

TACD

TRANS ATLANTIC
CONSUMER DIALOGUE

DIALOGUE TRANSATLANTIQUE
DES CONSOMMATEURS

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ECONOMIC REGULATION

1. International competition rules and an effective code of practice for multinationals are the priority for the TACD rather than an investment regime. Consumer organizations recognize that foreign direct investment (FDI) can stimulate economic growth which may, in turn lead to more jobs, higher purchasing power, a wider range of products and improved value and quality of goods and services. A predictable and safer environment achieved through investment rules can therefore be a positive development.
2. However, the TACD affirms the rights of governments to regulate business to protect consumers, workers, the environment, and public health. We therefore oppose the Multilateral Agreement on Investment (MAI) and other investment terms based on the MAI model, which would threaten the ability of governments to fulfil this protective role. We will also oppose any efforts to complete the MAI and-or shift MAI negotiations to the Transatlantic Economic Partnership (TEP) or the World Trade Organization (WTO).
3. The TACD supports investment rules, but not the MAI model because:
 - We reject the creation of new corporate rights to sue governments directly in closed trade tribunals.
 - The rights of investors should be subordinated to the rights of democratically elected governments to regulate business in the public interest, and not vice versa, as proposed with MAI.
4. Instead of a MAI, the U.S. and the E.U. should affirm the following in the TEP:
 - The national treatment principle of a future investment agreement must provide for the establishment of and maintenance of exceptions or qualifications.
 - Any new agreement on investment must set binding terms of conduct for transnational corporations (TNCs) and on competition policy.
 - Multinational corporations must be held accountable to universally recognized human rights, labor and environmental standards.
 - Countries must be free to develop investment policies that promote creation of jobs and generally raise living standards.

In any investment rules specific obligations such as the promotion by foreign investors of the economic and social development of the host country and the protection of consumers and the environment must be included, and best practice in such matters as job creation and the promotion of

innovation and transfer of technology should be encouraged. Terms should include best practice in the area of consumer information, to prevent recurrence of the serious issues raised by the non-segregation and labeling of genetically modified organisms (GMOs). Cases of abuse could be referred to the Courts in the investing country, which could compare behavior with the Code. The European Parliament has suggested setting up a Monitoring body, to examine any breaches.