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Government told Pacific trade negatives don't make a plus

Ahead of the Pacific Islands Forum Leader's Meeting, the Government has been told that if it is serious about development in the Pacific, it must change its current plans for a Pacific trade agreement, known as PACER-Plus.

Next week Leaders of the Pacific Islands Forum will discuss starting negotiations for PACER Plus. This agreement is being promoted by Australia as an agreement that moves beyond the standard free trade agreement format and is focused on regional development.

Adam Wolfenden from the Australian Fair Trade and Investment Network has told the government that "far from being a development agreement for the Pacific, the "plus" in PACER appears to be for Australian and New Zealand companies," stated Mr Wolfenden

"A PACER Plus feasibility study has predicted a 30% increase in levels of trade within the region but doesn't indicate the distribution of that increase. With the Pacific already enjoying mostly duty free access to Australian and New Zealand markets you can see that increase being a flood of imports to the Pacific from their reduced tariffs. The feasibility study's predicted loss of 75% of Pacific manufacturing jobs doesn't bode well for any type of 'development'," added Mr Wolfenden.

Under PACER Plus some Pacific governments are forecast to lose up to 17% of government revenue from the removal of tariffs on Australian and New Zealand goods.

"A country like Samoa stands to lose 14% of its budget, or the rough equivalent of its entire health budget. What development outcomes can be expected from the reduced ability of governments to fund essential services, as well as the increased taxes on staple foods to cover that lost revenue?" continued Mr Wolfenden.

"All these development negatives don't seem to add up to a PACER 'plus',"

"Australia's experience with free trade agreements has seen them fail to uphold the many benefits that were used to sell them in the first place. They have delivered higher trade deficits, inconclusive increases in market share, and with the exception of some food, manufacturing and service providers, many experienced no increase in exports. Not to mention the loss of 26,000 manufacturing jobs attributed to trade agreements.

"The choice is whether the Australian Government continues to pursue a policy on Australia's trade that dictates what development means and the way it is to be achieved, or, whether we support a process that gives all of us, here in Australia, the Pacific and elsewhere, a greater say in our economic futures," concluded Mr Wolfenden

Mr Wolfenden will be speaking at a side event to the ALP National Conference with Parliamentary Secretary for Overseas Development Assistance Bob McMullan, and Peter Jennings from APHEDA.

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