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AFTINET Bulletin No. 169
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1 Notice of Upcoming AGM:

AFTINET wishes to inform readers of the details of our Annual General Meeting.

6 pm on Wednesday 13th October 2009

**Please note address: Level 11, PSA house
160 Clarence St (between King and Market Sts)
Sydney 2000**

Notice and paperwork for the AGM is being emailed (and where necessary mailed) to members. It will also be available from our website: www.aftinet.org.au.

If you have any inquiries about this meeting please phone, Harvey Purse Trade Justice Campaigner, on 02 9212 7242.

2 Invitation to a Night with Gordon Gekko (Michael Douglas):

Gordon Gekko is out of jail, allowing Michael Douglas to return to Wall Street, and he is back with a simple message:

“I once said greed is good... but now it seems it’s legal.”

AFTINET invites you to a film night fundraiser featuring *Wall Street 2 – Money Never Sleeps*.

Date: Monday, 27th September 2010

Time: 6:30pm

Venue: Dendy Opera Quays - Shop 9/2 East Circular Quay, Sydney (on the promenade leading towards the Opera House from Circular Quay)

Cost: \$20 per ticket

Booking: download the form from our website: www.aftinet.org.au.

For any inquiries please contact the AFTINET office on 02 9212 7242.

3 Reminder - Guessing Competition – time is running out:

At the end of March AFTINET mailed to members a book of guessing competition tickets for you to either buy or sell to friends and family. We'd like to thank all of those who have returned their sold ticket booklets and encourage the return of ticket booklets from those who still have them.

Time is running out to purchase tickets. There are some great prizes, including a one week holiday in beachside Forster-Tuncurry.

Tickets in the guessing competition are \$5 each, 5 for \$15 or the book of 10 for \$25. If you require more ticket books please contact Harvey Purse, Trade Justice Campaigner, on 02 9212 7242.

All ticket books need to be returned to the AFTINET office by close of business on Friday 8th October 2010. Please return sold and partially sold ticket books to Harvey Purse, Trade Justice Campaigner, AFTINET, Level 3, Suite 3B, 110 Kippax Street, Surry Hills NSW 2010.

The Guessing Competition is to be drawn at the AFTINET AGM on Wednesday 13th October 2010.

4 Productivity Commission Report – Time to Write:

As reported in the August Bulletin, the Productivity Commission (PC) released its draft report on "Bilateral and Regional Trade Agreements". The deadline for comments is 10th September 2010, after which the PC will produce a final report.

For a copy of the draft report and information about making further comment please see the PC website: <http://www.pc.gov.au/projects/study/trade-agreements/draft>.

In AFTINET's August 2010 Bulletin we summarised the findings and informed members of problems and concerns in relation to the PC's draft report, as well as some positive indications it contained. This may be of assistance to those wishing to lodge a submission. Follow this link to the Bulletins archive to read it: <http://aftinet.org.au/cms/bulletins>.

AFTINET has now completed its response to the draft report. We have placed this on the AFTINET website to aid members who wish to lodge their own submission with the Productivity Commission. The second AFTINET submission, as well as our original submission, are available by following this link:

www.aftinet.org.au/cms/submissions

Members are encouraged to make submissions and reinforce the call for a fair trade agenda to replace the neo-liberal free trade approach.

(Sources: Productivity Commission Website - <http://www.pc.gov.au/projects/study/trade-agreements>).

5 Election 2010: What does it mean for Trade Policy?

The Federal election is now over and the negotiations to form a new government are underway. The outcome of the negotiations will have an important impact on the

direction of AFTINET's campaigns over the next three year cycle of federal government.

Three key independents are Tony Windsor, Rob Oakeshott and Bob Katter. All three have expressed various concerns about the neo-liberal agenda of free trade. At the time of writing it is still not clear which way these three key independent members of parliament will decide.

Whilst it is not clear where the fourth independent, Andrew Wilkie, who will support an ALP government, stands on international trade policy, there are indications of support for the principles of fair trade, particularly on child and forced labour practises. Mr Wilkie and his partner run a dedicated fair trade business in Tasmania. His social policies generally appear to be progressive.

A fifth independent is a Western Australian National Party member, Tony Crook. He is expected to support the Coalition. In WA the Nationals have refused to enter government with the Liberal Party and sit on the cross benches. Mr Crook has indicated that he will sit on the cross benches.

The sixth cross bencher is Adam Brandt from the Greens who will support an ALP government, with a formal agreement signed between the ALP and Greens. The Greens are just as important in this process, with control of the Senate from 1st July 2011. Their policies are consistent with many of AFTINET's policies.

Regardless of the outcome of the negotiations, the resulting government will be reliant on the independents. This should open some opportunities for change in trade policy. Either way we will need to work hard to maximise the opportunities this will present over the coming months. AFTINET will endeavour to meet with key members of parliament as soon as possible.

6 Trans Pacific Partnership Agreement (TPPA) - UPDATE

Leaflet: AFTINET wishes to remind members that 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 these 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.

Update: On August 21st and 22nd the countries which are parties to the Trans Pacific Partnership Agreement negotiations held an intercessional meeting in Peru. The aim was to discuss proposals on how to structure market access talks and the relationship between existing market access schedules contained in the bilateral Free Trade Agreements each country has with the other. No agreement has been reached on these matters.

Differences between the US and Australia remain on whether existing free trade agreement schedules should be reopened. It has been reported that the US favours

keeping the schedules as they are, whilst Australia wants existing market schedules, including those in the AUSFTA, to be opened up for negotiations. It appears that the disagreement specifically centres around the sugar industry.

No agreement has been reached on whether there will be a single market access schedule for the whole of the TPPA or if the market access schedules will be undertaken in bilateral negotiations where previous schedules between countries do not exist. Australia under the bilateral proposal would not negotiate new market access schedules with the US, New Zealand, Chile or Singapore but would negotiate market access schedules with Peru and Vietnam. It is unclear if new negotiations with Brunei would occur or if the ASEAN FTA schedule would apply.

Despite not being parties to the negotiations, Malaysia and Canada were present at the meeting in Peru. Reports are that they conducted bilateral meetings with the countries involved in the TPPA but did not take part in the market access negotiations. Malaysia has officially made a request to join the negotiations, following on from the decision of the Malaysian cabinet, reported in our August Bulletin.

According to DFAT the third round of negotiations is scheduled to occur on 4th-8th October in Brunei. There is also now a very strong rumour that the fourth set of negotiations for 2010, scheduled for December, may occur in Wellington, New Zealand. The New Zealand Trade Minister is expected to make an announcement.

Reports indicate that negotiations are progressing quite slowly. There is still no resolution of how, when and where additional members will be able to join.

Intern: AFTINET has been lucky to obtain the services of an intern from UTS, Ari Tsalapatanis. Ari's project will provide AFTINET with an analysis of Asian media commentary on the proposed Trans Pacific Partnership Agreement. This will help the campaign in identifying key issues.

New NZ Website: New Zealand TPPA Monitoring Site: Our New Zealand friends have launched a new website to monitor and report on the TPPA it is called "The Trans-Pacific Partnership Digest" and the website address is: <http://tppdigest.org/>

Media Coverage: As media coverage occurs the items will be 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, and over 30 have now signed on. 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>.

Individual Actions: Individuals are encouraged to join the TPPA campaign through our email/letter campaign to Stephen Smith. This component will be updated once a new Trade Minister has been named. In the meantime emails go to Stephen Smith,

caretaker Trade Minister, and will continue to run on our website throughout the TPPA campaign.

We remind organisations to update their email campaign link so that this part of the campaign is available to their membership to participate in. We encourage you to put the following updated link to the e-mail campaign on your website:

<http://aftinet.org.au/cms/tppa-campaign-email-stephen-smith-don%E2%80%99t-trade-away-vital-social-policies>. This campaign link will be updated as soon as the decision is made on who the new government and trade minister are.

(Sources: <http://www.dfat.gov.au/trade/fta/tpp/index.html>, Inside US Trade, <http://tppdigest.org/>)

7 WTO Update:

Unfair US demands to expand trade in services as part of the WTO Doha Development Round, strongly supported by Australia, have been one of the central impasses in negotiations.

There have been reports during August of a change of position by China and India on the inclusion of trade in services in the current Doha Development round of WTO negotiations. China and India are now calling for negotiations on Trade in Services to be placed on a par with negotiations for Agricultural goods and NAMA.

The reports indicate that China and India have received support from Brazil and South Africa. The move should not come as a surprise, as the Services sector now makes up more than 50% of both China and India's GDP.

The move will be difficult for the US, EU and others, who have used the call to include Trade in Services to stall progress and protect their farmer subsidies.

The decision by India and China will test how genuine the commitment to finalising the Doha round is in the developed world. Any resolution of the Doha round will lead to significant cuts in the subsidies and protections that prop up EU and US agriculture and this is where the difficulty lies for them.

Many developing as well as developed countries have made offers on mode 1 (supply of services from one country to another) meaning this change in position could see significant movement reasonably quickly.

The WTO is continuing to try to improve its public image. One of its attempts is to reprise last years open day at its headquarters in Geneva. This will occur on 19th September 2010, for details see the WTO website:

http://www.wto.org/english/forums_e/open_day_e/open_day10_e/open_day10_e.htm.

In addition it is holding the 'WTO Public Forum' again this year, with the main theme "The Forces Shaping the World". The Our World Is Not For Sale (OWINFS) network will be giving a session titled: "How do the General Agreement on Trade in Services (GATS) rules relate to countries' post-crisis financial regulatory policies?"

The Institute for International Trade from the University of Adelaide, who provide trade training capacity for our Pacific neighbours, is giving a session entitled "Regionalism's Role in Integrating the Pacific into the Global Trading System". A member of the Pacific NGO network is in Geneva and will attend this session. For details of the event see the WTO website:

http://www.wto.org/english/forums_e/public_forum10_e/programme_e.htm.

(**Sources:** WTO website - <http://www.wto.org>, YAHOO News service - <http://in.news.yahoo.com/241/20100818/1264/tbs-india-china-want-services.>)

8 PACER Plus Update:

The Pacific Island Forums Leaders meeting (PIFLM) took place on 3rd-6th August 2010 in Port Vila, Vanuatu. This years meeting was missing several leaders including the Australian, Solomon Islands and PNG Prime Ministers, as well as the leader of a suspended Fiji. Australia, after significant pressure from civil society, was represented by Stephen Smith, Foreign Affairs and Trade Minister.

The leaders meeting made little progress on PACER-Plus with significant discussions around the involvement of Fiji in both the Pacific Island Forum and PACER-Plus. The ABC's *Pacific Beat* program on 18th August reported that the isolation of Fiji from the PACER-Plus negotiations was linked to the talks stalling. A copy of the transcript is available from:

<http://www.radioaustralia.net.au/pacbeat/stories/201008/s2986076.htm>.

Subsequent reports indicate that Fiji will be consulted at a trade officials level in some form on economic integration and trade matters. This should include PACER-Plus. We will need to wait and see if this occurs and how it impacts on PACER-Plus negotiations. The inclusion of Fiji strengthens the hand of the Pacific Island nations.

Civil society organisations continue to push the Pacific Islands Forum Secretariat (PIFS) to follow-up on the commitments made at the announcement of PACER-Plus by the leaders at the August 2009 PIFLM to hold a non-state actor (NSA) forum alongside negotiations. AFTINET has approached DFAT about this process. Here is AFTINET's question and DFAT's inadequate response:

Q (AFTINET) – In light of the decision at the October 2009 forum to include Non-State Actors meetings alongside negotiations to ensure that NSAs have some input into the process, what is happening? Does the Australian government support these meetings and what is DFAT doing to facilitate the involvement of Australian NGOs?

A (DFAT) - We support the NSA conference and have reminded the forum secretariat of the need to organise it. We are not sure if it will be just before or just after the Pacific Island Forum Trade Ministers Meeting (PIFTMM). It is up to the Forum Secretariat to organise it. We encourage Australian NSAs to attend and participate and hope that they will take up the offer, no financial assistance is on offer.

Whilst AFTINET welcomes DFAT and the Australian Government's commitment to holding an NSA conference we are disappointed that insufficient pressure has been

brought to bear on the PIFS to ensure that the NSA happens and that civil societies in the Pacific have the opportunity to be involved and consulted in relation to PACER-Plus. It is also disappointing that DFAT has made no offer of assistance to civil society organisations for their involvement. This contrasts markedly with DFAT's active facilitation of the involvement of business in these and other trade negotiations.

A workshop is being held from 1st to 3rd September 2010 on Rules of Origin Schemes (ROOS) and it will include customs, not just trade officials. The workshop has been organised by DFAT and forms part of the capacity building program.

DFAT reports that the next trade officials meeting will occur in early October in the Solomon Islands. They hope this will further discussions on PACER-Plus.

DFAT has stated that they are open for further rounds this year and early next year, but none have been scheduled at this stage.

(**Sources:** PACTRADE - <http://pactrade.wordpress.com/>; ABC Radio - <http://www.radioaustralia.net.au/pacbeat/stories/201008/s2986076.htm>; DFAT briefings).

9 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.

Much has been on hold due to the caretaker mode of government and will not move forward until this is resolved and subsequent decisions are made.

Republic of Korea – Australia FTA

We are currently waiting for a response from DFAT for a briefing and reports on the technical talks which were due to occur in Seoul, South Korea from 9th August 2010.

Malaysia-Australia FTA

The round of negotiations that was due to occur in Canberra from 26th August was postponed due to the caretaker mode of government.

(**Sources:** DFAT briefings).

10 General Trade Update:

Improving resolution of investor-state disputes the focus of new UN publication

The United Nations Conference on Trade and Development (UNCTAD) has released a new publication which may be of assistance to AFTINET and our members in the campaign against the inclusion of Investor State Dispute clauses in multilateral, bilateral and regional free trade agreements. The following is an extract from the United Nation's description of the publication.

A new online publication by the United Nations trade arm explores alternative methods that governments and international investors may use to resolve

increasingly frequent disputes that must currently be handled through lengthy international arbitration.

[Investor-State Disputes: Prevention and Alternatives to Arbitration](#), released by the United Nations Conference on Trade and Development (UNCTAD), seeks to address problems that have arisen through the increased use, in recent years, of international investment agreements – most of which take the form of bilateral investment treaties.

These agreements were intended to smooth the way for foreign investments in developing countries by providing legal protection to the foreign investors and their investments. But as they have become increasingly complex, disagreements over their components or their practical application have mounted.

As a result, the study says, such disputes could potentially reduce the benefit of such agreements to developing countries.

It suggests two possibilities to correct this situation. One, alternative dispute resolution, seeks to resolve disputes through negotiation or amicable settlement, such as international conciliation or mediation.

The other, dispute-prevention policies, seek to prevent conflicts between foreign investors and States from escalating into formal disputes. They do so by such means as establishing inter-institutional “alert mechanisms” within States, or by encouraging information-sharing among governments on investment regimes.

The need for such alternative possibilities are increasingly important, considering that UNCTAD counted a total of 357 such disputes by the end of 2009, of which 202 – or 57 per cent – were initiated during the past five years. The bilateral agreements themselves have grown from 1,881 a decade ago to 2,751 in 2009.

(**Source:** United Nations News Centre)

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

A statement by 37 academics against the current international investment regime:
http://www.osgoode.yorku.ca/public_statement/.

A chapter on the regaining of control of Paris’ water system by local government:
<http://www.tni.org/article/paris-local-authorities-regain-control-water-management>.

NEW WEBSITE: New Zealand TPPA Monitoring Site: Our New Zealand friends have launched a new website to monitor and report on the TPPA it is called The Trans-Pacific Partnership Digest and the website address is: <http://tppdigest.org/>.