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Trade Bullies: Regional NGO condemns Australian tactics at Pacific meeting.

Australia has been accused of trying to fast-track new free trade negotiations with Pacific Island Countries at a recent regional trade ministers' meeting.

Trade officials from the Pacific, who wished to remain anonymous, said Australian trade bureaucrats behaved "appallingly" during a meeting of Pacific Island Forum Trade Ministers, held in the Cook Islands last month.

The officials leaked details of the meeting to the Pacific Network on Globalisation (PANG), because they were outraged that an Australian trade delegation had tried to bully Pacific ministers to fast-track work on a new free trade agreement (FTA).

PANG coordinator Maureen Penjueli said the Australians tried to secure agreement on which areas would be included under any FTA negotiations, and begin formalising the negotiating process.

"They know very well that Pacific countries are not ready to start any negotiations," said Ms Penjueli.

"We are still negotiating a controversial FTA with the EU, and a regional trade deal among ourselves.

"We haven't even begun to prepare our regional negotiating framework, or undertake social impact assessments, or reviews of Pacific legislation that could be affected by a new FTA with Australia and NZ."

A Pacific trade official who was present at the meeting, said a proposal was put forward to start work on a number of areas for FTA negotiations, including labour mobility, trade facilitation, trade in services etc.

"The Australian delegation indicated they had a mandate from the Australian Prime Minister to include certain areas of interest in the outcomes document, so as to result in concrete actions to move the PACER-Plus forward," said the trade official.

"This would have the effect of setting the parameters of negotiations, and fast forwarding the PACER-Plus process."

The trade official said the proposal was strongly objected to by Pacific Ministers, who wanted to focus on developing the Pacific's regional negotiating capacity first.

Pacific ministers want to establish an office of a Chief Trade Advisor (CTA), potentially to be based in Port Vila, Vanuatu, before any PACER-Plus negotiations get under way.

They submitted a proposal for an office for the CTA, plus appropriate support staff, but Australia and NZ resisted supporting the proposal.

Australia and NZ said they might fund a CTA position (not an office, with staff) but would prefer to help build 'national negotiation capacity' instead.

The trade official said this would make it much easier for Australia and NZ to get what they want out of any FTA negotiations.

"It looks like they would prefer to negotiate with small Pacific Island Countries on a national level," the official said.

"This would undermine regional solidarity and weaken the Pacific's negotiating power."

Ms Penjueli said Australia and NZ were not interested in supporting a strong regional negotiating team.

"Negotiations haven't even begun, and the Australians are splitting the region, by refusing to support a regional negotiating office, and by holding out carrots – like new workers' schemes – to gain support from individual Pacific countries," said Ms Penjueli.

"It would be unfortunate if Australia and NZ were to use their position as key aid donor countries for the region, to secure their own trade interests in any FTA negotiations."

Australia and NZ are keen to pursue an FTA with 14 Pacific Island Countries as part of the Pacific Agreement on Closer Economic Relations (PACER). The FTA is being called PACER-Plus.

Australia and NZ, who export more than AUD\$5billion to Pacific Island Countries, are interested in securing new access to Pacific markets for their exports, service suppliers and investors.

Both countries stand to gain hundreds of millions of dollars in increased exports, but there are concerns the Pacific nations will be hurt by free trade with their big brother neighbours.

Ms Penjueli said churches, unions and civil society organisations in the Pacific were concerned that pursuing an FTA with Australia and NZ would lead to rising inequality, losses in government revenue, job losses, a reduction in the quality and supply of essential services and the closing off of policy space that governments use to stimulate development.

"We need to use international trade to enhance our development opportunities in the Pacific," said Ms Penjueli.

"The Australians are pressuring us to open all our markets to competition and to reduce our ability to stimulate local firms and service suppliers, or to channel foreign investments toward local industry and employment.

"Pressure to liberalise according to timeframes and frameworks promoted by Australia and NZ makes a complete mockery of the calls for good governance in the Pacific."

She said Australia's behaviour at the trade ministers' meeting did not bode well for further discussions at the Pacific Islands Leaders Forum, to be held in Niue later this month.

"Now we know that Australia and NZ are going to be pushing the FTA barrow, whether we're ready for it or not," said Ms Penjueli.

Meanwhile, the General Secretary of the Pacific Conference of Churches, Fei Tevi, will be meeting with the Australian Permanent Secretary for Pacific Island Affairs Duncan Kerr this week to discuss trade and development in the Pacific.

He said the approach taken by the Australians to PACER-Plus discussions would be high on the agenda for that meeting.

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**For more information contact Pacific Network on Globalisation, Coordinator:
Maureen Penjueli – +679 331 6722**
