

Malmström: Only minor adjustments to ISDS in trade deal with Canada

Only small changes can be made to an investment protection clause in a trade pact between Canada and the European Union, European Trade Commissioner Cecilia Malmstrom said on Monday

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"There can be minor clarifications and adjustments," she told a news conference in Berlin with German Economy Minister Sigmar Gabriel.

Gabriel added that the investor protection clause in the EU-Canada Comprehensive Economic and Trade Agreement (CETA) could not be changed totally.

The clause is disputed because it would allow companies to take cross-border legal action against governments.

In September, Gabriel had said Berlin would not sign unless this clause were scrapped.

The deal could boost bilateral trade by a fifth to €26 billion and is widely seen as a template for the Transatlantic Trade and Investment Partnership (TTIP).

During her hearing in the European Parliament in September, Commissioner Malmström flagged the possibility of designing "a new system that addressed all people's concerns."

Although she conceded that it would be a mistake to open up CETA negotiations for ISDS, she said she will work towards finding a solution. "Whether ISDS will stay in TTIP, I don't know, it is too early to say," Malmström said.

In January, the EU executive stopped trade negotiations with the US on the ISDS mechanism. It launched the online consultation in March after widespread criticism of the clause, which will allow EU and US based corporations to directly

sue governments at international tribunals. It received about 150,000 responses and the executive is still finalising the analysis of the submissions.

“If we had an international court to deal with ISDS that would be ideal, but we are not there yet,” she said.

TTIP was also discussed during Gabriel’s recent visit to the United States in October. After a meeting with US Vice President Joe Biden, the German politician explained, “I have indicated that, in our view, there is no need for any special protection for investors.”

“We agreed that we must create more transparency in negotiations”, Gabriel continued. TTIP is not only about free trade in a strict sense, but also about the EU and the US setting common standards for global trade. He said he fundamentally supports such an agreement between the two trade giants.

“TTIP is a gigantic geostrategic opportunity,” Gabriel said.

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