BEUC The European Consumer Organisation

Press Statement

06/08/2014

Finalised EU-Canada deal grants excessive investor rights

The EU/Canada trade deal just announced, includes controversial plans to enable individual companies to challenge government decisions before arbitration panels - known as Investor State Dispute Settlement (ISDS). There is political intent to include a similar scheme in the current EU/US trade deal talks (known as TTIP or Transatlantic Trade and Investment Partnership).

Monique Goyens, Director General of The European Consumer Organisation (BEUC) reacted:

"Today's announcement of a deal between Canada and the EU – 'conveniently' concluded during the summer – puts the spotlight on its investor/state arbitration clause which is so heavily being criticised in its American European cousin, TTIP.

"Since the EU and the US kicked off their trade talks, public interest in this issue has jumped. This is a positive development as these policies deserve scrutiny by those who will be affected.

"This mechanism faces heavy criticism and a record number of nearly 150,000 responded to the recent EU consultation on its use in a future trade deal with the US. It grants exorbitant rights to companies to sue governments in private courts and its use against public interest laws is very concerning. In modern jurisdictions, companies do not need this shortcut to protect their investor interests.

"Including an ISDS scheme in the EU/Canada pact raises major questions over the Commission's willingness to take into account critical and massive public feedback on similar plans for TTIP. This clause in the deal with Canada will put a foot in the door for US companies to sue European governments via their Canadian subsidiaries, even if TTIP concludes without this tool.

"It is now in the hands of national governments and parliamentarians to prevent such a counter-productive situation. Such a system of private courts is a red line which should not be crossed."

ENDS

Bureau Européen des Unions de Consommateurs AISBL | Der Europäische Verbraucherverband
Rue d'Arlon 80, B-1040 Brussels • Tel. +32 (0)2 789 24 01 •
press@beuc.eu • www.beuc.eu • www.twitter.com/beuctweet
TVA: BE 0422 071 051 • EC register for interest representatives: identification number 9505781573-45