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

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1. FTAs Badly Failing Australia

By Michael Cebon

The Australian Parliamentary Library has released a Background Note analysing Australia's bilateral Free Trade Agreements (FTAs), which shows how clearly destructive they have been (although the analysis is only from an economic perspective). It starts by noting that FTAs aren't really that much about trade anyway.

Research suggests that FTAs offer little in the way of trade liberalisation and a shift to more liberal trade policies, particularly in agricultural trade. Rather, FTAs are used more often to promote other non-economic, diplomatic and regional interests.

The report notes that thanks to the

- Thai-Australia FTA, Australia's trade deficit with Thailand has risen from \$711 million to \$3.5 billion.
- Singapore-Australia FTA, Australia's trade deficit with Singapore has more than doubled, rising from \$3 billion in 2004 to \$6.4 billion in 2007
- US-Australia FTA, "exports to the US fell while US imports increased. Manufactured exports fell across most categories in line with the decline in exports. Australian exports of motor vehicles fell by more than 200 per cent from their peak in 2004. Exports of vehicle parts also fell sharply from their peak of \$286 million in 2003 to \$131 million in 2007. . . Australia's \$13.6 billion trade deficit with the US in 2007 is the highest trade deficit Australia has recorded with any trading partner."

The report ends with a scathing assessment of the impacts of Australia's FTAs:

“The FTAs were followed by higher Australian trade deficits and a much slower rate of reciprocal export growth, as well as trade diversion as products were sourced from countries with which Australia has zero tariffs.

“The potential risks of the current FTA model adopted by Australia are clear: structural trade imbalances leading to higher trade deficits favouring the FTA partner country, long phase-in periods for free trade (in particular agricultural trade), and negative impacts on the Australian economy which are related to trade diversion.

“The anticipated gains for Australian exporters have fallen well short of estimates. Given the growing importance of FTAs in the Asia-Pacific economy, policymakers need to evaluate FTA models and their importance relative to the region’s most significant multilateral project, APEC.”

So Mr Rudd (& Mr Crean), why are we negotiating more of these agreements?

To full report is available from:

<http://www.aph.gov.au/library/pubs/bn/2008-09/AustFreeTradeAgreements.htm>

2. Palestinian Farmers Union (PFU) on the Agricultural Sector losses as a result of the Israeli Aggression against Gaza Strip

This is an adapted media release by the Palestinian Farmers Union

The fierce Israeli attack against the Gaza Strip has led to the destruction of all sectors, starting from human beings through to stones; this attack has led to a complete destruction of agriculture sector facilities starting from land bulldozing to irrigation networks through to trees uprooting and crops damages, the demolish of green houses and a variety of livestock shelter.

The Gaza Strip has a total of 70,000 dunums of agricultural land, with the capacity to produce 280,000 to 300,000 tons of agricultural products annually, one third of these products are exported.

The agricultural sector provides permanent and temporary jobs for more than 40000 people in the Gaza Strip (representing 12.7% of the workforce) and provides food and life for a quarter of the population living in the Gaza Strip.

Since the imposition of the comprehensive siege on the Gaza Strip, the occupation prevented the export of any products, including agricultural products. The occupation had also prohibited to enter any seeds, fertilizers and other agricultural inputs, which led to significant losses for the agricultural sector, and the initial estimated losses since June until the end of February 2008 are more than 85 million dollars.

According to the Ministry of Agriculture data, the average of the daily losses due to farmers' inability to export their products is \$150,000, which means the total losses resulting from the inability to export during the past month, is up to \$42 million. About 25,000 tons of potatoes and more of 10000 tons of other crops were damaged or sold in the domestic market at lower prices than export prices (local prices were 10% to 15% less than export prices).

While farmers faced direct losses from selling their products in local markets, farmers were also affected by the flooding of the local market with goods which were destined for export. It is expected that the total products in the last season are about 20% to 30% less than the previous season, with an estimated loss of \$10 million a month.

On the other hand, as a direct result of the occupation restricting procedures on the movement of the fishing sector, the estimated monthly loss for more than three thousand fishing workers is \$3 million.

In addition to that the remaining agricultural sector after the siege was destroyed throughout the fierce war waged by Israeli occupation forces is the Gaza Strip, which has been classified as a genocidal war. PFU teams in the Gaza Strip could, in spite of the difficult conditions our people are facing there, monitor a part of those losses, which are increasing all the time. These losses are classified as the following:

1	fruitful trees (citrus, olives, and fruit)	5150 Dunums
2	irrigation networks	5150 Dunums
3	Completely destroyed agricultural greenhouses	450 Dunums
4	main water pipelines for irrigation purposes 110 mm	47,500 meters
5	Completely destroyed water wells	185 Wells
6	A complete destruction of cement pools for gathering water	230 pools
7	Bulldozing grain crops	4900 Dunums
8	Non protected vegetable crops	4450 Dunums
9	A complete destruction of cattle and sheep farms (the average of farms is between 5-200 heads)	285 farms
10	The destruction of poultry farms (the average of each farm is 100-500 hens)	175 farms
11	Warehouse to store agricultural tools	125 warehouses
12	Agricultural Roads	75 km
13	water tanks 1000 - 1500 L	680 tanks

Therefore, we appeal to Arabic and foreign Farmers Unions all over the world and all our friends and international development organizations to raise funds to help us to rebuild what was destroyed by the Israeli war machine, especially in the fields of the agricultural sector infrastructure mentioned in the above table. We in the Palestinian Farmers Union, announce the continuation of the state of emergency, as PFU teams in all the sites of Gaza Strip districts started the work on documenting the size of losses which are increasing every hour by the act of the Israeli aggression. During the upcoming days we will provide you with new statistics that we will gather through the PFU campaign working teams and volunteers in Gaza Strip.

PFU has open a special bank account for the campaign to contribute in rebuilding what has been destroyed of the agricultural sector

Our bank account is:

Name of the bank Bank of Palestine Ltd

Address of the bank Ramallah Branch Ramallah- Gaza,
West Bank, Palestinian Territories

Swift code: PALSPS22

Routing No: 89-458

Name of accountholder: Palestinian Farmers Union

Account number: 0214358 sub account 8 (Euro or dollar)

Address: Ramallah, West Bank,

Code/Place: 00970/the West Bank/ Ramallah

Country: Palestinian Territories

3. Submissions for the Proposed Australia/Republic of Korea FTA due Jan 31

The Australian Government is calling for submissions on a possible free trade agreement (FTA) between Australia and the Republic of Korea. The feasibility study into the agreement

claimed that Australia and Korea would benefit by real increases in GDP of US\$22.7 million and \$US29.6 million respectively. These studies assumed that employment would always be full and that barriers to trade would be removed across all goods, services and investment by 2007. Such unrealistic assumptions and outcomes are also complicated by a complete lack of assessment of the environmental, social, and cultural impacts of such an agreement.

The Feasibility study has already identified Korean labour and environmental standards as potential barriers to trade. AFTINET believes that any trade agreement between Australia and the Republic of Korea must improve labour and environmental standards, not look to remove them. AFTINET is also calling for any negotiations to specifically exclude public services, not allow companies to sue governments through investor-state dispute clauses, and preserve the space for governments to act on issues of public interest.

The Government is calling for submissions into the proposed FTA and AFTINET encourages as many people as possible to make a submission by January 31. For more info about the FTA or to obtain a copy of AFTINET's submission please contact campaign@aftinet.org.au.

Send completed submissions to koreafta@dfat.gov.au by January 31.

4. WTO Update

The proposed December 2008 World Trade Organisation ministerial that was being called for by the G20 and APEC failed to eventuate. This was due to insufficient agreement on what was being offered in the talks on agriculture and manufactured goods. Once again developing countries are refusing to be pressured into agreeing to a bad deal.

Just prior to the postponement new texts were issued for both agriculture and manufactured goods. Sadly these new texts offer very little improvements from what was previously proposed. The Special Safeguard Mechanism, one of the main issues that collapsed the July Ministerial, continues to be proposed in a manner that would be useless for developing countries wanting to protect their vulnerable crops. Likewise the controversial issue of not being able to exclude whole sectors from tariff cuts on manufactured goods is still included in the new texts, despite major disagreement from developing countries.

Whilst the Director General of the WTO, Pascal Lamy, is calling for the WTO working groups to get straight back to work in 2009, many will be taking their indications from the US and the level of priority that the Doha Round is given under President Obama.

5. FTA Update

ASEAN/NZ/Australia FTA

The signing of the ASEAN FTA has been delayed by the recent unrest in Thailand. Thailand was due to host the East Asia Summit on December 17 but civil unrest resulted in its cancellation. This summit was also to be the occasion for signing the FTA. The summit has now been postponed to March 2009.

The Department of Trade has reported that the agreement includes an investor-state disputes mechanism, a chapter on intellectual property, and will see Australia make reductions on every tariff.

The Australian government is reportedly unhappy about the inclusion of an emergency safeguard mechanism for services. Such a safeguard is yet to be finalised but it would allow

governments to exempt service commitments in specific circumstances. Australia is worried that this may set a precedent.

Chile FTA

The expected implementation date for the Chile FTA was January 1st 2009, however this has been put back. The Australian Government has completed the Australian process for ratifying the treaty but is awaiting the completion from the Chilean side. It is expected to come into force in the first quarter of the year.

6. AFTINET Strategic Planning Workshop Feb, 11, Sydney Mechanics School of Arts, 280 Pitt St

On February 11 AFTINET will be hosting its annual strategic planning evening. The evening is open to all members and supporters, and is a chance to plan the activities of AFTINET for the year. This will include planning campaigns, brainstorming new ideas, identifying work areas, and generally coming up with as many great ideas as possible to challenge the current tide of free trade.

Current proposed campaign areas include:

- Climate change and trade – How trade and trade laws restrict and impact on action to prevent climate change.
- Trans Pacific Partnership Agreement – The proposed multilateral agreement between Australia, Chile, Singapore, New Zealand, United States, Peru, and Brunei.
- Pacific Island Trade – Australia is pushing for the negotiation of an agreement between Australia, New Zealand, and the Pacific Island Countries.
- Alternatives to Free Trade – Undertaking work to explore what are our options as free trade begins to come apart.

It would be great to have as many ideas and thoughts as possible. For more information or for those who can't make it but would like to contribute, contact Adam on 02 9212 7242 or campaign@aftinet.org.au.

7. Australia's Climate Action Summit Jan 31 – Feb 3

In February, community climate action groups from across the continent and other concerned Australians are joining together for Australia's Climate Action Summit in Canberra, the weekend before the first day of the 2009 Federal Parliament: 31st January – 2nd February 2009.

At the Summit, ordinary Australians will send a powerful message to the Rudd Government on the eve of its second year, to set the agenda for urgent climate action in 2009.

Australia' Climate Action Summit will be two days of facilitated meetings and workshops. The program will consist of four strands: campaign development, movement building, skills workshops, and information and discussion sessions. The aim of the two days is to create a strategic national climate campaign and form a national grassroots network.

The weekend will be followed on the Monday by one day of dynamic training in climate campaigning skills for taking action, facilitating climate action groups, effective lobbying and more.

On Tuesday 3rd February, the first day of the 2009 Federal Parliament, a peaceful, community action of thousands of ordinary Australians will demand immediate political action for a safe climate. On the same day, the grassroots climate network will launch a national campaign at Parliament House.

For more information see www.climatesummit.org.au