KONP Fact Sheet
The Comprehensive Economic and Trade Agreement (CETA)

April 2017

What is CETA?

CETA is a trade deal between the European Union (EU) and Canada that covers goods and services. Supporters of CETA say it will bring significant economic benefit. But even official estimates suggest it would bring little more than a growth of 0.01% in the EU's GDP, while independent research indicates CETA will bring job losses, wage compression and loss of government revenue.[1] If agreed, CETA will:

- Reduce 98% of tariffs on trade;
- 'Harmonise' EU and Canadian regulations, such as those governing health and safety or labour rights, often reducing regulations to the lowest common denominator, generally to the benefit of multinational corporations;
- Give multinational corporations a significant voice at an international Regulatory Council to influence new regulations being drawn up member states' governments;
- Open up public services to transnational investors and lock in privatisation irreversibly.

CETA may also allow corporations to use off-shore courts and an Investment Court System (ICS) to sue governments that introduce legislation that threatens company profits. (ICS is currently facing challenge as it may be incompatible with EU law and in any case could only come into force if agreed by all national parliaments individually, after a EU Parliamentary vote).

What's the relationship between CETA and other trade & investment agreements?

CETA is very similar to the Transatlantic Trade and Investment Agreement (TTIP) between the EU and US that is currently on hold, if not dead. Because of strong links between the US and Canada (with, e.g. most US multinationals having subsidiaries in Canada), CETA will allow many aspects of TTIP to sneak in through the back door.

What does CETA mean for the NHS?

Although the UK government has said the NHS is not included in trade deals like CETA, there are real concerns that our health services are not adequately protected. Public services are only exempt from CETA if they do not involve private companies – and there is already considerable involvement of private companies in the NHS.

CETA uses the 'negative list' approach, which means that services are included in the agreement unless they have been specifically reserved: the NHS has not been reserved. And new health services that might emerge in future will automatically be included. CETA won't just 'liberalise' or open up the NHS to transnational companies wanting NHS contracts. The treaty also contains 'standstill' and 'ratchet' mechanisms that will lock in the terms of the treaty and make privatisation of the NHS permanent.

CETA means Canadian companies (or companies with subsidiaries in Canada) have to be treated on equal terms as domestic companies. This means CETA could restrict the UK

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1 http://www.ase.tufts.edu/gdae/policy_research/ceta_simulations.html

government's ability to give special support to local and not-for-profit UK providers. It could also lead to more NHS jobs being outsourced to private firms, where staff often have to do the same work with worse pay and working conditions.[2]

Price controls on goods such as medicines could be removed if these are seen as barriers to trade or to limit the profits of transnational corporations, such as drug companies. This could have serious implications for the public purse.[3]

Opening up long-term care to multinational investors could also lead to asset-stripping by financial investors (the cause of the collapse of Southern Cross in the UK, where a number of care homes had to close with distressing consequences for residents). [4]

What stage is CETA at?

The European Parliament ratified CETA in February 2017. Now, around 90% of CETA's provisions (but not ICS) can provisionally implemented – that's even before the treaty goes to EU member states' parliaments for ratification (a process that could take some years). It only needs one of the 38 countries or federal states in the EU to vote against CETA for the deal to fall. However, it is unlikely the UK Parliament will oppose the deal. And even if it did, according to the Constitutional Reform and Governance Act 2010 (Section 20), there is no process that allows the UK Parliament to decisively veto the agreement.

CETA and Brexit

CETA will continue to apply to the UK until we have formally left the EU. Even then, investments made by Canadian corporations (or those multinationals with subsidiaries in Canada) will continue to be protected by ICS for a further 20 years.[5]

What can you do?

Write to your MP to

- ask them to demand an effective parliamentary process that allows a bad trade deal to be definitively vetoed by the UK Parliament;
- ask them to vote against CETA if it comes to the UK Parliament for ratification.

Useful sources

- http://www.patients4nhs.org.uk/the-eu-ftas/
- http://www.globaljustice.org.uk/sites/default/files/files/resources/2nd_edition_ceta_briefing_2016.pdf?_ga=1.82087445.2066175437.1462111904
- http://waronwant.org/what-ceta
- https://corporateeurope.org/sites/default/files/attachments/public-services-under-attack.pdf

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2 http://www.globalresearch.ca/public-services-under-attack-through-ttip-and-ceta-atlantic-trade-deals/5483012
3 https://corporateeurope.org/sites/default/files/attachments/public-services-under-attack.pdf
4 http://www.globalresearch.ca/public-services-under-attack-through-ttip-and-ceta-atlantic-trade-deals/5483012
5 http://www.mishcon.com/assets/managed/docs/downloads/doc_2850/TTIP_Project_v6_PJ_PROOF.pdf