



AFTINET
Australian Fair Trade
& Investment Network Ltd

128 Chalmers Street
Surry Hills, NSW, 2010
Phone: 02 9699 3686
Fax: 02 9699 3717
Email: campaign@aftinet.org.au
ACN 097 603 131
ABN 83 659 681 462
www.aftinet.org.au

MEDIA RELEASE

Thursday December 5, 2013

Fair trade group condemns inclusion of investor rights to sue governments in Korea-Australia Free Trade Agreement.

“The summary of the Korea-Australia free trade agreement (see attached), released today, shows that the Australian Trade Minister has agreed to include investor rights to sue governments as a trade-off for market access in Korea,” Dr Patricia Ranald, Convenor of the Australian Fair Trade and Investment said today.

Dr Ranald is in Bali observing the World Trade Organisation Ministerial Meeting where side meetings on the Australia-Korea FTA have taken place.

“We can’t know the details of the investor rights clause because the negotiations are secret and we won’t see the text until after Cabinet has made the decision to sign it,” said Dr Ranald.

“The government claims that health and environment legislation have been carved out from the agreement. But this has proved impossible in most investor-state clauses because foreign investors can sue over the process as well as the content of legislation. Investors have pursued cases in other countries even when there have been so-called exemptions for health and environment laws, by claiming the process of developing the law did not include “fair and equitable” treatment for them,” explained Dr Ranald. “Many cases have been won on this basis.”

“This is a dangerously short-sighted policy, which could have dire consequences for rural communities which want more government regulation of coal seam gas mining for environmental reasons. The US Lone Pine mining company is currently using an investor rights clause in the North American Free Trade Agreement to sue the Canadian Quebec government because it dared to conduct an environmental review of gas mining. [Fifty-four rural groups](#) have written to the Trade Minister expressing their strong opposition to investor rights so sue governments,” said Dr Ranald

Such an agreement would also result in more cases like the one in which Philip Morris tobacco company is suing the Australian government for billions of dollars in an international tribunal over plain packaging legislation, using an obscure Hong Kong-Australia investment agreement,” said Dr Ranald. “This is unacceptable. Democracy and sovereignty should not be secretly traded away.”

“We call on the Government to reject the right of foreign investors to sue governments and to release the full text of the agreement for public and Parliamentary debate before it is signed by Cabinet,” said Dr Ranald.

Contact Dr Patricia Ranald on Bali Number 62 822 3660 7841, until Friday evening, December 6.