

Chinese Premier cements trade partnership with Africa.

Wen Jiabao Chinese premier this week embarks on the first visit to seven countries in Africa. This is the first Chinese Premier in 50 years to visit South Africa, as the continental powers join forces to push the developing world's agenda in the global arena. The landmark visit on Wednesday and Thursday underlines the importance Beijing accords to Pretoria eight years after they established diplomatic relations." We have realised that this is one of the most important countries," Chinese ambassador to South Africa Liu Guijing told Agence France-Presse in an interview." Economically it is the most powerful country in the continent. Although the land is only four percent of the African total and the population is about five percent of Africa's total, its contribution to the GDP of the whole continent is around 25%," he said.

Ties between the two powerhouses have expanded after apartheid South Africa shunned diplomatic relations with China, allying instead with Taiwan, another international pariah during that epoch. Wen's visit, part of a seven-nation African tour, comes ahead of the first Asia-Africa summit to be hosted by China later this year and a key Group of Eight summit in Russia with leading developing countries in attendance including China and South Africa.

South African Deputy Foreign Minister Aziz Pahad said Wen's trip "comes at a very important time I believe when we are trying to consolidate South-South cooperation with a view to improving market access, trade and investment". He said it was a perfect opportunity ahead of the G8 summit to "prepare a coherent South approach" on such issues such as energy security, climate change, health care and education. "China shares similar positions with us with regard to the governance of the global economic system," he said. "China has the potential to be an effective ally in this regard."

During the visit, Wen and South African President Thabo Mbeki are due to sign an agreement, formally called the Programme of Cooperation and Deepening Strategic Partnership. They will also discuss proposed reforms of the United Nations, stalled World Trade Organisation (WTO) negotiations and the Iran and North Korea nuclear crises, according to Chinese and South African officials. "We both are in favour of reforming the UN so that it can pay more attention to development issues and also we are in favour of enhancing the effectiveness of the United Nations. Until now it has been concentrating too much on talking," ambassador Liu said.

He said the other topics to be discussed were trade reforms, greater market access and tariff-free trade and trying to maintain some momentum in the WTO's Doha round of negotiations, launched in 2001 with the aim of tearing down barriers to commerce. China has so far not played a high-profile role in the negotiations, leaving Brazil and India to steer a developing world bloc that is battling for more concessions from the wealthy.

Pahad said the visit would also be used by Pretoria to seek Beijing's help to consolidate the New Partnership for African Development (Nepad), a homespun programme to end

poverty and bad governance in Africa, which has made little progress so far.

Source: Daily mail SA, AFP, South Africa

Philippines to Ask WTO to Allow Banana Exports to Australia

The Philippines, which is among the world's three biggest exporters of bananas, will ask the World Trade Organization to help its fruit growers gain access to Australia. "Our banana growers have decided to file a complaint against Australia before the WTO and the government will back them up," Philippine Agriculture Secretary Domingo Panganiban said in an interview yesterday in Manila. "Our banana growers have been negotiating for five years with their counterparts and nothing has happened."

Australia has never imported fresh bananas from the Philippines, saying the fruit carried diseases that could hurt its farm industry. Bananas, which account for about 15 percent of Philippine farm output, are sold to Japan and the U.S. which have "stringent" standards, Panganiban said.

Philippine banana growers want to tap the Australian market, especially after a cyclone wiped out much of the country's crop, the agriculture secretary said. The Australian government hasn't received official notification about the protest and won't comment until it has, said Carissa Buckland, spokeswoman for Trade Minister Mark Vaile.

Banana growers in Australia were selling the fruit at between A\$20 (\$14.86) and A\$25 a 13 kilogram carton before a cyclone hit northern Australia on March 20. They are now selling bananas for A\$100 a box because of the shortage, the Australian newspaper reported on June 16. Australia may study allowing imports of bananas from the Philippines, the report said. Philippine Agriculture Undersecretary Segfredo Serrano will fly to Geneva to discuss the case with World Trade officials and start the process of filing a complaint, Panganiban said. "Through all these years, Australia always comes up with a new issue as to why they won't allow our bananas."

About 400,000 hectares in the Philippines are planted with bananas and each hectare yields between 50 to 60 tons of the fruit, making it the second-largest farm product in the Philippines in terms of volume, next to pineapples, the agriculture secretary said.

Source: Bloomberg News, Manila, June 18 2006

US rejects criticism of Doha Round stance

The United States yesterday rejected claims that it is offering too little and asking too much in World Trade Organisation talks on tearing down barriers to commerce, saying it was up to others to do more.

Jason Hafemeister, a senior US trade negotiator, took critics within the 149-nation WTO to task for themselves failing propose deep enough cuts in customs duties in farm goods." We feel we've made a very strong offer," he told journalists. "It hasn't been responded to, and it's not really a good use of our time to continue exploring strengthening of our offer when we're still very imbalanced with what's on the table." Farm subsidies and tariffs-the latter being known in trade jargon as "market access"-are among the thorniest issues in the WTO's Doha Round talks.

Negotiators have struggled to advance since the round kicked off in the Qatari capital in 2001 with the goal of cutting trade barriers and using commerce to boost living standards in poor countries.

Rich and poor countries repeatedly trade blame for the impasse, which is seen as threatening efforts to finalised a global trade treaty by December. Washington and Brussels also exchange fire frequently.

Pressure is mounting ahead of a meeting of trade ministers in Geneva later this month.

The United States has offered large reductions in farm import tariffs, and says counter proposals from the European Union, Japan and leading developing countries such as Brazil and India do not go far enough.

But Washington has been accused of pushing for unacceptably deep cuts.

On Thursday, senior Indian trade negotiator Gopal Pillai told AFP that the success of the Doha Round hinged on the US being ready to compromise on its hard-line position.

Hafemeister said Washington was not being stubborn: "We're negotiating in good faith here and trying to address their concerns."

However, he said: "We're at a point in the negotiations now where we need to see market access on the table."

"Without market access, we don't deliver on the Doha promise, we don't create the gains for trade and we can't have a balanced package in any saleable sense anywhere," he said.

Washington has also said it will reduce subsidies paid to American farmers, which critics say help the country's agric- business to undercut foreign producers.

Critic's question the reality of the reductions, charging that what is on offer will only bite into permitted spending, which far exceeds actual payouts.

Source: AFP, Geneva, June 17 2006.

Decision on modalities by rich to hurt poor countries

Speakers at a seminar said the finalisation of modalities for tariffs and subsidies on farm and industrial sectors by rich countries would hurt the interest of poor countries

Rich states are meeting in Geneva on June 28 to finalise the modalities for cutting tariffs and subsidies on farm and industrial sectors. The speakers said the modalities to be finalised in a mini-ministerial type meeting, which would be attended by rich countries and some major developing countries, could not be imposed on the rest of the member countries. They were speaking at the National Consultation on Status of Doha Development Round: Interests of Developing Countries here on Saturday, organized by the Sustainable Agriculture Action Group (SAAG). The participants also pointed out that there was a lack of coordination among various ministries in formulation of national strategy papers for negotiations. "A research-based approach should be adopted in national and international negotiations to determine the actual pros and cons of any deal."

John Samuel, head of Actionaid South Asia, said the current round of negotiation at the WTO was not a transparent process. He went on to say that negotiations were not done at the WTO, adding that most of the issues were settled in country strategy papers of the World Bank. "Within multilateralism there is bilateralism in place. Growth, which is happening in our world, is not sustainable. The growth is due to stock market that is inflated and unsustainable, as it falls down," he remarked. "Doha round has not delivered anything. Unless we invest in industrial and agricultural development, education and infrastructure, we cannot achieve the goal of real growth and sustainable development," he added. Mohammad Suleman, a consultant of the Federation of Pakistan Chamber of Commerce and Industry, said the rich countries had cleverly linked the agriculture negotiations with the industrial sector negotiations. He said the kind of formulas being under discussions showed that in case anyone of these was adopted at the forthcoming meeting, it would have a serious implication on the local industries. Answering a question, he said the immediate effect of these formulas would be on chemical and automobile sectors of the country. He said any commitment at the WTO would mean that in future Pakistan would not be in a position to provide any protection to the newly-established industry.

Dr Wajid Pirzada, head of WTO cell at the ministry of agriculture, said the formula for tariff reduction on farm products would be around 54 per cent. "Unless you remain within 60 per cent while reducing tariff, practically you are not gaining anything to get market access for agriculture products without addressing tariff peaks." About the expected outcome of the meeting, Mr Pirzada said even if the reduction in tariffs remained short of the expectation it would still give some benefits to Pakistan. "We have maximum applied tariff of 25 per cent, with no subsidies. So even minor cuts in other countries would give us benefits," he added. Qasim Niaz, joint-secretary of WTO wing at the ministry of commerce, said after the Hong Kong summit it was expected to have an agreement on modalities by month-end. "Now, countries will make their tariff reduction schedule, year by year for implementation. These schedules will be exchanged and checked for verification. If it is done by December 2006, it is fine otherwise things would take another turn," he added.

Mustafa Talpur of Actionaid said Pakistan should not sign a bad deal; people agenda be brought back. "Whole trade regime is hostage to the US fast-track authority deadline," he added.

Source: Reuters Islamabad June 18, 2006.

EU promises are hollow: Pacific civil society groups

The Pacific is being short changed. The European Union has promised to support development in the Pacific, but so far these promises have not been fulfilled. Civil Society groups from 12 Pacific countries meeting in Nadi, question what's in it for the Pacific in negotiations on a Pacific Economic Partnership Agreement (EPA) with the EU.

The representatives of churches, trade unions, national business, farmers, environment, social justice, women's groups and other NGOs urge their Governments to be united in their position on the EPA negotiations. The EPA negotiations aim to set the conditions of trade between the EU and the Pacific member states and are expected to replace current agreements covered under the non-reciprocal Cotonou Partnership Agreement from the beginning of 2008.

Pacific governments need to have solidarity when they negotiate for the EPA with the European Union. Additionally, this unity needs to extend to other developing countries who are struggling to get fair trade rules internationally.

These negotiations are moving quickly before there has been enough groundwork. There needs to be independent and objective social impact assessments carried out at the national level that will address issues of poverty and vulnerability, environment and culture. This should include the participation of Civil Society Organisations (CSOs) and people most likely to be affected by the trade agreement.

The lack of meaningful consultation and transparency on the EPA is a concern for civil society. It seems that it is only government trade officials and their counterparts in the Pacific Island Forum Secretariat who have knowledge on the EPA and what it offers. The regional CSO group is fearful that the EPA trade negotiations are being carried out purely on the basis of theoretical economic analysis.

Civil Society organizations are calling for a programme of public education to inform the public about important issues that are being decided over the next year. This should include involvement of a range of Government departments (other than trade), trade unions, the church, private sector, environmental groups etc. as well as local communities. CSOs are committed to undertake public education and call on Governments to provide more information and engage in open and meaningful dialogue.

Source: Press Release OXFAM. 18 June 2006,

G-20 hits out at WTO's farm export subsidy formula

The Group of Twenty (G-20) of developing countries at the World Trade Organisation (WTO), which includes India and Brazil among others, has criticised the official reference paper on export competition for not specifying a timetable for eliminating agriculture export subsidies given by developed countries.

The reference paper circulated by chairman of the WTO committee on agriculture (CoA) Crawford Falconer is being discussed by members for generating inputs for the draft modalities text scheduled to be prepared by the end of the week. WTO director general Pascal Lamy has directed the committees on both agriculture and non-agriculture market access (Nama) to finalise the modalities for negotiations, including formula cuts for tariffs and subsidies, by the month-end. While the WTO membership agreed on eliminating export subsidies by '13 at the ministerial meeting in Hong Kong in December '05, there was no agreement on how the elimination should be scheduled.

The G-20 said the chair should have included their proposals for the year-by-year reductions in export subsidies, along with their calls for a freeze on current spending and a 'down payment' (large initial cut) on the legally bound ceilings. Less than \$10bn of the \$360bn annual subsidies given to farmers by the OECD (Organisation for Economic Cooperation and Development) countries is given in the form of export subsidies.

The G-20 wants that not only should a strict time-table be in place for eliminating export subsidies, there should also be a provision to ensure that no new subsidies are provided. The on-going Doha negotiations are scheduled to be wrapped up by the end of '06.

Source: Times News Network, New Delhi, June 20, 2006

Brazil Doubts WTO deal

Brazil's Foreign Minister Celso Amorim said on Tuesday that there were "lots of doubts" that the WTO could this month strike an urgently needed deal on farm trade to help clear the way to a full free trade treaty.

The United States would have to come up with a "more courageous move" on cutting farm subsidies when ministers met at the World Trade Organization (WTO) on June 29 to try and achieve the end-month goal for a pact in agricultural and industrial goods, he said. "I think there are lots of doubts," Amorim told journalists when asked about the chances of success at the ministerial meeting called by WTO director-general Pascal Lamy in the hope of breaking a long-standing deadlock in WTO trade talks.

Without a blueprint soon in farm and industrial goods, two of the most controversial areas of the WTO's Doha round of free trade negotiations, diplomats say that there will be little chance of the trade round being completed in 2006.

And that could kill off the round completely because special U.S. presidential powers to negotiate trade pacts expire next year and are not expected to be renewed by Congress.

Amorim said that the European Union (EU) would also have to confirm its willingness to do more to open up its markets to imports of farm goods.

But he made little secret of the fact he thought the Americans would have to make the biggest move. "I would like to see the EU confirm, and do a little more (on imports), and the U.S. to move substantially on domestic support," he said, using the WTO term for farm subsidies.

Source: Reuters, Geneva 20 June 2006.

MPs on positives & negatives of Pacific trade deal.

Pacific trade ministers meeting in Fiji this week are to assess the merits of trade deals set up in the region. The New Zealand Trade Minister Phil Goff says the aim of the meeting is to ensure that trade works to the social and economic advantage of all Pacific countries.

There are several trade agreements that are intended to integrate the region into a single market and Mr Goff says at this meeting they want to set up studies to find out what the impact of these deals will be. "There will be an upside; there will also be some negative consequences. What we want to do is, of course, is enhance the positives and mitigate against the negative consequences." NGOs have long been critical of the impact New Zealand and Australia will have in a wider free trade area but Mr Goff says the metropolitan countries will not make decisions that would impoverish the small nations in the region.

Source: Press Release: Radio New Zealand International, 20 June 2006.