



PRESS RELEASE

World Poverty Day

The bittersweet truth - the EU, sugar and poverty

World Poverty Day is the best time to talk about the implications of new free trade agreements for the Pacific, says the Pacific's regional watchdog on trade.

Pacific Network on Globalisation (PANG) coordinator, Roshni Sami, said this week's World Poverty Day was the perfect time for people to reflect on pressure facing the Pacific to sign up to free trade agreements - which are likely to increase poverty in the region. The Pacific is currently negotiating a free trade agreement with the EU, with Australia and NZ hoping to follow suit in the near future.

In recent weeks the EU has turned the screws on the Pacific in trade negotiations for a new 'Economic Partnership Agreement' by refusing to guarantee continued preferential market access if the Pacific doesn't sign up before the end of the year. In a 'divide and rule' move, the EU has also unilaterally denounced the Sugar Protocol in the final months of negotiations. This has forced Fiji into a corner, because if Fiji wants to continue to enjoy market access for sugar exports, Fiji must negotiate sugar as part of the EPA, abandoning a position of Pacific-wide unity in trade negotiations.

Ms Sami said these "bully tactics", and the EU's "staggeringly unfair" demands that any trade preferences granted to other nations be granted to the EU as well, indicated the EU was interested in free trade and not poverty reduction. "Somehow we have to get Pacific leaders to put niceties aside and challenge our 'development partners' to stop trying to exploit our markets and give the Pacific a chance at achieving real development, good governance, gender equality and human security; because economic justice underlies all these things," said Ms Sami.

She said the EU's claim that the EPA is about development ignored the human costs of trade liberalisation. "There will be devastating consequences for entering into a free trade agreement with economies so much larger than ours," said Ms Sami. "And the poorest will be hit hardest." She said the creation of a free-trade agreement between regions with such different development levels would disrupt local production and government revenues, leading to de-industrialisation and increased unemployment. "Any agreement that imposes WTO style liberalisation of goods, services, investment regimes, and intellectual property rights will ultimately increase poverty in the Pacific rather than reduce it," Ms Sami said.

The EU did not follow 'free trade' policies during its historical development, and continues to subsidise its industries (particularly in agriculture, to the tune of billions of

dollars), in ways the Pacific will never be able to. Ms Sami said it was “hypocritical for the EU to demand developing nations in the Pacific follow free trade policies that the EU never has“.

She added that consequences for poverty in the Pacific would be even greater if a free trade agreement was signed with Australia and New Zealand. Dr Wadan Narsey, former director of employment and labour market studies at the University of the South Pacific, agrees. He said a free trade agreement with the Pacific’s big brother neighbours would see “three quarters of Pacific manufacturers collapse” and would force thousands into unemployment.

He warned Pacific countries to be wary of ‘kind rhetoric” with no substance. “Trade negotiations are not likely to be conducted in the warm spirit of human kindness for Pacific Island peoples,” said Dr Narsey.

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“Make Trade Fair in the Pacific”

Pacific Network on Globalisation (PANG) is a Pacific Islands regional fair trade organisation based in Suva, Fiji.