



## **PACIFIC ISLANDS FORUM SECRETARIAT**

### **FORUM TRADE MINISTERS MEETING**

19 July 2013  
Tanoa Tusitala Hotel  
Apia, Samoa

### **OUTCOMES DOCUMENT**

The Forum Trade Ministers Meeting was held in Apia, Samoa on 19 July 2013. Australia, Cook Islands, Federated States of Micronesia (FSM), Kiribati, Nauru, New Zealand, Niue, Palau, Papua New Guinea (PNG), Republic of the Marshall Islands (RMI), Samoa, Solomon Islands, Tuvalu, Tonga, and Vanuatu were represented at the Meeting. Also present at the meeting were representatives from the Oceania Customs Organisation (OCO), the Office of the Chief Trade Adviser (OCTA), the Pacific Islands Forum Secretariat and the Pacific Islands Private Sector Organisation. The meeting was chaired by the Deputy Prime Minister of Samoa, the Honourable Fonotoe Nuafesili Pierre Laufo.

2. The objective of the Meeting was to consider priority trade-related issues of importance to the region, including the Secretariat's work programme on trade, engagement in the World Trade Organization (WTO), activities of the Pacific Islands Trade and Invest (PT&I), Traditional Knowledge and Intellectual Property work, the Pacific Agreement on Closer Economic Relations (PACER) Plus related issues, trading arrangements with economies outside the region, the Pacific Aid for Trade Strategy, and Trade and Health linkages.

3. In his keynote address, the Prime Minister of Samoa, the Hon. Tuilaepa Sailele Malielegaoi welcomed Trade Ministers and encouraged them to deliberate on the important trade related issues on the agenda using their collective wisdom to steer the regional trade arrangements for the benefit of all Pacific Countries. The Prime Minister noted the importance of the Permanent Representation of the Pacific Islands Forum in the WTO through the office in Geneva (Geneva Office), and the network of PT&I offices to promote the Pacific islands in international markets for exports, investment and tourism as these offices assist the Pacific islands engagement in global trade. The Prime Minister emphasised the crucial importance of Aid for Trade in assisting developing countries increase exports of goods and services, integrate into the multilateral trading system and benefit from liberalised trade and increased market access, and urged that the trade priorities needed to be in line with national development strategies. The Prime Minister highlighted the high costs of sea freight in the region and urged

the region to consider possible solutions to address the transport cost in general which is a barrier to trade, including the regularity of transport services.

4. In her introductory remarks, the Deputy Secretary General of the Pacific Islands Forum Secretariat, Ms Andie Fong Toy highlighted the importance of the Pacific Plan in supporting regional priority setting, and for advancing the process of regional integration and regionalism, through informed political choice and strategic change. She highlighted the constraints to sustainable trade in the Pacific and encouraged the development of practical and innovative policies and strategies to take advantage of the economic opportunities that can overcome the challenges. She further highlighted the importance of trade in addressing the development needs of the Pacific islands.

5. In his opening remarks, the Chair acknowledged the support of the Meeting and sought collaboration from Ministers in identifying ways in which the regional economic integration agenda could be advanced through trade.

#### **UPDATE ON THE OPERATIONS OF THE GENEVA OFFICE AND THE DOHA DEVELOPMENT AGENDA ENGAGEMENT**

6. The Meeting considered an update on the operations and funding arrangements for the Geneva Office; and an update on the Doha Development Agenda including Member engagement.

7. Ministers **acknowledged** the contribution of Her Excellency, Mrs Aivu Tauvasa to the Geneva Office during her tenure as Permanent Representative.

8. Ministers **welcomed** Samoa's and Vanuatu's accessions to the WTO, **noted** the developments pertaining to the operations of the Geneva Office, including the funding arrangements for 2013, **acknowledged** the funding contributions from Australia and the European Union for the Geneva Office, and **noted** the most recent developments relating to the Doha Development Agenda and preparations for the Ninth WTO Ministerial Conference (MC9) in December 2013.

9. Ministers **welcomed** the renewal and strengthening of the Memorandum of Understanding (MoU) between the Forum Secretariat and the WTO to provide capacity building programmes for the Forum Island Country (FIC) Officials.

10. Ministers **agreed** that a joint FIC statement reaffirming the Pacific's faith in the multilateral trading system be prepared for delivery at the MC9.

11. Ministers **agreed** to the proposal to formally establish a Pacific Islands WTO Group to coordinate and present FIC positions on issues of common interest in WTO, to be chaired by a FIC WTO Member on a rotating basis.

12. Ministers **requested** that the Geneva Office also facilitate relevant training for FICs that are not WTO Members, and support FICs in benefiting from short term training attachments with agencies including the International Trade Centre (ITC), the United Nations Conference on Trade and Development (UNCTAD), the World Intellectual Property Organisation (WIPO) and the WTO.

### **UPDATE ON PACIFIC ISLANDS TRADE & INVEST ACTIVITIES**

13. The Meeting noted a presentation by the Secretariat on activities of the Pacific Islands Trade & Invest network of offices in Auckland, Beijing, Sydney, Tokyo and the desk in Geneva, including an update on the review being undertaken to strengthen the network.

14. Ministers **welcomed** the achievements of the Pacific Islands Trade & Invest network in 2012/13 and the progress made to strengthen the PT&I network's performance.

15. Ministers **supported** the work being undertaken by the Secretariat to expand the PT&I network to promote the Pacific islands in additional key markets, noting the need for adequate funding.

16. Ministers **supported** the comprehensive review of the PT&I network being undertaken in 2013 and encouraged active participation by relevant stakeholders in the review.

### **UPDATE ON THE TRADITIONAL KNOWLEDGE AND INTELLECTUAL PROPERTY WORK INCLUDING THE ESTABLISHMENT OF THE REGIONAL TRADEMARKS APPLICATION SYSTEM**

17. The Meeting noted the progress made with regards to Traditional Knowledge (TK) and Intellectual Property (IP) work in the region, and received an update on the establishment of the Regional Trademarks Application System (RTMAS).

18. Ministers highlighted the importance of TK & IP initiatives in preserving and securing their culture and arts, and noted the efforts of their Cultural Ministries to preserve their culture. The need for the region to become part of an international arrangement for the protection of TK and IP was encouraged and the respective technical agencies were requested to assist the Members accordingly.

19. Ministers **agreed** that the priority for the TK Action Plan for Implementation of Phase II be extended to include technical assistance for the drafting of TK policy and legislative frameworks for those FICs that are yet to be assisted, and that the focus be on the commercialisation of TK and cultural industries.

20. Ministers **agreed** that FICs provide their responses to the needs analysis survey for TK and IP technical assistance to the Forum Secretariat by mid-October 2013 so that a comprehensive work plan on support for TK and IP can be developed for the FICs.

21. Ministers **agreed** that based on the interest expressed by the FICs to sign the MoU on the RTMAS, the Secretariat will seek funding for a detailed assessment of individual country needs to enable implementation of obligations under the MoU on the RTMAS; and **urged** FICs to sign the MOU on the RTMAS by July 2014.

22. Ministers **requested** the Secretariat to seek necessary funding, and partnerships with development partners and technical agencies to support regional TK & IP related activities.

#### **PACIFIC ISLANDS FORUM SECRETARIAT TRADE RELATED WORK PROGRAMME FOR 2013**

23. Ministers **noted** the work of the Forum Secretariat in the provision of trade-related assistance to the Members and **commended** the work of the Secretariat in supporting the FICs in their trade-related engagements.

#### **UPDATE ON THE FIFTH PACER PLUS OFFICIALS MEETING**

24. The Meeting considered an update on the Fifth PACER Plus Officials Meeting held on 29-30 November 2012, and the Outcomes of the Workshop on Product Specific Rules of Origin held on 28 November 2012.

25. Ministers **welcomed** the Outcomes of the November 2012 Workshop on Product Specific Rules of Origin and the Fifth PACER Plus Officials Meetings.

26. Ministers **endorsed** the roadmap tabled at the meeting to progress the PACER Plus negotiations as attached.

## **UPDATE ON THE INTER-SESSIONAL MEETINGS ON PACER PLUS AND OCTA'S CONSULTATIONS WITH NON STATE ACTORS (NSAs)**

27. The Meeting considered an update on the inter-sessional meetings on PACER Plus and OCTA's consultations with NSAs.

28. Members acknowledged the efforts by all Parties to advance PACER Plus negotiations and the substantive progress that had been made in the negotiations over the last 12 months.

29. Members noted that currently there were four inter-sessional FIC working groups on: i) Labour Mobility; ii) Development Cooperation; iii) Rules of Origin/Customs Procedure and iv) Technical Barriers to Trade/Sanitary and Phytosanitary Measures. A further two inter-sessional FIC working groups were proposed to be established for (i) Trade in Goods and (ii) Investment and Trade in Services. Members agreed to the participation of six FIC Officials in each inter-sessional meeting on trade in goods, and trade in services and investment.

30. Members noted the development of Rules of Origin methodologies that would enhance trade of FICs. The importance of the technical assistance being provided to build the capacity of the private sector to understand the Product Specific Rules methodology prior to its adoption in PACER Plus was highlighted.

31. Solomon Islands, in its capacity as the Lead Spokesperson for the FICs on PACER Plus, thanked Australia and New Zealand for the funding provided for FICs' participation in the PACER Plus negotiations and called on Australia and New Zealand to give favourable consideration to the OCTA's request for increased resources to ensure optimal engagement and to assist OCTA perform its functions and build the capacity of FIC trade officials. Solomon Islands proposed that a practical way of strengthening the capacity of FIC officials is by attachment on a rotational basis at the OCTA whereby they will contribute their unique national insights to the work of OCTA and also benefit from capacity enhancement.

32. The Lead Spokesperson highlighted that labour mobility and development assistance are the two most important negotiating priorities for the FICs in PACER Plus negotiations. The Lead Spokesperson noted that the discussions held in the inter-sessional meetings have enhanced the Parties' understanding of their respective positions, and progressed from initial discussions on broad conceptual issues to the consideration of legal texts. The Lead Spokesperson noted Australia and New Zealand's commitment to give effect to the development objectives of PACER Plus through labour mobility. The Lead Spokesperson also noted that the main issue with respect to labour mobility is whether commitments should be legally binding, and that the FICs' position is that they should be included either in the PACER Plus Agreement or in a side agreement as a legally binding provision which would provide legal certainty. Such certainty would help Members to implement long term measures to train and equip workers with the

necessary skills that would enable them to perform efficiently and effectively in their jobs and contribute to the economic growth of Australia and New Zealand, and also assist in achieving sustainable economic development of the FICs.

33. With respect to development assistance, the Lead Spokesperson noted that there is agreement among the Parties that PACER Plus should result in the expansion of trading opportunities for the FICs. The Lead Spokesperson requested adequate financial and technical assistance by Australia and New Zealand to build and enhance their productive capacity to produce competitive goods and services for export and implement policies which will create an enabling environment for trade and investment to flourish in the FICs. The Lead Spokesperson requested that the development assistance commitment should go beyond commitments to assist the FICs to implement their PACER Plus obligations, and extend to providing effective support which would enable the FICs to take advantage of the PACER Plus agreement to increase and diversify their exports.

34. The FICs supported the supplementary budgetary proposal by OCTA and requested positive consideration by Australia and New Zealand. The Meeting noted that Australia and New Zealand have made a commitment for another three years of funding to the OCTA.

35. Ministers **agreed** that the PACER Plus negotiations proceed in line with the roadmap and cover priority issues including Labour Mobility; Development Assistance; Rules of Origin; Customs Procedures; Technical Regulations, Standards and Conformity Assessment Procedures; Sanitary and Phytosanitary Measures; Trade in Goods; Trade in Services; and Investment.

36. Ministers **agreed** that the next inter-sessional meeting be held in the week of 12 August 2013 in Port Vila, Vanuatu.

37. Ministers **agreed** that the Sixth PACER Plus Officials meeting be held in the second week of November 2013, in Auckland, New Zealand.

38. Ministers **agreed** that the Third Non-State Actors Dialogue on PACER Plus be convened just prior to the Sixth PACER Plus Officials meeting.

## **DISCUSSION BETWEEN MEMBERS ON TRADE NEGOTIATIONS**

39. The Meeting noted updates on trade consultations and negotiations being undertaken by Members, including the Pacific ACP States' update on the Economic Partnership Agreement (EPA) negotiations with the EU, Australia's Free Trade Agreement negotiations, and New Zealand's Free Trade Agreement negotiations.

40. Members noted the potential benefits of trade agreements and the importance of concluding trade agreements that provide tangible results to the respective economies.

#### **UPDATE ON THE PACIFIC AID FOR TRADE STRATEGY**

41. The Meeting considered the update on work to progress Aid for Trade initiatives in the region, in particular the refresh and renew process to review the current Pacific Aid for Trade Strategy.

42. Ministers **noted** the update on work to progress engagement on the refresh and renew process of the Pacific AfT Strategy.

43. Ministers **agreed** that final comments be provided on the revised draft Pacific AfT Strategy, including possible areas of engagement on AfT in the Pacific so that a Final Draft of the Pacific AfT Strategy is available by August 2013.

44. Ministers **agreed** that the final Draft of the Pacific AfT strategy be used as a guide for engagement in the various AfT initiatives, including the 11th European Development Fund (EDF) programming.

45. Ministers **noted** that the Pacific AfT Strategy would be endorsed at the next Trade Ministers meeting.

#### **ACCESS TO FINANCE**

46. Ministers recognised the importance of trade in creating employment and wealth. Ministers also recognised that the banking systems in most FICs do not easily cater for custom owned land to be used as collateral.

47. Ministers discussed the importance of increasing access to finance so that Pacific people can develop and progress commercially viable projects aimed at creating jobs in their communities.

48. Ministers **noted** the work being undertaken by the Forum Economic Ministers Meeting to support the objective of increased access to finance by Pacific businesses, and the assistance currently being provided by development partners in some areas.

49. Ministers **directed** the Secretariat to establish a dialogue with development partners and commercial banks operating in the region with a view to identifying solutions that address the risks associated with developing viable business activity on commercial terms and conditions, in order to help increase opportunities for Pacific people with viable commercial projects.

## **EARLY DISCUSSIONS REGARDING A TRADE AND DEVELOPMENT AGREEMENT WITH THE UNITED STATES OF AMERICA (USA)**

50. The Meeting considered work undertaken by the Forum Secretariat to support FICs in initial discussions regarding a trade and development agreement with the USA.

51. Ministers **noted** the update on the current work being undertaken to commission a Joint Study on a development oriented Trade and Investment Arrangement between the Pacific Island Countries and the USA.

52. Ministers **directed** the Secretariat to secure funding from the USA and other donors to undertake a comprehensive study on a development oriented Trade and Investment Arrangement, and propose a detailed road map on how to progress this initiative.

53. Ministers **supported** the continued cooperation between the Forum Fisheries Agency and the Secretariat in the conduct of the Study and future consideration of improved market access and investment terms, noting the importance of progress in fisheries access arrangements to the periodic review and continued support for the fisheries treaty.

54. Ministers **directed** the Secretariat to ensure that the Leaders' request for a development oriented Trade and Investment Arrangement with the USA is prioritised and discussed with the USA in the margins of the Forum Leaders Meeting in Majuro this year as well as at the next session of the Pacific Islands Conference of Leaders.

## **TRADE AND HEALTH LINKAGES**

55. The Meeting considered linkages between trade and health, including Non-Communicable Diseases (NCDs), trade in alcohol and tobacco and other health issues.

56. Ministers **acknowledged** the decisions of the 2013 Forum Economic Ministers and Pacific Health Ministers regarding actions to address NCDs in the region, and **noted** the importance of a balanced approach to public health issues, and the need for trade and health officials to work closely.

## **CONCLUSION**

57. Members welcomed Kiribati's offer to host the Forum Trade Ministers Meeting in 2014, and Cook Islands' offer to host the Meeting in 2015.



58. The Chair thanked the Ministers for their contributions and the Forum Secretariat for the arrangements made for the Meeting. The Chair encouraged Members to implement the various regional economic integration initiatives agreed to at the Meeting.

59. Ministers congratulated the Chair for facilitating the discussions and thanked the Government and the people of Samoa for their hospitality and the excellent arrangements made for the Meeting.

Pacific Islands Forum Secretariat.

19 July 2013

***ROADMAP TO PROGRESS THE PACIFIC AGREEMENT ON CLOSER ECONOMIC  
RELATIONS (PACER) PLUS NEGOTIATIONS  
July 2013***

Trade and investment are making an increasingly indispensable contribution to the region's sustainable economic growth and development. PACER Plus represents a significant long term opportunity to deepen regional trade and economic integration that will help to create jobs, enhance private sector growth and raise living standards in Forum Island countries (FICs).

PACER Plus will be mutually beneficial and demonstrably improve the ability of FICs to benefit from investment and expanded market access opportunities in Australia and New Zealand.

Forum Members recognise that PACER Plus should be comprehensive in scope and facilitate the progressive and substantial liberalisation of trade in goods, services and investment.

In recognition of their levels of development, PACER Plus should also provide appropriate flexibility, including special and differential treatment, to FICs. FICs welcome the development assistance provided to date for the PACER Plus negotiations. In particular, FICs have benefited from the independent advice and support provided by the Office of Chief Trade Adviser during the negotiations. FICs will continue to receive development assistance to support their continued participation in the PACER Plus negotiations.

The international framework of rules, standards and best practices is a key enabler of enhanced participation in global economic growth. PACER Plus will be consistent with the World Trade Organisation (WTO) obligations of WTO Member parties and involve realistic commitments to WTO rules for other parties.

Forum Members welcome the substantial progress made in the last year, on the priority negotiating issues of Regional Labour Mobility (beyond mode 4), Development and Economic Cooperation, Rules of Origin, Customs Procedures, Sanitary and Phytosanitary Measures and Technical Regulations, Standards and Conformity Assessment Procedures.

In recognition of the progress made to date and negotiating capacities of Forum Island countries, Forum Members urge further engagement and rapid progress to finalise chapters and annexes on all aspects of trade in goods as a priority, including related development and economic cooperation provisions, and commence negotiations on trade in services and on investment bearing in mind the positive contribution they could make to the economies of the FICs. In addition to chapters on Development and Economic Cooperation and Institutional Provisions, other framework chapters should be prepared, including on Initial Provisions, General Provisions, Consultation and Dispute Settlement, Accession and Final Provisions.