

WTO's Hong Kong Declaration: an analysis of key impacts on the global environment and livelihoods

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NAMA

The WTO's current trade negotiations on non-agricultural market access (NAMA) have been reaffirmed and still include proposals from various countries to completely liberalize markets in forest products, fish and fish products, gems and precious metals, primary aluminum and oil, with no mention of the potential and possibly widespread environmental and social impacts that this could have.

A specific reference to sectoral negotiations has been reinserted in today's draft, presumably by the US and Canada who had previously objected to the fact that this text was missing. However, the text does direct governments to determine whether sectoral negotiations have sufficient support to continue, opening a door for the removal of these natural resource sectors from the sectoral aspect of the NAMA negotiations (meaning that they would not have to be completely liberalized).

Negotiations to 'reduce or eliminate' environmental and health standards (known as non-tariff barriers in the WTO) will also be intensified following a request for specific negotiating proposals to be tabled as soon as possible. Current notifications include a breath-taking array of challenges to labelling and certification requirements, national standards and restrictions; export restrictions; restrictions on foreign investment and measures to promote local economic development. Sectors covered include mineral products, automobiles, chemicals, electronics, environmental goods, fertilizers, fish and fish products, food, footwear, forest/wood products, mineral products and petroleum oils, shrimp, and textiles and leather goods. There is no firm evidence to suggest any of these have been removed from the table. (For more information on NTB notifications go to http://www.foe.co.uk/resource/media_briefing/ntbsanalysis.pdf)

Fisheries

Fisheries remains a proposed sectoral negotiation, supported by countries including New Zealand, Norway and Iceland. The fact that increased liberalization in this sector could further damage already seriously depleted wild fish stocks is not taken into account. The world's supply of fish is nearly exhausted with over 60% of wild fish stocks fully exploited, overexploited, or depleted and a further 10% recovering.

The potential impact on the nearly 40 million people that rely on artisanal fishing for their food and livelihoods worldwide is also ignored by most countries. However, Japan and South Korea have opposed - and the EU now does not support - the fisheries sectoral, meaning that it could be removed from negotiations since it does not enjoy sufficient support.

However, the agreed intensification of negotiations on non-tariff barriers could also have a significant negative impact on measures taken to conserve fish stocks. A number of countries, including Norway, have already objected to requirements to provide information about the provenance of fish, for example. Similarly, the Philippines has also challenged trade restrictions required by the Convention on International Trade in Endangered Species (CITES), in relation to freshwater fish, saltwater fish and fish for aquaria.

Forests and biodiversity

Forests also remains a proposed sectoral negotiation, supported by countries including the US, Canada and New Zealand. Yet the impact on biodiversity and forest peoples has not been considered. This is in spite of the fact the European Commission's recently published Sustainability Impact Assessment (SIA) for the Forest Sector says that "in biodiversity hotspot countries, such as Brazil, Indonesia, Congo Basin countries, and Papua New Guinea, possible negative impacts on biodiversity can be irreversible."

Furthermore, in relation to the forest sector in developing countries protected by high tariffs, there could be "considerable environmental and social costs due to downsizing of the industrial capacity and closing some industries entirely." (also from the EC's SIA). According to FAO, "more than 350 million people living in or next to dense forests rely on them for subsistence or income." 60 million indigenous people are almost wholly dependent on forests. A further 13 million people are employed in the formal forestry sector.

Again, however, Japan opposes the forestry sectoral and the European Union is not supporting it. It could therefore be removed from the negotiations in the near future.

Yet again, however, the agreed intensification of notifications on NTBs means that challenges relating to wood and wood products - already notified by countries - could proceed. These include challenges from Australia, Egypt, Japan, Malaysia, New Zealand, the Philippines and the United States, covering testing, certification, standards and regulations, and labeling. In contrast to their position on tariff liberalization in this sector, Japan and the European Union have also challenged export restriction that countries apply to their forest product exports, which maybe in place to protect biodiversity or promote domestic economic development in the exporting countries.

Services negotiations also include the liberalization of biodiversity management, with potentially severe impacts on forest-dwelling and other Indigenous Peoples' who may be removed from their traditional lands and prevented from accessing and managing their natural resources, by private companies managing protected areas (as is increasingly happening).

In addition, in Hong Kong, rich countries' governments have rejected attempts by India and other developing countries to begin to recognize local communities' and Indigenous Peoples' rights over their own traditional knowledge and genetic resources.

Agriculture

The crux of the Hong Kong 'deal' rests on agriculture, with a date for export subsidies having been set at 2013 and developing countries gaining an exception for special products (which they may 'self-designate') and safeguard measures in case of import surges. But the date for the elimination of export subsidies is far in the future. Furthermore, the text does nothing to move forward on setting limits on the bulk of subsidies - domestic support subsidies.

Intensive agricultural practices and liberalized international trade are leading to social disruption, environmental damage and even hunger, particularly in developing countries. Small-scale farmers

are particularly vulnerable to market opening pressures and are often forced from their land when it is converted to plantations or planted with crops for export.

Energy, water, waste and transport

After huge controversy about whether services liberalization should become mandatory or not, developing countries have finally accepted a deal which could still eventually force them into liberalizing a range of environmentally-sensitive sectors. Strong text regarding plurilateral negotiations remains in place, including language that requires that countries "shall consider" requests. This could mean countries must at least agree to participate in negotiations in particular sectors even if they do not want to liberalise them. The text retains a reference to a Chair's Report that identifies specific sectors for negotiations, including energy services, "environmental services" (water and waste disposal), transport services, and tourism.

"Environmental" Negotiations

The text moves forward problematic negotiations on the relationship of the WTO to multilateral environmental agreements (MEAs). These negotiations have been opposed by environmental groups because they threaten to undermine multilateral environmental agreements that have taken decades to develop. The strengthened text on the negotiation concerning MEAs and their relationship to trade rules makes it even less likely that the negotiation might be moved to the United Nations, as demanded by Friends of the Earth and other environmental organizations.

The text also includes references to intensified negotiations on "environmental goods" negotiations although these have not been clearly related to any environmental objectives or outcomes. The text did not include an explicit deadline for these negotiations.

Development

Governments meeting in Hong Kong, supposedly to offer the poorest countries a 'development' deal, have repackaged old aid, disguising it as new money for developing countries. Furthermore, promises of loans for infrastructure projects will increase debt burdens and open developing countries to further corporate exploitation. It is also ironic that some of the poorest countries in the world are still being put under extreme pressure to open up their markets in the name of development, even when they have protested that it could lead to deindustrialization and increased poverty and unemployment.

For more information: 'tyranny of free trade' exposed in new report, online here:

<http://www.foei.org/media/2005/1208.html>

FOR MORE INFORMATION

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