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**1. FTAs crash into Australian car makers**

The Age, Melbourne

By Ian Porter

4 August 2008

The Bracks review of the car industry is expected to urge the Federal Government to take a stronger line in negotiating free trade agreements after the review's hearings became a flashpoint for dissent over the Thai free trade agreement (FTA).

The local manufacturing industry is concerned about the burgeoning automotive trade deficit between Thailand and Australia, describing it as "one way" and "lopsided".

Thai exports have ballooned in recent years, but Australian exports remain negligible because the Thai Government blocks Australian exports with non-tariff barriers not covered in the FTA.

The anxiety was heightened in June when more Thai-built vehicles were sold in Australia than locally-made cars.

A total of 17,350 cars and trucks from Thailand were sold in June, while sales of locally made cars sagged to 17,039 units. Only Japan sells more cars in Australia, and it took 40 years to build that position.

For the six months to June, local vehicles only just stayed ahead of Thai vehicles (87,000 to 84,480). Sales of Thai vehicles have almost doubled in just 18 months.

While the Thai vehicles are mainly one-tonne trucks and small sedans and do not compete directly with the Commodore, Falcon and Aurion, the local manufacturers have virtually no chance of selling even a few six-cylinder cars in Thailand.

"The Thai free trade agreement was an early precedent but these agreements need to be done differently in future," said Andrew McKellar, chief executive of the Federal Chamber of Automotive Industries.

"There hasn't been a full level of reciprocity coming out of that agreement," he said.

"From the industry's standpoint, we would not agree to, and would not support, another FTA which came with those features or those arrangements.

"There needs to be something in it for the local manufacturers".

And it is not just the trade in vehicles that is causing concern within the Australian automotive sector. As with built-up vehicles, there is no tariff on imported parts from Thailand.

The chief executive of the Federation of Automotive Products Manufacturers, Anna Greco, is very sceptical about FTA benefits.

"The FTAs in place have led to trade distortions and components substitution away from Australia, thereby discouraging production in Australia," she said.

"For example, as there is no duty on imported components from Thailand, it is cheaper for (car makers) to import fully-built components and modules than it is to import components and assemble modules here."

"The Thai free trade agreement was presented here as a fantastic opportunity for the local industry.

"Well, we're not exporting cars and our trade deficit with Thailand has ballooned out to \$2 billion a year."

## **2. Seoul Shelves KORUS FTA**

Korean Times

By Oh Young-jin Staff Reporter

Korea has given up hope of having its free trade agreement (FTA) with the United States ratified before the Nov. 4 U.S. presidential election, a senior trade official said Monday.

During an interview with The Korea Times, Lee Hye-min, Korea's deputy minister for trade and chief FTA negotiator, said, "It is certain that the U.S. will not be able to ratify the agreement until the presidential election.

"That contingency is also being considered," said Lee, who was a key member of the Korean negotiating team in the lead-up to the settlement of the so-called KORUS FTA last year, confirming the difficulty Korea could face in getting the FTA ratified by the parliaments of the two countries, in the event that Barack Obama, the U.S. democratic presidential candidate, wins the November election.

Arguably, it was the first time that a senior Seoul government official has definitely expressed Seoul's position that it has forsaken its hope for FTA ratification.

In a separate interview with a domestic radio station, Lee said that, if Obama calls for a revision in the current agreement, it would create an imbalance, without specifying what he meant. Obama, who is running neck and neck in opinion polls with the presumptive

Republican candidate John McCain, together with the Democrats, are opposing bilateral trade pacts with Korea and other countries, bowing to the pressures by, among others, the struggling automotive industry.

President Bush repeatedly asked the Democrats-controlled U.S. Congress to ratify the KORUS FTA but without success.

The Lee Myung-bak government in Seoul also has pushed the National Assembly to give prompt approval so as to put pressure on Washington to follow suit. However, the National Assembly seems to be taking it as an issue of lesser concerns because of the opposition by progressive segments in Korean society that flexed their muscles during candlelit vigils against the government's decision to resume U.S. beef imports.

However, Lee noted that there are strong voices not only in the Republican Party but also among Democrats for the early FTA ratification, saying ``It is a matter of when (the FTA with U.S. is ratified), not whether."

Referring to the ongoing trade talks with the European Union (EU) during the radio program appearance, Lee said that a settlement is possible before the end of this year, explaining the outcome of the talks between chief negotiators.

He cited automobiles, finance and legal services as primary areas of discussions that have yet to be settled.

``We stressed the importance of products from the Gaeseong Industrial Complex (the industrial park that is located in the North Korean city of the same name as flagship of the two Koreas' industrial cooperation)," he said. ``The EU reserved not to reveal its stance."

Korea and U.S. left this issue a moot point because of the different sensitivities at the two countries over it.

### **3. CAFTA blocked for ignoring indigenous rights**

September 15, 2008

Taken from [www.intercontinentalcry.org](http://www.intercontinentalcry.org)

Last week, Costa Rica's highest court overturned an intellectual property law the United States demands for the enactment of the US-Central America Free Trade Agreement, commonly referred to as "CAFTA."

The court said that the law - which included provisions on biodiversity - was improperly passed because the government failed "...to consult the indigenous people, in accordance with Convention 169 of the International Labor Organization."

Seen as a major victory for opponents to 'free trade', the government may now miss its Oct. 1 deadline to pass all the reforms needed to enter CAFTA.

"Following the ruling, the government issued a statement expressing concerns that Costa Rica might not make it to CAFTA, ratified here in referendum last October," reports the Tico Times.

"The government is 'greatly concerned about the impact of this ruling, in particular because of the issue of deadlines that Costa Rica has committed to,' said a communique cosigned by the Presidency Ministry and the Foreign Trade Ministry, according to newswire EFE."

“The government ‘will do everything possible and within its reach so that this doesn’t affect the ultimate incorporation of Costa Rica into CAFTA,’ the statement said.” However, its doubtful they’ll be able to pass a revamped version of the bill in time.

The victory will be short lived in any case. CAFTA, which essentially gives US corporations a high level of rights to operate in Central America, has already been ratified by El Salvador, Guatemala, Honduras and Nicaragua. It’s only a matter of time before Costa Rica manages to get in on the action.

#### **4. World Trade Organisation Update**

Senior officials from the group of seven countries (Australia, Brazil, India, US, EU, Japan and China) who became the main negotiating parties during July’s failed attempt at resolving the talks are meeting again to try and find some way forward for the collapsed Doha talks. Australia, Brazil and the US have met early to test some new ideas that emerged from meetings between Australia and Brazil on the Special Safeguards Mechanism (SSM). The SSM was the first sticking point that sunk the talks last July as China and India disagreed with the US. Despite the blame game that was pointed towards both India and China, there must be recognition that the vast majority of the WTO membership supported that decision to not accept a weak SSM.

Whilst the SSM measure is being explored other critical issues are still being ignored. The lack of US trade negotiating authority is being treated as something that won’t be an issue provided a deal is ‘good’ enough. The exclusion of African countries from the ongoing negotiations continues the hypocrisy surround the so called “development” nature of this round. Further to this the issues of cotton subsidies, farm subsidies, and tariffs on manufactured goods still need to be discussed.

There is concern about what exactly is the state of negotiations at the WTO. During the negotiations in July a draft agreement text was produced by the Director General Lamy that received strong criticism from the developing countries as not taking on their proposals. There are concerns that this will now be seen as the state of the ‘progress’ of the negotiations and form the starting point for any further discussions about the round. The WTO is currently referring to the outcomes from negotiations as the “July Package”, and labelling it as a “stepping stone” towards agreement.

#### **5. FTA Update**

##### **ASEAN/NZ FTA**

At the end of the ASEAN Economic Ministers Meeting on August 28, the negotiations concluded on an FTA between ASEAN countries, New Zealand, and Australia. Whilst the negotiations have been concluded there are ongoing talks with Indonesia and Malaysia to settle the time frames with which they’ll implement the agreement.

The details of the agreement are yet to be seen but the Australian government has boasted that the FTA is Australia’s largest ever, covering 16% of Australia’s goods and services. The agreement has also included provision for extension of the visa 457 scheme to ASEAN nationals.

According to the Department of Foreign Affairs and Trade, the ASEAN agreement includes services in a GATS style ‘positive-list’. This means that only those services specifically designated to be included will be, as opposed to the ‘negative-list’ approach that includes all services except those specifically excluded.

Again this FTA may be concluded without any assessment of environmental, labour or health impacts.

#### Japan FTA

The Japanese Prime Minister, Yasuo Fukuda, has resigned from his leadership role less than a year after taking on the position. This casts further uncertainty over the FTA negotiations as the government's approval is still at 29% and the prospects of selling to the Japanese public a bad deal on agriculture seems politically unpalatable due to the resounding rejection of such policies in the last election. Added to this early elections could be forced on the government as they don't have control of the upper house.

#### China FTA

The next round of negotiations are set for the week of September 22<sup>nd</sup> in Canberra.

### **6. AFTINET "Battle in Seattle" Film Night – Oct 23<sup>rd</sup>**

AFTINET is proud to host an exclusive screening of the soon-to-be released "Battle in Seattle". The film is based on one of the most incendiary political uprisings in a generation. Battle in Seattle takes an in-depth look at the five days that rocked the world in 1999, as tens of thousands of demonstrators took to the streets in protest on the World Trade Organization. What began as a peaceful protest intended to stop the WTO talks quickly escalated into a full-scale riot and eventual State of Emergency that squared off the protesters against the Seattle Police Department and the National Guard.

The movie portrays the events through the different perspectives of those involved, including protestors, delegates, city officials, and the police.

SCREENING - 6.30 PM THURSDAY OCT 23<sup>rd</sup>, 2008

Tom Mann Theatre, 136 Chalmers St, Surry hills

Cost: \$20 waged, \$10 Unwaged

To reserve your seat: [campaign@aftinet.org.au](mailto:campaign@aftinet.org.au) or 92127242

### **7. Anita Chan Seminar - The Sweating of Labor in Wal-Mart Supplier Factories in China**

Friday, September 19th, 2008

2:00 to 3:30pm

Workplace Research Centre, Storie Dixon Wing

Behind Institute Building

University of Sydney

Speaker: Anita Chan, Contemporary China Centre, Australian National University  
BA (HKU), MA (York University, Toronto), MA (SOAS, University of London), PhD (Sussex University)

The paper analyzes and compares the work conditions of workers in toy and garment Wal-Mart supplier factories in Guangdong province based on data collected from a questionnaire survey conducted outside factory gates. The paper begins with a discussion of the concepts of "sweating" and "decent work" and analyzes the different effects of piece rates and time rates on wages and work hours and the workers' own perception of a fair

wage. It argues that a wage system based on an hourly wage rather than on a monthly wage is more transparent and easier for workers to comprehend, and as a result they know whether they are awarded their legal entitlements.

## **8. The Latin American and Australasian International Indigenous Solidarity Gathering, Melbourne, October 24 - 25 - 26**

As you are aware for October 24-26, 2008, The Latin American Solidarity Network (LASNET), Friends of the Earth - Australia (FOE) and other solidarity groups are holding The Latin American and Australasia International Indigenous Solidarity Gathering (Encuentro), which will bring along indigenous and non indigenous grassroots popular organisations who are struggling, resisting and supporting Indigenous/first peoples/ Aboriginal rights from Australia, Aotearoa(NZ), Asia Pacific, Pacific Islands, Turtle Island (North America), Latin America and other interested participants.

This Gathering is taking place on Wurundjery land. We give our respects to the Wurundjery elders past and present.

The Gathering (Encuentro) has the main goal to build bridges of struggles, friendship and collaboration between indigenous and grassroots organisations throughout this regions of the world, specially today where multinational corporations are increasing their invasion to aboriginal lands and the military repression is in its pick.

During the days of the Gathering (Encuentro), main meetings, workshops, documentary festival, get together activities, different people from Australia and overseas will explore the questions of Genocide over our aboriginal nations by the dominant states, Autonomous struggles, The ancestral rights of land and own culture, sovereignty and the global order, sovereignty and neo-liberal policies, land sovereignty and nation, aboriginal control of aboriginal affairs, meaning of human rights and aboriginal rights, fighting racism and other topics that people assisting to the gathering will present.

Our idea is to be open and inclusive to ideas, discourses supporting the aboriginal people self-determination, sovereign of their future and popular grassroots struggles for justice, peace, dignity and democracy from below.

Friday 24 October Victoria Trades Hall Council - Carlton:  
Gathering Opening (Public Meeting), 6pm,

Saturday 25 October - CERES East Brunswick:  
Plenary/main sessions (Gatherings), workshops, entertainment,  
art exhibitions, traditional food, stalls,  
Afternoon Films documentaries  
Party at Night

Sunday 26 October - CERES East Brunswick:  
Plenary/ main sessions (Gatherings), workshops, entertainment (music, movies, theatre),  
traditional food, stalls, art exhibition  
5/6pm - Main Gathering and resolutions

Further Information contact [lasnet@latinlasnet.org](mailto:lasnet@latinlasnet.org) or call 0400 914 944