

## The Consumer Voice in Europe

Ref.: BEUC-L-2017-049/MGO/LAU/rs

9 February 2017

### **Re: Consumers would have liked to support CETA but...**

Dear Member of the European Parliament,

I write on behalf of The European Consumer Organisation (BEUC) in view of the upcoming vote on the consent of the European Parliament on CETA.

This Parliament is about to give its consent to this agreement despite our numerous calls to improve it prior to its provisional application. This letter is a call for reflection. You have seen the growing public mistrust in trade policy throughout the CETA debate. We call on you today to make use of your trade policy competence to avoid this mistrust from becoming even stronger. This house is the house of citizens. Citizens want trade to change. The CETA saga might be over at EU level but other sagas will follow if nothing changes. A first test case could be the resumption of the TiSA talks in the course of this year.

BEUC is supportive of free trade if it results in expanding consumer choice, making goods and services more accessible and less expensive for citizens. Moreover, BEUC expects trade agreements to legally secure the current and future levels of consumer protection standards. Under these conditions BEUC would have been supportive of CETA. After a careful analysis of the final text, we unfortunately came to the conclusion CETA fails the consumer crash test. Indeed:

- This so-called 21<sup>st</sup> century trade agreement does not deliver to consumers. The ambition of making consumers benefit from stronger EU-Canada trade ties did not prevail during the negotiating process. The announced economic benefits have not even been properly evaluated. Studies realised during the negotiations only referred to small benefits for EU consumers, without entering into details. We are being told to wait for CETA's implementation to see the effects on prices and choice.
- In addition, we looked for more tangible benefits for consumers such as information on their rights and whether it will be easy for them to seek redress in case something goes wrong after a purchase. Indeed, this was planned at the beginning of the talks. But it is missing from the final text. The same goes for a more consumer friendly telecom market and the reduction of geo-blocking practices. It is a missed opportunity to show that trade can be good for consumers.

.../...

- Then there is the side of safeguarding high consumer protection standards. Consumers need reassurance that the EU and its members States will be able to maintain existing consumer protection levels and enhance them in the future. We are particularly concerned by the lack of protection of the right to regulate in the chapter on investment protection. CETA allows foreign investors to claim compensation from a Member State or the EU if consumer protection measures are deemed to breach its investor rights. This mechanism risks leading to a regulatory chill effect that would water down future ambitious consumer protection measures and public policy objective measures in general. Even a simple threat of a claim from a foreign investor could create such regulatory chilling effect. We hope that during the final ratification process at national level, the Belgian declaration<sup>1</sup> will be respected. It is paramount to improve the investment protection chapter and to ask the European Court of Justice to verify its compatibility with EU law.

Consumer organisations want to be able to support trade agreements. But for that you will need to make sure they meet their basic expectations. This induces a need to design trade agreements better, that is, for them to benefit to all while maintaining current and future levels of protection. This requires even more efforts in terms of transparency as well as evaluation of risks and benefits. Involvement of public interest organisations is crucial to enable constructive recommendations during the talks and avoid such tense debates and disappointing outcomes.

In order to constructively contribute to this necessary change, at BEUC we are currently developing a positive global agenda for consumers. We will share our recommendations with you in the coming months.

We trust that you will take our views into account and we remain at your disposal for further discussion.

Yours faithfully,



Monique Goyens  
Director-General

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<sup>1</sup> Council document 13463/1/16 REV 1, point 37.