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

December 2016

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 by member states' governments;
- Open up public services to transnational investors and lock in privatization 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 an 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. 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 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]

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

2 http://www.globalresearch.ca/public-services-under-attack-through-ttip-and-ceta-atlantic-trade-deals/5483012

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]

CETA and Brexit

CETA is due to be presented to the European Parliament (EP) in February 2017. If the EP endorses CETA, parts of it will be provisionally implemented before the UK's departure from the EU is finalised. This means that CETA will continue to apply to the UK until we have formally left the EU, a process that may take several years. Investments made by Canadian corporations (or those multinationals with subsidiaries in Canada) between the implementation of CETA and the UK's departure from the EU could continue to be protected by ICS for a further 20 years.[5]

What stage is CETA at?

CETA was signed by the European Council in 2016 but needs to be ratified by the European Parliament: a vote is due on 1st February 2017. If ratified, aspects of CETA could be provisionally implemented, while awaiting additional endorsement by the EU member states' parliaments – a process that could take some years. CETA should come to the UK Parliament for a debate and vote, possibly in January 2017, although there are concerns that there is no process to allow Parliament to decisively veto the agreement.

What can you do?

1. Organise or look out for events for European Day of Action 21.1.17 – see http://stopceta.net/call-to-action-january-21/

2. Write to your MEP before CETA is put to the European Parliament to ask them to vote against CETA (see https://action.globaljustice.org.uk/ea-action/action?ea.client.id=1784&ea.campaign.id=55082)

3. Write to your MP to

- ask them to demand an effective parliamentary process in the UK that allows a bad trade deal to be definitively vetoed;
- 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

[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