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To  
cc  
bcc  
Subject AMO Breaking News - Canada-European Union  
Comprehensive Economic and Trade Agreement Announced



AMO Communications  
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## TO THE IMMEDIATE ATTENTION OF THE CLERK AND COUNCIL

October 18, 2013

### Canada-European Union Comprehensive Economic and Trade Agreement Announced

Prime Minister Stephen Harper has announced an agreement-in-principle with the European Union on the Canada-European Union Economic and Trade Agreement (CETA) that reduces barriers to trade, investment and bidding on government procurement. The Ontario Minister of Economic Development, Trade and Employment has stated that Ontario will support the Agreement.

Now that an agreement-in-principle is in place (after a multi-year negotiation process), a formal agreement will need to be concluded by the parties, ratified by their parliaments and implemented. This will take time as well.

#### CETA and Municipal Governments:

To provide a framework for municipal interests in this international trade agreement, FCM developed seven principles. AMO endorsed these principles. Early indications are that the agreement-in-principle reflects these principles. AMO will be confirming this with the provincial government.

CETA covers government procurement at the national, provincial/territorial and local levels. Municipalities will need to ensure access for European Union firms for procurements over the established thresholds once CETA is implemented.

AMO understands that the thresholds are based on International Monetary Fund (IMF) special drawing rights which correspond currently to a range between \$205,000 to \$7.8 million for goods, services and construction. These thresholds are higher than those municipalities are

currently obligated to meet under the Agreement on Internal Trade (AIT): \$100,000 for goods and services and \$250,000 for construction.

To help municipalities comply with CETA, AMO calls on the Ministry of Municipal Affairs and Housing to update its 2001 *Guide To Developing Procurement By-laws* to be ready for the effective date.

#### Effects of CETA on Canada and Ontario:

The Governments of Canada and Ontario have stated that CETA will provide Canadian firms access to the EU market which has economic activity of \$17 trillion annually, 500 million people and 28 member states.

The federal government states implementing CETA could provide 80,000 new jobs and \$12 billion annually in increased GDP to the Canadian economy. The Ontario government has indicated that 30,000 of these jobs could stand to be located in the province.

However, the Ontario government has stated that it is pursuing mitigation of the impacts of CETA on Ontario's pharmaceutical, dairy, wine and spirits industries with the federal government.

#### Action:

AMO will provide any additional information as it evolves by continuing to monitor CETA as it is concluded and ratified.

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