



Opening New Markets in Europe
Creating Jobs and Opportunities for Canadians

How CETA Will Benefit Alberta



Creating jobs and opportunities for Albertans

The Canada-European Union Comprehensive Economic and Trade Agreement (CETA) will bring benefits to every region of our country. It will unlock new opportunities by opening new markets for Canadian businesses and creating new jobs for Canadian workers. CETA is a 21st-century, gold-standard agreement and is Canada's most ambitious trade initiative ever. It is broader in scope and deeper in ambition than the historic North American Free Trade Agreement.

Canada's historical and cultural ties with the EU make it an ideal partner for a comprehensive and ambitious free trade agreement. The EU, with its 28 member states, 500 million people and annual economic activity of almost \$17 trillion, is the largest and most lucrative market in the world. It is also the world's largest importing market for goods: the EU's annual imports (\$2.3 trillion) are worth more than Canada's total gross domestic product (GDP), which stood at \$1.8 trillion in 2012. Reducing and eliminating tariff and non-tariff barriers will make Canadian goods, technologies and expertise more competitive in the lucrative EU market and benefit businesses of all sizes, as well as workers and their families.

A joint Canada-EU study, which supported the launch of negotiations, concluded that a trade agreement could boost Canada's income by \$12 billion annually and bilateral trade by

20 percent. Put another way, the economic benefit of a far-reaching agreement would be equivalent to creating almost 80,000 new jobs or increasing the average Canadian household's annual income by \$1,000. This is like adding one and a half times the total number of jobs currently found in Red Deer to the Canadian economy.

Across Canada, workers and businesses from a wide range of sectors will benefit from increased access to the EU's lucrative market. This enhanced access will give a competitive edge to Canadians in all 13 provinces and territories.

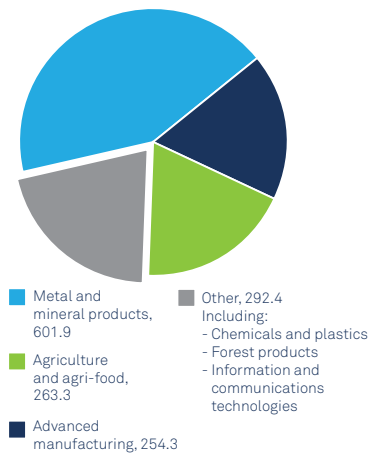
Alberta

Albertans stand to benefit significantly from this preferred access to the EU market. The EU is already Alberta's fourth-largest export destination, after the United States, China and Japan and third-largest trading partner, after the United States and China. CETA will eliminate tariffs on almost all of Alberta's key exports when CETA comes into force and provide

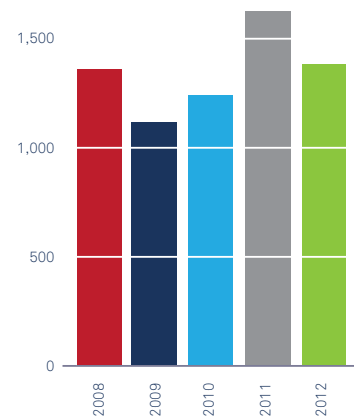
Top provincial benefits

- ✓ New markets for agricultural and agri-food products
- ✓ EU tariffs eliminated on metal and mineral products
- ✓ EU tariffs eliminated on machinery and equipment
- ✓ More buyers for chemical and plastic products

Principal merchandise exports from Alberta to the EU, by sector (annual average, 2010-2012) (value in millions of Canadian dollars)



Merchandise exports from Alberta to the EU (2008-2012) (value in millions of Canadian dollars)



access to new market opportunities in the EU. Exporters will also benefit from other CETA provisions that will improve conditions for export—provisions, for example, that ease regulatory barriers, reinforce intellectual property rights and ensure more transparent rules for market access.

Overall, Alberta has a lot to gain from this historic agreement. This document provides a summary of CETA's key benefits for Alberta.

Opening new markets in Europe for Alberta's world-class products

Under CETA, world-class Canadian products will enjoy preferential access to the EU. The benefits will be extensive, including for those who produce primary goods (like minerals and agricultural products) and those who turn them into value-added processed and manufactured products.

Out of more than 9,000 EU tariff lines, approximately 98 percent will be duty-free for Canadian goods when CETA comes into force. Some EU tariffs are high enough that they impose a real burden on Canadian exporters and prevent or limit considerably their ability to compete in the EU market. For example, the EU levies a tariff equivalent to \$114 per tonne on Canadian oats that, over the last five years, has been estimated to add a substantial 51.7 percent to the price of this grain. When CETA comes into force, tariffs on oats and almost all other Canadian primary goods will be eliminated. Equally important to Alberta's economy is the fact that tariffs on manufactured products will also be eliminated.

Increasing exports of agricultural and agri-food products



With more than 51 million acres of land used for crop and livestock production, Alberta produces an abundant supply of world-class agricultural commodities. The agricultural and agri-food sector contributed 2.4 percent to Alberta's GDP in 2012 and employed nearly 76,000 Albertans. Of these, one in four works in the manufacturing end of the industry.

Trade snapshot

- The agricultural sector is the second-largest source of Alberta exports to the EU, after metal and mineral products. Between 2010 and 2012, annual average exports were worth \$282.5 million, led by common wheat (\$78.9 million) and durum wheat (\$48.6 million).
- Canadian agricultural exports to the EU face high tariff rates, with average tariff rates of 13.9 percent.

Tariff elimination

When CETA comes into force, almost 94 percent of EU agricultural tariff lines will be duty-free, and seven years later, that number will rise to over 95 percent. This duty-free access will give Canadian agricultural goods, including a specified amount of Canadian beef, pork and bison, preferential access to the EU market and a competitive advantage over producers from other countries that do not have a free trade agreement with the EU. Creating an opportunity for increased sales will benefit hard-working Albertans through more jobs, higher wages and greater long-term prosperity.

For example, EU tariffs will be eliminated on:

- grains, including oats (EU tariff of \$114/tonne), low- to medium-quality common wheat (EU tariffs of up to \$122/tonne), and barley and rye (EU tariffs of up to \$120/tonne);
- durum and high-quality common wheat (maximum tariffs up to \$190/tonne and \$122/tonne respectively), for which CETA will lock in permanent duty-free access;
- oils, including canola oil (EU tariffs of up to 9.6 percent); and
- processed products, including cat and dog food (EU tariffs as high as \$1,218/tonne), and miscellaneous food preparations (EU tariffs that start at 12.8 percent).

Beyond tariffs

Recognizing the importance of grain and oilseed products in Alberta's agricultural exports to the EU, CETA will establish mechanisms to address issues of key importance to agricultural producers, including technical discussions and regulatory cooperation. In addition, CETA will enhance the existing Canada-EU forum for discussion on biotechnology and emphasizes the promotion of efficient science-based approval processes and of cooperation on low levels of genetically modified crops. Canadian grain and oilseed exporters will benefit from such cooperation, which will increase transparency and provide greater predictability for them as they seek more buyers for their products in the EU.

CETA also includes provisions to address non-tariff barriers in the EU, such as those related to animal and plant health and food safety. Building on the strength of existing Canada-EU cooperation in these areas, CETA establishes a mechanism under which Canada and the EU will cooperate to discuss, and attempt to prevent or resolve, non-tariff barriers that may arise

for Alberta's agricultural exports. CETA will provide opportunities and tools for Canadian and EU regulators to exchange information to better understand each other's requirements to assist importers and exporters alike.

Reaping the benefits

Alberta's food and beverage goods meet high standards and have an international reputation for quality. As the world's largest importer of agricultural goods, importing over \$130 billion worth of goods in 2012, the EU presents new and expanded export opportunities for Alberta producers. For example, pet food is a key processed agricultural product export for Alberta, with annual average exports to the EU in 2010-2012 of \$29.3 million facing tariffs as high as \$1,218 per tonne. As the pet food market in Eastern Europe accounts for an expanding share of the global pet food market, the elimination of EU tariffs on key export interests, including dog and cat food, will provide new export opportunities for the Alberta industry.

Maintaining Canada's supply management system

Canada's supply management system provides Canadians with a consistent supply of high-quality dairy, egg and poultry products at reasonable prices. This system supports farmers on around 17,000 Canadian farms. CETA will not affect Canada's supply management system, which will remain as robust as ever. The supply management system and its three key pillars (production control, import controls and price controls) remain intact. The vast majority of supply-managed products will be exempt from increases in market access. The Government of Canada remains committed to working with industry stakeholders throughout the implementation period to ensure that Canada's agricultural sector remains strong and vibrant.

New access for world-class Canadian beef, pork and bison

CETA will provide new market access opportunities for key Canadian agricultural exports: beef, pork and bison. These world-class products will benefit from preferential treatment in the EU. CETA establishes tariff rate quotas for each product, giving Canadian farmers yearly duty-free access for up to:

- 80,000 tonnes of pork (including consolidation of existing quota of approximately 6,000 tonnes);
- 50,000 tonnes of beef; and
- 3,000 tonnes of bison.

In addition, CETA will give farmers duty-free access:

- for high-quality beef under the existing quota of nearly 15,000 tonnes (Hilton beef quota, current duty of 20 percent);
- for processed beef, pork and bison products.

Increasing exports of manufactured products



Alberta's vibrant manufacturing sector plays a key role in the province's economy, covering important and diverse sub-sectors, such as chemicals, industrial machinery and food manufacturing—to name just a few. In 2012, some 138,500 hard-working Albertans were employed in this dynamic sector.

On the day that CETA comes into force, approximately 99 percent of EU tariff lines will be duty-free for Canadian industrial products. Seven years later, 100 percent of these tariff lines will be duty-free.

With CETA, Canada will be the only G-8 country and one of the only developed countries in the world to have preferential access to the world's two largest markets, the EU and the United States—giving us access to more than 800 million of the world's most affluent consumers. This will make Canadians the envy of trading nations all over the world and an even more attractive destination for investors and manufacturers looking to benefit from this access. The expanded opportunities for Alberta companies and new investors will lead to more high-paying manufacturing jobs for Albertans.

Advanced manufacturing

Some 28,800 hard-working Albertans and their families depend on the advanced manufacturing sector for their livelihood. Alberta's manufacturing sector will benefit immensely from the new market access secured under CETA.

Trade snapshot

- Alberta's exports of advanced manufactured products to the EU were worth an average of \$254.3 million annually between 2010 and 2012. Canadian advanced manufactured product exports to the EU face tariffs as high as 22 percent in some cases.
- In particular, exports of industrial machinery to the EU face rates of up to 8 percent on some goods.

Tariff elimination

Upon entry into force, CETA will immediately eliminate the vast majority of existing EU tariffs on advanced manufactured products, making these world-class products more competitive and creating the conditions for increased sales. This will directly benefit hard-working Albertans through more jobs, higher wages and greater long-term prosperity.

For example, EU tariffs will be eliminated on:

- gas or smoke analysis apparatus, from rates of 2.5 percent; and
- scientific instruments and appliances, such as surveying, hydrological and meteorological instruments, from rates up to 3.7 percent.

Beyond tariffs

Minimizing the impact of technical barriers will help maximize market access for our exports.

Regulations or other requirements on labelling, product testing and certification requirements, even for legitimate reasons, can be barriers for a product exported to a foreign market. These requirements are known as “non-tariff barriers.” For example, requesting that a particular product include information on every step of its production for all of its component parts could impose unreasonable costs that would end up making the product uncompetitive. To help ensure that non-tariff barriers do not create barriers that are overly burdensome, trade-restrictive or discriminatory, CETA includes provisions that will help Canada and the EU figure out ways to either prevent non-tariff barriers from arising or deal with them when they do.

Canada and the EU have negotiated provisions on regulatory cooperation, the first of their kind in a free trade agreement, that aim to reduce regulatory differences as early as possible to try to prevent the creation of non-tariff barriers down the road. CETA will establish a Canada-EU Regulatory Cooperation Forum that will facilitate dialogue between regulatory authorities and that will benefit Canada by providing earlier access to the complex and sophisticated regulatory development system in the EU.

CETA will also include a mechanism that will provide for the acceptance of test results and product certification by designated Canadian bodies. The ability of Canadian manufacturers to have their products tested and certified in Canada for the EU market, also a first for the EU in a free trade agreement, will reduce costs and delays associated with bringing products to market.

Reaping the benefits

Alberta’s advanced manufacturing industry is closely tied to the resource sector, with machinery, equipment and fabricated metal products as key growth sectors. Opportunity abounds for Alberta’s advanced manufactured exports to the EU. For example, a large market exists for sustainable technologies and their applications across the EU. Additionally, robotics and high-end tools are in demand in established EU markets, while

demand is growing for industrial machinery in new Central and Eastern European EU member states.

With its high levels of productivity and expertise in the industrial manufacturing sector, Alberta is well placed to reap the benefits associated with tariff elimination under CETA.

Chemicals and plastics

Alberta is a major manufacturing centre for chemicals and plastics and is poised to become one of the largest and most competitive chemical-producing regions in the world. Alberta’s plastics industry is closely integrated with other advanced manufacturing sectors, including aerospace, automotive, medical devices and telecommunications. Overall, the province’s chemicals and plastics industry employs 11,000 Albertans and is an important source of Alberta’s exports to the EU.

Trade snapshot

- Alberta’s exports of chemicals and plastics to the EU were worth an average of \$84.6 million annually between 2010 and 2012.
- Canadian chemicals and plastics exports to the EU face tariffs with rates of up to 6.5 percent.

Tariff elimination

Upon entry into force, CETA will immediately eliminate existing EU tariffs on chemical and plastic products, making these world-class products more competitive and creating the conditions for increased sales. This will directly benefit hard-working Canadians through more jobs, higher wages and greater long-term prosperity.

For example, EU tariffs will be eliminated on:

- plastics in primary forms, from a rate of 6.5 percent; and
- various articles of plastics, from a rate of 6.5 percent.

Beyond tariffs

Investment plays an increasingly important part in the Canadian economy and is crucial in linking Canada to global value chains. Both the EU and Canada are major destinations for foreign direct investment in the chemicals and plastics industry, and CETA’s investment chapter provides Canadian and EU investors with greater certainty, stability, transparency and protection for their investments while preserving the full rights of governments to legislate and regulate in the public interest.

Reaping the benefits

Alberta’s modern chemical industry is recognized for its high-quality basic organic and inorganic chemicals, and specialty and fine chemicals. Alberta also has an emerging biochemicals sector that is using biomass as an alternative feedstock to petrochemicals in the production of energy products and industrial chemicals. The EU market for chemicals and plastics is sophisticated and multi-faceted. Demand is

growing for value-added and specialty products in a wide range of areas, from plastic packaging to health products. Alberta's broad expertise in this sector ensures that its companies are well placed to take full advantage of the lucrative EU market.

Increasing exports of metal and mineral products



Alberta's diverse resource portfolio includes natural gas, oil, coal, and minerals. More specifically, Alberta's metal refining and mineral sector is a foundational industry that allows for infrastructure development as well as energy and natural resource production in Alberta. The world-class expertise found in Alberta's metal manufacturing and refining sector ensures that demand for its goods and services is strong and that it is positioned to deliver high value both in Alberta and around the world. The metal and mineral goods sector represented 27.5 percent of the province's total GDP in 2012 and employs more than 181,000 Albertans, creating employment opportunities that provide some of the highest earnings in the economy.

Trade snapshot

- Alberta directly exported an average of \$601.9 million in metals and mineral products to the EU between 2010 and 2012.
- Though many of Alberta's exports of mineral products to the EU enter duty-free, exports of metals face rates of up to 10 percent.

Tariff elimination

Upon entry into force, CETA will immediately eliminate existing EU tariffs on metal and mineral products, making these goods more competitive and creating the conditions for increased sales. Higher sales of these world-class products can lead to more jobs, higher wages and greater long-term prosperity, directly benefiting hard-working Albertans.

For example, EU tariffs will be eliminated on:

- aluminum containers for compressed or liquefied gas, from a rate of 6 percent; and
- various articles of iron and steel, from a rate of 2.7 percent.

Beyond tariffs

The Government of Canada is committed to fostering an open and transparent trade and investment environment in the metals

and minerals industry. CETA will establish a dialogue with the EU on raw materials that will support our market access gains by seeking to prevent unintentional or unnecessary interference with trade. This dialogue has the potential to enhance understanding of existing regulatory policies on raw materials such as environmental, resource-conservation and land-use policies. The dialogue will enable better cooperation between Canada and the EU on these important issues in international forums.

Reaping the benefits

Metal and mineral goods consistently rank as Alberta's top exports to the EU. The competitive edge and market access secured by CETA will translate into real benefits for Alberta. Given the potential for growth and existing expertise in this sector, Alberta is ideally positioned as an attractive location for investment.

Increasing exports of forestry and value-added wood products



Like much of Canada, Alberta is blessed with an abundance of forest land that is used to create a variety of world-class products. The forestry sector employs nearly 19,000 Albertans and represents a significant component of the Albertan economy.

Trade snapshot

- Alberta's exports of forest products to the EU were worth an average of \$62.6 million annually between 2010 and 2012.
- Canadian forestry and value-added wood product exports to the EU face tariffs as high as 10 percent.

Tariff elimination

Upon entry into force, CETA will immediately eliminate existing EU tariffs on forestry products, making them more competitive and creating the conditions for increased sales. Higher sales of these world-class products can lead to more jobs, higher wages and greater long-term prosperity, directly benefiting hard-working Albertans.

For example, EU tariffs on prefabricated buildings, a significant Alberta export, will be eliminated, falling from a rate of 2.7 percent.

Beyond tariffs

As new research and opportunities are redefining Alberta's forest resources, the sector is diversifying to produce bioenergy and biomaterials that promote the development of a more sustainable and green forestry industry in Alberta. CETA will establish a bilateral dialogue on forest products that will support and facilitate Canada and the EU's trade in forest products from sustainable and legal sources. It will also serve as a forum to discuss measures that may affect bilateral trade in forest products.

Reaping the benefits

Alberta's forest products sector is the fourth-largest in Canada, after Ontario, Quebec and British Columbia, and is dominated by the manufacturing of solid-wood products. Goods produced by the sector include softwood lumber, oriented strand board, fibreboard, wood pulp and newsprint. As the largest market in the world, with 500 million consumers, the EU presents significant export opportunities for Alberta's forest industry, including related, value-added sectors such as prefabricated buildings and other wood products. The lucrative EU market provides new opportunities for this important sector.

Opening new markets in Europe for Alberta's world-class services



The services sector is a key driver of Alberta's economy, accounting for 52.9 percent of the province's total GDP and employing more than 1.5 million Albertans in 2012.

Trade snapshot

Canada's services exports to the EU were worth an average of \$14.5 billion between 2010 and 2012. Alberta's key export interests in this vibrant sector include architecture, construction, environmental, financial, tourism, transportation, information and communications technology, and oil and gas services. Jobs in this sector are traditionally highly skilled and well paid, creating enormous opportunities for Canadian expertise.

Improved access to markets

- CETA will establish preferential access to and greater transparency in the EU services market, resulting in better, more secure and predictable market access in areas of interest to Canada, such as professional services (e.g., auditing, architectural and integrated engineering services), environmental services, related scientific and technical consulting services, and services incidental to energy distribution.
- Canada has negotiated the most ambitious market-access commitments the EU has ever made in any of its free trade agreements. This includes, for the first time for the EU, a broad and transparent approach to market access in which every service sector is subject to the terms of the agreement unless explicitly indicated otherwise (i.e., through a "negative list" approach).
- The agreement ensures that if the EU were to reduce or eliminate restrictions on foreign service providers or investors in the future, this better treatment would be locked in for Canadians (this is referred to as the "ratchet mechanism").
- Temporary entry provisions will provide increased transparency and predictability, facilitating movement of intra-company transferees, investors, contract service suppliers and independent professionals (including a broad coverage of professionals, and limited coverage of technologists), business visitors and others. EU commitments for temporary entry under CETA are more extensive than any other country has received from the EU under a free trade agreement.
- Recognition of professional qualifications is a key aspect of labour mobility. In addressing this issue, CETA's mutual recognition provisions are both ambitious and innovative. Some professions in Canada and the EU have already expressed interest in engaging in discussions on mutual recognition agreements, including stakeholders representing the architecture and engineering professions.

Beyond border measures

Transparent and objective treatment by regulatory authorities is essential to the success of both Canadian and EU service providers. CETA contains provisions on domestic regulation that will facilitate trade in services by ensuring that regulatory measures related to licensing and qualification requirements and procedures are clear, publicly available, objective and impartial. While recognizing the right of all governments to regulate in the interests of their citizens, CETA's services provisions will help to ensure that government regulations are applied in a non-discriminatory and transparent fashion.

Protecting services and policies that are fundamental to our social fabric

As do all of Canada's international trade agreements, CETA will continue to preserve policy space for activities that are fundamental to our social fabric. Nothing in CETA prevents governments from regulating in the public interest, including for delivering public services, providing preferential treatment to Aboriginal peoples, or adopting measures to protect or promote Canadian culture. For example, public services such as health, public education and other social services have been excluded from the obligations of CETA, ensuring that governments remain free to enact policies and programs they choose in these areas. Similarly, CETA will preserve policy space for cultural policies and programs at all levels of government, recognizing the importance of the preservation and promotion of Canadian culture, as well as its various forms of expression.

Reaping the benefits

The EU services economy is among the largest in the world, at approximately \$12.1 trillion in GDP terms in 2012. The total value of services imported by the EU from around the world reached \$664.5 billion in 2011, a 4.9-percent increase over the previous year. Providing Canadian service providers with better, more predictable and secure access to the EU market will give Canadian companies a competitive edge in the lucrative EU market. Ultimately, this advantage will benefit the entire Canadian economy and lead to new jobs, growth and prosperity in a sector that exemplifies Canadian expertise.

Opening new markets in Europe for investment

Investment is of key importance to Alberta's economy and prosperity. The province has excellent opportunities in all sectors, ranging from engineering and construction, financial services, and transportation and logistics to oil and gas, environmental goods and services, and agri-food. As the second-largest foreign investor in Canada, the EU can contribute to economic growth and job creation through investment in these and other of the province's strategic sectors.

In addition, Alberta businesses currently have significant investments in the EU in a wide variety of sectors, including mining, financial services, professional services, renewable energy and environmental technology, transportation, and information and communication technologies.

Snapshot of investment

The stock of known foreign direct investment by Canadian companies in the EU totalled \$180.9 billion at the end of 2012, representing 28.5 percent of Canadian direct investment abroad.

The same year, known foreign direct investment from European companies in Canada totalled \$171.5 billion, representing 24.1 percent of total foreign investment in Canada.

Improved access and rules that work

- CETA will guarantee a level playing field for Canadian businesses by securing access to a broad range of EU markets.
- Key sectors of interest to Canadian investors that will benefit from the agreement include energy, mining, manufacturing, financial services, automotive, aerospace, transportation, and business and professional services.
- CETA's predictable investment rules, including a requirement that Canadian businesses be treated no less favourably in the EU than EU businesses, will further reduce risks associated with investing abroad.
- CETA's investment provisions will provide Canadian and EU investors with greater certainty, transparency and protection for their investments, while preserving the rights of governments to legislate and regulate in the public interest. This will lead to greater two-way investment, which will help create jobs and long-term prosperity for hard-working Canadians.

Reaping the benefits

Investment and trade are inextricably linked and are extremely important to the province's prosperity, as EU and Alberta firms increasingly sell through affiliates in each other's markets. In this sense, Alberta benefits from greater foreign direct investment, regardless of whether investment is outward or inward. Greater direct investment in the EU will improve access to European markets, technology and expertise and enhances the competitiveness of our firms. Greater EU foreign direct investment in Alberta stimulates economic growth and job creation here at home, provides new technologies and increases competition in the marketplace, ultimately benefiting Alberta consumers.

Setting the stage to attract investment in Canada

Investment is key to job creation and economic prosperity. Canada has always been open to investment, welcoming and encouraging foreign companies to invest in Canada. Canada's foreign investment policy framework provides a welcoming environment that seeks to maximize the benefits of foreign direct investment for Canadians, while preserving other public policy interests. Part of this framework includes the *Investment Canada Act* (ICA), which provides for the review of significant investments in Canada by non-Canadians in a fast-changing global investment landscape. CETA recognizes the importance of the ICA and protects it.

At the same time, CETA recognizes the special relationship that Canada has with the EU: the EU is already Canada's second most important source of investments. As part of the ongoing review of the ICA, Canada will raise the threshold for net benefit reviews, and CETA will provide a higher threshold for investments from the EU.

CETA also includes rules for the protection of investors. Investor protection rules ensure that foreign investors will not be treated

worse than similarly situated domestic investors or other foreign investors nor will they have investments expropriated without prompt and adequate compensation. These rules include investor-to-state dispute settlement procedures, which provide for independent access to an impartial and timely process for the resolution of conflicts. These rules have been a standard feature of Canada's comprehensive free trade agreements since NAFTA and give assurance to investors that their investments will be protected from discriminatory or arbitrary government actions.

Opening new government procurement markets in Europe to world-class Alberta companies

Government procurement is a major source of economic activity. The market for EU government procurement is estimated to be worth about \$2.7 trillion annually. CETA will provide Albertan suppliers of goods and services secure access to EU procurement on a preferential basis, providing them with new opportunities to win major government contracts. Opening procurement processes also increases competition; CETA will ensure that procurements covered by the agreement are conducted with transparency and openness in order to help ensure the best value for money in public spending.

New access to markets

- CETA will expand and secure opportunities for Canadian firms to supply their goods and services to the three main EU-level institutions (the EU Commission, Parliament and Council), the 28 EU member states and thousands of regional and local government entities within the EU.
- Approximately 18 percent of EU contracts are for business services. This means that workers in Canada employed in the fields of architecture, construction, environmental services, technology, marketing consultancy and research and development, among many other areas, will benefit from greater access to the EU's procurement market.
- CETA will also ensure that Canadian exporters are eligible to supply any EU firms engaged in government procurement contracts in the EU.

Reaping the benefits

CETA's greater access to the world's largest government procurement market will create opportunities that could benefit workers and their families in sectors that are vital to Alberta's economy, such as energy and engineering services.

Supporting Canada's municipalities

Municipal governments have an interest in guaranteeing that suppliers of products and services in their communities benefit from access to the EU's lucrative procurement market. At the same time, the Government of Canada recognizes the importance of ensuring that Canada's municipalities have the ability to support local interests. CETA procurement rules will apply only to high-value procurement contracts in order to ensure that governments can continue to use procurement to support local development, especially small and medium-sized enterprises. CETA rules will not apply to any procurement under the CETA thresholds, which are much higher than the Agreement on Internal Trade and are comparable with Canada's thresholds in the WTO. Procurement thresholds in international agreements are typically expressed in "special drawing rights" (SDRs), which are an international reserve asset based on a basket of four key international currencies (the U.S. dollar, the euro, the British pound and the Japanese yen). For the 2012-13 cycle, in Canadian dollars, the thresholds are \$315,538 for goods and services (in CETA, 200,000 SDRs); \$631,077 for procurement by utilities entities (in CETA, 400,000 SDRs); and \$7.8 million for construction services (in CETA 5 million SDRs).

CETA will also preserve governments' flexibility to give preferences to Canadian companies through grants, loans and fiscal incentives. Like all other procurement rules found in Canada's trade agreements, CETA will continue to allow governments to determine which selection criteria help them best meet their procurement needs—like quality, price, experience or environmental sustainability. And, as in all of Canada's free trade agreements, important sectors, such as education and health-care services, will be excluded from this agreement.