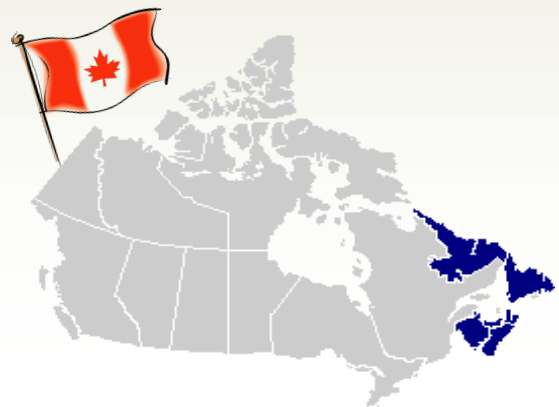


Publication of the Economic Information Observatory (EIO) for Regional Cooperation
between Atlantic Canada and Saint-Pierre and Miquelon, France



Comprehensive Economic and Trade Agreement Canada - European Union



Saint-Pierre and Miquelon : p. 1

Atlantic Canada : p. 5

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The Economic Information Observatory (EIO) for
Regional Cooperation between
Atlantic Canada and Saint Pierre and Miquelon

Intell-Écho : Thematic information bulletin

Are you looking for business opportunities in the region?
CACIMA and FCCC-AN can facilitate your exploration and partnership initiatives.
(see contact details on page 8)

Intell-Écho, vol. 1, no. 3, 2014
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In this issue :

For France, CETA is...	1
In the media	2
Saint Pierre and Miquelon and CETA	2
Upcoming events	3
Developments and prospects	3
Useful information	4

The Canada-European Union Free Trade Agreement For France, CETA is...

A treaty that may generate substantial economic benefits

Nicole BRICQ, France's Minister of Foreign Trade, believes that this agreement can be beneficial for French companies. It should allow :

- A decrease of tariffs that will represent a saving of about **EUR 227 million per year** for exporters of agri-food products (especially in the field of dairy products) and of industrial commodities
- A strengthening of investment flow thanks to the raising of the threshold of control of the Canadian authorities for foreign investment.
- Better protection for geographical indications, such as Le Comté or Le Roquefort .
- The relaxation of the monopolies on wines in Canada.

The Economic Information Observatory is a regional cooperation project established between Atlantic Canada and Saint-Pierre and Miquelon. The publication of this information bulletin is made possible through the sponsorship of the Atlantic Canada Opportunities Agency and its various programs supporting research initiatives, linguistic minorities and business development, and the Province of New Brunswick as well as the Université de Moncton, Shippagan Campus, and the Prefecture and Territorial Council of Saint-Pierre and Miquelon.

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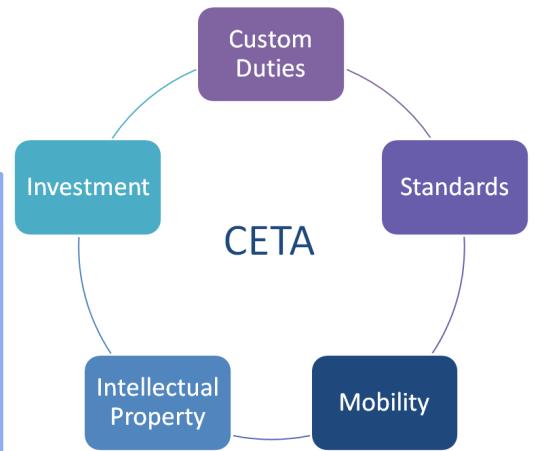
The Atlantic Canada market:

4 provinces : Prince Edward Island (PEI), New Brunswick (NB), Nova Scotia (NS), Newfoundland and Labrador (NL)

More than 2.3 million inhabitants

GDP (2012)

PEI : \$4.5 billion CDN	} \$89.3 billion CDN
NB : \$26.1 billion CDN	
NS : \$32.8 billion CDN	
NL : \$25.9 billion CDN	



A new generation treaty which goes beyond simple free trade

For example, Canadian provinces have **agreed to open their public tenders to European suppliers**. All the institutions have committed to opening their government procurement contracting on a bilateral basis. In this context, Canada will create a website for electronic procurement.

The agreement will remove or will also **mitigate barriers to investment** by improving legal security and predictability for businesses.

In short, Canada is a gateway to the North American continent for all project developers. The steps to start a business are simple, and the authorities leave much freedom in the definition of activities.

In the media...

"There are many promising sectors in Canada, which is positive for French companies that are skilled in many fields. **However, industry is a key sector of the Canadian economy which offers wide opportunities for French businesses, particularly in the aeronautics and automotive industries.** Canada is positioned as one of the leading countries in the world in aeronautics, with 60% of the Canadian activity in this sector being concentrated in Montreal."

Mr. Pierric BONNARD, Industry, Transportation and Infrastructure Director for North America, Ubifrance, CANADA
Opportunities of a mature and dynamic market, Senate Colloquium / Ubifrance, <http://www.senat.fr/>

"Canada is one of the most advanced economies in the world for European and Canadian businesses by improving access to markets for goods and services and by offering new opportunities for European investors. It will allow us to gain a foothold in the North American market and thus be a source of growth and employment in Europe."

José Manuel Barroso, President of the European Commission, October 18, 2013, <http://europa.eu/>

"If the agreement provides particularly for a broad liberalization of services, except in certain sectors such as health, education or broadcasting, what holds the attention of observers is the acceptance by the Canadian provinces of **finally opening their public tenders to European suppliers such as Alstom, Siemens, or EADS.** A principle of reciprocity, defended by the European negotiators, only restores balance since European government procurement contracts have long been open to Canadian groups, particularly in the field of transportation with Bombardier."

Prospects for good opportunities for French companies, when we know that the **most promising sectors in Canada are areas of activity where French companies have solid strengths and an excellent international reputation, include fields such as engineering, electricity, banks and insurance, the hotel and restaurant industry, but also the mining industry** which is booming in the provinces of Alberta and Saskatchewan. "

Rosie Adone Bordet, Director, RB and Associates, Europe / Canada : a timely free trade agreement, Economie Matin, February 18, 2014, <http://www.economiematin.fr/les-experts/item/8633-accord-libre-echange-europe-canada>

Saint-Pierre and Miquelon and CETA

As OCTs (Overseas Countries and Territories), Saint-Pierre and Miquelon is not fully included in this agreement, in particular because the archipelago has its own tax and customs system. However, as CETA involves many other aspects of bilateral trade, **it could give rise to many opportunities to strengthen economic links developed within the framework of regional cooperation.**



Services

The service sector could be a source of development of particular interest at the local level. In fact :

- it is an activity that is not affected or little affected by customs duties;
- Saint Pierre and Miquelon could take advantage of its geographic proximity to Canada and of its "dual culture".

The archipelago could, for example, offer training opportunities, recruitment services, business introduction, consulting etc. to companies wishing to conquer the Canadian and European markets.



Standardization

The harmonization of the systems of standards and the move towards a system of checks that is more synchronized with Europe should facilitate and streamline trade, beyond tariff barriers. This point is interesting for Saint-Pierre and Miquelon. In fact, many professionals in the archipelago are currently forced to obtain supplies in France because of the issue of differing standards.

Transitional exceptions

To take into account certain interests of the archipelago, **transitional periods have been planned for the following products:**

- **Frozen cod fillets, processed or preserved snow crab and processed or preserved mussels:** transitional period of 7 years
- **Processed lobster and scallops:** transitional period of 5 years
- **Frozen lobster:** transitional period of 3 years

During these periods, products originating in SPM continue to benefit from access to 0% customs duty in the European market.

Upcoming Events

Event	Organizer	Date	Location
Convention d'affaires Canada-France : investir, s'implanter, acquérir	French Chamber of Commerce in Canada	March 24-25, 2014	Montréal
Mission collective de prospection T.I.C.	CCI Paris	June 9-14, 2014	Montréal, Toronto, Québec, Vancouver
French Tech Tour Canada	Ubifrance	June 2-6, 2014	Toronto, Montréal
Pavillon France GLOBE 2014, salon de l'environnement	Ubifrance	March 26-28, 2014	Vancouver
Rencontres acheteurs GLOBE	CCI Essonne	March 25-28, 2014	Vancouver
Rencontres BtoB avec des grands comptes sur le SIAL 2014	Ubifrance	October 19-23, 2014	Paris
French Wine Connection 2014	Ubifrance	May 5-8, 2014	Vancouver
Rencontres industrielles et commerciales France-Québec	Ubifrance	March 24-26, 2014	Montréal, Vancouver
Journées pays Canada	CCI Paris	April 1 and June 19-20, 2014	Paris
Convention d'affaires internationale des industries aéronautique & spatiale	Bci Aerospace	December 2-4, 2014	Toulouse
SIAL 2014 (salon international de l'agroalimentaire)	SIAL Group	October 19-23, 2014	Paris
Journée pays Canada	CCI Auvergne	June 26, 2014	Clermont-Ferrand

Prospects for development linked to CETA



Canada is an attractive country which has major advantages for business: proximity to the United States, raw materials, healthy economy, openness to foreign investors. It is also a market that is very open to new products or new technologies. Canada, the EU and particularly France already have a very dynamic bilateral trade which will be facilitated by CETA.

Some statistics



France is the **6th** largest exporter and importer in the world

Sales of French subsidiaries operating in Canada EUR 18 billion

Canada is the **12th** largest exporter and importer in the world

French export to Canada: **Eur 2,9 billion**

Largest supplier of wine and water

3^e fournisseur :
- Aircraft
- Books and newspaper
- Cheese

2nd largest supplier :
- Air navigation equipment and air launch systems
- Perfume and beauty products

La France is also the **3rd** world partner and the **2nd** largest European partner in **SERVICES** to Canada

10 000 french companies export to Canada. **75% are SMEs.**

Estimated spinoff



Increase of **20%** in bilateral Franco-Canadian trade, more than **EUR 2 billion**



Increase of **EUR 11.6 billion** in the European GDP, which includes :

EUR 5.8 billion due to the liberalization in the service sector

EUR 2.9 billion due to the removal of customs barriers



The aviation industry

Aeronautics is an activity that is already well-established on the two continents and business momentum in this field is already high between countries like France and Canada. This agreement should build on this momentum and allow cooperation in certain areas to move forward still further, **particularly through the removal of tariffs**. In addition, some major defense and security programs could constitute major contracts for French companies (the modernization of the Canadian army should mobilize \$100 billion CDN in the next 30 years).



The agri-foods industry

Thanks to European expertise, **to the removal of quotas as well as the recognition of geographical indications**, many local products should find new opportunities in the Canadian market. Wine, cheese, gourmet foods, frozen foods, organic products or certain high quality deli meats will have a part to play.



Civil engineering

With the **opening of public procurement contracts**, French companies will be able to have access to a wide range of tenders. Indeed, Canada is a very dynamic country in terms of public works and land management. The provinces and the federal government routinely use public-private financing partnerships for the construction and management of their major infrastructures.

Useful information

Mobility and recognition of qualifications

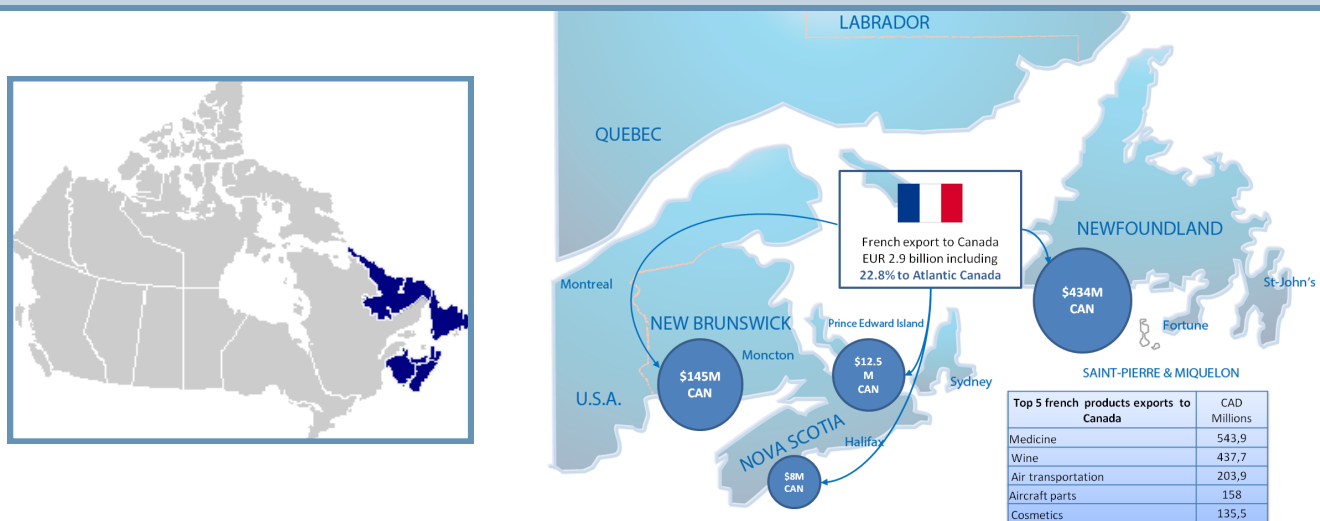
The agreement provides for a procedure that can be applied to all professional bodies and all regulated professions (architect, engineer, chartered accountant ...). In addition, the agreement will facilitate the temporary movement of a company's personnel.

Final ratification

CETA must be written in legal language and translated into the official languages of the 28 member countries of the European Union. On the Canadian side, it must be validated by the various provinces. Technical discussions on various points, such as rules of origin, protection of public services, investments or health regulations still remain to be conducted. As a result, **ratification is not expected before 2015**.

Canada-France, a strong partnership

Formalized in 2008, under the **Canada-France Joint Action Plan**, the partnership is renewed every two years. It is based on three objectives: strengthen cooperation on competitiveness, innovation and science and technology; support Canadian and French companies in terms of business development, and **assist and inform companies after the signing of the Comprehensive Economic and Trade Agreement (CETA)**



Links and contacts of potential interest

Doing business in our region:

CACIMA : jeannette.boiret@cacima.fr

French Chamber of Commerce in Canada : <http://www.cfcra.ca/>

UCCIFE : <http://www.uccife.org>

Principal sources of information utilized in this bulletin :

<http://www.canadainternational.gc.ca/> ; <http://europa.eu/> ; <http://trade.ec.europa.eu/> ; <http://www.commerce-exterieur.gouv.fr/>

Revue Accomex, 2013, n°108-109, Canada Dynamisme et diversité d'un marché qui ne connaît pas la crise, CCI Paris Île-de-France.



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If you are seeking business opportunities in this region,
CACIMA and FCCC-AN
can facilitate your business
prospection process and help
with establishing new
partnerships



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Atlantic Canada – 4 provinces:
 Prince Edward Island (PEI),
 New Brunswick (NB),
 Nova Scotia (NS),
 Newfoundland and Labrador (NL)

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In this issue:

Atlantic Canada-EU Trade	6
Atlantic Canada Industries and CETA	6
Development Outlook	7
Map: The EU	8

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Comprehensive Economic and Trade Agreement (CETA)

"With the newly announced Canada-European Union Comprehensive Economic and Trade Agreement, now more than ever our Government is committed to furthering bilateral trade opportunities for Atlantic Canadian entrepreneurs. Our close proximity to Saint-Pierre and Miquelon, which has great potential as a gateway into France and Europe, and the strength of our Francophone business community, are significant strategic advantages for companies in our region."

"This is not traditionally a market where New Brunswick has done much business due to the number of trade barriers on marine, farming and forest products. These barriers are now coming down and we are gaining access to this market, but it is also important to understand the market and adapt to its realities. The Economic Information Observatory can assist our companies in identifying the potential opportunities that exist in Europe."

Senator Paul McIntyre
 - Speech given at the Université de Moncton,
 Shippagan Campus

Honourable Paul Robichaud
 Deputy Premier of New Brunswick
 - L'Acadie Nouvelle

Highlights of CETA

- > Eliminates nearly all tariff lines between Canada and the EU
- > Promotes trade activities
- > Increases revenue for producers
- > European Union market:
 - 28 member countries
 - Annual GDP: \$17 billion
 - 500 million consumers
 - Import potential: 2.7 times that of the US market



Canadian industries set to benefit:

- fishing
- chemicals and plastics products
- metal products, minerals
- technology
- forestry, value-added wood products
- automotive
- advanced manufacturing
- agriculture and agri-food



CETA Timeline

- 2015** Agreement on final text. Ratification by the parties (CA provinces/territories, EU member countries)
- 2014** Drafting of text. Approval by negotiators of agreement terms
- 2013** Signing of agreement in principle between Canada and EU — CETA
- 2009** EU-Canada Summit in Prague. Start of negotiations toward a broader agreement
- 2008** Joint study: Evaluation of costs and benefits of a closer economic partnership between the EU and Canada. Issues covered:

Identification of the leading industrial sectors accounting for 80% of Canadian exports to the EU and 78.1% of European exports to Canada; identification of trade barriers; economic projection of the potential benefits of CETA: gains of €11.6 billion for Europe and €8.2 billion for Canada in 2014; 24.3% increase in European exports to Canada; 20.6% increase in Canadian exports to Europe

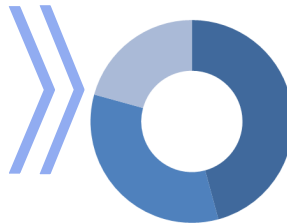
- 2004** Canada-EU Summit in Ottawa. Definition of framework for the Trade and Investment Enhancement Agreement (TIEA) between Canada and the EU. Issues covered: Access to markets; increased trade and investment; competition; mutual recognition of professional qualifications and credentials; financial services; e-trade; temporary entry of business persons; SMEs and micro-enterprises; sustainable development; pooling research results and technologies; co-operation and regulation between the two jurisdictions

Atlantic Canada – EU Trade (2013)



Sources of potential economic benefits under CETA

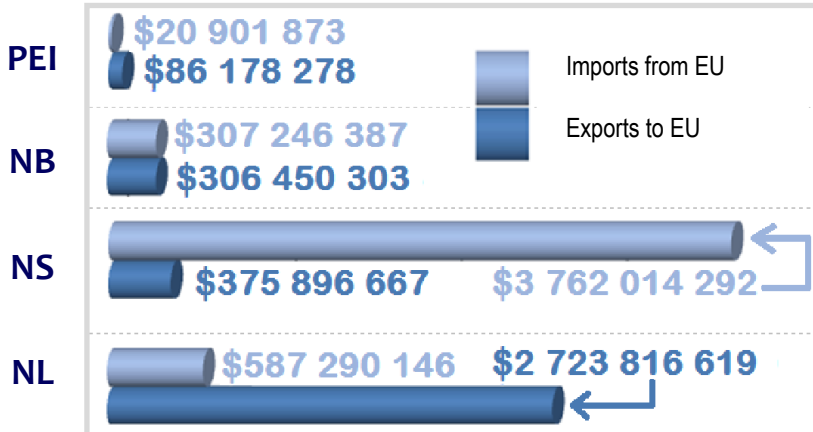
% calculated based on projected economic benefits arising directly from CETA, estimated at \$38 billion in total



■	Liberalization of services	46%
■	Elimination of tariffs	33%
■	Export of raw goods and materials	21%

Comparative table: Atlantic Canada – US trade

(2013)	Exports	Imports
PEI	632 268 231	6 826 516
NB	12 953 638 727	5 840 741 374
NS	3 000 826 920	564 257 104
NL	6 313 752 141	1 147 259 435
Total	22 900 486 019	7 559 084 429



Atlantic Canada Industries and CETA

Primary imports from EU to Atlantic Canada: **oil, gas and petroleum, automotive and aerospace products**

Primary exports from Atlantic Canada to EU: **mining products (iron, copper, zinc), ore, seafood products**

INDUSTRIAL GOODS:

- > 99.3% of tariff lines affecting industrial products to be eliminated when CETA comes into force
- > Complete elimination of customs duties on forest products, chemicals and plastics
- > Transition period for the automotive sector only: 3, 5 and 7 years until full elimination

SEAFOOD PRODUCTS:

- > Immediate elimination of customs duties currently set at between 5% and 20% on the following products: lobster, scallops, hake, shrimp, cod, herring, mackerel, halibut, crab, mussels, salmon, dogfish
- > Special derogations for products processed in Canada that use imported inputs

AGRICULTURAL PRODUCTS:

- > Elimination of 93.6% of agricultural tariff lines currently in effect including the 8% tariff on products such as maple syrup, potatoes and blueberries
- > Access to trade markets for livestock (beef, veal, pork, bison) and poultry
- > Protection of Canadian food brands (e.g. feta, brie, parmesan, Black Forest ham, walnuts [French: "noix de Grenoble"])

SERVICES AND INVESTMENTS:

- > Investment threshold increased to \$1.5 billion for European investors
- > Primary service export sectors of interest to Canada: R&D, mining, energy, technical testing and analysis, environment, computer and information technology, professional services
- > Exclusions for culture, education, health care and social services, Aboriginals and minorities

Development Outlook Based on CETA

Some of the industries with an interest in CETA:

- Cavendish Farms, PEI
- Lobster Council of Canada, NS
- Maple syrup and blueberry industries in NB
- Icewater Seafoods Inc., NL
- North Nova Seafoods Ltd., NS
- MacGregor's Custom Machining, NS

- ◆ Shipbuilding
- ◆ IT and gaming industry
- ◆ Language industry
- ◆ Composite materials
- ◆ Research and innovation
- ◆ Ocean resources
- ◆ Tourism and travel
- ◆ Air and marine transport

Other sectors of interest

Forestry

- Current 10% entry tariffs to be eliminated under CETA
- New mechanisms to facilitate bilateral dialogue on forestry products between Canada and the EU
- Greater role for Canada in establishing European measures affecting forestry
- Commitment to reducing the impact of European measures on Canadian forest product exports and maximizing access to the current EU market

Labour mobility

- First Canadian free-trade agreement to include provisions for mutual recognition of professional qualifications and licensing
- Framework provided for professional organizations to negotiate mutual recognition agreements
- Broader eligibility for temporary entry of professionals, business people, investors, workers

Public markets

- Maintenance of special exceptions for Canadian companies using grants; monopolies and state enterprises; industries operating below threshold values; national security or intellectual property
- Access to the European public market under the same conditions imposed on EU member countries



In the News

Manufacturing industry



"... We see the CETA announcement as positive, comprehensive, and substantial for our country and for our manufacturers. Here in Nova Scotia, our members see the agreement as a platform, really, to promote some of our current advantages, to crystallize some new and lucrative partnerships, and, importantly, to position our economy for future growth."

- Ann Janega, Vice-President, Nova Scotia Division, Canadian Manufacturers and Exporters (www.cme-mec.ca), Nov. 26, 2013, www.parl.gc.ca

Fishing and marine resources



"We've operated for years at a tremendous disadvantage to, say, Norway, Iceland and other competitors in terms of getting access to that important market. [CETA], for the most part, removes those disadvantages and gives us a fighting chance."

- Earle McCurdy, Resource Sector Chair, Unifor, Canada (www.unifor.org), in McLeod, J., "CETA a Big Opportunity for Fishery: McCurdy," *The Telegram*, Oct. 19, 2013, www.thetelegram.com

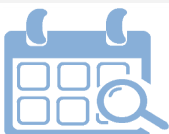
Port activities



"This milestone trade agreement with the European Union will lead to an increase in cargo activity through the Port of Halifax. An increase in trade with Europe will have long-term economic benefits for the Port of Halifax... As one of Canada's leading ports with Europe, the Port of Halifax stands ready to facilitate the increase in trade between Europe and Canada that this landmark agreement will bring."

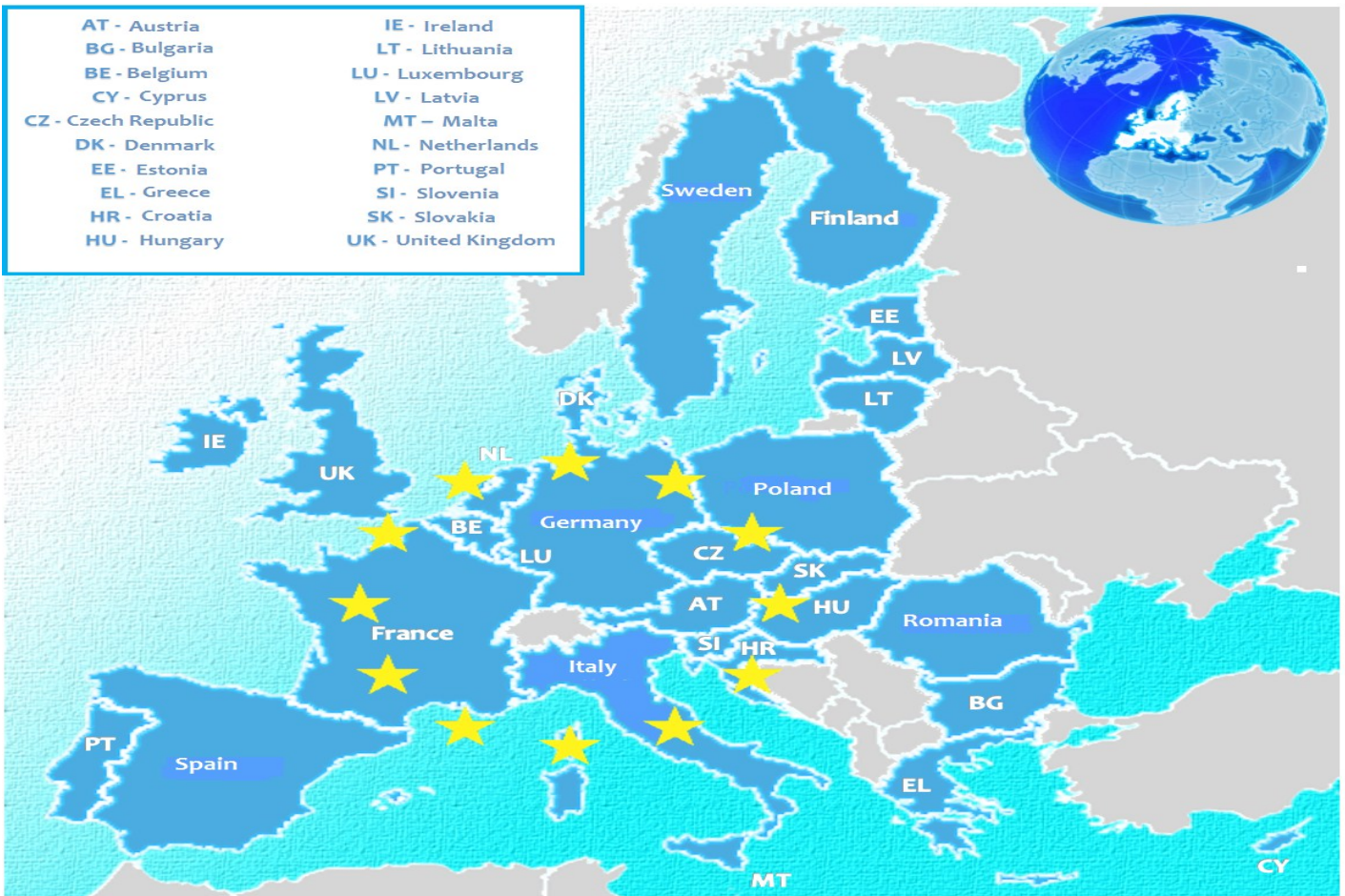
- Karen Oldfield, President and CEO, Halifax Port Authority, Oct. 18, 2013, www.portofhalifax.ca

Explore business opportunities in Atlantic Canada



- ▶ Conseil économique du Nouveau-Brunswick. [Tournée économique](#) ("Economic Tour"), Mar. 18-26, 2014. Conference on provincial economic development and overview of CETA. www.cenb.com
- ▶ [Face to Face Conference](#), June 2-4, 2014 / [Conférence Face à Face francophone](#), Oct. 22-23, 2014. Atlantic Canada's premier event for leaders and entrepreneurs. www.progressmedia.ca
- ▶ [Atlantic Biorefinery Conference](#), June 4-6, 2014, Cape Breton, Nova Scotia. R & D, management and marketing focused on the region's bionatural resources. www.bionb.org
- ▶ [Saint John Port Days](#), June 8-10, 2014, Saint John, New Brunswick. Business sessions for the Atlantic Canada port industry. www.sjport.com
- ▶ [Expo Labrador Conference & Trade Show](#), June 22-25, 2014. Conference, exhibition and networking opportunities relating to resource development in Labrador. www.chamberlabrador.com
- ▶ [Major Projects Event 2014](#), June 22-25, 2014. Capital investment prospects for Atlantic Canada. www.apec-econ.ca
- ▶ [Progress Top 101 Companies Awards Tour](#), Sept. 15 - Oct. 15, 2014. Recognizing the best performers among companies across Atlantic Canada. www.progressmedia.ca

Map: The European Union



Links and Contacts of Potential Interest

Doing business in Atlantic Canada

Government of Canada. *Atlantic Canada Opportunities Agency. About Atlantic Canada:*

<http://www.acoa-apeca.gc.ca/eng/ImLookingFor/Pages/AboutAtlanticCanada.aspx>

Government of Newfoundland and Labrador. *Innovation, Business and Rural Development.* <http://www.ibrd.gov.nl.ca/index.html>

Government of New Brunswick. *Economic Development.*

http://www2.gnb.ca/content/gnb/en/departments/economic_development/ecdev.html

Government of Nova Scotia. *Economic and Rural Development and Tourism.* <http://novascotia.ca/econ/>

Government of Prince Edward Island. *Fisheries, Aquaculture and Rural Development.* <http://www.gov.pe.ca/fard/>

Atlantic Chamber of Commerce. <http://www.apcc.ca/>

Principal sources of information utilized in this bulletin:

Foreign Affairs, Trade and Development Canada; Industry Canada; Statistics Canada; European Commission



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If you are seeking business opportunities in this region, **CACIMA** and **FCCC-AN** can facilitate your business prospection process and help with establishing new partnerships



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Intell-Echo

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