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1. AFTINET-APHEDA Joint ALP Fringe Event report.
2. ALP Trade Policy Platform – Campaign Victory; Fair Trade amendments to the ALP Platform.
3. Trans-Pacific Partnership Agreement (TPPA) – Update, including the Lima Round, Malaysian inter-sessional round and APEC Leaders Meeting.
4. WTO Update – WTO Ministerial Meeting.
5. PACER-Plus update.
6. FTAs Update.
7. AFTINET AGM Report and Guessing Competition Results.
8. New Resources available on the web or on our website: www.aftinet.org.au.

1 AFTINET-APHEDA Joint Australian Labor Party National Conference Fringe Event – Friday December 2nd 2011

AFTINET's joint Fringe event with APHEDA (the union aid and development organisation) on Trade Agreements, Health and Workers' rights for the ALP national conference was well attended with approximately 50 people present.

Presentations from Patricia Ranald from AFTINET, Peter Jennings from APHEDA and Don Sutherland from the Australian Manufacturing Workers' Union discussed the need to ensure that trade agreements like the Trans-Pacific Partnership free trade agreement (TPPA) do not limit the ability of governments to regulate in areas like medicines prices, or to regulate the use of dangerous products like asbestos. Increased competition through free trade can lead to a race to the bottom on labour standards unless governments commit to enforceable labour rights in trade agreements. Further information about these issues is contained in the leaflets on the TPPA and health and the TPPA and workers' rights on the AFTINET website.

2 Campaign victory: Fair Trade amendments to the ALP Policy Platform

In addition to the fringe event, our campaign had an impact on the debate about trade policy at the Conference.

The Australian Manufacturing Workers Union, a member of AFTINET, moved amendments to the trade section of the platform, which is the public statement of the party's policy.

Although the platform still has a strong commitment to free trade, it now has for the first time a commitment to enforceable labour rights and environmental protections in trade agreements.

There is also explicit policy against greater rights for foreign investors than domestic investors, which means the policy opposes investor-state dispute processes which allow a single foreign company to sue a government for damages if a law harms their investment.

There is also an amended resolution on the Trans-Pacific Partnership free trade agreement, which, although it says the agreement has some prospects for increased export and employment in export industries, now also contains a series of commitments on the issues that we have been campaigning about. There is now a commitment that the agreement must not undermine the Pharmaceutical Benefits Scheme (which regulates the prices of medicines) or the ability of governments to have cultural and quarantine policies. Governments must retain the ability to regulate foreign investment and to have industry development policies, research and development policies, regional development policies, environmental, development and procurement policies. The agreement must not give foreign investors greater rights than domestic investors. There is also an explicit commitment to enforceable labour rights and environmental protections in the agreement.

Of course, having a policy on paper does not guarantee implementation, but it gives us another lever for our campaign.

The full amended 2011 ALP platform will be published on the ALP website, but may take a while, as it is very long and there were lots of amendments. The trade policy is at the end of chapter 2. See www.alp.org.au.

3 Trans-Pacific Partnership Agreement (TPPA) – UPDATE

March 2012 Round of negotiations in Australia: It has been confirmed that negotiations are scheduled for Melbourne from 1st to 9th March.

AFTINET has commenced working with others to organise civil society events on fair trade themes. Please contact us if you have ideas about this, or wish to be involved in organising or attending these events

Other 2012 negotiations: It is expected that dates and locations for all the rounds of negotiations in 2012 will be announced shortly.

Petition 2011 – Update: The Petition on the TPPA is being presented to parliament in the House of Representatives by Stephen Jones, Member for Throsby. The petition contains more than 3,300 signatures and is a great effort by all those who collected signatures.

The petition is now before the Parliamentary Petitions Committee. We anticipate that it will be presented in the first or second parliamentary session 7th-16th February or 27th February to 1st March. We will keep you up to date.

Lima Round Update: In the lead up to the Lima round of negotiations held in October there was a leak of the United States proposals on Pharmaceutical Prices and Intellectual Property rights. It confirmed the worst fears of civil society that US corporate interests were being put above the interests of people and society. This meant a significant focus of the round was on Intellectual Property Rights. In a stumbling effort to distract from what was actually being negotiated in the leaked documents, the United States Trade Representative (USTR) released a public paper called Trade Enhancing Access to Medicines (TEAM). Civil society responded quickly with critical analysis from several key groups, which clearly indicated problems with the TEAM paper. A detailed analysis of the leaks and the TEAM paper can be found on the website of Public Citizen:

<http://www.citizenstrade.org/ctc/blog/2011/10/22/leaked-trans-pacific-fta-texts-reveal-u-s-undermining-access-to-medicine/>

The proposals form the basis for an attack on access to affordable medicines and include the extension of patent rights, data exclusivity, and provisions for “ever greening”. The US proposals also target drug pricing and reimbursement programs such as Australia’s Pharmaceutical Benefits Scheme (PBS) and New Zealand’s PHARMAC, which US pharmaceutical corporations - some of the most profitable in the world - have always labelled as trade barriers because they result in lower wholesale prices.

The US proposals would also permit the patenting of medical procedures, which has never been allowed in Australia, which would dramatically increase hospital costs. Another controversial component would allow the direct advertising of pharmaceutical products to consumers, which is banned in most countries because it results in the over-prescribing of medicines.

Health organisations in developing countries have analysed these proposals and concluded that they would delay access to cheaper generic medicines in developing countries, making medicines unaffordable and undermining efforts in the fight against diseases like HIV/AIDS and malaria.

The Intellectual Property proposals also include demands for further copyright restrictions for digital products and increased enforcement provisions which have been criticised by Internet user groups and small IT companies relying on open source software and innovative products. These requirements could lead to Internet Service Providers (ISPs) becoming gatekeepers and enforcement agencies on copyright and could potentially limit future innovation.

The leaks also confirmed fears about the “regulatory coherence” component of the negotiations, which expands and supports the push for further deregulation and self-regulation.

DFAT has released an updated briefing from the Lima round, it is available from: <http://www.dfat.gov.au/fta/tpp/111010-tpp-stakeholder-update-9.html>

APEC Leaders Meeting – TPPA Update: The APEC leaders’ meeting held in November had been expected to conclude the TPPA negotiations. However, the negotiations have been delayed by disagreement over the US proposals outlined above. Instead the APEC leaders’ meeting announced “progress” on the broad framework of an agreement and that the negotiations will continue into 2012.

The APEC statements on the TPPA glossed over the differences and controversies. A new deadline of July 2012 being promoted by the US is thought to be optimistic.

It was announced that Japan, Canada and Mexico were now to be included in a “parallel track” of consultations about their participation. It will still be several months if not longer before any of them join the main negotiations, and they will not be able to re-open matters already agreed.

There was controversy between the US and Japan over what commitments on agricultural liberalisation had been made by the Japanese Prime Minister. Japan, Mexico and Canada, will have to hold bilateral talks with all 9 TPP countries and “satisfy” them that they are ready to join and then all 9 countries must agree by consensus to admit the new country to the negotiations.

The Moana Nui meeting of indigenous groups and wider civil society which advocated human rights and indigenous rights was held at the same time as the APEC Leaders meeting. Several demonstrations were held, including a protest during the Leaders Dinner. (<http://ascendingstarseed.wordpress.com/tag/apec-world-leaders-dinner-gets-occupied/>).

The APEC Leaders' meeting has focused the attention of commentators on the TPPA being part of the US containment strategy on China, something most civil society groups worked out early on. This has heightened the view that the agreement is a political and strategic one rather than an economic one.

Kuala Lumpur Malaysia mini-Round Update: A mini-round of negotiations was held in Kuala Lumpur, Malaysia from 5th-9th December 2011. Only some of the negotiating groups attended, with discussions held on investment, services, rules of origin and Intellectual Property Rights, and market access for goods, textiles and agriculture. There were no arrangements for stakeholder consultations.

The main outcome of the meeting was the intensification of work for next year with calls for inter-sessional meetings to occur on a regular basis. It is clear that there remain significant differences between the parties.

Resources: All of our leaflets on the TPPA remain available from our website www.aftinet.org.au.

Book: A book on the Trans-Pacific Partnership Agreement is still available for purchase, with AFTINET benefiting from Australian sales of the book.

No Ordinary Deal - Unmasking the Trans-Pacific Partnership Free Trade Agreement. Edited by Jane Kelsey. Published by Allen & Unwin

Order Form can be downloaded from the AFTINET website:

<http://aftinet.org.au/cms/sites/default/files/No%20Ordinary%20Deal%20A4%20Flyer.pdf>

Media Coverage: As media coverage occurs the items are placed on our website on the TPPA Campaign media page: <http://aftinet.org.au/cms/tppa-media-reports-our-campaign>.

Individual Actions: Individuals are encouraged to join the TPPA campaign through our ongoing email/letter campaign to Dr Craig Emerson, the Trade Minister. Please go to our TPPA Campaign website page: <http://aftinet.org.au/cms/trans-pacific-partnership-agreement/trans-pacific-partnership-agreement>.

You can also place a link to the AFTINET website: www.aftinet.org.au or AFTINET facebook page <http://www.facebook.com/pages/Aftinet/219004528130731?sk=wall> on your website or personal web page.

(Sources: TPPA allies listserve, DFAT briefing papers, Public Citizen, Ascending Star Seed)

4 WTO Update:

Vanuatu WTO Accession Update: Vanuatu's accession has been passed through parliament despite significant community and business opposition. The legislation is now before the President for consideration of sign-off. The package, now available on-line at the WTO website, imposes harsh demands on Vanuatu to agree to high

levels of liberalisation as a condition of being accepted as a WTO member, and it is considered to be one of the worst packages imposed on a developing country. The approval of the President is not a forgone conclusion, with Opposition figures taking legal action against the legislation on constitutional grounds. By tradition the President should defer signature until the court challenge is resolved.

The government also threatened NGOs with jail if they went ahead and protested without permit, and is now carrying out its threat to review the status of all the participating NGOs under the Charities Act. At the same time the government made unsustainable accusations of bribery by NGOs of parliamentarians. Tensions are high with businesses also entering the fray, primarily on the side of the protesters, with some claiming the government used lies to get the legislation through parliament.

The opposition and the NGO network are continuing to lobby the President to try to ensure he does not sign the legislation into law before any legal challenge is resolved.

Samoa Accession Update: The Samoa WTO accession package has been accepted by the WTO. Like the Vanuatu package, it is one of the worst ever presented to a developing country. The United States was directly involved in negotiations and the high level of demands was seen as an attempt to ensure that there were no concessions for these developing nations that could flow into Russia's WTO accession package.

WTO Ministerial Meeting December 15-17: No agreement after 10 years

The eighth Ministerial Meeting of the Doha Development Round of the WTO negotiations was held in Geneva on December 15-17 without any resolution of major issues, after 10 years of negotiations. The statement from the chair of the meeting, Nigeria's Trade Minister Aganga, regretted that the negotiations were at an impasse. EU trade commissioner Karel De Gucht admitted at a press conference that WTO member states needed to "recognise that our credibility has been seriously damaged by our failure to get Doha off the ground". See www.abc.net.au/news/2011-12-18/wto-talks-end-with-doha-round-still-deadlocked/3736840

AFTINET has consistently criticised over the last decade the failure by richer industrialised countries to recognise the needs of developing countries for special and differential treatment.

The non-binding statement agreed by consensus reaffirmed that the mandate of the Doha development round remains, and emphasised the value of the multilateral trading system, the need to address development issues and the need to address the needs of least developed countries through special and differential treatment. This included extension of the transition period for the full application of Trade Related Intellectual Property Rights (TRIPS) and special arrangements on trade in services for developing countries. These statements were a positive outcome for developing countries. See http://www.wto.org/english/thewto_e/minist_e/min11_e/official_doc_e.htm

The statement also stressed the need to resist protectionism but did not contain the proposal by the US, Australia and other industrialised countries for a legally binding tariff standstill for all countries. This was rejected by developing countries on the

grounds that it reduced their flexibility in the context of global economic instability, and failed to recognise their development needs.

The US, EU, Japan and Australia sought to increase the pressure for a tariff standstill by holding a media conference to announce a voluntary pledge for tariff standstill by themselves and 17 other countries, and calling on others to do so. See http://trademinister.gov.au/releases/2011/ce_mr_111215a.html

This proposal was not supported by Brazil, India, China or South Africa and most of the other 100 developing countries who are WTO members.

Australia's Trade Minister, Dr Craig Emerson, supported the positive proposal of a package for tariff free access to industrialised countries for goods from the poorest least developed countries. Australia has implemented this proposal unilaterally.

However, the Australian government also supported demands for further liberalisation of services, including financial services, and further liberalisation of investment. These demands were also rejected by developing countries, because further liberalisation of financial services and investment contradicts the moves by governments to re-regulate in the wake of the global financial crisis and continuing global financial instability.

After the meeting, Dr Emerson called for plurilateral negotiations by smaller groups of countries willing to negotiate, with priority given to agriculture and services. This approach was criticised by India and other developing countries on the grounds that it would enable richer countries to reach agreement without involvement of developing countries. Multilateral negotiations give more bargaining power to developing countries.

www.theaustralian.com.au/national-affairs/australia-hails-doha-breakthrough/story-fn59niix-1226225311946

A key feature of the Ministerial Meeting was the accession of Montenegro, Russia, Samoa and Vanuatu, where the political process is still not complete (**see above**). Normally these occur at any time of year and do not need to be on the Ministerial agenda. This year they were included to show that the WTO is still relevant because countries still want to join it.

Civil Society groups, including the Our World Is Not For Sale group, held rallies and seminars critical of financial services deregulation and the harsh accession process, and supported developing countries demands for special and differential treatment.

AFTINET sent letters to Dr Emerson on the development issues and financial regulation for the December Ministerial. See our WTO Campaign page, 2011 update: <http://aftinet.org.au/cms/doha-round-negotiations/wto-2011-crunch-year-doha-development-round>

(Sources: PANG, PACTrade, DFAT briefing papers, Our World Is Not For Sale Network),

5 PACER-Plus Update:

Late Breaking News - The Pacific Seasonal Worker Pilot (PSWP) will become a Permanent Program: The Australian Government on 18th December 2011 announced that the existing PSWP would become the Seasonal Worker Program (SWP) which will be a permanent ongoing program from 1st July 2012. The existing

pilot focuses on Horticultural workers but recently incorporated a trial pilot program in the Tourism sector in Broome, using workers from Timor Leste.

The announcement of the change included details of an extension of the tourism trial to three years and extended the trial to cotton and cane growers, as well as aquaculture.

Office of Chief Trade Advisor (OCTA) Funding – The ongoing funding of OCTA is still not finalised. Australia continues to fail to listen to concerns from the OCTA Board on behalf of the Pacific Island Countries about the proposed funding agreement. Funding and assistance has been made available from the Commonwealth Secretariat and the EU, meaning the OCTA can hold out for the best possible agreement from Australia.

Probable PACER-Plus negotiating round – Brisbane, late March 2012.

The Pacific Island Forum Secretariat is in the processing of consultations to confirm that the next round of negotiations will take place in Brisbane in late March. The proposal is for the negotiating round being held on 29th and 30th March.

Probable Non-State Actors Meeting, in Brisbane early March 2012.

Alongside PACER-Plus negotiations once a year, there is a Non-State Actors (NSA) meeting which includes civil society groups. This year the meeting was to be held in Australia, alongside planned negotiations between trade officials in November. However this round has been deferred.

It now appears that the NSA meeting will be in Brisbane on 26th March 2012. It is important to our allies in the Pacific that as many Australian civil society organisations as possible attend the NSA to support their claims in front of DFAT and Island officials.

The Australia-New Zealand Pacific Network, of which AFTINET is a member, has commenced working on plans to organise civil society events to coincide with this great opportunity to bring Pacific, New Zealand and Australian civil society organisations together. Please contact us if you have ideas about this, or wish to be involved in organising or attending these events.

(Sources: PACTRADE, DFAT website, PANG Media Releases)

6 FTA Updates:

The following FTAs have had some movement or negotiations since our last Bulletin. Those not mentioned have had no significant events or negotiations occur.

South Korea-Australia/Japan-Australia/China Australia FTAs: In an attempt to bolster the push to conclude FTAs with China, Japan and the Republic of Korea, Agriculture Minister Joe Ludwig visited these countries with agricultural business representatives. This is more of a show for domestic farm community consumption than creating any real momentum on the FTAs. Latest reports from negotiators indicate that there remain significant differences, particular in agriculture and services with all three countries. There have been no negotiations with China since July 2011, Japan since February 2011 and South Korea since June 2010, though email exchanges have been occurring since these last meetings.

India-Australia FTA: The second round of negotiations occurred on 17th-18th November 2011 in Canberra. Negotiations are still in the very early stages. There are three working groups - one covering Services and investment, another covering Goods (including market access) and the final one covers Legal and other issues. These groups are in discussions on how to approach the negotiations, how to advance market access negotiations and the structure of the agreement.

Reports are that draft text on trade in goods, services and investment will be exchanged before the next round of negotiations. India has tabled a proposed chapter on investment. DFAT negotiators assure AFTINET that they have communicated the government's opposition to Investor-State Dispute clauses.

Indonesia-Australia FTA: In early November Indonesia put in place the final steps for implementing the ASEAN-Australia-New Zealand FTA (AANZFTA). This will allow the AANZFTA to enter into force in all 12 signatory countries on 10 January 2012.

Negotiations had not commenced on the bi-lateral FTA with Indonesia pending the finalisation of the ASEAN FTA. AFTINET has been advised that negotiations may now start in 2012.

(Sources: DFAT website updates, DFAT Briefings)

7 AGM Report and Guessing Competition Results:

The AFTINET AGM was one of the best attended in some time and a good discussion resulted from our panel presentations.

The results of our guessing competition were:

- 1st Prize** – a week in Foster-Tuncurry – Peter Dodd
 - 2nd Prize** – Parliament House Wine Pack – Janice Workman
 - 3rd Prize** – Fair Trade Tea and Coffee pack – Sandy MacDonald.
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8 New Resources available on the web or at our website:

Latest leaked US Intellectual Property Rights Text proposal for the TPPA and analysis of its impact on copyright: <http://infojustice.org/tpp-analysis-december2011>

Leaked US Intellectual Property Rights Text proposal for the TPPA and analysis of its impact on medicines: <http://www.citizenstrade.org/ctc/blog/2011/10/22/leaked-trans-pacific-fta-texts-reveal-u-s-undermining-access-to-medicine/>

Updated AFTINET WTO Campaign page, 2011 update:
<http://aftinet.org.au/cms/doha-round-negotiations/wto-2011-crunch-year-doha-development-round>

Photos of protests in Kuala Lumpur at Malaysian inter-sessional round 5th-9th December 2011:
<https://www.facebook.com/media/set/?set=a.313933971963817.81562.121965797827303&type=1>

Article by Dr Chris Noonan (former Chief Trade Advisor) on PACER-Plus:
<http://ictsd.org/i/news/tni/121372/>

New United States Green Paper on conservation in the TPPA:
<http://www.ustr.gov/about-us/press-office/fact-sheets/2011/ustr-green-paper-conservation-and-trans-pacific-partnership>