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AFTINET Bulletin No. 141
October 2007

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1. New Campaigner

On the 8th of October Adam Wolfenden started as the new campaigner for AFTINET. Adam has a studied economics and politics at university and involved in environmental/ social justice campaigning with groups such as Friends of the Earth Sydney and Aid/Watch. Adam will be in the office Monday to Thursday, feel free to contact him.

Many thanks to Lorissa Barrett, who started job sharing the campaign position with Michelle Freeman in May, and Melissa Vogt who stepped in to work on the APPEC program in July. Lorissa and Melissa ceased working for AFTINET in the first week of October. There will be a farewell presentation to Michelle, Lorissa and Melissa at the AGM on November 14.

2. No ASEAN FTA Deal that includes Burma

AFTINET sent the following letter to the Government and Opposition Trade and Foreign Affairs Ministers calling for a suspension of Free Trade negotiations with ASEAN that includes Burma.

We're calling on others to voice their opposition to what is happening in Burma and demand the suspension of trade negotiations with ASEAN.

AFTINET's concerns over an ASEAN/Australia FTA that supports an undemocratic Burma

Dear Mr Truss,

No doubt you are aware of recent unrest that has been occurring in Burma. For almost 20 years the military in Burma has been imposing its unelected rule upon the people of Burma. The recent killing of protesters is just another shocking reminder of the lack of democracy and human rights in the country.

Trade and investment should not be used to bolster such regimes.

The Australian Fair Trade and Investment Network, AFTINET, believes in a trade and investment framework that supports the local ability to regulate on issues of economic development, the environment, human rights and labour rights. None of these can take place in a trade agreement with ASEAN that includes undemocratic and unaccountable regimes like the present junta in Burma.

For these reasons AFTINET is calling for a suspension to ASEAN FTA negotiations whilst an undemocratic Burma is a member.

Glyn Ford, one of seven members of a visiting European Parliament delegation to Singapore and Vietnam, has stated that it is "completely impossible" to include Burma in any FTA between the EU and ASEAN. The exclusion of ASEAN members from FTAs is not without precedent and there is no reason why this cannot happen again.

The Australia Government has a responsibility to ensure that its role in the region is one that encourages democracy and human rights. An ASEAN FTA that supports the current Burma regime will run counter to this responsibility.

Sincerely,

3. Burma's economic protests turn political and now threaten to erupt into a mass movement against the regime - Larry Jagan

Wed 12 Sep 2007

This is an abridged version of the article taken from www.burmanet.org/news

Ironically the Burmese junta's recent efforts to introduce a measure of Western-inspired economic liberalization, by withdrawing fuel subsidies, seems to have back-fired and brought people out onto the streets in a series of rare public protests demanding that fuel and food prices be reduced.

Sporadic, irregular public protests against the country's soaring inflation have rocked the Mese regime since the government's sudden increase in fuel prices. Small, peaceful, protest marches have continued in many parts of Burma's main commercial city, Rangoon. In the past few weeks these demonstrations, demanding lower fuel and food prices have spread to several other parts of the country. In the worst incident a hundred monks took to the streets of the small town of Pakhokku in

northern Burma not far from Mandalay, the second largest city of Burma, and were fired on by the security forces.

These protests are very rare in Burma as the military regime keeps a tight grip on the population. But the numbers joining these marches have grown since more than a hundred people joined the first demonstration demanding that the government immediately lower fuel and food prices more than four weeks ago.

“The government has raised fuel prices without giving any prior notice, and due to this hike all the people are suffering. Therefore, we, the 88 generation students, NLD members, university students, high school students and civilians are protesting and demanding an immediate roll back in the prices of fuel,” said one of the protesters at the first march on Sunday the 19th of August.

Bus fares and taxi charges doubled immediately in Rangoon, Mandalay and Moulmein. Traffic in the cities is generally substantially reduced as a result of the astronomical rise in the cost of black market petrol, which many Rangoon residents depend on to fuel their cars.

The increase in bus fares has severely affected the poor. Manual workers and day-laborers in the country’s main cities, who earn less than 2,000 kyat (\$2) a day, now have to pay more than half their wage in travel costs, he said. In some cases it may even be as much as three-quarters of their daily income.

Already in Rangoon food prices have risen steeply. Rice has risen by nearly 10%, edible oils by 20%, meat (pork and mutton) by around 15%, garlic and eggs both by 50%, according to aid workers in Rangoon who monitor the local market. An unofficial Consumer Price Index, maintained by a leading Burmese journal in Rangoon and based on a basket of essential commodities, showed a 35% increase after the fuel price increase.

“These price rises are crippling for most residents in Rangoon,” a Burmese economist told Mizzima. “They could hardly afford food before, now their weekly budget for essential foodstuffs is going to buy even less - their purchasing power has been reduced by more than 20% virtually overnight.”

The IMF and World Bank also warned the regime this time last year that if they did not reduce their extraordinarily high budget deficits - which they traditionally covered by literally printing money - economic development would suffer. They predicted an increase in inflation and a further erosion of living standards.

“Living standards are low, and inflation is increasing. The prospects for sustained growth in real incomes are constrained by inflation, structural rigidities, weak economic policies and low investment,” the IMF team warned after a mission to the country last year.

There is no doubt that the country’s economic czar, the number two in the military regime, Gen Maung Aye, has tried to implement some of the IMF’s recommendations over the past two years or so. There has been an aggressive campaign to collect taxes, especially from small businesses. Earlier this year, the authorities mounted a major investigation into businesses suspected of tax evasion.

What is more critical, according to Burmese economists, is for the junta to reduce government expenditure. But the regime cannot contemplate cutting back on military spending, the building of Naypyidaw and the new Cyber City, or the construction of bridges, dams and the nuclear reactor, so reducing government subsidies is the only option left.

The IMF also strongly advised the Burmese regime to reduce government subsidies, especially on fuel. It is one of the international financial body's main tenets - the liberalization of the energy market. Curiously the increase in fuel prices came just ahead of this year's IMF/World Bank annual mission to Burma. They arrived in Rangoon in the middle of last week and it may be no coincidence the government acted when it did.

The burden of maintaining the subsidies on fuel was also beginning to tell. The government has long been committed to keeping diesel prices artificially low. In fact even with the recent increases in diesel, gas and petrol prices, they remain the lowest in the region - and well below the market prices for these fuels in Thailand.

But with the growing prosperity of the emerging middle class and senior military officers through corruption and kickbacks, the demand for diesel has increased over the years - hence the need to shell out ever increasing amounts of money in subsidies at a time when the cost of importing diesel, petrol and gas is also increasing. This is putting increased pressure on the government's budget which cannot be paid from the revenue of existing gas and petroleum exports.

Some analysts in Rangoon also believe that the move was a necessary part of the government's plans to privatize the country's fuel distribution system - as advocated by the IMF. Under the scheme, retail outlets for diesel, petrol and gas would be sold to major private companies, which would buy the fuel products from the government at a wholesale price and sell it onto the public through this retail network.

While food and transport prices have already soared, most observers in Rangoon believe it will only be a matter of time before the government also increases electricity rates. Burma's business community is clamoring for the government to consider increasing fuel imports from other sources, especially diesel from China.

So far the fuel crisis is confined to Rangoon and Mandalay, and is not dramatically affecting the rural population as they are dependent on the black market for their fuel supplies, according to observers in Rangoon. But they expect the black-market rates to be affected in the near future and that will really hurt the country's farming community.

In the meantime the street protests are continuing despite the junta's crackdown. Since the protests erupted nearly a month ago, the authorities have arrested hundreds of people for organizing and participating in the small demonstrations that have taken place all over Burma. The junta has also used pro-government thugs to violently disperse demonstrators.

The vigilantes are part of the pro-government community group, the Union Solidarity and Development Association (USDA), which the regime frequently uses to give it a veneer of public popularity. More ominous now is the USDA's special security force, the Swan Arrshin. "The members of this group have been specially trained in crowd control and the violent suppression of protests," a Western diplomat in Rangoon told

Mizzima. "We have had reports of its foundation, to act as a security and intelligence wing, since the beginning of the year," she added.

"The current protests are still economic for sure," a leading Burmese activist based in Thailand with close links to the organizers of the protests, Khin Ohmar, told Mizzima. "But everyone recognizes that the root cause of inflation is the junta's economic mismanagement."

While she believes that nothing dramatic is likely to happen in the near future – this is certainly the beginning of the end for the junta. "Burma is a social volcano ready to erupt," according to a leading Burmese businessman. "These price increases may just be the spark that ignites it."

4. U.S. loses trade dispute over cotton subsidies

10/15/2007 1:51 PM

By Bradley S. Klapper, Associated Press Writer

GENEVA (AP) -- The World Trade Organization has found that the United States failed to scrap a series of illegal subsidies paid out to American cotton growers, a ruling that could open the door to billions of dollars in Brazilian trade sanctions against the United States, trade officials said Monday.

The result is a major victory for Brazil's cotton industry and for West African countries that have claimed to have been harmed by the American payments.

The three-member WTO compliance panel upheld its findings from an interim report released in July, said Roberto Azevedo, the Brazilian Foreign Minister's trade chief.

"It wasn't changed," he told the Associated Press shortly after the verdict was released confidentially to American and Brazilian officials in Geneva. "The language in the previous preliminary report was maintained," he added, a reference to the July ruling that the U.S. acknowledged as a legal defeat.

Azevedo declined to comment further because of WTO confidentiality rules, but said the Brazilian government might make an announcement later Monday from Brasilia.

The office of the U.S. Trade Representative in Washington confirmed the loss. Washington can still appeal the ruling.

"The panel found that the changes made by the United States were insufficient to bring the challenged measures certain support payments under the 2002 Farm Bill and export credit guarantees into conformity with U.S. WTO obligations," it said in an e-mailed statement Monday. "We are very disappointed with these results."

The United States has argued that it sufficiently overhauled its cotton system when it scrapped two export credit guarantee programs and last year repealed the so-called Step-2 cotton-marketing program that made payments to exporters and domestic mill users as compensation for buying higher-priced American cotton.

But Brazil said Washington's continued support for American cotton producers ensured artificially high production and export levels, hurting Brazilian and African producers.

The Brazilian government says the U.S. retained its place as the world's second-largest cotton grower by paying out \$12.5 billion in government subsidies to American farmers between August 1999 and July 2003. China is the largest exporter of cotton, while Brazil is fifth.

The South American country has reserved the right to impose annual sanctions of up to \$4 billion on the United States, but would probably seek less in retaliatory measures because the United States has removed some of the offending subsidies. If a likely appeal also goes against U.S. cotton programs, Washington can still challenge the level of retaliation the WTO authorizes.

Brazil has said it would target U.S. goods, as well as trademarks, patents and commercial services, under provisions in the global commerce body's intellectual property and services agreements.

The announcement that Brazil was bringing the case back before WTO arbitrators was made shortly after the July 2006 collapse of global trade talks, which aim to add billions of dollars to the world economy and help poorer countries develop their economies through new trade flows.

Brazil was one of several countries that blamed the United States for the impasse as differences over barriers to farm trade and manufacturing proved unbridgeable. The two countries have repeatedly clashed since as the talks have failed to make progress.

Critics of the subsidies say they drive down prices, making it impossible for small farms to compete in international markets, and more difficult for poorer countries to develop their economies by selling their agricultural produce abroad.

5. World Trade Organisation - Doha Round update

Recent negotiations on the Doha round have seen mixed outcomes. The United States has indicated its acceptance of a WTO proposal to limit its farm subsidies to a range between US\$13 billion and US\$16.4 billion. This was followed with a highly publicised release of US agriculture subsidy figures for the years 2002-2005 to the WTO that showed them ranging between US\$16 – 18.9 billion.

This comes amidst Congress discussing the new US Farm Bill 2007, the legislation that determines the amount of government involvement, regulation and subsidies in areas relating to agriculture. Despite the announcement at the WTO, there are many criticisms of the US, including those who want to know more specifically which end the subsidies will be at and the role of the US Farm Bill in undermining any WTO concessions. Both Australia and India have expressed their concerns about the Farm Bill. Oxfam America believes that the recent US acceptance of WTO subsidy limits may be used as a cover to get the US Congress to vote on the Farm Bill that Oxfam believes will leave farm subsidies “largely unchanged” and the US vulnerable to further WTO challenges.

At the same time the NAMA 11 countries, led by Brazil, India and South Africa, are seeking new exceptions for the trade in manufactured products. This new appeal for exceptions has drawn strong criticism from the EU and the US who were hoping that

the concessions made by the US on agriculture might lead to conclusion of the negotiations.

The United States is giving a mixed message about the prospect of a completion of the Doha. Publicly it is being optimistic about the chance to finalise the agreements but the loss of Bush's Fast Track Authority and a Democrat controlled Congress makes that far more complicated and unlikely.

6. FTA Updates

ASEAN – The latest round of trade negotiations happened in early October. The government has claimed that overall the talks went well but they were still stuck on some major issues. Trade in goods was a sticking point, with some ASEAN members not agreeing about the timeline for the elimination of tariffs. Trade in services also saw movement with some ASEAN countries submitting a revised list on offer. The next round will take place in December.

China – Talks with China over a trade agreement continue to be moving at a snail's pace. Australia's chief negotiator has recently stated that the negotiations are effectively moving nowhere.

Japan – The recent electoral defeat for the Japanese Government in the upper house has also triggered the resignation of Prime Minister Shinzo Abe. Abe, has resigned amidst widespread lack of public support about his policies on Iraq, Afghanistan and a spate of scandals in the cabinet. The new Prime Minister Fukuda has to make any clear statement about the Japan-Australia FTA.

Local groups in Japan are continuing their campaign against the FTA by linking it with a greater militarisation of Japan. Even though the opposition party gained much support from those who will be most affected by the FTA it has made previous statements about a commitment to the FTA.

The next round of talks will be held in Australia in November.

7. AFTINET AGM Reminder

For AFTINET Members the Annual General Meeting is coming up in November. The AGM will feature a presentation from Nic Maclellan that will look at the role of Australian in the Pacific in relation to trade and climate change.

Nic Maclellan has worked as a journalist, researcher and development worker in the Pacific islands. Between 1997-2000, he lived in Fiji, working with the Pacific Concerns Resource Centre (PCRC) in Suva, which runs regional campaigns on the social, cultural and environmental effects of regional trade agreements such as PICTA, PACER and the EU-ACP Economic Partnership Agreement (EPA). He has written widely on development, human rights and environment in the South Pacific.

The details are: **6:00pm on Wednesday 14 November 2007**
Norman Self Room, level 3
Sydney Mechanics School of Arts
280 Pitt St, Sydney 2000.

8. Burma Day of Interfaith Action and Prayer

Sunday 21st October, 1pm Martin Place -

On Sunday October 21st, a National Day of Prayer for the people of Burma will be observed by communities of faith and spirituality around Australia. We will mark this day by incorporating special prayers during religious observances this weekend.

You are encouraged to attend the interfaith gathering to pray for peace in solidarity with the people of Burma.

Please wear red or saffron as a symbol of your solidarity with the monks and the oppressed people of Burma.

(NOTE: Open to all including atheists and agnostics!!!)

For more information contact: Suzette Clark, Phone: 02 9956 5811

Email: suzettec@acsjc.org.au

9. Fundraising evening to support Democracy in Zimbabwe

Enjoy Darling Harbour at dusk from the Terrace Room at the National Maritime Museum while supporting a crucial project for the people of Zimbabwe.

Guest of Honour will be Sekai Holland, member of the National Executive Committee of the Movement for Democratic Change and survivor of the brutal bashing of MDC leaders on March 11, 2007, at the hands of the Mugabe regime.

Also speaking will be Sol Bellair, long-time Aboriginal activist and friend of Sekai. Funds raised go to the 'Moving Kitchen Project' – to provide food and transport at the community level and organizational training for women and youth at a time of dire hunger and violence in Zimbabwe. MC is Dr Meredith Burgmann.

- v Time: 6.30-8.30pm, Thursday October 25 2007
- v Place: Terrace Room, National Maritime Museum
- v Tickets: \$40 per person, drinks and canapés provided
- v RSVP: Please reply to deidre.wicks@gmail.com or Peter 0418-312301. Payment on the night, or cheque/credit card to Zimbabwe Information Centre, PO Box K824, Haymarket, NSW 1240, or fax to 02 9211 1407. More at www.zic.com.au

10. Walk Against Warming

Sunday 11th November, 1pm The Domain

There's now overwhelming evidence that climate change will have serious economic, social and environmental impacts and threatens our quality of life. Climate change is the most challenging issue of our time.

Even though ordinary Aussies across the country are pitching in to reduce their own greenhouse gas emissions, this simply isn't enough to stop climate change globally.

We need governments, industries and the community to work together so we can see real reductions in greenhouse gas emissions.

So, to show our political leaders that Australians are deeply concerned about global warming, we can Walk Against Warming!

In 2007 Walk Against Warming will highlight the need for laws in place to reduce Australia's greenhouse pollution, through:

- a reduction in energy use
- increased energy efficiency
- a shift to renewable energy
- better public transport systems
- an end to land clearing and logging of old growth forests
- a price being placed on carbon pollution

For more information contact: Marnie Kikken, mkikken@nccnsw.org.au, or 02 9279 2466 or visit www.walkagainstawarming.org to find your nearest planned walk.