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**AFTINET Bulletin No. 170**  
**October 2010**

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**1 Reminder: Notice of Upcoming AGM:**

AFTINET wishes to inform readers of the details of our Annual General Meeting.

**6 pm on Wednesday 13<sup>th</sup> October 2009**

**Please note address: Level 11, PSA house  
160 Clarence St (between King and Market Sts)  
Sydney 2000**

Notice and paperwork for the AGM has been emailed and where necessary mailed to members.

If you have any inquiries about this meeting please phone, Harvey Purse Trade Justice Campaigner, on 02 9212 7242.

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**2 Reminder - Guessing Competition – time to get the tickets back:**

AFTINET mailed to members a book of guessing competition tickets earlier this year. We'd like to thank all of those who have returned their sold ticket booklets and encourage the return of ticket booklets from those who still have them. Tickets in the guessing competition are \$5 each, 5 for \$15 or the book of 10 for \$25.

Time is up at the end of this week to purchase tickets. There are some great prizes, including a one week holiday in beachside Forster-Tuncurry.

**All ticket books sold or partially sold, need to be returned to the AFTINET office by close of business on Friday 8<sup>th</sup> October 2010.** Please return to Harvey Purse, Trade Justice Campaigner, AFTINET, Level 3, Suite 3B, 110 Kippax Street, Surry Hills NSW 2010.

The Guessing Competition is to be drawn at the AFTINET AGM on Wednesday 13<sup>th</sup> October 2010.

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### **3 Report on AFTINET fundraiser film night Wall Street 2 at Dendy Quays:**

On Monday 27<sup>th</sup> September 2010 AFTINET held a successful fundraiser film night featuring Wall Street Money Never Sleeps. The evening was great with more than 70 attending and enjoying the movie.

We would like to thank those who attended and/or made donations towards the night.

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### **4 Trans Pacific Partnership Agreement (TPPA) - UPDATE**

**We ask that organisations update their email campaign link** so that this part of the campaign is available to their membership to participate in. Our campaign has been updated to send emails and letters to the new Trade Minister, Dr Craig Emerson. We encourage you to put the following updated link to the e-mail campaign on your website: <http://aftinet.org.au/cms/tpa-campaign-email-craig-emerson-don%E2%80%99t-trade-away-vital-social-policies>

And also update this link to our letter to Dr Emerson for those who do not want to use email:

<http://aftinet.org.au/cms/sites/default/files/Craig%20Emerson%20Individual%20Letter.doc>

**Update:** The third round of negotiations is taking place in Brunei from 4<sup>th</sup>–10<sup>th</sup> October 2010.

Reports from civil society groups in the US indicate that during the third round the US will table texts on trade in services, intellectual property rights and a number of other areas.

The trade in services text may be based on the US-Korea FTA and the intellectual property rights texts will be in line with the secretive and highly controversial Anti-Counterfeiting Trade Agreement (ACTA) (*see our August 2010 bulletin for information about ACTA*). It is also believed that the US will provide texts in several areas but not the key areas of labour and environmental protections.

This move is interesting in light of the comments by Barbara Weisel, USTR South East Asian and Pacific:

TPP participants would be required to undertake "significant legal reforms" that involves a strong intellectual property rights system and "opening the services sector completely, with very few exceptions."

It is also anticipated that final discussions with Malaysia about it joining the negotiations will occur on the side-lines of the Brunei meeting.

Several media reports confirm that the US is looking at this agreement to be a spearhead for its game plan to ensure that the Doha round of negotiations moves away from the development aspect and towards an entrenchment of the existing advantage of the developed world, itself in particular, through Trade in Services. However, it may be getting ahead of itself with reports out of New Zealand that the

US, which wants to keep its existing FTAs unaltered, is on a collision course with the other countries, who all want to see all existing agreements reopened.

The new Australian Trade Minister, Dr Craig Emerson, has indicated a full support for the TPPA concept:

“I’m excited about working with the US and other regional partners to negotiate a high quality, comprehensive trans-Pacific trade agreement.”

AFTINET has written to Dr Emerson outlining the concerns already expressed by civil society in Australia through our TPPA Sign-on to 9 Principles letter. A copy of the original correspondence to previous Trade Minister Simon Crean was included as well as a request for Dr Emerson to commit the government to implementing the 9 principles outlined in the sign-on letter (a copy can be viewed on our website: <http://aftinet.org.au/cms/trans-pacific-partnership-agreement/tppa-community-organisation-statement-australian-government>).

In further news the Japanese news agency, Nikkei.com, has reported that Japan is considering a shake-up of its agricultural policies to allow it to participate in the TPPA. It is considering moving to farm subsidies. If these are constructed in the same way as US farm subsidies many of them will not be in contravention of WTO rules (see the story in this issue on the WTO Trade Report on the US).

To overcome agricultural issues, which have been stumbling blocks in negotiations, "We'll join forces with the agricultural ministry to expand farm subsidies and have farmers continue working with peace of mind," Ohata said.

‘The decline in farmers’ incomes from lower tariffs on agricultural products will be covered by farm subsidies, mitigating the fallout from the accords.’  
*Nikkei.com*, 23<sup>rd</sup> September, 2010.

This change will be difficult if not impossible for the Japanese Government to implement. We will monitor developments in Japan that might arise from this announcement, including any impact on the Japan-Australia FTA.

*Location and Timing of 4<sup>th</sup> Round:* We have now received unofficial confirmation that the 4<sup>th</sup> Round of negotiations will be held in Auckland, New Zealand, from 6<sup>th</sup> December 2010.

**Leaflet:** Copies are still available of the AFTINET leaflet “***Resurrecting the US Free Trade Agreement: What US business wants from the Trans Pacific Partnership Agreement***”. The community education leaflet is aimed at explaining the issues and asking the government to ensure that public interest policies are not traded away. Copies of the leaflet are available for free. We do however request a donation towards postage costs – please see the AFTINET website [www.aftinet.org.au](http://www.aftinet.org.au) to download an electronic copy of the leaflet or an order form, or you can call the office on 02 9212 7242.

**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>.

**Organisations:** We continue to ask our member organisations to sign on to 9 principles for the TPPA negotiations. If your organisation has not signed up it isn't too late – this campaign will run for at least the next 18 months. The principles and joint statement are available from the AFTINET TPPA Campaign page: <http://aftinet.org.au/cms/trans-pacific-partnership-agreement/trans-pacific-partnership-agreement>.

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

(**Sources:** Business World On-line, Australian Trade Minister Media Releases, Nikkei.com, Public Citizen)

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## **5 WTO Update:**

Australia will continue to follow the lead of the United States in Trade Policy. Australia's new Trade Minister, Dr Craig Emerson, spoke at the Global Services Conference on 22<sup>nd</sup> September 2010, and emphasised Australia's support of the US calls for more to be put on the table by developing countries on trade in services before the Doha development round of negotiations can be concluded.

Dr Emerson backed his views on services by releasing a study on the liberalisation of Trade in Services, by the Centre for International Economics. It utilises the methodology which was criticised in the recently released draft Productivity Commission review of Australia's Bilateral and Regional Free Trade Agreements.

“It is questionable whether feasibility studies, as they are currently produced, are a good decision making tool for deciding whether to proceed with negotiations or not.” Productivity Commission Draft Research Report: Bilateral and Regional Trade Agreements. p.14.6.

The CIE report claims that the biggest gains from the liberalisation of trade in services would be made in the developing countries. We have to ask, which services are the developing countries meant to be trading that will give them the lion's share of the benefits of any increased Trade in Services?

### **WTO report on US Trade Policy:**

When you read the WTO Report on US Trade Policy it leaves you wondering if it was written by the WTO or by the United States Trade Representative (USTR). This is the type of review you have when you don't want to get the big players off-side.

The report summarises the WTO findings:

“The U.S. trade and investment regimes are among the most open in the world, and have remained so throughout the period under review. Like most

other WTO Members, the United States very largely resisted pressures to respond to the global economic recession by tightening restrictions on imports. The restraint shown by the United States helped forestall a worldwide slide into protectionism.”

The report goes on to further downplay the US’s border protection measures as being “trade border measures related mostly to contingency measures”. An examination of the list of these measures indicates that a significant number of the border measures are being disputed by other governments and in some cases have already been found by the WTO dispute panels to be in contravention of the WTO rules.

The only real criticism was related to agriculture – but again it was limited criticism, despite it being widely acknowledged that US farm subsidies are a significant contributor to trade distortions in agriculture.

*How do they do it?* A significant amount of the subsidies are for nutrition programs for low-income families, (remember the US has one of the largest populations living below the poverty line in the world). The report doesn’t even look at other subsidies such as those for research and development. These are more sophisticated options that are generally not available to developing countries primarily because of lack of resources and capacity.

The report is critical of the US 2008 Farm Act which maintained, with some changes, most of the policies in the 2002 Act, with some new programmes introduced and some adjustment to payment rates.

“However, of the support that remains, most is linked to prices and/or production, and producers of cereals, oilseeds, and cotton are effectively insulated from market prices while sugar and dairy have market price support programmes”.

The WTO Trade Report found that US subsidies were low compared to other OECD countries but that the size of the US agriculture sector meant that it could affect world markets. The report does call on the US to remove some subsidies but not the entire support given to US agriculture through the 2008 Farm Act.

“...continued reduction in remaining restrictions on market access and other distorting measures, in line with Members' observations during the previous Review of the United States, including with respect to U.S. tariff peaks, support for agriculture, and remaining barriers to services trade and investment.”

This amounts to barely a slap on the wrist for the US.

(**Sources:** WTO Trade Policy Review: United States of America, Australian Trade Minister Media Release)

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## **6 PACER Plus Update:**

AFTINET is continuing to monitor negotiations. There have been no meetings since our last bulletin.

The Pacific Institute of Public Policy has released its study into the opportunities and challenges for the Cook Island under PACER-Plus. It is available on the Cook Island Government's website: <http://www.mfai.gov.ck/index.php/news/19-general/140-beyond-sparteca.html>.

***A presentation and discussion about Human Rights and Trade in the Pacific will take place in Sydney on 12<sup>th</sup> October and in Melbourne on 14<sup>th</sup> October.***  
Please see the AFTINET website [www.aftinet.org.au](http://www.aftinet.org.au) for details.

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## **7 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.

Meetings on several negotiations for FTAs were postponed due to the Australian election and have not been rescheduled. These include Republic of Korea, Japan and Malaysia.

### **India-Australia potential FTA**

Reports carried in Australian media recently indicate that there may be no announcement about entering FTA negotiations with India until the planned visit to Australia by Indian Prime Minister Manmohan Singh in 2011. AFTINET will continue to monitor developments.

**(Sources:** DFAT briefings, The Australian).

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## **8 General Trade Update:**

**Dr Emerson's view on Labour and Environment Clauses and other Trade related comments – Its not all bad, but it allows Murdoch media to have a field day.**

Over the October long weekend, **a weekend set aside to mark Labour Rights** in some states of Australia, *The Australian* reported remarks from Australia's new Trade Minister, Dr Craig Emerson, against the inclusion of labour and environment clauses in Trade Agreements.

The remarks were made on Rupert Murdoch's Sky News program, *Australian Agenda*, on Sunday 3<sup>rd</sup> October 2010. The panel was packed with Murdoch's leading media advocates for the neo-liberal agenda – Piers Ackerman, Paul Kelly, Dennis Shanahan - and was hosted by Peter Van Onselen.

*The Australian* on Monday 4<sup>th</sup> October reported:

“He [Dr Emerson] said the government would not be swayed by its alliance with the Greens by bowing to their policies to insert environmental and labour standards into trade deals. **He specifically declared he was against including labour standards in trade agreements.**”

The actual words from the transcript:

**KELLY:** But if we just go back to the basis of Piers' question, in policy terms do you support or oppose environmental and Labor standards provisions being included in trade agreements?

**EMERSON:** Yeah, I personally don't. Now that might be controversial...

**KELLY:** What about the Government?

**EMERSON:** Well I don't think that we have sought to insert those into trade agreements in the past and I don't see that being a problem.

Dr Emerson did not actually rule these clauses in or out but it was very clear that he did not support them. He expressed a negative personal view against their inclusion and pointed out that the government had not sought to have them inserted in the past and seemed to signal that the government would continue this approach. He clearly stated on a number of occasions that Labor will adopt and follow Labor's platform. We obviously need to remind Dr Emerson of the ALP's platform, which includes putting labour and environmental standards into trade agreements.

Dr Emerson cannot rule out the inclusion of labour and environment standards in trade agreements completely, as the US wants them included in the Trans Pacific Partnership Agreement and at the very least Australia is talking about them being included.

A very real concern arising from this interview is that Dr Emerson was either unable or not prepared to articulate and defend ALP policy on international trade. This policy is unambiguous in supporting the inclusion of labour and environmental clauses in Trade Agreements.

It is also very concerning that Dr Emerson did not respond to Piers Ackerman's claim that including labour and environmental clauses in trade agreements is protectionist. Dr Emerson has a responsibility to defend and implement the government's policy on international trade which it took, in substantially the same form, to both the 2007 and 2010 elections.

A secondary but still significant concern arising from the interview is Dr Emerson's comment that he hoped that the Coalition would support some of the government's policies on international trade. This type of support could only occur on the basis of the ALP continuing to pursue a neo-liberal free trade agenda, as opposed to its own fairer trade policies.

Dr Emerson's failure to be very clear that Labor policy is similar to the Greens policy and supports the inclusion of Labour and Environmental Standards into trade agreements and his failure to mention that Australia was currently negotiating the inclusion of these very clauses into the TPPA has allowed Australia's right wing media to go into full attack mode in support of the neo-liberal free trade agenda.

Mr Murdoch's media, including *Sky News* and *The Australian*, has campaigned hard since the election to try to reinforce the neo-liberal agenda of free trade. The strength and force of this campaign is reflected in the sheer number of stories appearing. For example in *The Australian* in just the first four days of October there were at least 6 stories/opinion pieces. This is as high, if not higher, than the normal number of trade related stories published in a month in *The Australian*. This should give us some

heart that the proponents of this agenda believe it is under threat – we need to make that threat real.

It is not all doom and gloom: There were some positives in Dr Emerson's remarks, with a very strong commitment to concluding multilateral negotiations, in particular concluding the current WTO Doha round of negotiations. The downside is the shift in focus to negotiate a conclusion of the Doha development round based on an inclusive liberalisation of trade in services.

Another positive is Dr Emerson's statement that on some matters the Greens and ALP policy will agree and that if the Greens put up good policy the government will examine it.

Members should take the time to join our email/letter campaign (see our website: <http://aftinet.org.au/cms/trans-pacific-partnership-agreement/trans-pacific-partnership-agreement>) and send a message to Dr Emerson calling on him to commit to the 9 principles, outlined in our TPPA campaign, as a minimum requirement for Australia's negotiating position. The 9 principles highlight labour and environmental standards, among other matters, that the government needs to ensure are included in the TPPA. It is important to note that ALP policy is in line with these principles. We are simply asking Dr Emerson to implement the ALP Government's own policies.

(Sources: Sky News Australia Agenda, The Australian, Trade Minister Transcripts webpage)

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## **9 Upcoming Events:**

2010 Sydney Peace Prize Lecture – by noted Indian environmentalist, eco-feminist and human rights activists Dr Vandana Shiva.

Dr Shiva has been involved in working on fair trade matters for many years and has had particular interest in TRIPS (Intellectual Property Rights) as they impact on developing countries.

**Time and Date:** 8:00pm Wednesday 3<sup>rd</sup> November 2010

**Venue:** Concert Hall, Sydney Opera House

**Tickets:** \$30/\$25

**Contact:** Sydney Opera House – 02 9250 777 or [www.sydneyoperahouse.com](http://www.sydneyoperahouse.com)  
or Sydney Peace Foundation 02 9351 4468 or  
[peace.foundation@sydney.edu.au](mailto:peace.foundation@sydney.edu.au)

Dr Shiva will receive the Sydney Peace Prize at a Gala Dinner on Thursday 4<sup>th</sup> November 2010.

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## **10 New Resources available on the web or at our website:**

Updated email and letters to send to Dr Craig Emerson as part of our TPPA Campaign: <http://aftinet.org.au/cms/trans-pacific-partnership-agreement/trans-pacific-partnership-agreement>