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Australian Fair Trade
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1. Salesman Crean and the Snake Oil trade remedy

Like an old western, Trade Minister Simon Crean will be travelling the Pacific from today spruiking the benefits of a trade agreement between Australia, New Zealand, and the Pacific Island Countries. Like any travelling salesman though, Pacific countries should be aware of any deal that seems too good to be true.

In August this year Australia is hoping to announce the beginning of negotiations for a Pacific Trade Agreement when it hosts the Pacific Islands Forum. The trade agreement, known as PACER-Plus, will cover trade in goods, services, investment and intellectual property. Salesman Crean has hailed the agreement as a "development deal for the Pacific region".

But the crowd is yet to be convinced.

A PACER-Plus agreement could see some Island governments losing up to A\$10 million each year in government revenue from reduced taxes on imports. For Vanuatu, this counts for 17% of its annual government revenue. Just how Pacific governments would continue to provide services with the loss of this much revenue is still unclear. Whilst consumer taxes like a GST are recommended to fill this void, that doesn't really look like working when many still exist outside the cash economy.

Pacific businesses will also be spared the benefits of increased competition and efficiency – most of them will be wiped out. Wadan Narsey from the University of the South Pacific has predicted that under PACER-Plus up to 80% of Pacific manufacturing would close down, putting thousands out of work. The 30% increase in trade that salesman Crean is proclaiming from PACER-Plus appears to be coming mostly from Australia and New Zealand.

Trade in services is also being offered in this economic development package. Opening up service markets would allow companies to 'cherry-pick' the most profitable buyers and supply to them. This has already been seen in private water services in Vanuatu, where a

private company is making handsome profits from providing water to the richer parts of Port Vila, leaving the government to take care of the rest.

Like any good salesman however, Crean knows how to focus on the positives. PACER-Plus isn't a threat, it's an opportunity!

Accompanying Salesman Crean this time is his shrill, Parliamentary Secretary for Aid, Bob McMullan. McMullan is there to put the 'plus' into PACER-Plus with aid and development packages. This agreement is being seen as part of the Australian Government's broader approach which they like to think of as "enhancing prosperity in the Pacific". The aid acts as a way to further promote the policies and goals from any PACER-Plus agreement. If Pacific countries want Australian aid it appears that it'll come in the shape of supporting PACER-Plus.

And that's why the crowd is still listening.

Despite all the impacts that are expected, there still aren't loud official voices coming from the Pacific against this. With many Pacific countries reliant on Australian aid there are political decisions in not rocking this boat.

Salesman Crean has also indicated that the Pacific seasonal worker program will be included in the negotiations. Pacific Islands have been chasing this for years and it appears that the only way that Australia will continue to offer it is if they sign up for the rest of the deal. Pacific workers can enter our markets only if our investors can enter theirs.

This is where Australia starts to throw its weight around.

Australia is gunning for negotiations to be announced in Cairns this year at the Pacific Islands Forum. Indeed Crean has already expressed his concern about what trade ministers will say to their leaders if they aren't ready to announce negotiations come August. Pacific Island Countries however don't seem so worried.

In their proposal for a way forward on PACER-Plus the Pacific Countries have proposed a process over six years with formal negotiations, if they go ahead, not starting till 2013. Many countries feel unprepared to commence negotiations after August, many are yet to still really study what impacts there will be.

It appears that the Australian government is more interested in stage managed symbolic victories. Announcing PACER-Plus negotiations in Australia fits perfectly with how Rudd's vision for new relations with the Pacific. Sadly though it's just repeating the same arrogance of the previous government.

The Pacific Island Countries have outlined clearly that they want an Office of Chief Trade Advisor set up well before any negotiations start, something Australia isn't interested in listening to. The Pacific Countries have learnt from their experience with the European Commission on the need to be organised and ready for trade agreements, yet Australia is keen to rob them of that chance.

Instead Australia has offered money for individual country research and 'capacity building' workshops to train Pacific negotiators. That's right, Australia is training Pacific negotiators on what a good trade agreement would look like with Australia. You don't have to think too hard to see how this could be problematic.

If Australia is serious about supporting economic development in the Pacific it needs to rethink its approach. Pushing a trade agreement onto the Pacific won't address the issues

that these countries are facing. What's needed is a new approach, one that focuses on listening to the needs of communities and developing policy from that level up. Pacific Islands are under no obligation to enter into PACER-Plus talks until 2011, they are offering informal negotiations out of good faith, a trait Australia should reciprocate.

So as Salesman Crean makes his Pacific rounds with his PACER-Plus™ Snake-Oil, Pacific governments should read the label carefully. It may claim to heal economic ills but there are many who will say that this type of remedy only makes things worse.

2. Trading Sham: Snakes and ladders in the market place.

By Mary Jenkins, Secretary, StopMAI WA.

Kevin Rudd's version of the Emission Trading Scheme is the latest trading scam devised to extract money from the great unwashed. These are the poor shareholders, mortgaged mums and dads, small businesses and pensioners. All forced to survive on limited incomes.

ETS traders do not actually produce anything - they just trade other people's nasties (pollution). Traders make up a system to measure nasties such as carbon, and then trade them on to large industrial corporations. They do nothing to actually solve the pollution problem but actually legitimise the right to pollute, and to increase pollution.

ETS comes in the wake of the failed World Trade Organisation. The WTO representatives feed hungry financial journalists with their propaganda in conferences all over the world. The media, labouring under tight deadlines, failed to uncover the true facts buried beneath layers of jargon and concealed in crafty reams of footnotes. Enron is a prime example of such sly creativity and should have been a warning sign of what was to come.

Meanwhile short-sellers shifted shares around and those on the inside-the CEO's-raised their own entitlements long before the bubble burst. They feasted up for years in conferences all over the world. What did all these conferences achieved?

Takeovers of sound businesses by conglomerates and the privatisation of essential services all over the world. The result has been a financial burden to taxpayers that caused the standards of service to decline.

Privatisation of electricity, telecommunications and, in some countries, water have proven too costly and lowered the food basket and living standards of poor countries.

The intelligent /vox populi/ saw through the scam and protested worldwide for over a decade. Governments and small shareholders believed in the temporary privatisation boom that offered good short-term returns to their investments. "/The ladder of opportunity/" was good while it lasted but then the snake sent it all tumbling down.

Today, workers are laid off, superannuation and taxpayers are propping up banks and businesses that have exploited them in the past. CEOs take their leave with their exorbitant payouts. They leave us with AGM reports that ensure the real story is buried in reams of footnotes that overwhelm any reader. This makes it almost impossible to trace the truth of the cause of this worldwide recession. Still the corporate profiteers refuse to allow the WTO to stay decently in its grave.

What do we get in return? A government handout for a few that would be better invested in long-term services and infrastructures that have been neglected by greedy businesses, bank and pathetic governments for decades.

I fear for the next generation. How long will it take them to climb “the ladder of opportunity again”?

Mary Jenkins
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**3. AFTINET Fundraising Dinner – April 29th
Wednesday 29 April, 6.30 pm for 7pm start
Marigold Restaurant
Level 5, 683 George St, Sydney
Price: \$55 per person (discounts for group bookings)**

AFTINET’s Trade Justice Dinner is on again with this year’s dinner taking place on April 29. Some will remember the fun of the last Fundraising Dinner that was held in April 2008 which was hosted by Dr Meredith Burgmann and featured Prof. Frank Stilwell as guest speaker.

This year promises another wonderful night of auctions, laughs, information, and delicious food. The night will feature Prof Jane Kelsey, author of “Serving Whose Interests – The political economy of trade in services” talking on the topic of the global financial crisis, the failure of neo-liberalism and alternatives to it.

Up for auction will be original cartoons, a signed Chaser APEC DVD, and art works. A raffle will also be happening that includes a wonderful array of fair traded products and prizes.

Contact Adam: campaign@aftinet.org.au or 9212 7242 to receive a registration form.

4. New AFTINET Website!

AFTINET is very excited to launch its revamped website. The new site has been under development for the last year and will include much more information about the WTO, FTAs and AFTINET publications than the previous site.

The new site will also better enable AFTINET to undertake its campaign work and promote the activities that it undertakes. It will be updated regularly with current news and any changes to the negotiations and campaigns around Australia FTAs.

Please go and explore the site at www.aftinet.org.au.

5. WTO Update

The US Trade Representative, Ron Kirk, has indicated that the US may not be ready to engage with the Doha Round of talks until spring at the earliest. They have indicated that they want Doha to move on progress not calendar dates, citing the need for India to have the time to be prepared following elections in May. However there have been reports from high-level negotiators that they are in fact keen to get back on track sooner rather than later.

Negotiators are still meeting however, particularly on issues like agriculture and manufactured goods. It appears that some of this is being driven by developing countries in the grouping of agricultural exporters in the “G33” group. The G33 has long upheld and fought for the demands of developing countries not wanting to undermine their food sovereignty.

In many senses this indicates that Doha is well and truly *not* dead, rather waiting to awaken.

6. FTA Update

ASEAN/ Australia/NZ FTA (AANZFTA)

The AANZFTA was tabled in Parliament on March 17 and will now go before the Joint Standing Committee on Treaties (JSCOT) for review and recommendation.

There have been no assessments of the impact that this FTA will have on labour rights, environmental standards and human rights. This is despite an election promise by the government that such issues would be assessed. Many countries within ASEAN breach International Labour Organisation standards as well as human rights, of particular concern is Burma's inclusion in this FTA. This FTA continues with the problematic definitions on 'public services' that doesn't explicitly exclude many essential services. Added to this is the inclusion of an "Investor-State" disputes process, this controversial process allows private companies to sue governments over any regulations, standards or policies that they believe go against the FTA.

AFTINET's submission is available at: <http://aftinet.org.au/cms/aseannzaustralia-fta>.

PACER

Trade Minister Crean and Parliamentary Secretary for Aid Bob McMullan have been touring the Pacific Islands of Vanuatu, Solomon Islands, and Tonga to sell the benefits of PACER-Plus. This has been greeted by some governmental comments in Tonga and Vanuatu supportive of the agreement.

Australia's "capacity building" continues with Pacific Island representatives being trained in Adelaide in early April about how to negotiate a trade agreement with Australia. This training is highly controversial as the Pacific Islands are calling for funding for an Office of Chief Trade Advisor to work with all Pacific Islands in preparation for any potential trade agreement. Instead Australia is focussed on providing funding to train negotiators and allow countries to individually research the impacts in their countries, effectively undermining the ability of the Pacific Islands to bargain more collectively.

7. Aid Through Trade

The not for profit Fair Trade organisation Tradewinds Coffee and Tea Pty Ltd was the first supplier of FAIR TRADE COFFEE AND TEA in Australia. Sharon Jackson, Director of Tradewinds, says: 'For over 30 years we have developed very personal connections with producer communities because we channel all our surplus profits back into their community development projects.'

In Sri Lanka, Tradewinds supports projects helping to empower women and educate children. This focus on capacity building and community development continues in East Timor where Tradewinds contributes to projects that are helping to rebuild the country. Jackson says: 'Because we are concerned about future employment and training for East Timorese, particularly women and young people, we are supporting the establishment of the first coffee roasting, grinding and packing facility for export.'

'We want to support the East Timorese to make a much higher return on their coffee rather than sending it unprocessed to first world countries like Australia. They have a great organic product but most of the money in the sale of a bag of coffee is made in the processing and packaging – what we call value adding - and we want to see more of that money staying in East Timor and supporting the establishment of a viable industry for people in East Timor. It's a big challenge and the more support we have from Australians buying our tea and coffee the more we can support projects like this – projects that give people meaningful livelihoods rather than charity handouts.'

Tradewinds sells high quality and mostly organic coffee and tea from producer cooperatives and ethical suppliers. The organisation imports mostly fully processed products that are

packed in the country where they are grown (they are value added products). This delivers greater benefits to the producers and other workers in the countries where they are grown than are currently delivered by the multinational suppliers to our supermarkets. Tradewinds would like to see the fair trade certification broadened to recognise the benefits of value adding to producer communities.

Tradewinds gives all surplus profits back to community projects in producer communities. Jackson says: 'We at Tradewinds believe that the people who buy our products are not customers to market to, but partners in our dream for global justice.'

You can check out the Tradewinds website on www.tradewinds.org.au , or email Sharon Jackson at info@tradewinds.org.au or give her a ring on 9252 5265. She says she'd love to hear from you and share ideas for the promotion of fairer trading.