

FTA focus hitting world trade: Garnaut

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The focus by Australia and other countries on free trade deals was one of the reasons for the collapse of world talks, a leading trade expert said.

Ross Garnaut, from the Research School of Pacific and Asian Studies, said the attention given by Australia and other nations meant they had been unable to give enough attention to world negotiations.

And he said bilateral trade deals were already starting to hurt Australia.

Professor Garnaut, who was an adviser to the Hawke government, has been a strong critic of Australia's support for a free trade agreement (FTA) with the United States.

Speaking to the Australian Centre for Intellectual Property in Agriculture conference, Professor Garnaut said the federal government's focus was now overwhelmingly on the FTA.

He said FTAs undermined World Trade Organisation (WTO) talks, failed to achieve as much as multi-lateral talks and reduce the resources needed to achieve global trade outcomes.

The meeting of WTO ministers in the Mexican city of Cancun recently, where multi-lateral talks floundered, was undermined because of the proliferation of FTA negotiations.

"The great activity on FTAs has effectively blocked the hard diplomatic effort that would have been required for a successful outcome at Cancun," he said.

Australia has agreed on an FTA with Thailand, which the government claims will significantly boost the domestic economy.

But Professor Garnaut said Australia would be left out of a proposed FTA between China and the members of ASEAN.

Already, ASEAN competitors including Thailand would get access for around 200 agricultural goods into China by early next year.


"This is as bad news (in) the international trading systems as Australian agriculture can get," he said.

"We did not need preferential access to East Asian markets to do well, it was enough for our suppliers to be able to compete on an equal basis with others.

"We are now being discriminated against."

Professor Garnaut said it was clear Australia had dropped its focus on multi-lateral talks.

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