

Brussels, 10 November 2025  
(OR. en)

15159/25

**POLCOM 333**  
**SERVICES 74**  
**FDI 55**  
**COTRA 40**

**COVER NOTE**

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From: Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director

date of receipt: 10 November 2025

To: Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union

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No. Cion doc.: SWD(2025) 363 final

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Subject: COMMISSION STAFF WORKING DOCUMENT EVALUATION of the impact of the Comprehensive Economic and Trade Agreement between the EU and its Member States and Canada

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Delegations will find attached document SWD(2025) 363 final.

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Encl.: SWD(2025) 363 final



Brussels, 10.11.2025  
SWD(2025) 363 final

**COMMISSION STAFF WORKING DOCUMENT**  
**EVALUATION**

**of the impact of the Comprehensive Economic and Trade Agreement between the EU  
and its Member States and Canada**

{SWD(2025) 364 final}

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## LIST OF ABBREVIATIONS

CAB	conformity-assessment body	OECD	Organisation for Economic Cooperation and Development
CETA	Comprehensive Economic and Trade Agreement		
CGE	computable general equilibrium	PUR	preference utilisation rate
CO <sub>2</sub>	carbon dioxide	SDG	Sustainable Development Goal
CRM	critical raw materials	SIA	sustainability impact assessment
DAG	domestic advisory group		
DG	Directorate-General	SME	small and medium-sized enterprise
EQ	evaluation question		
EU	European Union	SPS	sanitary and phytosanitary
FDI	foreign direct investment	SSBC	small solid biomass combustors
FTA	free trade agreement	TBT	technical barriers to trade
GDP	gross domestic product	TRQ	tariff rate quota
GHG	greenhouse gas	TSD	trade and sustainable development
GI	geographical indication		
GMP	good manufacturing practices	UK	United Kingdom
HHI	Herfindahl-Hirschman index	UN	United Nations
ILO	International Labour Organization	UNCTAD	United Nations Conference on Trade and Development
IP	intellectual property	US	United States
LDC	least-developed country	WTO	World Trade Organization
MFN	most-favoured nation		
MRA	Mutual Recognition Agreement		
MRT	multilateral resistance term		
NGO	non-governmental organisation		
NTM	non-tariff measure		

# 1 Introduction

## Purpose and scope of the evaluation

This ex-post evaluation analyses the economic, social, environmental and human rights (including labour rights) <sup>(1)</sup> impact of the implementation of the Comprehensive Economic and Trade Agreement between the EU and its Member States and Canada (hereafter referred to as 'CETA' or 'the Agreement'). It also seeks to determine whether there are any areas that could benefit from further implementation efforts to ensure that the Parties take full advantage of the opportunities offered by the Agreement.

CETA is provisionally (and partially) applied since 21 September 2017. Ratification by EU Member States has been ongoing since then. CETA represents a new generation of Free Trade Agreements (FTAs), characterised by its comprehensive and ambitious nature.

The period reviewed by this evaluation examines the implementation period of the Agreement since its beginning in 2017 up to 2023. The evaluation also includes pre-implementation data from 2012 to 2016 to compare the situation before and after the entry into provisional application of the Agreement. Geographically, the evaluation primarily covers the Parties to the Agreement, the EU, its Member States and Canada, although some effects of CETA on selected third countries are also analysed (e.g. Türkiye and least-developed countries (LDCs)). Some global effects (e.g. climate change) are likewise considered.

To support the evaluation of the Agreement, the Directorate-General for Trade and Economic Security (DG Trade and Economic Security) awarded a contract in 2023 to conduct an independent study (hereinafter 'the evaluation study') to a consortium led by Trade Impact BV, with the Institute for European Environmental Policy and Cambridge Econometrics as partners. The study was undertaken during the period of January 2024 to May 2025.

The ex-post evaluation is part of the EU's policy to improve future policy-making cycles according to the EU's 'better regulation' policy. It is not linked to a legal obligation or a future reopening of the Agreement.

## Scope of the evaluation

The evaluation focuses on the extent to which the objectives of the Agreement were achieved, as measured against the five criteria listed in the EU's 'better regulation' guidelines and toolbox: effectiveness, impact, efficiency, coherence and relevance.

The independent study supporting this evaluation examined a number of **evaluation questions (EQs)** related to these criteria:

### *Effectiveness*

- EQ1: To what extent have the objectives of CETA been achieved?
- EQ2: What are the factors influencing (either positively or negatively) the achievement of CETA's objectives?
- EQ3: Has the implementation of CETA had unintended (positive or negative) consequences, and, if so, what are they?

### *Impact*

- EQ4: What has been the impact of CETA's implementation?

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<sup>(1)</sup> Whenever the staff working document refers to human rights, this includes labour rights.

### *Efficiency*

- EQ5: To what extent has the implementation of CETA been efficient with respect to achieving its objectives?
- EQ6: To what extent are the costs associated with the implementation of CETA proportionate to the benefits it has generated? Is the distribution of both costs and benefits proportionate among different stakeholder groups and interests?
- EQ7: Are there unnecessary regulatory costs (including administrative burden)? What is the potential for simplification?

### *Coherence*

- EQ8: To what extent has the implementation of CETA been coherent with the EU's trade policies, and in particular with the EU's commitment to sustainable development in trade policies as a contribution towards attainment of the United Nations Sustainable Development Goals?

### *Relevance*

- EQ9: To what extent do the provisions of CETA continue to be relevant in order to address the current trade needs of the EU and Canada?

## **Methodological approach**

The **methodological approach** of the evaluation study was to determine the effects of the Agreement by comparing the current situation, where the Agreement between the Parties has been in effect since 2017, with a hypothetical counterfactual scenario in which the Agreement is assumed not to exist.

Economic modelling (through a computable general equilibrium model <sup>(2)</sup>) and gravity analyses) has been a key source of evidence for assessing the quantitative trade and economic effects of the Agreement.

These simulations were based on official trade and economic statistics used to develop the GTAP model <sup>(3)</sup>. These statistics were complemented with economic and trade data from Eurostat and from Canada. The data also constituted the basis for the quantitative analysis of the Agreement's social, environmental and human rights effects through causal chain analysis. The evidence for the qualitative analysis came from existing studies, official documents, position papers from certified sources, interested parties and stakeholders.

A further crucial source of information for the evaluation study were the consultations with stakeholders from both the EU and Canada. The consultations enabled the study team to receive additional information and data, close knowledge gaps and further understand CETA's impact. The interviews, surveys and webinars also made it possible for the study team to: (i) understand how the institutions set up under CETA worked in practice; (ii) understand the situation in key sectors involved in trade between the Parties and how CETA has impacted them; and (iii) collect recommendations on how to improve the implementation of the Agreement.

In total, representatives of 154 EU and Canadian organisations and companies participated in interviews, 280 stakeholders participated in the online webinars across various Member States and 33 responses were received from the online surveys. The interviews were held individually, the majority of which took place online.

The study team ensured a balanced representation of stakeholders – covering all parts of the analysis – across governmental and non-governmental actors, sectors and stakeholders (e.g. business associations, trade unions and non-governmental organisations (NGOs)). The stakeholder consultations provided valuable insights and were complemented by written comments and additional information shared by EU and Canadian stakeholders, governments and civil society organisations through the EU's public

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<sup>(2)</sup> The economic model simulation was prepared by the European Commission services (Directorate-General for Trade and Economic Security).

<sup>(3)</sup> [GTAP Models: Current GTAP Model](#)

consultation website. The study team developed a project website, edited a newsletter and used social networks to reach out to all interested stakeholders <sup>(4)</sup>.

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<sup>(4)</sup> <https://www.ceta-evaluation.eu/>.

## 2 What was the expected outcome of the intervention?

### 2.1 Description of the intervention and its objectives

The seventh anniversary of the provisional application of significant parts of CETA took place on 21 September 2024. CETA's objectives are to open the markets between the EU and Canada, to enhance the stability and predictability of the trade and investment environment, to create benefits for consumers and to foster sustainable development.

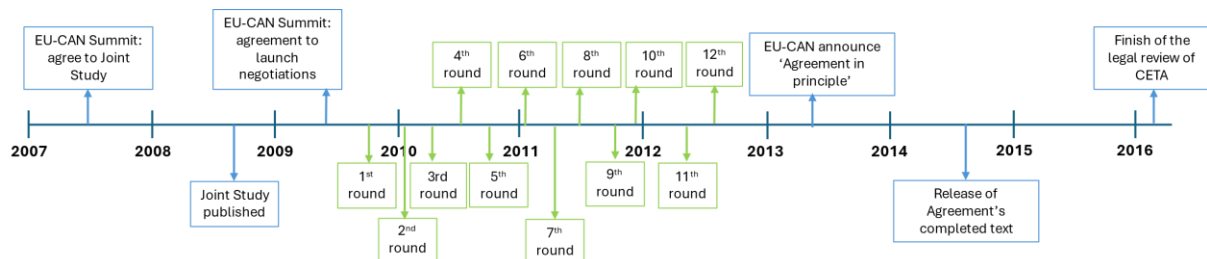
#### 2.1.1 The negotiation, ratification and provisional application of the Agreement

##### *Negotiating the Agreement*

At the EU–Canada Summit in Berlin in June 2007, EU and Canadian leaders agreed to conduct a joint study on the benefits of a closer economic partnership between the EU and Canada. Based on the joint study <sup>(5)</sup> issued in October 2008, the EU and Canada defined the scope of potential negotiations in March 2009. Subsequently, formal negotiations were launched at the EU–Canada Summit in Prague in May 2009.

After nine negotiating rounds, the EU and Canada announced an agreement in principle in October 2013. The draft agreement was made public in September 2014 and the legal review was finalised in February 2016.

**Figure 1. Negotiating the timeline of the Agreement**



Source: Evaluation study based on [Global Affairs Canada \(accessed 2024\)](#).

CETA is an example of a new-generation trade agreement negotiated by the EU. Unlike traditional trade agreements, CETA goes beyond merely reducing tariffs. New generation trade agreements also focus on a broader range of issues, such as trade in services, intellectual property rights, public procurement, regulatory cooperation, investment dispute resolution and sustainable development. The trade and sustainable development (TSD) chapters in new-generation EU trade agreements typically focus on labour standards, labour rights, environmental standards and climate change goals.

##### *Ratification of the Agreement*

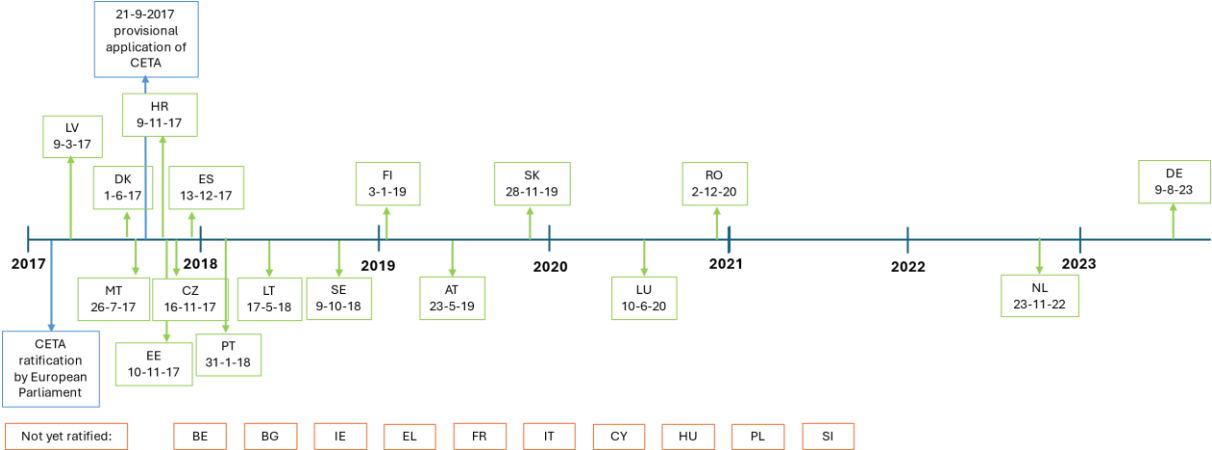
CETA was presented for signature and conclusion by the European Commission as a mixed agreement. Therefore, CETA requires ratification both at the EU level and by all individual Member States, including their national and, in some cases, regional parliaments in order to fully enter into force.

CETA was signed at the EU–Canada Summit in October 2016. In February 2017, the European Parliament approved CETA and, in May 2017, the Canadian legislative act to implement CETA was granted royal assent. Since 21 September 2017, parts of the Agreement are provisionally applied.

<sup>(5)</sup> Government of Canada, 'Assessing the costs and benefits of a closer EU-Canada economic partnership', Global Affairs Canada website, 8 January 2013, <https://www.international.gc.ca/trade-agreements-accords-commerciaux/agr-acc/eu-ue/study-etude.aspx?lang=eng>.

For the Agreement to enter into force and be fully applied, all 27 Member States must ratify it in accordance with their respective national procedures. So far, 17 of the 27 Member States have done so.

**Figure 2. Ratification timeline of the Agreement**



Source: Evaluation study adaptation from European Council (2024).

*Provisional application of the Agreement*

The Agreement is currently partially and provisionally applied, pending full ratification. Provisions that are applied include market access for goods, trade remedies, technical barriers to trade, sanitary and phytosanitary (SPS) measures, customs and trade facilitations, cross-border trade in services, government procurement, trade and sustainable development, trade and labour, and trade and environment. CETA provisions that are not provisionally applied include specific investment and financial services provisions (6).

*2.1.2 Objectives, structure and content of the Agreement*

*Objectives of the Agreement*

The objectives of CETA are to:

- further strengthen the close economic relationship between the Parties;
- create an expanded and secure market for goods and services through the reduction or elimination of barriers to trade and investment;
- establish clear, transparent, predictable and mutually advantageous rules to govern trade and investment;
- preserve the right of the Parties to regulate within their territories and maintain flexibility to achieve legitimate policy objectives;
- promote sustainable development and the development of international trade in a manner that contributes to sustainable development in its economic, social and environmental dimensions; and
- implement CETA in a manner consistent with the enforcement of their respective labour and environmental laws, ensuring that CETA enhances labour and environmental protection, while building upon their international commitments in these areas.

(6) European Commission, 'Notice concerning the provisional application of the Comprehensive Economic and Trade Agreement (CETA) between Canada, of the one part, and the European Union and its Member States, of the other part', Document 22017X0916(02), 16 September 2017, [https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX %3A22017X0916 %2802 %29](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A22017X0916%2802%29).

## Structure and content of the Agreement

CETA contains 30 chapters, excluding Annexes, illustrating that the Agreement goes beyond merely reducing tariffs.

**Table 1. Chapters of the Agreement and their content**

Chapter	Content
1	General definitions and initial provisions
2	National treatment and market access for goods
3	Trade remedies
4	Technical barriers to trade
5	Sanitary and phytosanitary measures
6	Customs and trade facilitation
7	Subsidies
8	Investment
9	Cross-border trade in services
10	Temporary entry and stay of natural persons for business purposes
11	Mutual recognition of professional qualifications
12	Domestic regulation
13	Financial services
14	International maritime transport services
15	Telecommunications
16	Electronic commerce
17	Competition policy
18	State enterprises, monopolies and enterprises granted special rights or privileges
19	Government procurement
20	Intellectual property
21	Regulatory cooperation
22	Trade and sustainable development
23	Trade and labour
24	Trade and environment
25	Bilateral dialogues and cooperation
26	Administrative and institutional provisions
27	Transparency
28	Exceptions
29	Dispute settlement
30	Final provisions

Source: [legal text of CETA \(2017\)](#).

### 2.1.3 Institutional framework of the Agreement

CETA has a governance structure consisting of 19 dedicated committees and dialogues, most meeting once a year, which report directly (or indirectly via other committees) to the Joint Committee, to oversee the implementation of the Agreement.

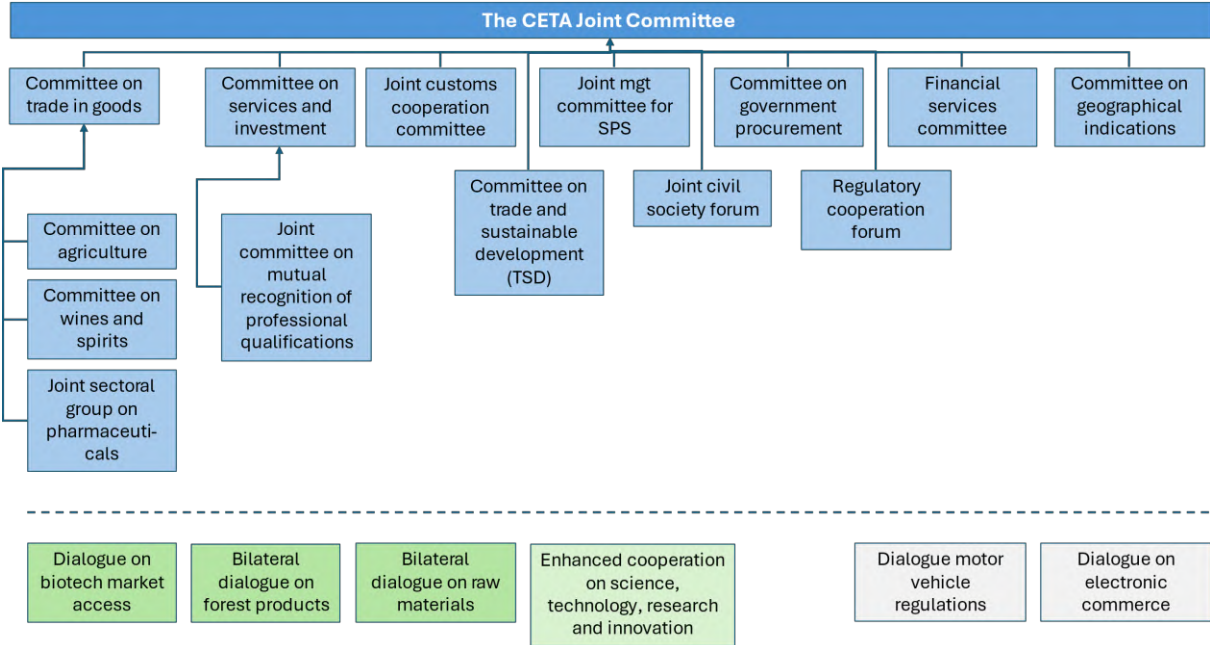
The CETA Joint Committee is responsible for all questions concerning trade and investment between the Parties, and for the implementation and application of the Agreement. It meets on a regular basis and comprises the Minister for International Trade of Canada and the European Commissioner for Trade and Economic Security. The Committee on Agriculture, the Committee on Wines and Spirits and the Joint Sectoral Group on Pharmaceuticals report to the Committee on Trade in Goods. The Joint Committee on Mutual Recognition of Professional Qualifications reports to the Committee on Services and Investment. All other committees report to the CETA Joint Committee.

In addition to the specialised committees, CETA establishes a series of bilateral dialogues to facilitate cooperation of issues of mutual interest. These CETA dialogues focus on biotech market access, forestry products, raw materials, motor vehicle regulations and electronic commerce <sup>(?)</sup>.

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<sup>(?)</sup> This list is non-exhaustive and limited to dialogues established under chapter 25 of the Agreement.

**Figure 3. The Agreement committee and dialogue structure**



Source: Evaluation study compilation based on the CETA legal text.

*2.1.4 Economic, social and political context during Agreement negotiations*

The CETA negotiations took place against the backdrop of complex economic, social and political dynamics both within the European Union and Canada. The negotiations also occurred against the background of broader political developments, including shifts in global economic power and more pronounced challenges to multilateral trade negotiations under the World Trade Organization.

Economically, the negotiations occurred at a time when both the EU and Canada were seeking to bolster their economic competitiveness and stimulate growth, looking for reliable trading partners. The aftermath of the global financial crisis and subsequent economic challenges prompted policymakers on both sides to explore opportunities for expanding trade and investment. Additionally, there was a growing recognition of the importance of trade agreements in fostering economic integration and facilitating access to new markets for goods, services and investments.

Socially, CETA negotiations unfolded amid heightened public awareness and scrutiny regarding the potential impacts of trade agreements on various societal issues, including labour rights, environmental protection, consumer safety and public services. Civil society organisations, labour unions, environmental groups and other stakeholders actively engaged in the negotiation process, advocating for greater transparency, accountability and social responsibility in the Agreement.

*2.1.5 Economic and political context since the Agreement’s provisional application*

Since the provisional application of CETA started in 2017, the economic and political context has been characterised by a mix of opportunities and challenges.

Economically, the world economy faced uneven growth, as some states continued to experience robust economic expansion while others saw rising debt levels and economic disparities. Trade (tariff) tensions, geopolitical conflicts and the COVID-19 pandemic have introduced new risks and vulnerabilities into the global economy, which were reflected in increased volatility in financial markets. Furthermore, new opportunities related to

technology and challenges related to climate change and social issues have raised concerns about job displacement and data privacy.

Politically, the period since 2017 has brought shifts in international politics. Geopolitical tensions have escalated in Eastern Europe (Russia's war of aggression against Ukraine) and the Middle East (the conflict in Gaza), which contributed to instability and uncertainty in global affairs. More concretely it has led to the EU and others imposing sanctions on Russia (and Belarus).

The ex-post evaluation of CETA is mindful of this broader context. For example, stakeholders interviewed for the evaluation study note that CETA interacts with other EU policies and plays an important role in addressing broader political, environmental and economic objectives. Both Parties regularly stress the link between CETA and high-level political dialogues held between the EU and Canada, along with environmental initiatives (e.g. the EU-Canada Green Alliance), creating synergies that aim to enhance bilateral cooperation. Progress and achievements under CETA are discussed during high-level political summits that reach beyond trade and investment issues <sup>(8)</sup>.

## **2.2 Points of comparison**

### *Trade sustainability impact assessment*

A trade sustainability impact assessment (SIA) was conducted in 2010/2011 accompanying the negotiations for the Agreement <sup>(9)</sup>. The results were published in June 2011. The *ex ante* quantitative analysis was based on a computable general equilibrium (CGE) model, E3MG <sup>(10)</sup> model and gravity models, desk research and stakeholders' consultations. The economic, social and environmental impacts of a potential trade agreement between the EU, its Member States and Canada were analysed.

The trade SIA examined four modelled scenarios, based on differing assumptions about the level of liberalisation that would be achieved, in order to investigate the likely expected impacts of a possible agreement.

Scenario A: limited liberalisation of agriculture and processed agricultural products resulting in an overall liberalisation of 95 % of trade in goods in terms of tariff lines and a less ambitious liberalisation of services. The reduction in tariffs is achieved using a sensitive list approach whereby there are no tariff cuts for meat products (including beef and pork) in the EU and no tariff cuts for dairy products and 'other food products' in Canada; all other agriculture and industrial products are fully liberalised. For services, liberalisation is based on the service trade cost cuts modelled in the 2008 Joint Study, multiplied by a factor of 0.6.

Scenario B: limited liberalisation of agriculture and processed agricultural products resulting in an overall liberalisation of 95 % of trade in goods in terms of tariff lines and ambitious liberalisation of services. The reduction in tariffs is modelled in the same manner as in Scenario A, while liberalisation in the services is based on the service trade cost cuts

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- <sup>(8)</sup> European Commission, 'Canada-EU Summit – Joint Declaration', 17 July 2019, <https://www.consilium.europa.eu/media/40403/final-2019-joint-declaration-final.pdf>.  
European Commission, 'EU-Canada Summit – Joint Statement', STATEMENT/23/6054, 24 November 2023, [https://ec.europa.eu/commission/presscorner/api/files/document/print/en/statement\\_23\\_6054/STATEMENT\\_23\\_6054\\_EN.pdf](https://ec.europa.eu/commission/presscorner/api/files/document/print/en/statement_23_6054/STATEMENT_23_6054_EN.pdf).  
Council of the European Union, 'European Union-Canada Summit 2021 – Joint Statement', 14 June 2021, <https://www.consilium.europa.eu/media/50757/20210614-joint-statement-final.pdf>.  
Council of the European Union, 'European Union-Canada Summit 2025 – Joint Statement: Enduring Partnership, Ambitious Agenda', 10671/25, 23 June 2025, <https://www.consilium.europa.eu/media/u5fbf15b/st10671en25-eu-canada-joint-summit-statement.pdf>.
- <sup>(9)</sup> European Commission, 'Sustainability Impact Assessments', Directorate-General for Trade & Economic Security website, [https://policy.trade.ec.europa.eu/analysis-and-assessment/sustainability-impact-assessments\\_en](https://policy.trade.ec.europa.eu/analysis-and-assessment/sustainability-impact-assessments_en).
- <sup>(10)</sup> E3MG is a sectoral econometric model that has been developed with the intention of analysing long-term energy and environment interactions within the global economy and assessing the short-term and long-term impacts of climate change policy.

modelled in the 2008 Joint Study.

Scenario C: 100 % liberalisation of goods and less ambitious liberalisation of services, using the services trade cost cuts employed in the 2008 Joint Study multiplied by a factor of 0.6.

Scenario D: 100 % liberalisation of goods and ambitious liberalisation of services, using the services trade cost cuts employed in the 2008 Joint Study.

The scenarios were analysed for their effects in the long-term.

Before the Agreement, the EU and Canada traded on a most-favoured-nations (MFN) basis. The evaluation study reports that around 25 % of EU exports and 15 % of EU imports were traded with a tariff before the provisional application of CETA. For certain sectors, agreements existed such as the Veterinary Agreement, which was in place since 1998 for animal and animal product trade, the EU–Canada Agreement on Alcoholic Beverages since 1989 and the EU–Canada Wines and Spirits Agreement since 2004.

Comparing the 2011 trade SIA assessment with the outcomes of the evaluation study is not always possible due to differences in methodologies <sup>(11)</sup> and the level of knowledge about the negotiation outcomes at the time of the trade SIA. In addition, the analysis anticipated a different level of liberalisation than what was ultimately agreed upon.

The trade SIA predicted several **quantitative impacts**. EU GDP would increase in the range of 0.02 % to 0.03 % and Canada's GDP would increase in the range of 0.18 % to 0.36 %. It also predicted significant increases in trade, along with reductions in poverty (increases in real spending power) and limited-but-positive effects on employment. A marginally negative effect on the environment (CO<sub>2</sub> emissions) was also predicted.

With regard to **qualitative impacts**, the trade SIA predicted the following for the economic, social and environmental impacts.

#### *Economic impact*

With regard to the **economic impact**, the trade SIA predicted that the agricultural sector and the textiles industries would benefit from the Agreement. The trade SIA attributed potential positive effects to addressing various non-tariff measures. In addition, it was predicted that the services sector would have the potential to generate the largest economic gains for both Canada and the EU. Increased merchandise trade resulting from CETA could directly increase the demand for maritime transport services.

#### *Social impact*

With regard to the **social impact**, the trade SIA predicted an increase in employment for specific sectors: (i) textiles, leather and clothing and (ii) dairy for the EU, and (i) water transport services, (ii) transport equipment, (iii) textiles, leather and clothing and (iv) other food for Canada. The trade SIA also anticipated wage increases overall for both Parties; wages were expected to increase by between 0.03 % and 0.06 % for the EU and Canada. The trade SIA asserted that potential EU consumer demand for more sustainable products could have a positive impact on farming in Canada.

#### *Environmental impact*

With regard to the **environmental impact**, the trade SIA and some other studies flagged the likely harmful repercussions on greenhouse gas (GHG) emissions stemming from agriculture, fishing, trade and transport activities resulting from CETA's application, having a limited impact on the EU share of CO<sub>2</sub> emissions and a relatively more tangible effect for Canada. On the other hand, other parts of the assessment point to opportunities for CETA

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<sup>(11)</sup> Some indicators in the models are not the same. The SIA analysed, for example, public safety, the quality of education and fish stocks; the evaluation study did not. The evaluation study did not use an E3MG model.

to increase its trade in environmental goods, collaborate within and outside CETA in global forums to promote action against climate change and global warming.

*Study on the economic impact of the Comprehensive Economic and Trade Agreement*

In 2017 DG Trade and Economic Security published a study on the economic impact of the Comprehensive Economic and Trade Agreement <sup>(12)</sup>, which highlights the economic relations between the EU and Canada before the Agreement entered into force and describes the major outcomes of the negotiations. In addition, it includes an economic assessment of CETA's provisions and a quantitative analysis in certain cases, where technically feasible.

The study states that CETA contains a wide range of provisions that would have a direct positive impact on the ability of EU and Canadian companies to engage in closer economic relations – notably, commitments on the liberalisation of tariffs, investment and services, increased access to each other's public procurement markets and disciplines on intellectual property rights (such as copyright), geographical indications (GIs), conformity assessment and subsidies.

The simulations were based on a CGE model and predicted important gains through tariff elimination, FDI liberalisation for goods and services bindings once CETA is fully implemented. This would lead to an annual increase in bilateral exports and imports between the EU and Canada of at least 8 %, amounting to approximately an additional EUR 12 billion per year in two-way trade by 2030, split roughly evenly between the two parties. Half of this increase would already materialise in the first year of implementation, in particular as customs duties on 98 % of all tariff lines will be eliminated once the Agreement enters into force. EU exporters of dairy (+ EUR 300 million), automotive products (+ EUR 880 million), chemicals (+ EUR 451million), textiles, apparel and leather products (+ EUR 812 million and business services (+ EUR 644 million) would see the most considerable increases in their exports to Canada. CETA would also add between EUR 1.7 billion and EUR 2.1 billion to the EU's GDP on an annual basis.

The study highlighted that the CGE models essentially present a snapshot of best estimations in these areas at a point in time. Due to this, these models tend to underestimate the actual impact of trade liberalisation. For instance, they do not take into account the synergies that are likely to be created in global supply chains by CETA and other existing and future trade and investment policy initiatives.

The study also saw gains in the area of public procurement. CETA includes an ambitious procurement chapter that would open new business opportunities for EU companies interested in bidding for public contracts in Canada at all levels (including procurement at the provincial level). Based on the limited available data on public procurement in Canada, it was estimated that CETA offers new legal guarantees for open, non-discriminatory access to an additional EUR 32 billion per year of the Canadian public procurement market. It is also estimated that EU companies could gain nearly EUR 540 million annually in new contracts.

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<sup>(12)</sup> European Commission: Directorate-General for Trade and Economic Security, *The economic impact of the Comprehensive Economic and Trade Agreement (CETA)*, Publications Office of the European Union, 2017, <https://data.europa.eu/doi/10.2781/236080>.

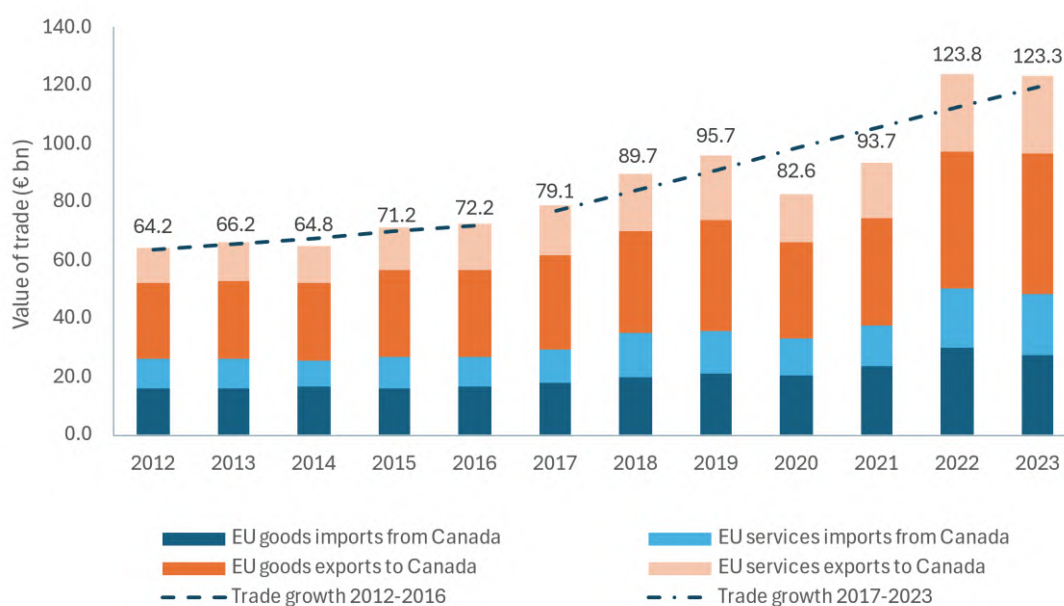
### 3 How has the situation evolved over the evaluation period?

#### 3.1 Total bilateral trade

Bilateral trade in **goods and services** between the EU and Canada increased from EUR 64 billion to EUR 72 billion in the pre-CETA period (2012–2016), representing a 12.5 % increase. During the post-CETA period (2017–2023), total bilateral trade increased by 55.9 %, from EUR 79 billion in 2017 to EUR 123 billion in 2023, despite the negative impact of the COVID-19 pandemic in 2020.

When considering the increase in bilateral trade from 2016 (the year before CETA came into effect) to 2023, the total bilateral trade in goods increased by 63 %, while total bilateral trade in services increased by 81 % in the same time period.

**Figure 4. Increase in total bilateral EU–Canada trade (2012–2023, billion EUR)**



Source: Eurostat (2024).

#### 3.2 Trade in goods

The evaluation study shows that, for tariff liberalisation under CETA, the larger the preference margin the greater the relative increase in bilateral exports. When comparing 2016 and 2023, the value of EU exports of products with Canadian tariff reductions of 0–5 % increased by 24 %. EU exports of products with Canadian tariff reductions of more than 20 % rose by 108 %. Similarly, the value of Canadian exports of products with EU tariff reductions of 0–5 % increased by 80 %, while Canadian exports of products with EU tariff cuts of over 20 % rose by 397 % (for a small number of products).

EU exports of meat and edible meat offal were EUR 122 million per year higher (+ 188 %) in the post-CETA period (2017–2023) compared to the pre-CETA period (2012–2016). Dairy exports from the EU to Canada rose by 62 %, while exports of fish and crustaceans (+201%), edible fruits and nuts (+56%), and oilseed (+97%) also increased significantly. On the Canadian side, exports to the EU increased especially for oilseeds (+ 44 %), cereals (+ 21 %) and fish and crustaceans (+ 65 %).

CETA established a tariff rate quota (TRQ) for EU exports of ‘cheeses of all types’ of up to 16 000 tonnes. This cheese quota has been effective, with fill rates of around 95 % (i.e. almost fully utilised). As a result, EU cheese exports to Canada were on average 77 % higher in the post-CETA period than in the pre-CETA period. EU wine exports to Canada

have also grown, driven by the removal of tariffs, the elimination of the ban on bulk spirit exports and the recognition of GIs.

### **3.3 Trade in services and investment**

Trade in services has grown significantly, with EU services exports to Canada increasing by 53 % and imports increasing by 57 % comparing the post-CETA period (2017–2023) to the pre-CETA period (2012–2016).

Trade in transport services has expanded and dredging services have increased. Trade in business services has grown significantly in both directions. Additionally, trade in telecom and computer services expanded more rapidly between 2017 and 2023 than in the pre-CETA period.

Comparing pre- and post-CETA periods, EU foreign direct investment (FDI) stocks in Canada have increased by around EUR 40 billion (from an average of EUR 220 billion over the pre-CETA period to EUR 308 billion on average in the post-CETA period), making the EU the second-largest foreign investor in Canada after the United States. The service content of EU FDI into Canada is around 80 %. However, EU FDI stocks as a share of total investments in Canada declined compared to investments from the United Kingdom, the United States, China and other main FDI partners, peaking at 1.7 % in 2018 before decreasing to 1.1 % in 2022.

### **3.4 Digital trade**

Digital trade (trade enabled by digital means) has increased in importance for both the EU and Canada. While only representing a subset of all digital trade, estimates based on Eurostat data for 2023 show that digitally delivered services trade accounted for 53 % of extra-EU services exports and 59 % of extra-EU services imports. World Trade Organization (WTO) estimates also show that the export and import of digitally delivered services accounted for a significant part of total Canada services exports and imports in 2022 (49 % and 43 % respectively) <sup>(13)</sup>.

EU bilateral exports of digitally delivered services to Canada increased by 75.5 %, rising from an average of EUR 4.4 billion in the pre-CETA period (2012–2016) to an average of EUR 7.7 billion in the post-CETA period (2017–2022). EU bilateral imports of digitally delivered services from Canada increased by 77.2 %, from an average of €3.4 billion in the pre-CETA period (2012–2016) to an average of EUR 6.0 billion in the post-CETA period (2017–2022). In 2023, EU bilateral exports of digitally delivered services amounted to EUR 9.9 billion (39 % of total EU services exports) and bilateral imports to EUR 8.4 billion (43 % of total services imports).

Other aspects of digital trade, such as digitally ordered goods or cross-border data flows, while generally also increasing in relevance, are more difficult to measure <sup>(14)</sup>.

The available figures reflect the increasing importance of the digital economy for the EU and Canada.

- Since 2018, Canada's information and communication technology sector has posted a stronger annual growth than the total economy. On average, the compound annual growth rate in this sector has been 5.6 % over a five-year period, compared to 1.5 % for the overall economy <sup>(15)</sup>. In the 2024 World Digital Competitiveness

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<sup>(13)</sup> World Trade Organization, 'Digitally delivered services trade dataset', 25 July 2025, [https://www.wto.org/english/res\\_e/statis\\_e/gstdh\\_digital\\_services\\_e.htm](https://www.wto.org/english/res_e/statis_e/gstdh_digital_services_e.htm).

<sup>(14)</sup> International Monetary Fund, Organisation for Economic Co-operation and Development, United Nations and World Trade Organization, *Handbook on Measuring Digital Trade – Second Edition*, World Trade Organization, 2023, [https://www.oecd.org/en/publications/2023/07/handbook-on-measuring-digital-trade-second-edition\\_099afd2f.html](https://www.oecd.org/en/publications/2023/07/handbook-on-measuring-digital-trade-second-edition_099afd2f.html).

<sup>(15)</sup> Innovation, Science and Economic Development Canada: Information and Communications Technologies

Ranking by the International Institute for Management Development, Canada ranked 13th, demonstrating a high capacity to adopt and explore digital technologies as a key driver for economic transformation in business, the government and wider society.

- The EU has outlined an ambitious digital transition agenda in its 2021 communication on a digital compass <sup>(16)</sup>. To support this, the EU has adopted key legislation governing important aspects of the digital economy such as the Data Governance Act <sup>(17)</sup>, the Digital Services Act <sup>(18)</sup>, the Digital Markets Act <sup>(19)</sup>, the Data Act <sup>(20)</sup>, the Artificial Intelligence Act <sup>(21)</sup>, the Artificial Intelligence Liability Directive <sup>(22)</sup> and a Cyber Resilience Act <sup>(23)</sup>. These initiatives are backed by targets to implement the EU's ambitions for its digital transformation, including universal gigabit broadband coverage and full 5G deployment in populated areas, with an estimated potential to unlock EUR 1.3 trillion in value by 2030 <sup>(24)</sup>.

While the bilateral trends in digital trade suggest a strong growth trajectory, a more detailed analysis of CETA's specific contribution is inconclusive. This may reflect broader global dynamics, as WTO estimates show that worldwide exports and imports of digitally delivered services also grew significantly between 2017 and 2022 (by 61 % and 65 % respectively) <sup>(25)</sup>. As the evaluation study notes, CETA's e-commerce provisions are relatively limited compared to more recent EU trade agreements, such as those with the United Kingdom, Japan and New Zealand.

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Branch, *Canadian ICT Sector Profile*, 2023 edition, 2024, <https://ised-isde.canada.ca/site/digital-technologies-ict/en>.

- <sup>(16)</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – 2030 Digital Compass: the European way for the Digital Decade, COM/2021/118 final of 9 March 2021, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:52021DC0118>.
- <sup>(17)</sup> Regulation (EU) 2022/868 of the European Parliament and of the Council of 30 May 2022 on European data governance and amending Regulation (EU) 2018/1724 (Data Governance Act), OJ L 152, 3.6.2022, p. 1, ELI: <http://data.europa.eu/eli/reg/2022/868/oj>.
- <sup>(18)</sup> Regulation (EU) 2022/2065 of the European Parliament and of the Council of 19 October 2022 on a Single Market For Digital Services and amending Directive 2000/31/EC (Digital Services Act), OJ L 277, 27.10.2022, p. 1, ELI: <http://data.europa.eu/eli/reg/2022/2065/oj>.
- <sup>(19)</sup> Regulation (EU) 2022/1925 of the European Parliament and of the Council of 14 September 2022 on contestable and fair markets in the digital sector and amending Directives (EU) 2019/1937 and (EU) 2020/1828 (Digital Markets Act), OJ L 265, 12.10.2022, p 1, ELI: <http://data.europa.eu/eli/reg/2022/1925/oj>.
- <sup>(20)</sup> Proposal for a Regulation of the European Parliament and of the Council on harmonised rules on fair access to and use of data (Data Act), COM(2022) 68 final of 23 February 2022, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:52022PC0068>.
- <sup>(21)</sup> Proposal for a Regulation of the European Parliament and of the Council laying down harmonised rules on artificial intelligence (Artificial Intelligence Act) and amending certain Union legislative acts, COM/2021/206 final of 21 April 2021, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:52021PC0206>.
- <sup>(22)</sup> Proposal for a Directive of the European Parliament and of the Council on adapting non-contractual civil liability rules to artificial intelligence (AI Liability Directive), COM(2022) 496 final of 28 September 2022, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:52022PC0496>.
- <sup>(23)</sup> Proposal for a Regulation of the European Parliament and of the Council on horizontal cybersecurity requirements for products with digital elements and amending Regulation (EU) 2019/1020, COM(2022) 454 final of 15 September 2022, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:52022PC0454>.
- <sup>(24)</sup> Public First, 'Unlocking Europe's Digital Potential: How cloud computing can support the EU's Digital Decade', 2022, <https://awsdigitaldecade.publicfirst.co.uk/>.
- <sup>(25)</sup> World Trade Organization, 'Digitally delivered services trade dataset', 25 July 2025, [https://www.wto.org/english/res\\_e/statis\\_e/gstdh\\_digital\\_services\\_e.htm](https://www.wto.org/english/res_e/statis_e/gstdh_digital_services_e.htm).

## 4 Evaluation findings (analytical part)

Building on the evaluation study, this staff working document covers the nine evaluation questions (EQs) related to the evaluation criteria of effectiveness, impact, efficiency, coherence and relevance. EQs 1–8 will be answered in section 4.1 and EQ9 in section 4.3.

**Table 2. Evaluation questions for the study**

<b>Evaluation questions</b>
<b>Effectiveness</b>
EQ1: To what extent have the objectives of CETA been achieved?
EQ2: What are the factors influencing (either positively or negatively) the achievements of CETA's objectives?
EQ3: Has CETA's implementation had unintended (positive or negative) consequences, and, if so, what are they?
<b>Impact</b>
EQ4: What has been the impact of CETA's implementation?
<b>Efficiency</b>
EQ5: To what extent has the implementation of CETA been efficient with respect to achieving its objectives?
EQ6: To what extent are the costs associated with implementation of CETA proportionate to the benefits it has generated? Is the distribution of both costs and benefits proportionate among different stakeholder groups and interests?
EQ7: Are there unnecessary regulatory costs (including administrative burden)? What is the potential for simplification?
<b>Coherence</b>
EQ8: To what extent has the implementation of CETA been coherent with the EU's trade policies, and in particular with the EU's commitment to sustainable development in trade policies as a contribution towards attainment of the United Nations Sustainable Development Goals?
<b>Relevance</b>
EQ9: To what extent do the provisions of CETA continue to be relevant in order to address the current trade needs of the EU and Canada?

### **4.1 To what extent was the intervention successful and why?**

#### *4.1.1 Effectiveness*

##### **4.1.1.1 EQ1: To what extent have the objectives of CETA been achieved?**

The evaluation criterion 'effectiveness' refers to the extent to which an intervention has reached its objectives. In the case of CETA it therefore concerns the extent to which the objectives as laid down in the Agreement have been achieved. The following are the key objectives of CETA.

1. to further strengthen the close economic relationship between the EU and Canada;
2. to create an expanded and secure market for goods and services, through the reduction or elimination of barriers to trade and investment, based on Article XXIV of the General Agreement on Tariffs and Trade and Article V of the General Agreement on Trade in Services (1994);
3. to establish clear, transparent, predictable and mutually advantageous rules to govern bilateral trade and investment;
4. to further liberalise, on a mutual basis, the government procurement markets of the Parties;
5. to protect and enforce intellectual property rights;
6. to promote sustainable development and the development of international trade in such a way as to contribute to sustainable development in the economic, social and environmental dimensions;

7. to implement CETA in a manner consistent with the enforcement of the Parties' respective labour and environmental laws, building upon their international commitments on labour and environmental matters.

The following sub-sections present the findings of the evaluation study for each specific objective separately.

## **1. To further strengthen the close economic relationship between the EU and Canada**

### **Strengthening the economic relationship**

Even though the EU and Canada were like-minded partners in many areas even before CETA, this evaluation concludes that **CETA has fostered a closer economic relationship between the EU and Canada**, although external factors (e.g. geopolitical developments like Russia's war of aggression against Ukraine, geopolitical fragmentation and the COVID-19 pandemic) have also played a role. **The bilateral relationship has benefitted from the Agreement on three levels.**

#### *Successful implementation of the Agreement provisions*

Many CETA commitments have been successfully implemented and yielded concrete results.

- **Duties have been removed** on nearly 99 % of EU and Canadian tariff lines, resulting in increased bilateral trade in goods.
- **Regulatory cooperation successes** under CETA have included joint awareness campaigns and information sharing on safe online shopping, data sharing for unsafe products, the expansion of the Mutual Recognition Agreement (MRA) on good manufacturing practice (GMP) of pharmaceutical products to inspections conducted in third countries, the MRA on professional qualifications for architects (once applied), and joint work on animal welfare during transport. These reductions in non-tariff measures (NTMs) have further facilitated trade and investment and created an agenda for further discussions going forward.
- **Provisions dedicated to small and medium-sized enterprises** (SMEs) (e.g. providing one-stop-shop information tools for SMEs) have facilitated their engagement in CETA, resulting in significant increases in the number of SMEs exporting from the EU to Canada and vice versa.

#### *Strategic elements of the Agreement*

At a more strategic level, CETA has also contributed to a closer economic relationship between the EU and Canada. In the current (increasingly challenging and volatile) global climate for EU and Canadian companies and for the EU and Canadian economies, both Parties aim to **increase economic security for their supply chains** by trading more with reliable trading partners and by **promoting sustainable development**. Examples of how CETA has supported these policy objectives are as follows.

- CETA has enhanced EU and Canadian supply chain resilience and security by increasing the number of products traded bilaterally, reducing supplier and product import concentrations for both Parties, expanding their mutual importance in terms of trade in goods, services and investments, increasing SME engagement in bilateral trade and fostering regulatory cooperation.
- The Bilateral Dialogue on Raw Materials established under CETA has led to the 2021 Strategic Partnership for Critical Raw Materials, which improved supply chain security for critical raw materials.
- Recognising the growing importance of the digital dimension for bilateral trade and sustainable development and the increasing strategic importance of digital and tech

cooperation more generally, the EU and Canada launched a Digital Partnership to strengthen their cooperation on topics including artificial intelligence, quantum science, semiconductors, platform regulation, secure international connectivity, digital identity, data governance and cyber security.

- Under the trade and sustainable development chapter, the Parties have exchanged updates on legislative initiatives designed to eliminate child labour and forced labour from their respective markets and supply chains. The Parties have also explored opportunities for cooperation in third countries where both the EU and Canada have trade agreements with labour provisions.
- As part of the Joint Recommendation on Trade and Gender, the Parties organised several events for women entrepreneurs and traders from the EU and Canada. These events provided a platform to discuss the challenges faced by women-led businesses and to showcase the opportunities created by CETA to support them and encourage greater participation in bilateral trade.
- The Parties have discussed cooperation on environmental and climate change matters in international forums, in particular on the circular economy plastics and sustainable products and decarbonisation under the Paris Agreement.
- The Parties have reinforced their dialogue with civil society organisations through the enhancement of the dialogue with their respective domestic advisory groups (DAGs).

#### *Institutional structure under the Agreement*

CETA has a **well-developed institutional structure of committees and dialogues** to address issues of importance for bilateral cooperation. This structure covers the key aspects of the Agreement and fosters joint work agendas and dialogue on various topics. Insights from stakeholder consultations indicate that this structure has significantly **increased trust and the mutual understanding** of each other's rules and regulations, even when differences persist. The trust built among policymakers and regulators through CETA may also prove valuable in the face of future developments that require international coordination.

#### **Potential challenges to the economic relationship**

While CETA has clearly strengthened the economic relationship between the EU and Canada, deeper engagement has also revealed areas, primarily at the more detailed implementation level, where the EU and Canada **differ in their views and approaches**. For instance, differences persist regarding sanitary and phytosanitary regulations (e.g. the EU hormone-treated beef ban or the Canadian SPS rules on EU tomato and poultry exports), TRQ management and regulatory differences (e.g. differences in regulations regarding small solid biomass combustors). These differences have, however, not negatively affected the broader political and economic relationship.

## **2. To create an expanded market for goods and services through the reduction or elimination of barriers to trade and investment**

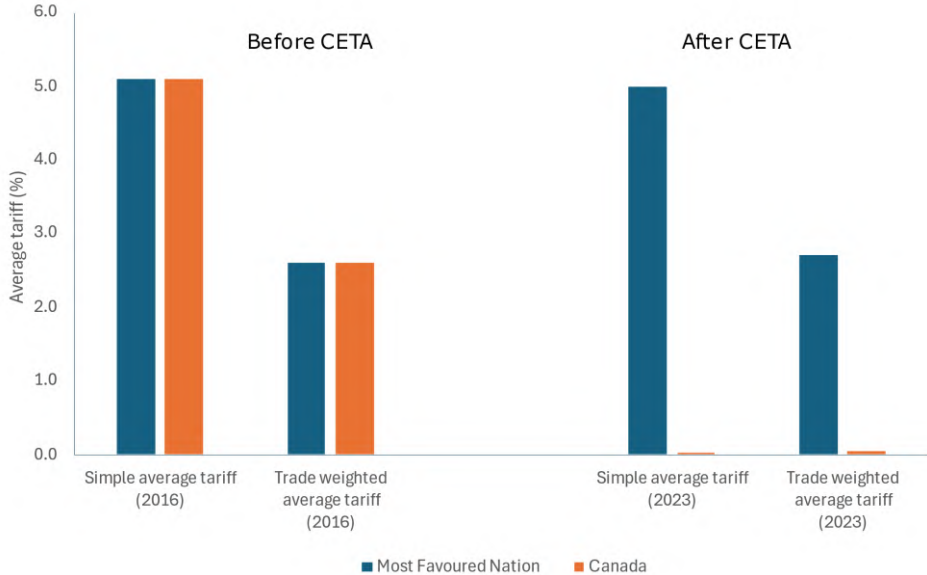
Tariffs and non-tariff measures (NTMs), such as regulatory divergences, constitute barriers to trade between the Parties, reducing CETA's trade potential. Through effective tariff liberalisation and reductions in non-tariff measures, CETA has contributed significantly to an increase in bilateral trade between the EU and Canada in goods and services.

#### **Tariffs have been effectively eliminated**

CETA has effectively **eliminated duties for 98.6 % of all Canadian tariff lines and for 98.7 % of EU tariff lines**. Figure 5 presents the EU tariffs applied to countries with MFN status in 2016 (including Canada at the time) and to MFN countries and Canada in 2023 (where Canada now benefits from preferential treatment under CETA). According to Eurostat (2024), the simple average EU MFN tariff was approximately 5.1 % in 2016, while

the trade-weighted average was 2.6 %. In 2023, the simple average EU MFN tariff was 5.0 % and the trade-weighted average tariff was 2.7 %. Following the start of the provisional application of CETA, both the simple average and trade-weighted average tariffs imposed by the EU on Canadian imports were drastically reduced to nearly zero.

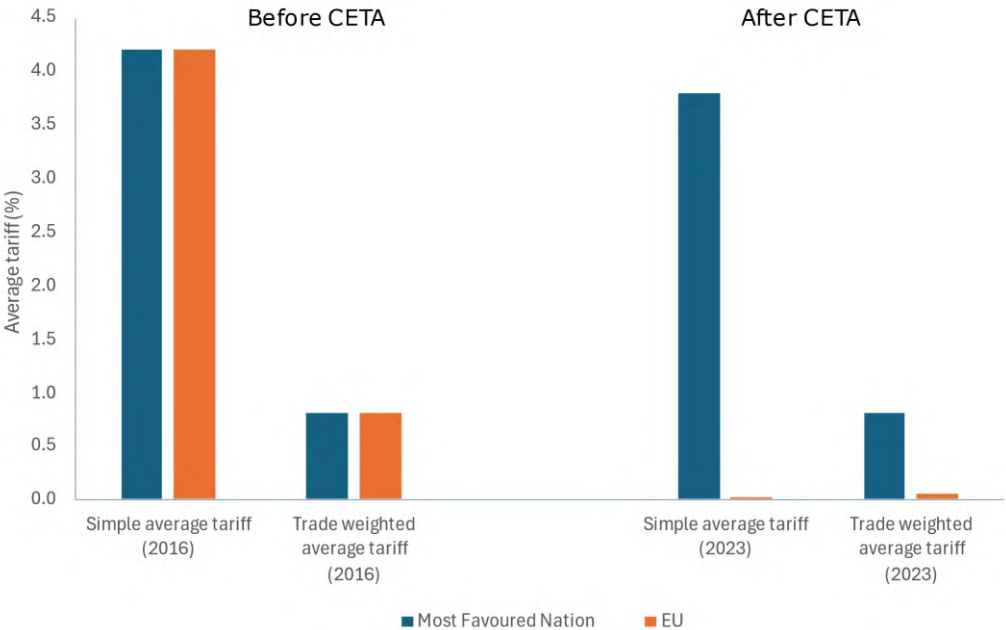
**Figure 5. EU tariffs on imports – Canada versus most-favoured nations (2016 and 2023, in percentage)**



Source: Eurostat (2024), TARIC (2024).

Figure 6 presents the same data for Canada, showing Canadian tariffs applied to MFN countries in 2016 (which also applied to the EU at the time) and to MFN countries and the EU in 2023 (where the EU now benefits from preferential treatment due to CETA). According to Statistics Canada (2024), the simple average Canadian MFN tariff was approximately 4.2 % in 2016, while the trade-weighted average that year was 0.8 %. In 2023, the simple average Canadian MFN tariff had decreased to 3.8 %, while the trade-weighted average tariff remained at 0.8 %. Following the start of the provisional application of CETA, both the simple average and trade-weighted average tariffs imposed by Canada on imports from the EU were drastically reduced to nearly zero.

**Figure 6. Canadian tariffs on imports – EU versus most-favoured nations (2016 and 2023, in percentage)**



Source: Eurostat (2024), TARIC (2024).

**Non-tariff measures have in part been tackled**

Through collaborative work in the various committees and dialogues under CETA, non-tariff measures (NTMs) have been reduced.

- The MRA on GMP has been expanded to include inspections conducted in third countries. This expansion reduces regulatory burdens for regulators and pharmaceutical companies by decreasing the number of required inspections.
- The MRA on professional qualifications for architects will enable architects from both Parties to practice in the other’s jurisdiction by streamlining the recognition process of their professional qualifications (once the legal process is completed).
- Canada’s acceptance of the EU as a single entity for the purpose of export certificates for poultry has simplified trade processes, reduced costs for exporters and increased market access for EU poultry exporters from Member States that are recognised via a health certificate issued by the Canadian Food Inspection Agency. However, progress in addressing other SPS barriers, notably with regards to the recognition of the EU single entity regarding the Member States’ meat inspection systems, the EU harmonised certificate for the export of processed meat products, and fresh fruit and vegetables, has been limited.
- Canada has exempted certain cosmetic-like, low-risk products manufactured in the EU from quarantine and confirmatory re-testing in Canada before market access. The exemption for EU sunscreen entered into effect in 2019 and, following engagement with EU exporters, resulted in an increased variety of sunscreen products available in Canada. In 2020, the re-testing requirement for certain types of shampoo was removed. In 2022, exemptions followed for toothpaste, antiperspirants, medicated skincare products, mouthwashes and a few other similar categories.
- EU regulators have initiated information sharing with Canadian authorities to support Canada’s development of policies and regulations governing access to paediatric medicines.

However, regulatory cooperation has also faced challenges.

- Providing timely input during the draft stage of new legislation or regulations has been challenging for both Parties.
- In some areas of cooperation, sub-federal / Member State competences have added a layer of complexity, slowing down regulatory cooperation (e.g. small solid biomass combustors).
- Standardisation efforts and the CETA conformity-assessment protocol provisions have seen limited use. To date, the EU has accredited seven Canadian conformity-assessment bodies (CABs), while Canada has accredited more than 50 EU CABs. <sup>(26)</sup>. These EU CABs are accredited in the electrical and electronic equipment, and radio and telecommunications terminal equipment sectors. In the remaining sectors covered by the CETA protocol, no EU CABs have been accredited.

In some areas, no alignment is possible as the EU and Canada have diverging regulations and standards based on different societal norms. CETA accepts this and clearly leaves room for regulatory autonomy.

### **3. To establish clear and predictable rules to govern bilateral trade and investment**

CETA has established clear and predictable rules to govern bilateral trade and investment. The clarity of these provisions, confirmed through stakeholder consultations, is evident in the following areas.

- Tariff liberalisation (Annex 2 to CETA), which provides for immediate or gradual tariff liberalisation based on pre-agreed schedules.
- Customs and trade facilitation (Chapter 6), which establishes transparent, predictable rules for customs and trade facilitation by promoting simplified procedures, risk-based inspections, advance rulings and the use of electronic systems. It ensures efficient goods clearance, facilitates cooperation between authorities and guarantees accessible review mechanisms for traders.
- Subsidy rules (Chapter 7), which require both Parties to ensure transparency and fair competition and prevent trade distortions. Both Parties commit to notifying subsidies, particularly those that significantly affect trade, and agree to consult if concerns arise.
- Domestic regulation (Chapter 12), which sets rules to ensure transparent, impartial and predictable procedures for licensing and qualification requirements. It requires timely decisions, clear criteria and non-discriminatory practices for businesses and professionals.
- International maritime transport services (Chapter 14), which ensures open and non-discriminatory access to international maritime transport services. It guarantees fair treatment for vessels from both Parties, including access to ports, infrastructure and related services to promote efficient maritime trade.
- Competition policy (Chapter 17), which commits both Parties to prohibit and sanction certain practices and transactions involving goods or services which distort competition and trade. The provisions reflect the main principles and obligations consistent with both EU and Canadian competition law to ensure free and undistorted competition.

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<sup>(26)</sup> European Commission, 'Bodies', Single Market Compliant Space website, <https://webgate.ec.europa.eu/single-market-compliance-space/notified-bodies/notified-body-list?filter=countryId:124,notificationStatusId:1>.  
 Government of Canada, 'Certification Bodies', Government of Canada website, 28 July 2025, URL: <https://ised-isde.canada.ca/site/mutual-recognition-agreements/en/conformity-assessment-bodies/certification-bodies>.  
 Government of Canada, 'Wireless Device Testing Laboratories', Government of Canada website, 29 July 2025, <https://ised-isde.canada.ca/site/mutual-recognition-agreements/en/wireless-device-testing-laboratories>.

- Sustainable development (chapter 22), which promotes high environmental and labour standards in trade by encouraging cooperation, transparency and public participation. The chapter ensures that neither side weakens protections to gain a trade advantage.
- Transparency provisions (chapter 27), which requires the EU and Canada to publish laws, regulations and administrative rulings affecting trade. It promotes open communication, public consultations and timely responses to inquiries from businesses and stakeholders.

These provisions have contributed to a predictable and more certain environment for both large and small businesses.

#### **4. To further liberalise the government procurement markets of the Parties**

Through Chapter 19 of CETA on government procurement, the EU and Canada have made ambitious commitments to open their public procurement markets to each other, not only at the federal level but also at the sub-federal level.

As a result of CETA, the value of public procurement for both EU firms in Canada and Canadian firms in the EU has increased by at least 8.4 % annually between the Parties. The real impact is likely even higher, given that this estimate likely underrepresents CETA's impact on procurement due to some limitations in the underlying data.

Based on statistical, econometric and qualitative findings, it is reasonable to conclude that CETA has had a significant and positive effect on public procurement.

#### **5. To protect and enforce intellectual property rights**

##### **The Agreement has contributed to the protection of intellectual property rights**

The EU did not modify its existing intellectual property (IP) legislation as a result of CETA negotiations. Canada implemented a few changes to its intellectual property (IP) regime. Notably, Canada aligned its trademark regime with international standards, such as the Singapore Treaty and the Madrid Agreement.

In addition, CETA prompted Canada to introduce a *sui generis* protection system, a patent restoration term (similar to the EU's supplementary protection certificate), for pharmaceutical products. Furthermore, CETA provided innovator companies with 'equivalent and effective rights of appeal' under the Patented Medicines (Notice of Compliance) Regulations (PM(NOC) Regulations), placing them on equal footing with generic manufacturers. It also ended the dual litigation practice.

Despite initial concerns about potential drug cost increases and delays in generic availability, evidence to date shows no significant rise in costs or adverse effects on the generic market share because of these measures. According to IQVIA (2021) these stronger IP protections have improved access to innovative medicines for Canadian patients and supported a 182 % increase in pharmaceutical investments in Canada <sup>(27)</sup>.

##### **The Agreement has expanded geographical indications in Canada, but issues remain**

CETA has expanded the protection of geographical indications in Canada in three ways.

- CETA led to changes in Canada's Trademarks Act, expanding the definition of GIs to cover not only wines and spirits but also food and agricultural products.

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<sup>(27)</sup> The IQVIA Institute for Human Data Science, 'The impact of pharmaceutical IP provisions in EU free trade agreements', 12 November 2021, <https://www.iqvia.com/insights/the-iqvia-institute/reports-and-publications/reports/the-impact-of-pharmaceutical-ip-provisions-in-eu-free-trade-agreements>.

- Before CETA, the Canadian GI framework listed as available for protection 1 575 wines and 57 European spirit names under the EU–Canada 2003 Agreement on Wines and Spirits. CETA expanded this scope to include 171 EU food and agricultural products.
- Following CETA, the Canadian Intellectual Property Office (CIPO), established a process to add new GIs to the protected list in Annex 20-C to CETA.
- CETA has also enabled addition of new wine and spirit GI names to the list under the 2003 agreement. The first such amendment was concluded in 2024.

This expansion has increased new market opportunities for EU exporters of GI-protected products in Canada. GIs provide marketing and branding advantages by linking products to specific geographical origins, allowing producers to command price premiums and enhance their brand value.

However, challenges persist. Key ongoing issues include divergent views between the EU and Canada on administrative enforcement and the EU's request for a public list of grandfathered GI users.

## **6. To promote sustainable development and foster international trade in such a way as to contribute to sustainable development in the economic, social and environmental dimensions**

The implementation of CETA, with increased trade and investment flows in both directions, has created positive, albeit limited, effects on social development in the EU and Canada.

- CETA has contributed to employment increase in key exporting sectors:
  - EU sectors: textiles, clothing and leather products (0.28 %), the automotive industry (0.09 %), red meat (0.07 %) and dairy products (0.07 %);
  - Canadian sectors: water transport (1.64 %), other transport equipment (0.85 %), textiles, clothing and leather products (0.7 %), other food (0.51 %), chemicals (0.51 %), grains (0.42 %) and the automotive industry (0.28 %).
- CETA has contributed to a modest wage increase for both skilled and unskilled workers:
  - 0.02 % in the EU;
  - 0.10 % in Canada.
- CETA has supported a rise in the real spending power for consumers in both Parties, with the poorest 20 % of the population in most Member States benefitting the most on a relative basis.
- Through increased trade flows between the EU and Canada, consumers in both Parties have enjoyed greater availability of goods and services. This has been facilitated by the reduction in tariffs and NTMs and the work of the Regulatory Cooperation Forum.
- The EU and Canada have also collaborated through inspections, policy dialogue, market surveillance mechanisms and awareness-raising campaigns to ensure that increased trade does not compromise product safety.
- Available evidence indicates that the number of unsafe products imported from Canada to the EU, and vice versa, has remained low and has not increased since the start of CETA's application, despite rising bilateral trade.
- Under the Joint Recommendation on Trade and Gender, the Parties have collaborated to support women's economic empowerment by organising events for women entrepreneurs and traders from the EU and Canada.
- The documented economic and social progress of CETA did not occur at the expense of the environment, as the impact on CO<sub>2</sub> emissions in Canada and the EU appears to be largely insignificant. In Canada and the EU, household emissions did increase by 0.09 % and 0.001 % respectively, while firm emissions rose by 0.01 % and 0.001 % respectively, respectively in Canada and the EU. However, the total increase in CO<sub>2</sub>

emissions in both Canada and the EU is estimated at 0.3 megatonnes, which is negligible compared to overall emissions levels in both economies. Furthermore, when considering population growth, CO<sub>2</sub> emissions have actually decreased by 0.9 % per capita in Canada and by 0.2 % per capita in the EU.

- CETA has had a marginally negative impact on land use, and thus on natural resources and biodiversity. The findings demonstrate that there has been an overall increase of land used for agriculture of a little over 1.5 million hectares due to CETA in both Parties combined. This change represents 0.7 % of the land used for agriculture in both partners.
- CETA has contributed to growth of trade in environmental goods and services, including the sharing of environmentally sustainable technologies.

While CETA has supported sustainable development, some challenges persist.

- Even though the Parties have not identified any shortcomings in the implementation of or compliance with the CETA TSD provisions, the absence of an enforcement mechanism has triggered concerns from civil society organisations. The lack of detailed gender-disaggregated data regarding sectors of operation of women-owned businesses and women's trading activity hinders the evaluation of CETA's effects on female entrepreneurs and traders, above all in Canada.

### **7. To implement the Agreement in a manner consistent with the enforcement of the Parties' respective labour and environmental laws, building upon their international commitments on labour and environmental matters.**

The Parties have implemented CETA in a manner consistent with their international obligations regarding labour standards and environmental commitments. Evidence collected during this evaluation suggests that both the EU and Canada have continued to pursue their own labour and environmental policy agendas and have exchanged information about related actions. However, these activities have largely occurred independently from the Agreement.

- CETA has had a limited but positive impact on working conditions and labour standards in both the EU and Canada, particularly in sectors engaged in bilateral trade.
- Domestic factors have exercised more influence in these areas. These factors include the domestic labour law with high levels of worker protection, a trade union presence and collective bargaining, adopted business models, technological changes, competition and other global developments.
- Since the start of the provisional application of CETA, the Parties have adopted new legislation in areas related to working conditions and labour standards, such as the elimination of child labour and forced labour from their markets and supply chains. These developments were discussed during TSD Committee meetings.
- Contrary to concerns raised by several stakeholders, the EU and Canada have not engaged in a regulatory dialogue on labour-related matters and have preserved their right to regulate independently.
- The Member States and Canada have ratified further International Labour Organization fundamentals and other up-to-date conventions. However, these ratifications were primarily driven by domestic policy priorities and shared values, rather than CETA.
- Both Parties discussed environmental matters in the cooperation bodies set up by the agreement. This had a limited impact on domestic policy developments, but has arguably further cemented both Parties' understanding of their respective legal frameworks. They also indicated interest in further fostering their cooperation to increase trade in environmental goods and services with environmental benefits.
- The Parties have held regular TSD Committee meetings and engaged in dialogue with civil society organisations, including through DAGs. These exchanges have fostered mutual learning and better understanding.

Despite these overall positive developments, the evaluation study finds that the Parties have not fully utilised CETA's potential in the area of labour or environmental (including climate) cooperation. Future efforts could focus on:

- The Parties' enhanced cooperation in third countries aiming to improve these countries' labour-related performance;
- The Parties' cooperation on environmental (including climate) matters, which could be further enlarged and streamlined at the international level concerning the implementation of multilateral environmental agreements (MEAs).

#### **4.1.1.2 EQ2: What are the factors influencing (either positively or negatively) the achievement of CETA's objectives?**

##### **Factors positively contributing to achieving the Agreement's objectives**

Several factors have contributed to achieving CETA's objectives over the past seven years: CETA-specific elements, external factors and shared core policy values.

###### *CETA-specific aspects*

- CETA's strong institutional structure with 19 committees and dialogues strongly supports and facilitates joint work and dialogue. Discussions put the Parties' regulatory systems and differences into perspective.
- The multiple forums for collaboration on different aspects like trade in goods and services, FDI, SPS and technical barriers to trade (TBT) measures, procurement, investment, SMEs, conformity assessment, critical raw materials, customs and trade facilitation, geographical indications and trade and sustainable development, require the involvement of many policymakers, regulators, companies and civil society organisations from both Parties. The success of joint work programmes involving regulators has been a key driver of CETA's positive outcomes.
- Trade complementarities between the Parties have created numerous win-win situations as tariffs are liberalised. While some overlaps exist, such as in agricultural production and financial and insurance services, clear patterns have emerged where the EU has increased its exports (e.g. cheese, wines and spirits, rubber and plastics and transport services) and where Canada has done the same for other products or services (e.g. oil seeds, cereals, other business services and financial services).

###### *External factors*

Geopolitical and economic developments have brought the EU and Canada closer together, highlighting the importance of CETA as a strategic trade agreement.

- Regarding Russia's war of aggression against Ukraine, the EU and Canada have imposed sanctions on Russia and Belarus while providing strong support for Ukraine.
- Regarding the increased degree of economic protectionism and the crisis of the multilateral trading system, both Parties have worked together to defend the rules-based international trade system and its benefits.
- Regarding the view of China as a competitor and strategic rival, both Parties are pursuing strategies to reduce dependency on Chinese imports and aim to strengthen supply chain resilience in the years ahead.

###### *Shared core policy values between the EU and Canada*

- The EU and Canada, as like-minded partners with relatively open economies, share key policy values. Both Parties are strong supporters of the WTO and its principles. They have expressed continuous support for the WTO reform through initiatives like the

Ottawa Group. In addition, the EU and Canada participate in the Multi-Party Interim Appeal Arbitration Arrangement.

- The Parties focus on trade diversification as a core policy objective as part of their broader economic security and supply chain resilience strategies. CETA provides a mutually beneficial platform for trade diversification. The EU pursues these goals through its policy of open strategic autonomy, including strategic partnerships for critical raw materials and minerals. The evaluation study finds that Canada follows a trade diversification strategy and leverages its participation in multiple trade agreements, such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, to achieve similar objectives.
- The Parties are strong supporters of multilateral efforts to tackle global environmental degradation and are collaborating closely to defend and advance a multilateral approach to environmental protection. The EU and Canada have aligned their trade policies with their climate and sustainability goals, as reflected in their joint support for the Paris Climate Agreement and ambitious environmental policies. The EU is promoting and implementing key policies put in place under the European Green Deal, addressing issues such as fighting biodiversity loss and the transition to a circular economy. Canada has introduced its 2020 'A healthy environment and a healthy economy' plan <sup>(28)</sup>, which includes measures to reduce GHG emissions, promote clean fuel regulations and improve energy efficiency.

### **Factors negatively contributing to achieving the Agreement's objectives**

Several factors have negatively affected the achievement of the CETA objectives: CETA-specific challenges, external factors and differences in legislative and regulatory approaches.

#### *CETA-specific aspects*

- Regarding companies making use of CETA, stakeholder feedback highlighted that the increase in the use of freight forwarders hinders the full use of CETA preferences (i.e. CETAs preference utilisation rates). This is because freight forwarders do not claim CETA preferences unless explicitly requested by clients, as this is seen as a cumbersome and costly task. As a result, goods are often traded at MFN tariffs rather than CETA preferential tariffs, reducing the effectiveness of CETA.
- Regarding public procurement, the sub-federal level of fragmentation in Canada, both in terms of differences in procurement rules and the availability of tenders and procurement statistics, may negatively impact the objective of increasing EU public procurement participation in Canada. However, the introduction of CanadaBuys – a centralised single point of access to all procurement notices falling within the scope of international agreements such as the Government Procurement Agreement and CETA – has achieved a major increase in transparency and can be considered a very important positive outcome of CETA.
- An issue raised repeatedly by SMEs, including during the SME online seminar, is the misconception among some EU SMEs that CETA applies to them only if their respective Member State has ratified the Agreement.

#### *External factors*

- With the United Kingdom leaving the EU, one of Canada's most important trading partners is no longer part of the bloc, causing the trade size of CETA to diminish.
- The COVID-19 pandemic and related lockdown measures significantly disrupted bilateral trade between the EU and Canada in 2020 and in 2021. However, by late 2021 and throughout 2022, the EU's increased exports of COVID-19 vaccines to Canada

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<sup>(28)</sup> Government of Canada, 'A Healthy Environment and a Healthy Economy', 8 April 2021, <https://www.canada.ca/en/services/environment/weather/climatechange/climate-plan/climate-plan-overview/healthy-environment-healthy-economy.html>.

provided a significant boost of bilateral trade, helping it recover more quickly than initially expected. While COVID-19 initially hindered CETA's objectives, its negative impact was short-lived, with bilateral trade growth resuming in 2022 and continuing into 2023 and beyond.

#### *Differences in legislative and regulatory approaches between the EU and Canada*

The differences in how the EU and Canada regulate their markets have also posed challenges.

- Approach to standards and regulation:
  - In the EU, standards are voluntary and typically linked to legislation. Legislation sets out essential requirements, while standards offer practical guidance for compliance. Standards are developed by three standard setting bodies: the European Committee for Standardization, the European Committee for Electrotechnical Standardization, or the European Telecommunications Standards Institute, under mandate from the Commission. Companies that follow these standards are presumed compliant with the law, although alternative standards may also be accepted.
  - In Canada, standards are less likely to be linked to regulation. Instead, private standard-setting bodies create standards that businesses may adopt voluntarily. The primary incentive for compliance comes from the risk of litigation rather than regulatory mandates.
- Regulatory approach:
  - The EU often employs the precautionary principle, enacting comprehensive regulations to pre-emptively address potential risks. This approach is evident, for example, in some SPS measures.
  - Canada applies a more flexible, risk-based regulatory approach, focusing on balancing innovation with regulation. For example, Canada's Directive on automated decision-making provides guidelines for federal institutions to ensure responsible artificial intelligence use. Canada typically advocates for a risk-based, science-based approach under CETA on issues like SPS, while the EU often relies on scientific evidence supplemented by the precautionary principle.
- Data protection standards:
  - The EU General Data Protection Regulation enforces strict data protection rules, granting individuals extensive rights over their personal data and putting obligations on organisations handling private data.
  - The Personal Information Protection and Electronic Documents Act in Canada offers robust yet less stringent data protection than the General Data Protection Regulation's standards, creating compliance challenges for businesses operating across both jurisdictions.

#### **4.1.1.3 EQ3: Has the implementation of CETA had unintended consequences?**

This evaluation has identified one unintended positive side effect and one unintended negative side effect as a result of CETA.

##### **Positive unintended effect**

A limited but notable reduction in GHG emissions constituted an unintended (positive) side effect. The modelling shows that CO<sub>2</sub> emissions increased marginally (due to a combination of a marginal increase of bilateral transport combined with a small decrease because of production shifts) overall. However, CO<sub>2</sub> decreased per capita (because the population growth over the compared period was higher than the increase in CO<sub>2</sub> emissions from CETA). In addition, emissions of non-CO<sub>2</sub> GHG declined, and as a result the overall GHG-related environmental impact of the Agreement can be considered marginally positive.

While this effect was not strictly speaking unintended, it was an unexpected positive environmental outcome.

#### **Negative unintended effect**

While the EU and Canada have set clear objectives on sustainability to advance the greening of their economies and reduce emissions – through domestic legislation and regulations and flanked by CETA’s TSD chapters – an unintended negative consequence has emerged. The combination of CETA’s automotive rules of origin and the Canadian luxury car tax has penalised trade in electric vehicles compared to trade with internal combustion engine vehicles, as the latter more easily meet CETA’s rules of origin requirements than electric vehicles and are also less likely to be subject to the luxury tax due to their lower cost of production. This unintended side effect could undermine the shared goal of reducing GHG emissions through sustainable trade practices.

#### *4.1.2 Impact*

##### **4.1.2.1 EQ4: What has been the impact of CETA’s implementation?**

#### **Total trade has increased faster in the post-Agreement period than in the pre-Agreement period**

**Error! Reference source not found.** Bilateral trade in goods and services between the EU and Canada has increased from EUR 64 billion to EUR 72 billion in the pre-CETA period (2012–2016), representing a 12.5 % increase. During the post-CETA period (2017–2023), **total bilateral trade increased by 55.9 %, from EUR 79 billion in 2017 to EUR 123 billion in 2023 (by 71.0 % from 2016 to 2023)**, despite the negative impact of the COVID-19 pandemic in 2020.

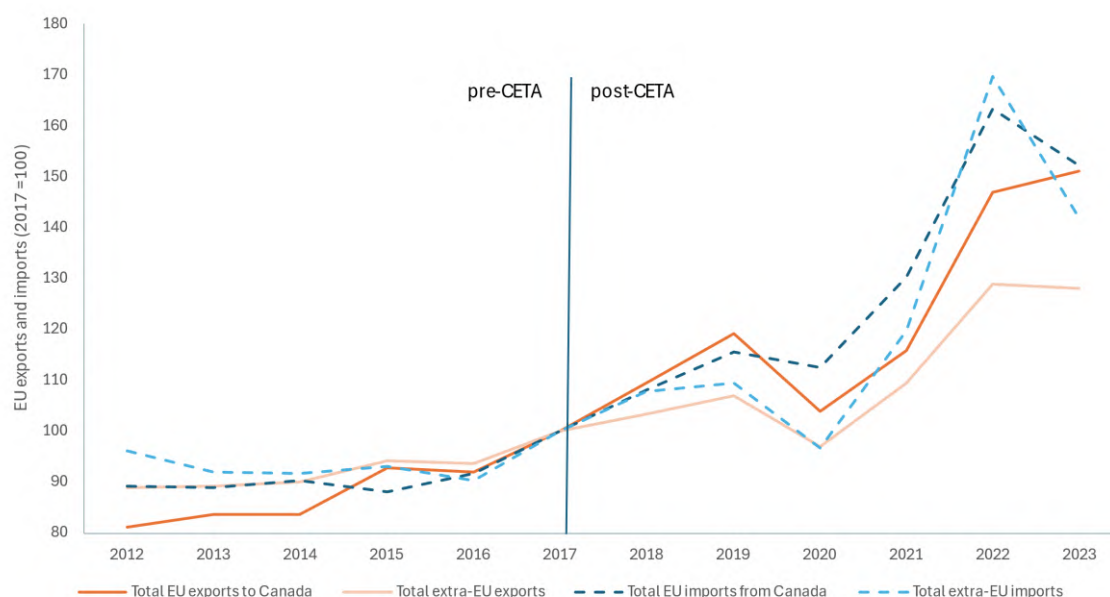
#### **Overall, trade in goods increased faster in the post-Agreement period than in the pre-Agreement period**

#### **To assess the relative impact of CETA, Figure 7 Figure 7. Changes in goods trade between the pre-Agreement and post-Agreement periods (2017=100)**

compares the growth of bilateral EU–Canada trade with the growth of total extra-EU trade, covering both exports and imports. It shows that EU exports to Canada have grown at a significantly faster rate than total extra-EU exports, with 2017 set as the base year.

Between 2017 and 2023, EU goods exports to Canada increased by 51.2 % compared to a 28.2 % increase in EU exports to third countries. EU imports from Canada rose by 49.4 % during the same period, growing at a slightly faster pace than overall extra-EU imports, which increased by 42.3 %.

**Figure 7. Changes in goods trade between the pre-Agreement and post-Agreement periods (2017=100)**



Source: Eurostat (2024)<sup>(29)</sup>.

**Sectoral trade in goods:** CETA has had a **significant and positive effect on sectoral goods trade** between the EU and Canada, both in agricultural and manufacturing.

- Between 2016 and 2023, **EU goods exports to Canada increased by 64 %**. The largest export increases occurred in nuclear reactors, boilers and machinery (EUR 3.3 billion or 63.7 %), chemicals (EUR 3.0 billion or 250.2 %), pharmaceuticals (EUR 2.0 billion or 58.4 %), motor vehicles (EUR 1.4 billion or 33.4 %), agricultural products (EUR 1.3 billion or 80.0 %) and mineral fuels and oils (EUR 1.0 billion or 62.2 %).
- Between 2016 and 2023, **EU imports from Canada increased by 61 %**. The largest import increases in the post-CETA period occurred in the following sectors: mineral fuels and oils (EUR 3.3 billion or 321.5 %), ores, slag and ash (EUR 1.9 billion or 109.5 %), agricultural products (EUR 830 million or 38.3 %), chemicals (EUR 788 million or 119.9 %) and pearls, gems and jewellery (EUR 718 million or 68.2 %). In relative (percentage) terms, notable increases were also observed in several other sectors, including a 523.6 % increase in fertiliser imports, a 177.6 % increase in aluminium imports, a 114.5 % increase in nickel imports and a 254.2 % increase in beverage imports from Canada.

#### On agriculture:

- CETA has had a significant positive effect on bilateral agri-food sector trade between the EU and Canada. EU exports of **meat and edible meat offal** were EUR 122 million per year higher (188 %) in the post-CETA period compared to pre-CETA levels. **Dairy** exports rose by 62 %, while exports of **fish and crustaceans**, edible fruits and nuts, and oilseed also increased by large amounts. On the Canadian side, exports to the EU increased, especially for **oilseed** (44 %), **cereals** (21 %) and **fish and crustaceans** (65 %).
- The main EU exporters are Denmark, Germany, Spain and Italy for all products combined; Ireland (meat) and Spain and Lithuania (fish and crustaceans); and Denmark, Germany, Estonia, Ireland, Greece, Spain, France and Italy (milk and dairy products like cheese). The main EU importers are Belgium, France and Italy (oilseed) and Ireland, Spain and Portugal (cereals).

<sup>(29)</sup> [Eurostat Dataset DS-045409](#)

- The difference in average EU agricultural exports to Canada between the pre-CETA and post-CETA periods amounts to EUR 1.4 billion per year. This increase is primarily driven by **higher exports of wine of fresh grapes (10.8 %), followed by extra virgin olive oil (8.6 %), sparkling wine of fresh grapes (4.4 %), feta cheese (4.3 %) and pork (3.3 %)**.
- The difference in average EU agricultural imports from Canada between the two periods is EUR 767 million per year. **Oilseed accounts for 37.5 % of this increase, followed by cereals (maize) (18.4 %), crustaceans (fresh) (12.2 %) and dog or cat food (5.2 %)**.

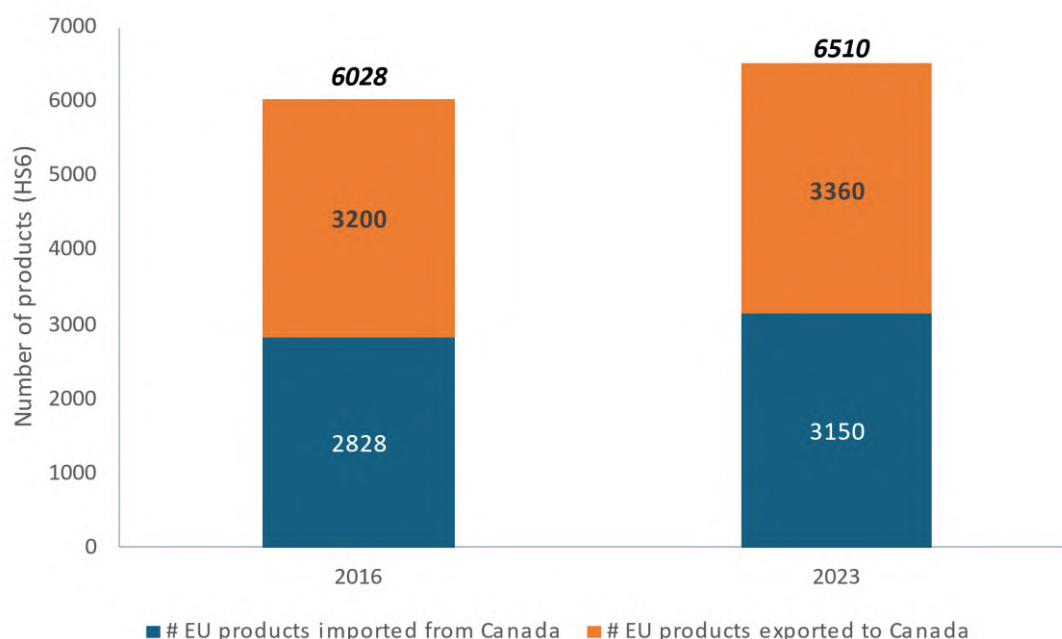
### On manufacturing:

Several manufacturing sectors experienced substantial export growth, including **textiles and clothing (71 %), rubber and plastics (75 %) and machinery and mechanical appliances (39 %)**.

### The number of products traded

In terms of the number of products traded, as shown in Figure 8 **Error! Reference source not found.**, both the number of exported and imported products increased when comparing 2016 to 2023. The number of products the EU exported to Canada rose by 5.0 %, from 3 200 in 2016 to 3 360 products in 2023. Similarly, the number of products the EU imported from Canada increased by 11.4 %, from 2 828 in 2016 to 3 150 in 2023. These increases point to gains in product availability in the EU and Canada.

**Figure 8. Change in the number of products traded between the EU and Canada (2016, 2023)**



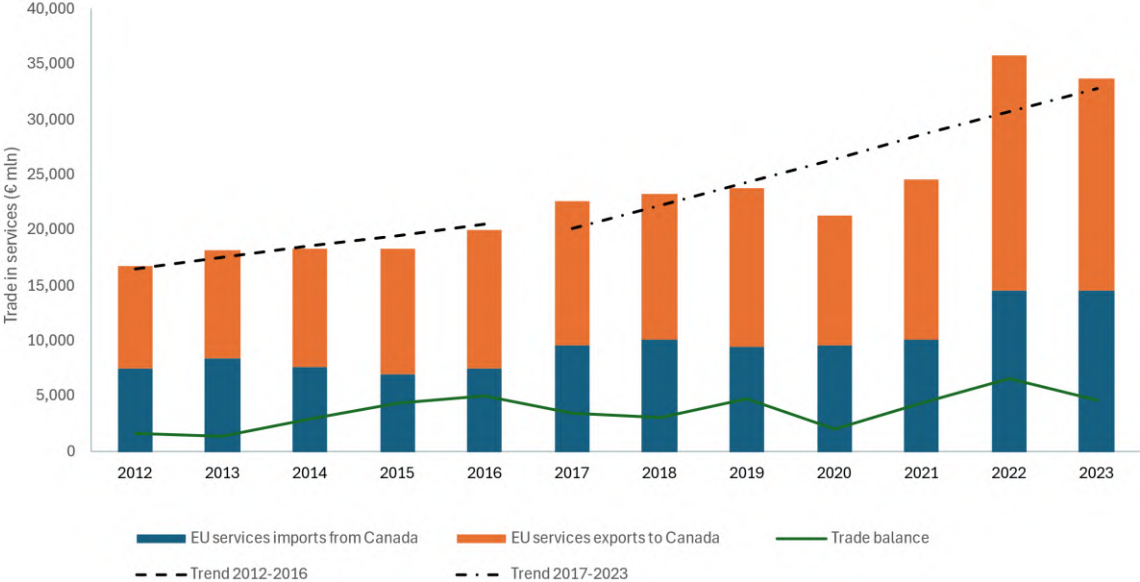
Source: Support study, based on Eurostat (2024).

### Trade in services has increased faster in the post-Agreement period than in the pre-Agreement period

EU exports of commercial services to Canada increased from an average of EUR 10.7 billion pre-CETA to an average of EUR 15.3 billion post-CETA, registering a 46.5 % increase. EU imports of commercial services from Canada also grew from an average of EUR 7.6 billion pre-CETA to an average of EUR 11.2 billion post-CETA, translating into a 43.0 % increase. Despite the sharp decline in 2020 due to the COVID-19 pandemic, the post-pandemic

recovery has been strong, with EU services exports to Canada reaching EUR 19.2 billion and imports from Canada EUR 14.5 billion in 2023, resulting in an EU trade surplus of EUR 4.7 billion.

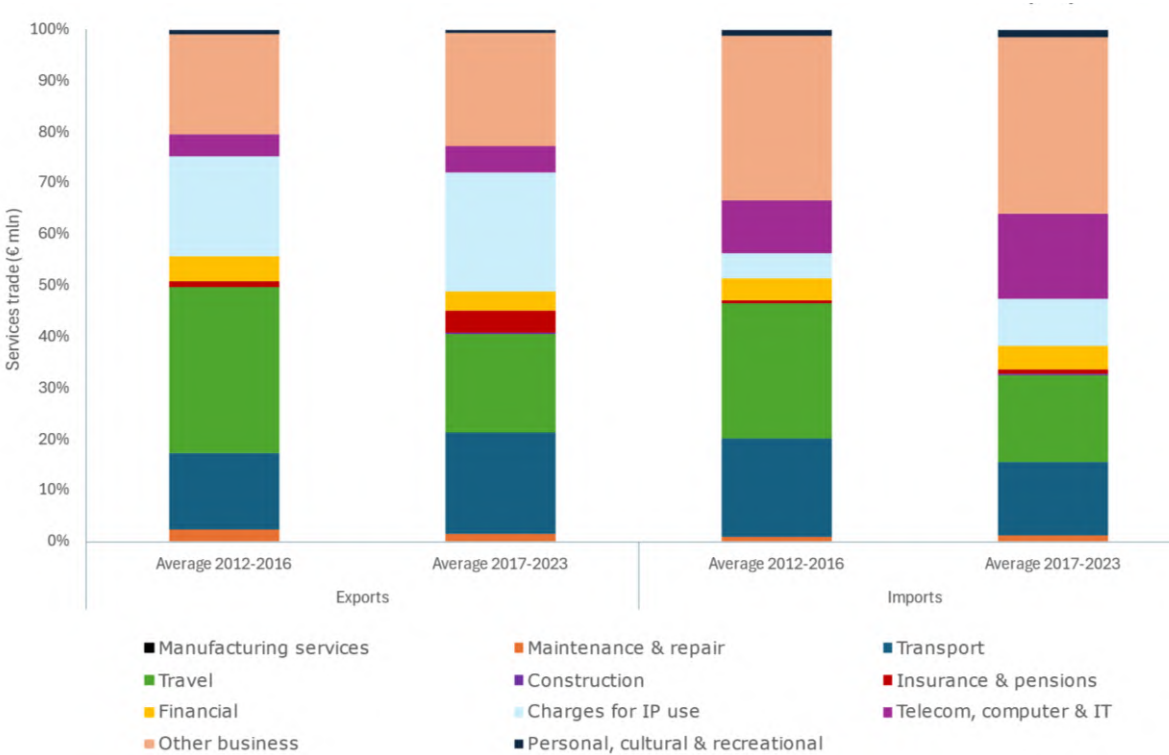
**Figure 9. EU–Canada bilateral services trade (2012–2023, in million EUR)**



Source: Evaluation study, based on the UNCTADstat data centre.

At the sector level, EU bilateral commercial services exports are dominated by transport, travel, other business and IP-related services. The share of other business services increased on average after CETA. The share of services traded digitally (insurance and pension services, financial services, charges for the use of IP, telecommunications, computer and information services, other business services and personal, cultural, and recreational services) has also increased in each partner’s bilateral services exports in the post-CETA period.

**Figure 10. Sectoral distribution of EU–Canada commercial services trade (in percentage)**



Source: Evaluation study, based on the UNCTADstat data centre.

Germany, Ireland, France, and the Netherlands dominate the EU’s services export and import distributions. While these Member States have consistently ranked as the top trading partners, their relative shares have shifted over time.

Trade in transport services has increased between the pre-CETA and post-CETA periods. Before CETA, the ports of Antwerp and Rotterdam were the main trading hubs. These were joined by Le Havre from the moment CETA was provisionally applied. Dredging services have increased and Dutch dredging firms in particular have benefitted from the CETA provisions on dredging, along with the Canadian public procurement market opening up. Trade in business services has significantly increased on both sides (66.9 % in terms of EU exports to Canada, and 76.3 % in terms of Canadian exports to the EU). Telecom and computer services trade also grew rapidly between 2017 and 2023, more rapidly than in the pre-CETA period.

The main drivers for this increase were, among others, the digital transformation, growth of remote work after the COVID-19 pandemic, new innovations like 5G and the internet of things, aligned views on sustainability and climate change, geopolitical tensions bringing the EU and Canada closer, and the critical importance of cybersecurity.

Despite the strong overall increase of trade in digitally delivered services, a more detailed analysis on whether CETA has had a meaningful impact on these developments is inconclusive. Indeed, WTO estimates show that global digitally delivered services export and import also grew significantly between 2017 and 2022 (61 % and 65 % respectively) (30). As suggested by the evaluation study, this may be because CETA’s e-commerce provisions are relatively modest compared to more modern EU trade agreements, such as those with Japan, New Zealand and the United Kingdom. Stakeholders have highlighted this as a critical area requiring improvement. Regarding the temporary entry and stay of natural persons, the evaluation study has found evidence that the

(30) World Trade Organization, 'Digitally delivered services trade dataset', 25 July 2025, [https://www.wto.org/english/res\\_e/statis\\_e/gstdh\\_digital\\_services\\_e.htm](https://www.wto.org/english/res_e/statis_e/gstdh_digital_services_e.htm).

business community is appreciative of this provision. However, it remains relatively unknown and its uptake has been limited to date.

### **The Agreement’s impact on gross domestic product and trade in the EU and Canada was positive**

As demonstrated by the evaluation study, CETA has contributed to GDP increases in both the EU and Canada. **EU GDP** has become **EUR 3.2 billion higher** each year due to CETA, while **Canadian GDP is EUR 1.3 billion higher** each year.

### **No impact by the Agreement on Türkiye and least-developed countries**

Based on the economic analysis of the evaluation study, effects for **Türkiye** have been negligible. Moreover, **LDCs** have not been impacted by CETA.

### **The Agreement’s impact on foreign direct investments was marginal**

Comparing pre-CETA and post-CETA periods, the average levels of **EU foreign direct investment** (FDI) into Canada grew by EUR 40 billion (from an average FDI stock of EUR 220 billion pre-CETA to EUR 308 billion post-CETA), making the EU the second-largest foreign investor in Canada after the United States. However, Canadian inward FDI stocks have risen much faster for the United States and China (see **Table 3**) than for the EU, which implies that the EU’s share in Canadian inward FDI has decreased over time. Investor uncertainty resulting from the ongoing Member State ratification process, along with the rapid growth of both inward and outward FDI for China, may explain why these investment results are modest.

**Table 3. Canadian inward foreign direct investment stocks in perspective (in billion EUR)**

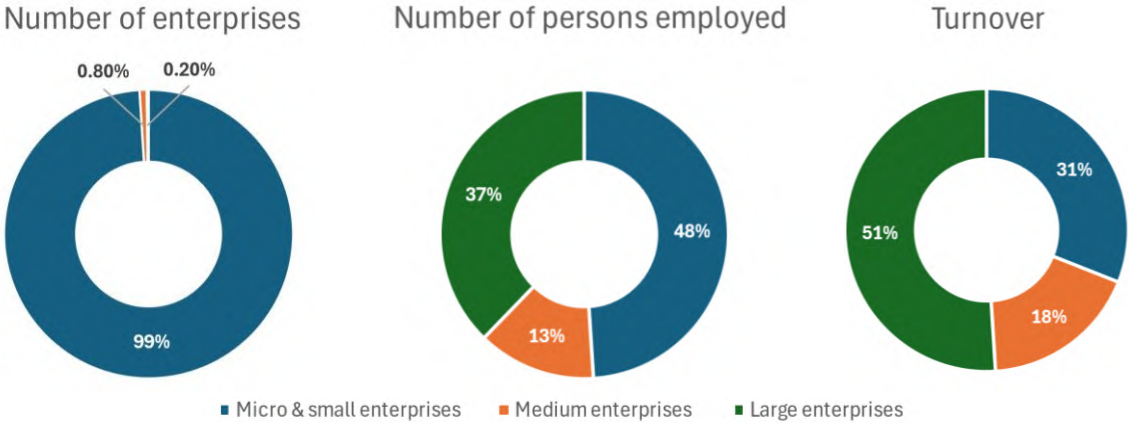
Year	US FDI inward stock (billion EUR)	Annual rate of growth (%)	EU FDI inward stock (billion EUR)	Annual rate of growth (%)	China FDI inward stock (billion EUR)	Annual rate of growth (%)
2017	269.4		273		10.6	
2018	311.2	15.5	366	34.1	14.4	35.8
2019	312.5	0.4	322	- 12.0	17	18.1
2020	310.4	- 0.7	270	- 16.1	13.9	- 18.2
2021	364.7	17.5	303	12.2	17.2	23.7
2022	390.4	7.0	315	4.0	17.1	-0.6
2023	414.2	6.1	NA		16.6	- 2.9
2017-2023		<b>44.9</b>	<b>NA</b>	<b>15.4</b>	<b>16.6</b>	<b>61.3</b>

Source: Canada Statistics (2024).

### **Small and medium-sized enterprises benefit from the Agreement**

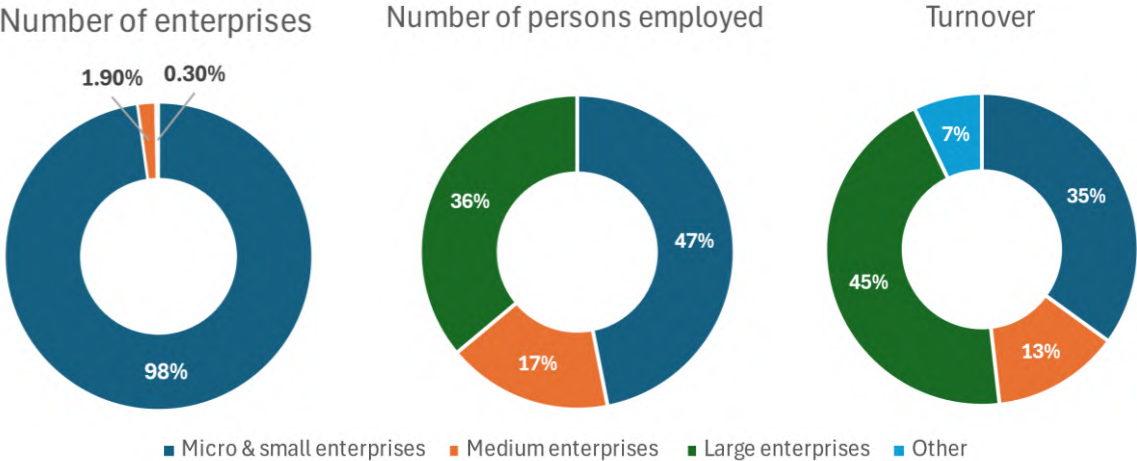
**SMEs are the backbone of the EU and Canadian economies. Figure 11Figure 11. EU business economy by firm size in 2022 (in percentage of size class) illustrates the importance of SMEs for the EU economy in terms of employment and turnover. A similar trend is observed in the Canadian economy, as shown in Figure 12Figure 12. Canadian business economy by firm size in 2022 (in percentage of size class)**

**Figure 11. EU business economy by firm size in 2022 (in percentage of size class)**



Source: Eurostat (2022).

**Figure 12. Canadian business economy by firm size in 2022 (in percentage of size class)**



Source: Statistics Canada (key small business statistics 2023).

SMEs can benefit from FTAs such as CETA either directly or indirectly. The direct impact arises from increased opportunities, as lower tariffs and reductions in NTMs enable more SMEs to start to export to or import from the other Party. The indirect impact results from domestic economic effects, where SMEs benefit as part of a sector or value chain positively affected by CETA <sup>(31)</sup>.

**Direct effect: number of small and medium-sized enterprises exporting and importing**

Analyses of CETA’s impact on the number of trading firms distinguished by effects by sector (industry versus services) and firm size (SMEs versus large firms) show the following conclusions <sup>(32)</sup>.

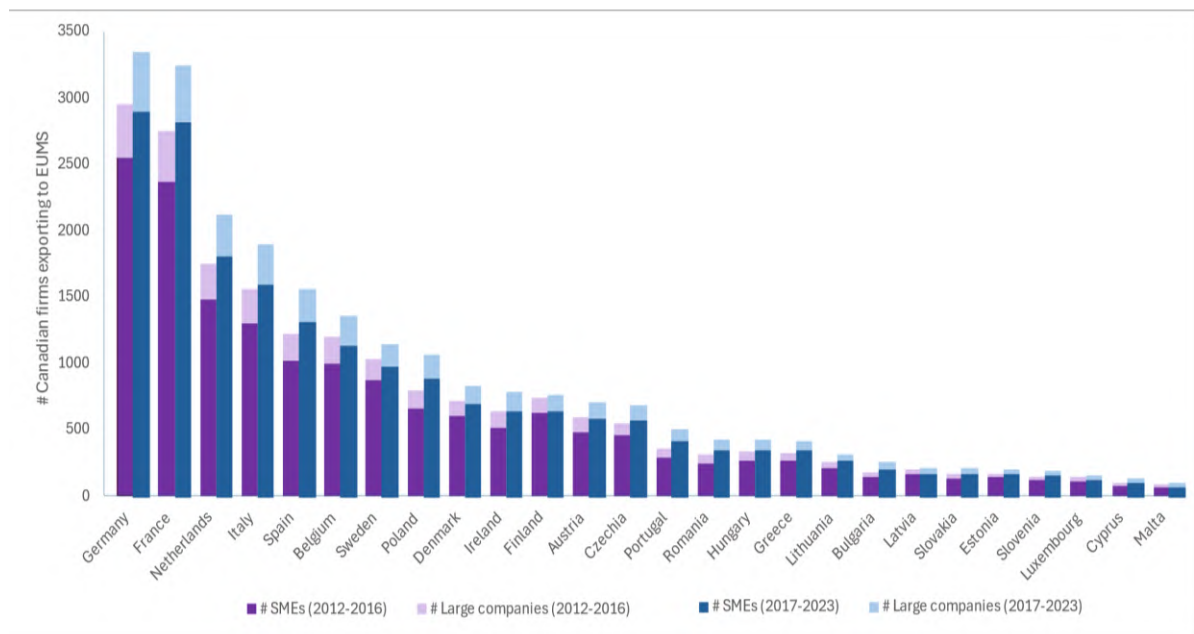
<sup>(31)</sup> Koo, H. K., ‘The effects of free trade agreements on SMEs’ direct and indirect exports’, *World Economy Brief*, Vol. 21, Issue 8, 8 March 2021, Korea Institute For International Economic Policy, [https://ideas.repec.org/p/ris/kiepwe/2021\\_008.html](https://ideas.repec.org/p/ris/kiepwe/2021_008.html).  
<sup>(32)</sup> Cernat, L., Díaz-Mora, C., Esteve, S. and Gil-Pareja, S., ‘Countries don’t trade, firms do: A firm-level assessment of CETA’, *Pre-print Series in Industrial Strategy and International Trade*, 01/2024, 2024, Universidad de Castilla-La Mancha, <https://www.uclm.es/-/media/Files/C01-Centros/CEE/centro-de-excelencia-jean-monnet/working-papers/Series-Industrial-Strategy/Pre-Print--Industrial-Strategy-and-International-Trade-01-2024-Impact-of-CETA.ashx>.

- CETA has had a positive effect on the number of exporting firms. The Agreement has led to an 11.2 % increase in the number of exporting firms; however, no significant impact was found on the number of importing firms.
- For manufacturing companies, CETA has increased both the number of exporting firms (by 15.3 %) and the number of importing firms (by 4.2 %). For services companies, CETA has had a positive effect on the number of exporting firms (by 4.7 %), but no measurable impact on the number of importing firms.
- CETA has led to an 8.5 % increase in the number of exporting SMEs and a 7.0 % increase in the number of exporting large firms. No significant effect was found on the number of importing SMEs or large firms.

The majority of exporting firms in Member States are SMEs. The share of SMEs varies across Member States, ranging from 79 % of Romanian exporters to Canada to 95 % of Italian exporters in 2022. For all Member States, except for Czechia, Denmark and Hungary, the number of SMEs exporting grows faster than the number of large companies exporting to Canada. Overall growth in the number of EU SMEs exporting to Canada (20.3 %) has been higher than growth in the number of large companies exporting to Canada (13.8 %). The number of Canadian SMEs exporting to the EU (6.4 %) has also increased faster than the number of Canadian large firms exporting to the EU (3.3 %).

When comparing the 2012–2016 pre-CETA period with the 2017–2023 post-CETA period, Figure 13 **Error! Reference source not found.** demonstrates that a greater number of Canadian firms (primarily SMEs) have engaged in exports to the EU following CETA’s provisional application. This suggests that CETA has had a direct positive effect on the number of Canadian companies participating in bilateral trade with the EU. The growth rate of exporting Canadian SMEs has been higher than the growth rate of large firms to most Member States.

**Figure 13. Number of Canadian exporters to Member States (2012–2016 and 2017–2023)**



Source: Evaluation study, based on Statistics Canada (2024).

**Indirect effect: sectoral economic effects where small and medium-sized enterprises are active**

Two aspects influence the magnitude of CETA’s indirect effect on SMEs: whether a sector has experienced production growth due to CETA, and the share of SMEs in the production structure of that sector.

**Figure 14. Relative share of small and medium-sized enterprises and sector effects of the Agreement**

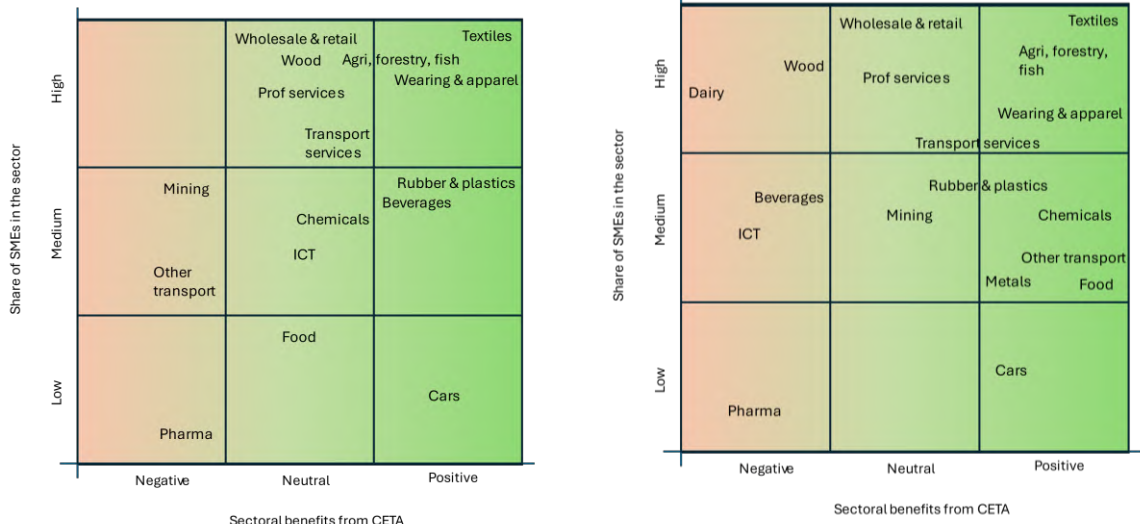
(left panel) indicates that EU SMEs in textiles, agriculture, forestry and fisheries, wearing and apparel, rubber and plastics and beverages have benefitted the most from CETA. Conversely, SMEs in sectors such as mining, pharmaceuticals and other transport equipment may have been negatively affected by sectoral declines. Figure 14. Relative share of small and medium-sized enterprises and sector effects of the Agreement

(right panel) demonstrates that Canadian SMEs in textiles, agriculture, forestry & fisheries, wearing & apparel, and transport services have benefitted from CETA. Conversely, SMEs in sectors such as dairy, information and communications technology, beverages, and pharmaceuticals may have faced challenges due to sectoral declines.

**Figure 14. Relative share of small and medium-sized enterprises and sector effects of the Agreement**

*Relative share of SMEs in EU sectors and EU-sector effects of CETA*

*Relative share of SMEs in Canadian sectors and Canadian-sector effects of CETA*



Source: Evaluation study, based on the Organisation for Economic Co-operation and Development (OECD) trade by enterprise characteristics database, in cooperation with Eurostat (2024), Statistics Canada (2024) and simulations conducted by DG Trade and Economic Security.

**The Agreement has supported collaboration on critical raw materials**

CETA has facilitated cooperation between the EU and Canada in the area of **critical raw materials (CRM)** by facilitating the Strategic Partnership on Critical Raw Materials. The evolution of bilateral trade in CRM, driven by geopolitical events and the focus on the transition to a net-zero economy, supports the conclusion that the Raw Materials Dialogue under CETA and the EU–Canada Strategic Partnership on Critical Raw Materials, have helped enhance the security of supply for the EU and Canada.

**Both Parties have clear frameworks in place to work towards increasing the security of supply for their energy transitions. Canada has been a strong and reliable supplier of cobalt and nickel for the EU (see Figure 15. Evolution of EU imports of cobalt (2015–2023))**

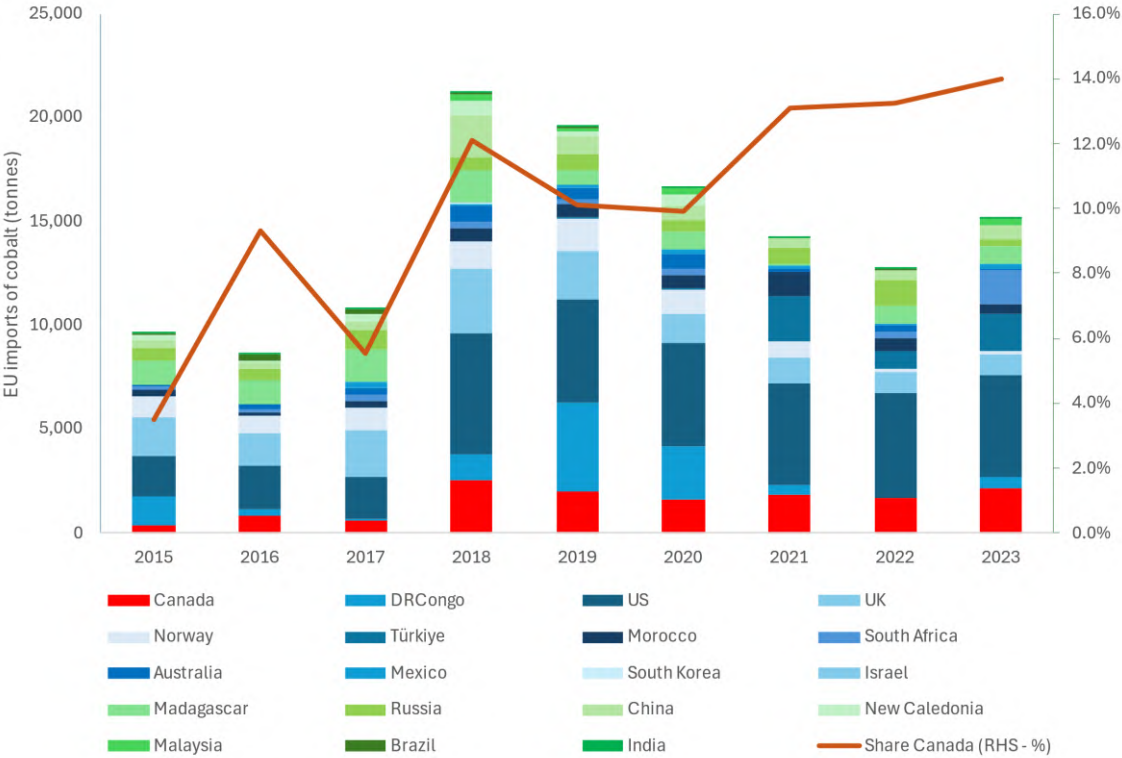
), while the EU has exported unrefined copper for anodes, cathodes and electrolytes. While mining has not increased as a result of CETA, trade in CRMs has increased.

Companies in the EU and Canada have invested in battery value chains in their respective regions. Canada is working to increase extraction capacities for CRMs, while the EU is signing strategic partnerships with key global CRM partners to increase its security of supply.

The key competitiveness challenge for the EU and Canada in the battery value chain lies in its midstream part (smelting and refinement), which is dominated by China. Canada is relatively more focused on this stage of this supply chain, since it is a CRM producer and can more easily link up CRM extraction to smelting and refinement. For the EU this provides investment opportunities and a possibility to integrate into these value chains. Since 2017, especially in the downstream stage of battery production, there have been ample investments from EU companies in Canada, and collaborations continue to develop.

An element that could enforce even closer collaboration in the area of CRM is the full ratification of CETA, as the lack of legally binding investor protection provisions may have a chilling effect on EU investments in the battery value chain, especially upstream in extraction, where projects are capital intensive and long term.

**Figure 15. Evolution of EU imports of cobalt (2015–2023)**



Source: Evaluation study, based on Eurostat (2024)<sup>(33)</sup>.

**The Agreement increased supply chain diversification and resilience**

The evaluation concludes that CETA has significantly contributed to the diversification and resilience of EU and Canadian supply chains, as summarised in Table 4 **Table 4**.

**Table 4. Summary of the Agreement’s impact on supply chain diversification and**

<sup>(33)</sup> [Eurostat DS-045409](#)

## resilience

No.	Metric	Conclusion on effects of CETA for supply chain diversification and resilience	Summary effect
1	Changes in the number of products traded between the EU and Canada	More products are exported to and imported from Canada, showing trade diversification in EU-Canada trade post-CETA (see EQ1).	Support for supply chain diversification
2	Degree of concentration of EU-Canada exports and imports	At the detailed product level, the concentration of EU exports to Canada was reduced since CETA and so was the concentration of EU imports from Canada. At the aggregate level, the concentration of EU imports from Canada went up because of geopolitical events: a large increase in imports of raw materials post February 2022, facilitated by CETA and Strategic Partnership on Critical Raw Materials and due to Russia's war of aggression against Ukraine and related sanctions on Russia.	Support for supply chain diversification and resilience.  Additionally: Canada's importance as a reliable provider of EU energy and raw materials
3	Evolution of share of Canada in EU imports, and vice versa	The share of EU goods in Canadian imports went up by 14 % (from 8.3 % pre-CETA to 9.5 % post-CETA). The share of Canadian goods in EU imports went up by ca 8 % (from 1.1 % pre-CETA to 1.2 % post-CETA).	Support for supply chain diversification towards the CETA Parties
4	Source country diversification for EU and Canadian imports	For Canada, dependence on the United States has decreased thanks to CETA (observed country supplier concentration dropped), increasing source country diversification and resilience. For the EU, CETA increased the share of Canadian imports in total EU imports. Despite CETA, the concentration of EU suppliers increased marginally in the post-CETA period, due to geopolitical shocks. However, CETA helped to dampen this increase in supplier concentration. The concentration of EU suppliers would have increased more without CETA.	Support for supply chain diversification and resilience for Canada, and, to a lesser extent, for the EU (outweighed by geopolitical shocks)
5	Role of SMEs in supporting supply chain resilience	CETA has had a positive effect on the number of EU SMEs exporting to Canada, and vice versa (see EQ4). Many SMEs form a more resilient network with many nodes (where one SME can more easily be replaced), which is stronger than a network of a few big nodes (more quickly impacted if one of the nodes falters).	Support for supply chain diversification and resilience through positive effects on SMEs
6	Regulatory cooperation and trade and customs facilitation	The long-term processes of regulatory cooperation and continued trade facilitation through streamlined customs procedures reduce the export costs for companies and diversify supply chains (even if in a more regulated environment). CETA has made some progress in this regard.	Some progress towards supporting supply chain diversification and resilience

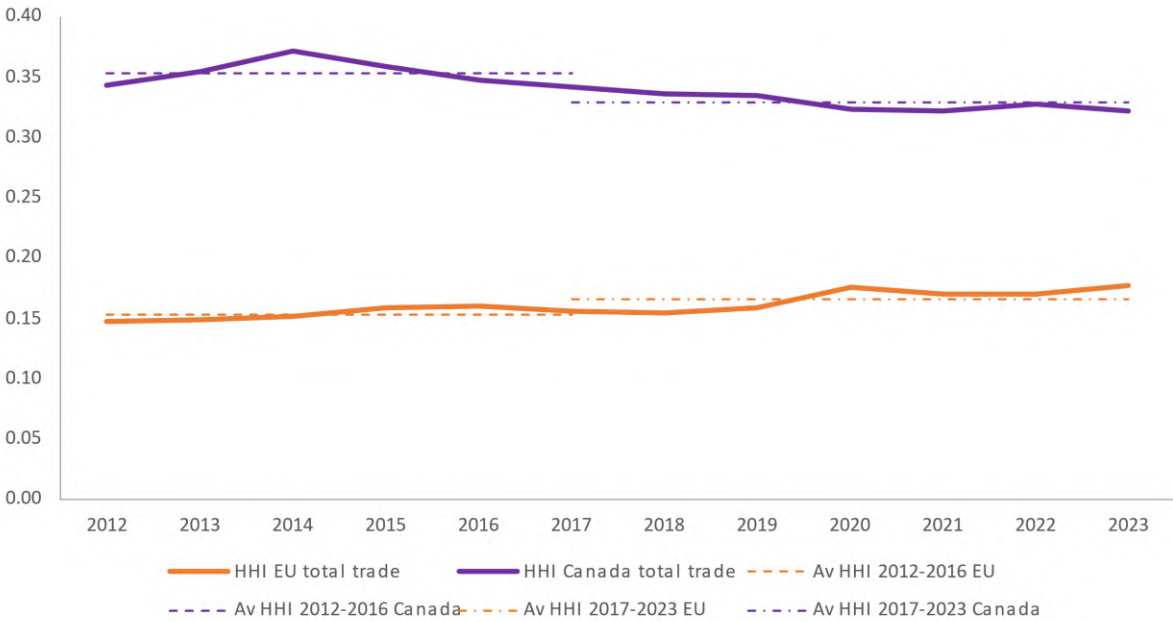
- The main metric for assessing the economic security of supply is the degree to which **importer concentration** decreases over time for the EU and Canada. In Figure 16

**Figure 16. Herfindahl–Hirschman index for EU and Canada (total imports, 2012–2023)**

, the Herfindahl-Hirschman index (HHI) of supplier concentration is presented for total EU imports and total Canadian imports from 2012 to 2023. Several observations stand out.

- The EU’s HHI is substantially lower than that of Canada, indicating that the EU’s trade diversification is significantly higher than that of Canada. This is because Canada heavily relies on the United States as a dominant trading partner, driving the market concentration of supply for Canada. For the EU, the relative weightings of its trading partners are much more balanced, leading to a much lower HHI value over time.
- For Canada, the HHI declined slightly post-CETA, indicating a marginal increase in import diversification. The EU–Canada trade share has increased thanks to CETA, leading to a decline in the US share in Canadian imports. When the United States–Canada trade share declines marginally, this lowers the Canadian HHI as Canada’s dependence on the United States decreases. Based on this empirical finding, this evaluation concludes that Canadian import suppliers have become more diversified because of CETA.
- For the EU, the HHI marginally increased post-CETA, reflecting changes in trade patterns. While CETA has boosted the Canada’s share in EU trade by 7.7 %, Canada still constituted only approximately 1.2 % of total EU trade, meaning this change was too small to significantly affect the EU’s HHI. The observed increase in the HHI for EU imports was primarily driven by geopolitical factors, notably the increased share of trade with the United States – which was already a significant trading partner – due to higher imports of fossil fuels following the sanctions imposed on Russia (a smaller trading partner).

**Figure 16. Herfindahl–Hirschman index for EU and Canada (total imports, 2012–2023)**



Source: Evaluation study, based on UN Comtrade data (2024).

**The Agreement has positively affected public procurement**

As outlined in EQ1, CETA contains ambitious provisions that open up Canadian federal and sub-federal procurement markets to EU companies, while also granting Canadian companies reciprocal access to procurement markets at both the EU level and the Member State level. As a result, the value of public procurement, for both EU firms in Canada and Canadian firms in the EU, has increased by at least 8.4 % annually between the Parties.

**The institutional structure of the Agreement has had a positive impact**

The evaluation study finds that the **institutional structure** established under CETA has performed well and made a significant impact. Most CETA committees and dialogues have made progress in implementing the Agreement, reducing regulatory divergences and achieving concrete results. Some of the CETA institutions have evolved from pre-existing agreements, such as the Joint Customs Cooperation Committee. Useful information exchanges have taken place, along with discussions at the technical level, which have led to concrete progress in several areas (see next bullet under regulatory cooperation) while also strengthening bilateral trust and fostering a forward-looking agenda. However, the agreement on enhanced cooperation on science, technology, research, and innovation and the dialogue on e-commerce have remained inactive under CETA, as alternative fora exist <sup>(34)</sup><sup>(35)</sup>.

All CETA committees and dialogues have maintained transparency, with meeting reports, draft decisions and agendas made publicly accessible.

<sup>(34)</sup> Canada became associated to Pillar II of Horizon Europe in July 2024 (the closest form of cooperation) and a Joint Association Committee was established to oversee the implementation of the Association Agreement. The EU-Canada Science and Technology Cooperation Agreement (1996) continues to promote other aspects of EU-Canada cooperation in research and innovation, including researcher mobility.

<sup>(35)</sup> In November 2023 the EU-Canada Digital Partnership was established as the main vehicle for increasingly important cooperation on digital and tech matters. Covering a wide array of topics, it also has provided a framework for regulatory cooperation with regard to certain aspects of e-commerce.

## **Regulatory cooperation has achieved concrete outcomes**

Regulatory cooperation has achieved several concrete outcomes thanks to the well-structured institutional framework and significant efforts from both the EU and Canada, with strong involvement from regulators. Key achievements included joint awareness campaigns and coordinated information sharing on safe online shopping, data sharing on unsafe products, the expansion of the MRA on GMP inspections in pharmaceuticals to third countries, the MRA on professional qualifications for architects and a joint project to eliminate quarantine and confirmatory re-testing of cosmetic-like low-risk products.

The Mutual Recognition of the Authorised Economic Operator Programmes adopted by the CETA Joint Customs Cooperation Committee entered into force on 1 August 2025. The MRA marks an important milestone in the implementation of the Agreement between the EU and Canada on customs cooperation. It improves effective customs control and supply chain security while further facilitating legitimate bilateral trade between Canada and the EU for authorised economic operators.

However, regulatory cooperation has also faced important challenges. First, some topics selected for collaboration proved difficult to address, resulting in little progress. Second, providing the other Party with timely input at the draft stage of new legislation or regulations has been challenging. Third, for some areas of cooperation, sub-federal / Member State competences added a layer of complexity, slowing regulatory cooperation. Finally, in many areas, both Parties have chosen to adhere to their own standards or regulations without room for compromise (e.g. on SPS measures).

## **The social impact of the Agreement was limited but positive**

The social impacts of CETA, driven by its economic effects, have been **limited but positive**. Employment effects at the sector level follow the economic impacts outlined above, with real wages increasing by 0.02 % in the EU and 0.1 % in Canada. CETA has contributed to an increase in real spending power for families by raising real wages and lowering prices (with the greatest gains occurring in the poorer strata of the household population, in relative terms), while consumers have benefitted from greater availability and affordability of goods and services, along with high levels of consumer protection. CETA's effects on **working conditions** have been minimal in most sectors, with domestic factors (e.g. legal protection and enforcement and trade union presence) playing a much larger role. Likewise, CETA's effects on **labour standards** have been marginal. Most labour-related actions taken by the Parties (e.g. new legislation addressing forced and child labour in supply chains) stem from their respective domestic policy agendas rather than from CETA itself.

The Agreement has had a positive impact on **women** in the EU as workers, generating employment opportunities in exporting sectors while potentially slowing employment growth in import-competing sectors. Female entrepreneurs and traders in the EU have benefitted in the economic sectors where CETA has had a positive impact.

## **Insignificant negative environmental impact of the Agreement**

CETA's **impact on CO<sub>2</sub> emissions has been insignificant** in both the EU and Canada. Quantitative analysis indicates no effect on energy demand in either Party, with the overall energy demand remaining unchanged. Since 2017, CO<sub>2</sub> emissions have decreased by 0.9 % per capita in Canada and by 0.2 % per capita in the EU due to CETA. The freight-related effects of CETA have led to only a marginal increase in emissions for both partners. The quantitative results on **natural resources and biodiversity** suggest a very small negative impact of CETA on land use. Agricultural land use has increased by 1.5 million hectares across both Parties, mainly due to a slight increase in the EU production of red meat. This represents 0.7 % of the total agricultural land in both regions.

## **Impact of the Agreement on trade in environmental goods and services**

CETA has contributed to the growth of **trade in environmental goods and services** between the EU and Canada. Since 2017, trade growth has accelerated, particularly in sectors such as energy efficiency, renewable energy technologies and sustainable building equipment, reflecting strong demand for environmental technologies. In addition, trade in environmental services has expanded, driven by increased investment in renewable energy infrastructure and the demand for expertise in environmental sustainability. Enhanced access to public procurement markets in both Canada and the EU has further supported the expansion of trade in environmental services.

## **The human rights impact of the Agreement was limited**

Despite mixed effects on employment across sectors, the overall effect of the Agreement on **the right to an adequate standard of living** has been limited but positive for both Parties. Concerns about intellectual property provisions under CETA affecting **access to affordable medicines** have not been substantiated by evidence of price increases or restricted/delayed access to innovative medicines. CETA includes specific provisions to ensure that trade does not compromise environmental protection. The environmental analysis suggests no significant adverse effects to date on **the right to a clean and healthy environment**. Pollution levels and other environmental indicators point to only minor impacts from trade under CETA for both Parties. Moreover, CETA's promotion of environmentally friendly goods and technologies presents opportunities to support sustainable development and mitigate environmental risks.

**The rights of Indigenous people** are indirectly protected through carve-outs in Canadian legislation and institutional frameworks. Canada's policy environment promotes Indigenous engagement in international trade. However, the participation of the Sámi in international trade requires additional efforts from the EU to ensure their inclusion and economic empowerment within the framework of CETA.

### *4.1.3 Efficiency*

#### **4.1.3.1 EQ5: To what extent has CETA's implementation been efficient?**

While CETA has been **implemented efficiently** on the whole, and its regulatory and compliance costs are in line with other trade agreements, there is still room to further reduce costs. CETA has reduced trade costs for companies and opened up market access opportunities for both EU and Canadian firms, but its implementation has incurred some costs and unresolved inefficiencies.

*The Agreement has resulted in some cost increases such as the following.*

- Compliance with the non-alteration rule (the non-alteration clause permits the use of hubs for the maintenance of consignments and allows for their splitting) leads to additional administrative burdens, as proving compliance with the direct transport rule requires companies to maintain detailed documentation for each shipment segment.
- In some cases, the necessary formalities to qualify for preferential treatment under the Agreement (such as establishing origin) entail costs for traders. However, such costs are ultimately outweighed by the tariff savings that result from receiving preferential tariff treatment.
- Financing the institutional structure of CETA, including human resources, travel expenses, and event costs, has been highlighted as a concern by certain policymakers from both parties during consultations.

*Some Agreement's provisions have improved market access or advanced other the*

*Agreement's objectives, but not to the fullest extent possible due to various reasons.*

- Additional costs result from the way in which the Parties have chosen to implement certain CETA provisions. For example, Canada's management of the two cheese TRQs leads to additional costs and uncertainties for EU cheese exporters. This TRQ management could be made more efficient and cost effective.
- The fundamentally different ways in which the EU and Canada are organised create additional costs – for example for the export of wines and spirits to Canada due to limited regulatory harmonisation among provinces and territories in Canada as well as certain discriminatory practices. It should be noted, however, that the Canadian federal government has presented several initiatives aiming at increasing the harmonisation of the Canadian internal market.
- While having very advanced procurement provisions, the liberalisation of sub-federal procurement markets in Canada and the consolidation of data on sub-federal public procurement volumes and outcomes remain incomplete or unavailable. This creates inefficiencies and a lack of transparency for businesses. It also makes it difficult to fully evaluate the benefits resulting from CETA in this area.
- Feedback from SMEs and brokers indicates that some SMEs still face difficulties in correctly filling out the proof of origin, which discourages some exporters, in particular occasional exporters, from engaging in EU–Canada trade. This results in the suboptimal utilisation of CETA's trade preferences. Enhancing SME support mechanisms in this specific regard could help address this inefficiency.
- While the committee and dialogue structure under CETA has generally functioned efficiently, some dialogues have remained inactive as EU–Canada discussions have occurred through other forums. The efficiency of some of the committees and dialogues could therefore be improved.

#### **4.1.3.2 EQ6: To what extent are the costs associated with the implementation of CETA proportionate to the benefits it has generated?**

The EU and Canada experienced notable gains in terms of GDP (EUR 3.2 billion a year for the EU and EUR 1.3 billion a year for Canada) and also benefitted strategically from CETA. Total bilateral trade in goods and services between the EU and Canada increased by 71 % to EUR 123.3 billion in 2023 compared to EUR 72.2 billion in 2016.

In comparison, the costs associated with CETA, as per EQ5, are a fraction of these gains that have already materialised. Moreover, while some of the costs or inefficiencies mentioned are inherently difficult to reduce (e.g. SPS measures), others could be tackled (e.g. TRQ management, lack of SMEs' awareness about the possibility to use CETA preferences even if their Member State has not yet ratified the Agreement, improving sub-federal procurement information and statistics and updating outdated digital trade standards).

This evaluation finds that, overall, the distribution of both costs and benefits is evenly distributed among different stakeholder groups and interests.

For some goods, businesses might decide to not declare the origin of the product when the tariff gain is minimal and the administrative steps are seen as too costly compared to the gains. When exporters are faced with significant SPS or TBT measures, they make a rational decision on whether it is economically advantageous to incur the costs of compliance to meet the other Party's SPS or TBT requirements and then benefit from exports opportunities, or to forego the opportunity altogether.

Finally, the positive, albeit small, social, environmental and human rights impacts mean that a large number of EU and Canadian citizens also benefit from the Agreement.

#### **4.1.3.3 EQ7: Are there unnecessary regulatory costs under CETA and can they be simplified?**

Some trade issues that lead to regulatory costs have a valid objective; for example, the protection of human, plant and animal health or consumer safety. These are not unnecessary costs and fall outside the scope of this EQ.

The **conformity-assessment protocol** under CETA is a MRA. It enables products to be tested and certified in either the EU or Canada so that these products are accepted in both markets without requiring additional testing in certain sectors. This MRA is a tool that can help reduce or eliminate otherwise existing inefficiencies in having to conduct multiple conformity assessments. Unnecessary costs can arise where the cost-saving potential of this MRA is not fully exploited.

The EU and Canada recognise each other's accreditation bodies (the European Cooperation for Accreditation and the Standards Council of Canada in Canada). Additionally, accreditation of conformity-assessment bodies (CAB) is included in the CETA provisions. To date, the EU has accredited seven Canadian CABs, while Canada has accredited more than 50 EU CABs <sup>(36)</sup> <sup>(37)</sup> <sup>(38)</sup>. These EU CABs are accredited in the electrical and electronic equipment sector and the radio and telecommunications terminal equipment sector. No EU CABs are accredited in the remaining sectors covered by the CETA protocol, which causes unnecessary regulatory costs.

#### *4.1.4 Coherence*

##### **4.1.4.1 EQ8: To what extent has the implementation of CETA been coherent with the EU's trade policies?**

CETA is **coherent** with the EU's strategic and trade priorities, and policies aimed at achieving sustainable development, contributing towards the UN sustainable development goals (SDGs).

CETA is **generally coherent with EU trade policy**, although the Agreement predates the 2021 'An open, assertive and sustainable EU trade' strategy and certain commitments in that strategy go beyond the provisions of CETA, such as enhanced enforcement mechanisms (i.e. the chief trade enforcement officer), greater integration of SDGs into trade policy, increased focus on digital trade and services and the concept of open strategic autonomy.

Following the 2024 Draghi report, one of the key priorities of the European Commission is to **enhance the competitiveness** of companies in the EU economy. CETA supports this objective by:

- increasing market access for EU businesses through tariff liberalisation and reductions in NTMs and by creating a level playing field (see responses to EQ1 and EQ4);
- strengthening IP rights (see response to EQ1); and

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<sup>(36)</sup> European Commission, 'Bodies', Single Market Compliant Space website, <https://webgate.ec.europa.eu/single-market-compliance-space/notified-bodies/notified-body-list?filter=countryId:124,notificationStatusId:1>.

Government of Canada, 'Certification Bodies', Government of Canada website, 28 July 2025, URL: <https://ised-isde.canada.ca/site/mutual-recognition-agreements/en/conformity-assessment-bodies/certification-bodies>.

Government of Canada, 'Wireless Device Testing Laboratories', Government of Canada website, 29 July 2025, <https://ised-isde.canada.ca/site/mutual-recognition-agreements/en/wireless-device-testing-laboratories>.

<sup>(37)</sup> Canadian Broadcasting & Telecommunications regulation (2025a), URL: <https://ised-isde.canada.ca/site/mutual-recognition-agreements/en/conformity-assessment-bodies/certification-bodies>

<sup>(38)</sup> Canadian Broadcasting & Telecommunications regulation (2025a), URL: <https://ised-isde.canada.ca/site/mutual-recognition-agreements/en/wireless-device-testing-laboratories>

- providing legal certainty that facilitates long-term investment in the EU economy and opportunities.

CETA also aligns with the **economic security policies** of both the EU and Canada. For both Parties, diversifying sources of supply – particularly in the area of critical raw materials – is crucial. The Strategic Partnership on Critical Raw Materials between the EU and Canada serves as a key initiative to enhance economic security and mitigate supply chain risks. Additionally, this evaluation has found that CETA **strengthens supply chain resilience** for both the EU and Canada by increasing the number of products traded, raising each other’s shares in bilateral trade, reducing dependencies on third countries and promoting supplier diversification. Supply chain resilience remains a top policy priority for both Parties (see also the responses to EQ4).

CETA has been, and continues to be, **positive for EU and Canadian SMEs**, which benefit from increased market access through lower tariffs, increased access to important and relevant information on how to export (through the Access2Markets portal and the dedicated SME page of DG Trade and Economic Security <sup>(39)</sup>) and the Global Affairs Canada website dedicated to help SMEs export to the EU <sup>(40)</sup>). This makes CETA a key agreement to support, and be coherent with, the EU’s trade policy strategy on SMEs (‘An open, assertive and sustainable EU trade strategy’) – specifically, to make trade work for SMEs (see also the response to EQ4).

In the **competition chapter** of CETA, the Parties agreed to prohibit and sanction certain practices and transactions involving goods or services that distort competition and trade between each other. The Agreement includes provisions laying down the main principles and obligations undertaken by the Parties to ensure free and undistorted competition, which are coherent with EU and Canadian competition law.

The **trade and sustainable development chapter and the trade and labour chapter under CETA** have generally aligned with broader EU and Canadian domestic policy frameworks and initiatives. However, the 2022 review of the EU’s approach to the trade and sustainable development chapter has introduced new elements that are not yet reflected in CETA, like the enforcement of labour and environmental provisions through a sanctions-based mechanism. Moreover, in the recent FTAs, the EU has proposed to other partner countries an extension of the civil society domestic advisory groups’ mandate on the whole agreement. Additionally, the ILO’s 2022 decision on including occupational safety and health in the list of the core labour standards with the two related conventions (No 155 and No 187) becoming fundamental conventions means that CETA’s commitments related to the ratification and effective implementation of the ILO conventions is not fully up to date. Otherwise, the new policies and measures of the Parties fall within the framework of CETA provisions. For example, the EU has pursued ambitious sustainability goals through initiatives such as the European Green Deal, the Forced Labour Regulation and the Corporate Sustainability Due Diligence Directive, which overlap with CETA’s TSD commitments, but often go beyond them in their enforceability. Similarly, Canada’s domestic policies and measures, such as its commitment to the elimination of child labour and forced labour from the supply chains, carbon pricing and environmental protection through measures like the Impact Assessment Act, reflect CETA’s sustainability principles but operate independently.

However, as mentioned under EQ3, the combination of rules of origin under CETA and the Canadian luxury car tax puts **electrical vehicles at a disadvantage** compared to internal combustion engine vehicles. This disadvantage is incoherent with the environmental

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<sup>(39)</sup> European Commission, ‘Export info for Canadian businesses’, Directorate-General for Trade and Economic Security website, [https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/canada/eu-canada-agreement/export-info-businesses\\_en](https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/canada/eu-canada-agreement/export-info-businesses_en).

<sup>(40)</sup> Government of Canada, ‘Canada-European Union trade agreement benefits for small and medium-sized enterprises’, Government of Canada website, 16 June 2025, <https://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/ceta-aecg/benefits-enterprises-avantages.aspx?lang=eng& ga=2.227025757.1924910850.1582553754-393611746.1582553754>.

objectives of the EU and Canada to increase electrification and reduce GHG emissions.

As part of the evaluation study, stakeholders have also raised concerns that CETA's e-commerce Chapter, negotiated over a decade ago, has not kept pace with developments in digital trade policy. CETA's **e-commerce** provisions fail to meet the standards set by more recent EU trade agreements (EU–United Kingdom, EU–Japan and EU–New Zealand) or digital trade agreements (with the EU–Singapore Digital Trade Agreement signed in May 2025, and the negotiations for the EU–South Korea Digital Trade Agreement concluded in March 2025), which provide for a more comprehensive coverage of the evolving domestic policy frameworks on online consumer protection, digital trade facilitation, cross-border data flows, data protection and privacy. Stakeholders have identified this as a critical area requiring immediate improvement to enhance consumer protection. Additionally, the plurilateral WTO Joint Statement Initiative on Electronic Commerce, concluded in July 2024 and co-signed by both the EU and Canada, further underscores the gap between CETA's e-commerce provisions and emerging global standards on digital trade.

#### **4.2 How did the EU's intervention make a difference and to whom?**

The evaluation criterion of EU added value investigates changes that are attributable to the EU intervention over and above what could reasonably have been expected from actions at the national level by Member States. It is intended to provide verification of compliance with the subsidiarity principle.

In the evaluation study, EU added value has not been specifically addressed, as trade policy falls under the exclusive competence of the European Union as defined by Article 3 of the Treaty on the Functioning of the European Union <sup>(41)</sup>. In this case, the question of EU added value is answered by the effectiveness and efficiency analysis (see sections 4.1.1, **Error! Reference source not found.** and 4.1.3 of this report).

#### **4.3 Is the intervention still relevant?**

EQ9 assesses whether the Agreement remains relevant for the Parties' trade needs and objectives after eight years of provisional application and within a global trade context that has changed considerably <sup>(42)</sup>.

##### *4.3.1 Relevance*

##### **4.3.1.1 EQ9: To what extent do CETA provisions continue to be relevant?**

CETA's objectives remain just as important today as they did when CETA was negotiated and entered into provisional application. The challenges faced by both the EU and Canada in an ever-changing global trade landscape underline the importance of the stable trading relationship built on trust that CETA creates and continues to promote.

At the EU–Canada summit of 23 June 2025, the leaders reiterated their **shared commitment to further enhance the EU–Canada trade and investment relationship** and underscored that CETA is at the core of this relationship.

CETA has provided the framework for the **Bilateral Dialogue on Raw Materials**, which led to the establishment of the **Strategic Partnership on Critical Raw Materials**. This

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<sup>(41)</sup> Article 3 of the Treaty on the Functioning of the European Union defines the following areas as exclusive EU competences: the competition rules within the internal market, the customs union, the common commercial policy, monetary policy for the Euro countries, the conservation of marine biological resources under the common fishing policy and the conclusion of international agreements.

<sup>(42)</sup> The evaluation of relevance 'looks at the relationship between the needs and problems in society and the objectives of the intervention' ('better regulation' tool #47 'Evaluation criteria and questions'). Like the evaluation of coherence, the relevance of the Agreement can be assessed both statically, determining the degree to which the Agreement addressed the trade needs and problems at the time of its entry into force, and dynamically, determining the degree to which the Agreement addresses the trade needs and problems of the Parties today. The main focus is on this latter question.

partnership is expected to deepen into more strategic partnerships, particularly critical for the economic security strategies of both the EU and Canada. The development of a more resilient supply chain framework under CETA will be increasingly crucial in navigating the complexities of global supply security. This makes CETA increasingly relevant in a world where ensuring supply security from reliable partners is becoming ever more challenging (see also the responses to EQ4).

The evolving focus on TSD suggests further opportunities for the EU and Canada. Building on their commitment in line with the UN SDGs and the Paris Climate Agreement, both partners are anticipated to explore more robust collaborations. This could include coordinated efforts towards third countries, enhancing their adherence to ILO core labour standards for a fairer global trade environment.

There are, however, also some challenges to the continued relevance of some CETA provisions.

- CETA's **e-commerce** chapter is outdated and fails to meet the standards set by more recent EU trade agreements. At the EU–Canada Summit of 23 June 2025, recognising the need for modernisation of these provisions, the leaders agreed to modernise the approach to trade by launching work towards a digital trade agreement that would complement CETA. This move is expected to address the technological advancements and market needs of the digital economy.
- Stakeholder inputs during research on preference utilisation rates, have indicated that the **increase in delivery services has a negative impact on the preference utilisation rates** of trade agreements, including CETA. Freight forwarders do not automatically claim CETA preferences, as the process is perceived as cumbersome and resource intensive. Consequently, goods are frequently traded under MFN tariffs rather than at the predominantly free CETA preferential tariffs, which undermines the effectiveness of CETA's tariff liberalisation.

## **5 What are the conclusions and lessons learned?**

### **5.1 Conclusions**

CETA works very well for the EU and Canada. It is ambitious, well balanced and has led to substantial gains in terms of market access and trade for both Parties including for all Member States and notably SMEs on both sides. The EU and Canada have jointly monitored the trade and sustainable development chapter, along with the trade and labour and trade and environment chapters, and have not identified any shortcomings in its implementation and compliance. Overall, in the words of the joint statement of the EU–Canada Summit of 25 June 2025, CETA has 'allowed us to boost our cooperation over the past eight years'.

#### *5.1.1 Effectiveness*

CETA is overall effective. Tariff liberalisation has successfully been implemented and the Agreement gives stability to businesses thanks to a clear framework, leading to increased trade in goods and services. The EU has seen a substantial boost in agricultural exports of products such as meat, dairy and wine, while Canadian exports to the EU have similarly expanded for agricultural commodities like oilseed, cereals, fish and crustaceans. Moreover, operational aspects related to customs and trade facilitation have raised no major concerns. In addition, collaboration through inspections, policy dialogue, market surveillance mechanisms and awareness-raising campaigns to ensure that trade does not compromise product safety have worked well under CETA.

The implementation of the trade and sustainable development chapter, the trade and labour chapter and the trade and environment chapter has progressed through sustained

dialogue, cooperation and favourable domestic policy developments in both the EU and Canada.

CETA has broadened the definition of geographical indications in Canada, extending its scope to include agricultural products and food alongside wines and spirits. It has also streamlined the process for applicants to register and enforce new geographical indications.

In addition, the EU and Canada adopted an MRA on the professional qualifications of architects. This was the first bilateral MRA for professional qualifications to be concluded by the EU.

At the same time, the Commission services have identified certain areas that would benefit from further improvement, include the administration and use of the cheese TRQs, discriminatory provincial liquor board policies affecting the trade of wines and spirits and SPS issues. The effectiveness of the GI chapter has been hindered by ongoing challenges, particularly regarding administrative enforcement and uncertainty for producers of grandfathered products, as there is no list of registered prior Canadian users. Moreover, while cooperation in environmental and labour domains has progressed, stakeholders have voiced concerns about the need for stronger enforcement mechanisms. Finally, it is clear that SMEs still face challenges with the proof of origin, which affects the optimal utilisation of trade preferences, suggesting the need for enhanced information and support mechanisms.

### *5.1.2 Impact*

The **impact** of CETA is positive.

A small but **positive impact on GDP** is observed thanks to the Agreement. Various sectors, particularly those in which the EU and Canada have comparative advantages, have benefited from increased exports, underscoring the role of tariff reductions and trade facilitation measures. CETA has also **bolstered cooperation in critical raw materials** – where Canada is a strong and a sustainable supplier of cobalt and nickel – and has improved the resilience of supply chains. It has **positively impacted SMEs** by increasing their participation in bilateral trade and established a strong institutional framework for dialogue. The social, environmental and human rights impacts have been small but generally positive. Regulatory cooperation has achieved several concrete outcomes thanks to the well-structured institutional framework and significant efforts from both the EU and Canadian sides, with strong involvement from regulators.

Nevertheless, several challenges remain. The analysis of the Agreement has not yet shown an effect on foreign direct investment; a potential reason for this could be that CETA is not yet ratified by all Member State and therefore some investment protection provisions that could boost FDI are not yet in force. Under the conformity-assessment protocol, EU CABs are only accredited in two sectors in the electrical and electronic equipment sector and the radio and telecommunications terminal equipment sector. Moreover, some CETA committees and dialogues remain less active as alternative forums exist. The quantitative results on natural resources and biodiversity suggest that CETA has had a very small negative impact on land use, as agricultural land use has increased by 1.5 million hectares across both Parties.

### *5.1.3 Efficiency*

The implementation of CETA has been **efficient** overall. The costs associated with CETA are massively outweighed by the economic benefits the agreement has engendered. The distribution of both costs and benefits is furthermore proportionate among different stakeholder groups and interests.

Despite these successes, some challenges remain. The allocation practices of the Canadian cheese TRQs could be improved to enhance efficiency and cost effectiveness. As regards

procurement, consolidated data on Canadian sub-federal public procurement, volumes and outcomes is still incomplete or unavailable.

#### 5.1.4 Coherence

CETA has been **coherent** with the strategic priorities of both the EU and Canada, promoting sustainable development and economic diversification. It has bolstered the competitiveness of EU companies by enhancing market access, strengthening intellectual property rights, and providing legal certainty. This reflects the EU's economic goals outlined in the Draghi report on EU competitiveness<sup>(43)</sup>. The agreement's focus on increasing the variety of products traded, boosting bilateral trade shares, reducing dependencies on third countries and promoting supplier diversification demonstrates CETA's contribution to supply chain resilience – a shared priority for both the EU and Canada. The Strategic Partnership on Critical Raw Materials between the EU and Canada serves as a key initiative to enhance economic security and mitigate supply chain risks.

The EU has pursued ambitious sustainability goals through initiatives such as the European Green Deal and its proposal for a Corporate Sustainability Due Diligence Directive, which overlap with CETA's TSD commitments. Similarly, Canada's domestic policies, such as its commitment to carbon pricing and environmental protection through measures like the Impact Assessment Act, reflect CETA's sustainability principles.

The EU and Canada have jointly monitored CETA's implementation and enforcement and neither the EU nor Canada nor the CETA DAGs have identified any shortcomings in the implementation or in the compliance with the CETA TSD provisions. However, labour and environmental protections in CETA lack strong enforcement mechanisms, contrasting with more committal provisions in more recent EU FTAs. The rules of origin provisions, combined with the Canadian luxury tax, create an unintended disadvantage for electric vehicles in favour of internal combustion engine vehicles, which is incoherent with sustainability objectives to reduce greenhouse gas emissions and promote electrification and recycling.

#### 5.1.5 Relevance

CETA has been and continues to be **relevant** in providing a foundation for fostering bilateral trade, achieving strategic policy objectives and promoting trade and sustainable development. The agreement's impact on supply chain resilience even makes CETA increasingly relevant in a world where ensuring supply security from reliable partners is very important. More generally, the stability and clear rules provided by CETA are of increasing relevance in an ever-more volatile geoeconomic climate.

## 5.2 Lessons learned

Some lessons learned to further improve the effectiveness of the Agreement are as follows.

- CETA is a mixed Agreement currently in provisional application, and it will be fully applied only when all Member States have ratified the Agreement<sup>(44)</sup>. Some businesses, especially SMEs, in Member States that have not yet ratified CETA misunderstood this situation to mean that CETA was not applicable to them. Further awareness raising and communication could help to correct his misconception.
- Stakeholders have noted that the increased reliance on service providers and freight forwarders has negatively impacted the PURs of trade agreements, including CETA. Awareness raising among these service providers and freight forwarders as well as with SMEs regarding the scope of forgone duties in certain sectors is important.
- Feedback from SMEs and brokers indicates that some SMEs still face difficulties in correctly filling out the proof of origin, which discourages some, particularly occasional

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<sup>(43)</sup> European Commission, 'The Draghi report on EU competitiveness', European Commission website, [https://commission.europa.eu/topics/eu-competitiveness/draghi-report\\_en#paragraph\\_47059](https://commission.europa.eu/topics/eu-competitiveness/draghi-report_en#paragraph_47059).

<sup>(44)</sup> 17 out of 27 Member States have ratified CETA as at 1 July 2025.

exporters, from engaging in EU–Canada trade. Enhancing SME support mechanisms in this specific regard could be explored to address this.

- Certain provisions of CETA remain relatively unknown and are, as a consequence, underutilised. A good example are certain provisions concerning intra-corporate transferees, which despite its potential has seen limited uptake so far. Broader awareness-raising on the lesser-known benefits of CETA could be beneficial.
- The practical way in which the agreed rules are implemented can make a big difference. For example, Canada’s management of the cheese TRQs has been repeatedly raised as an area where costs could be reduced and certainty for traders improved. Paying close attention to the practical implementation of CETA thus remains central.
- Despite significant cost-saving potential, the conformity assessment protocol has seen only limited use. Further promotion of the full uptake of this protocol seems warranted.
- The division of competence between the Canadian federal and sub-federal level on the one hand, and between the EU and its Member States on the other hand, adds complexity to implementation and regulatory cooperation efforts. This dimension deserves continuous attention in efforts to further deepen the relationship.
- Both Parties could benefit from engaging each other in a more timely manner during the draft stages of new legislation or regulations. This could help prevent the emergence of new NTMs in the future.
- Statistical data gathering could be improved in various ways to support policymaking aimed at enhancing the long-term impact of CETA: a breakdown of trade in services by both country and sector, trade activities of SMEs, public procurement data at the sub-federal level in Canada, employment statistics on women and vulnerable groups of workers, statistics on Indigenous-owned businesses and Indigenous-women-owned businesses, gender-split statistics, and products separated by environmental footprint.
- Regarding the TSD chapters, even though shortcomings have not been identified in the implementation of or in the compliance with the CETA TSD provisions, the absence of enforcement mechanism has triggered concerns from civil society organisations. This should be taken into account in a possible future review of those chapters.
- Digital trade is becoming increasingly important and is not adequately addressed in the Agreement. CETA’s e-commerce chapter, negotiated over a decade ago, has not kept pace with the development of the digital economy and related digital trade policy. During the EU–Canada Summit of 23 June 2025, it was agreed to modernise the approach to trade by launching work towards a digital trade agreement that would complement CETA.

## **ANNEX I PROCEDURAL INFORMATION**

### ***1.1 Lead Directorate-General, Decide project planning/CWP references***

**Lead directorate-general:** European Commission Directorate-General for Trade and Economic Security

**Decide project reference number:** PLAN/2023/1053 – TRADE – Evaluation of the EU–Canada Comprehensive Economic and Trade Agreement (CETA)

### ***1.2 Organisation and timing***

An inter-service steering group was established via an ARES note on 31 May 2023 <sup>(45)</sup> for the following purposes:

1. to review the draft tender specifications;
2. to support the evaluation work and the evaluation project manager in steering the evaluation by monitoring the progress of the planned external study, by providing comments and by assuring the quality and objectivity of the reports;
3. to contribute to the staff working document.

The inter-service steering group included all other relevant services of the Commission: the Secretary-General; the Directorate-General for Agriculture and Rural Development; the Directorate-General for Communications Networks, Content and Technology; the Directorate-General for Climate Action; the Directorate-General for Competition; the Directorate-General for Defence Industry and Space; the Directorate-General for Education, Youth, Sport and Culture; the Directorate-General for Economic and Financial Affairs; the Directorate-General for European Civil Protection and Humanitarian Aid Operations; the Directorate-General for Employment, Social Affairs and Inclusion; the Directorate-General for Energy; the Directorate-General for Enlargement and Eastern Neighbourhood; the Directorate-General for Environment; the Directorate-General Eurostat; the Directorate-General for Financial Stability, Financial Services and Capital Markets Union; the Directorate-General for Foreign Policy Instruments; the Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs; the Directorate-General for Migration and Home Affairs; the Directorate-General for International Cooperation and Development; the Joint Research Centre; the Directorate-General for Justice and Consumers; the Directorate-General for Maritime Affairs and Fisheries; the Directorate-General for Mobility and Transport; the European Anti-Fraud Office; the Directorate-General for Regional and Urban Policy; the Directorate-General for Research and Innovation; the Directorate-General for Health and Food Safety; the Directorate-General for Justice; the Directorate-General for Taxation and Customs Union and the European External Action Service.

The inter-service steering group met four times: 11 January 2024 [kick-off meeting], 25 March 2024 [inception], 17 October 2024 [advanced chapters] and 21 January 2025 [final draft].

### ***1.3 Evidence, sources, and quality***

The evidence for this ex-post evaluation was gathered through various activities and from various sources:

- a quantitative econometric modelling simulation (Annex II);
- input by stakeholders to the public consultation (Annex IV);
- June 2025 – external consultant’s final report.

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<sup>(45)</sup> ARES(2023)3756662 – 31/05/2023.

## ANNEX II METHODOLOGY AND ANALYTICAL MODELS USED

### II.1 Evaluation criteria and intervention hypothesis

The evaluation followed the methodology as briefly laid out in the 2024 call for evidence <sup>(46)</sup> and was further guided by the 'better regulation' toolbox. The evaluation assesses the impact, effectiveness, efficiency, relevance and coherence of the Agreement.

- Regarding **effectiveness/impact**, it evaluates to what extent the Agreement has contributed to sustainable development in all its dimensions – economic, social (including human rights and labour rights) and environmental – and whether and to what extent the potential impacts as expected at the time of its negotiation have occurred. The evaluation assesses the effectiveness of the Agreement in reducing tariffs and facilitating and promoting trade and investment through the various measures and areas of cooperation between the Parties as foreseen in the Agreement.
- It evaluates the Agreement's **efficiency** in relation to the resources used (including the existence of unnecessary costs and legal complexities in relation to achievement of the objectives).
- It evaluates the Agreement's **coherence** with the objectives of EU trade and other external policies that were in place at the time of the negotiations and as they have evolved up to the present.
- Finally, it assesses the Agreement's **relevance** with respect to the trade and economic needs and challenges facing the EU and Canada, both at the time of the Agreement's signing by the Parties and today.

The evaluation is based on a diverse set of sources and inputs and uses various methods and analytical tools in a multi-pronged approach. The evaluation builds on four main **types of inputs and sources**.

- **Desk research of previous studies of the Agreement** such as the 2011 trade SIA, the Commission's 2008 economic assessment of a potential agreement and the Commission's annual reports on the implementation of the Agreement (annual FTA implementation reports). Relevant research published by non-EU parties was also studied. These sources both constituted important sources of factual information and data and acted as points of reference to compare the evaluation findings against.
- **An evaluation study was commissioned** to a contractor, which played an important role in the evaluation. This evaluation study employed a mix of quantitative and qualitative methods, including case studies and extensive consultations. The external contractor also used the results of the Commission's economic modelling as a source for its own analysis. The evaluation study's findings, conclusions and recommendations were discussed both with the Commission services externally and within the Commission services internally.
- **Statistical data from EU sources** (e.g. Eurostat) such as data on bilateral trade and economic and social aspects in the EU; from other official sources, such as statistics published and provided by the partner countries, UN Comtrade data for global trade, United Nations Trade and Development Data Hub data on services; and complementary data published by academic sources, business and civil society organisations was used for quantitative analysis.
- **Consultations** (as explained in more detail in Annex V) were used to collect qualitative data and views from a wide range of stakeholders.

In terms of the **methodology** used, the Agreement's intervention logic was first clarified and made explicit (see Figure 17

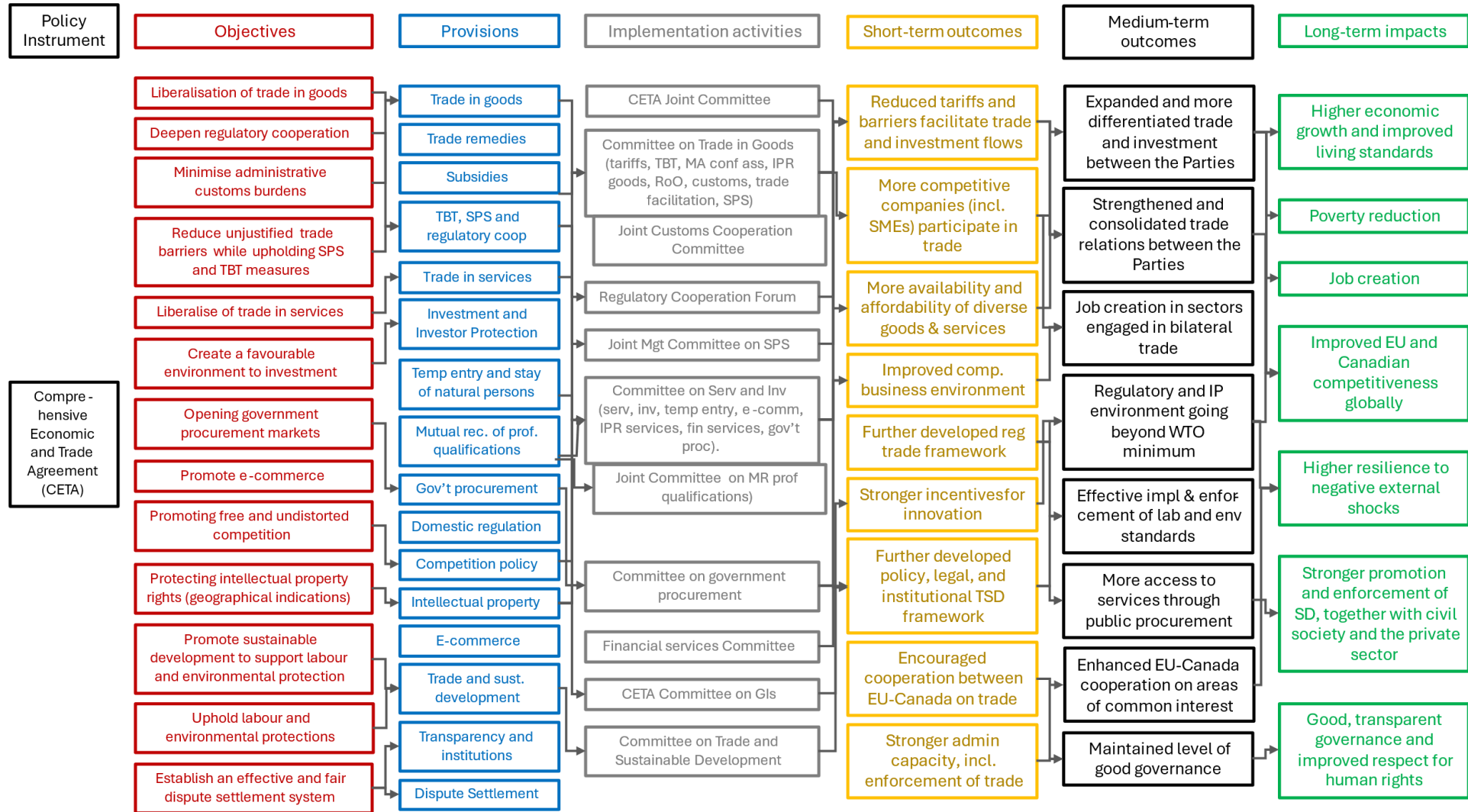
Figure 17. Intervention hypothesis of the Agreement) in a conceptual stage, and on this basis the

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<sup>(46)</sup> European Commission, 'EU-Canada Comprehensive Economic and Trade Agreement (CETA) – evaluation', European Commission website, [https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13821-EU-Canada-Comprehensive-Economic-and-Trade-Agreement-CETA-evaluation\\_en](https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13821-EU-Canada-Comprehensive-Economic-and-Trade-Agreement-CETA-evaluation_en).

evaluation framework and matrix was designed (see Annex III for more detail).

**Figure 17. Intervention hypothesis of the Agreement**



Source: Evaluation study, based on the 'better regulation' toolbox.

For each of the judgement criteria as defined in the evaluation matrix, a specific methodology was developed and applied, although all of these methodologies shared a common principal methodological approach: to determine the Agreement's effect by comparing the actual situation with the Agreement in place with a hypothetical counterfactual situation of the world where the Agreement is not in place.

However, the degree to which this methodological approach could be applied varied. For some economic effects (and non-economic effects directly derived therefrom, such as employment effects), the use of the economic model as described below guaranteed that the effect of the Agreement could be isolated from other factors that, in reality, also affect trade and economic development. For other impacts, the evaluation resorted to descriptive statistical analyses and qualitative assessments based on data and information obtained from a variety of sources, with consultations of stakeholders being very important. In each case, the evaluation aimed to show the causal link between the Agreement and any observed development (contribution analysis). It is an inherent limitation of the evaluation that this causal link cannot be proven in many instances (except for the economic modelling, which itself has other limitations); although the methods used and the quality assurance applied ensure the robustness of the analysis and conclusions. Regarding the causal chains related to the Agreement's non-economic impact, two main ones were considered.

- **Indirect (economic) channel.** The Agreement leads to changes in bilateral trade between the Parties, which lead to broader changes in production and economic structures, and these in turn have a non-economic impact (such as changes in employment and wages, working conditions and environmental effects).
- **Direct effects.** Provisions in the Agreement, notably in the TSD title, have a direct effect on social, labour and environmental issues by creating obligations on, or encouraging certain behaviour from, the Parties and by providing a framework for mutual consultations and monitoring.

## ***II.2 Key methodological part – overall approach***

The overall methodological approach for the independent evaluation study can be summarised as follows.

- **A comprehensive analysis** of the economic, social, environmental and human rights effects examines the effects resulting from tariff reductions and the elimination of NTMs, along with other provisions implemented under the Agreement. It is based on the results provided by a range of econometric tools and methodologies. Statistical data (primarily from Eurostat) and information sources are used. This analysis evaluates the overall impact of CETA and identifies key sustainability effects. These findings aim to enhance CETA's effectiveness moving forward. In the final phase, the study team has formulated recommendations and proposals for flanking measures to further strengthen positive effects and mitigate any negative effects of the Agreement.
- **A broad consultation / stakeholder engagement programme** designed to gather inputs from key stakeholders regarding the sustainability effects of the Agreement.

The evaluation study also examines how the Agreement has contributed to the EU strategic objectives (e.g. supply chain resilience and economic security).

## ***II.3 Analysis of economic, social, environmental, and human rights effects***

The methodological approach for each of the various evaluation dimensions can be summarised as follows.

The **economic analysis** begins with a description of trade and investment relations between the EU and Canada since 2012. This includes the evolution of EU–Canada trade in goods and services, comparing the pre-CETA period (2012–2026) with the post-CETA period (2017–2023), along with an analysis of current tariffs and NTMs between the EU and Canada. The evaluation also examines the participation of SMEs in trade between the

Parties, conditions for bilateral investment, the involvement of economic operators from the EU and Canada in each other's public procurement procedures, and customs operations. Compared to the pre-CETA baseline, the evaluation study assesses the economic effects of tariff and NTM reductions between the EU and Canada on trade in goods, services and investments. This assessment includes effects on trade creation and diversion, value chain diversification and broader costs and benefits, including on GDP and overall welfare. The analysis also estimates effects at the level of selected Member States and of selected third countries (e.g. Türkiye). It concludes with recommendations to improve the operation of CETA going forward.

Throughout the study, various quantitative methodological tools are used, including a CGE model <sup>(47)</sup>, a gravity analysis and a difference-in-difference methodology <sup>(48)</sup>. In addition, empirical data is used to support this ex-post analysis. Official European statistics produced by Eurostat are the main empirical data source; however, in cases when official European statistics produced by Eurostat are not available, when Canadian import data are required or when an analysis based on globally comparable data is needed, other sources are used.

The **social analysis** responds to the question of how CETA provisions agreed upon by the Parties have affected a range of social aspects in the EU and Canada. It also determines the potential direct and indirect social effects of other provisions of the Agreement (e.g. on trade and sustainable development and on labour). Areas covered by the analysis include employment, gender equality, working conditions, labour standards, public policies and services and welfare effects (e.g. wages, poverty and inequality). For each of these social areas, the analysis starts with a consideration of the current situation in the EU and Canada, observed trends and influencing factors. The study then continues with a comprehensive evaluation of observed effects. The analysis finishes with the overall findings of the evaluation and recommendations on how CETA's implementation can be further improved. Throughout the evaluation, desk research is complemented by stakeholder engagement to test research findings and receive additional evidence.

The **environmental analysis** examines the effects of CETA on various environmental aspects both through the reduction of tariffs and NTMs and through other provisions (e.g. the trade and sustainable development chapter and the trade and environment chapter). First, the analysis describes the situation in the EU and Canada since 2012 and observes trends and influencing factors in five impact areas (climate change, air quality, land use, ecosystems and biodiversity, and waste management and water quality). This baseline analysis is then followed by the analysis of observed effects in two thematic priority areas (identified in the preceding step). A case study on CETA's impact on environmental goods and services is also carried out.

The **human rights analysis** looks at how CETA has affected the enjoyment of human rights and state responsibilities in this area. First, the international human rights obligations of the Parties are identified based on the ratification status of core international human rights conventions. Then, a concise description of the situation in the EU and Canada is presented on respect for human rights in the reference period, identifying trends and pre-existing vulnerabilities. This step is followed by a screening and scoping exercise that examines the effects of the Agreement on specific human rights and elaborates on the scope and degree of the identified effects. The evidence underpinning the analysis includes relevant human rights indicators, outcomes of the economic modelling, legal texts tabled in the negotiations and stakeholder views.

## **II.4 Case studies**

Five case studies are part of this evaluation:

- trade in key agricultural goods, including SPS and IP (GI) protection aspects;

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<sup>(47)</sup> Computable general equilibrium (CGE) model (for the ease of understanding, it is referred to as the economic model). The European Commission has provided the results of the CGE modelling exercise.

<sup>(48)</sup> See section II.5 for a short description of the CGE, gravity and difference-in-difference modelling approaches.

- technical barriers to trade, conformity assessment and regulatory cooperation;
- critical raw materials, with a focus on critical minerals;
- environmental goods and services; and
- public procurement.

While each case study is tailored to the specified topic, they all follow a similar structure. They start with a definition of the subject matter and the scope of the analysis and follow with a description of the background, i.e. the situation in the EU and Canada regarding the subject matter, the latest developments and influencing factors. Each case study provides a qualitative (and sometimes quantitative) analysis of the effects of CETA and main conclusions.

## **II.5 Computable general equilibrium and gravity modelling approaches**

### **Computable general equilibrium modelling approach**

For the computable general equilibrium (CGE) model simulations, DG Trade and Economic Security has used the global trade analysis project (GTAP) model and version 11 of the GTAP database using 2017 as the base year, brought forward to 2022. GTAP is a CGE model of the world economy extending the comparative static framework of the standard GTAP model developed by Hertel (1997) while preserving the features of the standard GTAP, such as constant returns to production technology, perfectly competitive markets and product differentiation by countries of origin (the 'Armington assumption'). The model has a neoclassical closure (employment is taken as a given, but wages show the macroeconomic effect on supply and demand of labour, while sectoral employment variations indicate which sectors gain or lose). The model simulations compare the developments with and without the Agreement.

#### *Sectors*

Version 11 of the GTAP database distinguishes 65 sectors. For the modelling, these were aggregated to 20 sectors. This allows an analysis of the Agreement's effects on specific sectors where the largest trade impact is taking place. Table 5 provides details on the sectors as defined in the model.

**Table 5: Economic sectors as defined in the model**

<b>Sector no.</b>	<b>EU–Canada sector specification</b>	<b>Sector no.</b>	<b>EU–Canada sector specification</b>
<b>1</b>	Grains	<b>15</b>	Computer, electronic and optical products
<b>2</b>	Other agriculture	<b>16</b>	Electrical equipment
<b>3</b>	Red meat	<b>17</b>	Machinery and equipment
<b>4</b>	Other meat	<b>18</b>	Automotives
<b>5</b>	Dairy	<b>19</b>	Other transport equipment
<b>6</b>	Primary	<b>20</b>	Utilities
<b>7</b>	Other food	<b>21</b>	Other services
<b>8</b>	Beverages and tobacco	<b>22</b>	Trade services
<b>9</b>	Textiles, clothing and leather products	<b>23</b>	Other transport
<b>10</b>	Other manufacturing	<b>24</b>	Water transport
<b>11</b>	Chemicals	<b>25</b>	Communications
<b>12</b>	Pharmaceuticals	<b>26</b>	Financial services
<b>13</b>	Rubber and plastics	<b>27</b>	Business services
<b>14</b>	Metals	<b>28</b>	Public services

## Regions

The model aggregates the 141 GTAP regions into 23 regions, as shown in Table 6. The level of aggregation is higher than that for sectors, but this is inevitable given the low sector aggregation in order to keep the model manageable. The EU, its Member States, Canada, China, Japan, Mexico, Russia, South Korea, the United Kingdom, the United States and other high-income countries are split out. Türkiye is modelled separately to examine the effect of CETA on the EU–Türkiye Customs Union, and LDCs are split out to assess the effect on the poorest countries in the world.

**Table 6: Regions as defined in the model**

Region no.	Region name	Region no.	Region name
1	EU27	35	Japan
2-28	All 27 Member States (separately)	36	South Korea
29	Canada	37	India
30	United Kingdom	38	Russia and Belarus
31	Türkiye	39	Other high-income countries
32	United States	40	Low-income countries
33	Mexico	41	Rest of the world
34	China	42	World total

Source: Prepared by the authors based on information provided by the European Commission.

## Baseline

Unlike in *ex ante* simulations, the model baseline is constituted by the actual situation, i.e. the Agreement being in place. Although the baseline, in principle, represents the observable economic developments, a number of assumptions are still required.

- It is assumed that the Agreement entered into force on 21 September 2017 because of CETA's provisional application on that date.
- The baseline also incorporates the EU FTAs that were applied up to 2017 (e.g. the EU–South Korea FTA). Accordingly, the tariff changes brought about by these are included in the baseline tariffs considered for the simulations and do not change in the experiment.
- The withdrawal of the United Kingdom from the EU is considered in the baseline.
- The impact of COVID-19 is not considered. The experiment runs from 2012 until 2023, but the COVID-19 effect is partially taken into account in the post-CETA period (2017–2023) calculations.

## Policy scenario

The policy scenario simulates the absence of CETA. Therefore, it is assumed that:

- the EU would reduce 99 % of tariffs to zero, and vice versa;
- the EU's access to the Canadian market is subject to MFN tariffs as applied by Canada.

It is important to note that the simulation comprises both changes in tariffs and non-tariff measures. This means that the simulations capture the Agreement's effects, and in particular, any simulated changes regarding trade facilitation measures and trade in services are exclusively the result of indirect adjustment effects across the economies and may not reflect reality.

## Gravity modelling approach

The empirical analysis in this section is conducted in the framework of the gravity model as laid down by Anderson (1979). This is based on identical consumer preferences modelled

by constant elasticity of substitution (CES) utility functions and with the Armington assumption of preference for domestically produced goods. Following Anderson et al. (2004), the value of exports from country  $i$  to country  $j$  can be written as follows:

$$X_{ij} = \frac{E_j Y_i}{Y} \left( \frac{T_{ij}}{P_j \pi_i} \right)^{(1-\sigma)} \dots \dots \dots (1)$$

where  $X_{ij}$  denotes the value of exports,  $E_j$  is the expenditure in the destination country  $j$ ,  $Y_i$  denotes the total sales of exporter  $i$  towards all destinations,  $Y$  is the total world output,  $T_{ij}$  is the iceberg trade costs and  $\sigma$  is the elasticity of substitution.  $P_j$  and  $\pi_i$ , the multilateral resistance terms (MRTs), are the inward and outward relative resistance of a country's exports towards all destinations and from all origins. Outward multilateral resistance captures the fact that trade flows between  $i$  and  $j$  depend on trade costs across all potential markets for  $i$ 's exports, and inward multilateral resistance captures the fact that bilateral trade depends on trade costs across all potential import markets. The two indices thus summarise the average trade resistance between a country and its trading partners.

Because MRTs are difficult to construct directly, applications of the gravity model have resorted to using dummy variables to control for them instead. Following recent literature (Larch et al., 2016), the importer-time and exporter-time fixed effects are used to account for the MRTs. Using these fixed effects also means that there is no need to include time-varying variables (GDP, GDP per capita, etc.) that are traditionally included in estimating gravity models, as these variables are completely collinear with the time-varying importer and exporter fixed effects.

Trade costs are proxied by bilateral distance between trading partners,  $\ln(Dist_{ij})$ , along with the usual gravity model controls, which include dummy variables identifying whether the trading partners share a common border ( $CNTG_{ij}$ ), have/had a colonial relationship ( $CLNY_{ij}$ ), share a common language ( $LANG_{ij}$ ) and a common legal system ( $LEG_{ij}$ ). These variables are taken from CEPII (Head et al., 2010) and follow the definitions therein.

Recent advancements in the estimation of structural gravity advocate the use of three-way fixed effects to mitigate endogeneity-induced biases in estimation (for instance, see Baier et al., 2007; Baier et al., 2014; Piermartini et al., 2016). The bilateral trade cost variables are thus subsumed in bilateral pair-wise fixed effects ( $\mu_{ij}$ ), leading to the following estimating equation:

$$\ln X_{ijt} = \mu_{ij} + a_{it} + \gamma_{jt} + \delta PTA_{ijt} + \varepsilon_{ijt} \dots \dots \dots (2)$$

where the time-varying source ( $a_{it}$ ) and destination-country ( $\gamma_{jt}$ ) fixed effects in (2) control for MRTs and the effect of the respective GDPs and other time-varying determinants in a panel data setting;  $PTA_{ijt}$  is a binary dummy indicating membership of a preferential trade agreement, and  $\varepsilon_{ijt}$  is the error term.

Two stylised features of bilateral trade data that challenge the estimation of structural gravity models are sample selection and heteroskedasticity (Chen et al., 2014). The Poisson Pseudo-Maximum Likelihood (PPML) (Santos Silva et al., 2006) estimator is now regarded as the gold standard (for instance, see Piermartini et al., 2016) in the estimation of structural gravity models characterised by sample selection and heteroskedasticity.

Thus, equation (2) is estimated using the PPML estimator, which accounts for both the incidence of zero trade flows and heteroskedasticity of the error term in estimation, leading to unbiased estimates. The estimating equation (3) takes the following form:

$$X_{ijt} = \exp(\mu_{ij} + a_{it} + \gamma_{jt} + \delta PTA_{ijt}) + \varepsilon_{ijt} \dots \dots \dots (3)$$

where the dependent variable is now the value of bilateral exports in levels sourced from UN Comtrade over 2010–2022.

To estimate the effect of the EU–Canada CETA on merchandise and services trade and FDI,

a binary dummy  $D$  is constructed, which takes the value one for all export/FDI flows between the EU and Canada in either direction. The sum of the estimated  $PTA$  coefficient and the estimated coefficient of the interaction term between  $D$  and  $PTA$  then provides the differential effect of CETA, thus:

$$X_{ijt} = \exp(\mu_{ij} + a_{it} + \gamma_{jt} + \delta_1 PTA_{ijt} + \delta_2 D_{ijt} \cdot PTA_{ijt} + \delta_3 D_{ijt}) + \varepsilon_{ijt} \dots \dots \dots (4)$$

**Difference-in-differences approach**

The difference-in-differences method is a statistical technique used to estimate the causal effect of a treatment, policy or intervention by comparing changes in outcomes over time between a treatment group and a control group. It is commonly used in economics, social sciences, public policy analysis and healthcare research. In this case, the difference-in-difference approach is used to estimate the trade effects of CETA by comparing the change in exports to a control group of 'all other exports.'

The approach is often used in policy evaluation, like this one on measuring the impact of CETA. The strengths of this method are that you can prove causal effects without having to do randomised trials, it controls for time-invariant differences and the approach is straightforward.

*The data*

To analyse the potential impact of CETA on EU trade with Canada, the evolution of trade between the two partners is compared with the evolution of EU trade with all its other trading partners for the period of 2013–2022 using annual data. That gives us a 10-year period, of which five years are prior to the first full year of application of the Agreement (2013–2017) and five years are after its application (2018–2022).

The analysis is conducted at the lowest level of publicly available trade data, which in the case of EU exports is the eight-digit level of the national classification of importers, while for EU imports, the eight-digit level of the combined nomenclature is used. Duties for EU imports and EU exports (partner country imports from the EU) are taken from the Market Access Map database, which also provides estimated *ad valorem* equivalents for specific duties, where applicable.

Data on EU exports come from the Global Trade Atlas and is mirrored by partner country imports from the EU, according to their national classification. The Global Trade Atlas covers imports of 92 countries from the EU, representing 93 % of EU exports. Data on EU imports comes from Eurostat (Comext) and covers all partners.

The control for nomenclature changes and harmonised system revisions is conducted and all products in the regressions that have been subject to nomenclature changes and/or HS revisions from the sample in all years are excluded. This corresponds to 8 % of the 3.8 million observations on exports and 7 % of the 2.7 million observations on imports.

*Regression specification*

To estimate the impact of CETA on EU trade with Canada, the following specification is used:

$$\ln Y_{ikt} = \alpha + \beta_1 CETA_{it} + \beta_2 AVE_{ikt} + \beta_3 FTA_{it} + \delta_i + \lambda_t + \mu_k + \varepsilon_{ikt} \dots \dots \dots (5)$$

where  $\ln Y_{ikt}$  is the log value of EU exports to or imports from country  $i$ , of product  $k$  at time  $t$ . CETA is a dummy taking values of 1 for EU trade with Canada after 2017,  $AVE_{ikt}$  are the tariffs faced by EU exports to third countries or applied by the EU on imports from third countries and FTA is a dummy taking the value of 1 for EU trade in preference eligible products with FTA partners after application of the respective agreements,  $\delta_i$  controls for time-invariant partner country fixed effects,  $\lambda_t$  for time-variant shocks common to all countries and  $\mu_k$  product fixed effects at the combined nomenclature CN8 level for EU

imports and the harmonised system HS6 level for EU exports to absorb any product specific time-invariant shock, and  $\varepsilon_{ikt}$  is the error term.

This specification is augmented with additional variables, such as the indicator of tariff lines where the MFN rate is zero and various interactions to explore the different level and slope impacts. The use of disaggregated data and the introduction of product-fixed effects ensure that the results are not driven by some non-observed factors. In particular, the quantification of the impact of the agreement (introduced as a dummy variable) for each product is derived from the comparison of the trade between the EU and Canada before and after the agreement relative to the trade of the EU with all other partners over the same period.

## **II.6 Evaluation limitations**

Despite the broad approach and solid methodological underpinnings of the evaluation, two **limitations** need to be noted.

- First, despite the modelling exercises through the CGE model and gravity analysis allowing CETA's effect to be isolated, for some parts of the statistical analysis isolating the effect of the Agreement was not possible. The second-best alternative to work with this data is by comparing bilateral EU–Canada trends to one for the same variable between the EU and other key trading partner or other countries in the world.
- Second, the COVID-19 pandemic, while now over, has affected the results for the years 2020 and 2021 considerably. This has affected the analysis to some extent, because when comparing the pre-CETA period to the post-CETA period, the latter is depressed by COVID-19. Therefore, the comparison between the pre-CETA and post-CETA periods may lead to an underestimation of the CETA effect.

In this respect, the **quality** of factual information and evaluation findings presented in the evaluation report has been assured through an internal and external review process undertaken primarily at the level of the external study, which provided the main source for data and analysis. Each report produced by the external contractor was first presented in draft form and subjected to a review and comments by both the Commission services and external stakeholders, including the partner country authorities and non-state actors.

## **ANNEX III EVALUATION MATRIX AND, WHERE RELEVANT, DETAILS ON ANSWERS TO THE EVALUATION QUESTIONS (BY CRITERION)**

The **EQs** were provided in the Terms of Reference for the external evaluation study. The evaluation questions cover all **evaluation criteria** except for the criterion of EU value added. EU value added has not been included in the evaluation because the Agreement falls under the EU's exclusive competence for the common commercial policy, according to Article 3(1)(e) of the Treaty on the Functioning of the European Union. The evaluation questions are linked to the remaining evaluation criteria as follows:

### *Effectiveness*

- EQ1: To what extent have the objectives of CETA been achieved?
- EQ2: What are the factors influencing (either positively or negatively) the achievement of CETA's objectives?
- EQ3: Has the implementation of CETA had unintended (positive or negative) consequences, and, if so, what are they?

### *Impact*

- EQ4: What has been the impact of CETA's implementation?

### *Efficiency*

- EQ5: To what extent has the implementation of CETA been efficient with respect to achieving its objectives?
- EQ6: To what extent are the costs associated with implementation of CETA proportionate to the benefits it has generated? Is the distribution of both costs and benefits proportionate among different stakeholder groups and interests?
- EQ7: Are there unnecessary regulatory costs (including administrative burden)? What is the potential for simplification?

### *Coherence*

- EQ8: To what extent has the implementation of CETA been coherent with the EU's trade policies, and in particular with the EU's commitment to sustainable development in trade policies as a contribution towards attainment of the United Nations Sustainable Development Goals?

### *Relevance*

- EQ9: To what extent do the provisions of CETA continue to be relevant in order to address the current trade needs of the EU and Canada?

Responses to these evaluation questions are provided in the main body of this SWD. The **evaluation matrix** in Table 7 below provides the evaluation questions, the judgement criteria for each question, the analysis needed to substantiate findings and conclusions made in the evaluation report and the sources through which the data and information has been obtained.

**Table 7: Analytical framework for the evaluation of the Agreement’s implementation**

Evaluation questions	Judgement criteria	Required analysis <sup>(49)</sup>	Sources of evidence <sup>(50)</sup>
EQ 1: To what extent have CETA’s objectives been achieved?	JC 1.1: To what extent has CETA’s implementation led to the expansion and the diversification of <b>trade in goods</b> between the Parties, through the reduction or the elimination of tariff and non-tariff measures (SPS, TBT) to trade?	<ul style="list-style-type: none"> <li>• <b>Task 8.1: Analyse the evolution of trade in goods</b> (<i>descriptive statistics for goods sectors (bilateral and in comparison to third countries), evolution of trade in (critical) raw materials, evolution of bilateral tariffs and analysis of non-tariff measures, impact of NTMs (especially SPS) and impact on SME trade</i>).</li> <li>• <b>Tasks 6 and 8.5: Determine the impact of the various institutional structures on CETA’s implementation</b> (<i>assessment of progress made by the sub-committees on TBT and SPS</i>).</li> <li>• <b>Task 11: Case studies</b> (<i>trade in key agricultural goods, TBT and conformity assessment, trade in critical raw materials</i>).</li> </ul>	<ul style="list-style-type: none"> <li>• Time series analysis of COMEXT and UN Comtrade statistics (for bilateral/total trade) and the UNCTAD trade analysis information system (for tariffs)</li> <li>• CGE results and gravity regressions</li> <li>• Case studies</li> <li>• Stakeholder consultations</li> </ul>
	JC 1.2: To what extent has CETA’s implementation led to the facilitation of trade in goods through, in particular the agreed provisions regarding <b>customs and trade facilitation, rules of origin, standards, technical regulations and conformity-assessment procedures?</b>	<ul style="list-style-type: none"> <li>• <b>Task 8.2: Analyse the effect of customs provisions, administrative cooperation, rules of origin, duty drawback, management of TRQs, agricultural safeguard measures, exports status and direct transport provision</b> (<i>bullet point 1: preference utilisation rate and foregone duty saving of economic operators of both parties</i>).</li> <li>• <b>Tasks 6 and 8.5: Determine the impact of the various institutional structures on CETA’s implementation</b> (<i>assessment of progress made by the sub-committees on customs, trade facilitation and rules of origin</i>).</li> </ul>	<ul style="list-style-type: none"> <li>• Desk research</li> <li>• FTA legal provisions</li> <li>• Reports from trade committee and sub-committee meetings</li> <li>• Stakeholder consultations</li> </ul>
	JC 1.3: To what extent has CETA’s implementation led to the liberalisation of <b>trade in services</b> in conformity with Article V of the General Agreement on Trade in Services and <b>flow of natural persons for business purposes?</b>	<ul style="list-style-type: none"> <li>• <b>Task 8.4: Trade in services and investment liberalisation</b> (<i>statistical analysis of trends for trade in services and capital flows between the EU and Canada; analysis on public services; sectoral: transport, dredging, business services, telecom; temporary entry and stay of natural persons</i>).</li> </ul>	<ul style="list-style-type: none"> <li>• Analysis of time series trade in services statistics (from Eurostat, OECD and UNCTAD)</li> <li>• Stakeholder consultations</li> </ul>
	JC 1.4: To what extent has CETA’s implementation led to the development of a climate conducive to increased <b>investment flows</b> , the improvement of the <b>conditions of establishment</b> between the Parties and the <b>flow of natural persons for business purposes</b> .	<ul style="list-style-type: none"> <li>• <b>Task 8.4: Trade in services and investment liberalisation</b> (<i>statistical analysis of trends of FDI between the EU and Canada, temporary entry and stay of natural persons</i>).</li> </ul>	<ul style="list-style-type: none"> <li>• Analysis of time series investment statistics at different levels of disaggregation</li> <li>• Stakeholder consultations</li> </ul>

<sup>(49)</sup> Methodological tools and indicators used are not shown in the table but are explained in the subsequent chapters. Priority tasks as identified in the Terms of Reference are shown in **bold**.

<sup>(50)</sup> More details on sources are provided in the subsequent chapters.

Evaluation questions	Judgement criteria	Required analysis <sup>(49)</sup>	Sources of evidence <sup>(50)</sup>
	<p><b>JC 1.5:</b> To what extent has CETA's implementation led to increased market access for <b>cross-border financial services, maritime transport services, telecommunication services and e-commerce (digital trade)</b>?</p>	<ul style="list-style-type: none"> <li>• <b>Task 8.4: Trade in services and investment liberalisation</b> (<i>statistical analysis of trends of trade in services and capital flows</i>).</li> </ul>	<ul style="list-style-type: none"> <li>• Analysis of time series trade in services statistics (from Eurostat, OECD and UNCTAD)</li> <li>• Stakeholder consultations</li> </ul>
	<p><b>JC 1.6:</b> To what extent has CETA's implementation led to the effective, reciprocal and gradual opening of <b>government procurement</b> markets of the Parties?</p>	<ul style="list-style-type: none"> <li>• <b>Task 11: Case studies</b> (<i>government procurement</i>)</li> <li>• <b>Task 8.5: Analyse the implementation of other areas of the Agreement</b> (<i>assessment of progress made by the Committee on Government Procurement</i>).</li> </ul>	<ul style="list-style-type: none"> <li>• Analysis of time series procurement statistics at different levels of government</li> <li>• Gravity analysis</li> <li>• Meeting documents (committee government procurement)</li> <li>• Stakeholder consultations</li> </ul>
	<p><b>JC 1.7:</b> To what extent has CETA's implementation led to the promotion of <b>free and undistorted competition</b> in the economic and trade relations between the Parties?</p>	<ul style="list-style-type: none"> <li>• <b>Task 8.5: Analyse the implementation of other areas of the Agreement</b> (<i>competition policy</i>).</li> </ul>	<ul style="list-style-type: none"> <li>• Desk research</li> <li>• Interviews</li> <li>• Stakeholder consultations</li> </ul>
	<p><b>JC 1.8:</b> To what extent has CETA's implementation led to the adequate and effective <b>protection of intellectual property rights</b>, including <b>geographical indications</b>?</p>	<ul style="list-style-type: none"> <li>• <b>Task 8.5: Analyse the implementation of other areas of the Agreement</b> (<i>intellectual property</i>).</li> <li>• <b>Task 8.3: Geographical indications</b> (<i>analysis of national law, enforcement modalities, administrative action</i>).</li> <li>• <b>Task 11: Case studies</b> (<i>trade in key agricultural goods</i>).</li> </ul>	<ul style="list-style-type: none"> <li>• Analysis of time series statistics on GI products</li> <li>• FTA legal provisions</li> <li>• Meeting documents (Committees)</li> <li>• Case study</li> <li>• Desk research</li> <li>• Stakeholder consultations</li> </ul>
	<p><b>JC 1.9:</b> To what extent has CETA's implementation led to the promotion of international trade and investment between the Parties in a way that contributes to the objective of <b>sustainable development</b> through joint collaborative work?</p>	<ul style="list-style-type: none"> <li>• <b>Task 6: Description of the Agreement and its context.</b></li> <li>• <b>Task 9: Sustainable development</b> (<i>CGE model, qualitative and quantitative assessment, gender equality, environmental impact, human rights</i>).</li> <li>• <b>Task 11: Case studies</b> (<i>environmental goods and services</i>).</li> </ul>	<ul style="list-style-type: none"> <li>• Desk research</li> <li>• FTA legal provisions</li> <li>• Meeting documents</li> <li>• Interviews</li> <li>• Stakeholder consultations</li> <li>• Case studies</li> </ul>
	<p><b>JC 1.10:</b> To what extent has CETA's implementation encouraged <b>collaboration on broader issues of common interest</b> such as biotechnology, forestry products, raw materials and science and technology?</p>	<ul style="list-style-type: none"> <li>• <b>Task 8.1: Analyse the evolution of trade in goods</b> (<i>forestry products</i>).</li> <li>• <b>Task 8.5: Analyse the implementation of other areas of the Agreement</b> (<i>intellectual property – biotech</i>).</li> <li>• <b>Task 11: Case studies</b> (<i>trade in key agricultural goods, trade in critical raw materials</i>).</li> </ul>	<ul style="list-style-type: none"> <li>• Desk research</li> <li>• FTA legal provisions</li> <li>• CGE results and gravity regressions</li> <li>• Meeting documents</li> <li>• Stakeholder consultations</li> <li>• Case studies</li> </ul>
	<p><b>JC 1.11:</b> To what extent has CETA's implementation led to the establishment of an effective, fair and predictable <b>dispute settlement mechanism</b>?</p>	<ul style="list-style-type: none"> <li>• <b>Task 6: Description of the Agreement and its context</b> (<i>assess the effectiveness of dispute settlement mechanism</i>).</li> </ul>	<ul style="list-style-type: none"> <li>• Desk research</li> <li>• Stakeholder consultations</li> </ul>
<p><b>EQ 2:</b> What are the factors influencing (either positively or negatively) the</p>	<p><b>JC 2.1:</b> What are the factors that have <b>influenced positively</b> the achievements of these objectives?</p>	<ul style="list-style-type: none"> <li>• Identification of factors influencing the achievements of those objectives as part of the analysis listed above.</li> </ul>	<ul style="list-style-type: none"> <li>• All sources of evidence / methodological tools listed under EQ1</li> </ul>

Evaluation questions	Judgement criteria	Required analysis <sup>(49)</sup>	Sources of evidence <sup>(50)</sup>
achievements of CETA's objectives?	<b>JC 2.2:</b> What are the factors that have <b>negatively influenced</b> the achievements of these objectives?		
<b>EQ 3:</b> Has CETA's implementation had unintended (positive or negative) consequences, and if so, what are they?	<b>JC 3.1:</b> What social, human rights, environmental or economic impacts have resulted from the Agreement that were not intended?	<ul style="list-style-type: none"> <li>• Identification of stakeholder groups that have been affected by CETA's implementation in an unintended manner.</li> <li>• Identification of the effects of CETA's implementation's on economic, environmental, labour and human rights aspects, as listed above.</li> </ul>	<ul style="list-style-type: none"> <li>• CGE model results</li> <li>• Desk research</li> <li>• Interviews</li> <li>• Workshops</li> <li>• Stakeholder consultations</li> </ul>
	<b>JC 3.2:</b> Have there been any positive unintended effects?	<ul style="list-style-type: none"> <li>• Identification of stakeholder groups that have been affected by CETA's implementation in an unintended manner.</li> </ul>	
	<b>JC 3.3:</b> Have there been any negative unintended effects?	<ul style="list-style-type: none"> <li>• Identification of the effects of CETA's implementation's on economic, environmental, labour and human rights aspects, as listed above.</li> </ul>	
<b>EQ 4:</b> What has been the impact of CETA's implementation?	<b>JC 4.1:</b> What has been the <b>economic impact</b> of CETA's implementation?	<ul style="list-style-type: none"> <li>• <b>Task 8.1: Analyse the evolution of trade in goods</b> (<i>descriptive statistics for goods sectors (bilateral and in comparison to third countries), evolution of trade in (critical) raw materials, evolution of bilateral tariffs and analysis of non-tariff measures, impact of NTMs (especially SPS), and impact on SME trade</i>).</li> <li>• <b>Task 8.4: Trade in services and investment liberalisation</b> (<i>statistical analysis of trends for trade in services and capital flows, between the EU and Canada; analysis on public services; sectoral: transport, dredging, business services, telecom; temporary entry and stay of natural persons</i>).</li> <li>• <b>Task 8.6: Modelling results:</b> Based on DG Trade and Economic Stability's modelling results, present the overall economic impact of CETA's implementation in terms of key macroeconomic and sectoral variables.</li> <li>• <b>Task 11: Case studies</b> (<i>trade in key agricultural goods, TBT and conformity assessment, trade in critical raw materials</i>).</li> </ul>	<ul style="list-style-type: none"> <li>• CGE model and gravity regression results</li> <li>• Analysis of merchandise trade, reviewing growth trends per product lines and measuring the evolution of the diversification of exports over time using indicators (e.g. HHI).</li> <li>• SME analysis and analysis of EU/Canada competitive positions</li> <li>• Stakeholder consultations (survey, interviews and Member State workshops), business survey</li> </ul>
	<b>JC 4.2:</b> What has been the <b>social impact</b> of CETA's implementation?	<ul style="list-style-type: none"> <li>• <b>Task 9.1: CGE model</b> (<i>wages, sectoral employment, national income/GDP</i>).</li> <li>• <b>Task 9.2: Qualitative and quantitative assessment</b> (<i>decent work agenda, ILO, poverty reduction, vulnerable groups, enforcement, 10 fundamental conventions</i>).</li> <li>• <b>Task 9.3: Gender equality</b> (<i>women's economic empowerment, welfare and social situation, gender and work plan, participation in trade, female participation in the formal economy</i>).</li> </ul>	<ul style="list-style-type: none"> <li>• Trade and social statistics</li> <li>• CGE modelling results</li> <li>• Desk research</li> <li>• Stakeholder consultations (interviews, surveys, etc.)</li> </ul>

Evaluation questions	Judgement criteria	Required analysis <sup>(49)</sup>	Sources of evidence <sup>(50)</sup>
		<ul style="list-style-type: none"> <li>Task: Analyse the impact of CETA's implementation on consumers.</li> <li><b>Task 8.6: Modelling results:</b> Based on DG Trade and Economic Security's modelling results, present the overall social impact of CETA's implementation in terms of key macroeconomic and sectoral variables.</li> </ul>	
	<p><b>JC 4.3:</b> What has been the <b>environmental impact</b> of CETA's implementation?</p>	<ul style="list-style-type: none"> <li><b>Task 9.4: Environmental impact</b> (<i>changes in natural resource intensity, global transport, key environmental parameters and GHG emissions due to CETA's implementation compared to the counterfactual scenario without the Agreement</i>).</li> <li><b>Task 11: Case studies</b> (<i>environmental goods and services</i>).</li> </ul>	<ul style="list-style-type: none"> <li>CGE model results: CO<sub>2</sub> emissions, sectoral outputs</li> <li>Additional quantitative analysis</li> <li>Stakeholder consultations</li> <li>Case study</li> </ul>
	<p><b>JC 4.4:</b> What has been the <b>human rights</b> impact of CETA's implementation?</p>	<ul style="list-style-type: none"> <li><b>Task 9.5: Human rights</b> (<i>analyse the effects of CETA's implementation on human rights</i>).</li> </ul>	<ul style="list-style-type: none"> <li>Desk research</li> <li>CGE model results</li> <li>Stakeholder consultations</li> </ul>
	<p><b>JC 4.5:</b> To what extent is the actual impact of CETA <b>in line with the expected/predicted impact</b> as laid out in the EU–Canada trade sustainability impact assessment, other studies and stakeholder inputs?</p>	<ul style="list-style-type: none"> <li><b>Task 2: Analysis of existing studies and reports</b>, <i>including the EU–Canada trade SIA</i>).</li> <li><b>Task 10: Stakeholders concerns</b> (<i>analyse input and concerns of stakeholders during negotiations and ratification of CETA</i>).</li> </ul>	<ul style="list-style-type: none"> <li>Desk research: comparative review of effects anticipated in the SIA and concerns expressed by stakeholders</li> <li>Stakeholder consultations</li> </ul>
<p><b>EQ 5:</b> To what extent has CETA's implementation been efficient with respect to achieving its objectives?</p>	<p><b>JC 5.1:</b> To what extent have the <b>preferences of CETA been used</b>?</p>	<ul style="list-style-type: none"> <li><b>Task 8.1: Analyse the evolution of trade in goods</b></li> <li><b>Task 8.2: Analyse the effect of customs provisions, administrative cooperation, rules of origin, duty drawback, management of TRQs, agricultural safeguard measures, exports status and direct transport provision</b> (<i>bullet point 1: preference utilisation rate and foregone duty saving of economic operators of both parties</i>).</li> </ul>	<ul style="list-style-type: none"> <li>Analysis of the preference utilisation rates and tariff rate quotas based on data provided by the Commission</li> </ul>
	<p><b>JC 5.2:</b> How does CETA affect trade in goods and services <b>compared to other countries</b>?</p>	<ul style="list-style-type: none"> <li><b>Task 2: Analysis of existing studies and reports</b>, <i>including the EU–Canada trade SIA</i>.</li> <li><b>Task 8.1: Analyse the evolution of trade in goods</b> (<i>comparison of the development of trade in goods between the EU and Canada with a suitable reference group of countries</i>).</li> <li><b>Task 8.4: Trade in services and investment liberalisation</b> (<i>comparison of the development of trade in services between the EU and Canada with a suitable reference group of countries</i>).</li> </ul>	<ul style="list-style-type: none"> <li>Desk research</li> <li>Analysis of COMEXT and COMTRADE data</li> <li>All sources of evidence / methodological tools listed under EQ1</li> </ul>
<p><b>EQ 6:</b> To what extent are the costs associated with CETA's implementation proportionate to</p>	<p><b>JC 6.1:</b> What <b>costs</b> have been involved in CETA's implementation (e.g. foregone tariff revenue, costs of committees / working group / DAG meetings,</p>	<ul style="list-style-type: none"> <li>Identification of input and cost types related to CETA's implementation.</li> <li>Calculation of CETA's economic impact (<i>based on CGE results and gravity work</i>).</li> </ul>	<ul style="list-style-type: none"> <li>CGE model results</li> <li>Gravity regression results</li> <li>Stakeholder consultations</li> </ul>

Evaluation questions	Judgement criteria	Required analysis <sup>(49)</sup>	Sources of evidence <sup>(50)</sup>
the benefits it has generated? Is the distribution of both costs and benefits proportionate among different stakeholder groups and interests?	<p>compliance costs for businesses)?</p> <p><b>JC 6.2:</b> How do these costs compare to the <b>benefits</b>, in terms of GDP increases for example?</p> <p><b>JC 6.3:</b> Is the <b>distribution of costs and benefits</b> proportionate among different stakeholder groups and interests?</p>	<ul style="list-style-type: none"> <li>• Analysis of the foregone tariff revenues due to tariff reductions.</li> <li>• Estimation of overall budgetary consequences of CETA for the EU by considering the effects of GDP increases on EU revenue, foregone tariff revenues due to tariff reductions between the EU and Canada and changes in trade values with other trade partners.</li> <li>• <b>Task 4:</b> Identification of stakeholder groups that have been affected by CETA in a disproportionate manner</li> </ul>	
<b>EQ 7:</b> Are there unnecessary regulatory costs (including administrative burden)? What is the potential for simplification?	<p><b>JC 7.1:</b> What are the <b>regulatory costs</b> (including administrative burden) associated with CETA?</p> <p><b>JC 7.2:</b> What scope, if any, has there been to achieve the <b>objectives at a lower cost?</b></p>	<ul style="list-style-type: none"> <li>• Identification of input and regulatory costs (including administrative burden) related to CETA's implementation.</li> <li>• Identification of areas in which costs reductions and regulatory simplification could be achieved.</li> </ul>	<ul style="list-style-type: none"> <li>• Document review</li> <li>• Stakeholder consultations</li> </ul>
<b>EQ 8:</b> To what extent has CETA's implementation been coherent with the EU's trade policies, and in particular with the EU's commitment to sustainable development in trade policies as a contribution towards attainment of the UN SDGs?	<p><b>JC 8.1:</b> How do the provisions of CETA <b>compare to the principles of the EU's current trade policy?</b></p> <p><b>JC 8.2:</b> How do the provisions of CETA <b>compare to the EU's commitments on sustainable development</b> in trade policies as a contribution towards attainment of the SDGs?</p>	<ul style="list-style-type: none"> <li>• Identification of areas of (a lack of) coherence between CETA / key principles of the EU's current trade policy and the EU's commitment to sustainable development in trade policies as a contribution to the attainment of the UN SDGs.</li> </ul>	<ul style="list-style-type: none"> <li>• Document review</li> <li>• Description of CETA (task 6)</li> <li>• Stakeholder consultations</li> </ul>
<b>EQ 9:</b> To what extent do the provisions of CETA continue to be relevant in order to address the current trade needs of the EU and Canada?	<p><b>JC 9.1:</b> What are the <b>current trade issues</b> faced by the EU and Canada?</p> <p><b>JC 9.2:</b> To what extent have the provisions of CETA been used to address current trade issues?</p> <p><b>JC 9.3:</b> Which trade issues are unlikely to be addressed by CETA?</p>	<ul style="list-style-type: none"> <li>• Identification of key trade issues currently faced by the EU and Canada.</li> <li>• <b>Task 11: Case studies</b> (<i>trade in critical raw materials</i>)</li> <li>• Qualitative assessment of stakeholders concerning the possibility of CETA to address the issues, and identification of issues that may not be resolved through CETA directly.</li> </ul>	<ul style="list-style-type: none"> <li>• Document review regarding working of the specialised committees and working groups established under CETA.</li> <li>• Data on raw materials agreement with Canada</li> <li>• Stakeholder consultations</li> </ul>

## ANNEX IV STAKEHOLDERS CONSULTATION – SYNOPSIS REPORT

### IV.1 Consultation strategy

The wide-ranging consultation strategy of the evaluation study – to engage with key stakeholders – rested on five pillars.

1. **Pillar 1.** Two meetings with EU civil society representatives (civil society dialogue meetings). During these meetings, the draft results were presented and civil society organisations were invited to ask questions for clarification and provide feedback on the (draft) results.
2. **Pillar 2.** Stakeholder consultations in Member States and Canada:
  - an online survey for businesses and SMEs in the EU and Canada to gather inputs from companies (both large and small) on the functioning of CETA;
  - seven online seminars for selected Member States or EU regions to reach key stakeholders at the Member State level and discuss the effects of CETA at this level;
  - one online seminar for Canada to reach out to key stakeholders in Canada and discuss the effects of CETA in Canada;
  - one online seminar for SMEs in the EU and Canada to engage specifically with SMEs on the effects of CETA and the challenges they (still) face;
  - a preference utilisation survey in the EU, Member States and Canada to gather insights on why importers do or do not make use of CETA preferences;
  - interviews and meetings with stakeholders in the EU and Canada.
3. **Pillar 3.** The formal online public consultation to gather inputs from civil society stakeholders on the four sustainability pillars.
4. **Pillar 4.** Meetings with representatives of EU institutions and other discussions to present draft findings and gather further inputs.
5. **Pillar 5.** Digital engagement with stakeholders through a website, social media and other channels to communicate the progress of the evaluation and to continue requesting inputs and feedback.

Stakeholder engagement had taken place throughout all stages of the evaluation study. Stakeholders were provided with information about the evaluation, its objectives, timeline and (draft) findings throughout the entire timespan of the study. Consultations have included sharing updates with the stakeholders and checking the draft outcomes for feedback. Moreover, the consultation process has helped gather additional evidence for all parts of the analysis to underpin the findings, conclusions and recommendations.

Stakeholders from the EU and Canada were identified based on their roles in CETA's implementation and the relevance of topics covered by the analysis. Care was taken to ensure a balanced representation across multiple dimensions, including the EU and Canada, various interest groups and different types of stakeholders, with a special focus on SMEs and vulnerable groups. The stakeholders included, but were not limited to, the following groups:

1. **government representatives** – officials from the European Commission and Canadian government and related agencies (e.g. delegation representatives and former CETA negotiators);
2. **businesses and business associations** – horizontal and sectoral representatives from industries, involved in trade between the Parties, such as various SME cross-sectoral representations, automotives, aerospace, wines and spirits, fruits and vegetables, dairy products (including cheese), meat products, textiles and clothing, pharmaceuticals and boats and luxury yachts;
3. **other business organisations** – groups supporting women entrepreneurs and SMEs, along with individual companies;

4. **trade facilitators** – organisations such as Business Europe, trade promotion agencies, chambers of commerce and brokers;
5. **civil society representatives** – trade unions and NGOs representing interests of different groups (e.g. consumers and workers) and thematic areas (e.g. environment);
6. **other types of institutions** – human rights institutions, research institutes, and academia.

## ***IV.2 Summary of consultation activities***

As explained in the previous section, a mix of engagement activities to gather evidence was used.

### ***Civil society dialogue meetings***

Draft evaluation reports were presented and discussed with EU civil society representatives at Civil Society Dialogue meetings organised by the European Commission. Meetings were held in April 2024 (on the draft inception report) and June 2025 (on the draft final report). These discussions helped consult on the proposed methodology, test findings at the final stage of the analysis and gather additional views and inputs. Presentations and meeting minutes are available on the evaluation study website. Participants had the opportunity to provide verbal and written feedback to improve the quality of the analysis by adding evidence, corrections, and suggestions <sup>(51)</sup>.

### ***Online surveys***

In line with established practice, the study was accompanied by online surveys. For this evaluation, three surveys were developed.

- **Open public consultation survey (a general questionnaire)**. Available in all 24 EU languages, it included a wide range of questions focused on the economic, social, human rights and environmental impacts of the Agreement and its effects on different groups of stakeholders in the EU and Canada. It was promoted via email, newsletter, social media and stakeholder meetings held or attended by the study team. Responses from all interested parties were encouraged, including governments, business associations, trade unions, NGOs, other civil society organisations, academia, think tanks, other public authorities and individual citizens. A total of 24 responses were submitted.
- **Business/SME survey (a targeted survey for businesses and SMEs)**. Also published in all 24 EU languages, this survey targeted the business community in the EU and Canada, including those involved in trade between the Parties. It covered questions related to the use of the Agreement and its different provisions and the impacts thereof. A total of nine responses were submitted.
- **PUR survey (a questionnaire on PURs for companies)**. A new survey in the framework of ex-post evaluations, this survey was also available in all EU languages and sought insights into why companies were or were not using CETA. Businesses from some sectors extensively use CETA for the EU–Canada trade, while businesses from other sectors do not use CETA at all. Getting insights into the underlying drivers for this pattern could help improve CETA going forward. Only two responses were received, so the PUR analysis was mainly based on bilateral consultations with targeted sectoral stakeholders (e.g. automotives).

All three surveys remained open for over 24 weeks (from 16 May 2024 until 15 December 2024), exceeding the standard 12-week period to maximise participation.

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<sup>(51)</sup> Trade Impact B.V., 'Consultations', Ex-post evaluation of the Comprehensive Economic and Trade Agreement (CETA) between the EU and Canada website, 2024, <https://www.ceta-evaluation.eu/consultations>.

## **Online seminars**

Nine online seminars were conducted in November and December 2024, targeting stakeholders from Member States, Canada and EU and Canadian SMEs. The objective of the seminars was to present preliminary findings, gather stakeholder inputs and verify the preliminary results of the analysis.

The key facts of the seminars are broken down as follows.

### **Format**

Seminars were organised as virtual events lasting 1.5 hours each.

### **Language**

Seminars were conducted in English, with simultaneous translations into French, German and Italian for the seminars for stakeholders in Belgium, Germany, France, Italy and Canada.

### **Structure and set-up**

Seminars were divided into two sessions. One session covered economic analysis (followed by questions and answers) and the other session covered social, environmental and human rights analyses (followed by questions and answers). Presentations by the study team, outlining preliminary outcomes of the analysis across all its pillars, were followed by discussions with participants. Each seminar was tailored to a specific country / group of countries and presented data relevant to those stakeholders. In some seminars, local experts or companies delivered presentations about their experiences with CETA and answered questions from the participants.

### **Attendance**

A total of 280 participants took part in the seminars out of 382 registrations (a 73 % turnout rate). The number of participants in each seminar is outlined in Table 8 (by type of stakeholder) and Table 9 (by Member State / Canada).

### **Participants**

Various stakeholders attended the seminars, including representatives of the Canadian government, the Canadian Delegation in the EU, the Canadian embassies in Member States, the EU Delegation in Canada, Member State embassies in Canada, EU representations in Member States, ministries of foreign affairs of Member States and Canada, ministries of environment of Member States, ministries of economy and finances of Member States, the European Commission, the European Parliament, politicians, more than 100 business associations, standardisation agencies, trade promotion agencies, chambers of commerce, trade unions, over 60 NGOs, consumer organisations, environmental organisations, human rights organisations, research institutes, universities, legal practitioners, individual companies and individual citizens. Overall, the project team reached out to a wide range of organisations, and almost all Member States were represented during the seminars (except Malta).

### **Follow-up**

Discussions at workshops helped identify areas for additional analysis. Several follow-up interviews were conducted in November and December 2024. For instance, interviews were held with representatives of the standardisation organisation in Canada, individual companies from Canada, representatives from the EU dairy and meat sectors, the wine and spirit sector, fresh tomato producers and brokers.

### **Outreach efforts**

To promote the online seminars, the email addresses of organisations were collected from publicly available sources and local experts' networks. These experts explicitly obtained consent from their contacts to share personal data for further outreach. However, many

representatives of organisations and companies were unwilling to share professional contact information, which posed a significant challenge during the study. Despite these obstacles, the outreach efforts successfully engaged a diverse group of stakeholders <sup>(52)</sup>.

## Challenges

The evaluation specifically aimed to engage with organisations and companies based in Member States rather than relying solely on the inputs from Brussels-based business associations representing companies in Member States. However, the response rate from organisations based in Member States was generally low. Many of these organisations indicated that they were already represented at the EU level in Brussels and, as a result, did not see the need to participate in the seminars or provide additional input regarding their experiences with trade under CETA.

A significant portion of these organisations, particularly SMEs, expressed satisfaction with CETA's implementation, stating that they had encountered no significant challenges and therefore did not allocate the time or resources to participate in the evaluation. This limited the breadth of direct feedback from some Member-State-level stakeholders.

Despite these challenges, the feedback received from those who participated was highly valuable. Contributions included insights and evidence from representatives of key sectors such as dairy and meat producers, wine producers, automotive manufacturers, boat producers and trade unions, to name a few. These inputs enriched the analysis by providing sector-specific perspectives and real-world experiences, offering a more nuanced understanding of CETA's impact across different industries.

This mixed level of engagement underscores both the success of CETA in meeting the expectations of many stakeholders and the practical difficulties of engaging with organisations satisfied with the status quo.

## SME stakeholder engagement in selected Member States and Canada

As part of the focused outreach to SMEs, the study implemented several activities that directly or indirectly engaged around 175–200 SMEs. This engagement included participation via SME representations in Brussels and Member States, SME and entrepreneur organisations in Canada and national chambers of commerce. Key activities and outcomes include the following.

- **Participation in surveys.** Through the open public consultation and the business/SME surveys, a total of eight SMEs participated.
- **An online SME seminar.** The online SME seminar had 42 participants. In addition to those who attended, six participants who were unable to join the live session later engaged with the research team to discuss specific issues and questions related to the seminar topics. Their input ensured that their perspectives were included despite their absence. EU and Canadian SMEs provided insights into the challenges and opportunities they encountered under CETA, highlighted sector-specific experiences and added depth to the discussion on how SMEs are impacted by the Agreement.
- **Engagement with SME representatives.** Beyond the seminars, the research team engaged with SME representatives across the EU and Canada. In the EU, this included collaboration with four organisations representing SME interests from different Member States, individual businesses from specific sectors and trade associations. In Canada, local experts reached out to three organisations representing and supporting SMEs, individual businesses from specific sectors and local trade organisations. SME organisations played a crucial role in providing comments to the study findings, sharing the results with their members, and relaying feedback from their membership bases to the research team. Conversations focused on how EU and Canadian SMEs are leveraging opportunities created by CETA and the challenges they face in navigating

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<sup>(52)</sup> General email addresses available on organisation's websites did not seem to reach the people responsible for trade files within the organisation and the study team received no response to approximately 60 % of all the emails that were sent out to stakeholders.

the Agreements' provisions, such as market entry requirements and compliance with EU/Canadian standards. This process ensured that a broad spectrum of SME perspectives was incorporated into the analysis.

- **Formal submissions.** In addition to informal feedback, one SME organisation from a Member State formally submitted a detailed written response to the study's invitation for input. This submission provided in-depth analysis and specific recommendations for improving support for SMEs under CETA. The input was instrumental in identifying practical steps to address barriers faced by SMEs, such as simplifying procedures, enhancing awareness campaigns and improving access to information sources.

## **Interviews**

Interviews with stakeholders from the EU and Canada were an important form of engagement process. These interviews provided valuable insights and additional information and data, helping the study team to close knowledge gaps, better understand the impacts of CETA, evaluate the operation of the institutional framework under CETA, analyse the situation in the economic sectors involved in trade between the Parties and collect recommendations for improving the Agreement's implementation. This engagement approach ensured that diverse perspectives, particularly from SMEs, were incorporated into the analysis, complementing other forms of data collection.

**Table 8. Overview of the online seminars**

	Germany	Italy	France	Belgium	Netherlands	Regional: other EU	Regional: Central and Eastern Europe <sup>(53)</sup>	SMEs	Canada
	12.11.2024	13.11.2024	14.11.2024	20.11.2024	27.11.2024	26.11.2024	27.11.2024	3.12.2024	10.12.2024
Total no. of applications	23	32	31	29	25	49	53	64	77
Share NGOs	17 %	6 %	6 %	3 %	16 %	4 %	9 %	0 %	9 %
Share business	48 %	63 %	42 %	62 %	60 %	55 %	62 %	27 %	51 %
Share govt/EU del.	13 %	9 %	45 %	28 %	16 %	18 %	13 %	16 %	23 %
Share SMEs	13 %	9 %	3 %	3 %	4 %	18 %	0 %	48 %	9 %
Share academic	4 %	3 %	0 %	0 %	0 %	0 %	9 %	9 %	4 %
Share social partners	0 %	6 %	0 %	0 %	4 %	4 %	6 %	0 %	1 %
Share regional organisations	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Share EU citizens	4 %	3 %	3 %	3 %	0 %	0 %	0 %	0 %	0 %
Share Canadian citizens	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Share other	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %

Source: information gathered during the online seminars.

**Table 9. Participants in the online seminar split by Member State and Canada**

Participants by Member State / Canada	Germany	Italy	France	Belgium	Netherlands	Regional: other EU	Regional: Central and Eastern Europe	SMEs	Canada	Total
EU	2	1	4	3	3	1	2	1	5	22
Canada	0	1	2	1	0	0	0	8	31	43
Austria	0	0	0	0	0	3	0	0	0	3

<sup>(53)</sup> Regional seminar for stakeholders in Central and Eastern Europe.

<b>Participant s by Member State / Canada</b>	<b>Germany</b>	<b>Italy</b>	<b>France</b>	<b>Belgium</b>	<b>Netherlan ds</b>	<b>Regional: other EU</b>	<b>Regional: Central and Eastern Europe</b>	<b>SMEs</b>	<b>Canada</b>	<b>Total</b>
Belgium	0	0	0	16	0	0	0	6	2	<b>24</b>
Bulgaria	0	0	0	0	0	0	6	1	0	<b>7</b>
Croatia	0	0	0	0	0	0	3	0	0	<b>3</b>
Cyprus	0	0	0	0	0	0	0	3	0	<b>3</b>
Czechia	0	0	0	0	0	0	3	0	0	<b>3</b>
Denmark	0	0	0	0	0	1	0	1	1	<b>3</b>
Estonia	0	0	0	0	0	0	2	0	0	<b>2</b>
Finland	0	0	0	0	0	0	0	2	1	<b>3</b>
France	0	0	15	0	0	1	0	0	0	<b>16</b>
Germany	16	1	0	0	0	1	1	5	1	<b>25</b>
Greece	0	0	0	0	0	5	0	1	1	<b>7</b>
Hungary	0	0	0	0	0	0	2	0	0	<b>2</b>
Ireland	0	0	0	0	0	2	0	0	0	<b>2</b>
Italy	0	20	0	0	0	0	0	0	2	<b>22</b>
Latvia	0	0	0	0	0	0	3	0	0	<b>3</b>
Lithuania	0	0	0	0	0	0	2	1	0	<b>3</b>
Luxembourg	0	0	0	0	0	2	0	0	0	<b>2</b>
Malta	0	0	0	0	0	0	0	0	0	<b>0</b>
Netherlands	0	1	0	1	17	1	0	5	1	<b>26</b>
Poland	1	1	0	1	1	1	5	1	1	<b>12</b>
Portugal	0	0	0	0	0	13	0	3	1	<b>17</b>
Romania	0	0	0	0	0	0	3	1	0	<b>4</b>
Slovakia	0	0	0	0	0	0	5	1	0	<b>6</b>
Slovenia	0	0	0	0	0	0	6	0	0	<b>6</b>
Spain	0	0	0	0	0	5	0	2	0	<b>7</b>
Sweden	0	0	0	0	0	2	0	0	0	<b>2</b>

<b>Participants by Member State / Canada</b>	<b>Germany</b>	<b>Italy</b>	<b>France</b>	<b>Belgium</b>	<b>Netherlands</b>	<b>Regional: other EU</b>	<b>Regional: Central and Eastern Europe</b>	<b>SMEs</b>	<b>Canada</b>	<b>Total</b>
Other	0	0	0	0	0	0	0	0	2	<b>2</b>
<b>Total</b>	<b>19</b>	<b>25</b>	<b>21</b>	<b>22</b>	<b>21</b>	<b>38</b>	<b>43</b>	<b>42</b>	<b>49</b>	<b>280</b>

Source: information gathered during the online seminars.

Discussions between the consultant team of the evaluation study, the Canadian government and the European Commission focused mostly on the work of CETA committees and dialogues, but also covered content discussions on preference utilisation rates, agriculture and other relevant issues. Engagement with business organisations and individual companies addressed trade under CETA, sector-specific situations and practical experiences related to CETA implementation. Similarly, discussions with the DAG representatives, NGOs, research institutes, trade unions and environmental organisations explored topics particularly relevant to the sustainability aspects of the analysis.

In total, representatives of 154 EU and Canadian organisations and companies participated in interviews. Some interviews, such as with local SMEs, were conducted by local team members based in Canada. While many interviews were conducted individually, group discussions were also held, including meetings with Canadian government officials, EU representatives, DAG members, business associations and individual companies from specific sectors. The study team ensured a balanced representation across governmental and non-governmental stakeholders, the four pillars of the analysis (economic, social, environmental and human rights) and various sectors and stakeholder types, such as business associations, trade unions and NGOs. These interviews provided valuable insights, further complemented by written comments and additional information shared by EU and Canadian stakeholders, governments and civil society organisations throughout the evaluation.

### ***European Economic and Social Committee***

The study team presented the evaluation methodology, stakeholder engagement strategy and findings to the European Economic and Social Committee. The first meeting took place in June 2024 and a follow-up meeting was held in June 2025.

### ***Other engagements***

Throughout the study, the research team participated in additional events to gather relevant insights and share progress with interested stakeholders. For example, the team joined the debrief of the Regulatory Cooperation Forum (in April 2024) and attended the Supply Chain Canada Fall Virtual Symposium on risk and resilience in supply chains in September 2024, with thanks to the Standards Council of Canada for waiving participation fees.

## ***IV.3 Summary of communication activities***

### ***Project website***

The project website from the study team <sup>(54)</sup>, launched during the inception phase in English and French, served as a comprehensive platform to inform stakeholders about project updates, facilitate stakeholder engagement and ensure transparency throughout the evaluation process. The website included the following features.

#### **General project information and updates**

The website presented an overview of the ex-post evaluation, including its objectives, concise methodology, and team composition. Progress updates were regularly published throughout the project.

#### **Project timeline**

The website provided a detailed timeline outlining key milestones and phases of the project, helping stakeholders track its progression.

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<sup>(54)</sup> [www.ceta-evaluation.eu](http://www.ceta-evaluation.eu).

## **Key outputs**

The website hosted essential documents, such as reports from the ex-post evaluation, draft documents and summaries of stakeholder engagement activities.

## **Presentations and minutes from Civil Society Dialogue meetings**

It shared materials and records from these meetings, promoting transparency and inclusivity.

## **Links to online surveys**

The website provided direct access to surveys designed to gather input and encouraged stakeholders to submit their position papers directly to the team.

## **Links to other communication tools**

The website also included links to the project's X (formerly Twitter) and LinkedIn accounts and the email address of the project team. Additionally, links to the websites of the European Commission and the Canadian government were provided.

## **Newsletters and other relevant materials**

Newsletters and other relevant materials (or links to them) were made available to keep stakeholders informed about the latest developments.

Additionally, the website featured subscription options for newsletters, contact forms for direct communication with the study team and information about upcoming online seminars and consultations. These functionalities aimed to enhance stakeholder engagement and ensure accessibility of the team throughout the project.

The website served as a hub for publishing milestones (such as the publication of new reports), informing stakeholders about updates and important deadlines (such as the launch of online surveys or deadlines for submitting comments) and inviting participation in activities like online seminars, online surveys and interviews.

Together with other communication tools, the website aimed to extend the project's outreach, facilitate access to documents and contact with the study team, and ensure transparency at every stage. At the time of writing, the website had been viewed by 2 875 visitors from 56 countries (including Canada, China, EU Member States, Japan, Switzerland, Türkiye, the United Kingdom and the United States).

## **Email communication**

The study team regularly informed stakeholders about the project's progress, achieved milestones, upcoming steps and the corresponding timeline. As part of these communication efforts, 10 **emails**, including 7 **newsletters**, were sent to a diverse group of stakeholders from the EU and Canada, reaching a mailing list of 1 459 recipients. These communications encouraged stakeholders to provide feedback on draft reports, participate in online surveys and take other relevant actions.

Additionally, over 1 200 individual emails were exchanged with stakeholders regarding seminars, interviews, contributions and other relevant matters. These exchanges allowed for more targeted and direct engagement, helping to address specific questions and collect useful insights.

The emails and newsletters prompted stakeholder activity, resulting in follow-up questions and additional submissions that enriched the analysis. To further support communication, the study team maintained a dedicated email address, offering stakeholders a straightforward way to get in touch and share their inputs.

## **Social media engagement**

Social media platforms, specifically dedicated X (formerly Twitter) and LinkedIn accounts, were actively used in the study project to enhance outreach and engagement. A total of

33 posts were published, generating 23 324 views. These posts provided updates on project milestones, invited stakeholders to participate in seminars and summarised seminar outcomes. They also encouraged further engagement by soliciting comments and offering additional information and data.

#### IV.4 Summary of key results of stakeholder consultations

##### IV.4.1 Submissions received from stakeholders

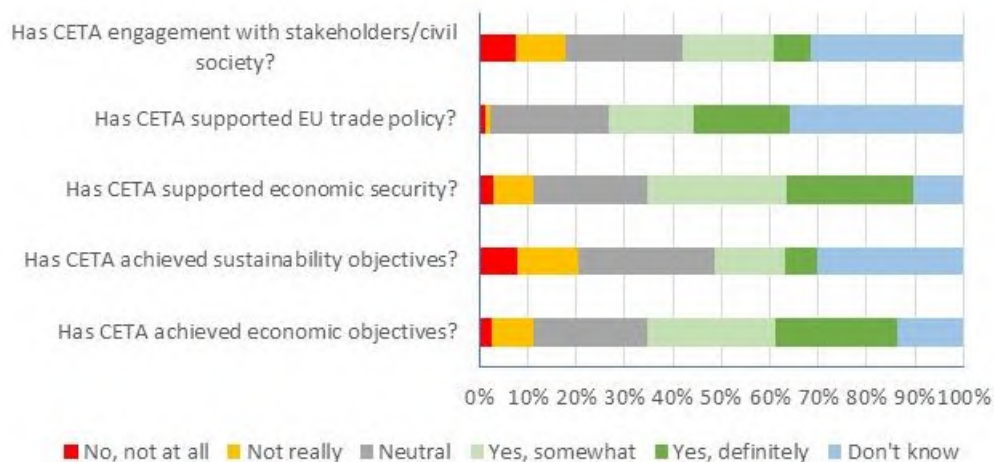
The study team received 177 written contributions from stakeholders. These submissions included separate inputs exchanged in bilateral conversations or responses to questions via email. All inputs have all been incorporated into the views and findings presented in the final report.

##### IV.4.2 Inputs received during online seminars

Following discussions during the online seminars, several stakeholders provided additional inputs. These contributions included four submissions from EU dairy industry representatives (including cheese producers), which led to a follow-up interview. Two documents were submitted by vegetable producers, while NGOs focusing on environmental issues provided two papers. Additionally, two inputs were received from EU wine producers and two more came from renewable energy companies.

In addition to written submissions, polling questions posed during the online seminars yielded useful insights. The aggregated responses, as shown in Figure 18 **Error! Reference source not found.**, highlighted several trends. Most respondents viewed CETA as having a very positive impact. Although views on CETA’s sustainability impacts were less favourable compared to its economic benefits, the majority of respondents still expressed a positive opinion. Additionally, many participants believed that CETA had contributed to economic security.

**Figure 18. Polling responses for all online workshops combined**



Source: results from polling during online seminars.

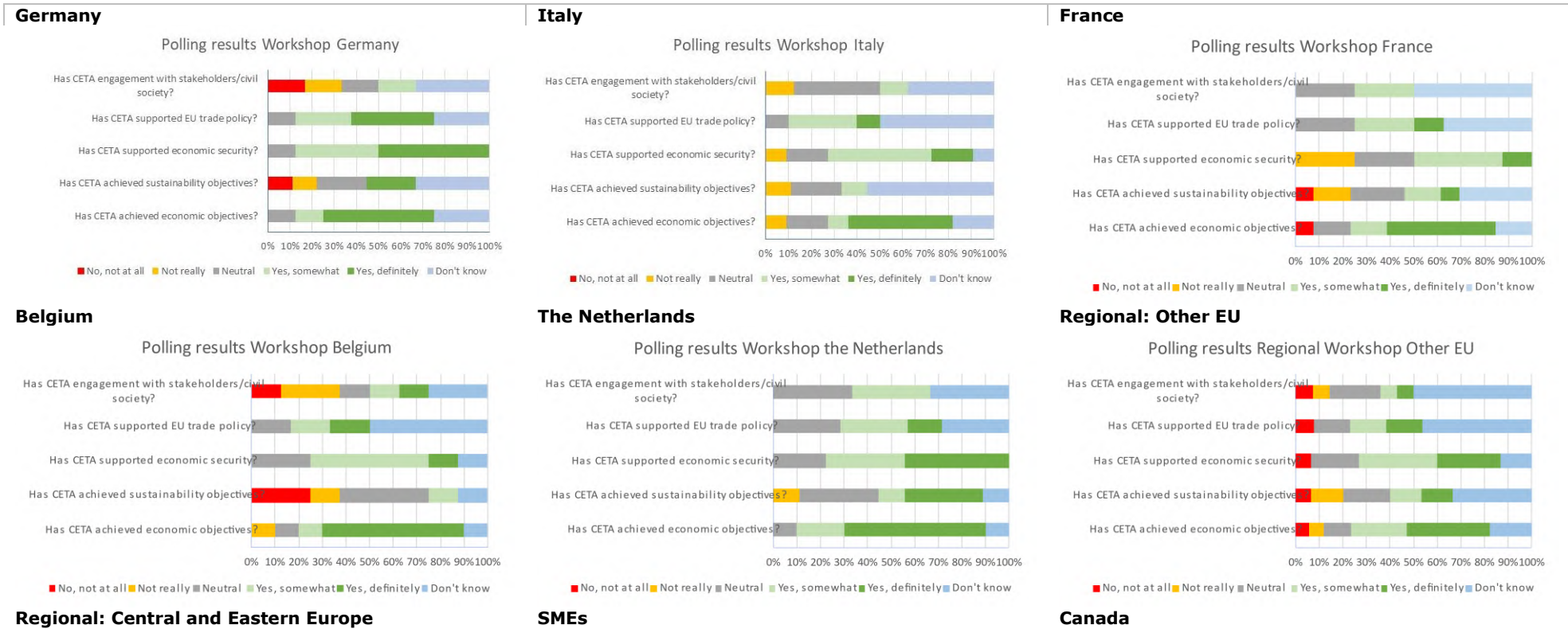
Regarding CETA’s support for the EU’s trade policy and its engagement with civil society organisations, a significant number of respondents indicated uncertainty or a lack of knowledge about these aspects. While feedback on civil society engagement included some negative responses, support for the EU’s trade policy received almost no negative feedback.

Figure 19 provides detailed polling results for each online seminar, which, while not identical to the aggregated trends shown in Figure 18 **Error! Reference source not found.**, reflect similar overall patterns. Among EU stakeholders, German participants were slightly more critical of CETA’s sustainability impacts, and other EU polls also included a

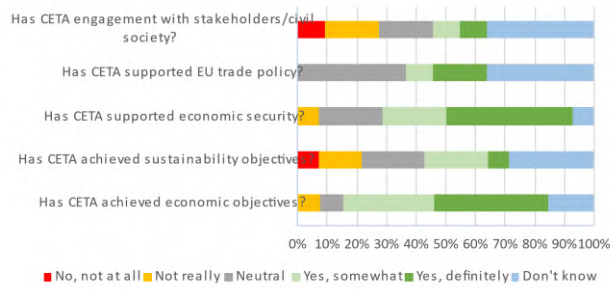
small number of critical responses. However, SMEs expressed notably more positive views, with stronger support for CETA both in sentiment and in the number of responses.

Polling results from Canadian stakeholders closely mirrored those of their EU counterparts in most areas. However Canadian respondents were less convinced that CETA had contributed to Canada's economic security, a view that contrasted with the generally positive perception among EU stakeholders, who saw CETA as significantly improving economic security within the EU.

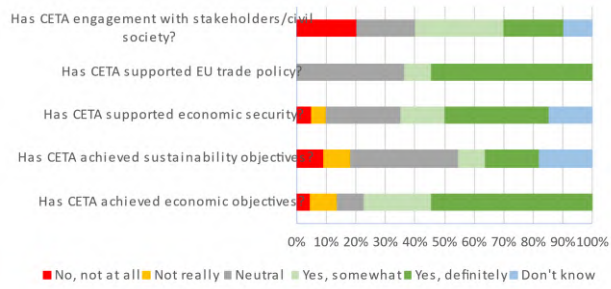
**Figure 19. Polling responses for all online workshops separately**



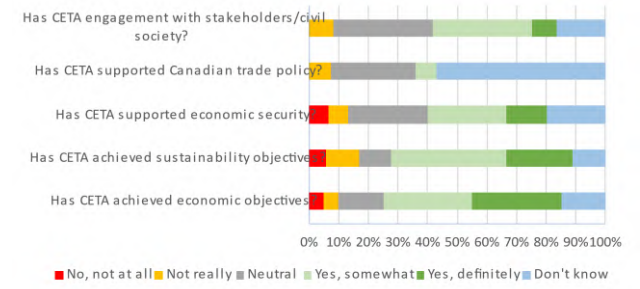
Polling results Regional Workshop CEE



Polling results Workshop SMEs



Polling results Workshop Canada



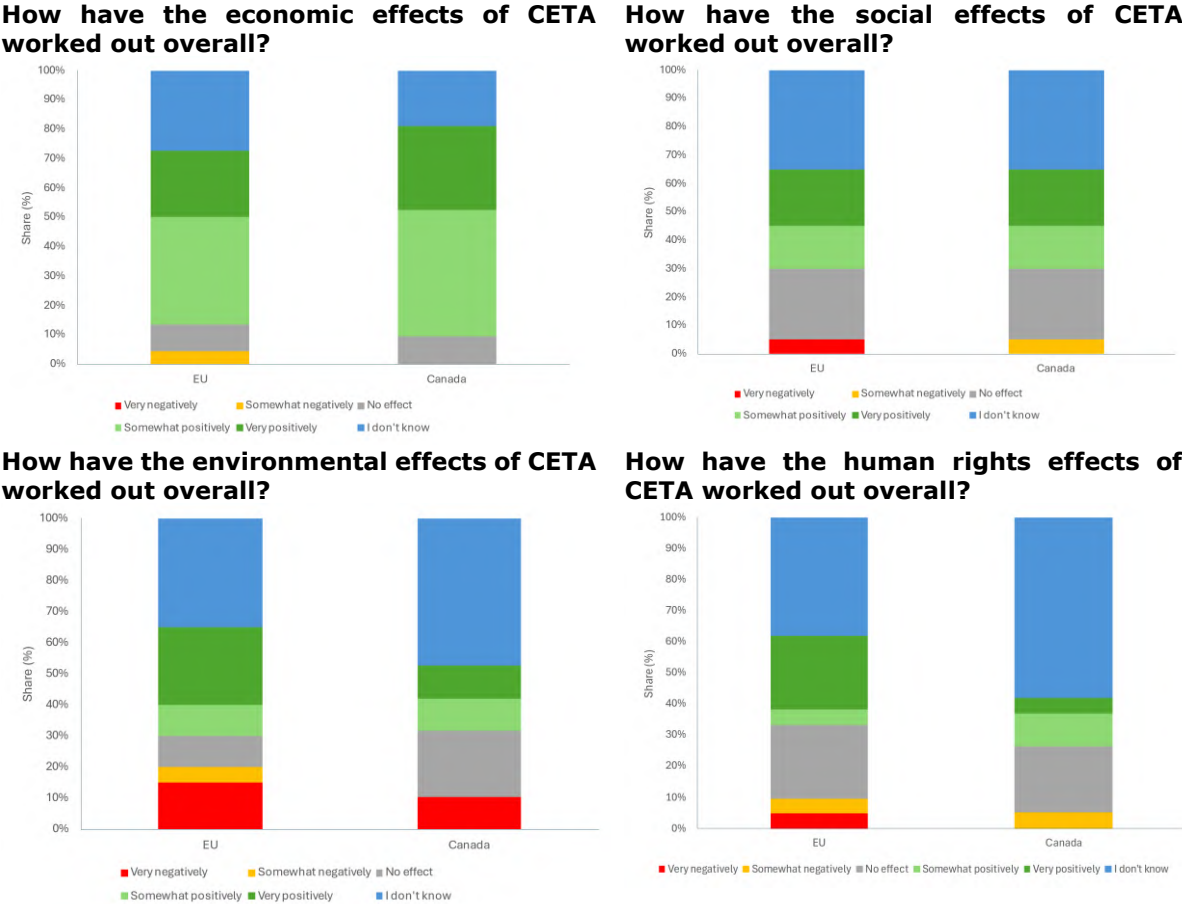
Source: results from polling during online seminars.

**IV.4.3 Inputs received from stakeholders via surveys**

A total of 30 open public consultation surveys were completed and submitted, with 24 received through the online website and six via email. Additionally, nine business/SME surveys were completed online, and another nine were returned via email. Only two PUR surveys were completed.

As detailed in Figure 20 the survey responses revealed that stakeholders generally evaluated the economic and environmental effects of CETA positively. Social and human rights impacts were also seen in a positive light, though to a lesser extent. Comparing responses from the EU and Canada, there were no major differences in overall perceptions. However, the most notable divergence was in the human rights pillar, where Canadian stakeholders were significantly more likely than their European counterparts to select 'I don't know' when asked about CETA's impact on human rights.

**Figure 20. How have the effects of the Agreement worked out overall?**



**IV.4.4 Inputs received from stakeholders via in-depth interviews**

Stakeholders provided valuable additional materials during in-depth interviews and as a follow-up to the seminars. Contributions included inputs from a wide range of sectors, including the automotive industry, the aerospace industry, dairy and meat sectors, luxury boat producers, vegetable growers, wheat producers and wine and spirit producers.

**IV.4.5 Inputs received from small and medium-sized enterprises**

Following the online seminar for SMEs in the EU and Canada, as well as via email correspondence, stakeholders responded to the key questions about what CETA has meant for SMEs in different Member States and in Canada. Below is a summary of the key responses from SMEs.

### **Overall feedback on the impact of the Agreement for small and medium-sized enterprises**

- Sectors where trade liberalisation occurred under CETA have not experienced destabilisation, even though 95 % of CETA provisions have been provisionally applied for seven years. Instead, many sectors have grown, creating new market opportunities in both the EU and Canada.
- For some SMEs, CETA is perceived as a natural gateway to the US market due to Canada's membership in the United States–Mexico–Canada Agreement.
- SMEs could benefit from increased support to maximise the advantages offered by CETA. One key suggestion is to organise targeted information campaigns to raise awareness about how CETA can benefit SMEs, not only in capital cities but also in regions with a high SME presence. Additionally, SMEs in Member States that have not yet ratified CETA would benefit from clear guidance, emphasising that they can already take advantage of the Agreement's provisions. Efforts should also focus on more awareness among SMEs, thus improving access to existing resources such as Access2Markets, which provides a wealth of relevant information for businesses. Many of the SMEs interested in exporting had heard of Access2Markets, but not all had taken the step to explore the tool and get the concrete information necessary for exporting, and an even smaller share had started to export. Furthermore, offering tailored assistance to SMEs in correctly completing customs forms – a recurring challenge identified in discussions – could help address a significant barrier and ensure more seamless participation in trade activities under CETA.
- Several SMEs respondents called for less complexity in accessing CETA's benefits. These included demands for simplified and transparent information, easier procedures, training modules and awareness-raising campaigns tailored to key sectors.

### **Specific feedback on the impact of the Agreement on small and medium-sized enterprises found in the stakeholder consultations by the study team**

#### **Agriculture (EU)**

- Fears in the EU agricultural sector 'remain virtual for the time being' because Canadian producers have only insignificantly used their quotas (e.g. on beef). Canadian exports have largely targeted the US and Asian markets as EU health standards are reportedly uneconomical to meet for products with a quota. EU agricultural exports have grown, as Canada is a market where higher prices can be achieved compared to domestic markets.
- SMEs in the EU agricultural sector expressed strong support for cheese quotas but highlighted inefficiencies and unnecessary costs in the quota allocation process. SMEs reported confusion over conflicting information about quota availability. Sometimes SMEs are informed that the quota has been fully utilised, only to later discover that opportunities for export remain available.
- French wine and spirit exporters benefitted from key measures negotiated under CETA, including the elimination of duties on wine, removal of the ban on exporting bulk spirits for blending in Canada, the elimination of the federal excise tax exemption for wine produced entirely in Canada and the recognition (in 2017) and update (in 2024) of the list of GIs. Recent developments, such as the abolition of a specific margin rate applied by the *Société des alcools du Québec* to cognac and champagne, were also welcomed.

#### **Agriculture (Canada)**

- Canadian agricultural stakeholders argued that CETA's benefits favour the EU. They highlighted that cheese quotas have allowed European cheeses to dominate the Canadian market, while the enforcement of GIs has impacted cheese names that have been used in Canada for decades. Additionally, Canadian beef and bison exporters reported that the anticipated gains from exports have not materialised, citing differing interpretations of safety standards for consumption and the inability of the Canadian

government and the EU Commission to reach an agreement to address these differences.

- Trade agreements such as CETA should not be used to pursue political or geopolitical goals. When production rules are not grounded in scientific principles or fail to address issues with global implications, such as greenhouse gas emissions, the EU risks contravening WTO disciplines and undermining the fundamental rationale for trade.
- Canadian stakeholders criticised the EU's regulatory framework on SPS measures, highlighting several issues. These included the reduction of maximum residue levels for pesticides without consideration for local Canadian production conditions, the lowering of maximum levels of contaminants in deviation from codex standards, lengthy approvals for genetically modified crops and the absence of an enabling framework for new genomic techniques. Stakeholders emphasised the need for stronger regulatory harmonisation to address these challenges effectively.

### **Public procurement**

- German SMEs welcomed the opportunities created by the public procurement chapter of CETA. Tools like Access2Procurement (EU) and CanadaBuys (Canada) were noted for their clarity and usefulness, especially on calls for tender. However, participation in public procurement has been limited and outcomes remain below expectations.

### **Geographical indications**

- European SMEs appreciated the strengthened protection of certain Protected Designations of Origin under CETA but highlighted the lack of protection for other GIs, which they deemed regrettable and in need of improvement. Furthermore, SMEs emphasised the importance of increasing monitoring efforts to combat counterfeit products.
- In Canada, the protection of GIs is significantly more limited compared to the EU. While agricultural and textiles SMEs in several Member States reported minimal direct impact, concerns were raised regarding the enforcement of GIs. SMEs in particular lack the resources to follow up on infringements effectively, which poses a challenge for ensuring compliance.

### **Rules of origin**

- CETA's provisions on rules of origin have been seen as particularly attractive for companies that would otherwise face high tariffs. However, correctly claiming these preferences remains a challenge for businesses. Some companies reported difficulties in accurately calculating local content, resulting in errors when completing the required forms.
- The Access2Markets platform and the rules of origin self-assessment tool were widely praised for their usefulness, with some stakeholders noting they provide better guidance than similar tools available in the United States. However, this tool still requires a level of intermediate expertise, which some SME representatives found difficult to navigate. Furthermore, SMEs indicated that there is limited support from importers when needed and completing the supplier's declaration of conformity is time-consuming.

### **Logistics services (Canada)**

- Stakeholders questioned how CETA could better facilitate collaboration between local port logistics service providers in Canada and their EU counterparts. They identified untapped potential in this area, particularly in the exchange of environmental best practices.

### **Critical raw materials**

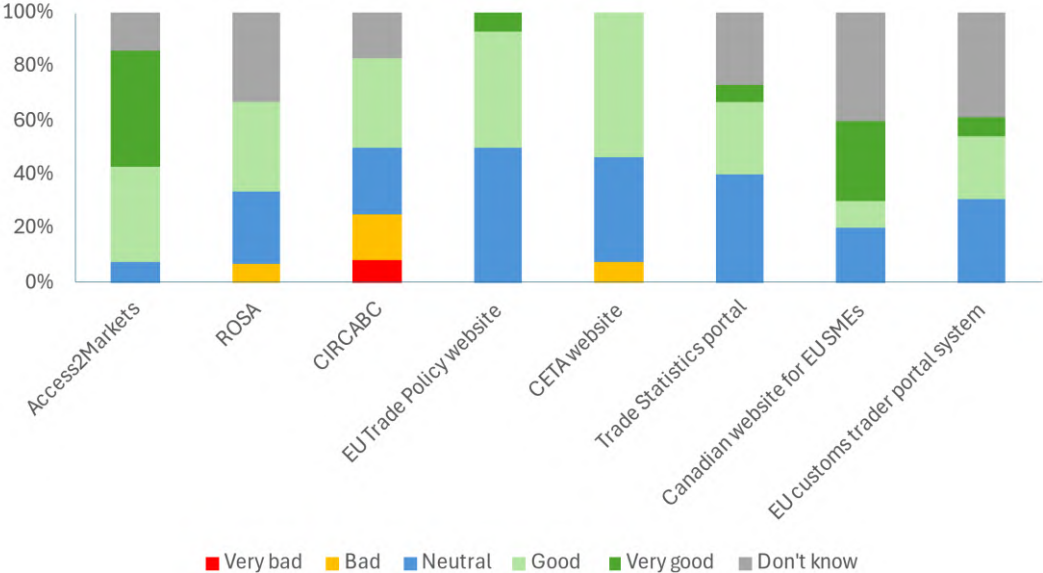
- SMEs expressed strong support for the collaboration on critical raw materials under CETA. They emphasised that this cooperation is essential for the operation and innovation of SMEs across various sectors, including high-tech product development and participation in the energy transition.

### ***Information quality and availability for small and medium-sized enterprises***

The quality and accessibility of information for SMEs were among key topics discussed with stakeholders. Two specific questions were posed to SMEs regarding the quality of digitally provided information, and the results are illustrated in Figure **Error! Reference source not found.** 21 and Figure 22

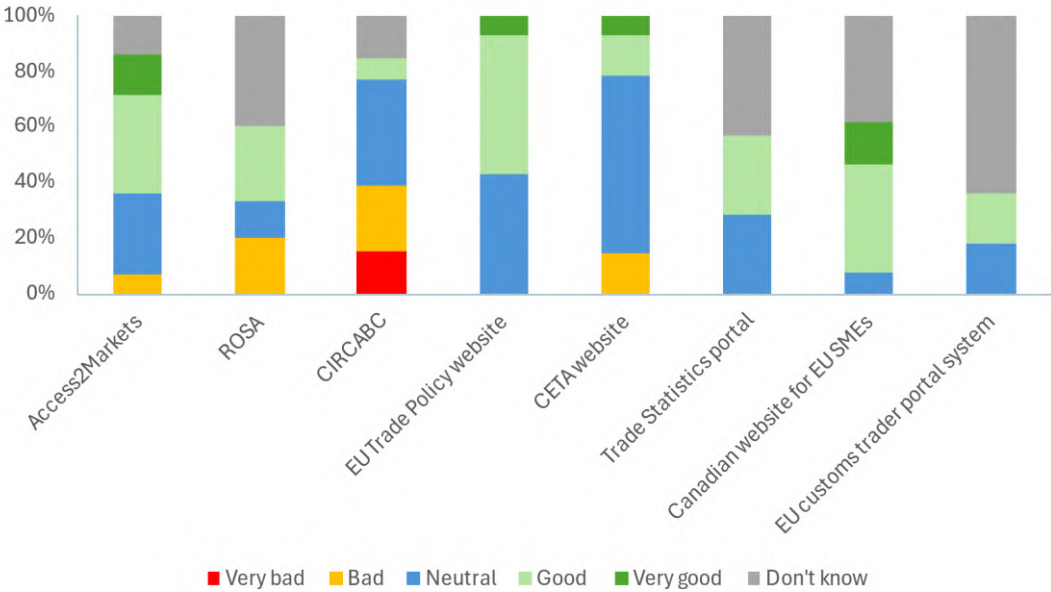
**Figure 22. Views of small and medium-sized enterprises on the navigability of the site (in percentage)**

**Figure 21. Views of small and medium-sized enterprises on the quality of information on the websites (in percentage)**



Source: SME stakeholder inputs from surveys and interviews.

**Figure 22. Views of small and medium-sized enterprises on the navigability of the site (in percentage)**



Source: SME stakeholder inputs from surveys and interviews.

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