

EU concerns about investment in Canada trade deal: More reason to include leaked CETA text in review of investor-state dispute settlement

Brussels, 14 March 2014 -- New analysis of a controversial leaked investment chapter from the ongoing Canada-EU trade negotiations has prompted the European Commission to rethink key investor rights language in the treaty. German and Canadian civil society groups say this proves the need for the Commission to be completely transparent in its consultation on including investment protection in the Transatlantic Trade and Investment Partnership (TTIP) and CETA. "The Commission is either completely disingenuous when it says it wants to protect the right to regulate in its trade deals with Canada and the US or it is willfully misleading us," says Peter Fuchs of PowerShift Germany, one of several European, Canadian and US groups that leaked key CETA and TTIP investment texts this month at the website eu-secretdeals.info. "We have hard proof in these leaked texts that the reforms the EU says will make it more difficult for investors to sue governments are just a smokescreen to confuse the public while CETA and likely the TTIP would actually make governments more vulnerable to corporate lawsuits against legitimate public interest regulation and legislation."

According to Rupert Schlegelmilch, director of services, investment and procurement at DG Trade, speaking on behalf of the Commission at a public debate yesterday on investor-state dispute settlement (ISDS) and the TTIP, the EU is rethinking a Most Favoured Nation article in the CETA investment chapter that new analysis suggests undermines much of the more careful language in the treaty relating to a government's ability to regulate. As written, the MFN article would let Canadian and EU investors ignore the definitions of "fair and equitable treatment" or "indirect expropriation" in CETA and take other more investor-friendly language from past agreements signed by either Party.

"What other mistakes have the Commission and Canadian government made in CETA that compromise the ability of governments to make environmental or public health and consumer protection policies without worrying they will be sued in private arbitration, behind closed doors?" asks Stuart Trew, trade campaigner with The Council of Canadians, who participated in yesterday's debate with the Commission, which was organized by Friends of the Earth Europe. "We think the CETA negotiations should be put on hold and the CETA investment chapter included in the Commission's upcoming consultation on ISDS. That way we can be sure that if Europe rejects these corporate rights in one deal it must reject them in both."

Around the world, ISDS is criticized for giving corporations too many rights to challenge government regulations and decisions made in the public interest, and to have those challenges heard by corporate lawyers without any of the judicial oversight we expect from legal courts. Resistance to ISDS is strong and growing in Europe, with some governments like Germany and France appearing to reverse their initial support for a strong investor rights chapter in TTIP. The eu-secretdeals.info website was launched this month to expand the public debate on investment as widely as possible, and to provide people with information exposing the Commission's propaganda campaign in support of ISDS against the overwhelming evidence against it.

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