

# CETA Market Access Programme for EU Business

## CETA and Creative and Cultural Industries



The consumer's cultural taste for Europe is not only limited to its foods and drinks, but extends as well into fashion, books, music, films and interior design. In other words, these are Europe's **creative and cultural industries (CCIs)**. There is a trade factor to all of this. CETA will enhance the Canadian consumer's access to the EU's creative and cultural goods, while not only benefiting the business of creative Europeans, but also the protection of their creativity.

Milan is an international hub in the world of fashion. All great cities alike, have their small and intrinsic stories that make up parts of a whole. The year was 1952, and the four Stella brothers of Milan had entrepreneurial ambitions. By mastering the art of jewellery making from the greatest Milanese craftsmen at the time, they combined the traditional methods and designs of their region with innovative automation. Over the next few decades, Stella Milano 1952 went on to capture Italian, European and international markets.<sup>1</sup> Canada became one of these markets.

So where does CETA come in? Thanks to the agreement, Canadian tariffs on European jewellery of up to 8.5% are now gone, and Stella Milano 1952 has seen a major rise in its exports to Canada.

*"CETA has helped us expand our sales to Canada by nearly a third. With more and more importers in Canada contacting us, we're looking forward to even more growth."*

**Dimitri Stella** CEO Stella Milano 1952

In the meanwhile, Stella Milano continues to be a small yet highly successful Italian enterprise, around 20 staff. This goes to show that freer trade, as with CETA, is a boon for small-to-medium sized enterprises (SMEs).

As of 2016, creative and cultural industries (CCIs) employ more than 12 million people in the EU, or 7.5% of its entire workforce.<sup>2</sup> A staggering 80% of these employees work in SMEs, like Stella Milano 1952.

<sup>1</sup> Stella 1952 Milano, "La nostra storia," <http://www.stellamilano.it/it/la-nostra-storia>.

<sup>2</sup> European Commission, "Textiles, Fashions and Creative Industries," [https://ec.europa.eu/growth/sectors/fashion\\_it](https://ec.europa.eu/growth/sectors/fashion_it).



## The State of Affairs

EU exports of various CCI goods to Canada<sup>3</sup>

TRADE IN GOODS 2014-2017, € MILLIONS			
YEAR	TEXTILES	FOOTWEAR AND HATS	GLASS AND CERAMICS ARTICLES
2014	654	228	400
2015	756	250	460
2016	801	260	461
2017	844	275	490
2018	903	303	520

The years leading up to CETA's provisional implementation saw a gradual increase of CCI sector exports. However, since CETA, some areas have experienced a particular take-off, such as clothing, with men's jackets, men's and women's pullovers and overcoats seeing an astounding 110.1% increase.<sup>4</sup>

### What will CETA bring to the EU's creative and cultural industries?

#### 1 Across-the-board elimination of tariffs

With Canada ending 99% of its tariffs on European goods, numerous European creative and cultural goods will become cheaper on the Canadian market – instrumental for the EU's producers. As an example, textiles and clothing made in the EU, once taxed at 18% - are now tariff-free.<sup>5</sup>

#### 2 Enhanced intellectual property (IP) protection

Chapter 20 of the CETA is entirely dedicated to protecting the intellectual property of EU and Canadian producers, which particularly comes as a benefit for the EU's film, music and publishing industries. Both the EU and Canada will largely align their intellectual property laws and commitments to international agreements such as the Berne Convention for the Protections of Literary and Artistic Works and the Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organisations.<sup>6</sup>

Thanks to CETA's conformity process, the EU's CCIs will benefit from the same IP protections in Canada as in their home countries. Canada will also strengthen its border inspections for counterfeit trademark goods, especially coming as a benefit for the EU's textile, clothing and interior designers; while they will also enhance their effort to tackle pirated copyright goods, which would greatly help the EU's artists, musicians and writers.<sup>7</sup>

The success stories continue to flow in:

[Freywille](#), an Austrian jeweller, now exports to Canada every month instead of every quarter.

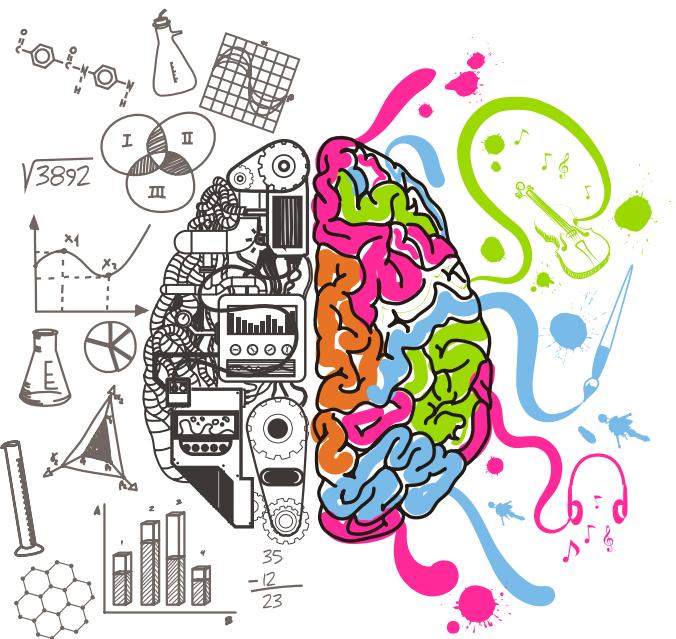
Swedish shirt maker [Asket](#), with only five employees, looks to Canada as a major stepping stone in their hunt for new markets worldwide.

[Graffeo Cravatte](#), an Italian tie maker out of Sicily, now sees 7% of their turnover from Canada alone.

[Estonia Pianos](#) can export their high-quality pianos, a centuries-old craft in Estonia, to Canada without the 7% tariff.

[Porcelanosa](#), a Spanish ceramics manufacturer, motivated by the easier customs processes and reduced tariffs of CETA, has opened a store in one of the most exclusive commercial areas of Toronto, Canada's economic powerhouse.

The crafts, methods and creations that were once born in the small workshops across Europe continue to be in ever-greater demand across the world. CETA means a renewed gateway into the Canadian market, a country of over 37 million consumers, who have a taste for the creative and cultural goods that Europe has to offer. Seize your possibilities today.



<sup>3</sup> European Commission, Directorate- General for Trade, "European Union, trade in goods with Canada," 2017, [https://webgate.ec.europa.eu/isdb\\_results/factsheets/country/details\\_canada\\_en.pdf](https://webgate.ec.europa.eu/isdb_results/factsheets/country/details_canada_en.pdf).

<sup>4</sup> Government of Canada, "CETA benefits already visible a year after its entry into force," [https://www.international.gc.ca/gac-amc/campaign-campagne/ceta-aecg/year-one-premiere\\_annee.aspx?lang=eng](https://www.international.gc.ca/gac-amc/campaign-campagne/ceta-aecg/year-one-premiere_annee.aspx?lang=eng).

<sup>5</sup> European Commission, "Exporters' stories: Ethical EU-made clothes finding a home around the world," <http://ec.europa.eu/trade/trade-policy-and-you/in-focus/exporters-stories/swedish-clothing-asket>.

<sup>6</sup> Government of Canada, "CETA Chapter summaries," [https://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/ceta-aecg/chapter\\_summary-resume\\_chapitre.aspx?lang=eng](https://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/ceta-aecg/chapter_summary-resume_chapitre.aspx?lang=eng).

<sup>7</sup> European Commission, "CETA explained," <http://ec.europa.eu/trade/policy/in-focus/ceta/ceta-explained/>.