



PRESS RELEASE – 6/05/09

Australia and New Zealand call emergency meeting to fast-track Pacific free trade deal

Australian and New Zealand Trade Ministers will this weekend attempt to convince their Pacific counterparts to ignore the Islands' own trade officials and press ahead with a free trade deal – warns regional trade justice campaigners.

Trade Ministers from 13 Pacific island countries have been invited to Auckland for a last-minute meeting with their Australian and New Zealand counterparts to discuss extending the Pacific Agreement on Closer Economic Relations (PACER) to a regional free trade agreement. Any new free trade deal would be named PACER-Plus.

Coordinator of the Pacific Network on Globalisation (PANG), Maureen Penjueli, said Australia and New Zealand were pushing hard to launch PACER-Plus at the 2009 Pacific Islands Forum Leaders' Meeting – to be held in Cairns in mid-August. "This timeline is all about the political priorities of the Australian government in particular," said Ms Penjueli. "It certainly has nothing to do with the development needs of the Pacific." She said the meeting had been called to try to secure a 'ministerial mandate' for negotiations on PACER-Plus in the lead up to a meeting of Pacific, Australian and New Zealand trade officials in Vanuatu next week.

The invitation letter for this weekend's meeting, from New Zealand Trade Minister Tim Groser, said discussions would "serve to give high level direction to the final meeting of regional trade officials in May".

At the 2008 Pacific Islands Forum Leader's Meeting, Pacific trade officials were mandated to prepare a roadmap for possible negotiations. The draft roadmap, prepared earlier this year, indicated PACER-Plus negotiations could not go ahead until the Pacific had ceased trade negotiations with the European Union, a regional office for a Chief Trade Advisor had been established, national consultations were undertaken in each country, and consultations about the coverage and modality of negotiations were completed. The roadmap gave a detailed timeline for these things to happen, indicating formal consultations would not begin until 2011, with actual negotiations to begin in 2013.

However, the Australian and New Zealand governments are unhappy with the proposed timeline and will this weekend push for agreement to begin negotiations much earlier. Ms Penjueli said this tactic served to drive a wedge between the Pacific Trade Ministers and their own officials.

Pacific Island Leaders issued a press release at the 2008 Forum Leaders' Meeting in Niue stressing the need for "careful preparations by Forum Island Countries (FICs) both individually and collectively, before consultations began with Australia and New Zealand."¹ Ms Penjueli said it was important for Pacific Trade Ministers to take heed of this decision. "To tie ourselves down to beginning negotiations early is just not in our interests," said Ms Penjueli. She said that if Pacific countries got PACER-Plus wrong, they could face massive losses of government revenue, business closures and job losses, a loss of policy space needed for development, an undermining of access to essential services and a loss of indigenous land rights.

Dr Jane Kelsey, from the New Zealand-based ARENA network said the meeting had "all the hallmarks of an Australian and New Zealand ambush". "The current Solomon Islands roadmap for PACER-Plus has two sets of square brackets – one for the slow process proposed by the Pacific island countries, and the other for the rapid timeline sought by Australia and New Zealand," said Dr Kelsey.

Adam Wolfenden, campaign coordinator for the Australian Fair Trade and Investment Network (AFTINET), said the informal ministerial was nothing more than "informal bullying". "This informal Ministerial will once again see Trade Ministers from Australia and New Zealand spin the same stories about PACER-Plus being a blessing for the Pacific despite an AusAID feasibility study stating that it can't be sure just what the benefits will be for the Pacific," said Mr Wolfenden. "There may well be an increase in trade, but it's going to be an increase in *Australian* and *New Zealand* exports to region. "With Fiji out of the picture it seems like Australia and New Zealand are trying to get what they can out of the rest of the region."

The 'informal' meeting of Pacific Trade Ministers and their Australian and New Zealand counterparts will be held at the Westin Auckland hotel on Friday May 8 and Saturday May 9.

Further Information:

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Please note: Dr Kelsey will be on duty-travel from midnight tonight (6/5/09).

¹ www.forumsec.org.fj/pages.cfm/newsroom/press-statements/2008/pacific-acp-leaders-committed-beneficial-epa-with-eu.html