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**1. Free trade will not fix the food crisis**

Adam Wolfenden

The vulnerability of countries to fluctuating food prices has come as a result of years of aggressive liberalisation of markets coupled with heavily subsidised crops undermining small domestic producers that previously provided food security. Developing countries have turned from having a net food trade surplus of US\$1 billion in the 1970s to a net food trade deficit of US\$11 billion in 2001. The dismantling of domestic supports such as marketing boards that can provide a guaranteed price, has only exacerbated the impacts for local producers and consumers.

For some a World Trade Organisation meeting proposed for May 19 was hoped to be a major step towards not only addressing the current global food crisis but concluding the latest round of global trade negotiations. Trade Ministers were meant to be sitting down to finalize the most important parts of the WTO Doha Round that, according to some, would open up markets for food products and counter the recent rising food prices.

Entering into its 7th year of negotiations, the Doha Round is now being repackaged as a solution to the food crisis in a bid to seal a deal, but rightfully developing countries aren't buying it. The Doha Round was dubbed the 'development' round but negotiations have stalled as developing countries wait for an agreement that will live up to its name. Developing countries are refusing to agree to offers in agriculture that allow industrialised countries to protect their own producers whilst undermining food sovereignty in poor countries.

The Director General of the WTO, Pascal Lamy, recently stated that the food crisis is another urgent reason to conclude the latest round of WTO talks. According to Mr Lamy, concluding the Doha round would lead to "less distortion in world markets...leading to more rapid and efficient adjustment by supply to changes in demand." Australia's Trade Minister Simon Crean has also recently supported this stating that "attempts to self-sufficiency and a retreat into protectionism would only make things worse".

The response from many developing countries however is significantly different. “The food crisis really has nothing to do with the Doha Development Agenda,” one developing country WTO delegate told the Inter Press Service. For the past seven years developing countries have been calling for more flexibility in the Doha negotiations to allow them to protect products such as rice, wheat, soya, and dairy that are vital for food security. These proposals have been falling on deaf ears. “If we had been heard and taken seriously way back then, maybe we would not have this crisis now,” added another developing country delegate. The reality of today’s missed Doha deadline reflects the global disbelief in the supposed ‘development’ currently on the table, as well as its prospects for addressing the food crisis.

The recent report from the International Assessment of Agricultural Knowledge, Science and Technology for Development (IAASTD) has backed up the case against further liberalising the current trade regime. The report is a joint effort by the Food and Agriculture Organisation, business, governments and community organisations and highlights the impacts that liberalisation of agricultural markets has had on small domestic farmers, food security, and the environment. It recommends a move back towards small scale, locally based approaches to farming, something in stark contrast to what is currently on the Doha negotiating table, which promotes international agri-business corporations.

The food crisis is just the latest impact of the global trading system to hit developing countries. Calls for a Doha deal to be rushed at the expense of its substance will only worsen the food security of countries. This week’s addition to the string of missed deadlines needs to be seen as a wake up call to the WTO and its richer nation members who are pushing a free trade system that isn’t addressing the needs of the global poor.

One developing country delegate summed the difference at the WTO perfectly: “they are talking about shifting supplies around, we are talking about production and how we can increase our own production to meet domestic demand. That is the long-term solution”

## **2. Joint statement from seminar on the Pacific-EU Economic Partnership Agreement Thursday, 1 May 2008**

The following is a joint statement issued by civil society organisations and private sector organisations of the Pacific Island countries, expressing grave concerns about ongoing negotiations between Pacific nations and the European Union for a new free trade agreement, to be known as an Economic Partnership Agreement (EPA).

We, the undersigned, have four key concerns about the EPAs put forward by the European Commission, including the interim-EPAs already initialed by Papua New Guinea and Fiji, and the comprehensive EPAs the Commission is pushing for all Pacific countries to sign before the end of 2008.

We are concerned that:

1.) The EPAs will reduce government revenue in Pacific countries.

By pushing Pacific governments to sign a free trade agreement on goods, which lowers tariffs on substantially all trade between the Pacific and the EU (instead of unilaterally modifying the EUs preferential market access rules to make them World Trade Organisation compatible) the EU is cutting off an important source of government revenue for many Pacific countries: taxes on imports.

Under the Pacific Agreement on Closer Economic Relations (PACER) Australia and New Zealand are going to demand the same market access as granted the EU under any EPA,

which could have drastic consequences in terms of lost government revenue. Pacific countries will find it extremely difficult to replace this lost revenue, and will have to cut services (like health and education) to their peoples.

2.) The EPAs will undermine the sovereignty of Pacific governments and peoples.

Under the EPAs Pacific governments will have to sell away policy space that allows governments to discriminate in favour of local firms and suppliers. Furthermore, Pacific governments will lose forever tools that could be used to nurture and support the development of their own industries and services sectors. Governments will have to offer national treatment to foreign companies operating in their countries instead of favouring local firms to help grow local industry and service suppliers.

3.) The EPAs will harm development in Pacific countries.

The European Commission is insisting that the EPAs contain a provision to eliminate all export restrictions. This would mean that Pacific countries would not be in a position to limit or tax exports of their natural resources (fish, wood, oil, minerals, raw materials etc.) so as to preserve them for local value added-processing, in order to move up from commodity producers to value-added producers.

The interim-EPAs initiated by PNG and Fiji contain clauses preventing export taxes and export restrictions. Fiji has an export ban on unprocessed logs, in place to try to grow local furniture companies and stimulate local value-adding in the timber industry. PNG has an export tax on logs that earns over K100million each year. These export restrictions will have to be removed if PNG and Fiji sign the initiated interim-deals.

The so-called infant industry safeguards in the interim-EPAs actually prevent Pacific governments using tariffs to nurture new industries, making it extremely difficult to develop competitive value-adding processes. This will keep Pacific countries exporting raw commodities, and make it difficult to move up the processing chain.

4.) The EPAs will reduce the ability of Pacific governments to meet their human rights obligations to their people.

We note that the EPA envisaged by the EU has implications for the ability of Pacific governments to meet their human rights obligations to their own peoples particularly the right to the highest attainable standards of health, the right to housing, and access to essential services like water, health, and education.

The stringent intellectual property clauses proposed by the EU will make some medicines more expensive for Pacific people, and an agreement on services may restrict the ability of Pacific governments to provide essential services to all their peoples.

In light of these, and other concerns, and as representatives of Pacific civil society and Pacific businesses, we call for:

- Pacific governments not to sign into law any interim-EPA, until independent evaluations and impact assessments of what has been initiated have been completed.
- The European Commission to offer Pacific countries long term options for trade in goods that would include:

- i) Adapting its unilateral preference scheme so they further open European markets and are made permanent, ensuring no Pacific country would be left worse off if it does not conclude a free trade agreement.
  - ii) Renegotiation of any aspect of the initialled EPAs and a commitment to reduce the deals to the minimum needed for WTO compliance.
- The European Commission to allow PNG and Fiji to re-negotiate contentious clauses within the interim-EPAs especially those concerning export restrictions, infant industry safeguards, and Most Favoured Nation provisions.

It is our sincere hope that Pacific governments, and Pacific trade ministries, will be vigilant during the ongoing negotiations and keep the concerns of Pacific peoples at the forefront in those negotiations. We request our leaders to consider Pacific civil-society and private sector organisations concerns and are open to further discussions.

This joint statement is endorsed by the following representatives of Pacific civil society and private sector organisations:

Pacific Islands Association of Non-Government Organisations, Pacific Network on Globalisation, Pacific Concerns Resources Centre, Vanuatu Association of Non-Government Organisations, National Council of Women Fiji and Fiji Chamber of Commerce.

### **3. Indonesia asks Australia, New Zealand to open their textile markets**

13 May 2008

Jakarta (ANTARA News) - Indonesia has asked Australia and New Zealand to open their textile and textile product markets under a free trade arrangement (FTA) with ASEAN.

"We are asking that textiles whose import tariffs are between 3.5 and 17.5 percent are included on the list of products whose tariffs are reduced," Director of Regional Affairs of the External Trade Cooperation Directorate General of the Trade Ministry, Iman Pambagyo, said here on Tuesday.

So far, only China has obtained zero-tariff facilities for textile and textile product exports from the two countries.

Iman said that Indonesia had the chance to increase its textile and textile product exports to Australia and New Zealand.

"But we have to focus on excellent products that need free tariffs. Not all of our exports will be proposed to obtain zero tariff facilities. We are scaling our priorities on products that would be proposed to obtain zero-tariffs," he said.

For this, the government will ask textile and textile industries to list their products which could be exported to Australia, he said.

On the occasion, Iman said that Indonesia has also proposed a zero-to-zero concept for its automotive and footwear exports.

"Australian and New Zealand markets are good for textiles, footwear and automotive products, particularly spare parts," he said.

### **4. WTO Update**

The proposed May 19 mini-ministerial has been put back to another as yet unmentioned date (probably July some time as Switzerland is stretched to security capacity hosting a Football cup in June). This is due to still no new texts being produced on agriculture or manufactured goods to negotiate further. There is a strong push coming from the EU to have it in late June in order to try completing the agreement by the end of the year.

There was a meeting on the 30th of April on Agriculture to continue discussions around 'sensitive products' and tropical products that was continuing to delay the new text. Sensitive products are products deemed important by governments that are negotiated separately from all other goods. The new text is set to be released very soon and will see another series of open negotiations surrounding the content.

To complicate this, the US Congress has just approved its new Farm Bill which contains a number of provisions that are WTO incompatible. Initially President Bush was threatening to veto the bill but the 2/3rds support in Congress for the Bill overrides the Presidential veto. This will add to the complexities involved in concluding the Doha Round as many developing countries are holding out for a deal that challenges many aspects of what was passed in the Bill.

On manufactured goods, negotiation rounds have ceased before the offering of a new text despite continuing disagreement between countries. Developing countries are still unhappy with the tariff cuts that are being negotiated as they believe that this will see them cutting more tariffs than industrialised countries. The chair of the negotiations has summed up the lack of progress by saying "we are where we were."

The signalling conference for negotiations on services is still set to happen at the same time as the mini-ministerial, whenever that actually occurs. This conference will be convened and chaired by the Director General of the WTO, Pascal Lamy.

## **5. FTA Update**

### Japan

Newspaper reports are indicating that there was some progress on negotiations between Australia and Japan on all areas except agriculture. Japanese negotiations reportedly spent 2 days rejecting every Australian request to remove barriers to imports of beef and dairy products. In 2006 the Japanese parliament passed a resolution opposing the liberalisation of beef, dairy, sugar, grains, and rice markets as part of an FTA with Australia.

The next round of talks in Japan in July will focus on sugar, wheat, and barley although they will probably have a similar result.

### Australia/Republic of Korea Feasibility Study

On the 22nd of April the Trade Minister released the feasibility study for a proposed FTA between Australia and Korea. Mr Crean widely announced the US\$23 billion in benefits that it would bring into Australia. The feasibility study was once again based on fundamentally unsound assumptions and projections. This included assuming immediate (or very short phase outs) of all tariffs and barriers to trade by 2007 as well as no long term impact on employment as jobs from sectors that declined would be replaced by new jobs in sectors that grow.

The sectors that have been highlighted as growth for Australia (and conversely decline for Korea) are agricultural products and services, whilst there would be a significant decline in Australia's manufacturing and textiles.

Already there have been meetings between Australia and ROK to discuss how this can move into negotiating an FTA. This isn't surprising as the Trade Minister is highlighted an FTA with Korea as a priority.

## **6. 'Fabric of Society' Dinner, Paddington Town Hall, May 29, 7pm**

The Hon. Tanya Plibersek in conjunction with the Hon. Verity Firth invite you to attend the 2008 "*Fabric of Society Dinner and Celebrity Art Auction*" to support the FairWear Campaign.

Involving and empowering garment outworkers, the FairWear Campaign works to improve the precarious conditions and low rates of pay that these highly skilled women experience.

**Thursday 29 May 2008, 7pm**  
**Paddington Town Hall**  
**Cnr Oxford St and Oatley Rd**  
**Paddington**

**Tickets: \$70**

Each table is invited to sponsor an outworker to assist them in attending the dinner.

To book and purchase tickets please fill in the attached booking form. For enquiries please contact 0403 128 013, email [mvogt@fairwear.org.au](mailto:mvogt@fairwear.org.au) or visit [www.fairwear.org.au](http://www.fairwear.org.au).

## **7. Urge your State MP to vote against Energy Privatisation**

On 15 May legislation was introduced to the NSW Legislative Assembly to privatise NSW energy generation and services. We're urging people to contact their local members of State Parliament to encourage them to vote against the Bill. This privatisation will result in increased prices as well as losing our ability to regulate energy in the interests of addressing climate change.

For a list of NSW Parliamentarians see:

<http://www.parliament.nsw.gov.au/prod/parliament/members.nsf/V3ListCurrentLAMembers?open&vwCurr=CurrLAByElectorate>

For more information about the impacts of the privatisation see: [www.stoptheselloff.org.au](http://www.stoptheselloff.org.au)