CETA, TTIP, EPAs: News on Trade Policy in the European Parliament

CETA: what next?

The Commission has decided that the free trade agreement with Canada, CETA, is a "mixed" agreement and as such should be ratified in all Member States of the European Union. That is largely down to the efforts of civil society, which for years has been pressurising the EU to ensure that full and proper processes are followed with respect to conclusion of the agreement. So what comes next?

The EU heads of States must agree: As the next step, the heads of State of the EU Member States must agree to the signing of the CETA agreement. CETA could be stopped by a majority of the Member States even at this point. Their approval is necessary for the Commission to officially sign the agreement at the EU-Canada summit meeting on 27 October.

Vote in the European Parliament: The European Parliament will ratify the CETA agreement after it is signed. The majority of MEPs must approve the agreement. The earliest possible date for the ratification in the Parliament is December this year, but we do not expect it to actually be signed until February 2017.

Provisional application: The heads of State and Government must decide whether CETA should be applied provisionally, meaning that the CETA provisions would be applicable immediately after the vote in the European Parliament, i.e. before it has been fully ratified by the Member States. This decision may be made in September, although it could also be later than that. Thus far the Commission has proposed that the full agreement become applicable immediately after the vote in the European Parliament.

We reject provisional application, since the agreement needs to be approved by the European Parliament and the parliaments of the Member States, and applying the agreement before the ratification is complete would show contempt for the national parliaments. Furthermore, provisional application would mean that investors would have claims that could then not be withdrawn, even if the national parliaments were to reject the agreement. Investors, for instance, would have the right to invoke the controversial investor-state dispute settlement (ISDS) even three years after failure of CETA.

In terms of democratic processes, the most problematic aspect here would be that the agreement could be applied for all eternity even if one or more parliaments vote against CETA and the agreement is not ratified. Provision application could only then be terminated with the majority agreement of the heads of State and Government of the EU Member States.

TTIP: is it really dead in the water?

It is true that the negotiations for TTIP are dragging on and no "progress" appears to have been made in terms of EU companies' access to the US procurement market and US companies' market access to the EU public services market and investor protection as a whole. The assertion by official bodies that the negotiations have failed should be taken with a pinch of salt. In actual fact, the aim is to present the CETA free trade agreement in a positive light, and act as if TTIP is being sacrificed. If the US then agrees to meet even only a few of the European Union's demands, the negotiations will be continued. We believe the reports that the negotiations have failed are, unfortunately, a false alarm.

The thumbscrews are being tightened – trade agreements with African States.

Negotiations on free trade agreements with various regions of Africa (known as Economic Partnership Agreements (EPAs)) have been conducted since 2002, and the European Commission is now ratcheting up the pressure to conclude the agreements. It has set a deadline of 1 October for its African partners to sign. If that deadline is not met, these countries will lose their preferential access to the EU market. That will result in enormous financial losses for those countries, and according to the Kenyan Minister for International Trade will cost up to 4 million jobs in his country. In the face of such threats, some of the countries have agreed to sign the free trade agreements (Kenya, Namibia, Botswana, Ghana, Swaziland and the Ivory Coast). We clearly oppose that attempt at blackmail by the European Commission and are calling for the deadlines to be rescinded.

The free trade agreement with the states of South Africa (the South African Development Community EPA) was ratified by the plenary of the European Parliament in September by a majority of conservatives, liberals and social democrats. The trade agreement is problematic for farmers in the region. For further information please see this briefing (in German).