Addressing Non-Tariff Barriers in the Canada-European Union Comprehensive Economic and Trade Agreement

Submitted by: Canada
Addressing Non-Tariff Barriers in the Canada-European Union Comprehensive Economic and Trade Agreement (CETA)

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Canada-European Union Comprehensive Economic and Trade Agreement (CETA)

• CETA is a progressive trade agreement that aims to increase the flow of goods, services and investment to the benefit of both Canada and the EU

• Its provisions include the Technical Barriers to Trade and Regulatory Cooperation chapters, and the Protocol on the Mutual Acceptance of the Results of Conformity Assessment
Technical Barriers to Trade (TBT)

• CETA incorporates 10 provisions contained in the WTO Agreement on Technical Barriers to Trade, including:
  
  – Preparation, Adoption and Application of Technical Regulations by Central Government Bodies;

  – Code of Good Practice for the Preparation, Adoption and Application of Standards; and,

  – Procedures for Assessment of Conformity by Non-Governmental Bodies
Technical Barriers to Trade (TBT)

• commitment to encourage cooperation in technical regulations, standards and conformity assessment with a view to avoid implementing measures that act as unnecessary obstacles to international trade

• encourages Canadian and EU standard-setting bodies to cooperate more closely on joint priorities, in recognition of the important role of standards

• the Standards Council of Canada, and the EU’s CEN & CENELEC signed a cooperation Agreement to promote the harmonization of standardization activities in sectors of mutual interest and the resolution of trade issues of concern to industry
TBT Annex: Cooperation in the Field of Motor Vehicle Regulations

• strengthen cooperation and communication

• builds on the work being undertaken to develop global technical regulations under the auspices of the United Nations
Regulatory Cooperation

WHAT IS REGULATORY COOPERATION?

- A process to find efficiencies and reduce unnecessary regulatory differences
- Applies to full lifecycle of regulatory activities, including inspections, certification, standards, product and testing approvals
- Maintains or advances high standards of public health and safety and environmental protection

Unnecessary regulatory differences between Canada and its key trading partners can add significant costs for industry and consumers

Regulatory cooperation can reduce or eliminate these differences, reducing costs to industry, consumers, and regulators, and increasing consumer choice
Regulatory Cooperation

- CETA enhances cooperation and information sharing while regulations are being developed

- Joint cooperative activities will be identified

- An annual high-level dialogue on regulatory matters will be established

- CETA facilitates earlier access to regulatory development processes to reduce differences in approach in order to achieve more compatible measures and fewer trade barriers
Regulatory Cooperation Successes

CANADA-UNITED STATES REGULATORY COOPERATION COUNCIL

**Common Electronic Submission Gateway**

*What:* Companies can submit information for a health product market authorization once for Canada and the U.S.

*Benefit:* **$22 million** of savings for the pharmaceutical industry over 10 years

**Sunscreen Inspection Pilot**

*What:* U.S. sunscreens enter into Canada without being quarantined and tested for a second time at the border

*Benefit:* **$100,000 annually** of savings per sunscreen for the consumer health product industry

**Energy efficiency standards**

*What:* Canada is harmonizing energy standards with domestic and international (U.S.) partners for commercial and residential products

*Benefits:* **$1.8 billion total energy savings** for Canadians by 2030, and **$1.5 million annual energy savings** for manufacturers
Conformity Assessment (CA) Protocol

• The Protocol establishes a framework for two levels of recognition for the sectors covered by the Protocol:
  – Recognition of accreditation bodies
  – Recognition of conformity assessment bodies

• The Protocol preserves the right to regulate

• The agreement does not require recognition or acceptance of the other Party’s technical regulations, or limit a Party’s right to set technical regulations or conformity assessment procedures
Conformity Assessment (CA) Protocol

• In the sectors covered, the CA Protocol allows for the acceptance by Canada and the EU of product certifications by recognized bodies in the other party to increase market access for Canadian & EU industry

• This will allow EU companies in selected product categories to have their products tested and certified for the Canadian market in the EU, as well as Canadian companies to have their products tested and certified for the EU market in Canada
Conformity Assessment (CA) Protocol

• The Protocol is unique among Canadian and European trade agreements and was developed specifically to complement the provisions in the TBT chapter.

• The Protocol builds off established international recognition agreements for accreditation, IAF and ILAC.
Conformity Assessment (CA) Protocol

• **Scope**: the Protocol applies to the product categories listed in Annex 1 for which a Party recognises non-governmental bodies for the purpose of assessing conformity of goods with that Party’s technical regulations.

• Some of the product categories listed in Annex 1 include:
  – Construction products
  – Electrical and electronic equipment
  – Toys
  – ATEX/HAZLOC

• Some of the product categories listed in Annex 2 (for inclusion after 3 years) include:
  – Medical devices and accessories
  – Pressure equipment, including vessels
  – Personal protective equipment
Conformity Assessment (CA) Protocol - CETA

• CETA requires third-party conformity assessment bodies to be accredited by a recognised accreditation body

• Two phases:
  – Accreditation in the importing party
  – Accreditation in the exporting party

• implement through a Cooperation Agreement between SCC & EA

• mutual recognition of accreditation will only occur once SCC and EA deem both parties to be ready

• products will be selected and implemented on a schedule mutually agreed to by both SCC and EA
Conformity Assessment (CA) Protocol - CETA

Expected benefits:

• Confidence building through accreditation

• Reduction of administrative "maintenance" burdens
Implementation and Next Steps

• Information exchanges and confidence building activities are ongoing

• mutual peer auditing, information sharing on regulatory systems and consultations with technical experts

• Mutual recognition of accreditation will only occur once SCC and EA deem both parties to be ready
Implementation and Next Steps

• Products to be covered will be selected and implemented on a schedule mutually agreed to by both SCC and EA

• One product category has been selected (ATEX/HAZLOC) to serve as a pilot project and will help SCC and EA develop a template for implementing other product categories
Questions?

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