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The Hon Dr Craig Emerson MP  
Minister for Trade  
PO Box 6022  
House of Representatives  
Parliament House  
CANBERRA ACT 2600

17 November 2011

Dear Dr Emerson,

Re: World Trade Organisation (WTO)

We are writing about the upcoming World Trade Organisation Ministerial Meeting to be held in Geneva, Switzerland from 15<sup>th</sup>-17<sup>th</sup> December 2011.

We note your recent speeches and comments regarding the Doha Development Round of negotiations. We agree with the implication that the WTO's Doha Development Round of trade expansion negotiations is at an important cross-roads.

It is essential that the global trade framework provide countries with sufficient policy space to pursue a positive agenda for development, job creation, and that global trade rules must foster, not hinder, global efforts to ensure food security, sustainable economic development, global access to affordable health and medicines and global financial security. In order to achieve these goals many policies and aspects of the WTO Doha Round agenda must be transformed.

We specifically call on your government to help to transform the WTO through supporting:

#### **Facilitation of Financial Stability not financial Deregulation**

We have previously written to you, on 29<sup>th</sup> March 2011, about the issue of deregulation and liberalisation of WTO rules in the financial services sector. Our letter also highlighted that, while the G20, most governments and even the IMF have recognized the need for financial re-regulation in the wake of the financial crisis, the WTO's General Agreement on Trade in Services (GATS) rules can actually hinder financial regulation efforts. Current proposals in the GATS negotiations would establish additional limits on domestic regulation and extend the coverage of deregulation requirements.

Immediate changes are needed to current GATS rules regarding financial services, and no further deregulation or liberalization of financial services should be undertaken within the WTO.

GATS rules should be clarified and/or modified in order to provide policy space for all countries to use macro-prudential measures, such as capital controls and financial transaction taxes, as well as to implement other financial regulatory and prudential measures.

GATS negotiations should not proceed with disciplines on domestic regulation which would limit the ability of governments to regulate financial services or other services in the public interest.

### **A Focus on Jobs and Industrial Development policy space**

Vulnerable developing countries should not have to “pay” for fixes to the current global trading system by offering more market access, which would destroy their prospects for industrial development. Any current or future agreement must focus on using trade to expand employment. Future negotiations on goods must be based on the mandate of Less Than Full Reciprocity, with the “Swiss formula” abandoned.

### **The right to protect policy space for development**

Trade must be available to developing countries to be utilised as a tool for development. Trade is not the goal *per se*. If the actual result of trade under the current or proposed rules hinders the ability of poor people and poor countries to develop, then new rules are needed. The proposed LDC package, including Duty-Free Quota-Free access for LDCs, and a fair and immediate resolution to the demands of the cotton-producing countries, should be adopted, whether or not a complete Doha package is finalized.

### **Access to Affordable Health and Medicines**

Public health has suffered due to the complex and stringent patent monopolies that are prioritized above ensuring access to medicine. Member states must review the August 30<sup>th</sup> decision of 2003 to waive Article 31 (f) of the TRIPS Agreement and the subsequent decision to amend the TRIPS Agreement in 2005. Members should agree to a permanent moratorium on non-violation TRIPS complaints and should agree to ensure a permanent waiver of TRIPS obligations for LDCs without any strings attached.

## **Trade Rules that Support Food Security and Sovereignty**

A significant contributor to volatility of food prices is excessive speculation in the commodities markets, and global food rules – written largely to satisfy corporate agribusiness – that treat food as a product for corporate profit instead of a human right. It is time for a fundamental transformation of the food system to ensure the development of Food Sovereignty and Food Security.

## **Protect Biodiversity and Ban the Patenting of Life**

One of the important outcomes of the Doha Declaration is the examination of the relation of the TRIPS agreement with the UN Convention on Biological Diversity (CBD). Ten years of deliberation has led to concrete proposals to amend the TRIPS agreement to prevent biopiracy. Reform should ensure that:

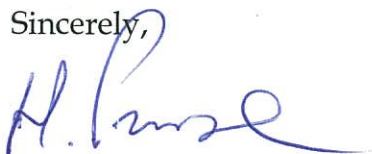
- Members should amend the TRIPS agreement to incorporate the declaration of geographical origin, informed consent and evidence of benefit sharing.
- The mandatory review of the patenting of life obligation under article 27.3 (b) of the TRIPS agreement must be completed. We reiterate the call for a ban on patenting of life forms as many developing countries have proposed.

## **WTO is not the venue for establishing climate change policy**

WTO rules structurally favour increasing trade flows – a huge contributor to the greenhouse gases that cause climate change – over environmental sustainability. While several aspects of current WTO rules should be altered to allow more policy space for countries to protect the environment and pursue sustainable development policies, there are other multilateral agencies which are far more appropriate venues for the discussion of and implementation of rules related to the global climate than the WTO.

While there are many more changes that must be made to the global trading system, including a fundamental review and transformation of bilateral and regional trade and investment agreements, the above represent immediate changes that must be made within the WTO to ensure that countries maintain (or reclaim) sufficient policy space for sustainable development, and are able to address and resolve the global crises for the benefit of all.

Sincerely,



Harvey Purse

Trade Justice Campaigner

Australian Fair Trade and Investment Network