

**Australia-Japan Free Trade Agreement- A bad deal should be stopped**  
**Joint Statement from Australian and Japanese people**

We, the undersigned people and organisations, believe that the Australia Japan Free Trade Agreement (FTA) will not bring real benefits to the people of Australia and Japan. A joint government Feasibility Study claimed that an FTA would deliver benefits to both countries, but was based on unrealistic assumptions and poor economic modelling. The Feasibility Study also failed to consider potential social and environmental impacts, and how these could affect people, workers and farmers.

Given that Australia and Japan already have a strong trading relationship; the predicted economic benefits are unlikely; and that social and environmental costs have not been considered, we believe that the negotiations of this FTA should not take place. Instead, we believe there is a need to rethink multi lateral trade rules and develop a global trading system based on real development, fairness, democracy, and sustainability.

**Agriculture**

We are concerned about agricultural issues in the agreement. Japanese farmers in particular will be heavily affected by ‘full liberalisation’ of agriculture, as Japan currently has agricultural tariffs of up to 700 percent in order to protect rural farmers and a sensitive agricultural industry. The livelihood of small farmers in Japan would be severely threatened by lower cost imports. In Australia there has already been a significant decrease in small family farms as a result of global competition and structural adjustments.

Consumers in both countries also seriously concerned that the large numbers of FTAs being negotiated could lead to pressures to reduce food safety standards and could in the future promote the global distribution of GM crops.

Trade agreements should not undermine farmer’s livelihoods. Instead, a global agricultural system should be based on food sovereignty, rural development and protecting farmer’s livelihoods.

## **Environment and Global Warming**

We are concerned that Feasibility Study did not make reference to UN Multilateral Environmental Agreements. Any proposed agreement between Australia and Japan should thoroughly examine environmental issues and include legally binding commitments by Australia and Japan to ensure compliance with international environmental standards.

Of further concern is the Study's conclusion that an FTA should include a minerals and energy chapter to ensure 'energy security'. It is difficult to understand why a trade agreement is needed to address issues of supply security when this is dealt with by supply contracts between companies. The Australian government provides no assistance to the coal industry in the form of subsidies or export controls, and Japan maintains a generally open trade policy on minerals and energy, therefore an FTA will not impact on trade in energy and resources.

The coal industry is being encouraged to expand at a multi billion dollar rate, leading to devastating global warming and environmental consequences. Nuclear energy is also being promoted despite the unresolved problems of risks of accidents, waste disposal and increased spread of nuclear weapons. The focus should instead be on investing in alternative renewable energy, including provisions to mitigate impacts of trade on global warming.

## **Essential Services**

Essential services, such as health, water and education, should be excluded from the FTA. Both governments should maintain the right to regulate essential services to ensure equitable access for all, and to meet social and environmental goals.

Of particular concern is the 'GATS plus' commitment outlined in the Feasibility Study. Australia and Japan are already making commitments on services under GATS, and to make commitments beyond this is very alarming as it suggests both governments are not prioritising protecting services for the national interest, but rather advocating that they be open to transnational service providers on a profit driven basis.

Public services should be clearly excluded from trade agreements.

## **Human rights and Labour rights**

We are concerned that the Feasibility Study did not include an analysis of the current state of compliance by both Australia and Japan with human rights and labour standards, including the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.

Any proposed agreement between Australia and Japan should thoroughly examine these issues and include legally binding commitments by Australia and Japan to ensure compliance with human rights and labour standards by investors, including effective monitoring mechanisms and penalties for non-compliance.

## **Public consultation and debate**

We are concerned about the effectiveness and the transparency of the public consultation process employed in the Joint Feasibility Study.

Both governments should commit to effective and transparent community consultation about proposed trade agreements, with sufficient time frames to allow informed public debate about potential impacts on life, work and the environment.

It is important that there is a clear set of principles and objectives that guide both governments in the consultation processes for the FTA, and include regular consultations with unions, farmers, community organisations and the public.

We oppose the Australia- Japan FTA, and the proliferation of bilateral trade agreements around the world that will only result in unequal agreements that will not deliver benefits to the majority of people.

We believe that multilateral trade rules must be redeveloped towards an inclusive, democratic global trade system that delivers real economic development, and allows governments to retain their right to regulate in the public interest.

Signed in May 2007 by Consumers Union of Japan and 23 Japanese organisations, as well as 90 Australian organisations and networks.