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1 Invitation to Book launch – Melbourne/Sydney

AFTINET is pleased to relay the following invitation to the launch of an important book exposing the Trans-Pacific Partnership Agreement.

No Ordinary Deal:
Unmasking the Trans-Pacific Partnership Free Trade Agreement
Edited by Jane Kelsey

Sydney:

When: Monday 15 November - 6pm for 6.30pm
Venue: Gleebooks - 49 Glebe Point Road Glebe NSW
Cost: Free
RSVP: Gleebooks 9660 2333

Melbourne:

When: Wednesday 17 November 6.30pm
Venue: New International Bookshop, Trades Hall 54 Victoria Street Carlton South VIC
RSVP: nibs@nibs.org.au

Speakers include **Lori Wallach** from US Global Trade Watch, **Patricia Ranauld** Australian Fair Trade and Investment Network and Professor **Jane Kelsey**.

No Ordinary Deal

At a time when the global financial crisis has exposed deep flaws in the global free market, the US, Australia, New Zealand, Brunei, Chile, Peru and Vietnam are negotiating a free-trade agreement which resurrects the issues raised by the US-Australia Free Trade Agreement in 2004, including higher prices for Australian medicines, less local media content and deregulation of GE food.

Jane Kelsey and her international team of expert commentators expose the myths of yet another neo-liberal adventure.

2 Report on Fair Share Festival.

On Friday 22nd and Saturday 23rd October 2010 a new annual fair trade/alternative economy/permaculture festival, "The Fair Share Festival", was held in the Newcastle suburb of Hamilton.

The festival, kicked off in the evening on 22nd October. It was the inaugural event, and there were at least 60 people present in the morning with members of the public coming in at a regular rate. There were also half a dozen stalls of many varieties. It's not a bad start for a brand new festival and concept. It has the support of the Newcastle Trades Hall, Newcastle City Council and Lake Macquarie Council as well as Unions NSW. The ongoing theme of the festival is exploring alternates to the dominant economic theory. The initial success guarantees that this festival will be around for a while.

At the festival AFTINET shared the opening session with Greens Senator-elect Lee Rhiannon to discuss "The Travesty of Global Trade". AFTINET's presentation used the proposed Trans Pacific Partnership to highlight the fundamental issues of concern for AFTINET in the neo-liberal free trade agenda. Ms Rhiannon highlighted the proposed PACER-Plus agreement emphasising the impact on developing and least developed nations under the banner of the neo-liberal free trade agenda. An audience of around 40 heard the presentations. The audience was very appreciative and became quite engaged with the presentations, asking several questions.

There was a wide variety of speakers, panels, workshops and entertainment with some of the sessions broadcast live on the web. Videos and transcripts will be made available at a future date, once Festival organisers have completed the transcriptions and transferred the videos to their permanent website. AFTINET will inform members when these are available. The festival organisers are also exploring putting the speeches, workshops, panels and Q&As together in a book.

3 Trans Pacific Partnership Agreement (TPPA) - UPDATE

The third round of negotiations took place in Brunei from 4th–10th October 2010. The first additional country, Malaysia, officially joined the TPPA negotiations in Brunei, becoming the ninth party to the negotiations. There are strong reports in several TPPA countries that Canada was told it was not ready to join, with rumour being that the US (based on Intellectual Property Rights concerns) and New Zealand (with Dairy industry concerns) led the move to stop Canada joining.

As expected texts on trade in services and investment chapters were tabled in Brunei; this has been confirmed in DFAT's briefing on the third round of talks. Civil society groups in several countries are attempting to obtain a copy of the texts. As reported in AFTINET's October Bulletin it is anticipated that the text on Trade in Services is based on the Korea-US FTA and that intellectual property rights would be in line with the controversial Anti-Counterfeiting Trade Agreement (ACTA). We still need to see the texts to confirm this.

It seems that the disagreement on the relationship between the existing FTAs and the TPPA remains on the table. Australia and New Zealand are reported to be continuing to call for a single market access schedule, which would open up the existing FTA schedules, whilst the US remains firm in wanting bilateral market schedules between the negotiating parties, which would mean existing market schedules would remain largely untouched. This, plus the recent admission of Malaysia to the negotiations, has led to reports that market schedules will not be presented until the February 2011 round of negotiations and that even then each country will be able to choose to either present a unified single schedule or bi-lateral schedules until this is resolved.

It appears that the push for regulatory coherence, being led by the US, involves a call to create a central regulatory coordinating body in each country and some sort for co-ordination under the TPPA. There are also concerns reported that Australia and New Zealand will use the discussions on this chapter to try to implement the strong call they made at the WTO for a “necessity test”, an unfair and undemocratic measure which even the US baulks at.

Since our report in the last Bulletin about Japan expressing interest in joining the TPPA and the difficulties for them to do so, political brawling has started. Whilst Japan’s entry to the talks is supported by the Japanese Prime Minister, Trade Minister and several other key ministers, it is strongly opposed by the politically powerful farmer groups and a significant section of the ruling party, including the Agriculture, Forestry and Fisheries Minister. This serves to highlight the difficulties Japan will face in trying to enter the TPPA and finalise an FTA with Australia.

The first report has occurred of China's interest in the TPPA. The story originates from *The Daily Yomiuri* website, which is produced by The Yomiuri Shimbun, one of Japan’s 5 national newspapers. It can be read at:

<http://www.yomiuri.co.jp/dy/national/T101027005526.htm>

The article claims that China has been invited to attend “working level” talks on November 9th. It also claims that Japan, Philippines and Canada will also be present at that meeting ahead of the APEC Leaders meeting in Japan on the 13th.

We need to take these reports very carefully as they may be more related to the ongoing and escalating tension between China and Japan than any genuine interest by China in joining the TPPA negotiations.

Location and Timing of 4th Round: The 4th round of negotiations will be held in Auckland, New Zealand, from 6th December 2010.

If anyone is going to be in New Zealand at this time keep an eye on the New Zealand website *The Trans-Pacific Partnership Digest* for any actions planned to coincide with the meeting.

http://tppdigest.org/index.php?option=com_content&view=frontpage&Itemid=1&limitstart=21

Location and Timing of 5th Round: The 5th round of negotiations is rumoured to be in Chile in February 2011.

Leaflet: Copies are still available of the AFTINET leaflet “***Resurrecting the US Free Trade Agreement: What US business wants from the Trans Pacific Partnership Agreement***”. The community education leaflet is aimed at explaining the issues and

asking the government to ensure that public interest policies are not traded away. Copies of the leaflet are available for free. We do however request a donation towards postage costs – please see the AFTINET website www.aftinet.org.au to download an electronic copy of the leaflet or an order form, or you can call the office on 02 9212 7242.

Media Coverage: As media coverage occurs the items are placed on our website on the TPPA Campaign media page: <http://aftinet.org.au/cms/tpa-media-reports-our-campaign>.

Organisations: We continue to ask our member organisations to sign on to 9 principles for the TPPA negotiations. If your organisation has not signed up it isn't too late – this campaign will run for at least the next 18 months. The principles and joint statement are available from the AFTINET TPPA Campaign page: <http://aftinet.org.au/cms/trans-pacific-partnership-agreement/trans-pacific-partnership-agreement>.

We also ask that organisations ensure that their link to our email/letter campaign is up-to-date so that this part of the campaign is available to their membership to participate in. Our campaign has been updated to send emails and letters to the new Trade Minister, Dr Craig Emerson. We encourage you to put the following updated link to the e-mail campaign on your website: <http://aftinet.org.au/cms/tpa-campaign-email-craig-emerson-don%E2%80%99t-trade-away-vital-social-policies>

For those who do not want to use email a letter is available:

<http://aftinet.org.au/cms/sites/default/files/Craig%20Emerson%20Individual%20Letter.doc>

Individual Actions: Individuals are encouraged to join the TPPA campaign through our email/letter campaign to Dr Craig Emerson, the new Trade Minister. Please go to our TPPA Campaign website page: <http://aftinet.org.au/cms/trans-pacific-partnership-agreement/trans-pacific-partnership-agreement>.

(**Sources:** Business World On-line, Australian Trade Minister Media Releases, DFAT Briefing 3, Yomiuri Shimbun, Nikkei.com, Public Citizen, Inside Trade)

4 How a Hobbit proved that Corporations come before democracy and peoples rights – Lesson for the TPPA.

Most of you will be aware of threats, made by Warner Brothers, to take the filming of the movie “The Hobbit” away from New Zealand. The film is being made by Sir Peter Jackson, creator of the Lord of the Rings movie trilogy which took in \$US 5.8 billion at the box office making a massive profit for the Warner Brother’s subsidiary New Line Cinema.

Reports from our New Zealand friends highlight this dispute as an illustration of the power of US corporations to bully other governments to get what they want, in this case subsidies, tax write-offs and changes to labour laws.

To ensure that Bilbo Baggins, Frodo and co continue to be produced and live in the land of the long white cloud, the New Zealand government agreed to corporate demands from Warner Brothers, backed by Sir Peter Jackson, to change existing laws created by a democratic government and remove some workers rights. The

government of New Zealand also agreed to extend subsidies for the movies production and grant significant tax breaks.

The labour law changes will apply not just to the Hobbit but all Film production in New Zealand and removes workers rights to claim they were an employee rather than a contractor. As New Zealand Council of Trade Unions President, Helen Kelly, told National Radio in New Zealand, the changes were unnecessary and "opportunistic". She went on to point out that:

"In this case you could be a clerical worker at South Pacific Films, for example, or at Wingnut Studios, and be deemed an independent contractor, denied all your employment rights and not be able to challenge that."

The cost to the New Zealand government, and therefore its people, of marketing credits, subsidies and tax breaks is estimated at around \$(NZ)100,000,000.

This confirms we are right to highlight in our TPPA campaign:

- The need to ensure that there is no lowering of labour standards.
- The implications of 'transparency' that requires Trans-national Corporations to be consulted pre-regulation – democracy under attack.
- The chilling effect of threats of an investor-state dispute process.
- Most Favoured Nation obligations - in this case subsidies (eg for other nations firms to capitalise on any concessions to US firms in the TPPA)

For more information see these news reports in the *New Zealand Herald*:

Govt's *Hobbit* pact: One deal to rule them all

http://www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=10683583

"CTU: Hobbit labour law changes 'opportunistic' "

http://www.nzherald.co.nz/nz/news/article.cfm?c_id=1&objectid=10683613

"Mega-money yells, and NZ rolls over"

http://www.nzherald.co.nz/nz/news/article.cfm?c_id=1&objectid=10683580

(Sources: New Zealand Herald: TPP Allies listserve)

5 **WTO Update:**

There are conflicting reports on whether any progress is being made on the Doha development round of trade negotiations. Working groups have been meeting, however they appear not to be making much progress. For every report by a chairperson or the director general, Pascal Lamy, indicating progress is occurring no matter how slowly, there is a counter comment from officials from primarily developing countries indicating that there has been little or no progress.

One of the most significant hold ups to the Doha round negotiations is still the expanded US demand for improved access for trade in services access and its failure to seriously address its trade distorting agricultural policies.

The agriculture working group, chaired by New Zealand, in which Australia is a significant player, is still in discussions on the use of Special Safeguard Measures (SSM). Australia and New Zealand in the past also discussed a limitation on the use

of SSM through a “necessity test” for changes to regulation. This proposal is so obnoxious that even the US has reservations.

Australia has been leading the push for the US on expanded trade in services starting with Dr Emerson’s appearance at the Global Services Summit (reported in the last Bulletin) with reports that it has proposed a “clustering” approach to the negotiations. DFAT describes this as bringing together existing complementary plurilateral (sectoral) requests and uses the examples of Australia developing a logistics and supply chain cluster and the United States adopting a similar approach to information and communication technologies and computer-related services. However Australia only received support from those pushing further liberalisation of trade in services, a very limited group of countries.

With little progress towards completion of the Doha Round of Trade negotiations there are again reports emerging that the G20 and APEC meetings later this month will be used as an attempt to move the Doha round “forward”.

(Sources: DFAT August/September Doha Briefing paper, Third World Network, OWISNF network)

6 PACER Plus Update:

Since our last Bulletin there has been a meeting of Pacific Island Forum Economics Ministers in Niue in the week of 25th October 2010. We will include reports in our next Bulletin.

There have also been reports from the PACTRADE network that Australia tabled legal texts during a trade officials meeting in Honiara last month. This would be in direct contravention of the ministerial directive agreement.

On the 18th October 2010 the first Non-State Actor dialogue was held after months of calls from civil society. Pacific Island Civil Society reports that whilst the event was needed there was a lack of transparency in the selection of who attended and some concern about whether officials listened and heard or were more interested in presenting their position. The dialogue contained significant representatives from island business as well as civil society representatives. This is a first step in consultation and ongoing dialogue, however it does not replace the need for national consultations to occur.

A new paper focusing on putting development on the trade agenda, focusing on PACER-Plus, has been produced by Wesley Morgan, former PANG Campaigner. The following is an extract of the introduction. A full copy is available in the PACER-Plus resources section of our website: <http://aftinet.org.au/cms/pacer-resources/pacer-resources>.

PUTTING DEVELOPMENT ON THE AGENDA: Negotiating a Regional Trade Agreement for the Pacific Islands Forum - Wesley Morgan

In August 2009, the leaders of 15 Pacific Islands Forum states agreed to begin negotiating a new trade agreement between Australia and New Zealand, and 13 Pacific island countries (PACER-Plus). PACER-Plus has the potential to radically affect the lives of Pacific islanders, and is likely to reshape the relationship between Australia and New Zealand and their island neighbours for decades to come.

This paper explores the issues involved in the PACER Plus negotiations. It begins

with a focus on the unique economic characteristics of the Pacific island countries, and then provides an overview of the factors that have led to the PACER-Plus negotiations (including Australian and New Zealand competition with the European Union, and a global shift to trade liberalisation). This paper then assesses potential negative impacts of a reciprocal free trade agreement, and briefly outlines alternative options for a trade agreement that would take into consideration the unique vulnerabilities of Pacific economies.

Ultimately, whether or not PACER-Plus is designed as a 'pro-development' trade agreement is a matter of political will. Bureaucrats in Canberra and Wellington *can* negotiate an agreement that will help to lift Pacific islanders out of poverty. Failure to do so could severely test Australia and New Zealand's political relationship with their island neighbours.

(Sources: PACTRADE, PANG, PUTTING DEVELOPMENT ON THE AGENDA: Negotiating a Regional Trade Agreement for the Pacific Islands Forum - Wesley Morgan.)

7 FTA Updates:

The following FTAs have had some movement or negotiations since our last Bulletin. Those not mentioned have had no significant events or negotiations occur.

Meetings on several negotiations for FTAs were postponed due to the Australian election on August 21, and recently negotiations with Korea have occurred. We are waiting the opportunity to obtain updates from DFAT and the official briefings have yet to be prepared.

Indonesia-Australia FTA

The Prime Minister, Julia Gillard, and Indonesian President, Susilo Bambang Yudhoyono, announced the commencement of negotiations of a Free Trade Agreement whilst the PM was visiting Indonesia on 2nd November 2010. AFTINET will report further on this development in our next Bulletin.

(Sources: Prime Minister's Website: <http://www.pm.gov.au/node/6986>)

8 General Trade Update:

The emerging issue of a new global food crisis requires urgent attention in trade negotiations and other international fora. The UN Special Rapporteur on the Right to Food has called for urgent measures to limit the commodities speculation that has pushed the price of food towards crisis levels again. This would require re-regulation of the financial sector, a move opposed by the neo-liberal free trade supporters.

In the report by the UN Special Rapporteur on the Right to Food, Olivier De Schutter, the role of speculation in the accelerated volatility and hyperinflation of food commodity prices in the "food price crisis" of 2007/8 is examined. He concludes that:

"a significant role was played by the entry into markets for derivatives based on food commodities of large, powerful institutional investors such as hedge funds, pension funds and investment banks."

The entry of these new players into the markets, according to the report:

"was made possible because of deregulation in important commodity derivatives markets beginning in 2000. These factors have yet to be

comprehensively addressed, and to that extent, are still capable of fuelling price rises beyond those levels which would be justified by movements in supply and demand fundamentals. Therefore, fundamental reform of the broader global financial sector is urgently required in order to avert another food price crisis."

The report "Food Commodities Speculation and Food Price Crises" is available on the website of the UN Special Rapporteur on the Right to Food in English (download), French and Spanish. : http://www.srfood.org/images/stories/pdf/otherdocuments/20102309_briefing_note_02_en_ok.pdf

(Source: UN Report: Food Commodities Speculation and Food Price Crises)

9 Upcoming Events:

Where is Your Aid Money Going?

Join AID/WATCH for the launch of "*Where is Your Aid Money Going?*" our online guide to the complex world of aid and development. Also being launched is the international report, Reality of Aid 2010.

The launch will be a great opportunity to get some answers to the tough questions we all have about aid. It will be a relaxed night with some great speakers and an opportunity to chat to people that have experienced the reality of aid first hand.

WHEN: Tuesday 16 November, 2010

TIME: 6:00pm to 8:30pm

WHERE: Darlington Centre, 174 City Road, University of Sydney.

Speakers:

Lee Rhiannon, Greens Senator-elect and co-founder of AID/WATCH

Teguh Surya, Campaigns Director at WALHI (Friends of the Earth Indonesia), the largest and oldest environmental advocacy NGO in Indonesia.

Muliadi, Secretary General of ARPAG, a 7000-strong collective of peasants, fisherfolks, rattan handcrafters and rubber collectors. APARG members live adjacent to the Australian Government-funded REDD project in Kalimantan, Indonesia.

For more information contact Nishan or Gary at AID/WATCH. Ph: 02 9557 8944; or email: info@aidwatch.org.au; <http://aidwatch.org.au/events/where-is-your-aid-money-going>.

10 New Resources available on the web or at our website:

Paper on Development and PACER-Plus: "PUTTING DEVELOPMENT ON THE AGENDA: Negotiating a Regional Trade Agreement for the Pacific Islands Forum" by Wesley Morgan. Available from:

<http://aftinet.org.au/cms/pacer-resources/pacer-resources>.

The UN report "Food Commodities Speculation and Food Price Crises" is available on the website of the UN Special Rapporteur on the Right to Food in English (download), French and Spanish. Available from:

http://www.srfood.org/images/stories/pdf/otherdocuments/20102309_briefing_note_02_en_ok.pdf.