



Club CANADA

2023

Monday, November 27th



En partenariat avec



PROGRAM

- 15:00** **Registration**
- 15:30** **Opening address** : Ms. Marie-Cécile Tardieu, Chief Operating Officer, Business France
- 15:40** **Welcome address:**
- The Honourable Stéphane DION, Canada's Ambassador to France and Monaco, and Special Envoy to the EU and Europe
 - The Honourable Michel MIRAILLET, Ambassador of France to Canada
- 15:55** **Six years after CETA, the status of France-Canada trade relation**
- Mr. Morgan Larhant, Head of Economic Service, French Embassy to Canada
- 16:10** **Canadian companies : actors of transformation in France**
- 16:30** **Assets of french regions in energy and ecological transition**
- 16:50** **Keynote** : Mr. Daniel Jouanneau, Chairman, French-Canadian Chamber of Commerce - Former French Ambassador to Canada
- 16:55** **Closing remarks** : Mr. Frédéric Rossi, North America Managing Director, Business France
- 17:00** **Networking Cocktail** : at the « Canada café »





Marie-Cécile TARDIEU

Chief Operating Officer,
Business France





H.E. Stéphane DION

Canada's Ambassador to France and Monaco, and
Special Envoy to the EU and Europe





H.E. Michel MIRAILLET

Ambassador of France to Canada



The CETA

Six years after CETA, the status of France-Canada trade relation



Morgan LARHANT

Head of Economic Service,
French Embassy to Canada





**MINISTÈRE
DE L'ÉCONOMIE,
DES FINANCES
ET DE LA SOUVERAINETÉ
INDUSTRIELLE ET NUMÉRIQUE**

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Fraternité*

6 YEARS AFTER CETA, THE STATUS OF FRANCE- CANADA TRADE RELATION

CLUB CANADA – NOVEMBER 27TH 2023

France-Canada trade relation 6 years after CETA

Preliminary remarks : CETA, a “new generation” of trade agreement

1. A trade liberalisation agreement...

- A drastic removal of tariff barriers...
- ... Resulting in record trade between France and Canada

2. ... but also a treaty that covers new areas of cooperation

- Greater mobility for workers
- Regulatory cooperation forum

3. CETA's next frontiers

- An increased use of tariff preferences
- An enhanced political dialogue on emerging issues : the strategic partnership on critical minerals and the European Union-Canada Digital Dialogue

Preliminary remarks : CETA is today mostly in force



CETA is a "mixed" agreement, as it covers exclusive EU competence (trade policy) and areas of shared competences between the EU and its Member States (FDI, investor protection).






- Following up the ratification by the EU institutions in 2017, more than 90% of the provisions have entered into force;

A trade liberalisation agreement

A drastic removal of tariff barriers...

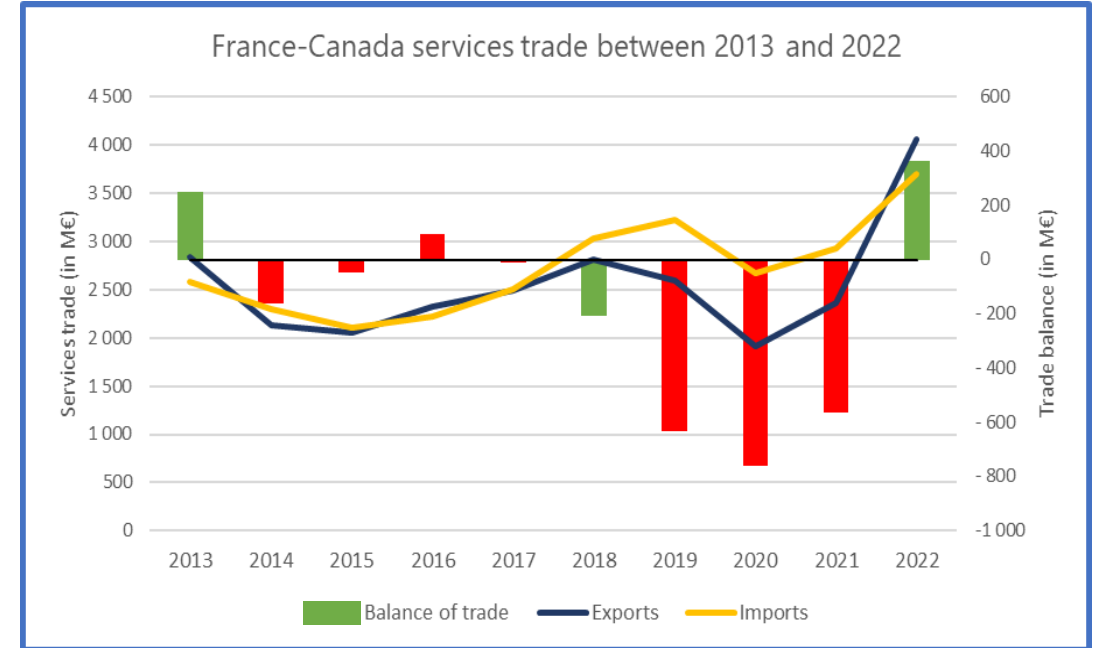
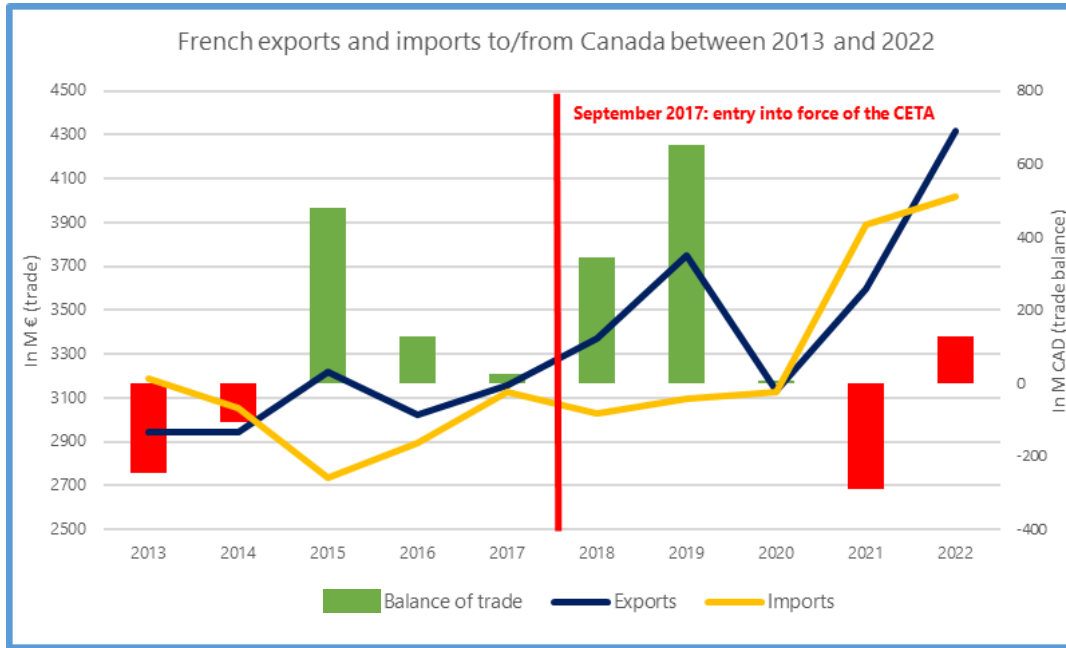
- **Immediate elimination of 98% of tariff barriers and application of national treatment for services:**
- Quotas opened for European cheese and for Canadian meat: previously subject to tariffs of up to 227%. The EU has granted quotas for meat : 45,840 tons for beef and 75,000 tons for pork.
- Industrial and manufactured products : complete tariff elimination over 3 to 7 years (notably automobiles and ships).
- Reciprocal opening for services: financial services, postal services, telecommunications and transport.

Example of tariff barrier elimination:

 Clothing, textiles	Before up to 16%	Now 0%	 Medical devices, optical instruments	Before up to 8%	Now 0%
 Vehicles, parts	Before up to 9.5%	Now 0%	 Chemicals	Before up to 6.5%	Now 0%
 Machinery, electrical equipment	Before up to 9.5%	Now 0%			

Source: European Commission

... Resulting in record trade between France and Canada (1/3)



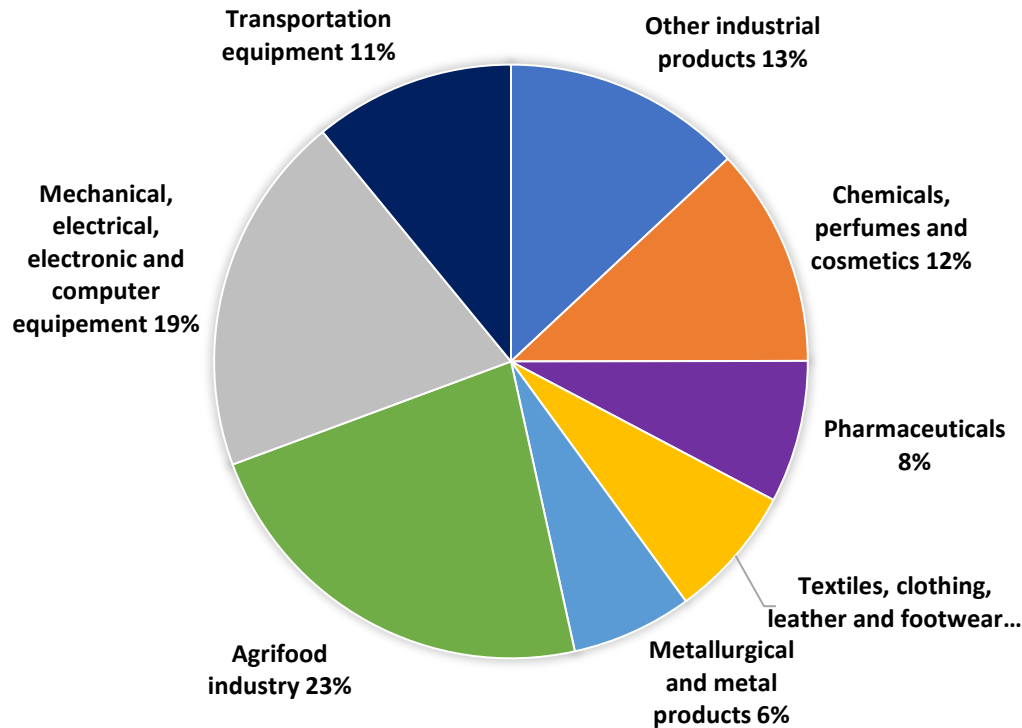
Source: French customs, 2023

Growing bilateral trade volumes since 2017, despite the Covid-19 pandemic:

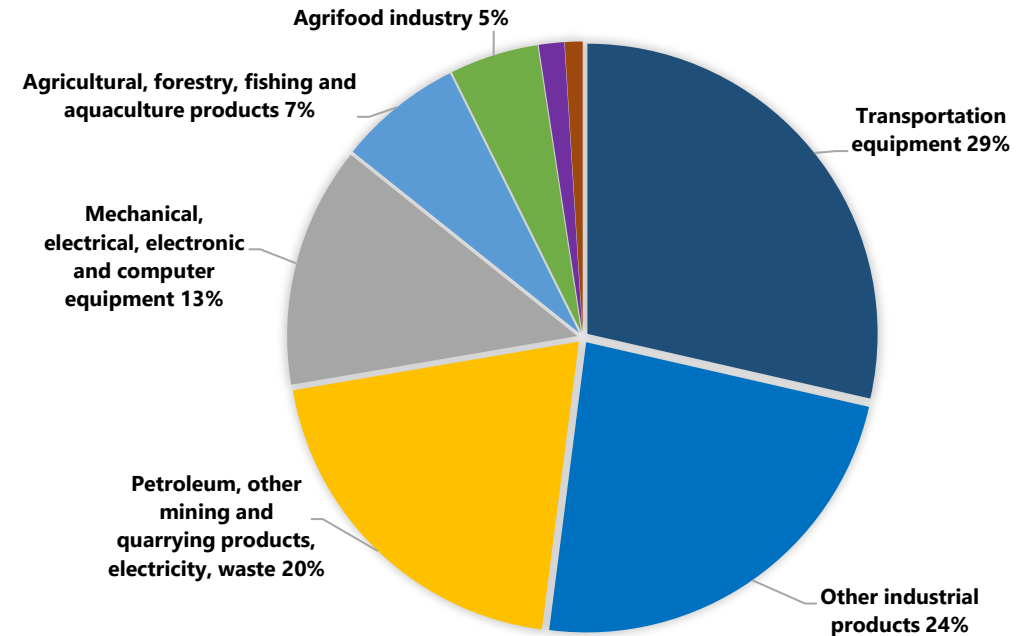
- Since CETA came into force (September 2017), **France-Canada trade has grown by 33%**, compared to an increase of 53% at the EU level ;
- **In 2022, €8.3 bn worth of goods traded (+15% compared to 2021), a new record ; €7.7 bn of services traded (+46% compared to 2021), which also sets a new record.**
- Canada is France's 27th largest customer, and 36th supplier ; France is Canada's both 12th largest customer and supplier.

... Resulting in record trade between France and Canada (2/3)

French exports to Canada by industry in 2022



French imports from Canada by industry in 2022

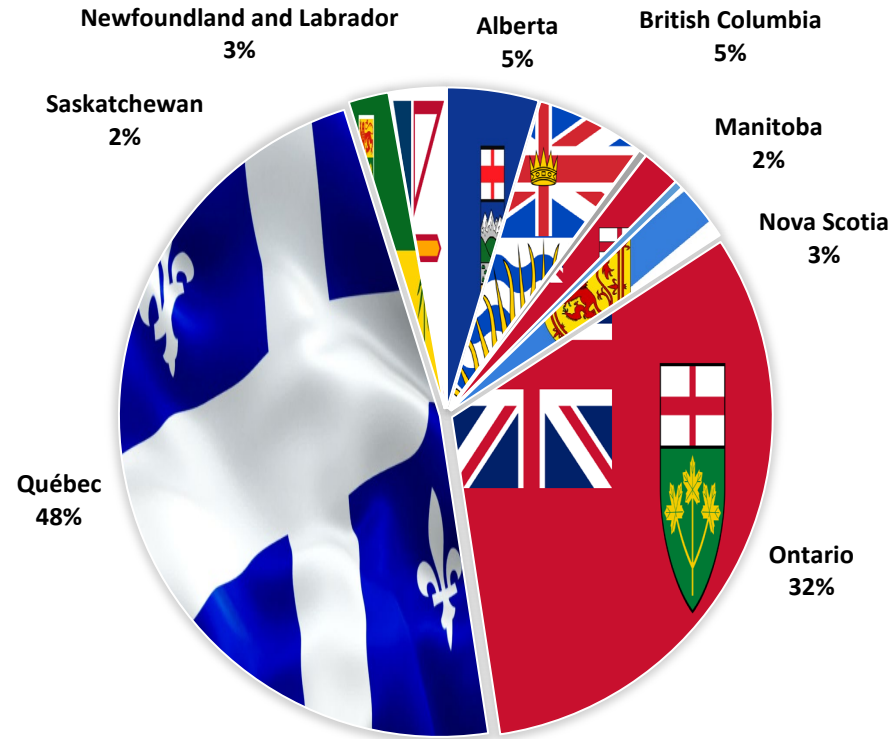


Source : French customs, 2023

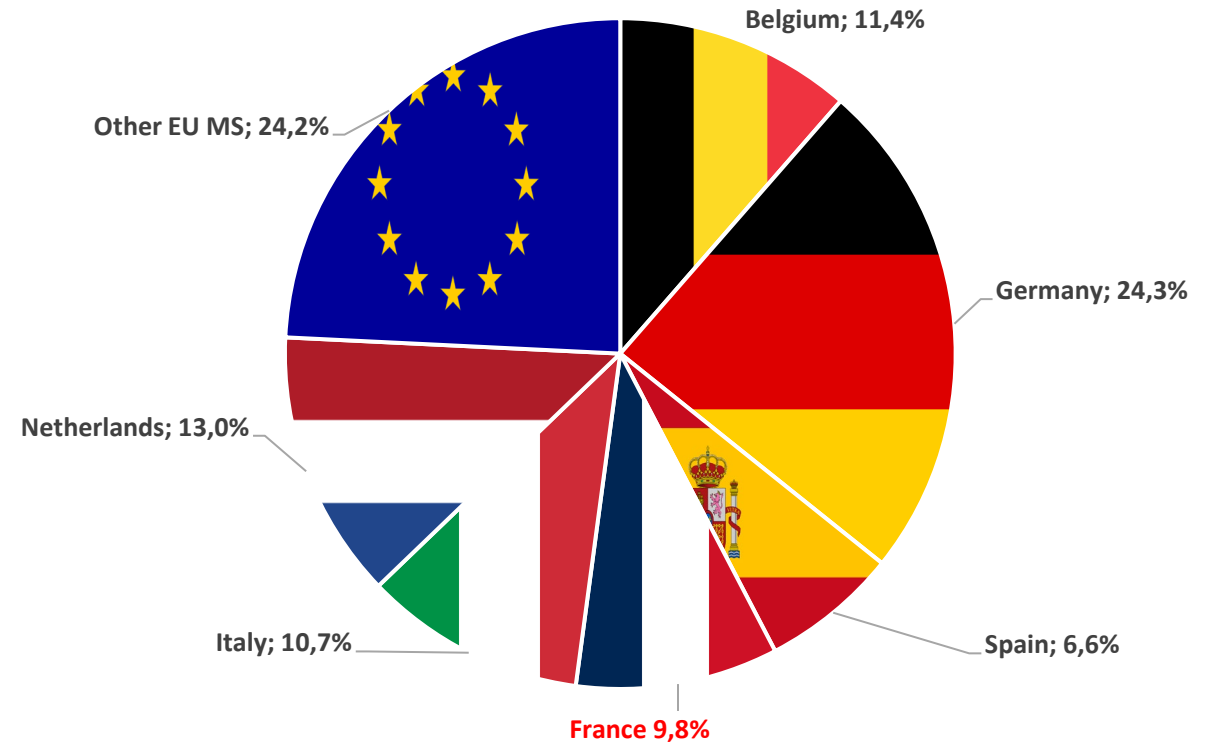
- **French exports to Canada** are mostly in mainly the agri-food industry, mechanical equipment, transport equipment and industrial products.
- **Canadian exports to France** entail transport equipment (A220), industrial products, petroleum and mining products

... Resulting in record trade between France and Canada (3/3)

France-Canada trade (exports & imports) by province in 2022



UE-Canada trade (exports & imports) by Member State in 2022



Source : Eurostat & Statistics Canada, 2023

- **France is 5th European trade partner of Canada**, behind Germany, the Netherlands, Belgium and Italy ; ahead of Spain
- **Quebec is 1st destination for French exports (46%)**, followed by Ontario (37%) and British Columbia (6%)
- **Quebec is also 1st exporter to France (50%)**, followed by Ontario (20%), and Newfoundland and Labrador (8%)

CETA is also a treaty that cover new areas of cooperation : two illustrations

1. CETA allows for a greater mobility for workers (1/2)

CETA improved cross-border mobility for temporary workers (CETA agreement, chapter 10). This covers :

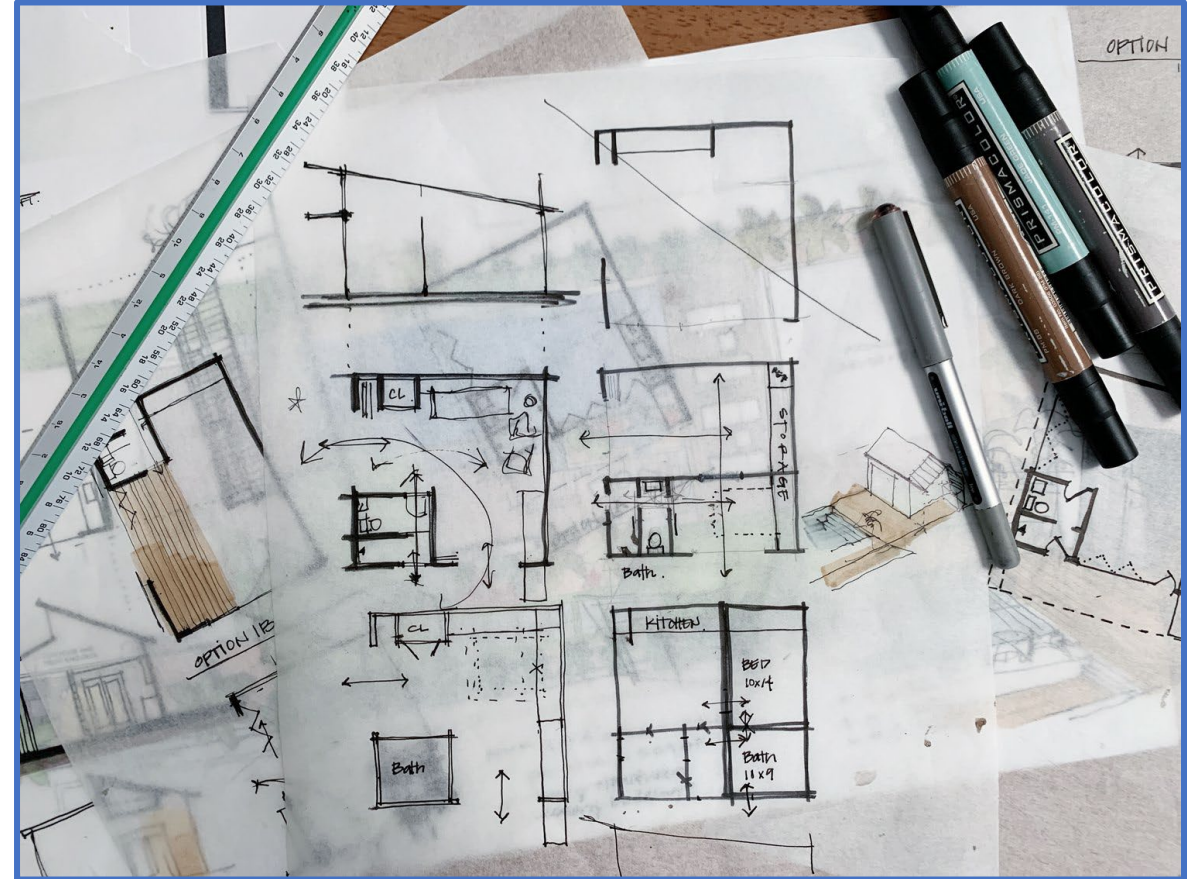
- Business travellers, for a period of 3 months (e.g. for meetings, training or seminars, commercial transactions, translation/interpreting activities);
- Contracted service providers, for 1 year;
- Self-employed workers, for a period of 1 year;
- The transfer of certain "key personnel" within the same company;
- Senior executives and experts for 3 years;
- Investors and trainees, for 1 year



1. CETA allows for a greater mobility for workers (2/2)

CETA provides a framework that enables Canadian and European authorities to negotiate agreements for the mutual recognition of professional qualifications for certain regulated professions, at the request of professional bodies in the EU and Canada.

- **Example : Architects** have been negotiating for more than 10 years an agreement, finalised in March 2022. European architects may obtain recognition of their professional qualification after 12 years of experience and the completion of a 10-hour class on the Canadian regulatory environment. The agreement should enter into force by the end of the year.



2. A regulatory cooperation forum

- **Regulatory cooperation via the "Regulatory Cooperation Forum" (RCF)**, aimed at reducing barriers to certification or product standards. Discussions are held on a voluntary basis: no party can be forced to lower its standards.
- **Five priorities** : information exchange on consumer product safety, animal welfare, pharmaceuticals, cooperation on pharmaceutical inspections in third countries, cyber security
- **Example of conclusive discussions** :
 - ✓ **Consumer Safety**. Since June 2019, following the signature of an administrative arrangement between Health Canada and the European Commission, regulators on both sides exchange information on consumer products. This process, for instance, helps coordinating recalls or surveillance activities.
 - ✓ **Mutual recognition in relation to conformity assessment** : The agreement includes a protocol to encourage European and Canadian bodies to recognize conformity certificates issued by the other party for certain items (radio; electronic equipment, etc.).

The infographic features a vertical title 'REGULATORY COOPERATION FORUM' on the left side. At the top, it displays the Canadian and European flags and the text 'Government of Canada' and 'Gouvernement du Canada'. The background shows a stylized map of Canada and Europe. The main content is organized into seven sections, each with an icon and a brief description:

- STRUCTURE**: The RCF is part of the Comprehensive Economic and Trade Agreement. On the EU side the work is led jointly by DG GROW and DG TRADE and on the Canadian side jointly by the Treasury Board of Canada Secretariat and Global Affairs Canada.
- DISCUSSIONS**: Discuss regulatory policy issues of mutual interest that the Parties have identified through consultations with stakeholders and regulators.
- PARTNERSHIP**: Assist individual regulators to identify potential partners for cooperation activities and provide them with appropriate tools for that purpose.
- COOPERATION**: Encourage the development of bilateral cooperation activities and, on the basis of information obtained from regulatory departments and agencies, review the progress, achievements and best practices of regulatory cooperation initiatives in specific sectors.
- VOLUNTARY**: Government can regulate as usual. Regulators lead work plan items and hold decision making power.
- STAKEHOLDERS**: To inform their regulatory cooperation activities, including the exchanges of regulators at RCF meetings, both Parties have carried out consultations to collect views of European and Canadian stakeholders.
- MOVING FORWARD**: Continued dialogue, growing the work plan and building on successes.

CETA's next frontiers

1. Increasing the use of the tariff preferences provided in the CETA

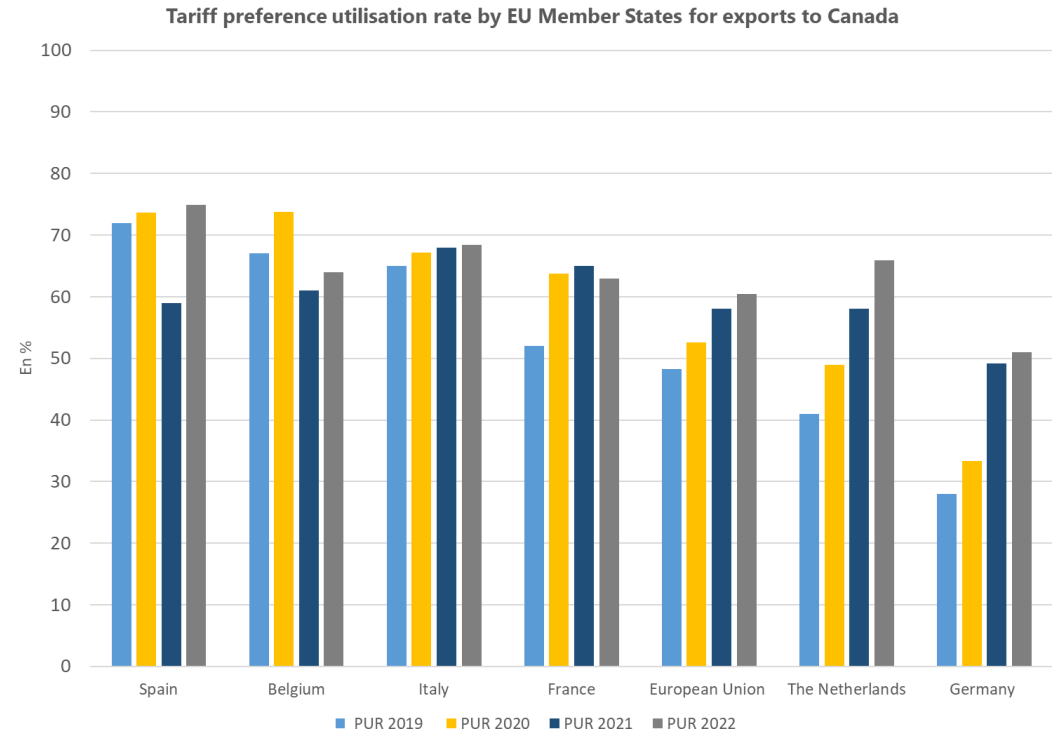
- **Over the 2019-2021 period, France's use of CETA tariff preferences increased : from 52% in 2019 to 65% in 2021. France ranks 2nd among Canada's 6 main European partners in 2021** in terms of the use of CETA tariff preferences.
- **In 2022, France's use of CETA tariff preferences declined (63%; -2 points)**, in contrast to Canada's other main European partners and the European average.
- **Economic loss of the underuse of tariff preferences provided in the CETA: 11,4 M CAD (8 M€) for Canadian exporters ; 52,8 M CAD (35,2 M€) for French exporters**

❖ Why?

1. **Increase in the number of French neo-exporters in 2022, unfamiliar with CETA procedures.**
2. **Some companies have preferred to pay low customs duties** for certain products, rather than take on costly administrative procedures.

❖ How to improve the use of tariff preferences?

1. **Raise awareness on CETA's opportunities and educate the various stakeholders**
2. **Help importers / exporters on the application of the rule of origin**



Canadian numbers:



2. An enhanced political dialogue on emerging issues

- In the context of the transition to a net zero economy, the EU and Canada announced the creation of a **Strategic Partnership on Raw Materials in June 2021**. Implementation of the EU-Canada Strategic Partnership is overseen by the CETA Raw Materials Dialogue, which meets every year.
- **This partnership aims to strengthen the security and sustainability of raw materials trade between Canada and the European Union.** It includes three areas of cooperation:
 1. The integration of Canadian and EU raw materials value chains;
 2. Science, technology and innovation;
 3. Environmental, social and governance criteria and standards.



Last week, in the context of the Canada-European Union Summit on November 2023, Canada and the EU launched a Digital Partnership.

- ✓ The objective is to deepen the bilateral cooperation on areas such as artificial intelligence, online platform governance and accountability, quantum, cyber security and digital skills.
- ✓ One key instrument of this partnership will be **Canada's participation in the EU's Horizon programme.**

CANADIAN COMPANIES : ACTORS OF TRANSFORMATION IN FRANCE



Brigitte RIVET

Managing Director France,
Levio



Guillaume MOREAU

Managing Director France,
Akonovia



Lionel GROTTTO

Managing Director,
Choose Paris Region



André DEBUISSON

Investment Advisor,
Invest in Lyon



ASSETS OF FRENCH REGIONS IN ENERGY AND ECOLOGICAL TRANSITION



Benjamin LEGRAND

Advisor to the President of the Eastern France Region



Chrystelle RONDEL

Senior Project Manager, Nord France Invest



Guénoilé BARA

Director for FDIs, Bretagne Commerce International



Nicolas GRENIER

National and International Prospection Director, Bourgogne-Franche-Comté Regional Economic Agency

KEYNOTE



Daniel JOUANNEAU

Chairman, French-Canadian Chamber of Commerce,
Former French Ambassador to Canada



CLOSING REMARKS



Frédéric ROSSI

North America Managing Director,
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