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Australian Fair Trade
& Investment Network Ltd

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AFTINET Bulletin 119, 6 October 2005

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1. Action: Write a submission on the WTO negotiations by 21 October

Trade Minister Mark Vaile has called for public submission on Australia's approach to the 6th World Trade Organisation (WTO) Ministerial Meeting to be held from 13 – 18 December in Hong Kong. It is important that DFAT receive comments from a wide range of community organisations and individuals.

Please consider writing a submission if you can. Submissions must be lodged by 21

October 2005. AFTINET will draft a submission and circulate it for comments in the coming weeks.

A background paper on the Doha Round negotiations can be found on the Department of Foreign Affairs and Trade (DFAT) website at

www.dfat.gov.au/trade/consultations.html or by writing to:

Trade Policy Section,

DFAT

Barton ACT 0221

Public submissions can be lodged electronically at trade.consult@dfat.gov.au or in writing to the above address.

2. Community and developing countries voice objections to benchmarking proposals in WTO trade in services agreement (GATS)

As detailed in the last AFTINET alert, Australia is playing a key role in developing proposals to force open service sectors in the WTO trade in services agreement (GATS). Australia is one of a handful of countries formulating so-called 'complementary' or 'benchmarking' proposals which will radically change the negotiating structure of GATS. If accepted, these proposals will pressure countries to make more and 'higher quality' commitments in GATS. There is a growing community campaign in Australia and globally, demanding that essential services be exempt from GATS negotiations. It is feared that these proposals will undermine this campaign and will force countries to make commitments across a number of essential service sectors.

Many AFTINET members have already written to the Trade Minister calling for Australia to withdraw the existing proposal and not to support any other 'complementary' or 'benchmarking' proposals. It is important to keep the pressure on the Government over the coming months in the lead-up to the Hong Kong Ministerial in December.

A report from Martin Khor of Third World Network on 25 September looks specifically at the impact of the new proposals on developing countries:

"Many developing countries have voiced their objections to the joint attempt by developed countries to introduce a "benchmarking approach" or "complementary multilateral methods" in the WTO's services negotiations. They made clear their objections at an informal meeting of the Council for Trade in Services in Special Session on 22 September evening.

Among the developing countries that voiced opposition to, and concerns about, the developed countries' proposals were Brazil, Rwanda (speaking on behalf of the least developed countries), South Africa, Indonesia, the Philippines, Bangladesh, Mexico, Cuba, Venezuela, Trinidad and Tobago, and Antigua and Barbuda (speaking also for Barbados, Jamaica, Dominica, Grenada, St. Kitts and Nevis, and St. Vincent and the Grenadines). According to trade diplomats, the developed countries maintained or even hardened their position ...

The issue has generated a new element of uncertainty and controversy in the preparations for the Hong Kong Ministerial. At the 22 September meeting, many more developing countries voiced their concerns and objections. A main common theme among most of these countries was that the proposals contradicted the structure and principles of the GATS and the 2001 Guidelines and Procedures for the Services Negotiations, in that they removed the present flexibilities that allow developing countries to liberalise at a pace, and in sectors, of their own choosing.”

3. Stakes high in WTO ruling over genetically modified crops and food

The WTO dispute body is scheduled to rule this month on a highly anticipated trade dispute between the US (joined by Canada and Argentina) and the European Communities (EC). The case concerns the regulation of genetically modified (GM) crops and food and was brought by the US, the world’s largest user of GM crops. The finding in this case will directly impact on the ability of all countries to regulate GM crops and food.

What are the facts of the case? The US claims that the EC regulatory system imposed a WTO illegal moratorium on new approvals for the commercialisation of agricultural biotechnology products without scientific basis. The US claims that this EC system violated the WTO Sanitary and Phyto-sanitary Measures Agreement and the General Agreement on Trade and Tariffs (GATT). The US claim relies on the fact that the EC did not approve any GM crops from 1996 – 2001.

The EC responds that countries have the right to take a precautionary approach when approving technology which may have serious environmental impacts. Specifically, the EC argues that it should be able to regulate the entry of GM crops and food while there remains significant uncertainty about the environmental and health impacts of GM crops and food. The EC also argues that some of their objectives for regulating GM crops fall outside of the boundaries of WTO agreements and are covered by other international agreements, such as the objective to preserve biodiversity against plant species invasion by GM varieties under the Cartagena Protocol on Biosafety.

If the WTO rules in favour of the US, the US will be able to seek changes to the EC’s regulatory regime, presumably to make the EC system more deregulated. This would weaken the EC’s ability to use a precautionary approach in regulating GM crops and food. There is also a danger that the ruling will be treated as a precedent by future WTO panels ruling on food safety, public health and environmental health measures applied to international trade.

As the Institute for Agriculture and Trade Policy claims: “A ruling in favor of the US would undermine the ability of regulators to consider broader regulatory objectives ... such as biodiversity conservation and the EC’s ability to do independent assessment of biotech product claims and data. Developing countries, many of which have yet to establish regulatory regimes for GM crops, will be particularly affected by this decision.”

For more information, there is a great background on the case produced by the Institute for Agriculture and Trade Policy at <http://www.iatp.org>.

4. **Watching brief: Australia signs Trade and Investment Framework with Indonesia**

On 29 September, the Australian and Indonesian governments signed a Trade and Investment Framework (TIF). In a press release, Trade Minister Vaile comments that the TIF will facilitate trade in goods, service and investment.

AFTINET have contacted the Department of Foreign Affairs and Trade (DFAT) for further details on the TIF however DFAT would not provide us with the text of the TIF or confirm whether this is a prelude to negotiations for a free trade agreement. At this stage, there have been no public consultations on the content and impacts of the TIF.

AFTINET have been in contact with civil society groups in Indonesia regarding these developments and will keep a watching brief on the Australia-Indonesia TIF.

Trade Minister Vaile's press release on the TIF is at http://www.trademinister.gov.au/releases/2005/mvt072_05.html.

5. **Sydney event: Public forum on Piecing the Puzzle of the trade and aid jigsaw in the Pacific, 6pm 20 October**

You are invited to a public forum at **6pm on 20 October at the Y Hotel**, 5 – 11 Wentworth Ave, Sydney on Piecing the Puzzle of the aid and trade jigsaw in the Pacific. The forum will look at the continuing colonisation of Pacific Island communities by trade and aid policies and the impacts that these policies have on communities, workers rights and the environment.

Speakers include Professor Jane Kelsey from New Zealand and journalist Nic Maclellan, who have both worked extensively with Pacific Island communities and will discuss Australia's role in pushing a free trade agenda in the Pacific. There will be plenty of time for discussion.

This forum is organised by AFTINET and AIDWATCH. To RSVP or for more information, contact Jemma Bailey on 02 8898 6500 or at jbailey@piac.asn.au.

6. **Sydney event: Public forum on globalisation, free trade and technology, 11 October**

The Sydney Greens are holding a public forum on Globalisation, technology and open source software. This forum will discuss free trade, intellectual property and government complicity in corporate control before outlining the alternatives, both in the democratisation of technology and the rise of the creative commons movement. The forum is at 6:15pm on Tuesday 11 October at Quakers Meeting Hall, 119 Devonshire St, Surry Hills. Speakers include Pia Waugh from Linux Australia and May Miller-Dawkins from Oxfam.

For more information, contact James Diack on 9519 0877.