

Call to protect jobs in free-trade era

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Dispatch clerks Fomale Rokodreu and Neel Prasad inside the FMF warehouse. FMF has closed down two factories

THE Pacific Network on Globalisation (PANG) says Pacific governments should not pursue foreign-imposed free trade policies that will lead to business closures and more job losses.

This follows news that Flour Mills of Fiji (FMF) has closed down two milling factories and put on hold \$30 million worth of projects that would have created 120 new jobs. The closure of the mills, which have been operating for 15 years, forced 20 people into unemployment and affected at least 20 more. The reduction of import duties on competing products (split peas and rice) led to the closure of the mills.

PANG coordinator Roshni Ram said the private sector in Fiji was not ready for open competition with far larger corporations in developed nations and that signing free trade deals with the EU, Australia and NZ would devastate local industry.

She welcomed calls from the Suva Chamber of Commerce president Dr Nur Bano Ali for the Fiji government to support a thriving local private sector and to ensure existing employment levels are maintained.

"All Pacific economies already suffer from high unemployment levels," said Ms Sami.

"We need pro-development trade policies to support local industries, not trade policies that fill the pockets of corporations in New Zealand, Australia and other wealthy trading partners.

"We just can't afford to institute policies designed for the benefit of wealthy nations that will push even more people out of jobs."

In late 2007, Fiji (and Papua New Guinea) was pressured into initialing a free trade agreement on goods with the European Union, which means Fiji will have to permanently reduce tariffs on most goods entering the country from the EU. In explicit violation of their commitments under the Cotonou Agreement (2000), the EU had threatened to raise tariffs on Pacific exports of tuna and sugar if Fiji and PNG did not sign. The Pacific's big brother's neighbours, Australia and NZ, are already calling for similar concessions to be offered for their exports. Ms Sami said Australia and NZ were far and away the Pacific's biggest trading partners. If we are pushed to offer the same trading terms there will be devastating consequences for the Pacific," said Ms Sami

"Pacific leaders have been warned about this by their own advisors and leading economists. It's time this advice is reflected in their trade and economic policies."

Sweeping trade liberalisation would result in major losses of government revenue, cuts to public services, business closures and job losses, and a flood of imports undermining local producers.