

# EU-CANADA

## COMPREHENSIVE ECONOMIC AND TRADE AGREEMENT (CETA)

CETA Factsheet 4 of 7

### Safeguards in CETA

#### 6 ways CETA guarantees the EU's interests







In recent public debates on trade agreements, several concerns have been raised by:

- members of the European Parliament and national and regional parliaments
- EU governments
- trade unions, consumer bodies, environmental organisations and other civil society groups.

These concerns cover key interests for the EU. CETA addresses and protects them, as does a legal document between the EU and Canada, called the Joint Interpretative Instrument (JII).

Both sides are obliged to respect this document when they implement CETA.

#### CETA's 6 essential safeguards

1	 Sensitive economic sectors <b>Protected</b>	4	 The EU's right to regulate <b>Protected</b>
2	 Public services <b>Protected</b>	5	 The EU's ability to set higher standards, such as for the environment or food safety <b>Guaranteed</b>
3	 The precautionary principle <b>Upheld</b>	6	 Promoting trade in a way that upholds or raises environmental or labour standards <b>Guaranteed</b>

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### Sensitive sectors

For sensitive products such as poultry and eggs, CETA doesn't open up either side's market. For beef, pork and sweetcorn, the EU has offered limited tariff-free quotas.



### Public services

EU governments fully retain the right to keep public services public, and decide for themselves, for example, how they want healthcare or education delivered.



### Precautionary principle

EU law protects EU governments' right to act to protect human, animal or plant health, or the environment, in the face of a perceived risk, even when scientific analysis is not conclusive.

EU law, which EU trade agreements must respect, enshrines this principle. CETA also refers to the right to regulate and to the principles underlying the regulatory regime of each party.



### Right to regulate

CETA safeguards the EU's right to apply our own standards to all goods and services sold in Europe.

All imports from Canada have to meet EU rules on:

- technical standards
- consumer safety
- environmental protection,
- animal and plant health
- food safety and GMOs.

And our lawmakers will continue to make such rules.



### Future standards

CETA allows us to set higher standards and levels of protection for product and food safety, labour or the environment, if we want.

The deal explicitly protects EU governments' "right to regulate" in these and other areas. The trade and sustainable development chapter includes those safeguards.



### No race to the bottom

CETA prevents the risk of a race to the bottom in environmental or labour standards. It prevents governments from allowing exceptions to, or not enforcing, their domestic laws as a way to encourage trade and investment.

In fact CETA promotes practices such as corporate social responsibility, and transparency in business.

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- **Protecting investments**

Investment was part of the Commission's negotiating mandate: EU governments wanted the Commission to improve EU investors' access to the Canadian market and to negotiate rules to promote and protect EU investors.

So CETA ensures protection for investments while enshrining governments' right to regulate in the public interest, including when such regulations affect a foreign investment.

The EU has replaced the old form of investor-state dispute settlement (ISDS) in many existing trade agreements with a new, improved Investment Court System (ICS).

Features of the new system will include:

- professional, independent judges bound by a strict code of conduct
- hearings held in public and publish documents relating to cases
- clearly-specified grounds on which an investor can challenge a state.

The EU and Canada will continue to work together to develop the ICS, in line with the commitments they made in:

- the Joint Interpretative Instrument
- the agreement itself.

