



*PACIFIC ISLANDS FORUM SECRETARIAT*

**FORUM TRADE MINISTERS MEETING**

28 May 2014

Tarawa, Kiribati

**OUTCOMES DOCUMENT**

The Forum Trade Ministers Meeting (FTMM) was held in Tarawa, Kiribati on 28 May 2014. Australia, Cook Islands, Federated States of Micronesia (FSM), Kiribati, Nauru, New Zealand, Niue, Palau, Papua New Guinea (PNG), Republic of Marshall Islands (RMI), Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu attended the Meeting. New Caledonia also attended as Observer. Also present at the meeting were representatives from the Office of the Chief Trade Adviser (OCTA) and the Pacific Islands Forum Secretariat. The Forum Trade Ministers Meeting was chaired by the Kiribati Minister for Commerce, Industry and Cooperative, Hon. Pinto Katia.

2. The objective of the Meeting was to consider key trade-related issues affecting the region. The theme of the 2014 Forum Trade Officials and Ministers Meetings was “Leveraging Economic Growth Opportunities through Trade Promotion and Facilitation Reforms”, which is aligned with global efforts towards improving trade facilitation and in recognition of the recent outcomes of the World Trade Organization (WTO) Ninth Ministerial Conference. Key sessions at the Meeting included the contextualisation of Pacific Trade in the global context, updates on trade negotiations, and core trade promotion and facilitation initiatives.

3. In his introductory remarks, the Secretary General of the Forum Secretariat, Tuiloma Neroni Slade emphasised the relevance of the Meeting theme for the region, and the importance of improving trade facilitation to reduce the cost of doing business in the Pacific. He highlighted the active engagement by the Pacific Islands Forum Representative Office to the WTO in Geneva (Geneva Office) in supporting the Forum Island Countries’ (FICs) engagement with global multilateral systems. The importance of the Pacific Aid for Trade Strategy 2014 – 2017 in seeking resources for the region’s trade and development needs, and the work being undertaken by the Pacific Islands Trade and Invest (PT&I) network to support the Pacific islands private sector explore international markets was highlighted. Funding support from the Governments of Australia, European Union (EU), New Zealand, People’s Republic of China and Japan for hosting the PT&I networks was recognised. He noted the good progress made on Pacific Agreement on Closer Economic Relations (PACER) Plus negotiations, including consultations with the Non-State Actors, and congratulated Members, emphasising the importance of regional integration, including through the intensification and

practical operation of the Pacific Island Countries Trade Agreement (PICTA) trade in goods and services.

4. Ministers adopted the annotated agenda and the working procedures for the Meeting.

## SESSION 1 – PACIFIC TRADE IN THE GLOBAL CONTEXT

### PACIFIC IN THE CHANGING GLOBAL TRADE LANDSCAPE AND NEW EMERGING ISSUES ON TRADE

5. The Meeting noted the importance of the changing global trade landscape and new emerging developments, and its impacts on the region, including the need to strengthen the Pacific region's beneficial integration into the international trading system.

6. The need for the Pacific region to be proactive in addressing the global challenges and exploring strategies to capitalise on the opportunities emanating from global trends was highlighted. It was noted that the FICs need to be supported to develop comprehensive trade and investment policy frameworks that respond to these global challenges, particularly with respect to issues impacting trade in the region.

#### Decisions

7. The Forum Trade Ministers:

- i. **noted** the global trade trends and their potential implications for future trade policy developments in the region, including the importance of deeper and timely integration;
- ii. **urged** FICs to strengthen the effective implementation of PICTA, and its Trade in Services Protocol, and ensure further engagement to actively pursue the temporary labour mobility arrangements under PICTA noting the assistance available from the Forum Secretariat for FICs' engagement under PICTA;
- iii. **urged** Members to realise existing opportunities for trade liberalisation and development cooperation through PACER Plus;
- iv. **noted** the opportunities for furthering economic, developmental and political ties with Asia, while strengthening relations with Australia, New Zealand, the United States of America and the European Union;
- v. **agreed** that specific engagements be pursued at policy and practical level to strengthen the Pacific island economies to strategically respond to the opportunities arising from the developments in the global economy; and
- vi. **agreed** that the Secretariat commission, subject to availability of resources, sector/product specific regional value chains analysis for Pacific islands economies, focusing on practical solutions to tap into specific opportunities for increased participation in the global economy. These would cover all FICs.

## **ACTIONS TAKEN ON THE FORUM TRADE MINISTERS' MANDATES AND MECHANISMS FOR STRENGTHENING FUTURE IMPLEMENTATION OF DECISIONS**

8. The Meeting considered developments pertaining to actions taken on the Forum Trade Ministers decisions since 2010 and mechanisms for strengthening future implementation of Ministerial decisions through a monitoring framework.

### **Decisions**

9. The Forum Trade Ministers:

- i. **noted** the updates with regards to actions taken on the Forum Trade Ministers' mandates and mechanisms for strengthening future implementation of decisions raised in this paper;
- ii. **agreed** that the monitoring of the implementation of FTMM decisions and key outcomes be undertaken at three year intervals; and
- iii. **agreed** that in the context of the Pacific Plan review process the 2015 FTMM agenda include a session for Ministers to determine the format of future FTMMs.

## **SESSION 2: TRADE NEGOTIATIONS**

### **PROGRESS ON THE PACIFIC AGREEMENT ON CLOSER ECONOMIC RELATIONS (PACER) PLUS NEGOTIATIONS**

10. The Meeting considered the progress made in the PACER Plus negotiations and planned future activities, including updates on the PACER Plus inter-sessional meeting held in Port Vila on 31 March – 2 April 2014; the Sixth PACER Plus Officials Meeting held on 28 November 2013; and the Third Non-State Actors Dialogue on PACER Plus held on 29 November 2013, in Auckland, New Zealand.

11. A detailed presentation on the key negotiation priorities for PACER Plus was provided by the Chief Trade Adviser on PACER Plus, Dr Edwini Kessie. Progress on priorities regarding Development Assistance, Investment, Labour Mobility, Legal and Institutional Aspects, Rules of Origin, Sanitary and Phytosanitary Measures (SPS), Technical Barriers to Trade (TBT), Trade in Goods and Trade in Services and other related issues was noted.

12. Members thanked OCTA for its assistance and welcomed the progress in the negotiations emphasizing the need for continued funding of the OCTA and its activities.

13. The importance of the PACER Plus being more than just a conventional trade agreement and the need for it to incorporate key issues of interest to the FICs, particularly

labour mobility and development cooperation was also highlighted, including the need for expansion of the existing labour mobility schemes and the provision of additional resources for implementation of PACER Plus.

14. Australia informed of its inability at this Meeting to commit to expand their Seasonal Worker Program, though they noted the sentiments raised by FICs on the priority placed on this issue in the PACER Plus negotiations. On development assistance, Australia informed of its strong support for Aid for Trade and their preference for these to be delivered through structures envisaged in the context of PACER Plus negotiations. Australia said that New Zealand's proposals on labour mobility and development assistance offered at the last inter-sessional meeting were worthy of consideration. Australia confirmed it had increased its funding support for PACER Plus negotiations since July 2013.

15. The Meeting noted a statement by Solomon Islands, in its capacity as the FIC Lead Spokesperson on PACER Plus. He stated that the FICs were determined to conclude the PACER Plus negotiations as soon as possible. However he noted that despite progress being made on SPS, TBT and Trade in Services issues, key demands of the FICs in labour mobility and development assistance had not been addressed. He stressed the need for PACER Plus to be a balanced agreement and called on Australia and New Zealand to open up their labour markets to the FICs and ensure consistency between their trade and immigration policies. He emphasised that without substantive commitments on labour mobility and development assistance, it would be difficult to reach an agreement on PACER Plus on the legal texts by December 2014. Solomon Islands noted that the FICs were prepared to conclude PACER Plus negotiations by December 2015 provided that New Zealand and Australia offered substantives concessions on labour mobility and development assistance. He urged all Members to show flexibility and make compromises to ensure the successful completion of the negotiations.

### **Decisions**

16. The Forum Trade Ministers:

- i. **welcomed** the Outcomes from the Sixth PACER Plus Officials Meeting held on 28 November 2013;
- ii. **noted** the update in respect of the various negotiating issues in PACER Plus since the adoption of the Roadmap on PACER Plus in 2013, including the good progress being made on a number of negotiating issues;
- iii. **agreed** that the next inter-sessional meeting on PACER Plus will be held on 10-12 June 2014;
- iv. **directed** officials to intensify their engagement with the view to concluding the negotiations on the legal texts by December 2014, taking into account issues of importance to the FICs, particularly labour mobility and development assistance and in line with the Roadmap on PACER Plus adopted by FTMM in 2013;

- v. **noted** New Zealand's proposals on labour mobility and development assistance as a basis for further discussions on these issues;
- vi. **noted** the Outcomes from the Third Non State Actors (NSA) Dialogue held on 29 November 2013;
- vii. **noted** the Outcomes of the Second NSA Workshop on PACER Plus convened by the OCTA;
- viii. **agreed** that the Fourth NSA Dialogue on PACER Plus be convened later in 2014; and
- ix. **noted** the continued financial assistance provided by Australia and New Zealand in supporting the PACER Plus negotiations and the request by FICs that they consider funding future regional Non-State Actors meetings convened by OCTA.

## **TRADE AND DEVELOPMENT ARRANGEMENTS WITH THE USA**

17. The Meeting noted the status of work pursued on the consultancy project to determine the feasibility of a trade and development arrangement between the Pacific Island Countries and the United States of America.

### **Decisions**

18. The Forum Trade Ministers:
- i. **Noted** the developments on the commissioning by the Secretariat of the Joint Study on a development oriented Trade and Investment Arrangement between the Pacific Island Countries and the US, in particular issues faced with securing funding for the project, the revised terms of reference and the recruitment of the consultants who will undertake the Joint Study in collaboration with the East West Center and the Pacific Islands Forum Fisheries Agency; and
  - ii. **Supported** the work plan for the completion of the Joint Study, in particular the in-country consultations and research needed to complete the Joint Study by September 2014.

## **SUBMISSION BY MEMBERS ON THEIR CURRENT TRADE NEGOTIATIONS**

19. The Meeting was provided with an update by Members on their trade consultations and negotiations including Australia's Free Trade Agreement negotiations, New Zealand's Free Trade Agreement negotiations, developments in the Micronesian Trade Committee (MTC), and the Pacific ACP-EU Economic Partnership Agreement (EPA) negotiations. Tonga also provided an update on its ongoing negotiations for setting up a mission in the United Arab Emirates.

20. The importance of regional cooperation among Forum Members in prioritising the trade-related reforms and the timely implementation of specific domestic reform initiatives were highlighted. The role of FTMM discussions in contributing towards the creation of jobs for people in the region and in growing economies was acknowledged.

### **SESSION 3: CORE TRADE PROMOTION AND FACILITATION INITIATIVES**

#### **THE 2013 WTO BALI MINISTERIAL CONFERENCE DECISIONS, INCLUDING A POST-BALI WORK PROGRAM, AND STRATEGIES FOR MAXIMISING THE BENEFITS OF THE WTO TRADE FACILITATION AGREEMENT & OPERATIONS OF THE GENEVA OFFICE**

21. The Meeting considered the updates on the 2013 WTO Bali Ministerial Conference Decisions, the Post-Bali Work Programme; and the WTO Trade Facilitation Agreement (TFA) and proposed strategies for maximising the Agreement's benefits for the region, and an update on Geneva Office operations and Member engagements.

22. The Pacific Islands Forum Permanent Representative to the WTO, Ambassador Mere Falemaka, provided an assessment of the key decisions of the WTO Ninth Ministerial Conference and the Post-Bali negotiations, and outlined the key features and implications of the TFA for the Pacific region.

23. Members commended the Geneva Office for the important work being undertaken for the FICs, and noted the importance of the WTO TFA and the technical assistance being facilitated by the Geneva Office for the Trade Facilitation Needs Assessment (TFNA). FICs thanked Australia and the European Union for co-funding the recent workshop on TFNA to assist in reviewing and categorising their trade facilitation needs.

24. Tonga shared the success of its WTO Trade Policy Review held in 2014 and registered its appreciation for the crucial support facilitated through the Geneva Office. Gratitude was also extended to the Solomon Islands for the statement of support delivered in Geneva and support received from Australia, PNG, New Zealand, Vanuatu and other Members in this regard.

25. Members noted PNG's commitment to provide its annual contribution to the PIFS Geneva Office, and also noted PNG's decision to establish its mission in Geneva.

#### **Decisions**

##### *The 2013 WTO Bali Ministerial Conference Decisions, a Post-Bali Work Programme and the WTO Agreement on Trade Facilitation*

26. The Forum Trade Ministers:

- i. **noted** the outcomes of the WTO Ninth Ministerial Conference that was held in Bali, Indonesia in December 2013 and the 2014 work on the implementation of the Bali decisions which include the Bali package and the Post-Bali work programme;
- ii. **endorsed** a study, subject to availability of resources, to identify the Pacific priorities in the remaining DDA issues and recommend a strategy for the FIC WTO members' engagement on the Post-Bali work programme;
- iii. **noted** the implications of the Trade Facilitation Agreement for FIC WTO members and the convening of a Trade Facilitation Workshop in May 2014 to prepare members for notification and implementation of their obligations;
- iv. **welcomed** with appreciation the assistance by Australia and the European Union towards the regional Trade Facilitation Workshop held in May 2014 to prepare FIC WTO Members for the implementation of the Trade Facilitation Agreement; and
- v. **endorsed** that further discussions be held with development partners to help secure funding for FIC WTO members for TF implementation once the trade facilitation needs assessments by the FICs are completed.

*An Update on the Operations of the Permanent Representation of the Pacific Islands Forum to the WTO*

27. The Forum Trade Ministers:

- i. **welcomed** the update on the Geneva Office for 2013 and 2014;
- ii. **welcomed** with appreciation the ongoing funding of the Geneva Office provided by Australia and European Union, and the assistance provided by the Commonwealth Small States Office;
- iii. **urged** FIC WTO Members to encourage their Officials to complete the WTO E-learning courses to facilitate their participation in WTO internships and courses; and
- iv. **recognised** the implications of the WTO negotiations for regional trade in the Pacific, and **urged** the Geneva Office to the extent possible to provide regular updates on the WTO proposals relevant to the non-WTO members.

**THE PACIFIC AID FOR TRADE STRATEGY: PROMOTING TRADE FACILITATION MEASURES**

28. The Meeting considered an update on the renewed and refreshed Pacific Aid for Trade Strategy 2014-2017, developed through a concerted effort by trade officials, development partners, relevant technical partners, and the non-state actors. The Secretariat

highlighted that a comprehensive Aid for Trade Strategy is one of the very important steps required in addressing the Aid for Trade needs of the FICs.

### **Decisions**

29. The Forum Trade Ministers:
- i. **recognised** the importance of Aid for Trade, and improved trade facilitation in contributing towards reduced trade costs, and improved trade performance and competitiveness in the region;
  - ii. **noted** that the Pacific AfT Strategy 2014 – 2017 was endorsed by the Pacific ACP States; and
  - iii. **noted** that FICs will undertake regional and sub-regional initiatives to implement the Pacific AfT Strategy.

## **DEVELOPMENTS ON TRADE AND CULTURE AND PROTECTION OF CREATIVE INDUSTRIES AND INDIGENOUS KNOWLEDGE PRODUCTS**

30. The Meeting considered an update on the programme to strengthen the cultural industries in the Pacific Island Countries under the Regional Cultural Strategy, Traditional Knowledge (TK) and Intellectual Property (IP) frameworks and the work of the second phase of the TK Action Plan (TKAP).

31. The FICs reaffirmed their keen interest in benefitting from the second phase of the TKAP recognising the TK and IP policy developments in the region.

### **Decisions**

32. The Forum Trade Ministers:
- i. **endorsed** in principle phase 2 of the TKAP framework, and for the FICs to **provide** feedback to the Secretariat by end-July 2014 on areas where it can be strengthened for furthering future work on IP and TK in the region, including coordination of donor support in this regard;
  - ii. **noted** the on-going collaborative efforts by SPC and PIFS, in conjunction with other technical partners, to enhance the cultural industry as a key driver of FIC economies;
  - iii. **noted** the proposed technical assistance programme to assist the FICs on the MOU on the RTMAS;
  - iv. **urged** that the FICs sign the MOU on the RTMAS by end-2014 so that its implementation can commence;



- v. **welcomed** PNG's willingness to host the regional trademarks examination body under the RTMAS and noted that technical assistance would be needed to assist FICs, including the PNG IP Office; and
- vi. **thanked** WIPO for the assistance expected to be provided to the FICs on TK policy and law, and other related-matters.

## **PROMOTING PACIFIC ISLANDS PRIVATE SECTOR: REVIEW OF THE PACIFIC ISLANDS TRADE & INVEST NETWORK**

33. The Meeting considered the Report on the Review of the PT&I network, including possible actions identified for strengthening the PT&I network, and broader private sector development work in the region delivered by the PT&I network.

34. Members thanked the PT&I network for the support provided to the private sector businesses in the Pacific to market their products to international destinations, including investment facilitation, product development and support through other partners. Members also commended the achievements of the PT&I network and were pleased with the successful activities highlighted in the Annual Report 2013 particularly the tangible results reflected therein.

35. Members expressed support for the findings of the Review of the PT&I and Members would be working closely with the Secretariat in implementing the recommendations, as appropriate.

36. Members encouraged the PT&I network to continue supporting the Pacific island countries in their development initiatives, and urged development partners to allocate adequate resources for an effective delivery of services. Members noted the potential for the PT&I network to expand to markets such as India, Korea, USA and requested that the Secretariat pursue further discussions on possible options.

### **Decisions**

37. The Forum Trade Ministers:
- i. **commended** the important work of the PT&I network in supporting private sector trade, investment and tourism initiatives in the Forum Island Countries;
  - ii. **commended** the PT&I's efforts to market Pacific Island products and services in international markets, and drive investments in the Pacific region;
  - iii. **noted** the extensive work carried out by the consultants in the execution of the PT&I Review, and the importance of effective trade and investment promotion by the PT&I network;
  - iv. **noted** the recommendations outlined in the PT&I review report and **agreed** that comments on its implementation be provided to the Secretariat by end-July 2014; and

- v. **agreed** that the Secretariat, in consultation with Members, develops an action plan to implement the recommendations of the report with urgency.

## **TRADE RELATED WORK PROGRAMME FOR 2014**

38. The Meeting considered an update on trade-related support provided by the Secretariat. FICs requested that the Secretariat write to the Commonwealth Secretariat requesting for the extension of the Hub & Spokes program beyond 2015 given the extensive trade-related work that needs to be undertaken in the FICs.

39. FICs urged that the Secretariat facilitate the work to progress discussions on temporary labour mobility amongst the FICs in 2014.

### **Decisions**

40. The Forum Trade Ministers:
  - i. **welcomed** the work of the Pacific Islands Forum Secretariat in the provision of trade related assistance; and
  - ii. **agreed** that the Secretariat pursue alternative options for funding the range of trade-related work being executed through the Secretariat.

### **Other Business**

41. Members thanked the Secretary General for his leadership and guidance over the past six years and wished him well in his future endeavours. The Secretary General thanked the Ministers for their contributions at FTMM over the years and highlighted the positive impact that FTMM decisions have had on the people of the region.

42. Cook Islands recalled its earlier interest to host the 2015 Forum Trade Ministers Meeting and informed that it will confirm its interest later in 2014.

43. The Chair thanked the Ministers for their contributions, and the Forum Secretariat for providing support for the Meeting. Ministers thanked the Chair for the excellent conduct of the Meeting, and the Government of Kiribati for the arrangements made for the Meeting and for the hospitality extended to all participants.

Pacific Islands Forum Secretariat  
Tarawa, Kiribati.  
28 May 2014