



Plenary sitting

B8-0144/2017

8.2.2017

MOTION FOR A RESOLUTION

to wind up the debate on the statement by the Commission

pursuant to Rule 123(2) of the Rules of Procedure

on the conclusion of the Comprehensive Economic and Trade Agreement (CETA) between Canada, of the one part, and the European Union and its Member States, of the other part
(2017/2525(RSP))

Anne-Marie Mineur, Helmut Scholz, Eleonora Forenza, Lola Sánchez Caldentey, Patrick Le Hyaric, Stelios Kouloglou, Marina Albiol Guzmán, Martina Anderson, Xabier Benito Ziluaga, Malin Björk, Lynn Boylan, Matt Carthy, Nikolaos Chountis, Kostas Chrysogonos, Javier Couso Permuy, Dennis de Jong, Fabio De Masi, Stefan Eck, Cornelia Ernst, Luke Ming Flanagan, Tania González Peñas, Takis Hadjigeorgiou, Thomas Händel, Anja Hazekamp, Josu Juaristi Abaunz, Jaromír Kohlíček, Kateřina Konečná, Kostadinka Kuneva, Merja Kyllönen, Paloma López Bermejo, Sabine Lösing, Curzio Maltese, Jiří Maštálka, Marisa Matias, Jean-Luc Mélenchon, Martina Michels, Liadh Ní Riada, Younous Omarjee, Dimitrios Papadimoulis, Rina Ronja Kari, Sofia Sakorafa, Maria Lidia Senra Rodríguez, Barbara Spinelli, Neoklis Sylikiotis, Estefanía Torres Martínez, Miguel Urbán Crespo, Ángela Vallina, Marie-Christine Vergiat, Gabriele Zimmer
on behalf of the GUE/NGL Group

European Parliament resolution on the conclusion of the Comprehensive Economic and Trade Agreement (CETA) between Canada, of the one part, and the European Union and its Member States, of the other part (2017/2525(RSP))

The European Parliament,

- having regard to its resolution of 8 June 2011 on EU-Canada trade relations¹,
- having regard to its resolution of 10 December 2013 containing the European Parliament's recommendation to the Council, the Commission and the European External Action Service on the negotiations for an EU-Canada Strategic Partnership Agreement²,
- having regard to the European Social Charter,
- having regard to the Commission communication to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions entitled 'A Roadmap for moving to a competitive low carbon economy in 2050' (COM(2011)0112,)
- having regard to the UNCTAD World Investment Report 2014 'Investing in the SDGs: An Action Plan',
- having regard to the report 'A Critical Assessment of the Proposed Comprehensive Economic and Trade Agreement Between the European Union and Canada - A joint position of the European Federation of Public Service Unions (EPSU) and the Canadian Union of Public Employees, the National Union of Public and General Employees and the Public Service Alliance of Canada', of January 2010,
- having regard to the Friends of the Earth Europe report 'How trade talks threaten to undermine EU climate policies and bring tar sands to Europe', by Fabian Flues et al., of July 2014,
- having regard to the report by the Canadian Centre for Policy Alternatives (CCPA), 'Making Sense of the CETA - An analysis of the final text of the Canada-European Union Comprehensive Economic and Trade Agreement', by Scott Sinclair, Stuart Trew and Hadrian Mertins-Kirkwood (eds.), of September 2014,
- having regard to the Statement from the European Association of Judges (EAJ) on the proposal from the European Commission on a new Investment Court System, of 9 November 2015,
- having regard to the EPSU working paper 'CETA and TTIP — Potential impacts on

¹ OJ C 380 E, 11.12.2012, p. 20.

² Texts adopted, P7_TA(2013)0532.

- health and social services’, by Thomas Fritz, of April 2015,
- having regard to the Public Citizen report, ‘Tens of Thousands of US Firms Would Obtain New Powers to Launch Investor-State Attacks against European Policies via CETA and TTIP’, of 2015¹,
 - having regard to the document ‘Stellungnahme zur Errichtung eines Investitionsgerichts für TTIP – Vorschlag der Europäischen Kommission vom 16.09.2015 und 12.11.2015’, Deutscher Richterbund, of February 2016,
 - having regard to the report by the Corporate European Observatory (CEO) and others, ‘The zombie ISDS — Rebranded as ICS, rights for corporations to sue states refuse to die’, by Pia Eberhardt, of March 2016,
 - having regard to the article ‘ISDS in the Revised CETA: Positive Steps, But Is It the “Gold Standard?”’, by Professor Gus Van Harten of York University, of May 2016,
 - having regard to the position paper ‘TTIP and Dispute Settlement: Potential Consequences for the Autonomous EU Legal Order’, by Inge Govaere, of May 2016,
 - having regard to the PSI report ‘Investment Court System (ICS): the wolf in sheep’s clothing – the EU’s great corporate privilege rebrand’, by Pia Eberhardt, of May 2016,
 - having regard to the position paper by the European Consumer Organisation (BEUC), ‘CETA fails the Consumer Crash Test - BEUC position on the EU-Canada Comprehensive Economic and Trade Agreement’, of May 2016,
 - having regard to the PowerShift/Campact report ‘Investment Protection in the EU-Canada Comprehensive Economic and Trade Agreement (CETA): a critical analysis’, by Peter Fuchs, of May 2016,
 - having regard to the report by the Deutscher Gewerkschaftsbund and the Österreichischer Arbeiterkammer, ‘CETA - Regulatory cooperation jeopardises our democracy and standards’, by Stefan Körzell et al., of June 2016,
 - having regard to the report by the Deutscher Gewerkschaftsbund and the Österreichischer Arbeiterkammer, ‘CETA - Labour standards not on the agenda’, by Stefan Körzell et al., of June 2016,
 - having regard to the report by the Deutscher Gewerkschaftsbund and the Österreichischer Arbeiterkammer, ‘CETA - Public services under pressure’, by Stefan Körzell et al., of June 2016,
 - having regard to the report by the Deutscher Gewerkschaftsbund and the Österreichischer Arbeiterkammer, ‘CETA - No privileged rights to sue states for corporations’, by Stefan Körzell et al., of June 2016,
 - having regard to the report by the Österreichische Forschungsförderung für Internationale Entwicklung (ÖFSE) and the Arbeiterkammer Wien, ‘Assess CETA: assessing the

¹ <http://www.citizen.org/documents/EU-ISDS-liability.pdf>

- claimed benefits of the EU-Canada trade agreement (CETA)', by Werner Raza et al., of June 2016,
- having regard to the report 'Food Safety, Agriculture and Regulatory Cooperation in the Canada-EU Comprehensive Economic and Trade Agreement (CETA)', by Via Campesina, Transnational Institute and others, of August 2016,
 - having regard to the Tufts University working paper, 'CETA Without Blinders: How Cutting "Trade Costs and More" Will Cause Unemployment, Inequality and Welfare Losses', by Pierre Kohler and Servaas Storm, of September 2016,
 - having regard to the report by PowerShift, CCPA and others, 'Making Sense of CETA (2nd edition)', of September 2016,
 - having regard to the 'Legal statement on investment protection and investor-state dispute settlement mechanisms in TTIP and CETA', published by the Stop TTIP coalition and signed by over 100 law professors, of October 2016,
 - having regard to the position paper by the European Public Health Alliance (EPHA), 'How CETA could undermine public health', of October 2016,
 - having regard to the Transport & Environment / Client Earth paper 'Comprehensive Economic and Trade Agreement (CETA) and the environment — A gold standard for the planet or for big business?', by Cécile Toubeau and Laurens Ankersmit, of November 2016,
 - having regard to the provisional version of the PACE report "“New generation” trade agreements and their implications for social rights, public health and sustainable development', by Geraint Davies, of November 2016,
 - having regard to the provisional version of the PACE report 'Human Rights compatibility of investor-State arbitration in international investment protection agreements', by Pieter Omtzigt, of December 2016,
 - having regard to the report by the CEO, "“Regulatory cooperation”: big business' wishes come true in TTIP and CETA', of February 2017,
 - having regard to Rule 123(2) of its Rules of Procedure,
- A. whereas the conclusion of an EU-Canada free trade agreement (FTA) appears to be incompatible with the advancement of a self-determined European Union promoting its goals in terms of environmental protection, application of the precautionary principle, social cohesion, decent work, defence of civil liberties in particular with regard to data protection, access to health services, cultural policies and cultural diversity, food security and safeguarding of family agriculture; whereas the reduction of certain unnecessary regulatory provisions and differences should be embedded in multilateral processes instead of a bilateral FTA;
- B. whereas the harmonisation of EU and Canadian rules must not under any circumstances jeopardise consumer health or lower the quality standards that must be met by Canadian

products placed on the European market;

- C. whereas the standards in the area of agricultural products are widely divergent between the EU and Canada, and a lowering of standards is not compatible with or acceptable to the EU acquis;
- D. whereas the easing of regulatory burdens should always be carefully weighed against consumers' right to information about the products they buy and citizens' right to a legally secure society;
- E. whereas both Article 1 and Article 10(3) of the Treaty on European Union (TEU) stipulate that 'decisions shall be taken as openly and as closely as possible to the citizen';
- F. whereas an institutionalised regulatory cooperation as currently proposed by the Commission prejudices the legislative prerogatives of the European Parliament as well as of national parliaments, therefore having a chilling effect on the application of the values of the Union as laid out in Article 2 of the TEU;
- G. whereas the secret character of the conduct of the CETA negotiations has resulted in deficiencies in terms of democratic control of the negotiation process; whereas full access to key negotiation documents for parliamentarians on different governance levels on both sides of the Atlantic, as well as for journalists, researchers and citizens and civil society organisations would have been a manifestation of democratic principle; whereas the consolidated texts should be published immediately;
- H. whereas the influence of lobbyists for corporate interests is much bigger than that of lobbyists from civil society, and contact between the Commission is up to ten times as frequent;
- I. whereas we are faced with an under-regulated globalisation, and a trade agreement focusing on even more deregulation by targeting mainly existing and future non-tariff barriers would be detrimental to workers' and consumers' rights, while large corporations and investment funds would further harness this sort of liberalisation; whereas a cooperation agreement is needed that focuses on the protection of workers, consumers and the environment; whereas a trade agreement could only be complementary to a major effort along the above lines to strengthen regulation and bring it up to the highest standards at global level, in order to prevent social and environmental dumping;
- J. whereas exports through trade and growth through investment, rather than being key drivers of jobs and economic growth not requiring government investments, could cause loss of jobs and economic decline;
- K. whereas it is difficult to assess the real impact of CETA on both the EU and Canadian economies while studies show contradictory results; whereas CETA will not resolve long-standing structural economic problems or their underlying causes in the EU;
- L. whereas 87 % of the more than 20 million SMEs in the EU rely on domestic demand and are not involved in international trade, and for them progress in further developing

local and regional markets and the European common market is of much higher priority;

- M. whereas the welfare generation of CETA is mostly the result of trade diversion, not of increased trade;
 - N. whereas CETA does not have an SME chapter;
 - O. whereas European farmers operate in an increasingly global market and therefore experience greater exposure to price volatility than other sectors; whereas trade deals such as CETA hamper job creation in rural areas and the creation of conditions to support agricultural livelihoods;
 - P. whereas the Commission's own report on the cumulative impact of future trade agreements (including CETA) on EU agriculture notes that there will be a significant increase in agricultural imports, but only a modest growth in exports, resulting in direct downward pressure on EU producer prices; whereas this report further predicts a steep drop in beef meat prices, a fall in the volume of local production and a decline in the production value of EU produce; whereas these data point to future detrimental effects on farm-gate prices for small farmers;
 - Q. whereas predominantly rural areas focusing on specific activities and with limited alternatives are highly vulnerable to the effects of CETA; whereas rural areas and rural employment will be threatened by the shift away from traditional farming models that this agreement will bring;
1. Rejects the current CETA agreement;
 2. Considers that the ambitious 'global standards' which the Commission promises to set through agreements like TTIP and CETA are a myth, since these agreements only contain bilateral mutual recognition;
 3. Urges the Commission to be aware that CETA and other mega trade deals will impose de facto standards, while in doing so being discriminatory, by excluding some 130 countries from the negotiations and risking sidelining important issues for developing countries such as food security, agricultural subsidies and climate change mitigation; calls on the Commission to step up efforts to advance in democratic multilateral fora, for instance in line with the COP 21 approach;
 4. Calls on the Commission to bear in mind that the Treaty of Lisbon defines EU trade policy as an integral part of the Union's overall external action, and that that policy must therefore address development, environmental and social objectives, as well as contributing to achieving the other objectives laid down in the Treaty on European Union; therefore rejects CETA since it intends to increase profits for multinationals instead of strengthening society;
 5. Calls on the Commission to ensure that the sustainable development chapter aims at the full and effective ratification, implementation and enforcement of the eight fundamental International Labour Organisation (ILO) conventions and their content, the ILO's Decent Work Agenda, and the core international environmental agreements; considers that provisions must be aimed at further improving levels of protection of labour and

environmental standards;

6. Calls on the Commission to ensure that labour and environmental standards are not limited to the chapter on trade and sustainable development but are equally included in other areas of the agreement;
7. Calls on the Commission to ensure that implementation of and compliance with labour provisions are subjected to an effective monitoring process, involving social partners and civil society representatives;
8. Stresses that the parties must not promote trade or foreign direct investment by downgrading domestic labour legislation, and that nothing in the agreement should prevent the parties from applying their national laws;
9. Stresses that the enhanced investment competition between EU-based and Canadian banks and other financial service suppliers makes the financial systems in both Canada and the EU more interconnected and more vulnerable to external shocks and contagion;
10. Notes that the increased competition envisioned in CETA means that the financial industry, in order to capture markets, will display more risk-taking behaviour, sell more high-risk financial products, and reduce services to less affluent clients;
11. Emphasises that, while keeping in mind that very few European SMEs export to Canada, it is fundamental to reject CETA and other comparable free trade agreements, since they do not represent the legitimate interests of SMEs or a joint commitment by both negotiating parties, and further increase SMEs' vulnerability in relation to multinational companies; stresses that it is therefore clear that CETA is not aimed at creating new opportunities in Canada for European SMEs;
12. Notes that CETA and similar agreements are aimed at further liberalising our economies, and that women are often disproportionately hit by further liberalisation because are more likely to work in the public sector;
13. Recalls that during the public consultation on investment protection systems 97 % of respondents were negative about any kind of investor-to-state arbitration, confirming one of the major problems with such adjudication, namely that only the claimant investor and the respondent national government of the country are allowed to be parties;
14. Notes that the proposed investment court system is failing the democratic test and grants corporations the right to bypass national courts, making it possible for foreign investors to have special access to an extraordinarily powerful process of international adjudication potentially involving billions of euros in public money, thus enabling them to enforce their rights without corresponding responsibilities in the same process;
15. Notes that arbitrators under the proposed investment court system arbitrators will not be bound by precedent;
16. Notes that arbitrators will be paid on the basis of the number of cases that come to court and the time invested, and that this will create an incentive to protract litigation, at

significant cost to the taxpayer;

17. Notes that 80 % of US companies have a significant stake in a Canadian company, and that by signing this agreement the EU gives those companies the opportunity to take out lawsuits against the governments of its Member States at the taxpayer's expense;
18. Regrets the use of the vague term 'fair and equitable treatment' in the CETA text, in view of the many investment arbitration cases that have raised that issue;
19. Notes that CETA would allow foreign investors to sue EU Member States for laws they pass which affect investor profits, including those designed to protect public health, the environment or workers' rights; notes, furthermore, that a UN Independent Expert has declared CETA to be incompatible with the rule of law, democracy, and human rights and has stated that trade agreements should only be ratified after human rights, health and environmental impact assessments have been conducted, which has not been the case with regard to CETA;
20. Notes that while CETA does require 'substantial business activity', ICS would allow for a form of 'treaty shopping', allowing investors to pick and choose under which agreement they wish to file an ISDS claim;
21. Notes that while the government of Belgium has announced that it will ask the European Court of Justice for an opinion on whether the validity of an ICS system is in compliance with EU treaties, no European institution has done so, nor has the Court been asked for a legal opinion on whether the validity of an ICS system in the form a multilateral investment court is in compliance with EU treaties;
22. Recalls that the right to regulate of both parties is being subjected to the provisions of CETA, thus diminishing the regulatory space for the national authorities;
23. Notes that the CETA Joint Committee will have far-reaching competences in the future legislative process without being subject to democratic control;
24. Notes that, regrettably, the ratchet clauses and standstill clause provisions in CETA still prevail over a 'positive list' approach, thus locking in all possible future liberalisations in the public sector;
25. Rejects the approach of a so-called 'living agreement', as well as the insistence that all important questions of detail relating to the agreement be decided in the negotiations, considering that nothing should be agreed until everything is agreed; rejects the proposal that regulatory issues should be subsequently referred to specially established groups of experts, thus bypassing the democratic legislative process;
26. Is of the opinion that the Commission should focus on agreements and treaties that defend human rights and sustainable development, rather than the current trade policy which is only beneficial for transnational corporations; therefore calls on the Commission to become actively involved in the UN open-ended working group with a view to a binding treaty on multinational corporations and human rights;
27. Notes with regret that the provisions of CETA's chapter on cross-border trade in

services regarding market access largely eliminate economic needs tests or quantitative restrictions on the number of service providers in a given sector; considers that the precautionary principle and its future application are not sufficiently anchored in CETA;

28. Rejects the fact that public water operators are not clearly excluded from CETA's provisions, creating a situation where governmental policies in this area to protect access to clean and safe drinking water could face a claim under the investment chapter in the name of 'barriers to trade', validating a precedent for all policies in the public sector; notes furthermore that nowhere in CETA is there a description or definition of public services;
29. Rejects the threats posed by CETA to public policy measures in the public health sector, and refuses the right of foreign investors to challenge those measures under the foreign investment provisions; regrets the fact that the commercial interests of the multinational companies, backed up by an arbitration system, will prevail, while the human aspect and patients' rights are neglected;
30. Notes that CETA would encourage the finance industry to take greater risks—by engaging in speculative investment—in order to survive in a more competitive international market; believes that CETA will also limit the regulatory options available to governments to address financial instability by, among other measures, giving the finance industry an institutionalised voice in the regulatory process;
31. Reject any further opening-up for educational services with mixed funding, in particular in the fields of pre-school education, schools and higher education, as well as adult education and further education, as the multilateral GATS agreement already contains more than enough provisions on liberalisation;
32. Notes that CETA will negatively affect access to medicines, especially for Canadians, who already have to face the world's second highest prices of medicines; believes that CETA has the potential to undermine the quality standard and the affordability of Services of General Interest (SGEIs) (social services, healthcare, education, water);
33. Notes that CETA does not include an assessment of its potential impact on the price of medicines, and that it is not recognised that intellectual property rights (IPRs) are acting as an insurmountable barrier to equitable access to medicines;
34. Believes that IPRs, including geographical indications, should be removed from CETA, as the proposed rules are far too invasive and threaten access to affordable medicines;
35. Reaffirms that by liberalising the agricultural markets CETA will threaten food safety standards by locking in changes to the regulations and encouraging further deregulation through the CETA Joint Committee; notes accordingly that CETA lacks any specific reference to animal welfare, thus encouraging a trend to sacrifice significant ethical principles and social values in international trade deals; believes that the agreement in its current form poses a threat to local agriculture on both sides of the Atlantic;
36. Calls on the Commission to firmly commit to the strict preservation of current and future standards on food safety and human health, plant health and crop and environmental protection, consumer protection and animal health and welfare, as

defined under EU legislation; also calls on the Commission to ensure that the enhancement of these standards is in no way hampered in the future, that fundamental EU values such as the precautionary principle and sustainable farming are not undermined, and that EU citizens can continue to have confidence in the traceability and labelling of products on the EU market, and to outline specific measures to uphold the precautionary principle in negotiations;

37. Calls on the Commission to make every effort to ensure that agricultural imports are allowed into the EU only if they have been produced in a manner consistent with European consumer protection, animal welfare and environmental protection standards and minimum social standards;
38. Calls on the Commission to secure appropriate legal protection on the Canadian market for EU geographical indications and quality EU agricultural products, as well as measures to deal with improper use and misleading information and practices, and also to secure protection regarding the labelling, traceability and genuine origin of agricultural products, as an essential element of a balanced agreement;
39. Notes that the external costs of climate-related damage caused by longer transport distances, greater trade volumes, industrial agriculture and the destruction of local economies are not taken into account or only play a subordinate role in trade negotiations;
40. Notes furthermore that climate mitigation measures such as phasing out fossil fuels, use of clean energy sources and reducing greenhouse gas emissions from agriculture are not addressed, and that the practice of challenging them as illegal trade barriers threatens to be locked in; points out that investment protection makes reform too expensive;
41. Calls on the Commission to retain the objectives of developing renewable energy sources and energy efficiency in the context of increasing energy security; emphasises that the chapter concerned must integrate clear guarantees that the EU's environmental standards and climate action goals must not be undermined and that the EU must retain the freedom to act independently in setting future standards and goals;
42. Notes that CETA can only have the effect of counteracting our objective of achieving the Sustainable Development Goals, in view of its negative impact on climate change and undermining of environmental, social and labour rights;
43. Rejects the fact that CETA is undermining the protection of personal data of EU citizens through the commitments being entered into concerning cross-border data flows;
44. Notes that the parties to CETA have issued 38 declarations, statements and other documents as such, for clarificatory and interpretative purposes; notes furthermore that the majority of these statements have an unilateral character which means they have little legal value and cannot be considered binding in terms of interpretation of the text, and are thus insufficient to alter or amend the major provisions of CETA to comply with public concern, as well as the conditions set out by the Walloon Government;
45. Notes that the Advocate-General in the Opinion 2/15 case has declared the EU-

Singapore FTA to be a mixed agreement; considers that this is also applicable to CETA and that this agreement therefore also requires ratification by all national parliaments in accordance with their domestic procedures;

46. Rejects the CETA agreement and declines consent;
47. Instructs its President to forward this resolution to the Council and the Commission.