



TEXTS ADOPTED

P9_TA(2024)0026

Implementation of the EU-Canada Comprehensive Economic and Trade Agreement (CETA)

European Parliament resolution of 17 January 2024 on the implementation of the EU-Canada Comprehensive Economic and Trade Agreement (CETA) (2023/2001(INI))

The European Parliament,

- having regard to the Comprehensive Economic and Trade Agreement (CETA) between Canada, of the one part, and the European Union and its Member States, of the other part¹,
- having regard to the Joint Interpretative Instrument on the Comprehensive Economic and Trade Agreement (CETA) between Canada and the European Union and its Member States²,
- having regard to the Strategic Partnership on Critical Raw Materials between Canada, of the one part, and the European Union and its Member States, of the other part, which was agreed and launched at the EU-Canada Summit of 14-15 June 2021,
- having regard to Decision No X/2023 of the CETA Joint Committee on the interpretation of certain terms in Article 8.10, Annex 8-A and Article 8.39,
- having regard to its position of 15 February 2017 on the draft Council Decision on the conclusion of the Comprehensive Economic and Trade Agreement (CETA) between Canada, of the one part, and the European Union and its Member States, of the other part³,
- having regard to the Opinion 2/15 of the Court of Justice of the European Union of 16 May 2017 pursuant to Article 218(11) TFEU on the Free Trade Agreement between the European Union and the Republic of Singapore⁴,
- having regard to the Joint Declarations of the EU and the Canada Domestic Advisory

¹ [OJ L 11, 14.1.2017, p. 23.](#)

² [OJ L 11, 14.1.2017, p. 3.](#)

³ [OJ C 252, 18.7.2018, p. 348.](#)

⁴ Opinion of the Court of 16 May 2017 pursuant to Article 218(11) TFEU on the Free Trade Agreement between the European Union and the Republic of Singapore, ECLI:EU:C:2017:376.

Groups (DAGs),

- having regard to the Commission report of 11 October 2022 entitled ‘Implementation and Enforcement of EU Trade Agreements’ (COM(2022)0730),
 - having regard to the Commission communication of 22 June 2022 entitled ‘The power of trade partnerships: together for green and just economic growth’ (COM(2022)0409),
 - having regard to the report of the CETA Joint Committee of 31 March 2023 following its third meeting,
 - having regard to its resolution of 23 June 2022 on the future of EU international investment policy¹,
 - having regard to the CETA Joint Committee recommendations of 26 September 2018 on trade, climate action and the Paris Agreement, on Trade and Gender and on Small and Medium-sized Enterprises (SMEs),
 - having regard to the Commission communication of 5 March 2020 entitled ‘A Union of Equality: Gender Equality Strategy 2020-2025’ (COM(2020)0152),
 - having regard to the reports of the different specialised committees, the Civil Society Forum and the Regulatory Cooperation Forum,
 - having regard to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC), published on 20 March 2023,
 - having regard to the successive audits carried out in 2014, 2019 and 2022 by the Commission’s Directorate-General for Health and Food Safety on the traceability and quality of the control systems in place governing the production of beef and pork intended for export to the European Union,
 - having regard to Rule 54 of its Rules of Procedure, as well as Article 1(1)(e) of, and Annex 3 to, the decision of the Conference of Presidents of 12 December 2002 on the procedure for granting authorisation to draw up own-initiative reports,
 - having regard to the opinion of the Committee on Agriculture and Rural Development,
 - having regard to the report of the Committee on International Trade (A9-0400/2023),
- A. whereas CETA was among the first trade agreements the EU completed with another major established OECD economy after South Korea: whereas it was also the most ambitious and comprehensive agreement either the EU or Canada had concluded at the time, including unprecedented access to public procurement at sub-federal as well as federal level;
- B. whereas CETA has been provisionally applied since 21 September 2017, i.e. for more than six years;
- C. whereas important provisions, in particular relating to investment protection, have still

¹ OJ C 32, 27.1.2023, p. 96.

not been applied, as not all Member States have ratified the agreement;

- D. whereas Canada and the EU are finalising a draft Decision of the CETA Joint Committee on the interpretation of certain terms in Article 8.10, Annex 8-A and Article 8.39 specifying the remit of the right to regulate in the context of the investment protection chapter and on the facilitation of the access by SMEs to the investment court system under CETA;
- E. whereas the EU was Canada's third largest trading partner after the United States and China, accounting for 8,2 % of its trade in goods with the world in 2022; whereas Canada ranked 14th among the EU's international trading partners for the same year, accounting for almost 1,4 % of the EU's total external trade in goods;
- F. whereas Russia's war of aggression against Ukraine has demonstrated the need to diversify trade agreements and reduce dependence on imports and exports from a limited number of trade partners, as well as the importance of concluding trade agreements with like-minded partners;
- G. whereas the effective implementation and the monitoring of the EU's trade agreements is a key priority for Parliament, the Council and the Commission in order to monitor, assess and calibrate the EU's common commercial policy (CCP); whereas reporting on the implementation of the agreement with Canada is a timely and useful contribution to the reflection on the functioning of EU trade agreements;
- H. whereas the institutional framework under CETA is now fully in place, with 19 specialised committees, a regulatory cooperation forum and a civil society forum, and their agendas and reports are publicly available;
- I. whereas Canada was the first country with which the EU established a Strategic Partnership on Critical Raw Materials, which has been subsequently complemented by a Green Alliance Initiative, an EU-Canada Digital Partnership and an Ocean Partnership;
- J. whereas Canada is an active participant in the WTO Dialogue on Plastics Pollution and Environmentally Sustainable Plastics Trade and the WTO Trade and Environment Committee, but is not a member of the Fossil Fuel Subsidy Reform (FFSR) initiative;
- K. whereas there is now sufficient experience, data and statistical information to assess the provisional implementation of CETA;
- L. whereas Canada is a world leader in the co-construction of public policy for the social and solidarity economy, and whereas the social and solidarity economy represents almost 10 % of Gross Domestic Product (GDP) in certain provinces, such as Quebec, accounting for approximately 210 000 jobs;

Main conclusions and recommendations

1. Highlights that CETA relies on a rules- and values-based relationship which promotes a more secure and stable economic environment between the trading partners, which is particularly important in the context of heightened geopolitical uncertainties, built on the principles of sustainable development and respect for human rights and labour and environmental standards; considers that such predictability can foster economic growth, the exchange of goods, the provision of services, participation in public procurement,

the attractiveness of investment, quality employment, the creation of more and better-paid jobs, and improved working conditions and living standards; notes, however, that CETA needs to further strengthen sustainable development, respect for human and labour rights and to protect the climate;

2. Notes with satisfaction that trade in goods between the EU and Canada increased by 66 % between 2016 and 2022, while EU-Canada trade in services increased by 46 %, outperforming other extra-EU trade; notes the fact that EU goods exports to Canada increased by 47 % during the first five years of provisional application, where the biggest gains were registered in the cases of manufactured products, chemical products as well as food and animal products; notes that most of the concerns expressed before the provisional application of the agreement regarding the influx of Canadian agricultural products into the EU market, have not materialised; observes that Canadian exports to the EU saw an increase of 46,4 %, where the biggest gains were registered in ores, precious stones and metals, and mineral fuels and oils;
3. Underlines the considerable growth in bilateral trade in food and agricultural products between the EU and Canada, with EU agri-food exports to Canada increasing by 62 % and EU imports of such products from Canada by 52 % since the start of the provisional application of CETA; notes that this has significantly benefited producers and exporters on both sides and has also contributed to job creation; welcomes the substantial increase in the number of the Union's micro, small and medium-sized enterprises exporting to Canada, as well as in the value of their exported products, noting that the agreement thus significantly serves their interests;
4. Stresses that, in the implementation of CETA, as with all other EU trade agreements, due account must be taken of respect for sustainable agricultural production, reciprocity and maintaining high standards, in particular sanitary, phytosanitary and veterinary standards, as well as of adequate controls and monitoring mutual compliance with those standards;
5. Welcomes the fact that trade flows between the parties have generally proven to be resilient throughout the pandemic, as well as the difficult situation created by Russia's war of aggression in Ukraine, thereby resisting pressure on supply chains and contributing to strengthened food security; takes the view that CETA should serve as a tool to facilitate cooperation and joint action in the reconstruction of Ukraine once the war is over;
6. Underlines that EU exports are key to employment; welcomes the fact that CETA has contributed to creating new job opportunities, as the number of jobs supported by EU exports to Canada rose from 624 000 in 2017 to more than 700 000 in 2021;
7. Stresses the importance of labour mobility facilitation granted under CETA, as it helps ensure an adequate skills transfer between the EU and Canada and avoid shortages of qualified labour; welcomes, in this regard, the successful conclusion in 2022 of the first Mutual Recognition Agreement under CETA for architects' qualifications; takes the view that the EU Blue Card could further facilitate exchanges between two competitive economies with a highly educated population; underlines that exchange programmes between EU and Canadian academic institutions can further contribute to the necessary labour mobility in the long run;

8. Notes that the two most important product categories that the EU and Canada export to each other are machinery and transport equipment, accounting for around 34 % of both exports and imports, and chemical, pharmaceutical and plastic products, making up around 20 % of total exports and imports; notes, however, that the mining and extraction sector, in particular fertilisers, nickel, uranium and sand oils is highly significant when it comes to imports from Canada, compared to other trading partners, accounting for nearly 20 % of the EU's total imports from Canada; highlights that access to critical raw materials from reliable trading partners, including Canada, is a key element of the EU's Critical Raw Materials Strategy and vital to delivering a sustainable green transition;
9. Stresses that cooperation on access to critical raw materials is essential in the current geopolitical landscape, as well as for the green and just transitions, and welcomes the signing in July 2021 of the EU-Canada Strategic Partnership on Critical Raw Materials within the framework of CETA, which should help to integrate EU-Canada raw material value chains and foster collaboration in science, technology and innovation; notes that this constitutes an important component of the European economic security strategy; is convinced that raw materials extraction needs to occur with respect for environmental standards and labour and human rights, including the rights of indigenous peoples;
10. Welcomes the fact that European and Canadian firms are making increasing and continuous use of preferences granted by CETA, with preference utilisation rates for both the EU and Canada standing at 60 % in 2022 compared to 40 % and 52 % respectively in 2018; notes with interest that smaller companies are using the preferences to a larger extent than large companies and that utilisation rates are significantly higher for agri-food industries compared to manufacturing industries; stresses that the low utilisation rates in key sectors for several EU members indicate foregone cost savings and diminished welfare gains from the agreement; encourages both partners to continue to promote actions to raise awareness of CETA among stakeholders in both regions, including through the EU's 'Access2Markets' platform; underlines the importance of facilitating new opportunities for businesses and consumers through digital trade in line with EU standards;
11. Notes that the utilisation rate of the tariff rate quota (TRQ) for beef and veal imports to the EU was only 3 % in 2021, and that EU exporters have expanded their market share in Canada, such that the EU exports more frozen beef to Canada than it imports from it; notes, however, that the utilisation rate of this TRQ may change over time as a result of variations in Canada's other export markets, in particular the US and China;
12. Highlights that according to the audit report of the Commission's Directorate-General for Health and Food Safety, Canada has yet to satisfactorily implement the recommendations made in the Directorate-General's audit on the traceability and quality of the control systems in place governing the production of beef and pork intended for export to the European Union;
13. Welcomes the introduction of a harmonised EU export certificate for the export of fresh poultry from authorised Member States, which became operational in 2021; calls on the Commission to pursue further progress on similar certificates for processed meat and sheep or goat meat, while increasing efforts to ensure stronger traceability systems for meat products; calls on the Commission, in the framework of the Management Committee and in cooperation with the Canadian authorities and Member States, to

make progress on the recognition of the remaining meat inspection systems in order to allow the remaining Member States to export meat to Canada;

14. Notes, with regret, that CETA does not apply the principle of regionalisation in general, solely considering the EU as a single area with regard to livestock production, but not with regard to the fruit and vegetables sector, which means that each Member State has to individually negotiate and agree on export requirements for each product; calls for this flaw to be remedied as soon as possible within the framework of the EU-Canada Joint Management Committee;
15. Calls on the Commission to facilitate ongoing cooperation with the Canadian authorities aimed at increasing attention to safeguards for animal welfare standards in CETA and evaluating the feasibility of establishing, in the future, mirror clauses in this area to guarantee the equivalence of animal welfare standards and thus a level playing field between EU and imported animal products;
16. Points out that EU trade policy, and CETA in particular, has a significant economic impact on the outermost regions (ORs), and therefore stresses the need to protect the interests of those regions in future negotiations or a possible review of the agreement;
17. Maintains that part of the tariffs and TRQs assigned to EU products should be allocated to operators registered in the ORs, taking account of their economic situation; stresses that differential treatment for operators in the ORs is key to ensuring the competitiveness of businesses and the fair distribution of tariffs and TRQs among commercial agents by avoiding the restriction of benefits to a small number of operators;
18. Takes note of the fact that the TRQ utilisation rate stands at 98 % for EU cheese exports on average; calls, nevertheless, for a more transparent and flexible Canadian TRQ management system for dairy products, in particular the cheese quota, and urges the Canadian authorities to move forward with a potential review of the system as soon as possible;
19. Highlights the importance of recognising the system of geographical indications (GIs) as a key component of the agreement; underlines the need for further effective enforcement of GIs protection for EU rights holders in Canada, in order to ensure trust in the correct functioning of the agreement;
20. Takes note of the fact that during the first six years of provisional application of CETA, the EU's exports to and imports from Canada in services have grown by 54 % and 74 %, respectively, with the highest gains in transport services, business services and information, computer and telecommunications services, in particular benefiting smaller EU Member States where services features significantly in the economic structure of the country;
21. Welcomes the concrete efforts to facilitate access to public procurement, such as the Single Point of Access in Canada; takes the view that even if many more EU businesses are successfully participating in Canadian tenders, such as for regional rail passenger transport in Ontario or bridges in Montreal, EU suppliers could take even further advantage of the opportunities offered, in particular as regards infrastructure projects and bidding for provincial and municipal contracts;

22. Calls on the parties to make available all the legal and administrative support and tools SMEs need to engage in trade and investment under CETA, in order to foster an increase in exchanges and to enhance participation so they can reap the benefits of CETA, including through active measures to facilitate the internationalisation of SMEs, simplify procedures and address technical barriers to trade that disproportionately affect SMEs; welcomes, in this regard, the recommendation on SMEs adopted by the Joint Committee in 2018, and the subsequent action plans, including concrete actions such as the launch of the Access2Markets platform in October 2020, which supports SMEs with practical information on trade agreements and trade barriers; expects the *ex post* evaluation to provide data on the evolution of the share of trade between EU and Canada carried out by SMEs; calls on the Parties to contemplate the possibility of a fully fledged chapter on SMEs analogous to those in the agreements with New Zealand and Chile;
23. Given the importance of the social and solidarity economy sector in Canada and the action plan for the social economy adopted by the Commission on 9 December 2021¹, calls on the Joint Committee to identify what concrete measures could be put in place to promote more cooperation between social and solidarity actors across the Atlantic;
24. Encourages both parties to continue their outreach activities, in particular focusing on SMEs and on Social and Solidarity Economy actors, to raise awareness about the opportunities offered by CETA through targeted information campaigns, while ensuring that the benefits of the agreement are shared equally between men and women;
25. Welcomes the adoption of the recommendation on Trade and Gender by the CETA Joint Committee as early as 2018, which includes a commitment to share methods and procedures for the collection of gender disaggregated data, the use of indicators, monitoring and evaluation methodologies, and the analysis of gender-focused statistics related to trade; underlines that trade should benefit all, and specifically strengthen women's economic empowerment; strongly encourages the CETA Joint Committee to continue monitoring the impacts of the agreement on gender; takes the view that the work carried out under the jointly adopted action plan can serve as an example for other trade agreements, even when there are no dedicated chapters on trade and gender in the agreement itself; recalls Parliament's resolution on the Gender Action Plan III² and encourages the Commission to publish more easily accessible gender disaggregated data on the usage of the agreement, particularly in relation to the chapters on public procurement and on trade and labour;
26. Calls on the Commission to prevent the precautionary principle from being weakened as a basic principle of the European Union enshrined in the Treaties and a guarantor of the protection of European farmers and citizens; highlights the importance of promoting the precautionary principle in all aspects of trade and ensuring its application, while avoiding unjustified barriers to trade;
27. Underlines that CETA provides a framework that fosters both trade and climate action by including commitments to cooperate on trade-related environmental issues of

¹ Commission communication of 9 December 2021 entitled 'Building an economy that works for people: an action plan for the social economy' (COM(2021)0778).

² European Parliament resolution of 10 March 2022 on the EU Gender Action Plan III (OJ C 347, 9.9.2022, p. 150).

common interest such as climate change, as demonstrated by the recommendation on trade, climate action and the Paris Agreement, notably with the promotion of clean technologies; underlines the importance of Canadian-based global power production accelerating the clean energy transition by producing energy from renewable resources; welcomes the growth of the environmental goods trade by 27 % since provisional application started; notes, however, that Canada has considered elements of European legislative and non-legislative initiatives with regard to the European Green Deal as technical barriers to trade; invites the Parties to find synergies with the implementation of the Carbon Border Adjustment Mechanism (CBAM) and other initiatives in the EU, and to jointly support work to develop joint or comparable carbon emissions methodologies at international level;

28. Welcomes the launch of the EU-Canada Digital Partnership as a key enabler of the green and digital transitions; calls on both parties to strengthen their cooperation in the framework of CETA implementation on issues of strategic mutual interest such as artificial intelligence, cybersecurity and the fight against disinformation;
29. Welcomes the active involvement and monitoring of CETA implementation by the DAGs and the Civil Society Forum, which gathers hundreds of representatives from across the EU and Canada, including businesses, environmental and labour organisations, civil society, academia as well as indigenous peoples' representatives from Canada, and actively contributing to the work of in particular the Trade and Sustainable Development (TSD) Committee through their joint statements; urges the Commission and the TSD Board to follow up on their proposals; stresses that the mandate of the DAGs should also be to consider the sustainability impact of the full agreement; underlines the value of including considerations about the impact on sustainability and human rights of the investment protection chapter in their work;
30. Calls on both parties to ensure better integration of small-scale farmers and consumers in the DAGs in the context of the renewal of these groups;
31. Insists on the effective implementation of the specific commitments related to the TSD provisions, including the early TSD review committed to in the Joint Interpretative Instrument, which has not been forthcoming, as integral parts of CETA and essential to the accomplishment of the objectives set; takes note that in 2024, the Commission will conduct an *ex post* evaluation of CETA, including its TSD chapter, involving independent experts, which will be an opportunity to assess it against the Commission's new approach of June 2022 and to consider taking on board concrete proposals put forward by Canada in 2020 to give a more binding scope to certain provisions of this chapter; recalls that the Joint Committee can provide a binding decision establishing implementation roadmaps to strengthen cooperation in areas where the *ex post* evaluation would identify shortcomings and expects them to actively do so; believes that efforts targeting better implementation of the TSD chapter or its review should be preceded by a meaningful consultation of all stakeholders;
32. Notes that the UK ceased to be a member of the European Union following the provisional application of CETA; notes that the UK and Canada have agreed a series of bilateral trading arrangements to take account of this, including with regards to TRQ use and cumulation; notes that some of these agreements will cease to apply after 2024, which may present minor disruptions to established supply chains; calls on the Commission to explore the possibility for new agreements where these disruptions may

negatively affect Union economic operators;

33. Calls on the parties to review CETA, once ratified, making use of the review clause, in order to introduce a suitable and effective dispute settlement mechanism for the TSD, including the consideration of, among various enforcement methods, sanctions as a deterrent to be used, as a last resort, in the case of serious breaches; highlights its wish to contemplate institutionalising the ongoing cooperation on trade and gender in this review; stresses that this review should consider introducing specific strong provisions on the rights of indigenous peoples, including International Labour Organization Convention No. 169 and the United Nations Declaration on the Rights of Indigenous Peoples;
34. Urges Belgium, Bulgaria, Cyprus, France, Greece, Hungary, Ireland, Italy, Poland and Slovenia to swiftly ratify CETA, as this will also be essential in order to update the agreement, and reiterates the importance of full application of CETA, including its investment protection provisions;
35. Instructs its President to forward this resolution to the Council and the Commission, and to the Government and Parliament of Canada.