

Bangkok, 8 February 2007

STATEMENT OF CONCERN REGARDING THE PROPOSED EU-ASEAN FREE TRADE NEGOTIATIONS

The undersigned civil society movements and organisations from ASEAN and Europe wish to express their strong concerns about the proposed EU-ASEAN Free Trade Agreement (FTA) slated to be concluded within the next two years.

The decision to launch these trade negotiations has occurred without prior meaningful public consultation, either with elected representatives or civil society in any of the countries concerned. This constitutes a violation of basic principles of democracy and human rights that the European Union and ASEAN purport to support.

Any agreement as far-reaching in its consequences and as broad in scope as the proposed EU-ASEAN Free Trade Agreement should involve at the very least a wide-ranging and on-going consultation process, in addition to full disclosure of all texts being considered. A detailed, comprehensive and qualitative sustainability impact assessment (SIA) should always be carried out prior to launching any negotiations.

In particular since the experience with existing EU FTAs shows that significant negative outcomes have occurred, while many of the promised benefits have failed to materialise. For example, assessments of the EU-Mexico Global Agreement show a doubling of Mexico's trade deficit with the EU since the FTA came into force. And contrary to the predicted benefits to employment and labour conditions, since the signing of the EU-Mexico Agreement unemployment has risen and workers are increasingly facing precarious labour conditions and temporary employment contracts, below-standard wages and no social security. While foreign investments have increased, this has resulted mainly in foreign takeovers of domestic industries, without generating additional employment or increases in remuneration.

An independent SIA, commissioned by the European Commission for the Euro-Mediterranean FTA (EMFTA), concluded that the EMFTA would have adverse effects on hunger, education, poverty and health. This SIA omitted intellectual property, investment and government procurement provisions as part of the study: issues which normally are considered to have far-reaching consequences for people and developing countries such as ASEAN.

The EU now appears to be pushing ahead with similar free trade agreements in other regions regardless.

In this light, the undersigned civil society organisations are highly concerned that:

- the EU appears to be promoting anti-development policies with its push to incorporate the controversial Singapore issues already rejected at the WTO by various ASEAN members;
- the vast socio-economic disparities in ASEAN and the least-developed status of Laos, Cambodia and Myanmar – one of whom is not even a WTO member -, are not being taken into account as the EU is demanding full reciprocity without meaningful special

and differential treatment beyond mere transition periods - which even the WTO allows;

- the liberalisation of services at a WTO-plus level, given the dominance of EU services companies, will tend to outcompete ASEAN services providers;
- the accompanying limitations on the ability of national governments to regulate in the public interest will jeopardise access to essential services, and have far-reaching implications for the poor and rural populations in both regions. Experiences with previous FTAs and our reading of EU policy heightens our concern that services negotiations will include essential services and public utilities like water, health, education, public transport, culture, etc.;
- any EU-ASEAN FTA will leave the ASEAN countries worse off than the current GSP treatment, while demanding from these asymmetrical partners extensive WTO-plus liberalisation without allowing adequate special safeguard measures;
- EU requirements that ASEAN substantially lower its tariffs will result in a significant loss of revenue to developing countries which can not easily raise similar funds from other taxation sources;
- the EU's high priority on access to raw materials as expressed in its key document setting out the future direction of its trade policy – 'Global Europe: Competing in the World' – will seriously undermine ASEAN countries' capacity to maintain sovereignty over their natural resources, including restrictions on exports, investment and intellectual property rights;
- the EU will push for market access commitments with regard to government procurement, which will encroach on vital policy space needed for equitable wealth redistribution and social coherence necessary for nation-building;
- intellectual property protection is already reducing access to affordable medicine and education in developing countries; and that the EU will require ASEAN countries to join additional intellectual property treaties, which will further increase the level of intellectual property protection - to the detriment of the right to health, education and other basic human rights.

Given the above, the undersigned civil society groups from both the EU and ASEAN demand that people's needs and rights should be at the heart of any economic development including trade arrangements. There should be political accountability on all economic decision-making processes, including civil society participating as a full stakeholder, in order to arrive at equitable and sustainable development and trade systems.

The undersigned,

11.11.11, Coalition of the Flemish North-South Movement
Agribusiness Accountability Initiative-Asia
Alliance for Progressive Labor
AsiaDHRRA
Asia-Europe Peoples' Forum
Asia House Germany
Asia Pacific Network on Food Sovereignty
Asian Farmers Association
ATTAC-Netherlands
ATTAC - Sweden
Centre for Labour Information, Service and Training
Corporate Europe Observatory
Drug Study Group/FTA Watch
Ecologistas en Accion – Spain
Farmers' Forum India
Federation Indonesia Peasant Union
Focus on the Global South
Foundation for Gaia - UK
Freedom from Debt Coalition
Friends of the Earth - England, Wales and Northern Ireland
Friends of the Earth Europe
Forum Asia
FTA Watch Thailand
GATS Platform-Netherlands
GCAP Senca
Global Network-Asia
Initiatives for Dialogue and Empowerment through Alternative Legal Services, Inc.
Institute for Popular Democracy
International Gender and Trade Network
International South Group Network Asia
Jubilee South-Asia Pacific Movement for Debt and Development
Makabayan - Pilipinas
Migrant Forum Asia
Millennium Solidarity - Switzerland
Monitoring Sustainability of Globalization-Malaysia
One World Action - UK
Oxfam-Solidarity - Belgium
Resource Center for People's Development
RRAFA
Solidarity Center
Southeast Asian Committee for Advocacy
Stop the New Round! Philippines
Sustainability Watch
ThaiDHRRA
Third World Network
Transnational Institute
WIDE – Women in Development Europe
World Economy, Ecology Development (WEED) – Germany
World Development Movement - UK
X-Y Solidarity Fund - Netherlands