

27<sup>th</sup> June 2018

Dear Constituents,

Thank you for contacting me about the Comprehensive Economic and Trade Agreement (CETA) between the EU and Canada.

CETA, which provisionally came into force in September 2017, has removed 98% of tariffs and other barriers which British businesses face at the border, when trading and investing in Canada. Estimates suggest that the agreement will, per annum, increase British exports to Canada by £676 million and boost UK GDP by £730 million. This is a boost for our industries, jobs and growth.

The Investor Court System (ICS) protects investors, both large and small, from discriminatory or unfair treatment by a state. The EU has not yet formalised the detail of how the ICS will work and it is not yet in force. The UK Government, in developing an independent trade policy for when we leave the European Union, is looking at a variety of investor state dispute systems which will form the basis of the UK's own investor protection model. A dispute system will protect UK businesses trading in Canada as well as Canadian businesses trading in the UK. The UK has such provisions in over 90 agreements already in place between the UK and other countries, and there has never been a successful investor state dispute settlement claim against the UK, nor have potential claims affected the Government's legislative programme

I know that the Government is absolutely committed to protecting the NHS. There is nothing in CETA that will put the NHS at risk. CETA specifically protects the Government's right to regulate and this includes the UK's public health sector. The NHS is protected by specific exemptions in all EU trade agreements, including CETA. As we leave the EU, the UK will continue to ensure that rigorous protections for the NHS are included in all trade agreements it is party to.

Likewise, CETA does not weaken EU environmental standards, nor hold back action on climate change. CETA protects the right of the parties to regulate and would not prevent either side from introducing new environmental and low carbon legislation in order to achieve environmental goals. It specifically prohibits parties from waiving or derogating environmental laws to encourage trade and investment.

Finally, on parliamentary scrutiny, the Government has made absolutely clear that Parliament will have a vital role to play in our future trade policy. The Department for International Trade's White Paper committed to ensuring scrutiny and engagement that is inclusive, meaningful and transparent, and I look forward to scrutinising trade deals as they come before Parliament in the coming years.

Thank you again for taking the time to contact me.

Yours sincerely,



**Alok Sharma MP**

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