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## CETA @ 5: DELIVERING TRADE BENEFITS DURING UNPRECEDENTED TIMES

## L'AECG @ 5: GÉNÉRER DES AVANTAGES COMMERCIAUX DANS UNE PÉRIODE SANS PRÉCÉDENT



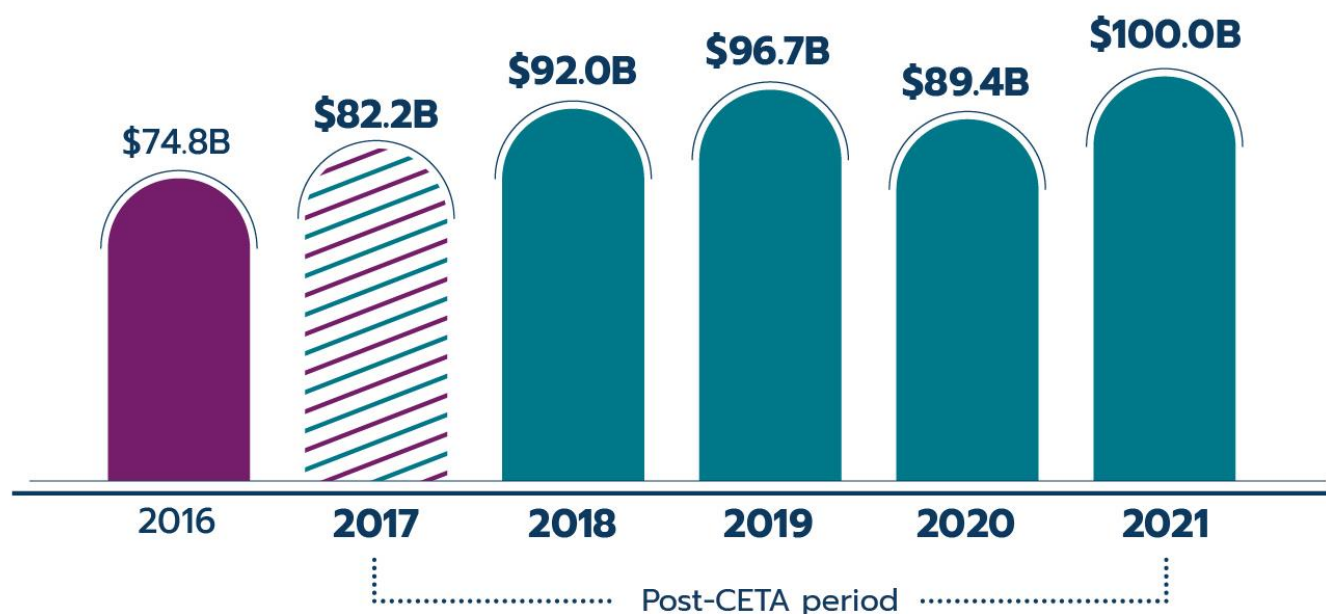
LE BUREAU DE  
L'ÉCONOMISTE  
EN CHEF

September 2022  
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Chief Economist / Économiste en chef



# TWO-WAY TRADE BETWEEN CANADA AND THE EU HIT A RECORD HIGH IN 2021, REACHING \$100B FOR THE FIRST TIME

## Canada-EU bilateral merchandise trade

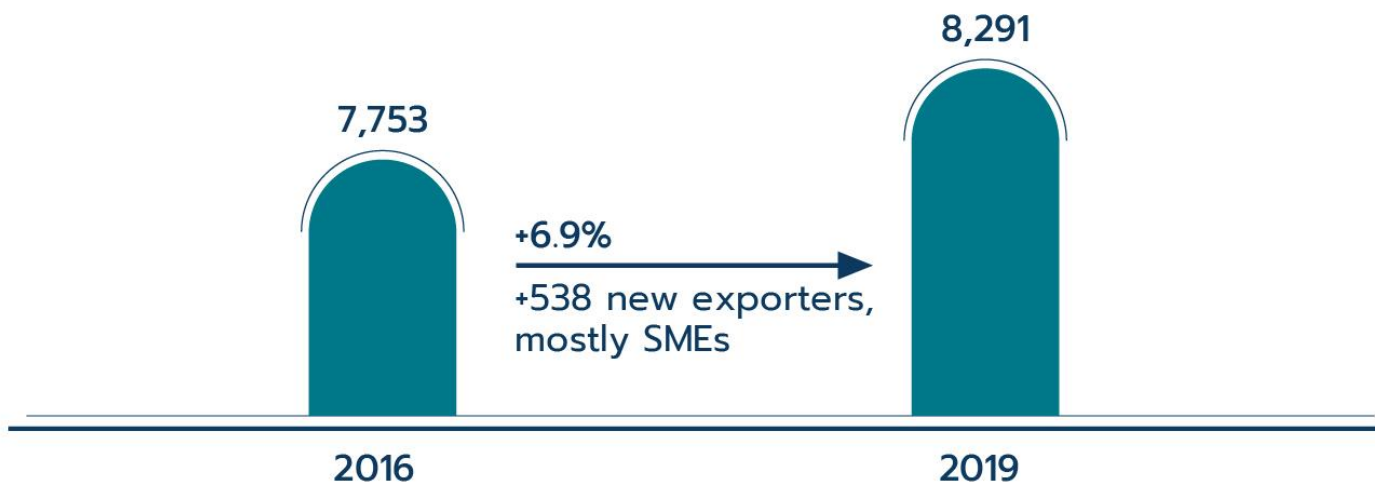


- Canadian exports that received tariff reduction from CETA grew 24.6%
- Canadian imports that received tariff reduction from CETA grew 46.2%



## SINCE THE AGREEMENT IMPLEMENTATION, THE NUMBER OF CANADIAN FIRMS THAT EXPORT TO THE EU HAS INCREASED

### Number of Canadian firms that export to the EU, 2016-2019

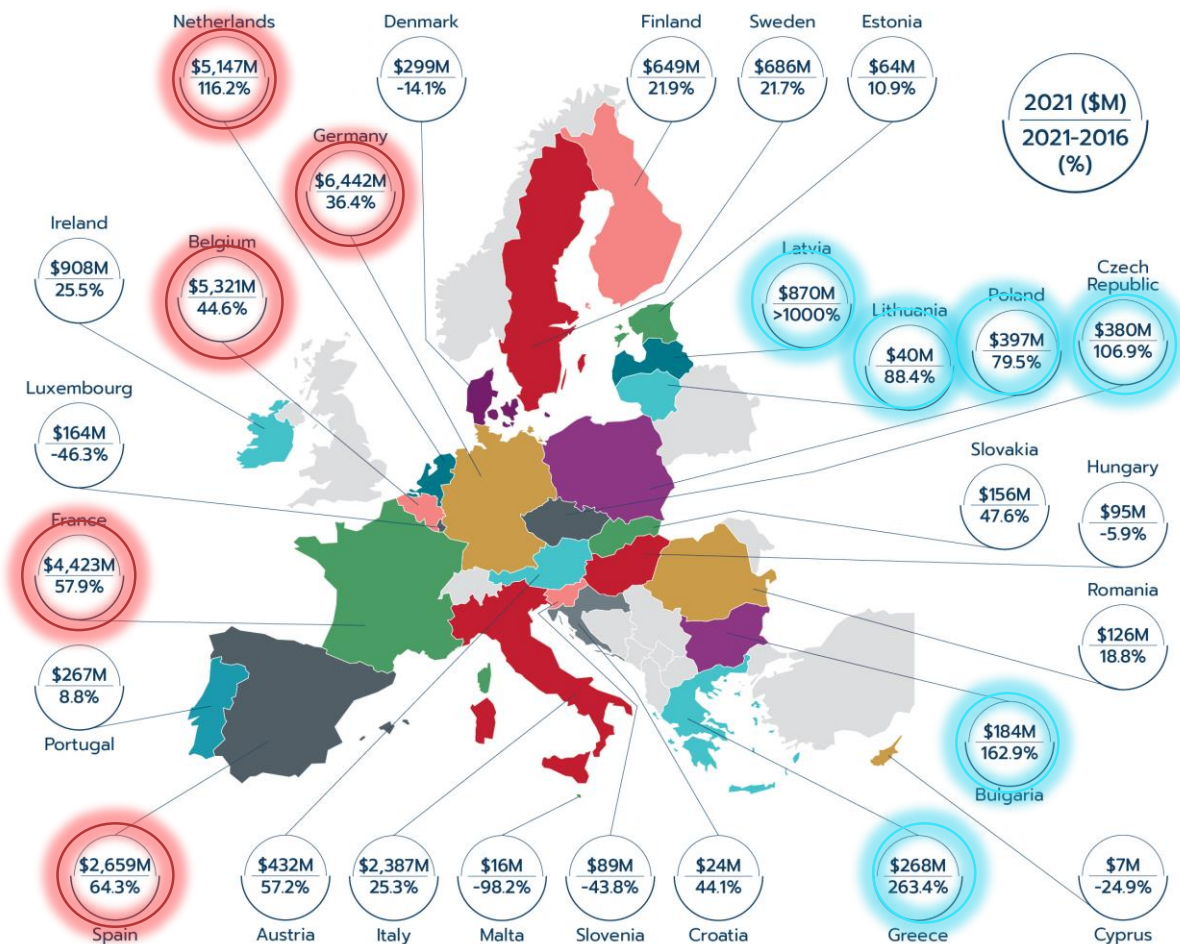


11.7% of firms exporting to the EU are women-owned



## MAIN EU EXPORT COUNTRIES ACCOUNTED FOR MOST OF INCREASE IN TRADE, BUT A NUMBER OF SMALLER PARTNERS ARE GROWING FAST

Canadian merchandise exports to the EU by country, 2016 - 2021



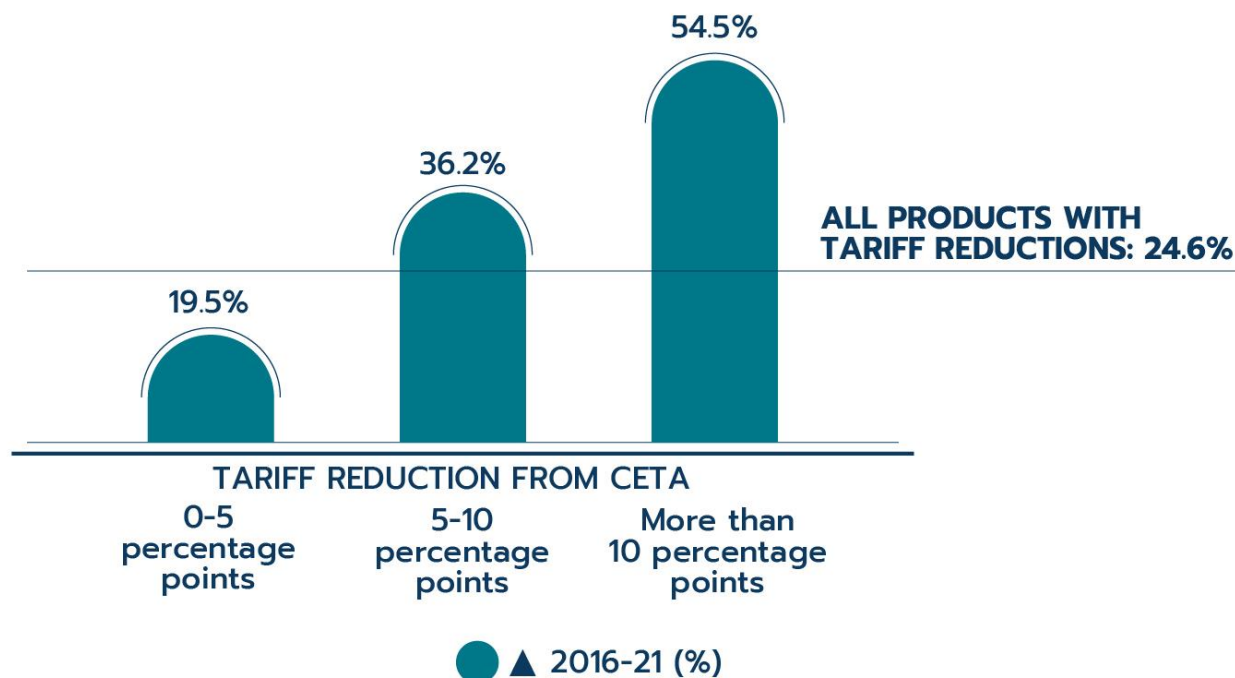
Data: Eurostat.

Source: Office of the Chief Economist, Global Affairs Canada.



## THE PRODUCTS THAT RECEIVED THE LARGEST TARIFF REDUCTIONS POSTED THE STRONGEST GROWTH

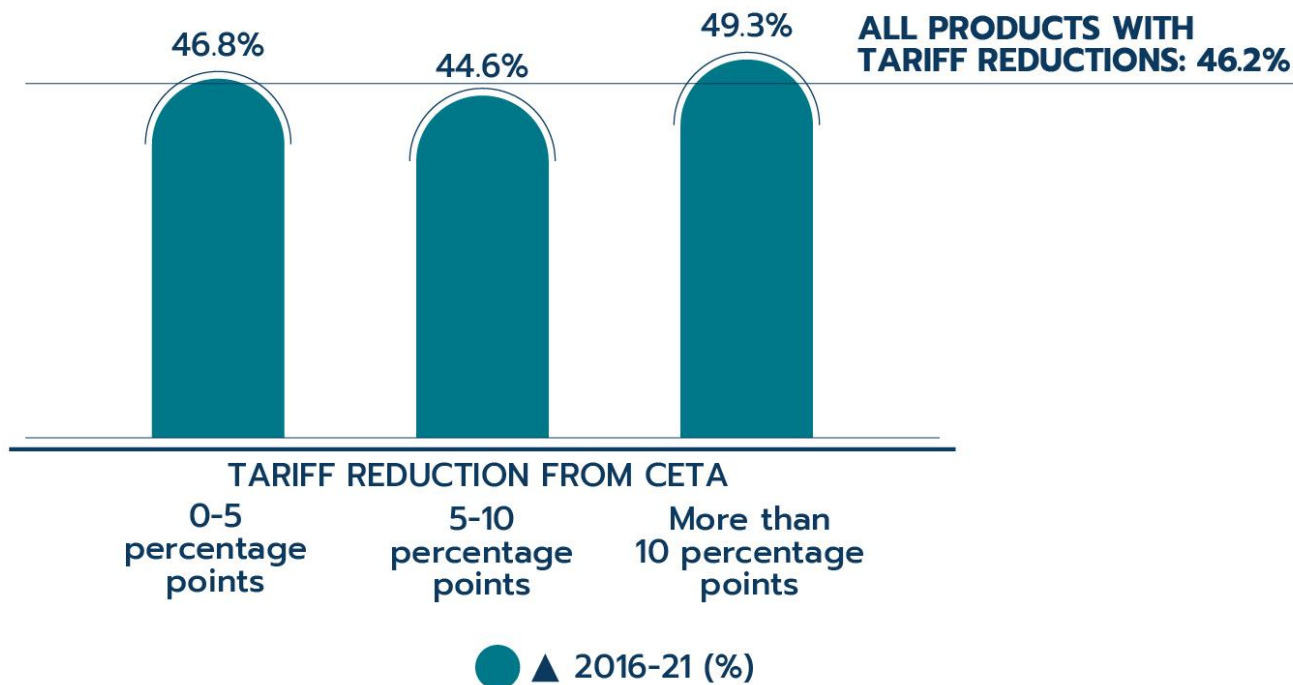
Growth in Canadian merchandise exports to the EU  
by preference margin, 2016 - 2021





## DUTIABLE PRODUCTS IMPORTED FROM THE EU HAVE POSTED SIGNIFICANT WIDESPREAD INCREASES

Growth in Canadian merchandise imports from the EU  
by preference margin, 2016 - 2021

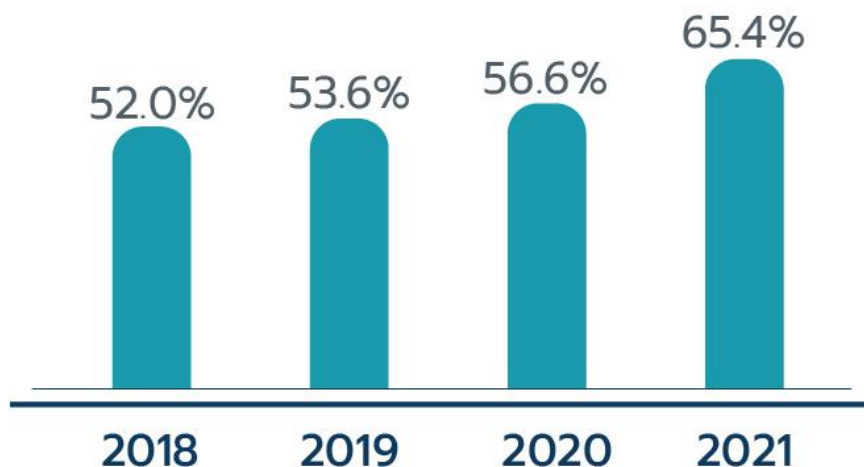






## MORE CANADIAN EXPORTERS ARE USING CETA PREFERENCES EVERY YEAR

### Utilization rates of CETA preferences in Canadian exports to the EU, 2018-2021



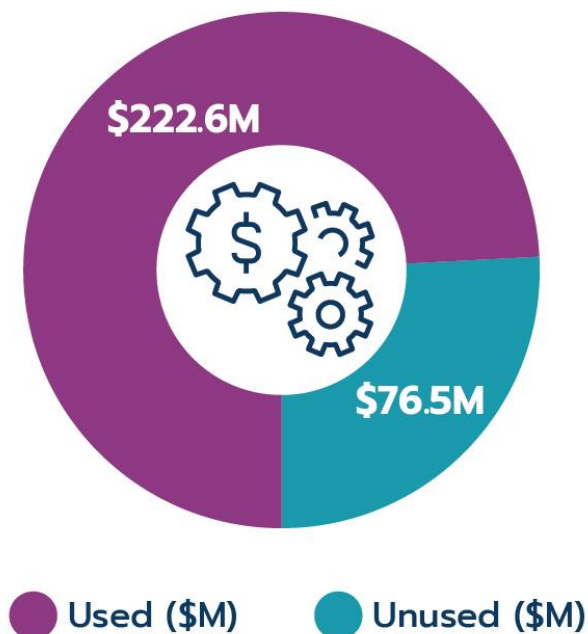
Countries with highest utilization rates for Canadian exporters:

- Greece (95.2%) 
- Denmark (87.5%) 
- The Netherlands (84.7%) 

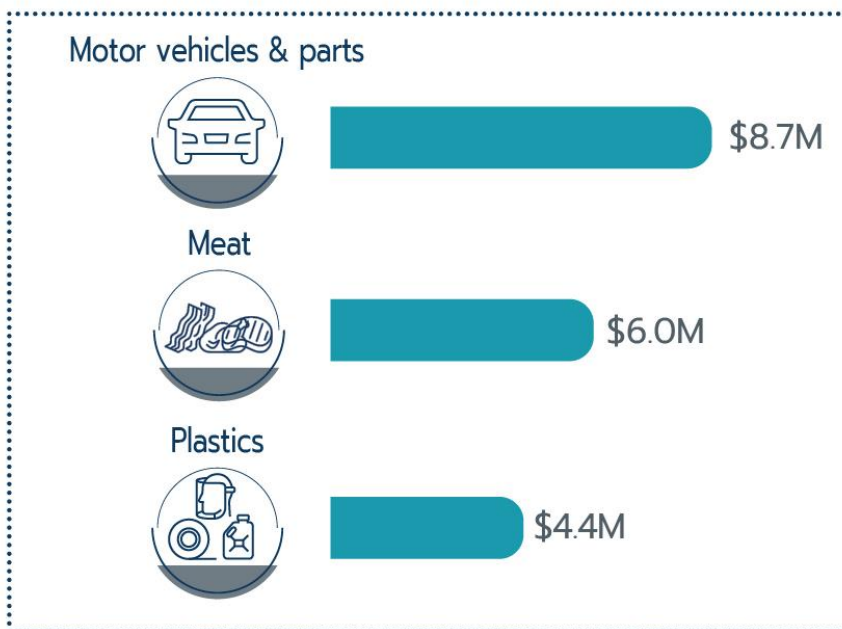


## CETA ALLOWED FOR CANADIAN EXPORTS TO LOWER THE PRICES OF THE PRODUCTS FOR EU CONSUMERS

### Tariff savings for Canadian exports to the EU, 2021



#### Canada exports to EU: Most unused preferences

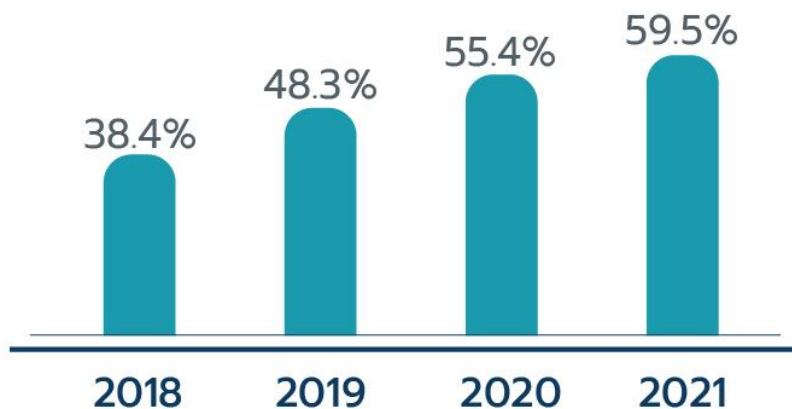






## THE USE OF CETA PREFERENCES BY EUROPEAN FIRMS HAS JUMPED SUBSTANTIALLY

### Utilization rates of CETA preferences in Canadian imports from the EU, 2018-2021



EU exporters with the highest utilization rates :



Cyprus (99.3%)



Croatia (86.5%)



Sweden (81.3%)

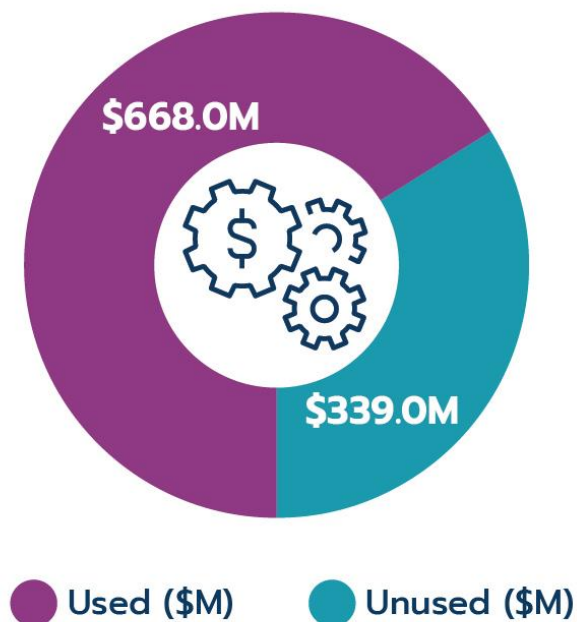
Data: Statistics Canada.

Source: Office of the Chief Economist, Global Affairs Canada.

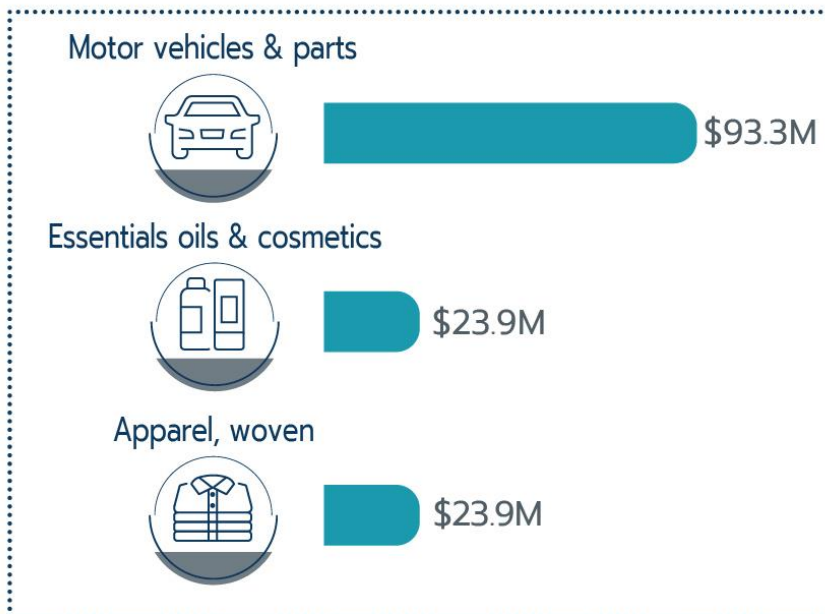


## EU FIRMS WERE ALSO ABLE TO BENEFIT FROM LOWER PRICES FOR PRODUCTS SOLD TO CANADA

### Tariff savings for Canadian imports from the EU, 2021



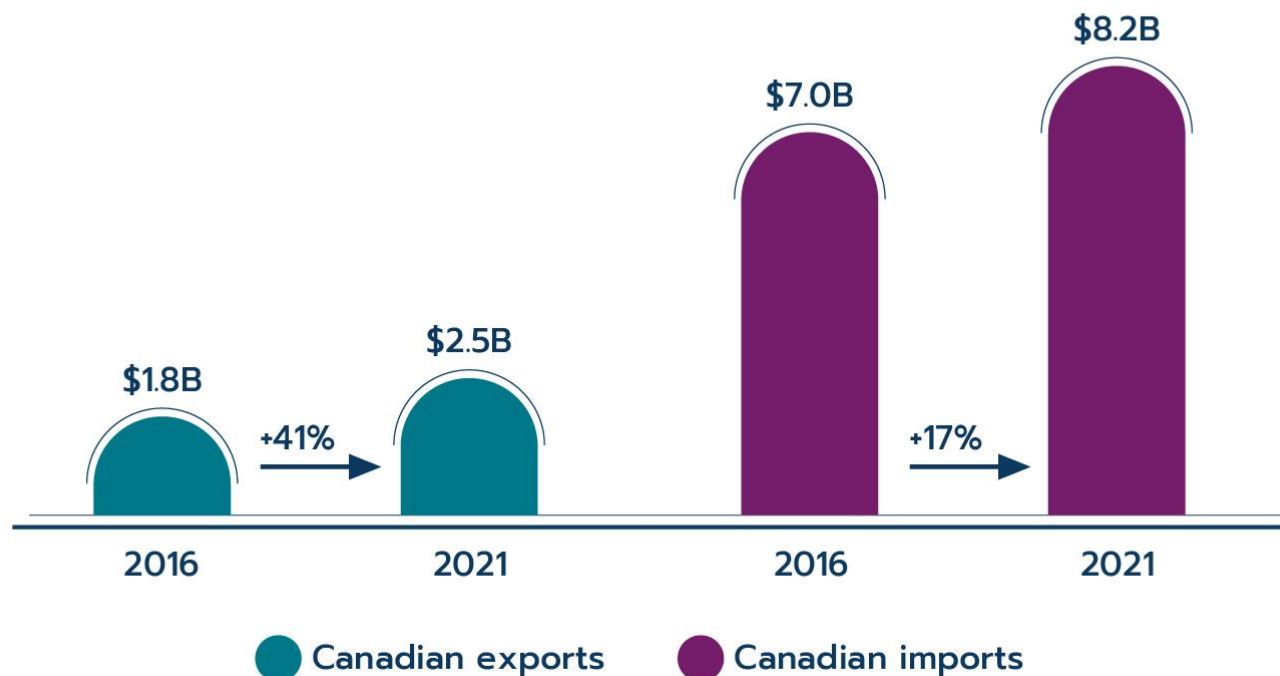
#### Canada imports from EU: Most unused preferences





## TRADE IN ENVIRONMENTAL GOODS BETWEEN CANADA AND THE EU IS EXPANDING

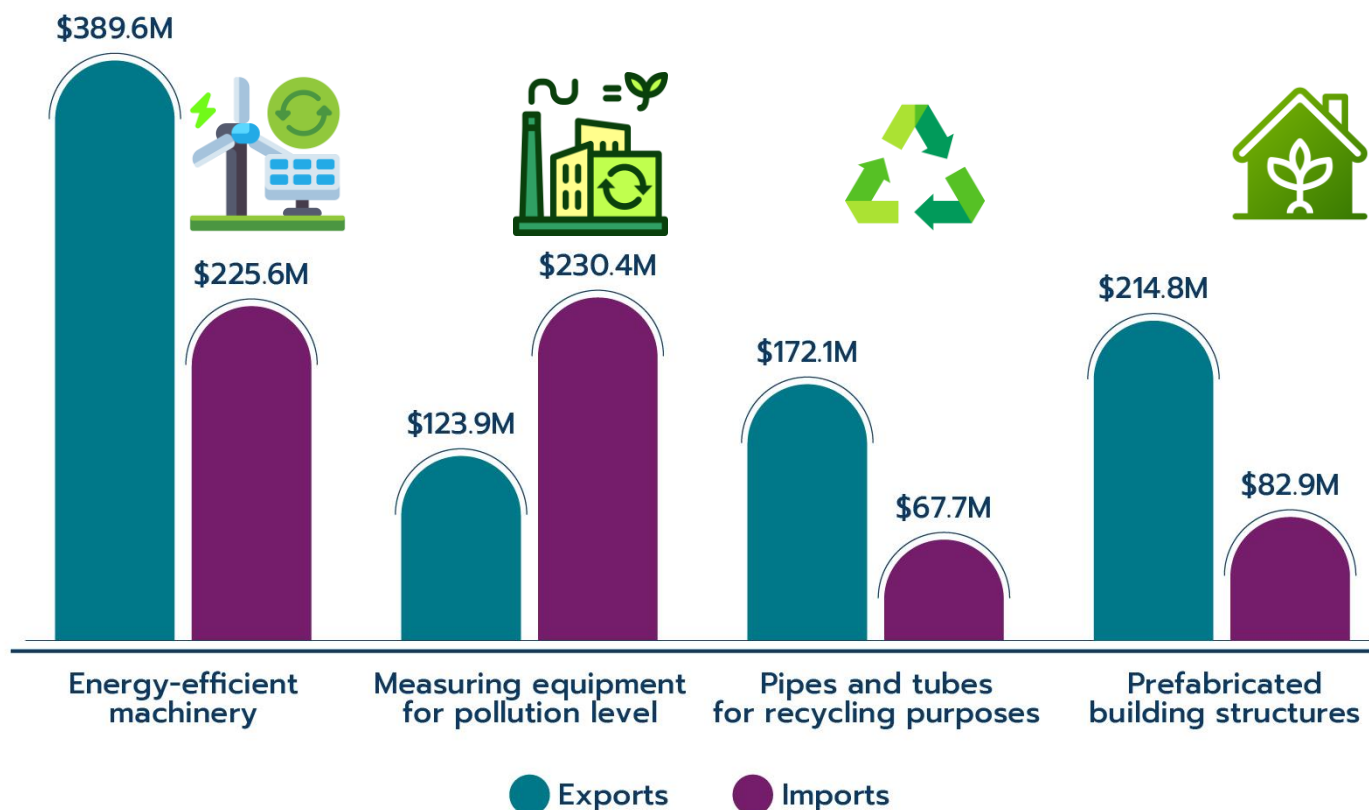
### Trade in environmental goods, 2016-2021





## CANADIAN EXPORTS OF ENERGY-EFFICIENT MACHINERY TO THE EU HAS GROWN SIGNIFICANTLY

Growth in environmental goods trade between Canada and the EU, 2016-2021





## CONCLUSION

- Trade between Canada and the EU has seen impressive growth since the provisional implementation of CETA.
- Trade growth was broad-based among products and countries.
- Exports of products that received tariff reductions from CETA grew 24.6 percent between 2016 and 2021.
- The utilization of CETA preferences showed a notable improvement in both trade directions in 2021.
- CETA supports efforts by Canadian and EU member states to fight climate change, leading to a 21.8 percent increase in bilateral trade in environmental goods since CETA.



## CANADA'S STATE OF TRADE



Part 1 – 2021 in review

Part 2 – Benefits of Free Trade Agreements

