

EU accused of Trying to Push through 'Toxic' CETA Trade Deal Ahead of Brexit

By Global Justice Now

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- Trade commissioner makes hints on Newsnight of speeded up ratification
- Expert opinion concludes that CETA could bind UK for 20 years after Brexit.

Trade campaigners in the UK have accused the European Commission of attempting to hasten attempts to push through a controversial trade deal between Canada and the EU ahead of the UK leaving the EU. The accusations come before a meeting tomorrow of the EU Commissioners in Brussels where it's expected the implementation of the Comprehensive Economic Trade Agreement (CETA) will be agreed upon.

When EU trade commissioner Cecilia Malmström was <u>interviewed on Newsnight</u> on 30 June (49 – 53 mins), the interviewer suggested that it might take a year or two to implement CETA, to which Malmström replied, 'it depends on how it's ratified.' Trade campaigners are arguing that the implication is that the Commission could speed up the process by ratifying the deal itself without getting individual member states to confirm ratification.

Campaign group Global Justice Now have also released an expert opinion on CETA and Brexit which argues that if the UK doesn't formally leave the EU before CETA is ratified, then it would be tied into the trade deal for a period of twenty years after announcing any intention to leave the deal.

CETA has been widely opposed by civil society groups across Europe and Canada because:

- it contains a similar system to TTIP that enables corporations to sue governments for enacting laws and regulations that might harm their profits
- negotiations have already laid the basis for tar sands oil one of the world's most environmentally destructive fossil fuels – to flow into Europe. If CETA comes into effect, the import and production of this toxic fuel will increase, devastating the environment.
- it contains a 'Regulatory Cooperation' chapter which threatens to hand multinationals a greater role in the formulation of making laws, and sparking a race to the bottom in standards for important areas like food safety and environmental regulation.
- it locks in privatisation and deregulation at current levels for a wide range of services.

Nick Dearden, the director of Global Justice Now said:

"The Commission have learned nothing from the Brexit vote. Rather than take a step back and question why there is hostility to the EU, they try to speed up this awful trade deal. Brexit has not stopped CETA – in fact it's entirely possible that CETA could be steam-rollered through the implementation process before the UK formally leaves the EU, and without any national parliaments getting a vote."

Sovereignty was one of the key issues of the referendum. The way that Trade Commissioner Cecilia Malmström is acting in trying to push this toxic deal through without the consent of member states just reinforces the widely-held suspicion that the EU makes big decisions with harmful consequences for ordinary people with very little in the way of democratic process."

Sam Fowles, a post graduate law student at Queen Mary University, London was asked to detail how CETA's ratification would work in the wake of Brexit. His summary was:

- 1. If the UK votes to leave the EU on the 23rd of June 2016, CETA is still likely to take effect in provisional application. Art. 50 TEU provides that the TFEU and TEU will apply for two years after the state that intends to withdraw from the EU issues a withdrawal notice, or until a withdrawal agreement is concluded (whichever is sooner). If the Council approves the provisional application before these conditions are fulfilled, then CETA will provisionally apply to the UK.
- 2. Art. 30.8(4) of CETA provides that, in the event the Agreement is provisionally applied but not ultimately ratified and the provisional application is terminated then claims may be made in relation to the period in which provisional application was effective up to three years after the termination of provisional application. As Art. 1.3(2) of CETA provides, the Agreement (including provisional application) will cease to take effect in the UK when the EU treaties cease to take effect (i.e. two years after the issue of a withdrawal notice or on the conclusion of a withdrawal agreement as per Art. 50 TEU). Thus the UK will be subject to Chapter 8 (with respect to the period in which it applied) for three years after it withdraws from the EU if CETA is provisionally applied before that date.
- 3. If the UK does not withdraw from the EU until after CETA has been ratified then Art. 30.9(2) of CETA will apply. This provides that Chapter 8 will apply for 20 years after the date at which the Agreement is terminated in respect of all investments made while it was in effect. As such, in this case, the UK will be subject to Chapter 8 for 20 years after it officially leaves the EU.

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