



# Measuring Canada-EU Trade Performance Under CETA

Edouard Bourcieu

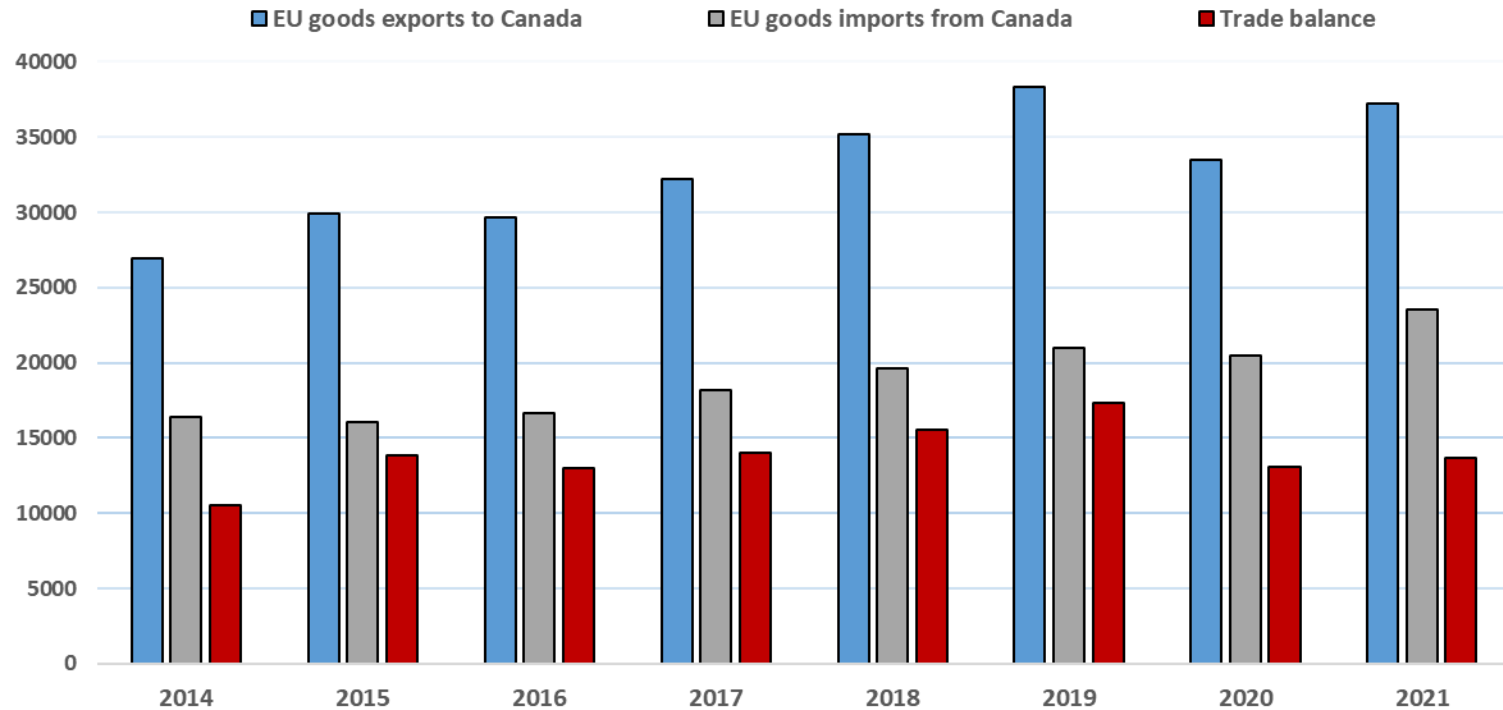
Chief Economist, DG TRADE, European Commission

21 September 2022

# Contents

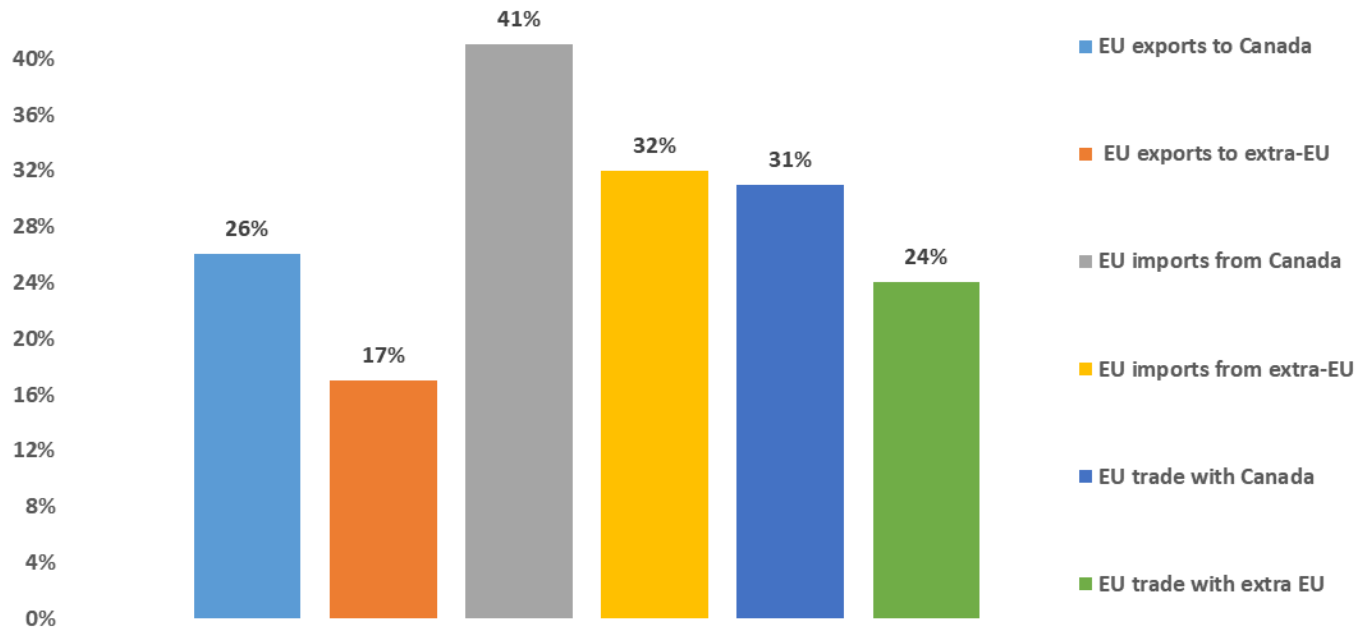
- Trade in goods
- Trade in services
- Environmental goods
- Evolution of the number of value of exporting SMEs
- Employment content of EU exports to Canada
- Preferences utilisation
- Use of Tariff Rate Quotas
- Examples

## Bilateral merchandise trade



Source: Eurostat

## EU-Canada and extra-EU goods trade 2016-2021



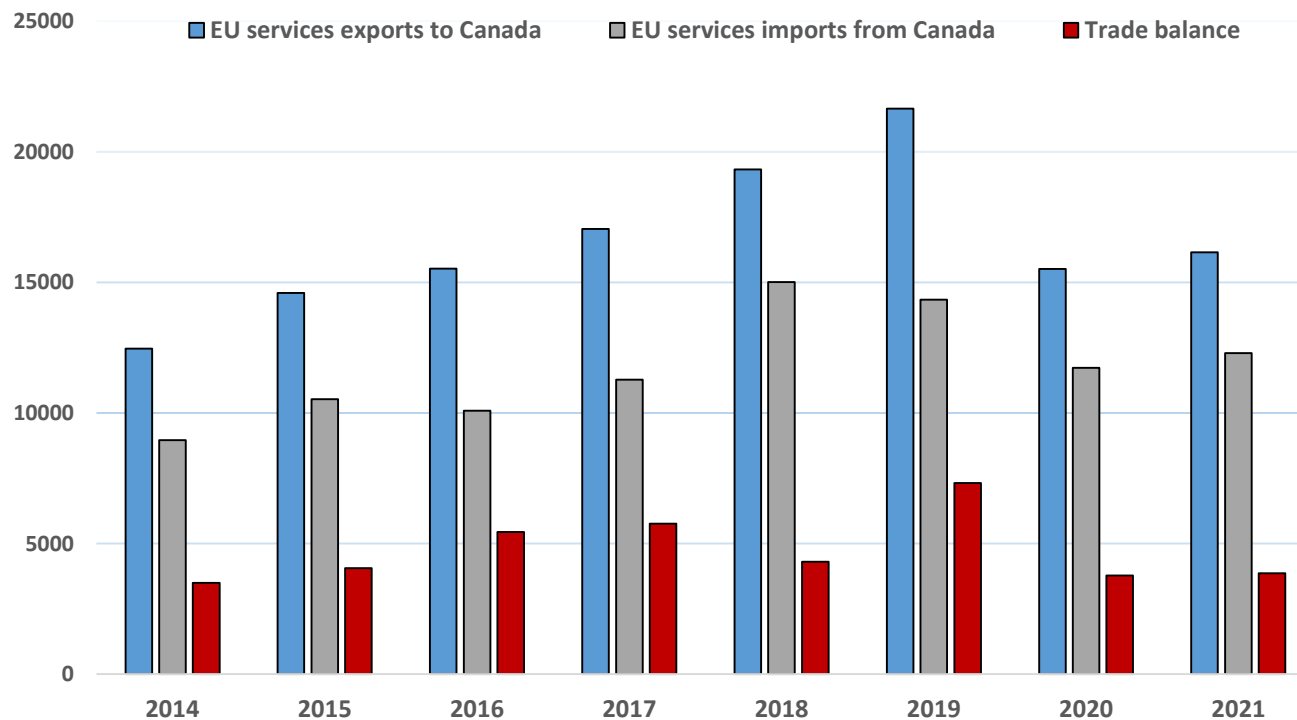
Source: Eurostat, own calculations

## Bilateral merchandise trade at HS Section level

HS section	EU imports from Canada			EU exports to Canada		
	2016	2021	Change	2016	2021	Change
XIV Pearls, precious metals and articles thereof	1,052	1,858	77%	140	478	241%
XIX Arms and ammunition	12	18	50%	26	52	97%
I Live animals; animal products	277	391	41%	312	601	93%
XV Base metals and articles thereof	720	1,750	143%	1,612	2,678	66%
VI Products of the chemical or allied industries	1,917	2,699	41%	5,192	7,514	45%
VII Plastics, rubber and articles thereof	252	313	24%	777	1,109	43%
II Vegetable products	1,536	2,192	43%	353	495	40%
IV Foodstuffs, beverages, tobacco	365	580	59%	2,096	2,888	38%
XX Miscellaneous manufactured articles	112	119	7%	585	793	35%
XIII Articles of stone, glass and ceramics	38	39	2%	443	586	32%
XI Textiles and textile articles	127	138	9%	693	904	30%
XII Footwear, hats and other headgear	8	13	72%	254	322	27%
XXI Works of art and antiques	33	27	-17%	23	29	26%
XVIII Optical and photographic instruments, etc.	642	874	36%	1,227	1,528	24%
IX Wood, charcoal and cork and articles thereof	161	159	-1%	208	252	21%
XVI Machinery and appliances	2,936	2,793	-5%	7,089	8,388	18%
X Pulp of wood, paper and paperboard	354	281	-21%	341	402	18%
V Mineral products	2,749	6,399	133%	1,742	1,951	12%
III Animal or vegetable fats and oils	29	14	-52%	150	164	10%
XVII Transport equipment	2,812	2,511	-11%	5,213	5,277	1%
VIII Raw hides and skins, and saddlery	62	28	-55%	329	242	-27%
Other	488	372	-24%	834	600	-28%
<b>Total goods trade</b>	<b>16,682</b>	<b>23,568</b>	<b>41%</b>	<b>29,641</b>	<b>37,252</b>	<b>26%</b>

Source: Eurostat, own calculations

## Bilateral services trade (Mio EUR)



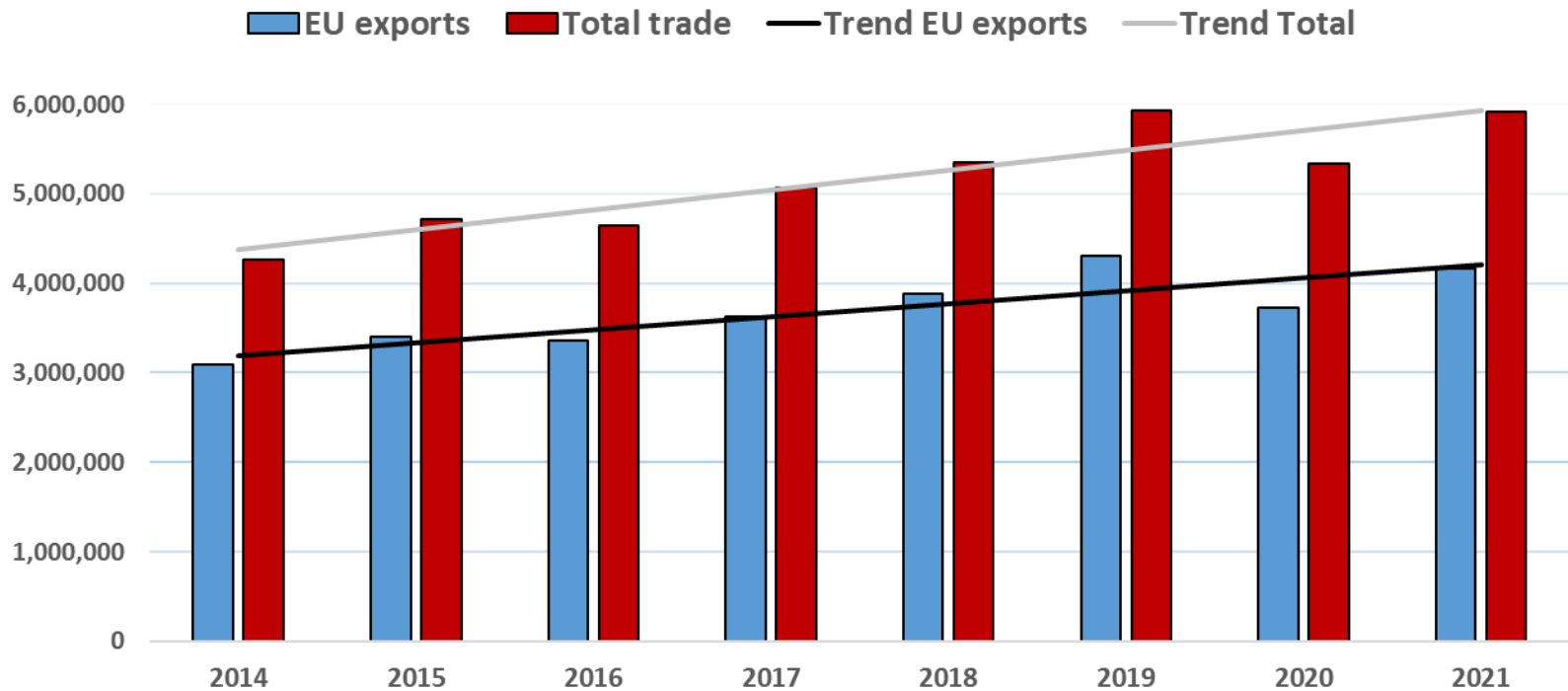
Source: Eurostat

## Bilateral services trade by main categories

Services	EU imports from Canada			EU exports to Canada		
	2016	2021	Change	2016	2021	Change
Manufacturing services on physical inputs owned by others	10,091	12,292	2,201	80	136	56
Maintenance and repair services n.i.e.	108	622	515	778	537	-241
Transport	476	496	20	3,274	3,714	440
Travel	2,397	3,091	694	3,718	1,158	-2,561
Construction	2,168	966	-1,202	205	179	-26
Insurance and pension services	52	32	-20	174	94	-80
Financial services	144	153	9	831	911	80
Charges for the use of intellectual property n.i.e.	276	341	65	1,222	1,297	75
Telecommunications, computer, and information services	239	751	511	1,600	2,240	640
Other business services	833	1,623	790	2,819	3,543	724
Personal, cultural, and recreational services	2,784	3,801	1,017	136	1,177	1,041
Government goods and services n.i.e.	574	344	-230	42	35	-7
Services not allocated	40	52	12	651	1,131	481
<b>Total Services</b>	<b>20,181</b>	<b>24,564</b>	<b>22%</b>	<b>15,529</b>	<b>16,153</b>	<b>4%</b>

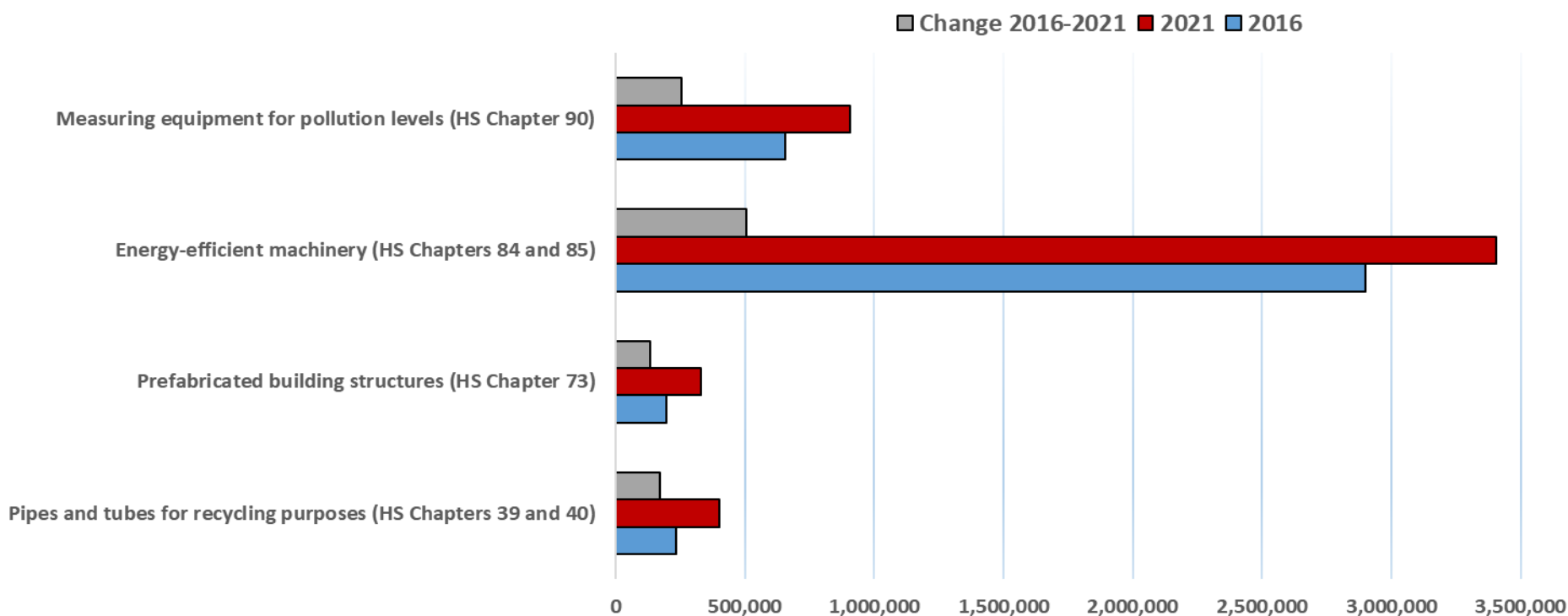
Source: Eurostat

## Environmental goods trade



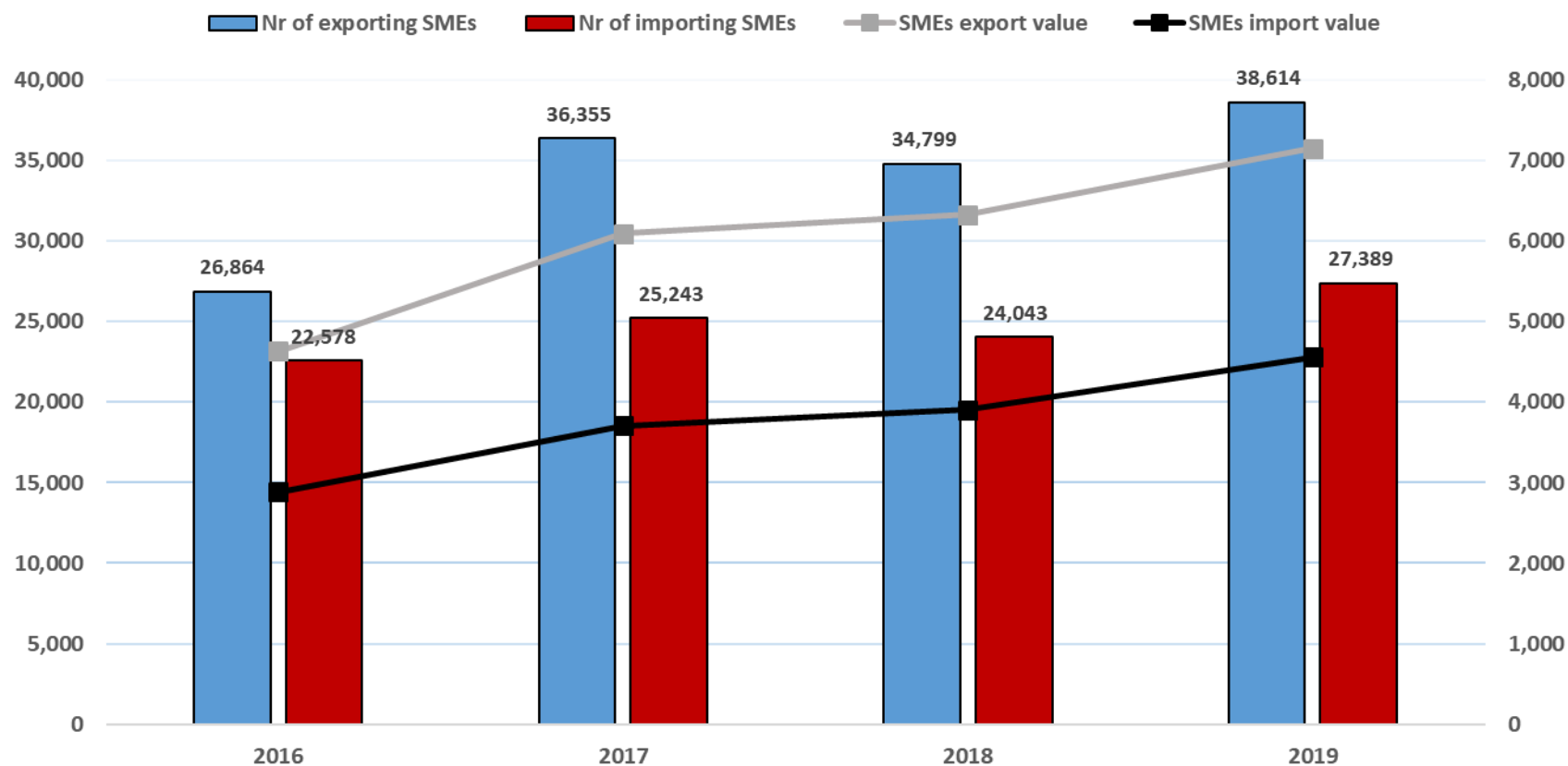
Source: Eurostat

## Environmental goods trade by type (EUR 1000)



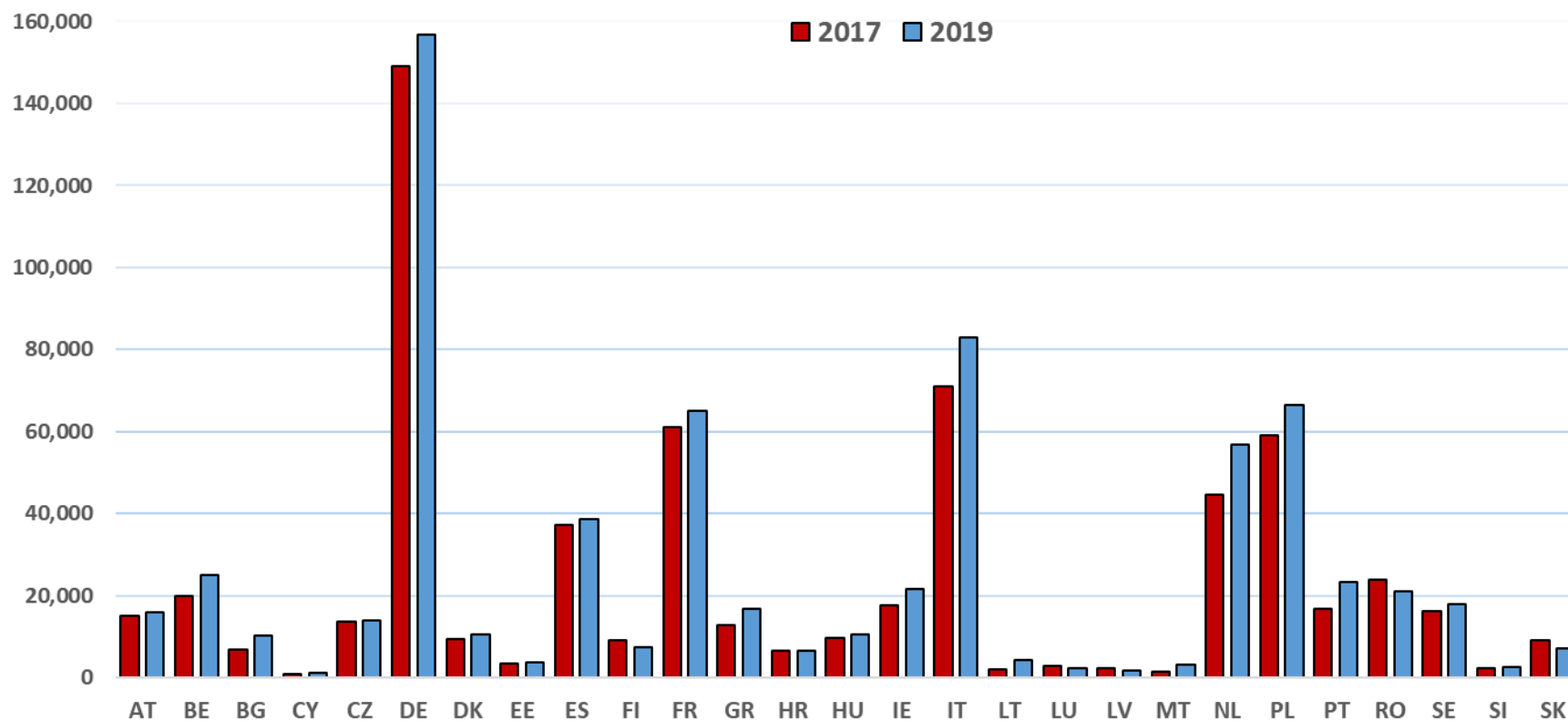
Source: Eurostat, own calculations

## Evolution of the number and value (Mio EUR) of importing and exporting SMEs



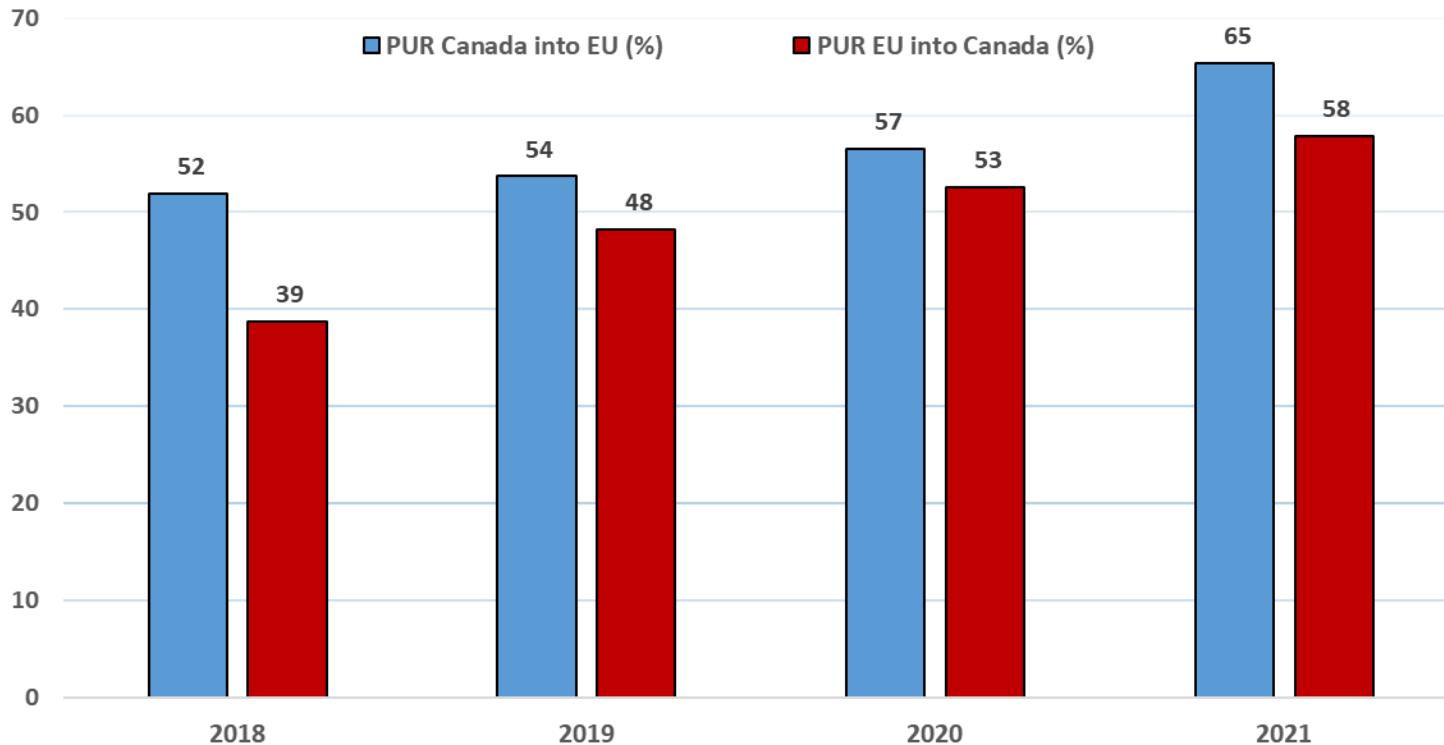
Source: Eurostat, TEC dataset, own calculations

## Employment content of EU exports to Canada



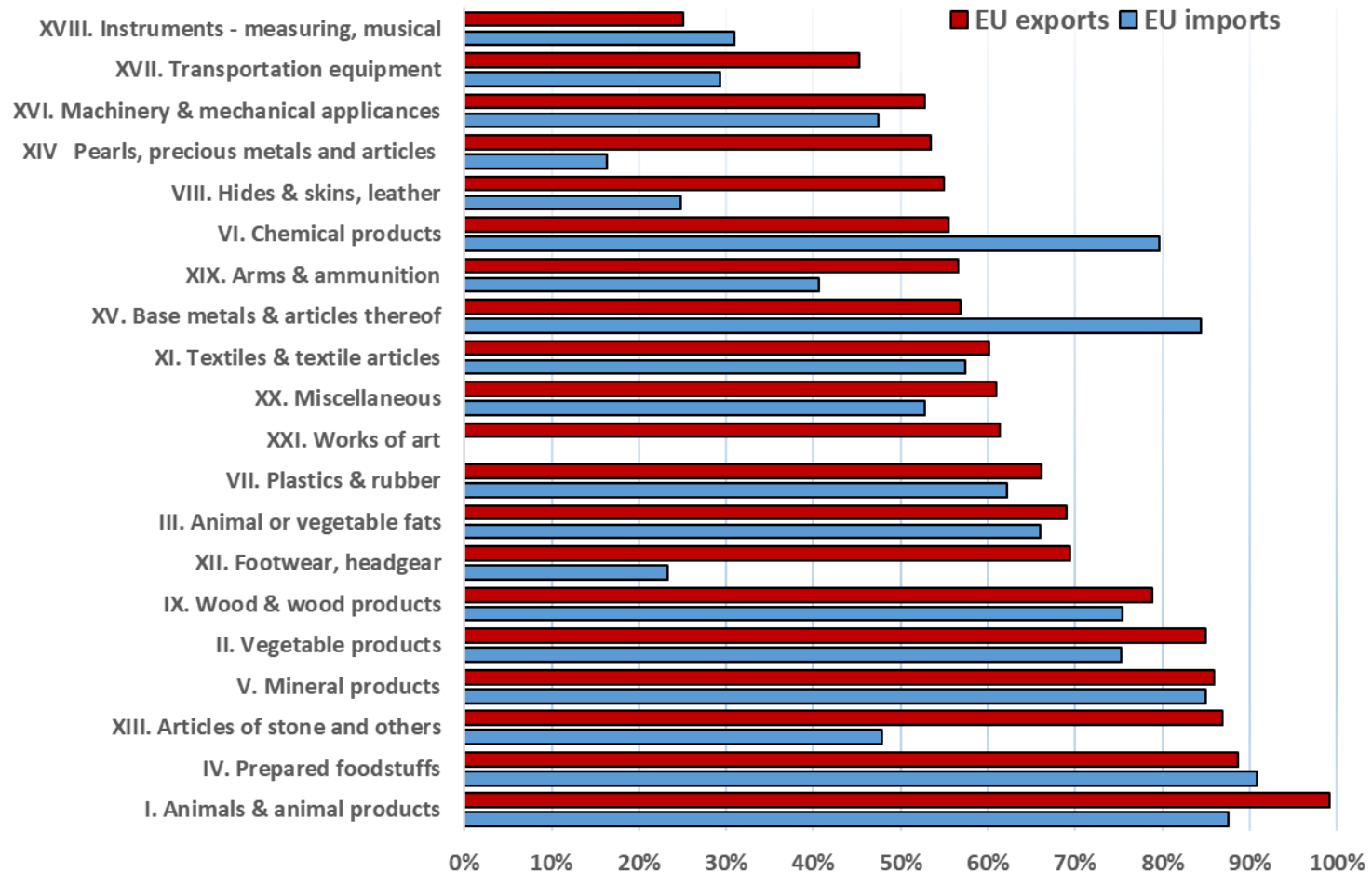
Source: Based on Rueda-Cantuche, Piñero and Kutlina-Dimitrova (2021)

## CETA preference utilisation rates



*Source: TRADE calculations based on data from national customs administrations and MADB tariffs*

## Preference utilisation rates per HS section



Source: TRADE calculations based on data from national customs administrations and MADB tariffs

## CETA Utilisation rate of TRQs

Sector	TRQ description	TRQ Qty in 2021	Utilisation in TRQ period ending in:			
			2018	2019	2020	2021
EU to Canda						
Beef	Beef & veal	29,860	3%	3%	4%	3%
Beef	Bison meat	3,000	5%	3%	2%	3%
Beef	Beef (Frozen)	12,500	0%	0%	0%	0%
Pigmeat	Pigmeat	68,048	0%	0%	0%	0%
Canada to the EU						
Dairy	Cheese	13,333	99%	98%	96%	98%
Dairy	Industrial cheese	1,417	71%	78%	77%	93%

Source: European Commission (2021)

## CETA evolution of market shares of selected products (1)

Product	2014-2017	2018-2021	Change	Import shares 2014-2017	Import shares 2018-2021
Bovine meat (frozen, boneless)	0,8	26	25	0%	12%
Cheese	102	165	63	57%	68%
Chocolate and other preparations containing cocoa	98	122	24	21%	24%
Bread, pastry, cakes, biscuits and others	37	67	30	4%	6%

## CETA evolution of market shares of selected products (2)

Product	2014-2017	2018-2021	Change	Import shares 2014-2017	Import shares 2018-2021
Sparkling wine	108	148	40	91%	93%
Wine	688	804	116	50%	53%
Motor vehicles for the transport of goods	23	51	28	3%	5%
Aeroplanes and other powered aircraft of an unladen weight > 2.000 kg but <= 15.000 kg	63	87	24	20%	26%
Aeroplanes and other powered aircraft of an of an unladen weight > 15.000 kg	195	463	268	8%	24%

## Key messages

- Merchandise trade under CETA outperformed extra-EU trade.
- Environmental goods trade with Canada is expanding with “energy efficient machinery” augmenting the most followed by “measuring equipment for pollution levels”.
- The number of EU exporting MSMEs increased by 44% and the number of importing MSMEs by 21%.
- The value of the products exported and imported by MSMEs augmented by 54% and by 58% respectively.
- The number of jobs supported by EU exports to Canada rose by 11% from 624 to 694 thousand.

**Thank you for your attention!**