



AFTINET Ltd
Level 1, 46-48 York Street
Sydney NSW 2000
Phone: 02 9299 7833
Fax: 02 9299 7855
Email: jbailey@piac.asn.au
Website: www.aftinet.org.au
ABN 83 659 681 462
ACN 097 603 131

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If you would like to contribute to the Bulletin, please contact Jemma Bailey at jbailey@piac.asn.au or on (02) 9299 7833. Our website is <http://www.aftinet.org.au>.

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1. Calling on the WTO to make the agriculture negotiations more inclusive and transparent

AFTINET has joined with community groups around the world to call for the WTO agriculture negotiations to be a more inclusive of developing countries and more transparent. In the lead up to the next WTO Ministerial in Hong Kong in December, consultations to move the agriculture negotiations forward occur largely between only 5 countries – the EU, the US, Brazil, India and Australia. This grouping of countries, known as the ‘Five Interested Parties’ (FIPs) formed after the collapse of the WTO Ministerial in Cancun. It is an undemocratic and non-transparent process that leaves out developing countries.

Most recently, the agriculture negotiations have been stalled over a formula for calculating the levels of import protection for agricultural products, specifically how to convert non-ad valorem duties into ad valorem equivalents (AVEs). In late April, the formal meeting of the Special Session of the Committee on Agriculture of the WTO was suspended over this “misunderstanding” and the EU made a tactical move to express discontent with the non-inclusive FIPS process. This issue was resolved in a

compromise at the WTO Mini-Ministerial in Paris on 3 – 4 May. The FIPs want a draft text on agricultural reform by July.

The letter has been sent to the Heads of WTO Delegations, the Chair of the Agriculture negotiations, the Chair of the General Council and to Dr. Supachai Panitchpakdi, WTO Director General.

Dear _____,

Given recent reports on the consultations taking place on agriculture, we are writing to you to express our concern at the negotiating process.

We are particularly disturbed that the consultations to restart the agriculture negotiations are held amongst only five countries – the US, the EC, Australia, Brazil and India - despite the fact that agriculture is such a vital concern for most developing countries. We feel that the formation of the Five Interested Parties is one more arbitrary step in the trend towards greater non-transparency in the WTO that is mistakenly justified in the name of “effective negotiations.” A negotiating process that marginalizes the majority of the membership can in no way be regarded as effective. Furthermore, the EC’s sudden expression of unhappiness with the lack of an inclusive process comes late and looks much more like a tactical move to get support for its defensive position on the AVE (Ad valorem equivalents) issue, rather than an expression of a real commitment to inclusiveness and transparency.

We call for the ending of the FIPS process and urge the Chair of the Agriculture negotiations to ensure that ALL members participate in an effective manner in the negotiating process; this means adequate and timely consultations must be held not only with the representatives of the Five Interested Parties (EC, US, Australia representing the Cairns Group as well as Brasil and India representing the G20), but with the representatives from the G33, G10, ACP Countries, LDCs, African Group and all others that have expressed their interest.

The negotiating process must be designed in a way that takes into account each member’s resources. For a country with a large mission in Geneva and strong support in their capital, proposals coming out of the negotiating groups can be analyzed quickly and assessed for any potential positive and negative effects on domestic interests. However, many developing countries do not have a large team that facilitates a quick response. The prevalence of short timelines to consider highly technical proposals is contributing to a situation in which many countries are pushed into agreements that may not serve their interests. This happened in the Uruguay Round, and WTO members (and their people) are still living with the damaging results. This must not happen again.

The Chair of the Agriculture negotiations and the WTO Secretariat have the responsibility to design the negotiation process to include all members. We call on the WTO Secretariat to ensure that written reports are made available in a timely manner to

all members in the three WTO languages to ensure that proper communication with their staff in Geneva and the capital is possible for all members.

Given the importance of agriculture to low and middle income countries and to family farmers and agricultural workers around the world, we believe that the consultation process must be inclusive and ensure that all delegations can actively participate in the consensus-building process. Only an inclusive process will guarantee that the concerns of all members are adequately taken into account. The exclusion of the majority makes a mockery of the claims that this institution is member-driven and democratic.

If negotiations do not move in this direction, we call upon developing countries to seriously consider whether and how the negotiations should continue. The employment and livelihoods of millions of people in the developing world are at stake. We welcome any opportunity to clarify these views further and would appreciate a response to our letter.

Sincerely,

(Signatories are listed at www.ourworldisnotforsale.org/showarticle.asp?search=449)

2. Media reports: Social impacts of the China Free Trade Agreement

There have been mixed media reports on the China FTA following the announcement of formal negotiations. Reporting has covered workers' rights, both in China and Australia. Two examples follow. AFTINET will send out a new leaflet to members which analyses the Feasibility Study.

Veggie growers face \$500m a year China FTA loss, *The Age*, 22 April 2005

Vegetable growers stood to lose \$500 million a year and 5,000 jobs if Australia struck a free trade deal with China, the industry says. AUSVEG, which represents the nation's 4,300 vegetable growers, said at least 900 growers would be forced out of the industry if the deal went ahead.

It follows a feasibility study into the proposed free trade agreement (FTA) which estimated Australia would be up to \$23 billion better off and China up to \$89 billion better off over 10 years. But AUSVEG chairman Michael Badcock said with direct assistance to Chinese vegetable growers, and tough restrictions on Australian growers, the future was bleak under an FTA. He said about 5,000 of the 23,000 food processing and production jobs would disappear under an FTA, while the industry itself would lose \$500 million annually.

"Processing vegetable growers are particularly vulnerable, with cheap imports from China likely to end up in many home brand lines in increasing levels," he said in a statement. "Growers supplying Australian processing factories in Tasmania, Victoria, South Australia, NSW and Queensland will be under threat having devastating

consequences to many regional communities and causing significant flow-on effects to downstream supply chains."

Already, Australian garlic growers have suffered in the face of stiff competition from their Chinese counterparts. Australia is also losing out to China in important third markets. In 2003, Australia sold 10,000 tonnes fewer of carrots to Malaysia. Chinese sales of carrots in Malaysia were up 10,000 tonnes. China also increased sales of cauliflower and broccoli by 6,300 tonnes to Malaysia in the same year. Australian sales fell 7,000 tonnes. Australian vegetable exports to China are worth just \$519,000 a year. China's vegetable exports to Australia are worth \$41.5 million.

Mr Badcock said China would have an unfair advantage over Australian growers because of much looser pesticide residue and contamination restrictions. Australian farmers also had to meet higher quality and food standard levels. He said Australia's focus on boosting production from limited water supplies also meant the government should be doing more to encourage horticultural production. "Compared to other forms of agriculture, horticulture generates the highest dollar value return per megalitre of water, so we should be safeguarding this industry," Mr Badcock said. Mr Badcock said growers were already suffering because of the federal government's restrictions on ammonium nitrate which had pushed up the costs of fertiliser. He said Australia should carve out horticulture from the FTA.

FTA rush ignores workers' rights, AAP, 19 April 2005

Workers' rights were being ignored in the rush to sign a free trade agreement (FTA) with China, a leading group of opponents said today. The Australian Fair Trade and Investment Network (AFTINET) and Public Interest Advocacy Group said the proposed deal would come at the expense of workers' health and rights.

Australia and China last night signed a memorandum of understanding (MOU), paving the way for the start of negotiations on a free trade agreement (FTA). But trade justice campaigner with AFTINET, Jemma Bailey, said the whole deal seemed to ignore major worker rights issues. "(We) have serious concerns about the lack of workers rights and environmental protections in China," she said in a statement. "Transnational companies subcontract work to local firms in China's special export processing zones and accept the lowest bids. Workers often have to work 12 and 16 hours a day, seven days a week to complete contracts without proper payment. Studies show that real wages have actually fallen, health and safety is often appalling, environmental pollution is rife and workers do not have effective rights to bargain for improved conditions. FTAs without workers' rights or environmental protections mean a global race to the bottom."

Ms Bailey said the Australian government had also treated voters at home poorly with its failure to release the feasibility study into the proposed FTA. "The government has not allowed any opportunity for public scrutiny of the feasibility study on the impacts of the China FTA before formally announcing negotiations," she said. "This 'decisions first, evidence later' approach is unacceptable in a democracy."

The feasibility study is to be released publicly this afternoon.

3. Environmental laws lined up for removal by new trade talks

Friends of the Earth International, 18 April 2005

Governments including Japan, Korea, Mexico and the United States [1] are planning to use new World Trade Organization (WTO) negotiations to dismantle a wide range of national laws protecting the environment, social well-being and health, Friends of the Earth International revealed today.

A list compiled by the environmental group before trade negotiators meet in Geneva shows that legislation covering food, fisheries, timber and petroleum production, energy efficiency, chemical testing, recycling and standards in the electronics and automobile industries have all been raised as potential “barriers to trade” in the past few months.

Friends of the Earth International’s analysis of non-tariff barriers challenged by the countries mentioned above under the so-called ‘Non-Agricultural Market Access’ negotiations includes 72 challenges to environmental and health standards around the world. These include a breath-taking array of challenges to national standards and regulations, measures to promote local economic development, restrictions on foreign investment, labelling and certification requirements and restrictions on exports. Should governments succeed in eliminating these ‘non-tariff barriers’ they would undo a wealth of legislation designed and implemented to protect people and their environment around the world.

Governments are challenging and seeking to dismantle laws that:

- Register new and existing chemicals
- Conserve natural resources and promote local economic development in developing countries by restricting exports of forest and mineral products
- Ensure manufacturers collect and recycle scrapped cars
- Ban imports of skins from animals killed using inhumane hunting practices
- Ensure all home appliances are labeled showing their energy efficiency ratings
- Promote fuel efficiency by reducing taxes that ‘give a competitive advantage’ to cars with small engines; and through corporate average fuel efficiency standards
- Ensure high standards for the certification of medicines
- Permit consumers to know which containers and products can be recycled
- Allow developing countries to direct and control foreign direct investment in the automobile and petroleum oils sectors

“The WTO is finally showing its true colours. This is a breath-taking and shameful attack on social and environmental standards world-wide. Chemical pollution, climate change, deforestation, depleted fish stocks, waste – none of these seem to matter in the slightest when it comes to the all-important business of accessing new markets and making a quick buck. We simply – and literally – cannot allow the WTO to continue like this. Our future is at stake,” said Ronnie Hall of Friends of the Earth.

4. Event: World Debt Day, Monday 16 May 2005

This Monday 16 May is World Debt Day. To commemorate the 40 or more poor countries that continue to suffer from unpayable levels of debt, you are invited to **Hyde Park (St James Station end) from 11:30am – 1:30pm on 16 May** to witness the bipartisan breaking of a 3 metre high debt wall. There will be African drummers, Anthony Albanese, Vincent Chakulya, Peter Garrett, Lee Rhiannon and Aden Ridgeway.

In the evening, Chico Whitaker, founding figure of the World Social Forum and member of the Brazilian Workers Party, will speak with Zambian economist Vincent Chikulya about the international campaign to drop the debt and the role of international movements for change, such as the annual World Social Forum. Come along to **Tom Mann Theatre at 136 Chalmers Street, Surry Hills at 6:30pm on 16 May**.

For more details, contact Stewart Mills from Jubilee Australia on 9299 2215.