



PACIFIC ISLANDS FORUM SECRETARIAT

FORUM TRADE MINISTERS MEETING

Rarotonga, Cook Islands

29 October 2015

OUTCOMES DOCUMENT

The Forum Trade Ministers Meeting (FTMM) was held in Rarotonga, Cook Islands on 29 October 2015. Ministers from Australia, Cook Islands, Kiribati, New Zealand, Niue, Samoa, Tonga and Tuvalu, and senior representatives from the Federated States of Micronesia, Fiji, Papua New Guinea, the Republic of the Marshall Islands, Solomon Islands and Vanuatu were present. Also present at the meeting were representatives from the Office of the Chief Trade Adviser (OCTA) and the Pacific Islands Forum Secretariat. The Meeting was chaired by the Prime Minister of the Cook Islands, the Hon. Henry Puna.

2. Ministers considered key regional trade and investment initiatives in the region and related issues, in line with the 2015 FTMM theme of “Supporting Private Sector for Increased Trade, Investment and Development”.

Regional Trade and Investment Climate

3. Ministers considered an update on the Regional Trade and Investment Climate, including supply side constraints and issues relating to distance to markets. The importance of increased investments in the region, improved access to finance, support for Micro Small and Medium Enterprises and improved trade facilitation was highlighted. Ministers encouraged active promotion of trade and investment opportunities in the Pacific region.

4. Ministers highlighted the critical importance of availability of accurate economic data for effective policy decision-making to support private sector growth in the region. Development Partners’ support for the Forum Island Countries (FICs) to build national capacity to adequately report on the post 2015 Sustainable Development Goals (SDGs) was highlighted, particularly on indicators relating to trade and investment.

5. Ministers noted that the recent major regional and global economic trends highlighted the need for increased effort by Forum Members for deeper regional integration to benefit from economies of scale.
6. Ministers agreed that the Pacific region make a concerted effort to improve the investment climate by undertaking necessary reforms to ease the processes and costs of doing business and actively promote the investment opportunities common to the FICs.
7. Ministers emphasised the need for FICs to deliver on the trade, investment and private sector related SDG targets to support sustainable development and reduce poverty.
8. Ministers agreed that FICs be supported in improving their economic infrastructure, macroeconomic data compilation on trade and investment related indicators for effective policy analysis and reporting, and that regular updates be provided to FTMM.

Regional Priorities under the Framework for Pacific Regionalism – Trade and Investment Context

9. Ministers considered the implementation of the Framework for Pacific Regionalism (FPR), in particular the 2015 Pacific Islands Forum Leaders’ decisions relating to the FPR priorities, and noted the expected role of the Trade Ministers in the implementation of some of the priorities. Ministers emphasised the importance of the FPR in driving regional cooperation and integration amongst Members. In line with the decisions of the Pacific Islands Forum Leaders, Trade Ministers commit to playing their part in ensuring the implementation of regional initiatives under the FPR.
10. Ministers noted their role in implementing Leaders’ decisions related to increased economic returns from fisheries activity in the region, and other relevant regional priorities determined through the FPR process.
11. Ministers noted the initiatives referred to the Trade Ministers by the FPR Specialist Sub-Committee on Regionalism which shall be considered as part of the ongoing work programme, as appropriate.
12. Ministers agreed that necessary trade-related engagements at the national level be undertaken in support of Leaders’ decisions on regional priorities.

Preparations for the Tenth WTO Ministerial Conference (MC10)

13. Ministers noted the update on preparations for the upcoming WTO 10th Ministerial Conference (MC10) and the FIC WTO Members’ active engagement in this process to advocate their positions. FICs acknowledged the ongoing assistance provided by the Development Partners and highlighted the importance of ongoing support for Aid for Trade related assistance to the FICs. A Joint Statement on preparations for MC10 was endorsed by the Forum Trade Ministers, as **attached**.

14. Ministers noted the important role of the WTO multilateral trading system in providing a secure, transparent and predictable environment for strengthening trade and investment of businesses in the region.

15. Ministers also noted the impasse in the Doha Development Agenda (DDA) negotiations and the need for MC10 to deliver meaningful and balanced outcomes, which address development issues, including those of interest to FICs, and for it to provide direction about the shape of the post-MC10 WTO agenda.

16. Ministers noted that the WTO's credibility as a rule-making body is undermined by Members inability to produce outcomes, and note that Countries are finding alternative trade deals outside the WTO through the Regional Trade Agreements and other plurilateral trade agreements.

17. Ministers noted the importance of the WTO Trade Facilitation Agreement (TFA) entering into force in a timely manner. Ministers agreed, where possible, for Members to notify their Category A commitments under the Agreement prior to MC10, and to progress their domestic ratification of the Agreement.

Value Chains, Investment and Trade Facilitation Reforms

18. Ministers noted the integrated aspects of trade, investment, trade facilitation reforms and value chains, particularly the salient issues key in promoting private sector growth in the Pacific region, including the challenges that private sector face in meeting international standards for exportable products need to be addressed for effective linkages in the regional and international value chains.

Update on Comprehensive Trade and Investment Policy Frameworks

19. Ministers noted the support provided by the Forum Secretariat for the formulation and implementation of Comprehensive Trade and/or Investment Policy Frameworks (TIPF) in the FICs, in partnership with other technical agencies.

20. Ministers recognised the importance of National TIPFs and agreed to mainstream their implementation through National Sustainable Development Strategies.

21. Ministers agreed to allocate resources at the national level and prioritise the implementation of National TIPFs.

22. Ministers supported the view that Development Partners prioritise allocation of resources, including the European Development Fund allocations, to support FICs in developing, reviewing and implementing their TIPFs through regional initiatives.

23. Ministers directed the Secretariat to also prioritise the allocation of regional resources towards the implementation of relevant obligations under Trade Agreements and the implementation of regional initiatives identified through the TIPFs processes.

24. Ministers recognised the importance of building the capacity of the private sector to utilise market access opportunities and agree that an inclusive approach should be taken to regularly consult with private sector stakeholders at the national and regional levels in the implementation of trade agreements, and trade and investment policy initiatives.

Update on the Pacific Agreement on Closer Economic Relations (PACER) Plus Negotiations and Way Forward

25. Ministers considered a comprehensive update by the OCTA on the status of the PACER Plus Negotiations and noted the direction provided by the Pacific Islands Forum Leaders in progressing work on the negotiations as an instrument for promoting regional integration in the Pacific, as well as the importance of Ministers responsible for international trade ensuring that the negotiators facilitate a rapid conclusion of a high quality trade and investment agreement at the latest by June 2016.

26. Ministers noted the importance for all Parties to have sufficient opportunities for their concerns to be addressed through the negotiations, including bilaterally where appropriate, whilst remaining committed to concluding negotiations by June 2016.

27. FIC Ministers thanked Australia for removing the cap on its Seasonal Workers Programme and New Zealand for increasing the cap for the Recognised Seasonal Employer scheme to 9000 for the Pacific Island Countries. FIC Ministers urged that semi-skilled personnel be also included in labour mobility schemes.

28. Ministers recalled the Forum Leaders' commitment to PACER Plus as an instrument for promoting regional integration in the Pacific and assisting the FICs to achieve robust economic growth and sustainable development.

29. Ministers noted the substantive progress made in the PACER Plus negotiations and agree that Members table their market access offers for trade in goods, trade in services and investment at the latest by the 13th intersessional meeting in December 2015 with a view to finalising them as well as the outstanding issues in the relevant legal texts by May 2016. Ministers further noted that the FICs will be assisted in the development and finalisation of their goods market access offers, including support for the Customs Departments as appropriate.

30. Ministers welcomed the trade-related needs assessment studies being undertaken by the FICs for submission to Australia and New Zealand for funding to assist with the implementation of their PACER Plus obligations and also to address supply-side constraints inhibiting expansion and diversification of their trade.

31. Ministers instructed trade negotiators to redouble their efforts and conclude a high quality trade and investment agreement that would enhance the participation of the FICs' in international trade at the latest by June 2016.

32. Ministers agreed that further consultations with Civil Society Organisations and the Private Sector be intensified at the national and regional level. The Fifth Non-State Actors Dialogue on PACER Plus will be held on 4-5 December 2015 in Nadi.

Pacific Regional Labor Mobility Framework

33. Ministers considered elements of a proposed Pacific Regional Labour Mobility Framework reflecting the Leaders' commitment to strengthening connections to enhance Pacific regionalism, increase people to people relations, improve institutional governance, and enhance physical connectivity by facilitating greater movement of people and securing business flows between members through supportive visa, trade and investment policies.
34. Ministers welcomed Niue's commitment to invite the Pacific islands workers to contribute to their economic development, including the offer to host families affected by climate change.
35. Ministers noted the importance of supporting improved labour mobility in the Pacific region, including the ongoing discussions in the context of the PACER Plus and other related fora in the region.
36. Ministers noted the benefits that can accrue to the Pacific region through improved labour mobility arrangements that respond positively to the economic and social needs of the region.
37. Ministers noted the importance of supporting a region-wide engagement in certain aspects of labour mobility to strengthen people to people and business connectivity in the region.
38. Ministers noted the proposed establishment of a regional framework for labour mobility cooperation, including the Pacific Labour Mobility Annual Meeting ("PLMAM"), agreed to in principle in the context of the PACER Plus negotiations.
39. Ministers noted the opportunity that the PLMAM provides for enhanced cooperation including in the following areas: investments in skills development in the FICs to respond to domestic, regional and international demand for labour; efforts for better collection and analysis of data on intra-regional and international labour mobility for targeted policy formulation; and enhanced dialogue with the private sector in ensuring that the region's employment needs are effectively addressed.
40. Ministers noted the opportunity that the PACER Plus Agreement will provide to improve mobility for business people.
41. Ministers also noted the need of FICs for a feasibility assessment for the creation of a Pacific Island Forum-wide Business Travel Card Scheme that supports improved mobility for business people.

The Operations and Funding Arrangements for the Pacific Islands Forum Representative Office to the WTO

42. Ministers noted the update on the operations of the Pacific Islands Forum Representative Office to the WTO (Geneva Office) and highlighted the importance of continued presence in Geneva.
43. Ministers noted the update on the operations of the Geneva Office and its foreshadowed resource constraints

44. Ministers expressed their appreciation to the World Bank, the WTO, the European Union and the Australian Government for the support provided to the Pacific region in the preparatory work for the implementation of the WTO TFA and related capacity building activities in 2015.

45. Ministers urged FIC WTO Members to fully utilise the WTO internship programmes currently provided through the Geneva Office.

Report on the Pacific Islands Trade & Invest Network

46. Ministers noted an update on key work undertaken by the Pacific Islands Trade & Invest (PT&I) network, including the implementation of the recommendations of the PT&I Review concluded in 2014.

47. Ministers commended the PT&I network for their efforts in growing the economies of the Pacific region through private sector led initiatives in trade, tourism, investment and creative arts.

48. Ministers acknowledged the support of the PT&I host Governments of Australia, the People's Republic of China, the European Union, Japan and New Zealand;

49. Ministers noted the progress made by the network in implementing the PT&I Review recommendations to strengthen the network.

50. Ministers requested the Governments of India, Korea and USA to expedite the arrangements to host the PT&I network to support Pacific islands businesses access to the respective markets.

51. Ministers urged Post Forum Dialogue (PFD) Partners to support the PT&I network, allowing for improved trade, tourism and investment relations with the Pacific island countries.

52. Ministers welcomed Australia's announcement of increasing its contribution of an additional AUD1 million per annum to the PT&I Sydney Office, and an annual contribution of AUD500,000 to the Forum Secretariat to implement the recommendations of the PT&I Review to position the PT&I network to continue to assist the FICs increase exports and attract investments, maximising the benefits of PACER Plus upon entry into force.

Developments on Traditional Knowledge and Intellectual Property

53. Ministers noted an update on Traditional Knowledge (TK) and Intellectual Property (IP) related work, including on issues relating to the Traditional Knowledge Action Plan – Phase II (TKAPII), the Regional Trademarks Application Systems (RTMAS) and the Strengthening of the Cultural Industries in the Forum Island Countries (FICs).

54. Ministers noted the work undertaken on TK, IP and Cultural Industries by relevant technical agencies in the region.

55. Ministers agreed that FICs submit their updated requests for TK & IP related technical assistance to the Forum Secretariat by 30 November 2015, so that a comprehensive work plan for TKAPII can be finalised by end-2015.

56. Ministers agreed that the FICs indicate their interest by end-2015, in the implementation of the Memorandum of Understanding on RTMAS and its signature, following which the Secretariat will circulate a status report with suggestions on the way forward.

Pacific Islands Forum Secretariat's Trade-related Work Programme

57. Ministers noted an update on the trade-related support provided by the Pacific Islands Forum Secretariat in 2014 and the work programme for 2015.

58. Ministers noted the trade-related support provided to Members by the Pacific Islands Forum Secretariat.

59. Ministers commended the development partners and technical agencies for their ongoing support, and collaboration with the Forum Secretariat in the delivery of trade-related technical assistance to the FICs.

60. Ministers discussed future arrangements for the FTMM including a prioritised agenda frequency and hosting of the FTMM.

61. Ministers agreed that future FTMMs are to focus on one or two key trade-related agenda items of relevance to the Pacific region. Other issues, such as the standing agenda items, are to be considered as updates and the papers taken as read to allow for greater discussion on the key thematic issues.

62. Ministers endorsed the convening of the FTMM every two years, commencing from 2016, in accordance with the rationalisation of regional meetings but noted the need to convene Special FTMM if needed.

63. Ministers endorsed the establishment of a Ministerial Working Group comprising of the troika of FTMM Chairs to oversee the implementation of the FTMM decisions, and for Forum Members to take ownership and accountability of the implementation of FTMM decisions.

Conclusion

64. The Chair thanked Ministers for their contribution, and the Forum Secretariat for the assistance provided.

65. Ministers thanked the Chair for the excellent facilitation of the meeting, and the people of the Cook Islands for their hospitality.

29 October 2015
Pacific Islands Forum Secretariat

Forum Trade Ministers Joint Statement on Preparations for the WTO Tenth Ministerial Conference (MC10)

1. The Pacific Islands Forum Trade Ministers met in the Cook Islands on 29 October 2015 to consider regional and multilateral trade issues, and noted the limited progress in the WTO negotiations and in particular, the preparation of the Post-Bali Work Program on the remaining elements of the Doha Development Agenda (DDA) as instructed at the 2013 Bali Ninth Ministerial Conference (MC9) was unable to be completed within the extended deadline of July 2015. Ministers expressed concerns that less than two months before the Tenth Ministerial Conference (MC10) in Nairobi in December, there is no consensus amongst WTO members on what would be delivered.
2. Ministers stressed the need for a balanced and meaningful outcome for all WTO Members at MC10, which also delivers on the development interests of Least Developed Countries (LDCs) and Small and Vulnerable Economies, and sets the direction for post-Nairobi work on issues of importance to WTO Members, including developing and LDCs.
3. Ministers underlined the important role of the multilateral rules in providing a secure, predictable and transparent trading system, particularly for the Forum Island Countries' private sector. Ministers also noted the potential contribution that the multilateral trading system can make in delivering trade opportunities needed for generating economic growth and for achieving the sustainable development goals (SDG) in the Forum Island Countries.
4. Ministers therefore call on all WTO Members, in particular the larger players to engage constructively and meaningfully in the remaining six weeks to help clearly define the outcomes for Nairobi.
5. Ministers noted the importance of the WTO Trade Facilitation Agreement entering into force in a timely manner. Ministers agreed, where possible, for Members to notify their Category A commitments under the Agreement prior to MC10, and to progress their domestic ratification of the Agreement.
6. Ministers underscored the importance of a successful MC10 in Nairobi.