



Joint Statement

CETA helps the EU and Canada soften COVID-19's economic impact

Executive Vice-President and EU Trade Commissioner Valdis Dombrovskis and Canadian Minister of Small Business, Export Promotion and International Trade the Honourable Mary Ng presided over the Second CETA Joint Committee meeting.

25 March 2021

Today, the European Union (EU)-Canada Comprehensive Economic and Trade Agreement (CETA)'s Joint Committee held its second meeting to oversee progress on the implementation of the Agreement. The meeting was co-chaired by Executive Vice-President (EVP) and European Commissioner for Trade, Valdis Dombrovskis, and Canada's Minister of Small Business, Export Promotion and International Trade, the Honourable Mary Ng. In light of current public health measures, the Committee met by videoconference, with participation from representatives of EU Member States and Canadian Provinces and Territories.

EVP Dombrovskis and Minister Ng took stock of the steady positive evolution of bilateral trade flows. Despite the huge challenges brought on by COVID-19, CETA continues to work as intended. Bilateral merchandise trade in 2020 was still 15.2% higher than the pre-CETA level in 2016. Utilization of CETA preferences continues to improve in both directions of trade.

Recognising the economic impact of the COVID-19 pandemic, the co-chairs reviewed measures taken by both Parties to facilitate the continuation of preferential trade during the pandemic. These include increased flexibility and additional administrative cooperation on the verification of origin. The co-chairs called upon all trading partners to ensure trade measures are transparent, science-based, and not more trade restrictive than necessary. The co-chairs also emphasized the importance for continued work between officials to address outstanding regulatory and other market access issues to allow exporters on both sides to more fully maximize benefits under CETA.

The co-chairs recognize CETA as a cornerstone of a strong relationship between like-minded partners that complements collaboration and joint action at the multilateral level, including advancing progress on WTO reform and broadening support for the Trade and Health Initiative.

The co-chairs reviewed progress of work under the specialised CETA committees. They notably welcomed the recent launch of negotiations towards the conclusion of the first Mutual Recognition Agreement in the field of professional qualifications under CETA, addressing the profession of architects. They stressed the importance of the flow of services and business

people for transatlantic trade and the possibility that other professions may benefit from similar initiatives in the future.

Co-chairs also noted progress towards developing a new EU-Canada Strategic Partnership on Raw Materials intended to reduce supply chains risks and foster competitive EU-Canada value chains that depend on minerals and metals raw material inputs.

EVP Dombrovskis and Minister Ng acknowledged that the Committee on Trade and Sustainable Development has seen extensive exchanges and engagement with stakeholders in the fields of trade and labour, trade and gender, responsible business conduct and trade and environment, including climate change. The co-chairs exchanged views on the early review of these Chapters, including with a view to the effective enforceability of CETA provisions on trade and labour and trade and the environment, while acknowledging that these provisions are subject to dedicated and binding assessment and review mechanisms, and reiterated their commitment to this process. The co-chairs welcomed the contribution and support of civil society in the third CETA Civil Society Forum, held virtually in December 2020, where officials provided updates and sought input on on-going collaboration efforts under these chapters, and in discussions with the EU and Canadian domestic advisory groups, which include representatives of employees, employers, consumers, Indigenous peoples, environmental and youth organisations.

The co-chairs further welcomed the recent concrete initiatives for implementing the three Recommendations adopted at the first CETA Joint Committee meeting, on the fight against climate change, SMEs and on the promotion of gender-responsive trade.

Regarding climate change, the co-chairs noted that in line with the EU's and Canada's commitment to meet the ambitious objectives and goals of the Paris Agreement, the Recommendation led to the conference "*CETA: Taking Action for Trade and Climate*", organised in Brussels in January 2019 and to a workshop for EU and Canadian clean technology companies organised in Montreal in November 2019. These events brought together over 200 business and institutional participants, resulting in concrete business opportunities for European and Canadian SMEs in the clean technology sector. EVP Dombrovskis and Minister Ng welcomed the organisation of a follow-up clean tech workshop to be conducted virtually on 29-31 March 2021 and called for further action to fully exploit the opportunities offered by CETA to strengthen transatlantic cooperation on the green transition of our economies.

In particular, and with a view to helping small and medium-sized businesses (SMEs), which represent 99% of our companies, EVP Dombrovskis and Minister Ng endorsed the CETA SME Action Plan for 2020-2021 to facilitate the implementation of the CETA Recommendation on SMEs adopted in 2018. The Action Plan outlines activities and next steps the EU and Canada will undertake in the coming year to empower SMEs to benefit from the opportunities offered by CETA. They announced that a dedicated event aimed at exploring how SMEs can take full advantage of CETA would be organised around CETA's fourth anniversary in September 2021.

Regarding trade and gender, the co-chairs highlighted the wide range of initiatives carried out by the EU and Canada to foster a gender-responsive and inclusive trade policy. These included sharing best practices through various workshops, meetings, webinars and the "Trade for Her Conference" organised in Brussels in September 2019, as well as Canadian women business missions to the EU in 2018, 2019 and 2020, the latter of which included a panel discussion with Canadian and EU business women on the challenges of exporting. EVP Dombrovskis and Minister

Ng also welcomed the work jointly carried out by the EU and Canada to improve the use of indicators and the sharing of information on assessing the impact of CETA and other trade agreements on women-led businesses as well as common efforts to put gender related topics firmly on the multilateral trade agenda. They underlined the need to pursue and deepen work in this field at both bilateral and multilateral levels.

EVP Dombrovskis and Minister Ng stressed the importance of implementing the three CETA Recommendations on climate, gender and SMEs across the full spectrum of the activities carried out under CETA. They underlined the need for specialised committees and dialogues to duly take into account aspects related to climate action, trade and gender and SMEs and to reflect this in their reporting.

The co-chairs noted recent advancements toward full implementation of the Agreement, including the Conformity Assessment Protocol and non-discriminatory treatment of wines and spirits, and underlined their strong commitment to achieve the full implementation of CETA provisions in all relevant areas.

The co-chairs also noted the successes achieved thus far under the Regulatory Cooperation Forum (RCF) and agreed on its potential to pay dividends for EU and Canadian businesses, particularly small businesses, in the future. Under the RCF, regulators on both sides are encouraged to agree on common approaches to new regulatory issues, which can help facilitate trade and improve the health and safety outcomes of regulations to the mutual benefit of both parties.

In line with the commitments set out in the Chapter 8 (Investment) of CETA and in the Joint Interpretative Instrument, the co-chairs welcomed the adoption on 29 January 2021 of the four decisions concerning CETA's Investment Court System on: (i) the rules setting out the functioning of the Appellate Tribunal; (ii) the code of conduct for Members of the Tribunal, Members of the Appellate Tribunal and mediators; (iii) the rules for mediation; and (iv) the procedure for issuing binding interpretations to be adopted by the CETA Joint Committee. The adoption of these four decisions marks an important step towards ensuring the full functioning of the Agreement and the establishment of clear and rigorous ethical rules and transparency in the resolution of investment disputes. It was noted that these decisions – and all investment protection provisions in the Agreement – would apply once all the 27 EU Member States will have ratified CETA.

EVP Dombrovskis and Minister Ng agreed to hold the third meeting of the CETA Joint Committee in Canada in the fall of 2022.