



## PRESS RELEASE

# Call to stall trade talks

**Trade officials from around the Pacific met in the Cook Islands this week to discuss opening services sectors to competition from businesses from across the region, amid calls for a moratorium on the negotiations.**

Discussions were held as part of negotiations to open service sector 'markets' under the Pacific Island Countries Trade Agreement (PICTA).

Meanwhile, the Pacific Network on Globalisation (PANG) has called for a moratorium on the negotiations, saying the implications of opening up services to competition are poorly understood, and no social impact assessments have been conducted.

PANG coordinator Maureen Penjueli said service sector liberalisation was "like a cliff-top walk in the dark – no-one has any idea what the implications are, and each step is risky."

"This certainly isn't a strategy for savvy economic policy making," said Mrs Penjueli.

"Especially when there are already serious concerns over access to services and their provision in most Pacific countries."

Trade in services means trade between countries of any kind not involving the direct trade of goods – including the temporary movement of people to provide services.

Services have been described as 'anything you can't drop on your foot'.

This includes services provided by doctors, lawyers, nurses, and business managers and covers services like health, water, electricity, transport, telecommunications, postal services, banking services, insurance, internet trading, and tourism ventures.

PIC trade ministers decided in 2007 that negotiations on services under PICTA should be completed by the end of 2008 – and said PICs should each list four sectors (health, finance, business etc.) to be opened under PICTA services trade.

This has set a very tight deadline for trade officials from across the region, and at the Pacific Islands Forum Secretariat, to decide which sectors to list.

Service agreements under free trade agreements restrict the ways that governments can regulate services that often perform important social, cultural and development roles, and are vital sources of employment.

PANG coordinator Maureen Penjueli said services "should not be seen simply as commodities to be sold".

She said the agreement aimed to promote private sector competitors for public services, such as health, education and water.

"The result in other countries has been a two-tiered system where the wealthy can afford good quality services," said Mrs Penjueli.

"Public sector workers will be attracted to the private sector that has better facilities and wages, while the poor are left to rely on services provided by cash-starved governments."

Mrs Penjueli said trade officials "really have no idea what the long term consequences of opening services sectors will be".

"Trade officials have said privately that they don't understand the implications sufficiently to conclude negotiations at this stage," said Mrs Penjueli.

"In these circumstances we really should have an immediate moratorium on the negotiations until appropriate social impact assessments, and regulatory reviews, have been completed.

She said more genuine consultation with industry and civil society groups on including services under PICTA was needed.

A Fiji National Consultation on trade issues, including PICTA and trade in services, held in Suva last month “recognised the importance of the timely undertaking of Social Impact Assessments (SIA) well in advance of trade negotiations to allow for comprehensive consultations on the findings”.

Opening service sectors under PICTA could have implications for existing legislation and regulation of services delivery, and could restrict the ability of governments to regulate in the public interest in the future.

“Governments in the region have a responsibility to ensure essential services are available to all of their citizens,” said Mrs Penjueli.

“How can we open service sectors without even taking stock of what regulations, and government obligations, apply to those sectors?”

Mrs Penjueli said there was a real concern that the rush to include services under PICTA was partly being driven by Australian and NZ interests.

“We know that Australia and NZ will be very aggressive about including services under future free trade negotiations with those countries,” Mrs Penjueli said.

“Australia and NZ will be interested in Pacific tourism, education, health, retail, the professions, ports and maritime transport, telecommunications, construction etc.

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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.**