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# FAIR TRADE ADVOCACY NEWSLETTER

DECEMBER 2005

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## Fair Trade events at the WTO Ministerial Conference in Hong Kong

2005 Hong Kong

### Fair Trade Fair and Symposium 公平貿易展銷暨研討會

From 13 to 18 December the 6<sup>th</sup> World Trade Organisation Ministerial Conference will take place in Hong Kong. After a failed meeting in Cancún, more than two years ago, there are many doubts as to whether this forthcoming conference will result in a conclusion to the ongoing round of negotiations which started in Qatar in 2002. The draft Ministerial text, issued on 1<sup>st</sup> December (<http://www.tradeobservatory.org/library.cfm?refid=77703>), does not inspire much optimism for the so-called "Doha Development Round" to live up to its promises and really deliver for development.

Long-standing demands from developing countries in areas such as agriculture and special and differential treatment have not yet been met in the negotiations and it is very unlikely that major changes will be achieved at the meeting itself.

However, developing countries are joining together to advance their own interests. Already in June 2005, Côte d'Ivoire, Kenya, Rwanda, Tanzania, Uganda and Zimbabwe had submitted a proposal calling for action to address the commodity crisis. The proposal has achieved scarce attention in the negotiations but reference to the commodity crisis is

included in the draft text. And in the recent Arusha declaration, African Ministers ask for tariff protection, supply side management and international coordination to be discussed at the WTO ministerial meeting. A link to this document can be found at <http://www.africa-union.org/>. Thousands of civil society representatives will be in Hong Kong to voice their concerns about the ongoing negotiations.

This year the International Fair Trade movement has, for the first time, issued a joint position paper for a WTO Ministerial Conference. The paper "**Fair Trade Rules**" is now available in English, French, Spanish, German and Italian and can be accessed at [www.ifat.org](http://www.ifat.org). More than 50 Fair Trade representatives, most of them being from the developing world, will be present in Hong Kong. Fair Trade events will be organized between the 13<sup>th</sup> and 16<sup>th</sup> December in the framework of the Hong Kong Trade and Development Symposium:

- ♦ A Fair Trade reception on 13<sup>th</sup> December, from 6:30 to 10:00 pm
- ♦ A Fair Trade fair from 14<sup>th</sup> to 16<sup>th</sup> December and
- ♦ A Fair Trade fashion show on 14<sup>th</sup> December from 7:30 to 8:30 pm
- ♦ A one-day Fair Trade symposium on 15<sup>th</sup> December with a plenary session from 9 to 10 and panels on issues such as "Lessons from Fair Trade for policy making", "Expanding Asian domestic markets", "Fair Trade and the WTO", "Fair Trade and Corporate Social Responsibility", and many others.

For details of these events please follow the links below:

<http://www.fairtradeexpo.org/>

<http://www.ictsd.org/ministerial/hongkong/tds/agenda/>

## France moves towards Fair Trade accreditation

The Fair Trade market in Europe is constantly growing. Fair Trade sales have been increasing by more than 20% every year since the beginning of the 21<sup>st</sup> century, illustrating the growing consumer interest in responsible purchasing. This has inevitably attracted the attention of mainstream businesses. Some have started to work with Fair Trade labelled products, whilst others have developed their own ethical schemes or labels.

While this trend is welcomed when it constitutes a real improvement of the living and working conditions of the producers, the mushrooming of "ethical trade" schemes is also creating confusion. How can the consumer distinguish between Fair Trade products and other "ethical" or "sustainable" goods? How can it be ensured that there are no false claims regarding the impact on producers and the environment?

Some European policy-makers are keen to address these challenges by introducing regulatory measures on Fair Trade or "ethical trade". A pioneering initiative was taken in France. Back in 2002, the French Secretary of State for Economic Solidarity started a process under the umbrella of AFNOR (Agence Française de Normalisation), the French standard-setting body and member of ISO. An AFNOR working group was set up, including consumer organisations, industry representatives (notably the French retail industry and the main supermarket chains), trade unions and Fair Trade organisations. The objective of this process was to come up with common guidelines and criteria for Fair Trade operations which the French government will use as a basis for a Fair Trade accreditation system. The final text is expected in January 2006.

Fair Trade organisations have been working hard to ensure that the text lives up to the key requirements of Fair Trade, developed by the international Fair Trade movement over the last five decades, such as a fair price to the producers, long-term partnerships, technical assistance, capacity building and the mission to make trade fair for all. However, it is not certain whether the text will finally meet the high standards of the Fair Trade movement or whether these standards will become diluted, resulting in a 'weaker' definition.

## **European Union adopts new 'tariff-only' import regime for bananas...**

On 29<sup>th</sup> November the European Union agreed a new import tariff, applicable from 1 January 2006, of €176 / tonne of bananas. After years of dispute and two rulings at the WTO, the EU is now moving from a complex banana import system that combines tariffs, preferences and import quota to a regime based solely on one single tariff. However, it is expected that the level of the tariff will be further reduced during the upcoming trade negotiations in Hong Kong later this month. The new import regime will also include a duty-free annual import quota of 775,000 tonnes for bananas from 77 African, Caribbean and Pacific (ACP) countries.

For some banana producers, particularly in the ACP countries, the EU banana import regime is of vital importance. Higher production costs mean that they can only sell to a protected market. According to the special envoy of the Windward Islands, "the most vulnerable banana producers both within the ACP and Latin America will undoubtedly be forced out of the market and for those that are left the increased competition and lower prices will oblige them to cut costs at the expense of workers and of the environment." Banana production and export accounts for the major share of employment and income in the Windward Islands; The proposed reforms will consequently mean that the only way for these islands to survive is through the Fair Trade market.

## **... and agrees on sugar reform**

On 24<sup>th</sup> November, after almost 18 months of discussions, the agricultural ministers of the European Union finally agreed on a wide-ranging sugar reform. The guaranteed price for white sugar will be cut by 36 percent over 4 years. The significant losses which will be faced by European sugar producers will be made up for by a compensation payment of €7.5 billion (i.e. 64.2 percent of the price cut).

Until present, the EU sugar price has been about three times the average world market price. African, Caribbean and Pacific Countries (ACPs) have been benefiting from the high guaranteed sugar price. Under the new regime, annual losses of €500m are expected, for which they will receive only €40 million compensation next year (and there is no explanation of what they will receive after 2006). ACP countries had been calling on the European Commission to cut the sugar price by only 19 percent over eight years as of 2008, rather than by 39 percent over two years as of 2007. According to the ACP chairman, George Bullen, "this would allow more ACP producers to remain competitive and offset the economic and human suffering that will inevitably be caused by the drastic reform." But their request went unheard. Many ACP sugar producers will now have to cease production as they are not competitive in comparison to the low cost sugar production which often takes place under unacceptable social and environmental conditions.

## **Fair procurement report now available**

EFTA and four of its members, CTM Altromercato (Italy), Fair Trade Organisatie (Netherlands), IDEAS (Spain) and Oxfam Wereldwinkels (Belgium) are jointly promoting the Fair Procura project, which aims to encourage public authorities to contribute to sustainable development by increasing their Fair Trade purchases and by taking Fair Trade into consideration in Public Procurement policies.

The project, co-financed by the European Commission, was initiated in October 2004 and shall be completed by September 2007. The project has achieved considerable progress during its first year. Many public authorities are already actively promoting sustainable development through their purchasing decisions. For instance, in Italy more than 40 local authorities have already included Fair Trade requirements in their tenders for school catering services and in Belgium, approximately 70 localities now systematically include Fair Trade criteria in their public procurement policies.

A background research report on fair procurement has just been published and can now be consulted by public authorities and institutions interested in knowing more about Fair Trade and how to introduce Fair Trade criteria into the different stages of public procurement procedures. The research also gives examples of public authorities who are already applying these criteria. If you would like to receive a copy or to subscribe to the project's newsletter please contact: [assistant@eftafairtrade.org](mailto:assistant@eftafairtrade.org).

The Fair Procura project also collaborates with ICLEI, an international network of local governments for sustainability, in their project "Buy Fair" which aims to develop a toolkit for public procurers in Europe to assist them in their purchasing of Fair Trade products.

## **Fair Trade Futures Conference in Chicago**

From September 30<sup>th</sup>-October 2<sup>nd</sup>, more than 750 Fair Trade supporters from over 21 countries gathered in Chicago to discuss the successes of Fair trade so far, along with aspirations and challenges for the future. The event marked the start of National Fair Trade month and featured 50 workshops, producer testimonials and interactive opportunities to shape the future of Fair trade in North America.

A letter from the former President Jimmy Carter praising the Fair trade movement along with keynote addresses from Mr Kwabena Ohemeng-Tinyas (the Director of the Ghanaian Kuapa Kokoo cooperative) and Pauline Tiffen (former Director of both the Third World Information Network and Twin Trading) initiated a plenary session on "How to Live a Fair Trade Life", followed by workshops in order to encourage participants to push the Fair Trade movement forward. Entertainment in the evenings was provided by the Chicago AfroBeat Project and a fashion show, along with an interactive drum session using Fair Trade instruments.

This highly successful and inspirational conference was the first of its kind and proved that Fair Trade is a solid force to be reckoned with in the world market.

For further information:

<http://www.fairtradefederation.com/2005ftconference/index.htm>

Contact: Carrie Hawthorne at [carrieh@fairtradefederation.org](mailto:carrieh@fairtradefederation.org)

## **Responsible Purchasing – What is it and how to assess it?**

A consortium of European fair trade organisations, including Traidcraft Exchange (UK), Ideas (Spain), Oxfam Wereldwinkels (Belgium) & CTM Altromercato (Italy) are jointly carrying out a responsible purchasing project which aims to improve the impact of purchasing practices on the lives of people involved in the food and garment supply chains. They will be holding a seminar entitled "Responsible Purchasing – What is it and how to assess it?" in February 2006 at the Biofach trade fair in Nuremberg, Germany. The event will showcase a new report on Responsible Purchasing Indicators which aims to set guidance for purchasers. It aims to stimulate discussion between retailers and suppliers about the social impact of purchasing and is open to purchasers and suppliers in the wider food and garment sector.

For more information please contact Emma Johnson at Traidcraft Exchange: [emmaj@traidcraft.org.uk](mailto:emmaj@traidcraft.org.uk).

## Running for Fair Trade in Mumbai

The Mumbai Marathon is one of the largest marathons in the world. In the 2005 marathon over 25,000 people participated and raised over \$US 1 Million for Charity. On January 16<sup>th</sup> 2006 Mumbai will host the 3<sup>rd</sup> Annual Standard Chartered Mumbai Marathon. IFAT member Asha Handicrafts [www.catgen.com/asha/EN/2.html](http://www.catgen.com/asha/EN/2.html) will use this unique public platform to raise awareness about Fair Trade in India. With over 100 participants running the marathon under the Fair Trade Banner and 100 volunteers participating on the streets, Asha Handicrafts will make a Big Noise for Fair Trade in 2006 and seek supporters for their 2006 Mumbai Marathon Fundraising Campaign. All money raised will go towards their artisan livelihood assistance, poverty alleviation and Fair Trade development work. For further information and opportunities for support, please email Hayley Bolding, at: [hayleybolding@gmail.com](mailto:hayleybolding@gmail.com)

## To be published soon...

- ♦ The brochure "**Fair Trade in Europe 2005**. Facts and Figures on Fair Trade in 25 European countries" will be available in January 2006. It is the most comprehensive collection of data on the Fair Trade structure and market in Europe, building on previous research carried out in 2000. To receive a copy please send a request to: [intern@fairtrade-advocacy.org](mailto:intern@fairtrade-advocacy.org)
- ♦ The Fair Trade Advocacy Office is also preparing a new **Fair Trade Book**. Following on from previous EFTA year books (1995, 1998 & 2001) this new release offers a 'behind-the-scenes' look at Fair Trade practises, philosophy and new challenges. It will be published for the first time by all four international Fair Trade Associations, FLO (Fair Trade Labelling Organizations International), IFAT (International Fair Trade Association), NEWS! (Network of European Worldshops) and EFTA (European Fair Trade Association) and will be available in Spring 2006.

## Dates & events in 2006

- ♦ **Seminar "Responsible Purchasing – What is it and how to assess it?":** 16 February 2006 between 1-4pm at the Biofach trade fair, Nuremberg, Germany  
For more information, contact Emma Johnson at Traidcraft Exchange:  
[emmaj@traidcraft.org.uk](mailto:emmaj@traidcraft.org.uk)
- ♦ **Seminar on Fair Trade in public procurement:** 3 March 2006, Cape Town, South Africa in the framework of the World Congress of ICLEI – Local Governments for Sustainability.  
  
For more information please contact the Brussels EFTA Office:  
[assistant@eftafairtrade.org](mailto:assistant@eftafairtrade.org)
- ♦ **World Fair Trade Day:** 13<sup>th</sup> May 2006  
See [www.wftday.org](http://www.wftday.org)

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