

# Not Under the Same Sky: Bilateral Free Trade Agreements (FTAs), Agriculture and Food Sovereignty

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*“FTAs and farmers cannot live under the same sky”, Choi Jae-Kwan, Korean Peasants League (KPL), July 2006 <sup>2</sup>.*

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## Introduction and Overview

Until now, most critical analysis by non-government organizations (NGOs) and peoples' movements of the impacts of trade and investment liberalisation on agriculture and farmers in the South has tended to focus on the World Trade Organization (WTO) Agreement on Agriculture (AOA) and the effects of World Bank/International Monetary Fund (IMF) structural adjustment programmes (SAPs). Yet in a growing number of countries throughout the Asia-Pacific - and beyond - farmers and food sovereignty are impacted by bilateral free trade and investment agreements (FTAs). Most of these agreements are comprehensive in scope (especially those negotiated with Northern governments), covering most or all sectors of the economy, locking governments into commitments that go much farther than WTO provisions.

In several countries in the Asia-Pacific region, farmers movements' are mobilising against FTAs, as their livelihoods – and local food sovereignty - are further undermined by the liberalisation of trade in specific crops and products, and other provisions in these agreements. Thai farmers have strongly opposed the first phase of a China-Thailand FTA which has led to Chinese vegetables and fruits flooding the market<sup>4</sup>. The mobilisation and direct action campaigns of South Korean farmers

delayed the passage of the Korea-Chile FTA, who opposed the deal because of the threat that specific agricultural market openings and schedules posed to Korean fruit growers. Korean farmers are currently mobilising in large numbers as part of a broader movement against a proposed US-Korea FTA.

With WTO negotiations thrown into deeper crisis in July 2006, a number of governments have stepped up their efforts to seal bilateral free trade deals, as the capacity of the multilateral level talks for further liberalisation and deregulation remains in doubt. The US and the European Union (EU) blame each other over the deadlock at the WTO for their respective positions on the reduction of domestic farm support and subsidies, and improvement in market access, while other governments and observers, particularly from the South, saw both parties' self-interest as equally to blame for the WTO breakdown. Indian trade minister Kamal Nath said that although the Doha round of WTO negotiations was not dead, "it is definitely somewhere between intensive care and the crematorium"<sup>5</sup>.

For the past few years, the US has been aggressively pursuing bilateral FTAs alongside its involvement in WTO talks. Now, the US administration is pressing for the swift conclusion of its current FTA negotiations in order to ensure their progress through Congress before the end of June 2007, when the Bush Administration's current Trade Promotion Authority lapses, which allows for the Administration to fast-track trade deals through Congress without amendment or filibuster.

While the US already has comprehensive bilateral free trade and investment agreements with Viet Nam and Singapore, and is negotiating FTAs with Thailand, Malaysia, and South Korea, other governments are trying to conclude bilateral deals in the region which will severely impact farmers and food sovereignty<sup>6</sup>.

The European Union (EU), through its Economic Partnership Agreements with Africa, Caribbean and Pacific countries, is pushing small Pacific nations to further liberalise their agriculture (and other sectors). Australia and New Zealand are also regional players in the Asia-Pa-

cific, both through a free trade deal with Pacific Island nations, the Pacific Agreement on Closer Economic Relations (PACER), which is triggered by the entering into effect of the EU-Pacific EPA and individual FTAs with several Asian countries, and a proposed ASEAN-plus agreement. Japan has become an active bilateral player, and recently concluded FTAs with the Philippines, Indonesia and Thailand. Regional powers like China and India are becoming more and more active in pursuing bilateral free trade deals with smaller Asian neighbours. Other FTAs between countries in the Asia-Pacific on the one hand, and countries or blocs in Africa and Latin America on the other are also emerging.

This publication is an initial report on the spread of FTAs throughout the Asia-Pacific and their impacts on agriculture and food sovereignty, in the context of the current state of play of the WTO, and the devastating legacy of agricultural liberalisation through World Bank/International Monetary Fund (IMF) structural adjustment programmes.

This report examines some of the agricultural liberalisation aspects of FTAs, and also considers concerns about other provisions which impact farmers and food sovereignty in the areas of intellectual property, sanitary and phytosanitary standards (SPS) and investment, including actual or projected impacts on relevant national legislation in areas such as biosafety<sup>7</sup>.

Like WTO agreements, FTA negotiating goals are formed by corporations working closely with government officials. This report backgrounds some of the history behind how agriculture first became subject to global free trade rules at the WTO, and examines both the interests of corporate capital in FTA moves, as well as broader geopolitical goals of the governments involved in FTAs in the Asia-Pacific.

Further, detailed country level research on both the specific threats to small farmers, and the comprehensive threats posed by FTAs in the Asia-Pacific is needed; in some cases, this work is already underway. Such research needs to serve the growing peoples' resistance movements against FTAs.

## ***Corporate Control of Food, Agricultural trade liberalisation and farmers***

Long after independence, neoliberal macro-economic policies and ideology imposed by Northern governments through trade, aid and other channels still greatly impacts agriculture and the lives of farming communities in the South, entangling them in a deeply colonial relationship.

Most governments have used tariffs (taxes on imports), import controls or quotas on imported goods as a way to protect their local producers, economy and jobs. Tariffs on agricultural products have often tended to be higher than manufactured goods. In the South, where a high proportion of the workforce is engaged in agriculture, import restrictions on agricultural products reflect the importance of the sector for employment and national food self-sufficiency.

Free trade in agriculture is a tool by which governments of the North have opened Third World markets for their exports, for the benefit of their corporations and economies. Agricultural subsidies remain high in most Northern countries but the elimination of quantitative restrictions and tariff cuts in the South have led to a dramatic increase in dumping (selling at an unfairly low price, lower than the price normally charged in the domestic market) of commodities by agribusiness TNCs. Such subsidies allow the sale of imported agricultural commodities at less than the price of production. So, for example, the US was able to maintain its rice exports during the 1990s when world prices fell because of subsidies, and many rice farmers in the South, unable to compete with artificially low-priced imports, were driven into poverty and unemployment.<sup>8</sup>

As imports flood in after liberalisation, farm gate prices are pushed down. With small farmers pushed into debt and out of their fields, agricultural land becomes more concentrated in the hands of elite landowners and agribusiness corporations, while industrial models of agriculture, including contract farming increasingly lock remaining farmers into dependency on externally-driven priorities and approaches to agriculture, and costly inputs. The withdrawal of state subsidies and institutional support to agriculture has pushed up production costs and supplies of in-

puts like seeds, fertilizers and pesticides, which are increasingly controlled by agri-TNCs. As rural poverty and landlessness increase with liberalisation, farmers are often advised to diversify or get out of farming altogether. Those that diversify often find they face the same sets of problems when they try growing new crops or shift to fish farming. Some governments seem more than willing to sacrifice small farmers for big business interests and diplomacy-through-FTA games with the US and other major free trade partners. Others feel that they have no choice but to do the bidding of the more powerful FTA party.

Under neoliberal policies and agreements, Southern countries have been transformed into net importers of agricultural products. A UN Food and Agriculture Organization (FAO) study of 16 countries published in 2000 showed how food imports had increased dramatically after the implementation of the WTO AOA, forcing farmers off their lands and into the cities<sup>9</sup> A 2003 FAO report states that from 1995-1997 to 1999-2001, the number of undernourished people in the South had actually increased by over 18 million<sup>10</sup>. A 2006 UNDP report notes the deterioration in balance of agricultural trade in the Third World. It finds: "Liberalizing agricultural markets...does not seem to have led to any consistent improvement in food security. More countries now have food deficits, and Asia still has more hungry people than in any other region of the world – over 510 million in 2002. And in recent years, the number has increased so that about one in every six persons was undernourished. This was because progress slowed in China, Thailand and Viet Nam, and in some countries the advances of the first half of the 1990s were actually reversed - as in India, Indonesia and Pakistan"<sup>11</sup>, with South Asia now second only to Sub-Saharan Africa in terms of proportions of undernourished people.

TNC domination and control of the entire food chain has consolidated and concentrated over the past two decades<sup>12</sup>. The global proprietary seed market was worth US \$17 billion in 2005.<sup>13</sup> Global seed industry concentration has sped up. The Action Group on Erosion, Technology and

Concentration (ETC Group) 2005 Global Seed Industry Concentration report<sup>14</sup> shows the dominant seed corporations to be among the top global pesticide firms. As the UNDP notes, “a few vertically integrated transnational corporations...dominate the entire food chain - from distributing seeds to placing products on supermarket shelves. For soybean crushing, for example, more than 70 percent of the US market and around 80 percent of the European market is controlled by just 3 companies. Similarly, for grains: at the global level, trading, storage, processing and milling are dominated by a few big companies.” The report notes that TNCs prefer to deal with a few large producers rather than many small suppliers, thus squeezing smaller producers out of the market. And they greatly influenced, or indeed virtually determine, the prices of food traded internationally or sold domestically. The rapid expansion of supermarkets, where, in East Asia, their share of retail food sales has mushroomed from under 20% to over 50% in the past decade also favours large scale industrial farm production which can produce large volumes of produce meeting the quality standards set by large retail companies.

The corporate concentration and control of food production, processing and distribution enables companies to set and maintain low prices and to dump food at prices lower than the cost of production. But the dumping of cheap food imports, whether as “food aid” or due to the removal or reduction of tariffs does not mean cheaper retail prices for food, because in many cases, food traders and cartels who control the supply and distribution of food are able to manipulate prices because of their market power. A 1999 FAO report found that the cost of food imports rose substantially in all 14 developed countries which it studied between 1994-99<sup>15</sup>. Despite floods of cheap US corn into Mexico and the displacement of many *campesinos* producing corn, the price of corn tortillas has risen since the North American Free Trade Agreement (NAFTA) took effect in 1994. A 2004 Interhemispheric Resource Center (IRC) report, which used statistics from the first five years after NAFTA took effect, noted that the price of corn food, especially the tortilla, increased 279 per cent during that period, even while the domestic price for corn fell<sup>16</sup>. Free trade is hurt-

ing Asian farmers too. The 2006 UNDP report notes that since 2001, “Thailand has exported more than 7 million tonnes [of rice] annually, about 30 per cent of world rice exports – yet about 40 per cent of rural households live below the poverty line. The government has prioritised commercial rice production, while millions of small farming families have fallen into debt and lost their lands, partly because of low prices for their crops: about 4.7 million of the 5.7 million farming families have no land, or inadequate land to sustain themselves. Malnutrition is increasing: in 2000, 18 per cent of Thai households were malnourished. Thailand appears to be feeding the world on the backs of its poor rice farmers.”<sup>17</sup>

As a 1995 UN Research Institute for Social Development (UNRISD) report notes: “Farmers producing food for local markets have also been suddenly subjected to the cold wind of international competition - and may find it impossible to compete with technologically advanced farmers in Europe or North America who can sell cheaply in part because they have benefited from massive subsidies.<sup>18</sup>” But this is not the whole story. Theories of international trade, comparative advantage and market competition are rather irrelevant for the millions of small farmers who produce for their own families, or domestic and local, not export markets. Small-scale subsistence farming remains a substantial portion of the agricultural sector in many countries which has little or no relation with global market competition.

Some critics of free trade have argued that inadequate market access to markets of the North is the major problem relating to the WTO for Southern countries<sup>19</sup>. But the idea that market access is a meaningful solution to poverty tends to ignore the realities and significance of subsistence farming communities, the dangers inherent in shifting from production for domestic food needs to an export-oriented model dependent on a handful of commodities like sugar or coffee, and the fact that the much-promised export-oriented development through free trade has been blocked by falling agricultural prices on the world market. As we will see, when it comes to FTAs, very little, if any market access is actually granted by Northern governments, while they expect the other party to open up their economy even fur-

ther. Rural subsistence farming sectors of society are being forcibly transformed into entering market economies with dire social, cultural and economic consequences. With many small-scale farmers in the South being female, this pressure also leads to further marginalisation and injustice for women. With subsistence and traditional farming at the heart of the diverse cultures and histories of thousands of communities, the neoliberal push to bring them into the global marketplace has devastating consequences that reach far beyond purely economic considerations.

Access to productive resources, such as land, credit, farm inputs and market infrastructures remain vital to the survival of farming communities, as does genuine agrarian reform and state investment in rural infrastructure and agricultural services. But the macroeconomic policies – such as free trade agreements – are locking present and future governments into commitments not to intervene to support local agriculture and farmers, and must be strongly resisted. Farming and food are far too important to be left to the vagaries of the ‘market’, and many farmers’ movements and their allies are calling for agriculture to be removed from international free trade negotiations altogether.

#### **a. Structural Adjustment Programmes (SAPs) and Farmers**

Even before the WTO was created or the current onslaught of FTAs, World Bank/IMF structural adjustment programmes (SAPs) were already opening up agriculture in the South with devastating effects. In the name of poverty reduction, promoting economic growth and debt servicing, and as conditions for further loans, SAP regimes prefigured many of the provisions of neoliberal trade and economic agreements, which those agreements now lock in place.

National commitments to SAPs impacting small farmers typically include a push to generate foreign exchange earnings through export-oriented agriculture. This entailed the intensification and industrialisation of agricultural production of cash and non-traditional export crops, at the expense of domestic food production. While governments

were urged to give incentives and subsidies for export-oriented agriculture, they had to remove subsidies for staple food production, dismantle commodity price controls on staples like rice and corn, and reduce the availability of credit (where it existed) to local farmers. Fixed prices and other regulations on the food commodities market were replaced with market-determined ones, which led to the consolidation of control over the market by trading monopolies and cartels that could manipulate prices and supply. Tariffs on agricultural products were removed or reduced, leading to increased imports from Northern countries which were usually heavily subsidised. Devaluation and dismantling of import and foreign exchange controls further compounded the difficulties of earning foreign exchange, preventing import dumping and regulating the economy. Meanwhile, under SAPs, national trading enterprises were dismantled and staff and resources in agricultural departments and government services for farmers slashed. In this era of devastating ‘new’ forms of livestock disease such as avian influenza and bovine spongiform encephalopathy (BSE – ‘mad cow disease’), the capacity of governments under SAPs and free market policy regimes to maintain or invest in adequate animal health and public health services is also severely weakened<sup>20</sup>.

#### **b. World Trade Organization (WTO) – Agreement on Agriculture (AOA) and Agreement on Trade Related aspects of Intellectual Property Rights (TRIPS)**

Until the Uruguay Round (1986-1994) of negotiations on the General Agreement on Tariffs and Trade (GATT), which established the WTO, agriculture did not feature as an “international trade issue”, but was viewed as a domestic affair. The USA even threatened to leave GATT if it could not maintain protective mechanisms for sugar, dairy products, and other agricultural commodities. Washington was given a “non-time-limited waiver” on agricultural products. But by the 1980s, when US agribusiness had outgrown its markets, had a crisis of overproduction and controlled large chunks of international agricultural production (and other sectors), it began to lobby aggressively for the expansion of GATT to cover these areas. Countries had used tariffs and non-tariff measures like quantitative import restric-

tions, discretionary import licensing and non-tariff measures maintained through state trading enterprises like producer boards, to control the import of agricultural products and help develop and protect their farming sectors. Now these were put on the chopping block – at least, for most countries.

The Agreement on Agriculture (AOA) was heralded as a means to provide greater access to world markets in agricultural products for all countries by reducing tariffs and other trade barriers (by converting non-tariff barriers into tariffs and then reducing those tariff levels) as well as farming subsidies. The AOA aims to “establish a market-oriented trading system...reductions in agricultural support and protection...resulting in correcting and preventing restrictions and distortions in world agricultural markets”<sup>21</sup>. It includes sections on market access, reduction in trade-distorting domestic support for agriculture, and reduction in export subsidies. It also has an agreement about harmonising sanitary and phytosanitary measures which cover food hygiene and inspection measures. Starting in 1995, WTO member countries were supposed to implement the commitments they made under these sections over a six-year period for “developed” countries (1995-2000) or ten years for “developing” countries (1995-2004). Southern countries were only entitled to temporary import restrictions to deal with severe balance of payments problems, damage to domestic production because of import surges or a sharp drop in world prices that hurt or threatened to hurt a domestic import competing sector. Demands by Southern governments for special and differential treatment measures to compensate their countries for structural asymmetries between them and the North were met with little more than empty promises at the WTO.

As with other GATT/WTO agreements, the interests of corporate capital deeply influenced the negotiations. At the start of the Uruguay Round, the US negotiator appointed to head the delegation on what became the AOA was the late Dan Amstutz, former Vice-President of agribusiness giant Cargill, later to head USAID’s “reconstruction” of Iraq’s agriculture after the US invasion in 2003. Robert Shapiro was chair of Monsanto

while also leading the President’s Advisory Committee for Trade Policy and Negotiations. Mickey Kantor, US Trade Representative (USTR) for much of the Uruguay Round, subsequently became a Monsanto board member. Clayton K. Yeutter, a former secretary of agriculture and USTR, who led the US team in negotiating NAFTA and helped launch the GATT Uruguay Round, joined the board of directors at Mycogen Corporation. Mycogen’s majority owner is Dow AgroSciences, a wholly owned subsidiary of the Dow Chemical Company<sup>22</sup>.

Although it stipulates the withdrawal of domestic production support and export subsidies, the AOA excludes direct-income payments to farmers, which make up between one-fifth to one-third of US farm income, and many EU subsidies. In one of the most glaring examples of hypocrisy in world trade, US and EU agricultural markets remain protected – a situation which benefits large industrial farmers and agribusiness but not US and European family farmers who are often pitted against industrial agriculture and corporate agribusiness. Southern governments, meanwhile, are prohibited from introducing new programmes such as subsidies to protect their local agricultural producers, even as their livelihoods are undermined by the dumping of cheap subsidised imports with which they cannot compete. The Farm Security Act of 2001, passed by the Bush Administration just weeks before the Doha WTO Ministerial Meeting, provided over US \$170 billion to US farmers – mainly corporate farming operations – over the following ten years. The US Farm Security and Rural Investment Act of May 2002 brings in an additional \$180 billion to US farmers over the following decade.

A 1995 World Bank working paper had shown that many OECD governments had used “dirty tariffication” – setting much higher tariff levels for most agricultural commodities than the average levels of protection that applied when the GATT Uruguay Round was ratified in 1994. These often represented higher levels of protection than had actually been applied in the country previously. Canada raised its base tariffs on dairy products to over twice its actual 1986-88 levels. Besides tariffs, other ways of blocking access to markets for agricultural exports were being em-

ployed<sup>23</sup>.

The AOA provision on support for domestic support for agriculture follows principles of standstill (no new allocations) and rollback (repealing contradicting measures), preventing Third World governments from giving new subsidies (since they have none) but allowing Northern governments to continue allocating old subsidies with minimal reduction. So it effectively undermines the ability of governments to act in the future, including the use of tariff policy to protect and support agriculture. The US and EU have been able to protect, or slow down the removal of several types of subsidies by the use of several “boxes” in the AOA, in which different forms of agricultural support measures including ones marked for gradual reduction or for retaining are placed. Southern governments and other critics accuse them of simply shuffling their agricultural subsidies between these boxes.

In June 2000, a group of 11 developing countries told a WTO Special Session of the Committee on Agriculture that the trade liberalisation triggered by the Uruguay Round had broken the agricultural backbone of many countries, undermining food security, peoples’ health and sovereignty<sup>24</sup>. At the November 2001 Doha WTO Ministerial meeting, promises by the EU and the US to reduce subsidies and increase market access for agricultural products from the South were traded off for commitments to further liberalise agriculture, services and TRIPS from Southern governments, as well as an attempt to bully them into agreeing to WTO negotiations on the controversial “Singapore issues” of investment, government procurement, competition policy and trade facilitation, which clearly benefited Northern corporations, not Southern countries. As Mark Engler, of US-based Foreign Policy in Focus, argues: “Furthering corporate globalisation is not a price that developing countries should be forced to pay for ending US and European hypocrisy”<sup>25</sup> Moreover, after 9/11, Northern governments, especially Washington, cynically linked their bullying and arm-twisting of Southern countries to commitment to the so-called “war on terror”.

At the September 2003 Cancun WTO Ministe-

rial, the issue of agricultural trade came to a head again when, once more surrounded by peoples’ movements protesting neoliberal globalisation, Southern governments (in the G21 and G23 groupings) opposed US and EU demands for further liberalisation. The G21, led by India and Brazil (the G20 +1) sought drastic cuts in First World farm subsidies and trade barriers spurred in part by the intolerable pressure on Southern governments from the social and economic crisis of domestic agriculture after years of SAPs and trade liberalisation under the WTO, as well as by domestic elites with interests in agriculture. The G33 (the Alliance for Special Products and Special Safeguard Mechanism) sought crop exemption from the AOA in areas vital to food security and rural livelihood, and the use of special safeguard mechanisms against import surges of cheap crops. After Cancun, where negotiations collapsed, there was a six-month suspension of WTO talks till March 2004.

Since Cancun, Northern governments have persisted with demands for more tariff cuts and comprehensive liberalisation in the South, through multilateral, regional, and bilateral agreements - but still maintain their subsidies. The internal tensions in the WTO continued to simmer, boiling over in July 2006, when negotiations came to a grinding halt. WTO officials from the US, EU, Japan, Australia, India, Brazil, and other influential countries within the 150-member body are now scheduled to meet on the sidelines of the January 2007 World Economic Forum meeting in Davos, Switzerland to discuss the stalled talks<sup>26</sup>.

IBON Databank and Research Center in the Philippines argues that after years of “globalising” the country’s agrarian economy, “what the WTO has succeeded in doing is to transform the Philippines into a net food importing country. Liberalisation clearly enhances age-old problems of landlessness, high production costs, low technology and productivity, landlord and merchant exploitation through rent, usury, overpricing of inputs and under pricing of produce. Furthermore, the WTO along with international financial institutions such as the IMF and World Bank also promote a market-oriented land reform program that reconcentrates agricultural lands in the hands of

comprador-landlords and their TNC partners.”<sup>27</sup> This pattern is mirrored in many other countries, in the Asia-Pacific, and beyond, as farmers have been given empty promises of prosperity, and seen their livelihoods and communities devastated by wave upon wave of neoliberal policies.

Meanwhile, although Korea was able to obtain “developing” nation status at the WTO in regard to market opening in agriculture and therefore only a commitment to minimum market access, even this level of liberalisation and rice importation has severely impacted Korean small rice farmers. Rice accounts for half the income of Korean farming households, and is the only agricultural product in which Korea is self-sufficient. After the AOA took effect, Korea had to accept rice imports under the provision for minimum market access. Rice imports were set to rise from 1 to 4 per cent of domestic consumption over a ten year period to 2004. In 2004, Korea got agreement from other WTO countries to extend the rice exemption until 2014, by which time the minimum import quota will rise to 7.9 per cent of domestic consumption<sup>28</sup>. Under the existing arrangement, the quota for rice imports is scheduled to increase from 225,575 metric tons in 2005 to 408,698 tons in 2014. But the damage is already occurring from this limited liberalisation which is now under pressure from US negotiators working closely with agribusiness through bilateral FTA negotiations with Korea. Most rice farmers in Korea are small family farmers with under a hectare of land. They cannot compete with cheap imported rice. With the fall in rice prices, subsidies reduced or stopped, and rice cultivation getting less profitable; more farmers have moved away from growing rice.<sup>29</sup>

## TRIPS

Another WTO agreement of major concern to farmers is the Agreement on Trade Related aspects of Intellectual Property Rights (TRIPS). Along with all the other WTO multilateral agreements, TRIPS took effect in January 1995, when the WTO came into being, requires member governments to guarantee a 20-year minimum protection term for all patents. In the GATT Uruguay Round, TRIPS was packaged as a proposal for companies seeking to stop fake

brandname clothing, music and videos<sup>30</sup>. But it set the stage for broadening patent rights for GMOs and other biotech products. The Intellectual Property Committee (a coalition of 13 large US corporations, including DuPont, Pfizer, Bristol-Myers, and Merck) worked with US trade representatives on a proposal to standardise global intellectual property rights (IPR) laws along US lines, and make them enforceable under the WTO. Such corporate activism greatly shaped TRIPS, after attempts during the 1980s to negotiate tighter rules and a global patent regime on intellectual property at the World Intellectual Property Organization (WIPO) had failed. Ninety-six of the 111-strong US delegation negotiating IPR during the Uruguay Round came from the private sector.

Before the Uruguay Round, most nations did not recognise patents on food, pharmaceuticals, or other products considered as basic human needs. TRIPS strengthens the hand of private companies in claiming monopoly rights and securing huge benefits from biopiracy. It forces all WTO members to comply with a minimum standard set of laws protecting the technological monopoly of TNCs which own most patents, including patents on seeds and genetic sequences. ‘Developed’ WTO member countries had to apply TRIPS by January 1, 1995. ‘Developing’ member countries had until January 1, 2000. ‘Least Developed’ members have until July 2013, but are being pushed to adapt faster. TRIPS goes hand in hand with World Bank/International Monetary Fund/Asian Development Bank (ADB) loan conditionalities, and WTO AOA commitments to liberalise agricultural trade, further expanding agribusiness control over food systems, biodiversity and farmers’ lives.

TRIPS was the first international instrument to require IPR protection on life-forms. US case law had already set an international precedent for patenting genetic material. In 1980, the US Supreme Court allowed patenting of microorganisms<sup>31</sup>. In 1985, patentability was extended to plants<sup>32</sup>. In 1987, the US Patent and Trademark Office (USPTO) ruled that all animals, including human embryos and fetuses, were patentable. TRIPS and more radical IPR provisions in FTAs are spreading US-style patent law worldwide, along with pressure via aid

agencies like the US Agency for International Development (USAID). TRIPS requires governments to allow microorganisms and microbiological processes (as well as biological processes) to be patented. Governments must ensure plant variety protection by patents or an “effective” *sui generis* system (some other form of plant variety protection) or a combination of the two. Under TRIPS, a country may exclude plants, animals, and essentially biological processes for the production of plants and animals from patentability, but many FTAs do not allow such exclusions.

Besides patents, PVP laws are another form of IPR giving monopoly control over seed development to TNCs. They serve standards demanded by agribusiness: industrial corporate production demands uniformity to ensure efficiency, not biodiversity or food sovereignty. Often under bilateral pressure from Northern governments through a variety of aid, trade and economic relationships, many countries have had to enact domestic PVP laws based on the UPOV (International Union for the Protection of New Varieties of Plants)<sup>33</sup> model which suits industrial agriculture systems, not the needs and traditions of small farmers in the South. Until relatively recently this model of affording exclusive property rights to plants breeders has been subscribed to mainly by industrialised countries, with many developing countries, like Thailand<sup>34</sup>, favouring a less restrictive system, acknowledging and leaving space for farmers’ informal breeding practices.

UPOV-type PVP laws have spread relatively quietly and are based on criteria of distinctness, uniformity, stability and novelty (DUSN). Farmers’ seed varieties are usually diverse and not stable - they are continuously being selected and bred in fields. DUSN standards effectively shut farmers out. Seed companies with large plant breeding programmes hold most PVP certificates.<sup>35</sup>

UPOV has been revised several times, further restricting space for signatory states to choose how to protect plant varieties and shrinking “farmers’ privilege” – farmers’ rights to save seed, breed, use, exchange or sell their own varieties. The (most recent) 1991 Act, is the toughest version yet, and it is this that new UPOV member governments must sign. Article 14 of UPOV 1991 extends protection to all plant varieties, vegetative/reproductive propagating material and essentially derived varieties and harvested material. Under UPOV-type systems, farmers cannot save, exchange or sell seeds of protected plant varieties. At the mercy of commercial breeders, and under new PVP laws (such as ones passed in the Philippines<sup>36</sup> and Indonesia<sup>37</sup> in recent years) they could be fined and jailed if they do so. Indonesian farmers were recently prosecuted for breeding their own seeds from hybrid corn seed bought and marketed by the seed company PT BISI.<sup>38</sup> Throughout the Asia-Pacific, farmers are battling corporate attempts to impose both technological and legal forms of control, through genetic engineering, hybrid varieties dependent on expensive inputs, and through IPR regimes in various forms.

## FTAs: From the WTO to web of FTAs – and back again?

*“We always use bilateral FTAs to move negotiations beyond WTO standards. By definition, a bilateral trade agreement is “WTO plus”. Whether it’s about investment, IPR, tariff structure or trade instrument, in each bilateral FTA we have the “WTO plus” provision<sup>39</sup>*  
Pascal Lamy, then EU trade commissioner (now WTO Director-General), September 2004

FTAs “push forward the frontiers by acting as laboratories for WTO-plus innovations” Guy de Jonquieres, world trade editor of Financial Times, London<sup>40</sup>, 2005.

Compliance with WTO agreements has been brutally hard, but bilateral deals with WTO-plus provisions are often even tougher. The bilaterals strategy is quite clearly seen by EU and US trade negotiators as ways to push governments into going further and faster in adopting what are essentially corporate wishlists on areas such as intellectual property (further endangering access to treatment to millions of people living with HIV/AIDS and other life-threatening diseases, and undermining traditional agriculture by imposing agribusiness monopoly rights on areas such as seeds) and issues (e.g, government procurement and investment) which have been kept out of WTO negotiations or severely limited in their scope by Third World governments’ opposition to industrialised government demands. With the early promise of APEC (Asia-Pacific Economic Cooperation) and FTAA (Free Trade Area of the Americas) failing to advance regional free trade arrangements, these and other international summits are now mainly breeding grounds for FTAs. Some of the FTAs are part of sub-regional or regional initiatives such as the proposed US Enterprise for ASEAN Initiative (EAI), formed through individual FTAs with Southeast Asian nations.

The US is using bilateral and sub-regional free trade and investment agreements to set tougher standards for future trade and investment negotiations. It wants maximum concessions from developing countries, because this will make it harder for governments to oppose US demands at the WTO. Once a number of countries are already committed to tougher trade and investment rules through a bilateral agreement, it will be more difficult to mount the kind of concerted opposi-

tion to US proposals which Brazil helped to lead at the WTO Ministerial in September 2003 in Cancun, Mexico.

Patrick Cronin, senior vice president of Washington-based Center for Strategic and International Studies told the Daily Yomiuri: “With the setback to WTO reform at Cancun, the [Bush] administration is now focused like a laser beam on regional and especially bilateral trade accords.”<sup>41</sup> Following Cancun, former USTR Robert Zoellick divided the WTO members into “can-do” and “won’t-do”<sup>42</sup> countries – those who are serious about trade liberalisation and those who are not.

Right after Cancun, he abrasively announced that the US would push ahead with free trade and investment agreements with “can-do” countries on a sub-regional or bilateral basis. Earlier that year Zoellick had explained that, “By pursuing multiple free trade initiatives, the US is creating a ‘competition for liberalisation’ that provides leverage for openness in all negotiations, establishes models of success that can be used on many fronts, and develops a fresh political dynamic that puts free trade on the offensive.”<sup>43</sup>

Laser-guided liberalisation – bilateralism – allows the US and the EU to single out selected countries and restrict the potential for alliances like the G21 to stand up to US bullying and double standards at the WTO. Through bilateral deals they are more able to precisely target policies or any other government measures which they dislike, severely constraining the rights of governments to maintain sovereign economic, social, and environmental policy frameworks. TNCs have always shopped around from forum to forum to get the deal best suited to their interests. FTAs are effective venues to build stricter IPR rules,

and weaker biosafety standards for the benefit of agri-TNCs.

Bilaterally, it is sometimes easier to set precedents on a range of issues which can then at some point be multilateralised. When the US negotiates a bilateral agreement with a WTO developing country member, the most-favoured-nation principle of the WTO – whereby any privilege granted to one WTO member has to apply to all others – assures the EU that *it* gains the benefit of the standards that the *US* obtains. For all practical purposes then, these WTO-plus standards may become the “new minimum standards from which any future WTO trade round will have to proceed”<sup>44</sup>.

The FTA process is often more of an imposition by a larger power than a real “negotiation”. Like WTO agreements, they are negotiated in virtual secrecy, with texts routinely unavailable for public scrutiny in either country until it is much too late – or, in some cases, not even available for a significant period of time after the agreement has taken effect. Smaller countries face negotiations fatigue when overstretched and underresourced officials have to deal with agreements with multiple countries, bilaterally, regionally and multilaterally. Even among South-South FTAs, the neoliberal nature of the agreements and the unequal power relations among stronger and weaker countries and the sectoral interests that drive such agreements.

Another factor which makes the FTAs dangerous is that the WTO references to special and differential treatment and special safeguard mechanisms, rhetorical or not, rarely make it into FTA texts except for longer phase-in periods for opening markets in sensitive products. The limited flexibilities that exist in TRIPS are eliminated in FTAs, and the use of safeguard mechanisms in areas like agriculture is under further attack. The US Trade Promotion Authority Act 2002 does not enable special and differential treatment as its negotiating objectives include ‘reciprocal market access’,<sup>45</sup> ‘to obtain reciprocal tariff and non-tariff barrier elimination agreements’<sup>46</sup> and to obtain rules which are comparable to US ones<sup>47</sup>. As Martin Khor notes, the bill authorising the US-Central America Free

Trade Agreement (CAFTA) faced serious opposition and passed by just two votes, showing “how difficult it will be for market access demands of developing country FTA partners to be met, even though the exports from CAFTA countries were too small to have an appreciable impact on the US economy”<sup>48</sup>.

### **a) Corporate influence meets geopolitics in FTA negotiations**

Like the WTO agreements, FTA negotiating objectives are formed by corporations and governments working closely together. For example, Cargill, Caterpillar, Corn Refiners Association, Dow Chemical and National Pork Producers Council are on the Steering Committee of the US-Thai FTA Business Coalition<sup>49</sup>. Cargill is a co-chair, and Altria Inc (parent company of Kraft Foods and Philip Morris USA) a member of the US-Malaysia FTA Business Coalition.<sup>50</sup> These Business Coalitions are an integral part of forming US negotiating objectives in FTAs.

Major US corporate agriculture, manufacturing and services lobby groups have called for the extension of Trade Promotion Authority (TPA) to enable the United States to continue negotiating bilateral and multilateral trade agreements<sup>51</sup>. The American Farm Bureau Federation (AFBF), National Association of Manufacturers (NAM) and Coalition of Service Industries (CSI) claim to represent sectors accounting for 96 percent of total US exports. American Farm Bureau Federation President Bob Stallman told media that “TPA is critical if we want other countries to engage in serious negotiations with the United States. U.S. agriculture relies on overseas markets and gaining access to those markets is vital to the overall success of farmers and ranchers. Agriculture’s ability to compete in global markets, on fair terms, with better access to expanding markets is dependent on TPA.” The Biotechnology Industry Organisation (BIO) employed scare tactics to support the last vote on Trade Promotion Authority in 2002, urging that “unless Congress gives the President the authority and necessary guidance to negotiate these problems on our behalf, a number of countries will undoubtedly move forward with an agenda that is not in the best interests of

American biotechnology companies<sup>52</sup>

Notwithstanding corporate goals that lurk behind bilateral free trade and investment deals, in many cases, it is clear that foreign policy objectives far outweigh economic ones, especially given the size of the economies with which larger players like the US and EU have been negotiating such deals. Sometimes it is hard to separate these objectives, especially given the revolving door that exists between the US corporate and public sector, particularly in the area of commerce, trade and investment policy.

Sidney Weintraub of the Washington DC think-tank Centre for Strategic and International Studies puts it like this: “The sense that is now being conveyed around the world is that US policy is to sign FTAs with other countries only if they are prepared to adhere to US foreign policy positions. An FTA, in other words, is not necessarily an agreement for which all parties benefit from trade expansion but rather a favour to be bestowed based on support of US foreign policy.”<sup>53</sup>

Early US bilateral deals with Israel (1985) and Jordan (2001) had much more to do with broader US foreign policy interests in the Middle East than economic concerns.<sup>54</sup> So too in today’s world. Announcing the start of talks on a US-Pakistan bilateral investment agreement in September 2004, Zoellick said: “Pakistan and the United States are partners in combating global terrorism. A BIT based on the high standards contained in our model text can play an important role in strengthening Pakistan’s economy, so as to create new opportunities for exporters and investors in both economies and assist in meeting the economic conditions to counter terrorism.”<sup>55</sup>

Likewise, in March 2004, Zoellick claimed that the bilateral TIFA with the United Arab Emirates, “solidifies the relationship between our two countries on an economic level which complements our strong partnership in our fight against terrorism”<sup>56</sup>. In justifying a TIFA with Qatar, Zoellick proclaimed that “Qatar played a valuable role in hosting and facilitating the launch of the Doha negotiations, the global trade negotiations to open markets and promote

economic development. Furthermore, Qatar has been a steadfast friend of the United States in the war against terrorism, and I am pleased that we are working to expand our relationship on the economic front.”<sup>57</sup> The EU uses trade policy for the same goals. Its recently concluded FTA with Syria stumbled for a long time over the EU’s insistence on a “weapons of mass destruction” clause<sup>58</sup>. The EU also secured a halt – at least a temporary one – in Iran’s uranium enrichment programme as a basis for renewed FTA talks<sup>59</sup>. Meanwhile, access to energy resources are a major factor in Japan and China’s more recent FTA moves, such as Tokyo’s FTA negotiations with Indonesia.

To what extent will the November 2006 Democrat win in the US House of Representatives and (albeit narrow) majority in Senate affect the Bush Administration’s trade policy? Free trade votes have largely been a bipartisan affair in the USA. Although some Democrats, like Ohio’s Sherrod Brown recently campaigned against “job-killing” free trade agreements that had cost the state millions of manufacturing jobs<sup>60</sup>, under Bill Clinton, Washington joined the WTO, signed NAFTA, and initiated the US-Jordan FTA. The Democrats may well push for labour and environmental protections in the agreements, and slow them down (as has happened with FTAs with Peru and Colombia), but seem unlikely to block them altogether, especially with the upcoming 2008 presidential race, and campaign funders from corporate America to appease.

The swirl of political and economic interests, the language of fighting terrorism and the talk of upholding democracy which surrounds these bilateral trade and investment agreements reminds us that neoliberalism and the brute force of imperialism march hand in hand into the 21st century. With the smearing of many farmers’ movements as being enemies of the state, to be confronted with repression and brutal state security operations, such connections are not far removed from many farmers’ daily struggles to survive.

## b) Agriculture in FTAs

Agribusiness lobbies have been generally critical of the tendency of bilateral FTAs to exclude sensitive food and agricultural products. For example, in a June 2006 submission on the Canada-Korea FTA currently under negotiation, the Canada Agri-Food Trade Alliance (CAFTA – made up of a number of major Canadian food and agricultural industry processing, marketing and exporting companies and organisations) complains that bilaterals do not address issue of export and trade-distorting subsidies<sup>61</sup>. FTAs are being used to try to force open markets for agricultural products which have been exempted in previous multilateral, regional or even bilateral trade negotiations, and to also target non-tariff barriers like product standards which relate to food.

Farmers in countries like Thailand and Korea have been subject to pro-FTA government propaganda that assures them of prosperity through better market access to overseas markets. While market access is still held out as a carrot to countries of the South, more powerful players like the US, EU, and Japan offer few if any real concessions to smaller partners while demanding even more from them than their WTO commitments. As a 2005 UNDP policy paper notes, FTAs do not establish disciplines on the agricultural subsidies in the major developed countries exposing farmers in the developing country to unfair competition<sup>62</sup>. US officials have made it clear in FTA negotiations that the issue of US farm subsidies or support should only be addressed in WTO multilateral negotiations, in spite of efforts by smaller FTA partners to bring the issue to the negotiating table. Meanwhile these larger players see FTAs as ways to gain further market access in areas which have survived WTO and SAP-driven liberalisation – for example, agricultural exemptions for sensitive products. Some FTAs among Southern countries, have early harvest bilateral agreements on fruit/vegetable exports such as the one under the China-ASEAN agreement which was agreed to in the ASEAN Summit Agreement 2001 (see section below for more details on the China-Thailand FTA). But other FTAs have excluded key agricultural products or given them a longer phase-in period such as the Sri Lanka-India on tea<sup>63</sup>.

## US-Korea FTA and Korean agriculture

During 2006, US agribusiness has had many of its guns aimed at Korea. Industry and officials are using FTA talks to target Korea's non-tariff barriers. The USCIB says: "Korea's opaque regulatory regime is one of the largest barriers to doing business in that country", and claims significant problems in exporting processed products because of "Korea's restrictive approach towards food additives and flavorings". It seeks the elimination of Korea's pre-import registration regime for food products and ingredients, and the adoption by Korea of US standards in relation to approved food ingredients and products designated as organic. Similarly the (US) Business Roundtable urges US negotiators to "include in the FTA enforceable provisions that eliminate [Korea's] discriminatory and overly-burdensome regulatory procedures", highlighting its displeasure with Korea's product approval, registration, labeling requirements and other safety standards relating to food products<sup>64</sup>.

Rice is a major issue for the US-Korea deal, with Korean negotiators arguing for an exemption, and commentators seeing the issue as a tiebreaker for the deal. A US Congressional Research Service Report notes "US rice producers have expressed support for the US-South Korean FTA negotiations. However, they want the FTA to include completely free trade in rice, which requires Korea to remove its quotas completely. Furthermore, they want the quotas and tariffs to be phased out faster than the United States agreed to in the DR-CAFTA, and in FTAs with Peru and Colombia. US rice producers also oppose emergency safeguard measures for Korean rice imports beyond the phase-out period."<sup>65</sup>

Chris Garza, director of congressional relations in Washington for the American Farm Bureau Federation says: "We understand the Korean sensitivities on rice, but within the negotiations I'm sure we can try to open up that rice market in a manner that will not harm the Korean rice producer." The US will try to persuade Korea to apply a tariff-rate quota (TRQ) to rice to allow more imports. One of the Farm Bureau's goals in FTA negotiations is to eliminate or at least significantly

reduce some of Korea's tariffs, which exceed 40 percent on some fruits and nuts, distilled spirits and beef. Another goal is to reopen Korea's market to U.S. beef. Before the December 2003 ban stemming from diagnosis of a U.S. cow with bovine spongiform encephalopathy, Korea was the third largest market for U.S. beef, with imports averaging \$1 billion a year<sup>66</sup>. The US pressured Korea to overturn a two-year plus ban on imported beef as a prerequisite for the FTA negotiations. Korea allowed boneless beef from cattle aged up to 30 months, but not bone-in beef<sup>67</sup>. Because of previous outbreaks of BSE, concerns about the adequacy of US meat inspection systems have been expressed by opponents of US-Korea FTA<sup>68</sup>. The Ranchers-Cattlemen Action Legal Fund-United Stockgrowers of America (R-CALF USA), which represents the US cattle industry wants more access for US beef to Korea: "The FTA negotiations should provide a forum for addressing continued Korean import barriers related to BSE and raising concerns about Korea's direct subsidies for domestic beef production. In the FTA, the US should focus talks on Korea's small import quota and high tariff on beef."<sup>69</sup> However, in December 2006, Korea's rejection of US shipments of beef because it contained bone fragments led to renewed tensions over FTA talks with Washington<sup>70</sup>.

The USCIB<sup>71</sup> is firm on pushing away all remaining protections for Korean agriculture: "The US should seek the complete elimination of all tariffs and other barriers that restrict Korean imports of US agricultural products. Tariffs and other trade impediments should be eliminated as rapidly as possible, with no products excluded from the negotiation. In particular, we request duty free treatment for key commodities and processed food products in the shortest possible time period. The longest phase out should be twelve years. Tariff cuts should be linear with back loading of tariff reductions kept to an absolute minimum."

The state-run Korea Rural Economic Institute (KREI) predicts that the US-Korea FTA will cause South Korean agricultural output to fall by 1-2 trillion won (US\$1.03-\$2.07 billion) It said that production losses and lower prices were inevitable for many local products if tariffs come

down. The total output of South Korea's agricultural sector stands at 35-36 trillion won a year. Beef, pork, chicken and a considerable number of fruits and vegetables (including apples, pears, grapes, tangerines, onions, chilli peppers, garlic, tomatoes, strawberries and ginseng, beans, barley and potatoes) would be significantly affected. The loss in production does not take into account rice and 17 rice-based products that South Korean officials said should not be included in current free trade agreement (FTA) talks. Including rice, production losses could extend to around 7 trillion won<sup>72</sup>.

### EPAs, PACER and the Pacific

The EU's so-called Economic Partnership Agreements, and the Australia/New Zealand-led Pacific Agreement on Closer Economic Relations are the embodiments of the conversion of preferential access arrangements between Southern countries and the EU, Australia and New Zealand respectively, into agreements which are WTO-consistent and require that small countries in the Pacific to fully open their economies to foreign goods, services and investment. The interplay of the two agreements, which involve bilateral negotiations with individual Pacific Island nations, are also an example of the jockeying for power and influence through trade deals. Australia and New Zealand were spurred to create PACER because of moves by EU towards EPAs, and internal moves among Pacific Island Forum members for an island-only free trade agreement<sup>73</sup> If Pacific Island countries wished to start free trade negotiations with developed countries (like the EU) they first had to approach Australia and New Zealand who did not want to compromise their economic and political interests in the region.

New Zealand law professor Jane Kelsey notes that the EPA's Agricultural Development Strategy aims "to assist in the reform of laws, including laws related to land tenure" with "enabling policies" that "endeavour to strengthen local institutions and enact policies and legislation that provide equitable and secure ownership to ownership and control of natural resources, particularly land"<sup>74</sup>. Kelsey notes that "in a trade liberalisation agreement, which focuses on industrial agriculture and cash cropping for export, [this] is ...likely

to mean securing control over larger-scale land holdings for individuals and companies, including foreign agribusiness.”

### Other deals

Australia and New Zealand both insist on comprehensive FTA deals which include agriculture, although Australia was unable to overcome the power of US domestic agriculture lobbies over sugar exports in the US-Australia FTA. Japan still protects a number of sensitive agricultural products that are still covered by tariff-related quotas and high tariffs. Australian negotiators and farm industry lobby groups seek full and free access for all Australian farm products entering Japan, and are resisting Tokyo's attempts to carve out sensitive commodities like rice, beef, wheat and dairy products from FTA talks that will begin in 2007. But Canberra does not expect it will succeed in achieving the comprehensive access that it seeks, or overturning Japan's very high 780 per cent tariff on rice, for example<sup>75</sup>.

The Australian Thailand Closer Economic Relations FTA is of particular concern to Thai dairy farmers<sup>76</sup>. In the most contentious area, most Australian milk and dairy products will eventually be able to enter Thailand tariff free by 2020 with a further five-year delay for liquid milk, skim milk powder and cream. Most Thai dairy farmers are smallscale, whereas Australia's dairy industry is highly developed and largescale, and able to produce a range of dairy products far more cheaply than Thai counterparts. Similar concerns about FTA with NZ. Research commissioned by the Thai government predicts that under the FTA, dairy imports will increase by 30 per cent and the domestic price will drop by 30 per cent.<sup>77</sup>

The US food production and processing industry has also expressed its intention to use Malaysia as a regional hub to produce and promote its growing range of halal food products by tapping into the US-Malaysia FTA<sup>78</sup>. US agribusiness giant Cargill, for example, has recently launched a halal pork fat replacer called AdroGel GR, targeted at the 1.5 billion strong global Muslim consumer market<sup>79</sup>.

In its FTA negotiations with Kuala Lumpur, US

agribusiness also wants to crack open Malaysia's market even further, for rice, soybeans, chicken and beef exporters. Malaysia currently has a 40 per cent tariff on rice to protect rice farmers and improve rice self-sufficiency. A Malaysian government corporation is the sole authorised importer of rice with broad power to regulate imports by license and responsibility for promoting sale of the domestic crop. An estimated 296,000 Malaysian farmers depend on rice for their livelihood<sup>80</sup>.

The impacts of these deals are being felt as increased precariousness of employment and livelihoods in urban and rural areas. This hollowing out of the agriculture sector in many countries which have implemented free trade agreements is leading to increased poverty levels and often adds to increased migration in search of work- internally and overseas. Moreover, thousands of years of traditional farming culture and knowledge is under extreme threat.

### **c) Investment**

FTAs and Bilateral Investment Treaties (BITs) contain broad definitions of investment, which throw the door wide open for disgruntled corporations based in one signatory country to take a case against the other signatory government to a dispute tribunal. Perhaps most notoriously, such disputes have become one of the most controversial features of NAFTA, since coming into force in 1994. Chapter 11, NAFTA's powerful investment chapter provides foreign corporations with rights to sue governments for enacting public policies or laws which they claim to affect their profitability. Too bad if they protect the environment, health and safety, support local small businesses or jobs. All three NAFTA members have found themselves targeted by corporations under these provisions. To cite one example, US chemical corporation, Ethyl Corp, used NAFTA to sue Ottawa over a 1997 federal ban on imports of a fuel additive, MMT (methylcyclopentadienyl manganese tricarbonyl) because it was toxic and hazardous to public health. Canada backed down, removed the ban, paid the corporation US \$13 million (it had demanded \$250 million) and apologised. Meanwhile, several governments in Latin

America, Asia, Europe, the Middle East and Africa have had investor-state dispute proceedings launched against them under bilateral investment agreements which hardly anybody knew about. The investment provisions of the latest wave of free trade and investment agreements promoted by the US go even further than the NAFTA model. UNCTAD notes that 2005 saw the highest annual increase ever recorded of investor-state disputes cases being filed<sup>81</sup>.

Article 15.1 (13) of the US-Singapore FTA text defines investment as: every asset owned or controlled, directly or indirectly, by an investor, that has the characteristics of an investment. Forms that an investment may take include: a) an enterprise; b) shares, stock and other forms of equity participation in an enterprise; c) bonds, debentures, other debt instruments and loans; d) futures, options and other derivatives; e) turnkey, construction, management, production, concession, revenue-sharing, and other similar contracts; f) intellectual property rights; g) licenses, authorisations, permits and similar rights conferred pursuant to applicable domestic law, and h) other tangible or intangible, movable or immovable property, and related property rights, such as leases, mortgages, liens and pledges.<sup>82</sup>

Thus far, investor-state disputes are often related to conflicts after the privatisation of state-owned enterprises and public utilities such as water. But with the inclusion of intellectual property in the sweeping definitions of "investment" in FTAs and BITs, and its explicit application to biodiversity, it may not be long before an investor launches a dispute around IPR issues, be it a pharmaceutical corporation, an agrochemical firm, or a biotech seed company. National measures to prevent biopiracy or to promote public health could be open to potential dispute. For example, compulsory licenses on drugs or the enforcement of disclosure of origin rules on plant patent holders could become grounds for legal action by investors under these treaties, even if the host country's law is WTO-compliant.

In an August 2004 paper published by GRAIN, Carlos Correa, law professor at University of Buenos Aires, warns that grey areas in bilateral investment agreements leave "room for invest-

ment-related disputes to induce changes in national IPR legislation of developing countries, even if that legislation is TRIPS-compliant".<sup>83</sup> Bilateral investment treaties or the investment chapters in the US model bilateral FTAs which are being imposed on countries give corporations potentially far greater powers than those afforded them in IPR sections of trade agreements. Correa believes that under the broad definition of 'investment' contained in these agreements, biological materials collected under access permits or contracts (both forms of "investment" for the purposes of such agreements) may be viewed as the "property" of the collector, who could claim investor status and therefore protection as an investor in the event of a government requesting the return of samples. He also suggests that were a government to declare a GE moratorium or prohibit the sale and cultivation of transgenic seeds, forcing the cancellation of a license to commercialise a transgenic variety, a company could claim loss of potential income and launch an investor-state dispute as an investor. Not only do US FTAs include IPR in their definition of investment, but also the Korea-Chile and Thailand-Australia FTAs, among others.

On a slightly different note, it is worth asking what would have happened if the WTO banana war had been fought out under the auspices of an FTA with services and investment provisions. The September 1997 "banana war" WTO ruling against the EU's banana import scheme both illustrates the domination of TNCs in the WTO system, and the overlap between agreements. The complaint was filed by Ecuador, Guatemala, Honduras Mexico and the USA, although the USA does not export bananas. The US filed the case on behalf of US-based TNC, Chiquita, which dominates the Latin American banana industry which in turn claimed the ruling to be a victory for free trade. But the case was initiated under the WTO's General Agreement on Trade in Services (GATS) because "bananas need to be distributed, and distribution is a service under GATS"<sup>84</sup> In an FTA, there is another dangerous overlap factor – the investment provisions, which would mean that such a case could pave the way for a corporation to demand compensation from a state under the investor-state dispute mechanism.

In a speech to the Inter-American Development Bank in October 2000, US lawyer William Rogers argued that investment treaties are “an open invitation to unhappy investors, tempted to complain that a financial or business failure was due to improper regulation, misguided macroeconomic policy, or discriminatory treatment by the host government and delighted by the opportunity to threaten the national government with a tedious expensive arbitration.”<sup>85</sup> The mere existence of such agreements likely has a chilling effect on governments as they consider policy amendments or new legislation.

#### **d) IPRs in FTAs - TRIPS-plus**

Even before the WTO lurched into its latest crisis, bilateral FTAs had become a tool of choice to expand IPR standards, US-style patents on life and UPOV-type PVP systems – “TRIPS-plus”. US agribusiness sees FTAs as tools “to expand foreign understanding and acceptance of US regulations and standards, particularly with respect to agricultural biotechnology”.<sup>86</sup> TRIPS-plus provisions effectively extend the minimum patent protection period beyond 20 years (typically, from 3-5 years more). Such FTAs go beyond the WTO in another frightening way. With IPR included in broad definitions of “investment” in many FTAs, and its explicit application to biodiversity, the door is also open for foreign investors (e.g., an agrochemical/biotech seed company) to launch investor-state disputes over IPR issues. Such claims against a government would be heard by a dispute settlement body with enforceable powers, in virtual secrecy. Facing huge costs, governments could be pressured to change or revoke laws or regulations that might be targeted by profit and control-hungry corporations. National measures to prevent biopiracy like enforcement of disclosure of origin rules on plant patent-holders could become grounds for investor-state disputes, even if the country’s law is WTO-compliant.

Besides insisting that governments with which it signs FTAs join the UPOV 1991 Act, the US demands that they join the Patent Cooperation Treaty (PCT). The PCT, administered by WIPO, speeds up the patent search (and therefore, application) process, by allowing residents or

nationals of a contracting state to seek patent protection for an invention simultaneously in many countries through its international application system for the purpose of searching<sup>87</sup>. It further limits the options of signatory governments to address local needs and interests in its patent laws. National patent offices tend to take account of the PCT search report and will probably accept its findings. Signing the PCT potentially undermines national patent offices’ rights to implement patent law independent of major patent offices like the European Patent Office (EPO), USPTO, and Japan Patent Office (JPO).<sup>88</sup>

#### **e) Biosafety bilateralism and SPS**

Some countries, especially the major biotech producers, say that labelling should only be required for biotech foods that are substantially different, arguing that any additional labelling requirements for foods that are composed of, contain, or are derived from GMOs were unnecessary and “substantially equivalent”.

But the production of food using GMOs is fundamentally different to the production of non-GE food products, and could result in altered product performance. As with the WTO, US bilateral free trade strategy promotes a cavalier approach to serious human health and safety concerns. These trade rules do not allow importing countries to adopt a precautionary approach to the importing of GMOs.

Witoon Liamchamroon of the Thai NGO Biothai ([www.biothai.org](http://www.biothai.org)) notes how Thailand’s GMO Labelling Regulation, which came into force in May 2003, allows for a threshold of 5 per cent of GM material, not 1 per cent or more as proposed by Thai consumer organisations, after official fears of US retaliation<sup>89</sup>. Even here, only the three main ingredients are covered, which means that even if the fourth ingredient is 100 per cent GE, it will escape labelling<sup>90</sup>. Yet such weak labelling regulations could still be viewed as a barrier to free trade by the US industrial-political complex.

In complaints brought under the Agreement on Sanitary and Phytosanitary Measures (SPS – concerned with the protection of human, plant

and animal life and health) – a business-oriented agreement aimed at deregulation – the WTO could compel a nation to choose between lowering its health standards for humans, animals, or plants, compensating another government whose exports are limited or blocked by the stricter standard; or permitting that country to impose additional trade restrictions on exports from the nation with the higher standard. Along with the WTO Technical Barriers to Trade (TBT) Agreement (which covers technical regulations, product standards, and testing and certification procedures), SPS opens the way for attacks on national measures that address consumer concerns, such as labelling products containing GMOs. Pressure for downward harmonisation is built into the agreement. Reliance on SPS or TBT by one country is subject to the challenge that it is merely disguised protectionism.

SPS is at the heart of the high-profile WTO dispute which the US, Canada, and Argentina took against the European Union's (now lifted) *de facto* moratorium and associated bans by EU member states on GM food and feeds. The US argued that EU actions are an unjustified regulation to thwart trade in "safe, wholesome, and nutritious products,"<sup>91</sup> in other words, untested GE food. The WTO ruled that the national bans by EU nations contravened the requirements of SPS. Meanwhile, EU officials state that their SPS standards "are not open to negotiation, and they apply in full to all trade: preferential as well as non-preferential"<sup>92</sup>. FTA partners are expected to adapt to EU SPS standards.

Free trade agreements – multilateral or bilateral ones – pose a further threat to labeling laws on GM foods. They threaten the rights of countries to determine their own domestic regulatory approach. They threaten the rights of consumers to know what is in our food. They threaten the livelihoods and futures of farmers who are struggling for the right to food sovereignty.

The biotech industry and the US administration argue that GMOs are like their non-GM counterparts. There is a conflict over whether GM foods are "like products" to non-GM foods for the purposes of Article 2(1) of the TBT and Article III (4) of GATT 1994. SPS measures must have a

scientific basis, based on "sufficient scientific evidence" and risk assessment, and be no more trade restrictive than necessary to achieve an appropriate level of sanitary and phytosanitary protection. Under TBT, there must be non-discriminatory treatment of like products, measures must be the least trade-restrictive, and they must fulfil a legitimate objective.

TBT is supposed to ensure that standards and procedures do not create "unnecessary obstacles" to trade. It commits WTO members to using appropriate international standards, largely set by industry, in their technical regulations. Under this agreement, governments must notify the WTO Secretariat of any proposed new measures, including information on the objectives and rationales behind the measures and on the products covered. This opens them up for comment and amendment by other WTO member governments. The US administration and industry have vigorously opposed the use of the "precautionary principle" which provides a more cautious basis for some governments' positions and policies, including the long-standing EU moratorium on approving new GE crop varieties. This principle argues that precautionary measures should be taken when an activity raises a threat of harm to human health or the environment, even if some cause and effect relationships are not yet scientifically established. It also places the burden of proof on the proponent of the activity to prove its lack of harmful effect.

Under the US-Australia FTA, parties reaffirm their commitments to obligations under the WTO SPS Agreement, and set up an SPS committee. The US-Australia FTA SPS chapter also established a standing technical working group on animal and plant health, as well as an ad hoc group on SPS issues. The US-Chile FTA also set up an SPS committee on technical/regulatory requirements and procedures.<sup>93</sup> In its FTA negotiations with Bahrain, the US sought to have Bahrain reaffirm its WTO TBT commitments, including those relating to labelling requirements on US food and agricultural products produced through biotechnology, and help ensure that Bahrain's technical regulations, standards, and conformity assessment procedures do not serve as an unnecessary impediment to trade.<sup>94</sup>

So the FTAs provide another lever with which to pressure governments to maintain GMO-friendly regulations on issues like labelling even if it is couched in the seemingly innocuous language of getting governments to reaffirm commitments to TBT and SPS. Moreover, the US biotech industry views these two WTO agreements as the floor for future standards, not the final end goal, to be tightened and refined through FTAs and other mechanisms, in order to impose closer regulatory alignment with US standards.

Just as Monsanto and other US biotech companies have exerted pressure through US trade negotiators involved with the US-Thailand FTA to push Thailand to reverse its moratorium on GM field trials and its ban on GM seeds<sup>95</sup>, so too is the biotech industry targeting Malaysia.

In a May 2006 letter to the USTR, BIO requests the US government “to use the opportunity of the FTA negotiations to ensure Malaysia promulgates

science-based, transparent regulations for predictable and timely biotechnology approvals, import requirements and labelling. These regulations should not discriminate against agricultural biotechnology and should be no more trade restrictive than required to achieve Malaysia’s appropriate level of sanitary or phytosanitary protection, taking into account technical and economic feasibility.”<sup>96</sup>

Once again, the US is not alone in using FTAs as a WTO-plus weapon. As GRAIN notes: “SPS is also increasingly present in the EU’s bilateral trade agenda, even though the EU is known for being cautious about GM foods. The EU’s 1995 FTA with Mexico established a special committee on SPS as did the EU’s 2002 FTA with Chile...; the EU’s draft FTA [EPA] with the Pacific countries devotes a full article to biosafety capacity-building to “ensure that the biosecurity legislation and practices of the Pacific Parties are consistent with the WTO’s SPS Agreement”<sup>97</sup>.

## FTA case studies

### Korea-Chile

Korea-Chile FTA negotiations began in 1998 and the deal was eventually concluded in 2003. Although the agreement was quite comprehensive in coverage (services, investment, etc included), it was its agriculture provisions – and particularly the implications for Korea's domestic fruitgrowers - that were the focus of opposition in Korea. The FTA reduced tariffs on South Korean manufactured products in return for reduced barriers to Chile's agricultural exports. This FTA was opposed by farmers outside of the National Assembly (NA) in Seoul. Farmers occupied a bridge over the Han river and conducted daily rallies in front of the NA. They conducted a relay sit-in strike in front of the NA and spoke to the public about their concerns. During their campaign, farmers used thousands of trucks to block highways and tunnels to hold up traffic in protest, and also let pigs loose inside the National Assembly. Some farmers chained themselves to pillars, while the farmers' movement also wrote to MPs and occupied the offices of some legislators to pressure them to oppose the agreement. Protests were frequently met with police violence, but helped to delay the ratification of the deal several times. Yet while over 50 per cent of Korea's lawmakers promised that they would oppose the Korea-Chile FTA, they ratified the agreement. From this experience, the Korean Peasant League (KPL) drew two lessons for future FTA fights: firstly, a struggle by small farmers alone would not lead to victory when they constitute under 10 per cent of Korea's population. The majority of the population were made to believe that sacrifice of the farmers was a necessary evil to achieve economic growth. Secondly, one cannot rely solely on parliamentarians – despite all the mobilisations, the government went ahead and ratified the deal anyway. So KPL believes that it is vital to build a mass struggle with other sectors to defeat current and future FTAs.<sup>98</sup> According to Korea's Ministry of Agriculture and Forestry, in a report less than a year after April 2004, when the Korea-Chile FTA took effect, 12,644 peach, kiwi and grape farms across Korea shut down because of the adverse effects of the FTA on domestic fruitgrowers<sup>99</sup>. Korean farmers are at the forefront of the current struggle against an FTA with the US.

### China –Thailand

In February 2003, the Thai and Chinese governments signed an 'early harvest' bilateral free trade agreement on fruit and vegetables. This deal was a step towards broader China-Thailand, and ASEAN-China free trade, after the May 2001 ASEAN-China Summit in Brunei had approved an economic cooperation framework agreement leading to an ASEAN-China free trade area within a decade. But Thailand was the only country to enter into such an early harvest deal with China. Under the Thailand-China agreement tariffs on many fruits and vegetables were reduced to 0 per cent from October 1, 2003.

Cheaper Chinese produce – especially onions, garlic, carrots and potatoes, apples and pears flooded the Thai market. Garlic and onion farmers in Thailand face a bleak future with falling prices, and a situation where they are often forced to sell at less than the cost of production. An estimated 50,000 Thai farming households have been badly affected by this FTA<sup>1</sup>. Conversely, while Thailand has exported more produce like cassava, longan and durian, to China, China's non-tariff barriers have blocked Thai produce because of import procedures such as hygiene standards and product certification, or adding duty and value-added tax which prices the Thai products out of the market. According to data from the 2006 study by the International Trade Study Centre of the University of the Thai Chamber of Commerce, cassava, used for animal feed, and alternative energy, constitutes over 99 per cent of the total value of vegetables exported to China under the Thai-China deal<sup>101</sup>. Other vegetable exports to China are falling, with a steadily growing number of Thai fruits and vegetables with which Thailand now has trade deficits with China. So who benefits? Not small Thai farmers!

## ***Resistance is fertile!***

Bilateral free trade and investment agreements are only one of many neoliberal threats facing small farmers across the Asia-Pacific region. At the heart of the neoliberal model is an absolute imperative to commodify and privatise everything for monopoly profit and control. The neoliberal model which underpins bilateral free trade and investment models advances and locks in freedoms for big business to do whatever they want, whenever they want, however they want. Many peoples' movements in poor countries view it as the latest wave of colonialism, dressed up in empty promises of economic development and prosperity, as their countries are mined for natural resources and cheap labour, with the profits largely siphoned off elsewhere under deregulated, liberalised economic regimes. Because of their comprehensive nature, farmers and other social movements are joining in opposition to many of these deals, just as Thai farmers and people living with HIV/AIDS have done in Thailand.

While the imperialist agendas of the US, EU and Japan are often easier to identify, bilateral free trade and investment deals between Southern countries also rarely deviate from the neoliberal norm. Among developing countries, within regions, there are countries which already dominate the rest of the region economically and politically, such as South Africa in Southern Africa, and India in South Asia. Bilateral free trade and investment deals within the region will only tend to further that domination.

While examining these particular agreements in detail, and strategising against them, it is important to keep an eye on the bigger picture. In the same way that investment and intellectual property rights intersect in these agreements (since IPR are treated as a form of investment), so too do many other issues. IPR, services, agriculture, the environment, competition policy and so on all crosscut and impact one another in these

treaties. Other agreements and other pressures also come to bear from bilateral and multilateral aid and development assistance, from the lobbying efforts of corporations and chambers of commerce, and from bilateral intellectual property agreements, to name a few.

Farmers are on the frontlines of Asian anti-FTA fights as they are elsewhere in the world. In both Korean and Thai case, farmers' opposition to FTAs with US are also based on experience of fighting FTAs with other governments, and their negative experiences of the consequences of agricultural liberalisation under these deals, and the AOA.

And these movements are gaining in momentum. In November 2006, while Korean farmers, workers and other social movements organised for major mobilisations against the Korea-US FTA, Via Campesina denounced the EU's EPAs with African, Caribbean and Pacific countries as a new threat to farmers and food sovereignty and called for a stop to negotiations. The Asian Peasant Coalition denounced the recently signed Japan-Philippines Economic Partnership Agreement (JPEPA) arguing that the agreement is heavily weighted in favour of Japanese economic interests, and that it will lead to further displacement of farmers, worsen hunger and poverty in the Philippines.<sup>102</sup>

The current Deputy USTR Karan Bhatia says that "choosing an FTA partner is like choosing a husband or wife: you want your partner to be interesting, to be committed, and to share common values"<sup>103</sup>. Yet the 'logic' of these deals is a million miles removed from the realities of the lives of the millions of small farmers – many of them women – throughout the Asia-Pacific. Moreover, it is time for a divorce from neoliberal free trade and investment agreements, and to a future in which genuine food sovereignty and justice are the mainstream, not the 'alternatives'!

# Appendices

## **APPENDIX I - Key bilateral negotiations in Asia-Pacific**

*(Adapted from "Overview of bilateral free trade and investment agreements" - Background paper prepared for the "Fighting FTAs" international strategy workshop organised by FTA Watch in cooperation with bilaterals.org, GRAIN and MSF in Bangkok on 27-29 July 2006; Revised for public release, 1 October 2006. Full document available for download at [www.bilaterals.org/article.php3?id=6209](http://www.bilaterals.org/article.php3?id=6209))*

### **Australia**

Australia has FTAs with the US (see under 'US'), Singapore, Thailand and New Zealand. Canberra is currently negotiating with Malaysia, China and, together with New Zealand, ASEAN as a whole.

- The *Australia-Thailand* FTA was signed in July 2004 and came into force on 1 January 2005. It covers trade in goods, liberalisation of services, protection of IPR and creation of new investment privileges. While data on the negative impacts on local farmers come through, the Thai senate is trying to have the agreement revoked as unconstitutional under Thai law.
- Talks over an *Australia-China* FTA began in May 2005. Australia seeks a comprehensive agreement covering all sectors, while China seeks to limit the deal's coverage, and to complete negotiations within two years. The sixth round of negotiations took place in June 2006. China is clearly interested in Australia's minerals and other natural resources. Australian labour unions are opposed to a deal with China given concerns about the impacts on local jobs as well as workers' rights in China.
- *Australia-Japan* FTA negotiations are expected to start in late 2006 or early 2007.
- Chile has expressed its intention to negotiate an FTA with Australia, with preliminary talks projected for late 2006.
- Australia has also announced its desire to negotiate a deal with the GCC.

### **Cambodia**

Cambodia has a bilateral textile agreement with US and a bilateral IPR agreement with Switzerland. It signed a TIFA with the US in July 2006. As part of ASEAN, Cambodia is involved in the bloc's FTAs with China and Korea. Japan has expressed its interest in a bilateral investment agreement with Cambodia, with preparatory talks beginning in September 2006.

### **Canada**

- A *Canada-Singapore* FTA has been under negotiation since October 2001 but stalled, after six rounds of talks, in October 2003.
- A *Canada-Korea* FTA is under negotiation since July 2005. The 7th round of talks was held in Ottawa in September 2006. The Canadian Autoworkers union (CAW), Ontario's provincial government, several municipal governments and representatives of Canada's auto industry have expressed concern about the agreement, some arguing that the auto sector should be left out, because of threats to the (largely Ontario-based) Canadian auto assembly industry. Concerns are also expressed about such a deal's impact on Canada's shipbuilding sector. Canadian agribusiness sees the FTA as a way to further open Korea's agriculture sector, beyond its WTO commitments.
- Canada also has bilateral investment treaties with the Philippines (1996) and Thailand (1997) and is seeking one with both China and India.

## China

China is moving into bilateral trade agreements with numerous countries, mainly in the Asia-Pacific region. Apart from the China-ASEAN arrangement and special agreements with Hong Kong and Macau, Beijing is in FTA discussions with Australia, New Zealand, Chile, SACU and the GCC. China is further trying to open discussions with Brazil, Iceland, India, Japan and South Korea. A partial trade agreement has already been signed with Thailand, and in November 2006, a China-Pakistan free trade agreement was signed. Among other things, China is using bilateral FTAs to achieve 'market economy status' with trading partners – a status it will not enjoy at the global level, under the framework of the WTO, until 2015. The purpose of this is to reduce the possibility and impact of anti-dumping retaliation against Beijing.

- *China-ASEAN* FTA talks started November 2001. The FTA, a zero-tariff market of 1.7 billion people, has been targeted to come into force in 2010 for the six original ASEAN members and in 2015 for the remaining four. Implementation of the framework agreement would occur in stages. The 'early harvest trade in goods' programme came into effect in July 2005. Negotiations on a dispute settlement mechanism were finalised in 2004 for implementation in 2005. Negotiations on trade in services are still ongoing.
- The *China-Thailand* FTA for agricultural produce is the first of its kind to be concluded between the mainland and an ASEAN neighbour. Tariffs for 188 types of fruits and vegetables have been cut to zero. The agreement took effect in October 2003 as part of the steps towards the China-ASEAN FTA. Opposition has been strong from Thai farmers concerned about the flood of cheap imports which has undermined their livelihoods and food sovereignty.
- A *China-Pakistan* free trade agreement was signed in November 2006 alongside other bilateral agreements on defence, energy, and other issues.
- A *China-India* FTA has been proposed and is under study.
- Moves towards signing a *China-EU* framework agreement on partnership and cooperation were announced in September 2006.

## EFTA

The European Free Trade Association has entered into bilateral FTAs with Turkey (signed December 1991, in force April 1992), Singapore (signed June 2002, in force January 2003) and Korea (signed December 2005, in force July 2006) and is currently negotiating with Thailand.

## EU

The EU's bilateral trade and investment agreements are evolving from earlier aid and development cooperation pacts. The EU has framework agreements on trade cooperation with a few countries such as India (1993) and Korea (2001). A bilateral EU-Bangladesh development cooperation and trade agreement drawn up in 2001 sparked alarm among political and social groups as it pushes Bangladesh to join UPOV (a kind of patent system for seeds). And under the Cotonou Agreement, the EU is presently negotiating an Economic Partnership Agreement with the Pacific Island countries (deadline: end 2007). While China is the EU's second largest trading partner and the EU is China's first, they have no formal bilateral agreements on this outside of China's WTO accession pact with the Union, though recent moves towards a framework agreement on cooperation and partnership have been taken. As to Turkey, fullscale accession to the EU has been under preparation for many years.

- *EU-ASEAN*: The EU now feels the pinch of FTA competition from the US in Asia and an EU-ASEAN FTA has been proposed. The EU took the decision in September 2006 to push ahead with this and aggressive negotiations are expected.
- *EU-Korea* and *EU-India*: As with ASEAN, and as of September 2006, the EU plans to launch FTA talks with both Korea and India.

## India

India has limited free trade agreements with Sri Lanka (1998) and Thailand (2003) plus a number of preferential trade agreements with countries/blocs such as Afghanistan, Chile and Mercosur. At the end of June 2005, the government signed a Comprehensive Economic Cooperation Agreement (CECA) with Singapore, what many consider India's first 'comprehensive' FTA. India expects to upgrade its pact with Sri Lanka into a Comprehensive Economic Partnership Agreement.

Currently, bilateral negotiations are going on with ASEAN, the GCC, Bangladesh and Mauritius. The government is in various stages of considering talks with Indonesia, Malaysia, China, Japan, Korea, Egypt and SACU (Southern African Customs Union).

Under the India-ASEAN frame, the idea is to come up with an overall regional trade and investment agreement, including an FTA on goods, services and investment. After quite some debate – especially over rules of origin and the impact of ASEAN agricultural imports on Indian farmers – the India-ASEAN FTA is now set to enter into force on 1 January 2007. India is also part of IBSA, the India-Brazil-South Africa triangle considering a trilateral FTA.

## Indonesia

Indonesia is currently in FTA talks with Japan, Australia and New Zealand. It is party to the ASEAN deals with China and Korea. The possibility of a bilateral FTA with the US is also under preparation.

## Japan

Japan has signed FTAs with Singapore (January 2002), Mexico (September 2004) and Malaysia (December 2005), and Philippines (September 2006). An FTA with Thailand is finalised, but not signed. In 2005, Japan started exploring possible talks with Switzerland and Australia, made a basic agreement to work towards a deal with ASEAN, and began concrete talks with Indonesia, which is also finalised but yet to be signed. In mid-2006, FTA talks with Brunei and Viet Nam started, while those with Korea remain stalled. Spurred by concerns about access to energy resources, Japan is moving towards kicking off talks for an FTA with Kuwait and other oil and gas-rich Gulf Cooperation Council countries. Looking towards Latin America, Tokyo is interested in approaching Brazil, while it tries to finalise a deal with Chile. In September 2006, Japan had preliminary talks on bilateral investment treaties with Laos and Cambodia. Tokyo has also tabled a proposal for an overarching Asian FTA between India, ASEAN, China, Korea, Australia, New Zealand and Japan. While Australia and New Zealand expressed interest, ASEAN indicated that it has other priorities.

## Korea

Korea has FTAs with Singapore, Chile, ASEAN and EFTA, is in the process of talks with Japan, the US (*see under 'US'*) and Canada, and is looking to open discussions with Mexico, Mercosur, China, India and possibly Israel.

- *Korea-Chile* FTA: This deal was the subject of major protests by Korean farmers and other sectors. In fact, ratification of the deal was stalled for one year in Korea's parliament, largely due to strong fears about the agricultural impacts.
- *Korea-ASEAN*: South Korea and the Association of South-East Asia Nations (ASEAN) – minus Thailand, which is boycotting the deal until Korea allows trade in rice to be liberalised under the agreement – signed an FTA together in May 2006, which took effect in July 2006.

## Laos

Laos has been going through a process of normalising its trade relations with the US and is being approached by Japan for an FTA/BIT. As part of ASEAN, Laos is involved in the group's FTAs with China and Korea.

## Malaysia

Malaysia signed an FTA with Japan in December 2005 and is in FTA talks with Australia, New Zealand and Pakistan since 2005 as well. It has been preparing ground for FTAs with India and Korea and plans to study the possibility of an FTA with Chile. Since early 2006, Malaysia is now negotiating an FTA with the US.

## New Zealand

New Zealand is party to several comprehensive free trade and investment agreements: the Australia-New Zealand Closer Economic Relations Agreement (1983); New Zealand-Singapore Closer Economic Partnership (2001); New Zealand-Thailand Closer Economic Partnership (2005); and the Trans-Pacific Strategic Economic Partnership or "P4" (2005) between Brunei Darussalam, Chile, New Zealand and Singapore which took effect on 1 January 2006. Also, New Zealand has signed bilateral investment treaties with Chile, Argentina, Hong Kong and China. Presently under negotiation:

- *New Zealand-China* FTA: the 7th round of negotiations took place in May 2006 and the aim is to conclude by 2007 or 2008.
- *New Zealand-Malaysia* FTA
- *New Zealand-Australia-ASEAN* FTA
- *New Zealand-Hong Kong* Closer Economic Partnership Agreement: Negotiations with Hong Kong stalled in 2002, particularly because of concerns about rules of origin and following a campaign against the agreement which focused on those concerns plus the investment provisions.
- In September 2006, the imminent start of FTA negotiations between New Zealand and the GCC countries were announced.

## P4

The P4, formally called the Trans-Pacific Strategic Economic Partnership Agreement, is an FTA between the four Pacific governments of Brunei Darussalam, Chile, New Zealand and Singapore. It was signed on 3 June 2005 and came into force on 1 January 2006.

## Pakistan

Pakistan is big on FTAs. It has a full free trade agreement with Sri Lanka, a preferential trade agreement with Turkey, early harvest schemes with China and Malaysia, and is part of both ECOTA and SAFTA. It is in various stages of FTA talks or preparations for talks with Indonesia, Thailand, Malaysia, Singapore, the GCC and Russia. Negotiations on a US-Pakistan bilateral investment treaty, a step towards an FTA, have been quite difficult and are still unfinished. The fifth round of US-Pak BIT talks are scheduled for October 2006.

## Philippines

Although the Philippines does not seem to be a big player on the FTA scene, it has signed almost 40 FTAs or bilateral investment agreements dating back to the 1960s. It is part of the ASEAN-China and Korea-ASEAN FTAs and recently signed a bilateral free trade deal with Japan. Further on the horizon, there is talk of a possible FTA with New Zealand, and a deal with US might be on offer in a more distant future. A US-Philippines TIFA was signed in 2002.

- *JPEPA*: The Japan-Philippines Economic Partnership Agreement was signed mid-September 2006. It is the Philippines' first full-fledged FTA. Through the deal, Tokyo expects to enhance the rights of Japanese corporations investing and operating in the Philippines, especially in the automobile sector. Manila expects to gain employment opportunities, under a strict quota system, for Filipino healthcare professionals in Japan. Both sides agreed to settle disputes under JPEPA domestically, rather than through international arbitration, unless the two sides decide otherwise. JPEPA has been contested by numerous sectors in the Philippines, including the Congress, for

lack of transparency, unconstitutionality and potential negative impacts on Filipino workers, farmers, fisherfolk, local industries and the environment.

### **Singapore**

Singapore is big on FTAs. It has bilateral deals with Australia, New Zealand, EFTA, Japan, the US, Jordan, India Korea, and Panama, and is part of the quadrilateral P4. In June 2005, it concluded negotiations with Qatar, while talks with Mexico, Canada, UAE, Bahrain, Egypt, Pakistan, Peru, Sri Lanka and Kuwait are ongoing.

### **Sri Lanka**

Sri Lanka has bilateral trade agreements with India, Pakistan, Iran, Egypt and Singapore.

### **Taiwan**

Taiwan fervently tries to establish bilateral FTAs with other countries. So far, its success has been limited to Central America, which Taiwan sees as a bridge to enter the US market. The Taipei government has FTAs with Guatemala (September 2005), Panama (August 2003) and Nicaragua (June 2006). It expects to sign with El Salvador and Honduras by October 2006, and plans to imminently start talks with Costa Rica, the Dominican Republic and possibly Paraguay.

### **Thailand**

Thailand has FTAs with New Zealand (2005), Australia (2005), India and China (2003). A controversial Thailand-Japan FTA is about to be signed, a Thailand-Chile deal is under study, an FTA with Peru is being considered and a Thai-Moroccan agreement has been proposed. The centre of debate right now, and the focus of much popular opposition, however, is the US-Thailand FTA.

### **Turkey**

Turkey has FTAs with Macedonia (September 2000), Bosnia-Herzegovina (July 2003) and Croatia (July 2003). In 2004 it signed deals with Tunisia and Palestine, and in January 2006 with EFTA. Turkish FTA negotiations continue with Jordan, Egypt, Lebanon, Faeroe Islands, Albania, South Africa and Mexico.

### **US**

The US has concluded comprehensive FTAs with Australia, Vietnam and Singapore and has embarked on FTA negotiations with Thailand, Korea and Malaysia. Apart from the US-Korea pact, which in economic terms would be the US' most important after NAFTA, Washington's primary goal in the region at the moment is the bottom-up construction of a US-ASEAN deal.

- The *US-Australia* Free Trade Agreement was signed on 18 May 2004 and came into effect on 1 January 2005. Throughout the negotiations of this comprehensive pact, many issues were problematic for different sectors on both sides of the fence. US farmers managed to keep sugar out of the deal, but have to face new competition from Australian dairy imports. Social opposition to the agreement ran high in Australia, the major concern being access to affordable medicines. The FTA commits Australia to provide stronger patent monopolies to US drug companies, directly compromising Australia's Pharmaceuticals Benefits Scheme (PBS). The FTA even became a key electoral issue in Australia in late 2004. One year after the FTA came into effect, debate broke out in Australia over its impacts. Statistics showed that US imports into Australia had shot up while Australia's exports to the US had shot down. Further, even though one-third of Australian generic medicine manufacturers had to shut down after the FTA, US drug companies are not happy with the safeguards left in place to protect the PBS and are moving to have them scrapped.
- *US-Malaysia*: Having signed a Trade and Investment Framework Agreement on 10 May 2004, the US and Malaysia agreed in January 2006 to start negotiating a bilateral free trade agree-

ment. US negotiators have indicated that they expect to conclude talks by the end of 2006.

- *US-Taiwan*: Despite pressure from Taiwan, the US is reluctant to sign any deal with Taiwan as it could upset US relations with China. Washington has consistently blocked talks on a TIFA, a first step towards an FTA, on the grounds of Taipei's poor record in protecting US intellectual property rights in Taiwan.
- The *US-Thailand* FTA negotiations on a comprehensive bilateral free trade agreement began in June 2004. It will cover investment, services, government procurement, intellectual property, as well as agriculture. Many expect it to be modeled on the US-Singapore FTA and a few chapters have been leaked out already. These negotiations have attracted strong opposition from many Thai social movements. A broad civic coalition, FTA Watch, was formed at the outset to closely monitor the process from a public interest perspective. Key issues of concern include access to medicine, GMOs in agriculture and patents on life. The last round of talks took place in January 2006 amid major protests. Former Thai PM Thaksin Shinawatra and Bush wanted the deal finalised by mid-year, but have been unsuccessful. Meanwhile, as the Thai political crisis continues, the US is still pressing for a swift conclusion of the FTA even as it describes the talks as being "on life support".
- *US-Korea*: After Seoul agreed to scrap its 'screen quota' system, requiring local cinemas to project a minimum number of hours of Korean films, the US agreed to go into FTA talks. On 2 February 2006, the two countries formally announced the process would start in May 2006 and end by June 2007. Strong and growing opposition is coming from Korean farmers, workers, artists and media workers. The first round of negotiations took place in Washington DC on 5-9 June 2006, the second in Seoul on 10-14 July 2006, and the third in Seattle from 6-9 September. Further rounds are scheduled for October and December 2006. The stated aim is to wrap the talks up by the end of 2006, but public opinion in Korea has swung against the deal, the ruling Uri Party is split over it, and Korean social movements have mobilised against the deal even for negotiations on US soil, with demonstrations in Seattle and Washington, DC.

### **Vietnam**

The US-Vietnam Bilateral Trade Agreement took effect in December 2001. It contains comprehensive services and investment liberalisation provisions, and intellectual property rules that go far beyond WTO TRIPS as far as agriculture is concerned (patenting of plants and animals). This deal has allowed for full normalisation of US-Vietnam relations. Vietnam is now starting FTA talks with Japan, and is part of the ASEAN deals with China and Korea.

### **US Trade and Investment Framework Agreements (TIFAs) and Bilateral Investment Treaties (BITs) in Asia-Pacific**

#### TIFAs

Afghanistan (2004), ASEAN (2006), Brunei (2002), Indonesia (2004), Kazakhstan (2004), Kyrgyzstan (2004), Malaysia (2004), Mongolia (2004), Pakistan (2003), Philippines (2002), Sri Lanka (2002), Taiwan (1994), Tajikistan (2004), Thailand (2002), Turkey (1999), Turkmenistan (2004), Uzbekistan (2004), Cambodia (2006).

#### BITs

Bangladesh (1986), Kazakhstan (1992), Kyrgyzstan (1993), Mongolia (1994), Sri Lanka (1991), Turkey (1985), Uzbekistan (1994). BIT negotiations with Pakistan commenced in 2005.

## **APPENDIX II - Via Campesina and Asian Peasant Coalition Statements**

### **1. VIA CAMPESINA**

#### **Reject the Economic Partnership Agreement EU-ACP!**

Tuesday, 21 November 2006

The member organizations of Via Campesina in Africa, in Europe and in the Caribbean consider that the Economic Partnership Agreements (EPAs) between the European Union (EU) and the African, Caribbean and Pacific countries (ACP) are a new threat for the peasants and small farmers in the four regions. We ask a definitive stop in the negotiations and the opening of a period of debate and analyses on the impacts of free-trade on our national agricultures. Alternatives based on the right to food sovereignty exist.

The Economic Partnership Agreements UE-ACP are free trade agreements. They are not, as the European Commission pretends, development agreements benefiting the ACP countries. At the time when WTO undergoes a crisis of legitimacy, the EPAs are a replacement tool to force the countries to open and liberalise their agricultural market, despite the growing popular opposition against these policies.

We consider that the proposal that is currently under negotiation will be prejudicial to the peasants and small farmers in the Caribbean, Africa, the Pacific and Europe for the following reasons:

- « Reciprocity » that the European Commission claims has no other meaning than the opening of the ACP markets for the European exportations.
- The peasants and small farmers in the Caribbean, the Pacific and in Africa will have to compete with food imports from the EU sold at artificially low prices.
- More export market access will not benefit the small scale producers in neither of the four regions, because the great majority of peasants and small farmers sell their products on the local, national or regional markets, not on the international market.
- The prices at which the producers of ACP countries will be able to export their products on the European market will decrease sharply, thus reducing the advantage that they had to export to the EU.
- The elimination of the import tariffs will lead to a sharp decrease in the ACP states revenues, while many of these states are very dependant of these revenues for their budget. This lost will have a very critical impact on the capacity of the sates to invest in health, education, agriculture and public infrastructure for their development.
- Nothing compels neither the ACP countries nor the European Union to negotiate such agreements (They could get a new derogation to renew the Cotonou agreements). In spite of this, the European Commission insists to terminate the negotiations before the 31<sup>st</sup> of December 2007.

**The member organizations of Via Campesina in Africa, Europe and in the Caribbean thus call for the mobilisation of peasants, small farmers and civil society in our regions to stop definitively the Economic Partnership Agreements.**

We ask that the cooperation between the European Union and ACP countries be based on the following principles:

Food sovereignty: the countries have the right to define their own agricultural policies, without dumping towards third countries.

Priority should be given to the capacity of the countries to develop the production for their national and regional food necessity. This implies that all countries have the right to protect their agricultural production towards importations that threaten their internal markets.

Regional integration should be the result of internal processes and not be imposed by external powers, as it is the case with the EPAs.

The regional associations in Africa, Europe, the Pacific and the Caribbean have the right to have high level of regional preferences.

The dumping of food products must stop. This implies that the European Union preserve or re-build efficient supply management mechanisms in the sectors where it produces surpluses and stop using direct payments to reduce the agricultural prices.

The results of Everything But Arms should be analysed before any other trade liberalisation agreement is signed. Peasants and small farmers in the ACP countries that belong to the category of the least developed countries have not benefited from this agreement and EBA has not resulted in poverty reduction.

The system of non reciprocal trade preferences set up between the EU and the ACP countries through the Cotonou agreement should be maintained, but should be bettered in order to allow the producers in the ACP countries to diversify their agriculture to be less dependent of their exports to the EU.

Considering the raising energetic crisis, it is urgent to re-localize the food production and thus to strengthen the capacity of the farmers to produce food for their domestic markets in the three regions.

**We call the governments of ACP countries to resist to the pressures made by the European Commission to terminate the negotiations. We call the social movements and civil society organizations in Africa, Europe, the Pacific and the Caribbean to mobilize to prevent the signature of the Economic Partnership Agreements.**

**Reject EPAS!  
Food sovereignty, now!**

VIA CAMPESINA CARIBE  
VIA CAMPESINA AFRICA  
CPE European Farmers Coordination  
COAG,  
Members of Via Campesina  
International peasants movement

## 2. ASIAN PEASANT COALITION

### **RP-JAPAN PACT WILL DISPLACE FILIPINO FARMERS WORSEN HUNGER AND POVERTY**

*A Critique of the Asian Peasant Coalition against JPEPA*

26 November 2006

The Philippines and Japan government has signed the bilateral free trade agreement, officially called the Japan-Philippines Economic Partnership Agreement (JPEPA) on September 9, 2006 in Helsinki, Finland. This is the Philippines' first bilateral free trade pact. Now, the Philippine Senate is mandated to decide whether this agreement will be recognized as a treaty on the part of the Philippines.

The JPEPA follows to the letter the General Agreement on Tariffs and Trade (GATT) 1994, GATS and TRIPS-World Trade Organization (WTO) agreements. This bilateral agreement can also be seen in the light of the recent failure of the Doha rounds of WTO talks seeking to reduce tariffs of its member nations.

Meanwhile, Japan expects to expand its export and investment opportunities in the Philippines. The JPEPA also has political value for Japan, with its free trade ambitions assuming new urgency after China seen as an economic rival in Asia and the Association of Southeast Asian Nations (ASEAN) agreed to remove all trade barriers by 2010. Japan has been speeding up its campaign to liberalise trade in the Asian region through bilateral agreements and pursuing talks with the ASEAN.

#### **Biases towards Japanese exports**

The promised benefits to Philippine exports of the Japan-Philippines Economic Partnership Agreement (JPEPA) may not materialize because the pact is biased towards Japanese imports.

The Philippines is Japan's largest source of bananas (58% of Japan's total fruit imports), pineapple (7%), mango (1%), avocado (1%) and papaya (1%). This is equivalent to 79% of the total bananas exported by the Philippines; 98% of Philippine pineapples' 61% of Philippine mangoes; and, 48% of Philippine papayas goes to Japan as of 2002. This is apart from semi-conductors (33% from 1998-2002) which is essentially the Philippines main export or re-export as the case may be) to Japan.

There is also a substantial Philippine export to Japan of marine products which stood at 3% of total Japanese imports of marine commodities. Philippine marine products exports to Japan are mostly shrimps and prawns. As a potential market which the Philippines could have negotiated for Japan to open are tuna, cods and herrings. Japan is a heavy importer of such commodities. In 2000, 58% of Japan's tuna supply is imported. The Philippine archipelago being nearer to the Japanese islands could exploit these potential export markets.

However, the Philippine negotiators failed to negotiate appropriate deals for tariff reduction in these sectors. For example, Japan refused to give immediate zero-tariffs to Philippine bananas and pegged the tariff rate at 10% to 20% (depending on the kind and form of the exported material). Japan offers a removal of tariffs 11 years after the agreement is in force and promising to lower tariffs every year until the 11th year. In contrast, the Philippines agreed to immediate elimination of tariffs on key Japanese products.

In addition, while the Philippines only exempted two products from tariff reduction namely rice and salt, Japan has exempted 239 products ranging from mushrooms and even wooden sandals. It is

very evident that it is a very onerous deal and that developed countries like Japan are using bilateral trade agreements to go around the stalled Doha rounds of the WTO, in fact these free trade deals are worse than the impositions by the WTO itself. Countries entering such deals must junk them immediately for they will regret it as early as they signed the deal.

### **Farmers hardest hit**

The JPEPA is such an onerous deal in favor of Japan and would further sink the Philippines into being a beggar state, the Department of Trade and Industry (DTI) with the concurrence of the Department of Natural Resources (DENR) essentially made our whole country a dumpsite of Japanese waste. If this agreement is enforced, then it would mean massive displacement of farmers and other rural folks from their land in Ternate, Cavite (in Southern Tagalog region), as well as other areas in the Philippines because their lands would be converted into dumpsites. Even the seas may be made repositories of these wastes if we go by the JPEPA. The Macapagal-Arroyo administration basically sold the Filipino to the Japanese for a pittance, 200 Filipino nurses a year to be allowed to work in Japan to be exact. Aside from that these nurses would not have ensured work in Japan because they still have to know the Japanese language and to pass the Japanese nursing examination.

### **Improving RP-Japan “partnership”**

The Philippines, like many other underdeveloped nations, has a vital role in the prevailing global economic system that serves the interests of industrial countries such as Japan. Thus, Japan cultivates a “partnership” with the Philippines to ensure that it remains useful to Japanese economic agenda. Relations are preserved through trade and investment linkages and the so-called official development assistance (ODA).

In 2003, Japan exported to the Philippines 1.0419 trillion yen (US\$9.47 billion) worth of goods, mainly machinery and electronics parts. The Philippines’ exports to Japan, on the other hand, totaled 815.5 billion yen (\$7.41 billion), led by bananas, mangoes and other fruits and farm products. Practically all Japanese exports to the Philippines are industrial goods. Agricultural, forestry and fishery products occupy only 0.31% of the entire export figure from Japan.

Japan is also the Philippine’s biggest investor. In 2002, the Philippine Board of Investments (BOI) reported that investment from Japan amounted to over P17 million pesos, or 37% of the total foreign investment in the Philippines.

Of the 416 transnational corporations (TNCs) in the top 1,000 corporations in the Philippines, 142 are Japanese companies.

In December 2003, as a sweetener for the JPEPA negotiations, Arroyo was rewarded with the signing of four loan agreements with the Japan Bank for International Cooperation worth \$435.3 million. The loan would be used for power projects in the country and the establishment of a social fund for the Autonomous Region in Muslim Mindanao. Of the amount, \$208.5 million is earmarked for three power projects, among them the creation of the Wholesale Electricity Spot Market.

But according to IBON Foundation, the Philippines already has a trade deficit with Japan because it exports cheaper products and imports more expensive Japanese commodities, which has reached \$441.79 million as of 2005. The JPEPA would most likely exacerbate the deficit as the country failed to negotiate key tariff reductions for strategic Philippine exports or open up potential Japanese markets for exports while readily giving in to immediate reduction or removal of tariffs on strategic Japanese sectors.

## **Farmers' resistance**

The Filipino farmers, led by the Kilusang Magbubukid ng Pilipinas (KMP), launched several protest actions at Japan embassy since October 2006. Raising awareness among the farmers and the general public is quite important in order to mobilize them against JPEPA.

During the 12th ASEAN Meeting on December 11-13, 2006 in Cebu City, Philippines, the Asian Peasant Coalition (APC) will register its biggest protest actions against JPEPA. Members of APC will join the Filipino farmers to mark its resistance against JPEPA.

The best thing to do is to junk the JPEPA, because the Philippine agreement blatantly shows that Filipinos will just be getting crumbs for all the trouble and hardship that this agreement would entail. We are asking the Philippine Senate and the House of Representatives to immediately trash this agreement. We urge the rural people to oppose JPEPA, launch campaign, education and action against the one-sided agreement. We call on our fellow farmers in Asia, especially in Japan, to help us campaign against this pact.

## **Junk JPEPA!**

**No to Liberalisation of Philippine Agriculture!**

**Resist Imperialist Globalization!**

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## ***Abbreviation and Definition of Terms***

- ACP – African, Caribbean and the Pacific  
 AOA – Agreement on Agriculture  
 BIT – Bilateral Investment Treaties  
 BSE – Bovine spongiform encephalopathy (mad cow disease)  
 CAFTA – US-Central America Free Trade Agreement  
 DR-CAFTA – Dominican Republic-US-Central America Free Trade Agreement  
 ECOTA – Economic Cooperation Organization Trade Agreement  
 EFTA – European Free Trade Association  
 EPA – Economic Partnership Agreement  
 EU – European Union  
 FAO – Food and Agriculture Organization  
 FTA – Free Trade Agreement  
 GATT – General Agreement on Tariffs and Trade  
 GCC – Gulf Cooperation Council  
 GE – Genetically Engineered  
 GMO – Genetically Modified Organisms  
 IPR – Intellectual Property Rights  
 JPEPA – Japan-Philippines Economic Partnership Agreement  
 KPL – Korean Peasant League  
 MP – Member of Parliament  
 NA – National Assembly  
 NAFTA – North American Free Trade Agreement  
 NZ – New Zealand  
 OECD – Organisation for Economic Co-operation and Development  
 P4 – formally called the Trans-Pacific Strategic Economic Partnership Agreement  
 PACER – Pacific Agreement on Closer Economic Relations  
 PBS – Pharmaceuticals Benefits Scheme  
 PCT – Patent Cooperation Treaty  
 PVP – Plant Variety Protection  
 SACU – Southern African Customs Union  
 SAFTA – South Asia Free Trade Agreement  
 SAPs – Structural Adjustment Programmes  
 SPS – Sanitary and Phytosanitary Standards  
 TBT – Technical Barriers to Trade  
 TIFA – Trade and Investment Framework Agreement  
 TNCs – Transnational Corporations  
 TPA – Trade Promotion Authority  
 TRIPS – Agreement on Trade Related aspects of Intellectual Property Rights  
 UAE – United Arab Emirates  
 UN – United Nations  
 UNCTAD – United Nations Conference on Trade and Development  
 UNDP – United Nations Development Programme  
 WIPO – World Intellectual Property Organization  
 WTO – World Trade Organization  
 UPOV – International Union for the Protection of New Varieties of Plants  
 USAID – United States Agency for International Development  
 USCIB – United States Council for International Business  
 USPTO – United States Patent and Trademark Office  
 USTR – US Trade Representative  
 G21 – The Group has a wide and balanced geographical representation, being currently integrated by 21 members countries: 5 from Africa (Egypt, Nigeria, South Africa, Tanzania and Zimbabwe), 6 from Asia (China, India, Indonesia, Pakistan, Philippines and Thailand) and 10 from Latin America (Argentina, Bolivia, Brazil, Chile, Cuba, Guatemala, Mexico, Paraguay, Uruguay and Venezuela).  
 G33 - The group of 33 countries: Antigua and Barbuda, Barbados, Belize, Benin, Botswana, China, Congo, Cote d'Ivoire, Cuba, Dominican Republic, Grenada, Guyana, Haiti, Honduras, India, Indonesia, Jamaica, Kenya, Republic of Korea, Madagascar, Mauritius, Mongolia, Mozambique, Nicaragua, Nigeria, Pakistan, Panama, Peru, Philippines, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Senegal, Sri Lanka, Suriname, Tanzania, Trinidad and Tobago, Turkey, Uganda, Venezuela, Zambia and Zimbabwe.

## Endnotes

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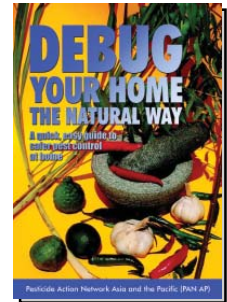
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## Other Publications by PAN AP:

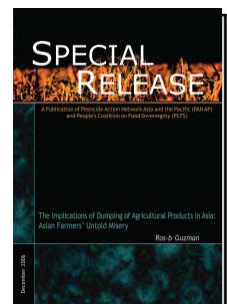
### Debug Your Home The Natural Way

“Debug Your Home the Natural Way” is published by Pesticide Action Network Asia and the Pacific (PAN AP) in collaboration with SOS and ERA Consumer. This handy little book offers simple, non-toxic methods to help keep over 30 household and garden pests at bay. It also provides simple recipes to make natural pest repellents. Containing important information on the health effects of household pesticides, this book is a must-read for all consumers. Start using natural, safer pest control solutions today to protect yourself and your family!



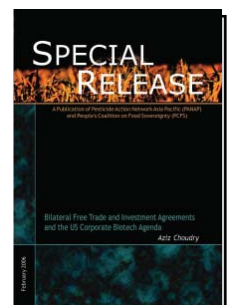
### The Implications of Dumping of Agricultural Products in Asia : Asian Farmers' Untold Misery

This special release by PAN AP and PCFS is the second in a series on food sovereignty issues. The push for tariff reduction worldwide along with the pressure to eliminate production subsidies, which has been largely commanded by the World Trade Organization (WTO), has brought serious repercussions to the dominantly agrarian Asian economies. Across these countries, there have been unprecedented declines in agricultural tariffs and other non-tariff barriers as well as production support as a result of their commitments to the WTO Agreement on Agriculture (AoA). Compounding the trend are the agreements being introduced either bilaterally or through the regional trade blocs, which are meant to ensure and fast-track the trade liberalisation that has been time and again derailed in the WTO negotiations.



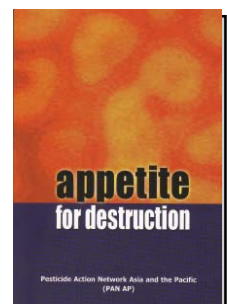
### Bilateral Free Trade And Investment Agreements And The Us Corporate Biotech Agenda

This special release by PAN AP and PCFS is the first in a series on food sovereignty issues. It focuses on the bilateral free trade and investment agreements between the US and the South describing how such agreements are being used as a conduit for spreading genetically-modified organisms around the world and promoting US agricultural technology and its corporate and geopolitical interests.



### Appetite For Destruction: The Real Issues Behind Bird Flu And Other Outbreaks

In the wake of the fresh avian flu outbreak in Asia, the Middle East and Europe, PAN AP has released a new publication entitled “Appetite for Destruction”. This book tackles the overwhelming threat of zoonoses (diseases that can spread from animals to humans) such as the avian flu, Nipah virus and mad cow disease (BSE). The book identifies unsustainable animal farming practices, the over-use of chemicals and antibiotics, pollution, dwindling biodiversity, and neoliberal globalization in Asia as the main contributing factors in the emergence and unprecedented spread of these diseases. Scientists are especially concerned over the risk of zoonotic influenza viruses becoming transmittable between humans.



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