.g. for cosmetics and medicines) and the related stakeholder engagement.
- Low number of unsafe products in bilateral trade and EU-Canada and cooperation on product safety, including market surveillance and awareness raising campaigns.
- Stakeholders had concerns about the safety of Canadian meat and wheat, but no evidence of non-compliance.
- E-commerce Chapter modest in scope compared to recent EU FTAs, and no ongoing CETA dialogue on e-commerce.

4. Impact: Social effects limited but positive

Effects for gender equality

- CETA has generated limited but positive employment effects for women. Some sectors employing largely women (e.g. textiles, apparel) have benefitted from trade. In other benefitting sectors, women represent a 25%-30% minority.
- Effects for women as consumers largely align with general effects for consumers.
- At least some of women-owned EU businesses operating in agriculture, food and drink production, chemicals, textile, clothing and leather sectors may have benefitted from trade under CETA
- For Canada, limited sectoral data availability restricts the scope of the analysis of CETA effects for women, notably for entrepreneurs and traders.
- Positive assessment of the Joint Recommendation on Trade and Gender, notably cooperation activities engaging women entrepreneurs and traders.

Effects for working conditions and labour standards

- CETA impacts on working conditions and labour standards are estimated as limited, due to limited economic effects (output) and an already pre-CETA high level of labour protections in the EU and Canada.
- Factors likely to have more influence on working conditions include the domestic law, trade union presence, adopted business model, technology and global competition.
- Among positive aspects to note are regular meetings of the TSD Committee and dialogue with civil society appreciated by the Parties and civil society alike.
- Useful exchange of information between like-minded partners, cooperation activities, and coordination in third countries but less visible effects on the ground.
- Lack of CETA monitoring of the affected sectors.
- A parallel labour dialogue under SPA.

4. Impact: Environmental effects negligible

Effect on Climate:

- While emissions in the EU and Canada have gone up, the **contribution of CETA to this increase is negligible**. Amount of CO_2 emitted in Canada and in the EU is estimated to be 0.3 megaton higher because of CETA.

CO2 emissions	EU	Canada
Households	+0.001%	+0.09%
Firms	+0.0006%	+0.01%

- **No impact from CETA on production levels** in sectors most associated with GHG emissions in Canada and the EU (e.g. wood & paper, petroleum, minerals, red meat & dairy)
- **Some bilateral trade effect in environmentally impactful sectors** but at expense of other export destinations (trade diversion).
- Analysis seems to even indicate that CETA may have contributed to a **decrease of GHG emissions per capita** in the EU and Canada.

Effect on Air Quality:

- Analysis also points toward an **insignificant impact of CETA on main air pollutants**.

Region	CH4		N2O		NH3		NOx		PM2_5	
	Mt	%	Mt	%	Mt	%	Mt	%	Mt	%
EU	-0.1	0.0	0.0	0.0	-0.8	0.0	-0.4	0.0	-0.3	0.0
Canada	0.2	0.0	-0.1	0.0	-0.2	0.0	2.1	0.0	0.2	0.0
World	0.2	0.0	0.0	0.0	0.3	0.0	0.8	0.0	-0.1	0.0

- CETA has had a **limited overall effect on CO2 emissions** from energy demand, both in the EU and Canada (+0.015%). No EU MS except for Malta saw a change of more than 0.02% (increase or decrease).
- CETA freight-induced CO2-emissions from bilateral trade **increased by 8%**, but negative CO2-effect from third countries. And because trade is a small share of total CO2 emissions, CETA has had a **marginal overall effect on net freight CO2 emission** (highest increase of 0.04% in Belgium, many EU MS see a decrease).

- Note on CETA cooperation frameworks: EU and Canada explicitly put talks concerning climate and trade as a priority of their cooperation. Evolution of the CTSD Joint work plans from 2020 to 2024 shows that most of the planned actions have been carried out and implemented by the two parties.

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4. Impact: Environmental effects negligible

Natural resources & biodiversity through land use

- **Limited negative effect** of CETA: increase of 0.7% of land used for agriculture in the EU and Canada (+1.5mln Ha).
- Reason: marginal increase in production of red meat in the EU (+2.3 mln Ha – 1.5% of its total farmed land) while Canada has had a net decrease of agricultural land (800k Ha – 1% of its total farmed land).

Economic sectors	EU		Canada		EU	Canada	EU	Canada
	Change (%)	Change (€ mln)	Change (%)	Change (€ mln)	Output change in volumes of product (tonnes)		Output change in land use (Ha)	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Red meat	0.1%	79	-0.2%	-44	72,009	-25,088	2,347,505	-817,880
Dairy	0.1%	213	-2.4%	-484	48,525	-100,690	10,549	-8,680
Grains	-0.1%	-50	0.4%	54	-109,696	137,339	-20,220	25,791
Primary	-0.0%	-28	0.0%	-73	NA	NA	NA	NA
TOTAL change in land use per Partner (ha)							2,337,833	-800,769
CETA TOTAL change in land use (ha)							1,537,064	

Natural resources and energy use

- **Marginal impact on energy demand in the EU and Canada** but with differences between sectors:
  - +0.25% in energy demand for textiles, clothing & leather products, followed by red meat production (+0.08%), and the automotive industry (+0.07%).
  - This is largely balanced by decrease in other sectors: machinery & equipment (-0.06%), metals (-0.05%).
- This confirms the priority and findings on land use by sectors, but they also show that the effect of CETA is marginal despite variations in energy demand across sectors.
- Complemented by qualitative analysis:
  - Environmental Performance Index
  - Biodiversity Intactness Index
  - Living Planet Index.

- CETA establishes **Bilateral Dialogues on Forest Products** (BDFP) and Raw Materials (BDRM) with concrete results e.g. EU-Canada Strategic Partnership on Raw Materials launched in 2021. Bilateral dialogues facilitated the discussion & potential convergence of national policies on sustainable forest management and use of raw materials (stakeholders).

4. Impact: . Limited but positive human rights effects

Impact on the right to an adequate standard of living
Art. 25 UDHR, Art. 11 ICESCR, Art. 34 CFR

- Multiple Chapters under the CETA (e.g. Chapters Two, Eight & Nine)

- Small increase in GDP, welfare, wages has led to a minor positive overall effect.
- At sector level, effects are minor but mixed:

In the EU – almost negligible, slightly positive for workers in textile sector (+0.3%), other sectors – 0.1% or less.

In Canada – minor mixed impact: textile, clothing & leather (+0.7%), water transport (+1.6%), other transport equipment sectors (+0.9%), dairy sector (-2.4%).

- Increased trade under CETA facilitated greater availability & affordability of products & services for consumers.

Impact on the right to health (access to medicines)
Art. 25 (UDHR), 12 ICESCR, CESCR GN No.14, Art. 25 CFR

- Chapter Twenty

- Stakeholders expressed concerns during negotiations re: potential negative impact on drug affordability & access to medicines in both Canada & the EU.
- No evidence found to support these concerns:

In Canada - Data on medicine prices in Canada shows increase by 0.22% in the period from 2010 – 2019. Increase in pharmaceutical investment in Canada by 181.9%.

In the EU – no comparable data found. Pricing of medicines is a MS competence. Availability of drugs has slightly decreased. Reports state that EU policies are not seen as sufficiently incentivising for innovation and R&D investment.

4. Impact: Limited but positive human rights effects

Impact on the right to a clean environment
UNGA Res. A/76/L75

- Chapter Twenty-Four

- New right, but recognition in national legislation has increased over the last years
- Environmental analysis and economic modelling results point to no significant impact of CETA either in the EU or Canada. Mining sector production decreased Pollution effect is minor. No significant effect of CETA re: trade in environmentally friendly goods – further initiatives are necessary

Impact on the indigenous peoples' rights
UNDRIP, ILO 169, CESCR GC No. 26

- Multiple Chapters in the CETA (Chapter Twenty-Four, Twelve, Annex 19-7)

- No evidence found to support impact of CETA
- Canada has comprehensive legal framework in place for the protection of indigenous peoples' rights, also re: inclusion of indigenous communities in international trade (IWG, IPETCA, First Nations Economic Forum)
- Main market – US, minor increase in exports to EU countries since 2014 (not necessarily linked to CETA)

Impact on labour rights
Art.s 6-8 ICESCR, Art. 11 ICESCR, Art. 34 CFR, ILO Convs

- Chapters Twenty-Two & Twenty-Three

- Limited impact of CETA calculated by the model
- Progress in the ratification of ILO Conventions – not CETA-related.
- Covered under labour standards in social analysis

Impact on women's rights & gender equality
CEDAW, Art. 2 ICESCR & ICCPR, ILO 100 & ILO 111

- Recommendation 002/2018 of the CETA Joint Committee on Trade & Gender

- Overall limited impact of CETA (textiles sector, agriculture)
- Positive assessment of joint EU-Canada work re: carried out initiatives & information exchange
- No significant progress in disaggregated data collection relevant for the meaningful analysis of all effects

5. Efficiency: CETA is efficient overall

Key findings

Trade costs for companies have decreased

Government revenue losses have been modest

Market access opportunities have materialised, also for SMEs

Benefits have been **evenly distributed** among stakeholders

CETA Committee and Dialogue structure has **functioned effectively**

EU and Canada **strengthened their bilateral relationship**

Areas for further improvement

Regarding **TRQs: management** could be made more efficient and cost-effective (line issue, TRQ allocation)

Consolidated **data on Canadian sub-federal public procurement** is incomplete or unavailable

SMEs face difficulties in correctly **filling out the importer/exporter declarations**

CETA's **e-commerce provisions** do not meet the standards for modern trade agreements

Some **CETA dialogues have remained inactive** as EU-Canada discussions occurred through other forums

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6. Coherence: CETA is coherent with EU policies

Key findings

CETA **enhanced competitiveness** – as raised in the Draghi (2024) report – by increasing market access, creating a level playing field, strengthening IP rights, providing legal certainty to facilitate long-term investment

CETA aligns with **economic security policies**: diversifying sources of supply, especially for critical raw materials

CETA **strengthens supply chain resilience** – increasing the number of products traded, reducing dependencies on third countries, and promoting supplier diversification

CETA's **TSD chapter has flanked domestic EU and Canadian policy initiatives**, although its enforceability is limited. To date no shortcomings in the implementation or compliance with CETA TSD provisions has been found. **But:** labour and environmental protections lack strong levels of enforcement.

But: the combined effect of Rules of Origin provisions with the Canadian luxury tax, create an unintended competitive advantage of more polluting ICE cars over EVs.

7. Relevance: CETA is and remains relevant

Key findings

CETA has led to **significant increases in trade (goods and services)**, including agricultural trade

CETA has been **instrumental for SMEs**, supporting production and job creation

CETA has provided the framework for the Bilateral Dialogue on Raw Materials from which the EU-Canada Strategic Partnership for Raw Materials has developed **improving EU access to certain CRMs**

CETA laid the groundwork for EU-Canadian **collaboration on trade and sustainable development**

CETA has supported the EU and Canada to build understanding and trust and be **more resilient in a challenging global environment**

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8. Key recommendations

CETA ratification matters

Investment and FDI:
1) Level playing field;
2) CRM investments;
3) Inv protection

E-commerce text

Enforceability TSD chapter

Pref tariff treatment suspension provisions

Reduce 3rd country dependencies

NTMs and Reg Cooperation

Intensify to solve challenging issues: wine, TRQ cheese

Intensify reg coop to reduce NTMs (prof qual, scope MRA pharma, conf ass, hydrogen, cons products)

Check on implemen-tation

Statistics collection

Trade in services

Scope SME Eurostat-OECD TEC dbase

Employment stats vulnerable groups

Employment stats women & ec act

Bilateral trade of products with high env impact

Awareness raising and support

Updated protocol CETA platf/websites

AI-powered support tools

Reduce lags trade data statistics portal

Info SMEs – CETA applied, RoO, GI opportunities,

Ind peoples' rights

Institutional analysis

Review dialogue e-commmerce, motor vehicle dialogues

More forward-looking approach in agenda's

Reports & act of CSF meetings

Timely publication meeting reports

Content reports

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Contact details

THANK YOU FOR YOUR ATTENTION

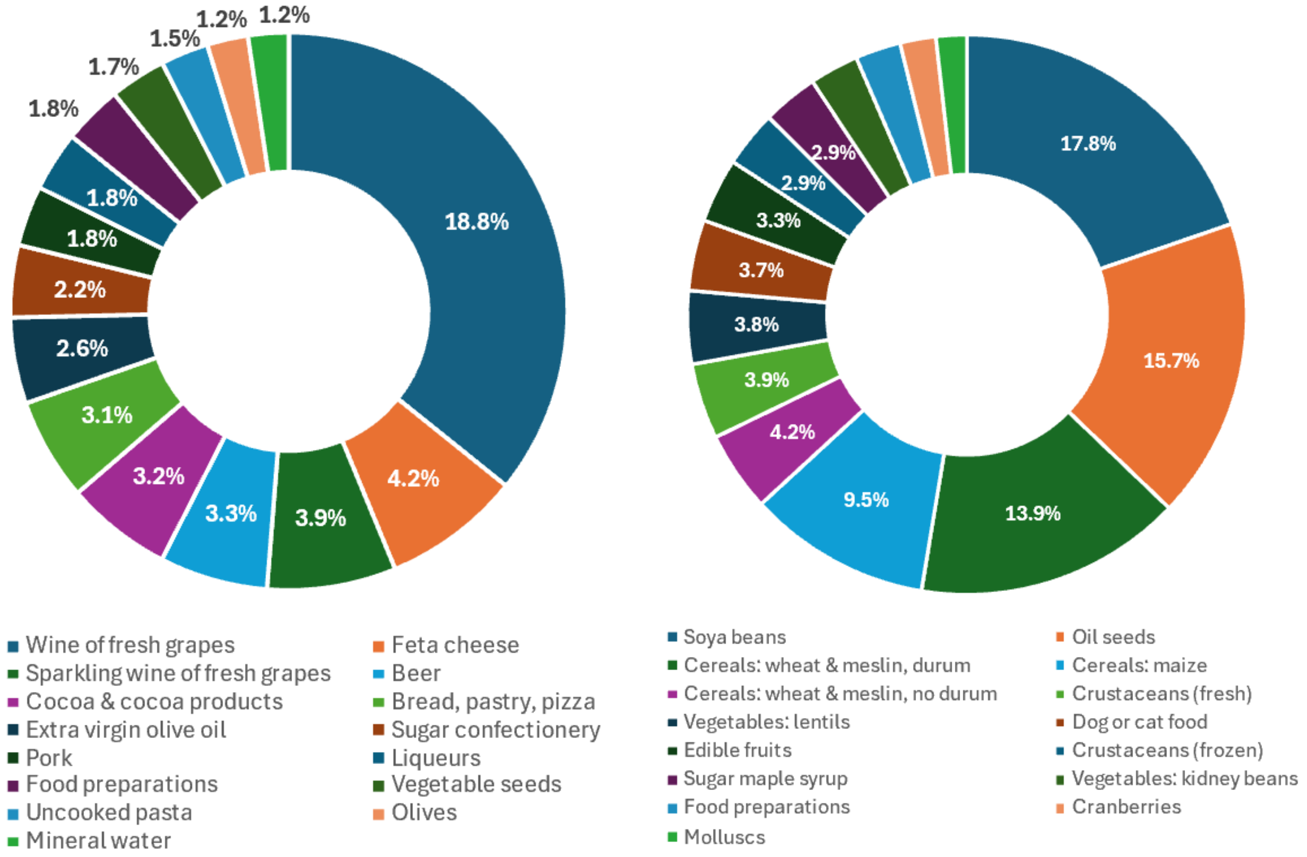
Contact:

team@ceta-evaluation.eu

E2: The EU-Canada trade relationship: agriculture

Figure 21: Main EU product-level exports/imports from Canada (2023, % of total exports)

(a) Main EU agricultural export products (2023) *(b) Main EU agricultural import products (2023)*



Source: Eurostat (2024)

E3. Effectiveness: Preference Utilisation

- PUR of Canadian imports from **38.7% (2018) to 62.4% (2023)**; PUR of EU imports up from **51.9% (2018) to 58.3% (2023)**
- There is **significant variation in PURs between EU MS** and also **across sectors;**
- **Main foregone duty savings:** automotive products (€121.6 mln); ships & boats (€32.5 mln), and furniture (€28.8 mln).
- RoO – EVs interesting example

CETA PURs (2018 - 2023)

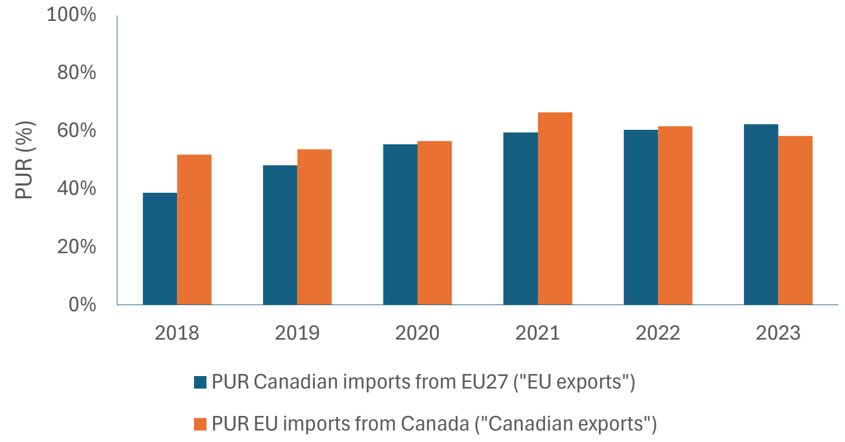
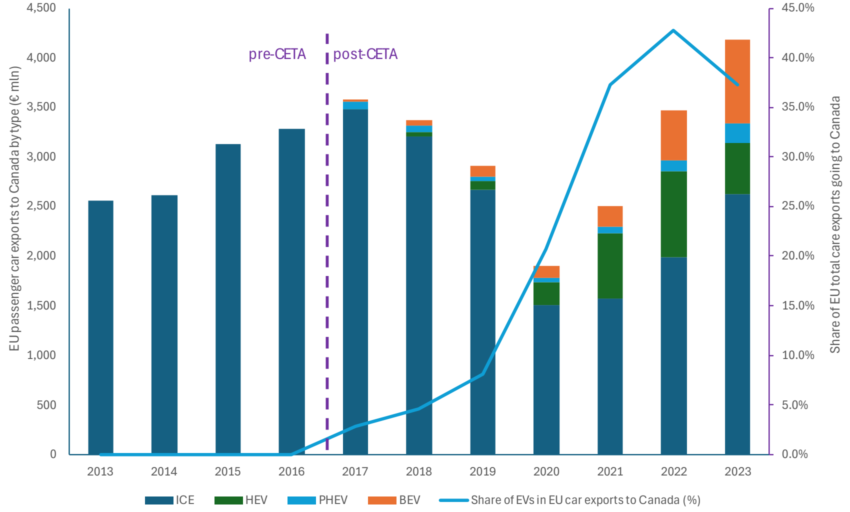


Table 37: Canadian import preference utilisation by product group (HS2, 2022, € mln, %)

HS2	Description	Total imports (€ mln)	Eligibility - Preferential (€ mln)	Usage – Preferen-tial (€ mln)	PUR (%)	Foregone duty savings (€ mln)
87	*Automotive Products*	*5,705.9*	*4,683.5*	*2,373.8*	*50.7%*	*121.6*
89	*Ships, boats, and floating structures*	*251.5*	*247.7*	*79.5*	*32.1%*	*32.5*
94	*Furniture etc.*	*978.2*	*609.2*	*289.8*	*47.6%*	*28.8*
62	*Articles of apparel and clothing accessories, not knitted or crocheted*	*360.9*	*359.5*	*208.6*	*58.0%*	*26.1*
33	Essential oils etc.	836.8	762.4	409.7	53.7%	23.0

Source: Canadian Customs (2024); and calculations by the study team.

Figure 1: Share of EVs in EU exports to Canada over time (2013-2023, mln €)



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E3. Effectiveness: Trade & Sustainable Development

- Effective implementation of CETA's TSD chapter: progress through sustained dialogue, cooperation and domestic policy developments
- Advancement in ratifying ILO conventions
- Exchanging information on labour protections
- Adopting new policies aimed at improving worker's rights
- Cooperation on environmental policies (e.g. carbon pricing) has expanded

But:

- Stakeholders ask for stronger enforcement, clearer impact measurement and greater responsiveness to recommendations
- Further efforts needed to enhance regulatory alignment and measurable outcomes

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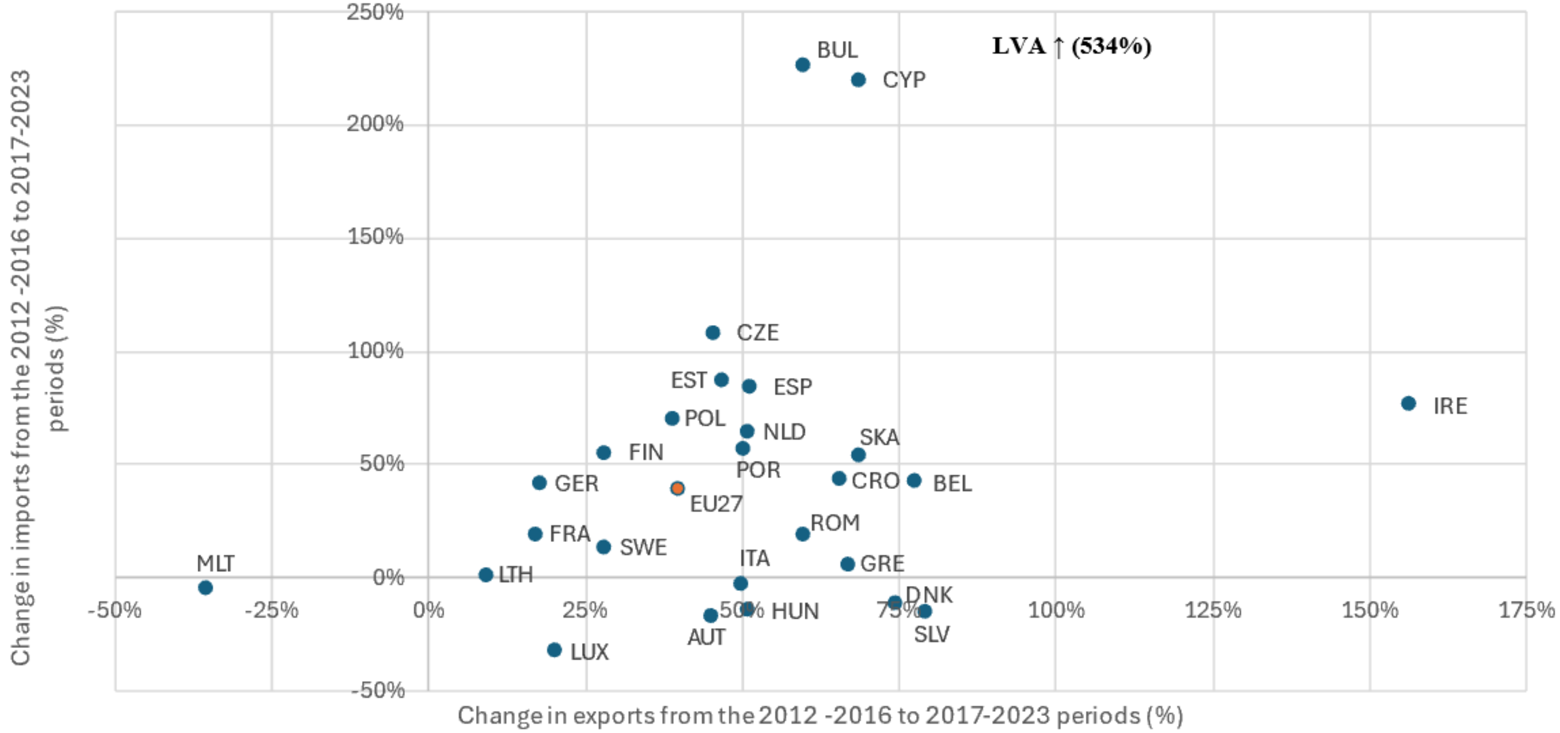
E4. Impact: Positive effect on goods trade

Figure 17: Changes in goods trade between the pre- and post-CETA periods (%)



Source: Eurostat (2024)

- For all EU MS (except Malta due to Brexit and energy and metal price volatility) **exports to Canada were significantly higher** in the post-CETA (2017-2023) period than the pre-CETA period.
- For several EU MS, but not all (Luxembourg, Austria, Hungary, Slovenia), **imports from Canada increased** post-CETA.

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E4. Impact: Macro-economic effects

Table 27: Macro-economic impact of CETA on the EU and Canada (€ mln, %)

Macroeconomic indicators	EU	Canada
GDP value (€ mln)	3,158	1,327
GDP value (%)	0.02%	0.07%
Real wages (skilled, %)	0.02%	0.12%
Real wages (unskilled, %)	0.02%	0.12%

Source: simulations conducted by DG Trade

- **Small but significantly positive effect** on:
  - EU and Canadian **GDP** (per year);
  - EU and Canadian **real wages for skilled and unskilled workers**; and on

- **Marginal trade diversion** within USMCA with GDP effects for the US (-0.02% GDP) and Mexico (-0.01%)
- No negative effects for **Türkiye**
- No negative effects for **Least Developed Countries (LDC)**

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E4. Impact: Regulatory cooperation

- **Conditions:** strong and well-structured institutional framework and EU and Canadian efforts

Concrete outcomes:

- Joint awareness campaigns and coordinated information sharing on safe online shopping
- Data sharing on unsafe products
- Expansion of the MRA on GMP inspections in pharmaceuticals to third countries
- MRA on professional qualifications for architects (first even in an EU FTA)
- Joint project to eliminate quarantine and confirmatory re-testing of sunscreen products

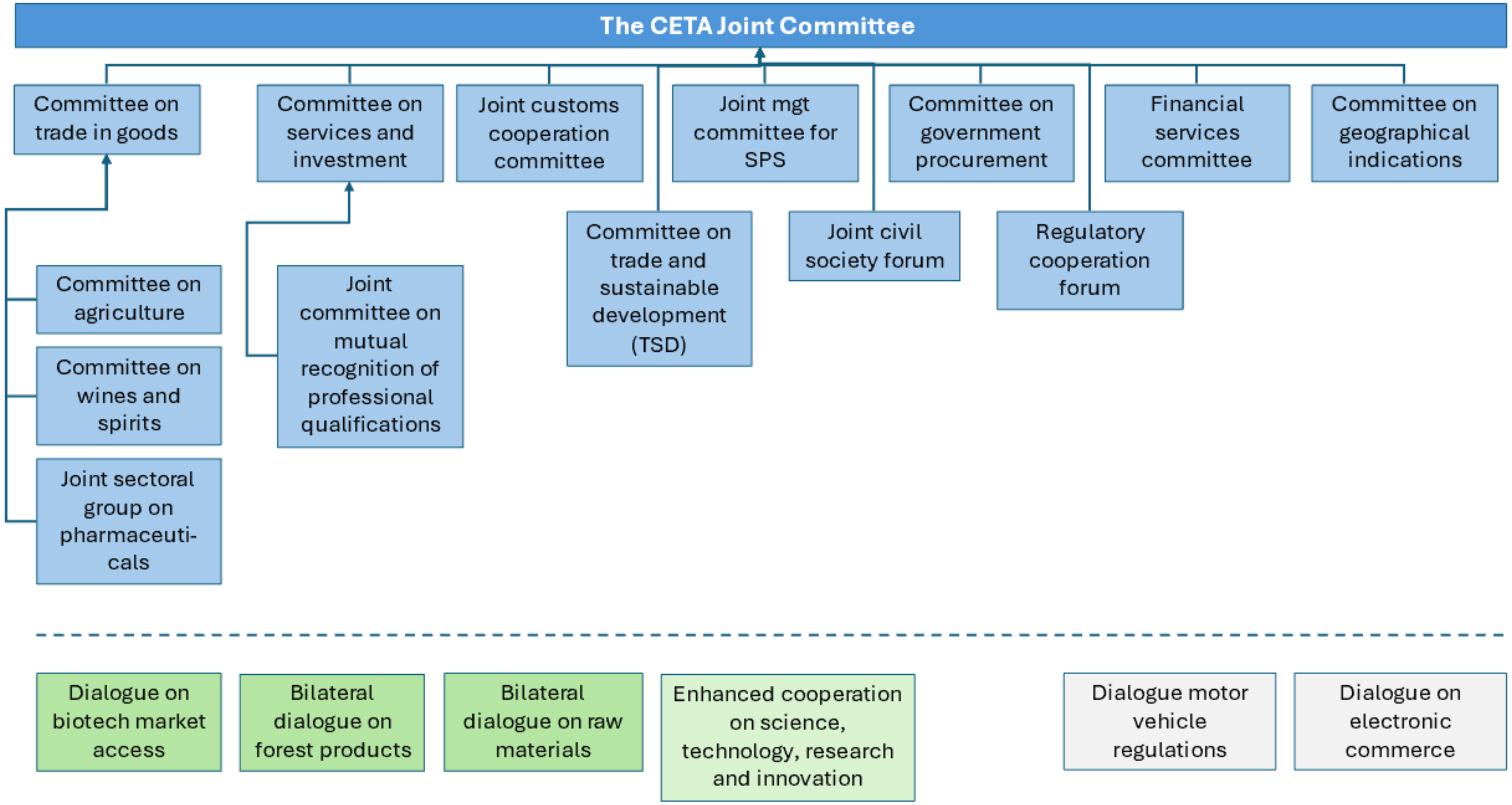
But:

- Some topics proved difficult to address/resolve (e.g. small solid biomass combustors)
- Providing the other party with timely input at draft stage of new legislation/regulations was challenging
- Sub-federal and EU MS layers have added complexity in some instances
- Often standards or regulations not open for discussion (e.g. SPS measures)

E4. Impact: Institutional analysis

- Strong institutional set-up under CETA with Joint Committee and key Committees underneath: 1) Milestones; 2) Not all Committees used to full potential; 3) Procedural aspects for improvement.

Figure 4: The CETA committee and dialogue structure



Source: own compilation based on CETA legal text

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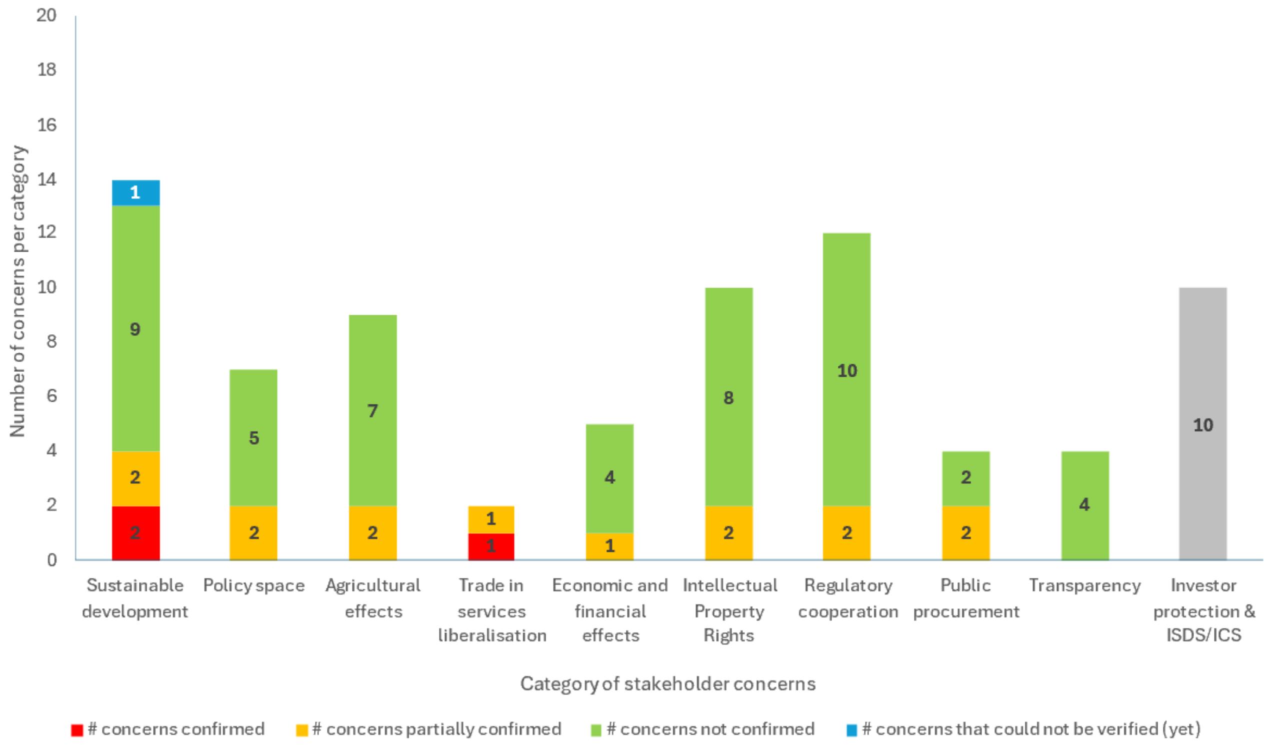
E: Analysis of key stakeholder concerns

- Labour & environmental standards and HR
- Reduced policy space
- Agricultural effects
- Trade in services liberalisation
- Economic and financial effects
- Intellectual property rights
- Regulatory cooperation
- Public procurement; and
- Transparency of the negotiations and effectiveness of the consultations

- ISDS/ICS and investor protection (not analyses because not in scope of the study)

Figure 81. Outcome of the analysis of stakeholder concerns (# of concerns)



Source: Own calculations

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