

## **AFTINET Bulletin No. 50, 12 December 2002**

If you would like to contribute to the Bulletin, please contact Pat Ranald via email at [pranald@piac.asn.au](mailto:pranald@piac.asn.au). Our website is [www.aftinet.org.au](http://www.aftinet.org.au).

Please note that Pat Ranald will be away on leave from December 16 to January 13. Louise Southalan has kindly volunteered to help with AFTINET work over this period and can be reached through Pat's email address. Happy Christmas and New Year to all!

### **Oslo meeting discusses strategies for 2003**

AFTINET convenor Pat Ranald was invited to contribute to a panel discussion on GATS, TNCs and Privatisation at the Norway Social Forum in Oslo on November 29. She then attended an international strategy meeting in of NGOS working on trade and human rights issues. These organisations are members of the international network which has formed around the statement on the WTO "Our World is not for sale" which is on the AFTINET website.

The strategy meeting heard reports of campaigning activities in Africa, Asia, Europe and the Americas on Trade in Services, (GATS) Agriculture, Trade in Intellectual Property Rights including access to affordable medicines and biopiracy and the proposed new WTO agreements on Investment, Competition Policy and Government Procurement.

Discussions focussed on strategies leading up to the WTO meeting in Cancun, Mexico in September, 2003. A key strategy was to link WTO issues to campaigns around local, regional and bilateral trade issues, like the Free Trade Agreement of the Americas in Latin America, and the Proposed US/Australia Free Trade Agreement. NGOs and social movements from Mexico and Latin America were well represented at the meeting.

In the WTO negotiations, developing countries are coming under immense pressure through the "informal" WTO meetings, with at least two more planned, the next one in Japan in February. However there are still important sticking points which are slowing down the negotiations.

Developing countries are still unhappy with the barriers to the import of affordable medicines being raised by the US and EU at the behest of pharmaceutical companies. In spite of claims that "consensus" was reached at the "informal" Sydney meeting, the developing countries rejected the proposal from the US and EU at the official WTO meeting held on this issue in Geneva last week.

Developing countries including China and Brazil have also called for a comprehensive review of the GATS agreement before making any further commitments.

On Agriculture, the EU has not made any proposals about reducing its subsidies, and the US proposal would not see any reduction for five years. Developing countries are not likely to agree to anything on agriculture in this context. Community and small farmers'

organisations at the meeting opposed agricultural export subsidies which assist agribusiness, but argued that developing countries should have the right to reintroduce and retain controls on agricultural imports to protect small farmers and food security. They were also strongly opposed to GMOs and the patenting of seeds.

Developing countries are still opposed to the WTO proposed new agreements in areas like investment. On investment, China, Cuba, India, Kenya and Pakistan have presented a paper which cites the scandals of Enron and others. The paper demands that TNCs take on commitments in areas such as preventing restrictive business practices, ensuring technology transfer, providing sufficient autonomy to foreign subsidiaries, respecting consumer and environmental protection standards abroad, and ensuring transparency in financial transactions and accounting. The home countries of TNCs would have to ensure that they behaved with full corporate responsibility and accountability in other countries where they operate. Since India has also opposed an investment agreement outright, there is speculation that this is a tactic in the negotiations.

The proposal was immediately rejected by U.S. trade diplomats who said the ideas set out in the paper would turn private companies into tools of industrial policy and put a "chill" on investment. The U.S. officials also cited serious concern about extending WTO jurisdiction to private corporations and home governments. Japan said the proposal paper raised serious legal questions on extraterritoriality and that countries home to TNCs are in no position to constantly monitor and control their overseas activities. This response shows that the industrialised countries are not interested in an investment agreement which would encourage local development but only in one which extends the legal rights of TNCs over governments, as did the infamous MAI which was attempted in 1998.

Developing countries have also rejected the proposal by the US for all governments to remove all tariffs on goods by 2015. They noted that this would be devastating for developing countries who need some tariff protection to develop new industries, and regard it a smokescreen for the US inaction on agricultural protection.

These areas of disagreement in the negotiations mean that that target dates for negotiations may not be met, and agreement may not be reached on key issues. Our task is to maximise popular pressure on our governments about public transparency and accountability in the negotiations, and about the content of particular agreements. This can make it more difficult for agreement to be reached.

GATS has been a major campaign issue for AFTINET, and we have achieved some success in raising the issue with many community organisations and with federal, state and local politicians. All Opposition parties have now adopted our main demands, and this week the Senate will decide to hold an inquiry into both GATS and the US/Australia Free Trade Agreement which will begin early in 2003.

The Strategy meeting noted that there were campaigns in many countries which emphasised the impact of GATS on water, education, health and local governments. There are plans for international statements and an international day of action around

GATS on March 13 leading up to March 31, when responses to requests from other governments are due. There will be further international events leading to the September WTO meeting. However the both the GATS, Agriculture and trade in goods negotiations will continue after that meeting.

The Australian Council of Trade Unions and its New Zealand counterpart held a seminar on GATS this week which should help build the campaign next year. It was addressed by AFTINET and attended by a range of unions which decided to campaign on GATS and the US/Australia Free Trade Agreement. Many of these unions are already members of AFTINET, but additional unions are becoming involved.

AFTINET is also working with the Friends of the ABC to hold a public meeting in March on the impact of GATS and the US/Australia Free Trade Agreement on public broadcasting and on Australian content in film and television.

AFTINET will also have a part time campaigner next year. The advertisement has been sent to all AFTINET members and applications close January 10. Please circulate to your networks.

### **WTO Staff Work to Rule and contemplate stronger action!**

WTO staff have been working to rule for the last few weeks (no overtime) in support of their demands for more staff and better pay. Their workload has been increased by the additional "informal" WTO meetings, but there has been no increase in staff resources. So far there has been no response to their demands from the WTO management. Sources in Geneva say that staff are contemplating a picket or some other form of action if their demands are not met soon.