



BULLETIN: May 2017

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Introduction

Right now, TPP officials are meeting in Toronto, Canada to discuss a possible revival of the TPP without the US. Japan is leading this push for a TPP-1 and Australia is supporting it.

This week there will also be an RCEP negotiating round in the Philippines (May 2-12).

Read on for all the latest news. And if you're in Sydney, don't forget to [book your tickets](#) for our annual Trade Justice dinner coming up on the 16th May!

Push for TPP-1 as negotiators meet in Canada this week

TPP negotiators are meeting this week in Canada to consider Japan's push for a revival of the failed [TPP](#), minus the US. Since Japan is the largest remaining TPP country, the announcement that they will lead efforts towards a TPP-1 is a cause for concern.

Since the TPP in its current form cannot proceed without ratification by the US, there are three possible scenarios:

- **Remaining TPP countries do not agree to proceed:** A TPP minus the US would have far fewer market access benefits for many of the remaining countries while still containing many damaging rules on medicines, copyright and investor rights to sue governments.
- **TPP countries agree but want to renegotiate:** Even if the remaining countries do agree to proceed they are likely to try to make major changes to the text, given that many made concessions in order to gain access to US markets which the deal will now not deliver.
- **TPP countries agree to proceed with no major changes:** At a minimum, the current TPP text requires US participation, and would need to be changed in order for a TPP without the US to proceed. Many other side letters and specific references to the US would have to be removed. This would mean it would become an entirely new agreement and would have to go through parliamentary processes again in each country. This is an unlikely but extremely concerning scenario because it would lock in the TPP's damaging clauses and deliver even fewer market access benefits (which for Australia were already [negligible](#)).

Australian Trade Minister Steven Ciobo has praised Japan's push to revive the deal - despite a [Senate inquiry rejecting](#) the current TPP's implementing legislation.

The meeting in Canada will be followed by ministerial discussions on the fringes of the APEC meeting in Vietnam on May 20-21.

We will continue to monitor this. Check our website for the latest and [share](#) the graphic to help spread the word.

PACER-plus trade deal without PNG and Fiji a bad deal

The PACER-plus agreement between Australia, New Zealand and 12 Pacific Island countries was finalised in Brisbane in April 2017, but without [Papua New Guinea](#) and [Fiji](#), the Pacific's two largest island economies. Both governments have said the agreement threatens their infant industries and would not benefit their economies.

AFTINET [said](#) the absence of PNG and Fiji shows that PACER-Plus has failed as a regional agreement. Yet the Australian Government wants to proceed with signing the deal, which is likely to occur in June.

The Pacific Network on Globalisation (PANG) has published a [People's Guide](#) to PACER-Plus, aiming to explain the agreement and its impacts on the Pacific in accessible language.

PANG Coordinator Ms Maureen Penjueli said it was crucial that every Pacific Islander can understand how the deal will affect them.

"Trade deals are negotiated in secret and are often full of legal jargon that makes them completely inaccessible to governments, parliaments and ordinary people attempting to understand what they mean in practice. This Guide is a way to change that," she said.

Earlier this month, AFTINET wrote a [letter](#) to Trade Minister Ciobo urging Australia not to proceed with signing the PACER-plus trade deal, arguing that PNG and Fiji's unwillingness to participate demonstrated that the agreement is heavily skewed towards the interests of Australia and New Zealand.

Many of the smaller economies in the Pacific have less negotiating power than Fiji and PNG. AFTINET is concerned that Australia and New Zealand may have used pressure tactics to push vulnerable Pacific economies into a deal which ultimately may not benefit them.

Pacific island countries already have tariff free access for their goods in Australia. The main purpose of PACER-plus is to reduce tariffs on Pacific island imports and reduce the ability of governments to regulate foreign investment in services and other sectors.

Tariff reductions could lead to significant revenue losses for smaller Pacific Islands, and it is unclear how these losses can be offset. This could impact on the ability of these governments to provide essential services to their populations.

Trade in services rules could also reduce the ability of governments to regulate to provide equitable access to essential services for vulnerable populations.

Read more:

- PANG's [People's Guide to PACER-Plus](#)
- AFTINET's media release, [PACER-Plus trade deal without PNG and Fiji a bad deal](#)
- AFTINET's [letter to Trade Minister Steven Ciobo](#)

RCEP negotiations 2-12 May in the Philippines

The next round of [RCEP](#) negotiations are being held in Manila, the Philippines, on May 2-12. There is still a push from some countries, including Australia, to use TPP language in the RCEP.

Among other key issues it's expected that controversial intellectual property rules will be discussed at this meeting. The TPP's IP chapter effectively extended monopoly rights on lifesaving medicines, delaying access to cheaper medicines. This could be even more concerning in the RCEP, since it includes India, which produces many of the region's cheaper generic medicines.

There are also TPP-like proposals on foreign investor rights to bypass national courts and sue governments in international tribunals.

We'll be monitoring this closely and have sent a representative to travel to Manila to observe the talks and participate in civil society activities. Another round of negotiations is scheduled to be held in India in July.

New RCEP flyer: order now

We have produced a [hard copy flyer](#) explaining the main issues in the RCEP. You or your organisation can help by distributing the RCEP flyer to your members or networks.

Leaflets can be picked up for free from our Sydney office or we can post them to you - we just ask that you pay the postage. [Find out more here.](#)

Singapore trade agreement amendments: submissions needed

Amendments to the 2003 Singapore-Australia Free Trade Agreement were tabled in Parliament on March 20 and are being [reviewed by the Joint Standing Committee on Treaties](#). The committee will report on August 9. Public submissions closed on May 1, but you can request the committee to put in a late submission.

AFTINET is doing a late submission this week because of delays caused by staff illness and the workload associated with other trade agreements.

The problem with the amendments is that they largely reflect the text of the TPP.

For example, they include more extensive services and investment commitments, commitments to remove labour market testing for temporary workers, and more commitments on government procurement.

The original agreement included a version of ISDS which has been updated and has more exceptions, but still contains many of the weaknesses of the TPP version.

If you made a submission on the TPP, please consider doing a [short submission](#) which registers your objections to amendments which reflect the content of the TPP.

India bilateral negotiations years away

During a recent visit to India, PM Turnbull confirmed that negotiations with India for a bilateral free trade deal remain stalled and [could be years away](#).

Talks [came to a standstill](#) in late 2016 with the regional [RCEP](#) deal taking priority.

Since then, Turnbull's recent announcement to [abolish the 457 visa](#) has further cooled the prospects of a deal in the immediate future (read more below). India had wanted greater access for its workers to come to Australia on an expanded 457 visa scheme.

Possible FTA with Hong Kong

The Australian Government is currently considering a free trade agreement with Hong Kong. At this stage they are inviting [public submissions](#).

From a human rights and environmental sustainability perspective, potential concerns could include:

- **Investor-state dispute settlement:** [ISDS](#) gives special rights for foreign corporations to sue governments, including over health, environment and other public interest laws.
- **Intellectual property:** some recent trade agreements have [strengthened monopoly rights](#) of pharmaceutical companies to delay cheaper forms of medicines and the [rights of copyright holders](#) (mainly global corporations) at the expense of consumers.
- **Trade in services:** this could include restrictions on the ability of governments to regulate services in the public interest, including essential services like healthcare and education.
- **Government procurement:** governments [should retain](#) some policy flexibility to encourage local industry development and employment.
- **Movement of temporary workers:** temporary worker arrangements should never be included in trade agreements because this limits [the ability](#) of governments to adjust their policies to ensure workers are not exploited.

Australia has a bilateral investment treaty with Hong Kong (1993), which includes ISDS. This is the treaty that Philip Morris tried to use to sue the Australian Government over the cigarette plain packaging laws. A more comprehensive FTA with Hong Kong would override this older investment agreement.

457 change shows temporary labour arrangements shouldn't be in trade deals

While it's clear that the Turnbull Government's abolition of the 457 visa for temporary workers doesn't address the main problems with the visa, the decision does highlight why these arrangements should never be in trade agreements.

The Government has announced that the new visas will be subject to mandatory labour market testing by employers except for when "an international obligation applies." The Government has already agreed to remove labour market testing for many skilled worker occupations in free trade agreements with Korea and China, and has the option to do so in the ASEAN free trade agreement.

Labour market testing should mean that the employer must produce evidence that there is a genuine skill shortage and no local workers are available. The employer-conducted labour market testing the government is proposing will not ensure this without independently verifiable testing.

Regardless, trade agreements set legally binding rules between countries which cannot be changed by domestic legislation unless the government renegotiates the agreement. Governments should always retain their ability to regulate in the public interest - especially when it comes to labour market policies, which need constant adjustment to ensure workers are not exploited. This can only be ensured by not including temporary labour arrangements in trade agreements.

Stop TiSA flags on Geneva bridge



The [Trade in Services Agreement \(TiSA\)](#) is controversial because global services corporations and some governments are using the deal to push a deregulation and privatisation agenda.

Civil society organisations in Geneva, where TiSA negotiations are held, have thrown the deal into the spotlight by gaining local government approval to have Stop TiSA flags displayed on a prominent bridge, which most commuters must pass over to get from one side of Geneva to another.

The flags on this bridge are usually official UN agency flags.

More news from our website

PACER Plus: how the Pacific Way is being undermined. Member of Parliament for the New Zealand Green Party and former director of Oxfam NZ, Barry Cotes, has called for a rethink of the PACER-plus trade agreement finalised in Brisbane last week. [Read more](#)

Trump's trade agency attacks other countries' health initiatives. Trump ditched the TPP but that doesn't mean he wants fair trade. In fact, his trade agency is attacking other countries' public health initiatives - such as efforts to promote breastfeeding - calling them "barriers to trade" which should be eliminated. [Read more.](#)

Pacer-plus deal does not benefit Pacific Islands: AFTINET has written an open letter to Trade Minister Steven Ciobo urging Australia not to proceed with signing the PACER-plus trade deal between Australia, New Zealand and Pacific Island countries. [Read more.](#)

AFTINET's submission to the government procurement inquiry: Negotiations for current and future trade agreements should ensure that trade agreement provisions do not prevent procurement policies from meeting local industry development and employment goals. [Read more.](#)

Contact us:

Australian Fair Trade and Investment Network (AFTINET)

128 Chalmers Street, Surry Hills, NSW, Australia 2010

Phone 02 9699 3686 | fax 02 96993717

campaign@aftinet.org.au

www.aftinet.org.au | Twitter: [@AFTINET](#) | [Facebook](#)