



# BULLETIN

## November 2017

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### Introduction

Dear Members,

it’s been a busy month. The TPP-11 members did not meet their deadline to finalise a deal, but have salvaged (and rebranded) a possible deal, and the text of the secret Peru-Australia Free Trade Agreement has been finalised. New Zealand has a new Labour Coalition government, and a new approach to trade. NAFTA renegotiations are sluggish, with sharp differences among the three negotiating countries. A third Regional Comprehensive Economic Partnership (RCEP) deadline has been missed, and negotiations will continue into 2018.

### TPP-11 members salvage a possible deal, the campaign continues

The TPP-11 leaders did not meet their deadline to finalise the text, but have agreed on some elements of a possible deal without the US. The talks have only been **salvaged** by an agreement to rename the deal, **suspend** some of its most controversial clauses and to have further talks over several months. Canada has insisted that the deal be renamed the Progressive Comprehensive Trans-Pacific Partnership – what seems like an effort to distance governments from the original, unpopular deal.

Some proposals for stronger medicine monopolies, which would delay the availability of cheaper versions of medicines, have been suspended. This is welcome news and follows strong campaigning efforts from many public health and community groups. But they should have been deleted altogether, not just frozen pending the return of the US to the deal.

The proposed deal also contains Investor-State Dispute Settlement (ISDS) – special [rights for foreign investors](#) to bypass national courts and sue governments for millions of dollars in unfair international tribunal over changes to domestic laws. It would also prevent future Australian governments from [re-regulating essential services](#) like energy or financial services, and would result in more [vulnerable temporary migrant workers](#), without testing if local workers were available first.

Australia has nothing to gain from a revived TPP. Australia already has free trade agreements with the US and all but three of the other ten TPP countries, (Peru, Mexico and Canada) – so it will deliver minimal extra market access and [hardly any economic growth](#) after 15 years. See more critical analysis in [The Conversation](#) and [Fairfax media](#).

This is not a done deal yet and we need your support to continue the campaign.

## Responses from Labor, the Greens and NXT to TPP-11

**ALP:** Labor’s Jason Clare MP, Shadow Minister for Trade and Investment, said the delay in finalising a deal is an ‘*opportunity*’ for the Turnbull government to fix flaws in the TPP. Labor wants the investor dispute settlement clauses (ISDS) to be ‘*renegotiated*’, and the [Productivity Commission](#) to conduct independent economic modelling of the deal.

*“In the TPP Turnbull waived labour market testing for six countries - Canada, Peru, Mexico, Brunei, Malaysia and Vietnam... Turnbull should put Australian workers first and reinstate labour market testing in the CPTPP for those countries.”*

**Greens:** Greens Trade spokesperson Senator Sarah Hanson-Young said Australians have been let down by the Turnbull government as it attempts to resurrect the ‘*fraught*’ TPP.

*“While Canada and New Zealand’s Prime Ministers have stood up for their local communities and economies Malcolm Turnbull was prepared to trade away our democratic rights, letting multinational corporations power to sue our governments and taxpayers. The insidious ISDS clauses are threat to community action and progressive government and policy reform. These anti-people, anti-environment clauses will allow big corporations to weaken our environmental, labour and cultural rules and protections. The Turnbull Government must stop trading away our democratic and cultural assets and instead get on with reforming the treaty negotiation process, so Australians can have confidence these deals are being done in their interests.”*

**NXT:** NXT spokesperson, Nick Xenophon, said “Justin Trudeau stood up for Canada’s national interest when he said “no” to this mongrel version of the TPP. Australia should have done the same particularly when it comes to dispute resolution provisions and the lack of a transparent and rigorous cost benefit analysis on the impact on Australian jobs.”

## Public health experts slam TPP-11

In the lead up to this month’s TPP-11 negotiations, public health experts and groups were very vocal about the impact that the deal could have on public health. A [paper](#) by leading health experts published in the *Australian Health Review* found that the TPP-11 could add [up to \\$367 million](#) to the cost of Australia’s Pharmaceutical Benefits Scheme. Another [recently published paper](#) explained how the intellectual property of the TPP would [delay access](#) to cheaper versions of medicines for most TPP member countries.

Before the talks, the Association of Salaried Medical Specialists (ASMS) in New Zealand [warned](#) the newly elected NZ Labour Coalition Government not to support [extended medicine monopolies](#), and called for an [independent clinical assessment](#) of the impact that the TPP would have on NZ's healthcare system. Executive Director Ian Powell said, "No one wants health care in this country to be influenced by the vested interests of big international corporates, who will have no scruples about undermining New Zealand's health system if it gets in the way of their profits."

Some proposals for stronger medicine monopolies have been suspended, pending a possible return of the US to the deal. While this is welcome news, they should have been deleted altogether.

## Peru-Australia Free Trade Agreement is finalised – but still secret

The completion of the Peru-Australia Free Trade Agreement was announced at the APEC meeting in Vietnam last week. This is yet another secret deal – the text has not been made public and is not available for media and public scrutiny. All we have is a selected [public relations summary](#) of the deal.

Disturbingly, the agreement includes Investor-State Dispute Settlement ('ISDS') – special rights for foreign investors to bypass national courts and sue governments for millions of dollars if they can argue that a domestic law or policy has harmed their investment. Remember when Philip Morris tobacco company attempted to sue the Australian government over plain packaging legislation? That was ISDS.

Australian [opinion polls](#) and numerous submissions to parliamentary inquiries have shown strong opposition to ISDS across the spectrum, ranging from the [Productivity Commission](#) and former High Court [Chief Justice French](#) to [public health](#) and [consumer groups, environmentalists](#) and [unions](#).

## RCEP negotiators miss another deadline – negotiations continue

Even after five years and 19 rounds of negotiations, the Regional Comprehensive Economic Partnership (RCEP) [will continue](#) into 2018. This means that they have missed a deadline for the third time. Indonesian Minister of Trade Enggartiasto Lukita has implored negotiating countries to be 'more realistic and flexible' about their standards. He also has referred to the RCEP as 'the only game in town', an apparent reference to the uncertain future of the TPP-11.

One ASEAN source has [told Vietnam News](#) that major differences among member countries include China and India's disagreements on tariff reductions. [Other major disagreements](#) have been over medicine monopolies, investor rights to sue governments, electronic commerce, trade in services and government procurement.

## AFTINET response to Labor's recent trade policy announcement

Late last month Labor announced a new [trade policy](#). [AFTINET agrees](#) that trade agreements should be publicly released and independently assessed before they are signed. We also welcome Labor's pledge to retain labour market testing for the availability of local workers, to prevent vulnerable temporary workers from being used as bargaining chips in trade agreements. But we also want to see health and environmental impact studies done for each trade deal, and a clear rejection of harmful clauses in trade agreements like stronger medicine and copyright monopolies, and foreign investor rights to sue governments (ISDS).

Fundamentally, trade agreements should improve peoples' lives. Trade agreements now include clauses on labour rights and migrant workers, medicines, environment and other public interest legislation. Each of these things need critical community debate, not just business input.

### NAFTA talks postponed amid sharp disagreements

The fourth round of talks for the North American Free Trade Agreement (NAFTA) renegotiations were held in Washington last month. The US is keen to 'rebalance' what US Trade Negotiator Robert Lighthizer describes as a 'very lopsided' agreement. Their proposals include increased local content requirements, a [performance review of the deal after five years](#), and voluntary 'opt-in' for ISDS. [Unions and community groups](#) are urging them to gut ISDS altogether.

After the talks, US negotiators [expressed disappointment](#) that slabs of text from the TPP that they want included in NAFTA are being rejected by Mexico and Canada – 'in spite of (them) having agreed to it in the past.' That statement is an indication that, although the US has withdrawn from the TPP, it still expects its trading partners to repeat TPP provisions in future agreements. The next round of talks will be held between November 17-21 in Mexico City and negotiations are expected to continue into 2018.