

The EU-Canada Comprehensive Economic and Trade Agreement (CETA)

Opening up a wealth of opportunities
for people in Bulgaria



CETA will benefit people across Bulgaria

It'll do so by:



Scrapping **customs tariffs** for Bulgarian exporters and importers



Creating new opportunities for Bulgarian **farmers** and **agri-food** producers



Opening up the Canadian **services** market to Bulgarian firms



Enabling Bulgarian firms to bid for more **public contracts** in Canada



Protecting Bulgaria's **research and creativity**



Making it easier for Bulgarian **professionals** to work in Canada



Encouraging more **investment** between Bulgaria and Canada



Helping Bulgaria's **small businesses** export more to Canada

Bulgaria's economy is open to trade

Over 563,000 Bulgarian jobs – almost one in five –
rely on exports outside Europe

**And Bulgaria and Canada already have a close
trading and investment relationship**

11th

When it comes to services, Canada is
Bulgaria's 11th biggest trade partner outside the EU

€35 m

The value of Bulgaria's trade surplus
in goods and services with Canada

€82 m

The value of Bulgarian exports to Canada

€47 m

The value of Bulgarian imports from Canada



Scrapping customs tariffs on Bulgarian exports of goods

Bulgarian goods exports to Canada: €50 m (2015)

CETA will bring big **savings on customs duties** by eliminating duties on 99% of all tariff lines, of which 98% will already be scrapped at entry into force.

Bulgaria will **benefit from tariffs being removed on virtually all of its exports**, in particular:

- **Machinery and electrical equipment**

Bulgarian exports to Canada: €11.4 m (2015)

Machinery and electrical equipment face low average tariffs but some products face tariff peaks of 9%.

Apart from savings on customs duties, CETA will enable Bulgarian companies to do away with costs of double testing thanks to the provisions on **recognition of conformity assessment certificates** in sectors such as:

- machinery
- electrical goods
- electronic equipment

These sectors will also benefit from CETA's provisions on public procurement and movement of professionals (*see below*).

- **Optical instruments and medical instruments**

Bulgarian exports to Canada: €2.9 m (2015)

Canadian tariffs are up to 8.5%.

- **Chemicals**

Bulgarian exports to Canada: €2 m (2015)

Tariffs are in general low with a peak of 6.5%.

- **Pharmaceuticals**

Bulgarian exports to Canada: €1.9 m (2015)

The pharmaceutical industry faces very low tariffs but will particularly benefit from CETA's intellectual property provisions (*see below*).

The protocol on mutual recognition of **Good Manufacturing Practices (GMP)** will make it easier to trade in this sector, by allowing one party's authorities to accept GMP compliance certificates issued by the other party.



Creating new opportunities for Bulgarian farmers and agri-food producers

CETA also offers **big opportunities for Bulgarian farmers and the agri-food industry**. Canada agreed to eliminate duties for 90.9% of all its agricultural tariff lines when CETA enters into force.

Bulgarian agricultural and food exports to Canada that will see benefits include:

- **Cakes and biscuits**

Bulgarian exports to Canada: €2.2 m (2015)

Canadian tariffs are up to 15%.

- **Cheese**

Bulgarian exports to Canada: €1.2 m (2015)

EU cheese exports to Canada are limited by the EU's portion of an existing World Trade Organization duty free quota; outside this quota, exports face prohibitive tariffs of on average 227% which makes them uncompetitive.

CETA offers two new annual duty free quotas, or permanent Tariff Rate Quotas, for EU cheese:

- 16,800 tons of high-quality cheese (16,000 tons in CETA, and 800 tons that will be added to the EU portion of the existing World Trade Organization quota thanks to CETA)
- 1,700 tons of industrial cheese

These quantities will be phased in progressively over a period of 5 years.

The EU will also open its market to Canadian agricultural products. This will **give consumers more choice**.

For sensitive products such as **beef and pork**, CETA limits liberalisation to **duty-free quotas**. Above these agreed quotas, the EU's high tariffs continue to apply.

CETA excludes certain sensitive products like **poultry and eggs** from any tariff cuts.

The EU will still be able to use its traditional tools to protect EU farmers, including the entry price system for fruits and vegetables which prevents imports from undercutting EU seasonal products. This is of particular relevance for Bulgarian fruit and vegetable producers.

All Canadian exports **will also need to comply with the EU's food safety standards**, including:

- EU legislation on Genetically Modified Organisms
- EU legislation on the use of hormones and antibiotics in food production
- providing proof of such compliance wherever this is required by EU legislation.



Opening up the Canadian services market to Bulgarian firms

Bulgarian services exports to Canada:
€32 m (2015)

Canada is Bulgaria's 11th largest market for services exports outside the EU.

Bulgaria's main services export to Canada is telecommunications.

Bulgarian services imports from Canada:
€19 m (2015)

CETA will improve and secure Bulgarian companies' access to the Canadian services market.

For example in the professional services sector, Canada has removed a number of limitations on citizenship and residency conditions for Bulgarian professionals to practice in Canada, who are:

- lawyers
- accountants
- architects
- engineers

CETA also brings legal certainty for EU services exporters: Canada has locked in its current level of openness towards EU companies, for example in:

- financial services
- telecoms
- postal and courier services



Enabling Bulgarian firms to bid for more public contracts in Canada

With CETA, **Bulgarian companies will get access to Canada's large public procurement market.**

Bulgarian companies will have the opportunity to bid to supply goods and services for tenders at all levels of government in Canada (federal, provincial and municipal).

Canada has also agreed to make the tendering process more transparent by publishing its federal and provincial public tenders on a single procurement website.

Canada's government procurement commitments in CETA are **the most ambitious Canada has ever granted.**



Protecting Bulgaria's research and creativity

CETA gives Bulgarian innovations, copyrights and trademarks a **similar level of protection** in Canada to that they enjoy in Europe.

In particular, Canada will **bring its copyright protection in line with international standards**.

This is important because it will protect the intellectual property of EU's creative industries (artworks, publications, music and software), including its dissemination through online distribution channels.

CETA also covers **intellectual property rights for pharmaceuticals**. The agreement includes:

- the possibility of **up to two years of additional patent protection to compensate for undue delays** in granting the marketing authorisation that reduce the useful life of the patent
- a commitment to ensure that all litigants have an **effective right of appeal** under Canada's patent linkage regime (the link between the marketing authorisation for a generic drug and the patent status of the originator drug)
- a commitment to maintain Canada's current practice of offering eight years of data protection.



Making it easier for Bulgarian professionals to work in Canada

CETA includes provisions to make it easier for Bulgarian professionals to work in Canada (and vice versa) and to have their qualifications recognised. This is a big plus for companies that:

- provide services such as after sales services for exported machines or information and communication technologies software
- make complex products that require after sales services, such as installation or maintenance of machinery

This can be particularly beneficial for smaller and medium-sized firms, as they may not be able to provide permanent staff on the ground to directly supply the service.

CETA establishes legal certainty and significantly **improves mobility for services suppliers** because it:

- makes it easier to transfer key personnel across the Atlantic
- allows companies to send staff for after sales services for machinery, software and equipment
- creates a framework for the recognition of professional qualifications for regulated sectors like architects and accountants



Encouraging investment between Bulgaria and Canada

Canadian Foreign Direct Investment in
Bulgaria: **€25 m** (2015)

Bulgarian Foreign Direct Investment in
Canada: **€5 m** (2015)

Bulgaria does not have a bilateral
investment treaty with Canada.

This makes the investment protection and
the dispute settlement provisions in CETA

all the more relevant to Bulgarian investors
in Canada and Canadian investors in
Bulgaria.

Once CETA enters into force definitively,
these provisions **will provide Bulgarian
and Canadian investors with greater
predictability, transparency, and
protection** for their investments in Canada
and in Bulgaria respectively



Helping Bulgaria's small businesses export more to Canada

**Bulgarian small businesses are very
export oriented and make up 86% of the
total number of Bulgarian exporters.**

They will be able to take full advantage of
CETA.

Reduced trade barriers, tariff elimination,
simplified customs procedures and more
compatible technical requirements all
make it easier and cheaper to export. This
allows smaller firms to:

- compete more easily with large
companies
- sell the same product (or with fewer
modifications) into both markets

- participate more in supply chains and
e-commerce

Specific provisions reinforce the CETA
benefits for small companies, such as:

- taking into account their needs in
electronic commerce
- improved access to information on
public procurement tenders
- the use of the Investment Court System

The Investment Court System provisions in
CETA allow for faster proceedings and
reduced costs for smaller firms that bring a
case.