

LACKS PERSONAL TONE!

* This is a pro-forma response sent out word-for-word by various Tory MEPs.

Thank you for contacting me concerning the recently concluded Comprehensive Economic and Trade Agreement (CETA) between the EU and Canada.

It is one thing to agree with the broad sweep of ideological intents, quite a different thing to sign up to every dot and comma of the deal - all 1,500 pages of it.

Canada, as a fellow commonwealth country, is a vital and important economic and strategic partner, and it is right that the European Union is concluding free trade agreements with our longstanding friends and allies. I therefore support CETA, which holds the potential to significantly expand trade and investment between the UK and Canada, growing the economy and providing for more and better paying jobs for people and families in all parts of the country. However,

REALLY?

LACKS EVIDENCE

There is no evidence to support this assertion. Neither the UK or the EU governments have commissioned a cost / benefits analysis into CETA, so this claim is entirely based on the ideological beliefs of the author, not any hard data.

when we leave the European Union, CETA will not apply to the UK and the UK will need to seek a bilateral trade agreement with Canada, which I hope will be successful.

This depends on when CETA is agreed, it is not true to say it won't apply.

UNTRUE

? ? ? This is true, but you do not need a 1,500 page document to cancel tariffs.

The deal includes the elimination of nearly all the tariffs (border taxes) paid by UK exporters to Canada and vice versa, will make trade in goods and most importantly, services much easier. This will give consumers more choice at better prices across a whole range of things which we trade every day.

VERY WEAK CLAIM?

Given that CETA contains the rights for corporations to sue governments and not vice-versa, this claim looks very shaky from the beginning.

This is not a deal for corporations, in reality it is the opposite as the current restrictions to trade benefit multinational corporations who have the resources to get round existing trade barriers. Small businesses do not have these resources and so these type of trade deals are extremely important to ensure that small businesses can benefit from trade.

WHERE IS THE EVIDENCE?

There is very little evidence that trade deals benefit small businesses, almost always benefits big business at the expense of small business.

CETA will simplify the trade and investment regime in both the UK and Canada, allowing our small and medium sized companies to enter new markets and expand their production and supply chains. It will do away with the needless behind the border measures simply too expensive for small firms to overcome, whereas big companies can afford the large compliance and legal departments necessary to overcome these existing barriers. The importance of this cannot be underestimated, as it is the small firms that drive the UK economy and are responsible for most of our job creation.

HIGHLY UNLIKELY - CHECK THE FACTS

DID THEY READ IT?

We wonder if any of the Tory MEPs circulating this

email have had the chance to read the 1500 pages of legal text, if they have they would probably think again before putting their names to such statement.

90% of SMEs in the UK do not trade overseas. Most that do trade within the EU. The vast majority are unlikely to trade with Canada or the US whether or not TTIP

or CETA come into force. Across the entire EU only 0.7% of SMEs export to the US, fewer still to Canada. The impacts of CETA on SMEs will be minimal.

DODGY DATA ALERT!

www.babcphiladelphia.com/wp-content/uploads/2011/04/UK-TL-Trade-and-Growth-PDF.pdf

Underscoring this point, in an analysis of the deal, the long run benefits are estimated to be around £1.3bn a year for the UK. Once fully implemented this is expected to increase bilateral trade in goods and services between the EU and Canada by 23% or £19bn, with total EU exports expected to rise by 24.3% equal to £1.5bn. These amounts are significant and cannot be overlooked when it comes to making a decision on the final vote on CETA.

This figure is taken from a 2011 paper which states the long run benefits "could be... over £1.3bn". This isn't an estimate, it is the higher end of a range of figures given. Since the trade deal has been negotiated and agreed, there has been no further analysis published

- surprising given there's so much more data available to make a better assessment.

OUTDATED STATS SOURCE

The Eu Trade website is the source for these figures, which were published on 18 October 2013, again way before the text of CETA was agreed.

Two years after the negotiators finished their job of agreeing the deal, the politicians are still depending on data generated before they

published the deal. This kind of data would not stand scrutiny in a degree level essay, why should we accept such figures from MEPs?

INTERESTING FRAMING

Interesting framing here. ISDS/ICS protects UK investors but only encourages inward investment. Most Canadian firms currently exploiting investor protection provision around the world are mining and drilling operations, there are few reasons why the UK or any EU country should want firms from elsewhere to come and profit from the natural resource found here. But that is what this will lead to.

THIS IS A MISREPRESENTATION

of the arguments put by the anti-CETA and TTIP camp. ISDS / ICS does not give the power to overturn rules, although the result of expensive court cases can have that effect. There is also a regulatory chill factor where ongoing cases perhaps between corporations and other countries can influence policy of a country and discourage decisions.

CETA is, however, not merely a trade agreement, it also covers investment and as a result contains investment protection provisions. These are necessary to protect UK investors in Canada, and to increase investment rates from Canada into the UK.

The UK is suffering from an investment gap, and it is essential that all necessary measures are taken to make foreign investment a key element in raising our investment flows. Put simply, we need investment agreements to continue to update our infrastructure and public services and to provide employment.

Reports that the investment protection provisions in Canada can overturn UK laws are simply untrue. Equally untrue (are allegations that they will lead to the permanent privatization of public services.)

The UK has over 90 investment treaties that contain investment protection provisions. These treaties have a consecutive running time of over 2,000 years. None of these treaties have stopped the UK legislating in the interest of its citizens and the UK government has never lost a challenge by a foreign corporation. Furthermore, this system has helped protect UK investors abroad, ensuring that governments uphold the rule of law and treat UK citizens and companies fairly and in a non-discriminatory manner, treatment they have agreed in an international investment treaty.

This is not to say that the current system cannot be improved, it can, and in CETA it has. Whilst investment protection is still very much needed and a part of the agreement, in CETA it has been improved by listening to the criticisms that

EVIDENCE?

Again there is no evidence that investor protection results in increased inward investment.

We have previously asked trade experts to name one single US or Canadian company that has not invested in the UK because there is no investor protection in place. They were unable to.

TERMS OF AGREEMENT?

CETA includes a 'ratchet clause' which will lock in current levels of liberalisation. If participating governments want to reverse privatisation in the future they WILL be breaking the terms of the agreement.

THE ZOMBIE ISDS

www.corporateeurope.org/international-trade/2016/02/zombie-isds

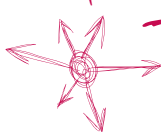
The changes to investor protection in ICS are cosmetic. They are dealt with in greater detail in the CEO report "The Zombie ISDS". There is no reason why investors can't use the same developed and sophisticated legal systems in the EU and Canada as the rest of society has to rely on.



You could use the Vattenfall Hamburg coal power station case as an example of where the regulation itself was withdrawn after the

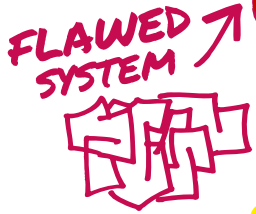
ISDS case due to the political pressure of the case.

Also the regulatory cooperation bodies set up under these deals give big business first sight of regulation before parliaments and can therefore stop regulation before it even comes to parliament.



WHERE'S THE ARGUMENT?

No argument is made as to why UK courts are unsatisfactory for big business, necessitating private investor courts.



FLAWED SYSTEM

Again, not appeals through national (or even European) Courts. This is still part of the flawed and compromised ISDS/ICS system and

not to be trusted.

NOT PREVENTED

Not, prevented, but there's a big discouragement, when introducing a law or regulation that might attract a multi-billion law suit from a well resourced US or Canadian multinational corporation.

were levelled at it previously and building a new Investment Court System (ICS). The final agreement reached between the EU and Canada replaces the old ISDS with ICS and this constitutes the most forward thinking provisions agreed anywhere. **Nothing in the new system prevents governments from taking decisions with regard to environmental and social issues,** the "right to regulate" is fully protected. In addition, **it is impossible for laws to be overturned,** states remain 100% sovereign. I am confident that these new provisions will continue to secure investment at home and abroad without affecting the right of the UK government to regulate in the interest of UK citizens.

MISREPRESENTATION

Repeating the same misrepresentation as before.

JUDGES FAVOUR CORPORATIONS

!!!

But judges paid on a case-by-case basis, meaning they have an interest in encouraging more cases, and the only way

a case can start is by a corporation bringing a case, it seems logical judges will have a vested interest in favouring corporations over states.

- (Further improvements include;) (1) **Judges to be publicly appointed with high qualifications, in this regard it will be akin to the International Court of Justice and the WTO appellate court.**
- (2) **A new appeal tribunal court will be established.**
- (3) The grounds for seeking redress in this system will be narrowly defined to cases such as targeted discrimination on the base of gender, race or religion, or nationality, **expropriation without compensation,** or denial of justice.

YES, BUT WHAT IS EXPROPRIATION?

"Indirect" expropriation has been interpreted as just instituting a change of policy that costs corporates money.

This builds upon constructive work by the EU previously to dismiss frivolous claims quickly, it has introduced a code of conduct for arbitrators, which guarantees that there are no conflicts of interest for the arbitrators while also ensuring independence and impartiality. It will also safeguard government control over the interpretation of the rules of the agreement. Within CETA the EU and Canada can issue binding interpretations on how the provisions in the agreement should be understood.

Among other changes, include greater transparency within the mechanism, whereby CETA incorporates the UNCITRAL (United Nations Commission on International Trade Law) rules on transparency, meaning that all documents including submissions by the disputing parties and decisions of the tribunal will be

public. CETA has also introduced a fast track system, allowing the rejection of unfounded or frivolous claims in just a few weeks, thereby saving taxpayers money.

In summary, I welcome the trade deal that represents a fantastic opportunity to increase the value of bilateral trade in goods between the EU and Canada. As Canada is one of the worlds most developed economies, it creates major opportunities across all areas of the UK economy. But we must now work to get the deal over the line, and each week the agreement is not signed costs UK business £24.5 million in lost opportunity.

Yours sincerely,

**ABSOLUTE
TOSH!**

Once again the author looks at exports and benefits and completely overlooks the imports and job losses that will result from CETA.

