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Previous AFTINET Bulletins and resources are available at www.aftinet.org.au.

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1. World Trade Organisation Update

The WTO Mini-Ministerial meeting started on July 21 and the Director General has called it the “moment of truth” for the Doha round. This is concerning as there heavy pressure being exerted to reach a conclusion to the round.

The agriculture talks seem to be making some progress with the developing country bloc called the “G33” making some concessions on what their previous position had been on the use of “Special Products” and the “Special Safeguard Mechanism”. Both of these are important mechanisms in ensuring that developing countries can protect key agricultural industries from being destroyed by foreign imports, as well as ensuring that they maintain the flexibility to respond to changes in import surges and prices. Any agreement on agriculture that undermines these will have disastrous effects on developing countries and exacerbate the food crisis.

The negotiations on manufactured goods continue to be more problematic. There is still a big distinction between what parties can agree to with developing countries still demanding to have the tariff cuts reflect the “less than full reciprocity” principle that is meant to underpin the negotiations. Currently the texts are demanding average tariff cuts of 60% for developing countries whilst only 30% for industrialised ones.

The new Services text also contains many areas of concern. The new text has removed the mandatory requirement to offer binding commitments in response to requests, but still contains ambiguous language. The new language requires that countries “shall where possible” respond with binding commitments to requests. This places the burden of proof on countries to prove that it is not possible to make offers that reflect requests in those areas. This would leave developing countries and others unable to decide the approach to services liberalisation that they feel best supports their development.

Further to all of this is the issue of loss of Fast-Track negotiating authority for the US President. Currently anything that is initialled by the US is non-binding and can be watered down or undone by the incoming president. This means that countries may commit

themselves to levels of commitments on the basis of what the US is offering only to find that such bound commitments may be undone from the US side.

There is talk that the Director General of the WTO, Pascal Lamy, will produce his own version of a negotiating text that he would try to get members to agree to. This would be done at the last minute and see enormous pressure on countries to agree to something they have had very limited time to digest.

The countries currently attending the negotiations and the groupings they are involved in are:

1. Argentina (Cairns Group, G-20)
2. Australia (Cairns Group coordinator)
3. Brazil (G-20 coordinator, also Cairns)
4. Burkina Faso (Cotton-4 coordinator, also African Group, least-developed, ACP)
5. Canada (Cairns)
6. China (G-33, G-20, recent new member)
7. Costa Rica (tropical products coordinator, also Cairns)
8. Côte d'Ivoire (African Group coordinator, also ACP)
9. Dominican Rep (small-vulnerable economies coordinator, also G-33)
10. Ecuador (tropical products, recent new member)
11. Egypt (G-20, African Group)
12. EU
13. India (G-33, G-20)
14. Indonesia (G-33 coordinator, also G-20, Cairns)
15. Jamaica (ACP coordinator, also G-33, small-vulnerable)
16. Japan (G-10)
17. Kenya (G-33, African, ACP)
18. Korea
19. Lesotho (least-developed countries coordinator, also African Group, ACP)
20. Malaysia (Cairns) or Thailand (Cairns, G-20)
21. Mauritius (G-33, ACP, African)
22. Mexico
23. Morocco (Africa Group coordinator for services)
24. Norway (G-10)
25. Philippines (G-33, G-20, Cairns)
26. South Africa
27. Switzerland (G-10 coordinator)
28. Turkey
29. Chinese Taipei (recent new members coordinator, also G-10)
30. Uruguay (Cairns, G-20) or Paraguay (Cairns, G-20, tropical products, small-vulnerable)
31. US

2. Will a global trade treaty hurt more than it helps?

By Laura MacInnis

GENEVA, July 18 (Reuters) - Many poor countries fear they will lose jobs and revenue from a new global trade treaty that trade ministers will try to push towards conclusion next week.

This anticipated hardship is one of the main reasons a World Trade Organisation (WTO) accord on tariff and subsidy cuts -- in its seventh year of negotiation -- has proved so hard to clinch. Conventional wisdom dictates that increasing export opportunities can help poverty reduction by raising incomes in developing countries, whose farmers and manufacturers often struggle to sell their wares abroad.

But some economists believe that the Doha round deal under negotiation would open up borders too abruptly, flooding vulnerable markets with cheaper foreign goods and services, and make developing countries worse off.

"Many developing country negotiators are asking themselves if the emerging deal is better than no deal at all," said Tufts University economic researcher Timothy Wise, who co-authored a new study warning unfettered trade could harm poor farmers.

"It is not hard to understand why many developing countries are questioning the value of a Doha agreement," he added, estimating poorer governments will lose four times more in tariff revenue than they get from a trade-boosting deal.

The talks were launched in the Qatari capital in late 2001 to boost world trade and help developing countries export their way out of poverty.

Amy Barry of the aid advocacy group Oxfam said negotiators from the developing world need to resist pressure to accept WTO proposals that do not adequately overhaul unfair trade rules.

"Developing countries are being squeezed and not getting the flexibility they need to defend vulnerable sectors and ensure food security," she said. "This could further undermine weak agricultural sectors and lead to job losses and hunger."

Shortly after the Doha round talks began, the World Bank projected an accord would generate global gains of \$832 billion. It later scaled back that estimate to \$96 billion to reflect less-ambitious proposals in the talks, which are politically sensitive in many countries.

According to the Research and Information System for Developing Countries, and Indian-based group, only \$16 billion of that smaller total will go to poorer countries, who would also suffer \$63 billion in tariff revenue losses under a deal.

BIGGEST LOSERS

Carin Smaller of the Institute for Agriculture and Trade Policy said these factors explained much of the hesitation around Geneva negotiating tables about a deal, especially in light of recent global economic pressures and commodity spikes.

"The Middle East and Africa are going to be the biggest losers if the Doha round is agreed. I think that is quite alarming given the impact of the food crisis on these regions," she said. Politically powerful farmers in the United States, Europe, Japan and other rich markets may also lose income under a deal, although in theory wealthy-nation manufacturing exporters would gain better access to emerging markets in return.

The new research by Tuft University's Wise and trade experts Mamerto Perez and Sergio Schlesinger, entitled "The Promise and the Perils of Agricultural Trade Liberalisation," said that only Brazilian and Argentinian agro-exporters stand to be clear emerging-nation winners from a Doha deal on farming.

"Developing countries have far less to gain from agricultural trade liberalization than is often promised," they said. "The projected gains are quite small and they don't account for revenues lost to tariff cuts."

Many, including WTO Director-General Pascal Lamy and EU Trade Chief Peter Mandelson believe success in the WTO talks is necessary as a symbol that multilateral negotiations can work in tackling other, potentially more complicated, issues such as the international response to climate change.

Ministers meeting in Geneva next week will seek to strike a deal in agriculture and industrial goods trade, leaving talks on how to open up cross-border services later in the year. Consensus is needed across all negotiating areas from each of the WTO's 152 member governments for a Doha deal to be struck, meaning that poorer countries have significant influence in the talks whose original aim was to help boost development.

3. FTA Update

Australia/Japan FTA

So far negotiations have been underway for 1 year. The Australian Government does not anticipate that negotiations will take very long because both Australia and Japan have a depth of experience and similar approaches to trade negotiations and there are already close economic relations between the two countries.

This view however doesn't deal with the issue of access to the Japanese market for Australian agricultural goods, in particular dairy, sugar rice and beef. This is continuing to be the biggest sticking point for the negotiations.

Australia/China FTA

The resumption of talks between Australia and China has seen new offers and requests being made. Australia is seeking early outcomes (liberalisation) in Education and Investment services, whilst China seeks early outcomes in investment and quarantine.

Australian negotiators have clearly said that any agreement has to be as good as or better than what was offered to New Zealand in the China/NZ FTA. The position of the Chinese negotiators is also strongly focused on the movement of natural persons. China is expected to actively seek greater access to the Australian labour market by its citizens throughout the negotiations and has linked the tariff offer to access to Australia's labour market.

ASEAN - Australia – NZ FTA

There have been 4 rounds of negotiation in the last 6 months and Ministers are hoping that they will conclude in August 2008. There is a common position on all sides that "no issue at this stage is beyond resolution."

The key issues under discussion are Most Favored Nation Status, financial services and the telecommunications sector, intellectual property and dispute resolution.

Chile/Australia FTA

The Government is now waiting for the agreement to go through the parliamentary process but hopes it will come into effect 1 January 2009.

4. Reflections on the G8 – Japan Style!

This year the G8 met in Lake Toya in Hokkaido Japan. Once again this summit was surrounded by an excessive and repressive police presence. Many guests invited to talk at the forums beings organised were either detained for hours at immigration or refused entry. Most foreigners reported some level of harassment by police with such guests as Susan George and Walden Bello were detained for approximately 2 hours at immigration. I

personally had the privilege of discussing my plans and actions for my time in Hokkaido with the immigration staff at Tokyo for 20 minutes.

The agenda for this year's G8 meeting focused primarily on climate change as well as the other crises relating to food, financial markets and oil. Many people involved in the counter-summit activities held little hope for what was going to come from the meeting.

Activities in response to the summit started on July 1st with forums and workshops beginning to take place. There were a large number of forums and workshops planned throughout the next 8 days from a variety of organisations and individuals. A conference on Indigenous Peoples was hosted by the Ainu, the traditional peoples of Hokkaido, and focused on the continued networks and solidarity amongst Indigenous people around the world.

The main demonstration on the 5th was very lively and colourful. In typical Japanese fashion the permit for the march specified that it could only take up one lane of traffic and be 4 persons wide. Despite this many groups were present and carried a variety of messages pertaining to the G8. In total around 5,000 people took part. Unfortunately four arrests were made on the day, but these were only for minor charges and those arrested were released later in the day.

AFTINET presented two talks during the trip. One organised jointly through the Our World Is Not For Sale network looked at the role of neoliberalism and climate change. The second was organised through our friends in Japan and related to the role of trade in the food and environmental crises. Both were well attended with around 60 people in the crowd. The latter presentation saw a panel of speakers from within the Asian region including India, Hong Kong, Thailand and Japan.

AFTINET had organised a visit to local farms in Hokkaido and used it as a chance to see the conditions and reality of farmers in Japan. It was also a great opportunity to show solidarity. I found it particularly interesting to talk with the farmers and hear firsthand about what is happening. Many farmers are feeling the effects of rising fuel costs and have to adapt their practices as best they can. There is a rise in the move away from rice cultivation to other crops (mostly flowers in the cases I saw) in order to continue to make a living. This is due to a lowering of support for rice production, making that more commercially viable crops, like flowers, a more attractive option. Farmers are also experiencing changing climate patterns with snow melting earlier but also returning earlier too. The farmers group that I traveled with has mentioned that they plan to come back to Australia in November to continue their campaign against the Japan/Australia FTA.

I owe a great deal of thanks to Ando Takemasa who was so supportive of helping AFTINET get to Japan and have the opportunities that I did.

5. Review of Australian Textile, Clothing and Footwear Industries

On March 8 2008, the Minister for Innovation, Industry, Science and Research, Senator Kim Carr announced a comprehensive review of the Australian Textile, Clothing and Footwear (TCF) industries to be conducted by Professor Roy Green in consultation with an industry reference group.

FairWear has participated in the review process through

- Public hearings in several states
- Organising their attendance to the Fabric of Society Dinner to hear clothing outworkers speak in public

- Organising for the review group to meet with outworkers and visit a select number of outworkers homes
- A written submission, available on our website www.fairwear.org.au

Please write to the Review Committee using the sample letter below and support FairWears recommendations.

The Minister is due to receive the full report on the review on August 31 2008. We have until then to write and demonstrate our support for making the Australian Fashion Industry a world leader in ethical standards for Clothing made in Australia and imported into Australia; and ensuring real and long term support and options for clothing outworkers in Australia.

You can write to the review committee on the details below:

SAMPLE LETTER

Please email a copy of your letter to FairWear
fairwear@awatw.org.au

Professor Roy Green
C/- The Manager, TCF Review Secretariat
Department of Innovation, Industry, Science and Research
GPO Box 9839
CANBERRA
ACT 2601
TCFReview@innovation.gov.au

Dear Professor Roy Green,

I am writing to you in support of the FairWear Submission to the Textile, Clothing and Footwear Industry Review 2008.

I would like to see Australia become a leader in ethical standards for clothing made in Australia and clothing entering Australia from overseas.

We would also like to see more support for outworkers to gain work that is paid at a legal rate and is provided under safe and fair conditions and better options available for training, skill recognition and retraining supported by the Government, to provide long-term options for women who want to move into other industries for work.

The Government must support better options and working conditions for clothing outworkers and I hope this review will follow the recommendations included in the FairWear submission and present relevant, effective and long-term solutions for this group of workers who are some of the lowest paid in Australia.

Kind Regards:

[Name]

[Address]

6. Food Forum: "The Global Food Crisis. Will feeding ourselves feed the world?"

Join us as we explore how food is central to so many of the problems facing world economies today and whether growing food locally can help the world food crisis.

Where: the Sydney Mechanics School of the Arts, 280 Pitt St, Sydney

When: 26th July 2008

Time: 3pm

If we can grow enough food to feed the world, why don't we? If Free Trade is the way forward, why are we going backwards? If all we had to do, as The World Trade Organisation tells us, is to turn subsistence farmers into global food entrepreneurs, why are so many of them committing suicide or leaving their ancestral land? Why do Cambodian children have to walk through rice fields to get free rice handouts? Why are residents of Cairo queuing up for bread?

Speakers:

Adam Wolfenden, currently the Trade Justice Campaigner for the Australian Fair Trade and Investment Network (AFTINET) and a founding member of Friends of the Earth Sydney.

David Mason, 2006 recipient of a Churchill Fellowship to study urban agriculture in Singapore, the Netherlands, UK, USA and Canada. David is Foundation Chair and current Board Member of Hawkesbury Harvest Incorporated, a local/regional response to the destruction of urban farmlands and the impacts of developments including supermarkets and fast food chains that, internationally are increasingly being seen as inadequate and often harmful in dealing with issues such as food security, global warming, increased food and petrol prices and human and community health.

<http://www.dpi.nsw.gov.au/aboutus/news/agriculture-today/july-2008/food-security>

Facilitator: Irene Doutney. Greens candidate for the City of Sydney Council.

7. Public Meeting on Economic Justice in the Pacific – Thursday August 7th

The Uniting Church, Australian Council of Trade Unions and AFTINET invite you to participate in a public meeting to discussion: "Australia, the Pacific, trade, trade agreements and economic justice" with Mr Fe'iloakitau Kaho Tevi - General Secretary of the Pacific Conference of Churches (PCC)

DATE: Thursday 7th August, 6 - 7.30pm

VENUE: LHMU Conference Room, Level 8 187 Thomas Street, HAYMARKET, SYDNEY

Fe'iloakitau Kaho Tevi is the General Secretary of the Pacific Conference of Churches (PCC) which links the major Christian denominations of the Pacific islands region.

Fei has long been involved in regional civil society initiatives to address the potential economic and social impacts of regional trade agreements like the EU-ACP Economic Partnership Agreement (EPA) and the Pacific Agreement on Closer Economic Relations (PACER)-Plus, the proposed free trade agreement with Australia and New Zealand. With Pacific churches playing a crucial role in the provision of health, education and welfare services to Pacific communities, regional debates on trade in services and economic integration takes on new importance for civil society in the Pacific.

He will be meeting various MPs, churches, unions and others interested in trade related issues between Australia and the Pacific. His visit is timed ahead of the Pacific Islands

Forum meeting in Nuie in mid-August that Australian Prime Minister Rudd will be attending.

If you would like to participate please RSVP by Monday 4 August to Dee@actu.asn.au
ph: (03) 9664.7339