



PACIFIC ISLANDS FORUM SECRETARIAT

PIFS (10) FTMM

FORUM TRADE MINISTERS MEETING

29 April 2010

Pohnpei, Federated States of Micronesia

OUTCOMES DOCUMENT

The Forum Trade Ministers met in Pohnpei, Federated States of Micronesia (FSM) on 29 April 2010. Ministers from the following Member Countries were present: Australia, FSM, Kiribati, New Zealand, Republic of the Marshall Islands, Samoa, Solomon Islands and Tonga. Cook Islands, Nauru, Niue, Palau, Papua New Guinea and Tuvalu were represented at Senior Officials level. Observers comprised representatives from the Oceania Customs Organisation (OCO), the Secretariat of the Pacific Community (SPC), the South Pacific Tourism Organisation (SPTO) and the University of South Pacific (USP). Also present at the meeting was the Chief Trade Adviser (CTA) to the Forum Island Countries (FICs) on PACER Plus Negotiations, Dr Christopher Noonan. The Meeting was chaired by Honourable Alik L Alik, Vice President of the FSM.

2. The objectives of the Meeting were to consider and make decisions on the Pacific Agreement on Closer Economic Relations (PACER) Plus related issues, including PACER Plus Officials Meeting and the establishment of the Office of the Chief Trade Adviser (OCTA) as well as the schedule of PACER Plus related meetings. Ministers also considered and made decisions on the forward strategy for the Pacific Islands Trade and Investment Commissions (PITICs), an update on Aid for Trade (Aft) Programmes, future funding arrangements for the Forum World Trade Organisation (WTO) Office in Geneva and developments relating to Traditional Knowledge and Intellectual Property-related issues.

3. The Meeting opened with a prayer by Father Dave Andrus SJ of Our Lady of Mercy Church of FSM. Honourable John Esha, Governor of Pohnpei welcomed Ministers and delegates to Pohnpei. In his welcoming remarks, Honourable Esha thanked the Ministers for convening in Pohnpei, and wished the Ministers well in their deliberation.

4. In his introductory remarks, the Secretary General of the Pacific Islands Forum Secretariat, Tuiloma Neroni Slade, highlighted that Forum members have long recognised the importance of deepening regional trade integration as a means to create jobs, enhance private sector growth, raise standards of living and to advance the region's sustainable economic development. He emphasised that the steadily increasing involvement of Members in

international trade relations over the past years has reflected political recognition of the importance of trade, regional economic integration, and progressive and appropriate participation in the global economy to their economies and communities.

5. Secretary General Slade stated that that regional mandates provided by Forum Leaders through the adoption of the Pacific Plan guide the region's work in moving ahead with regional economic integration. He said that deepening regional integration remains fundamental in the Leaders' Vision of the Pacific and its achievement depends on the support of all Member Countries. He noted that Forum Leaders have declared the PACER Plus process as part of the key progression towards regional integration. Forum Trade Ministers have stressed the importance of PACER Plus as a means to underpin the economic security of the region, especially through capacity building and market liberalisation. Ministers have reflected their intention to bolster the capacity of all FICs to take advantage of trade opportunities to help their economies grow and become more resilient to shocks such as the current global economic crisis. He expressed his appreciation to the Government of FSM and State of Pohnpei for hosting the Trade Ministers Meeting.

6. In his opening remarks, Honourable Alik L Alik, the Vice President of FSM highlighted that FICs are constantly faced with global challenges beyond their control, such as impacts of climate change, food security, high energy cost and high levels of unemployment. He emphasised the need for discussions on trade liberalisation and development cooperation to take into account differing levels of economic development among Forum members. He highlighted the global economic crisis facing the region and the need for the crisis not to distract Forum members from pursuing goals set out in the Pacific Plan. The Vice-President highlighted the importance of an inclusive approach in the development of economic cooperation arrangement in the region and the need to take into account social impacts.

SESSION 1: UPDATE ON PACER PLUS RELATED ISSUES

7. Ministers considered papers providing updates on PACER Plus related issues, including an update on the PACER Plus meeting held in Port Vila, Vanuatu from 14-15 April 2010, an update on progress to establish the OCTA, the scheduling of PACER Plus related meetings, and the progress of consultations with non-state actors.

8. Ministers were provided with an update by FIC Lead Spokesperson on PACER Plus, Honourable William Haomae, Minister for Foreign Affairs and External Trade of Solomon Islands, on the FIC Ministers Meeting held on 28 April 2010 in Pohnpei, FSM. The FIC Ministers' Meeting had considered a range of issues and provided high-level direction to the CTA, including the development of work programs, and the employment of staff. The FIC Ministers' Meeting had also discussed the legal status of the OCTA and options for securing funding for the Office from development partners in addition to Australia and New Zealand.

9. FIC Ministers invited the Secretary General to the first meeting of the Board of Governors for the Office of the Chief Trade Adviser, to be held on April 30 in Pohnpei, FSM,

to enable further consultation on the respective roles of the Pacific Islands Forum Secretariat and the OCTA to take place.

10. Kiribati urged Ministers to move ahead with consideration of the issue of a legal structure for the OCTA, and said that they were ready to sign an agreement to that effect.

11. Ministers discussed the important role PACER Plus could play in creating growth and economic development in FICs. Ministers stressed the need to consider regional infrastructure, particularly shipping, aviation, telecommunications and water, during PACER Plus negotiations, and to ensure that PACER Plus strengthened trade in goods and services, particularly tourism, between parties.

12. Ministers recognized the capacity constraints faced by FICs when undertaking negotiations, and the need for national consultations, recognizing these consultations should be an ongoing process and should address the individual needs of countries. Ministers also discussed the development of a framework that enabled those countries ready to move ahead with negotiations to progress, while allowing other countries more time to prepare.

13. Ministers discussed the issue of engagement with Fiji during the negotiations, and mechanisms for ensuring communication is maintained at Officials level. Ministers reaffirmed the importance of Leaders' 2009 decision on Fiji.

Decisions

14. Ministers:

- (i) **noted** the progress made towards the establishment of the Office of the Chief Trade Adviser;
- (ii) **noted** that Forum Trade Ministers agreed in October 2009 to establish the OCTA to assist FICs on PACER Plus matters only, and that they had not agreed to create a new international or regional organisation;
- (iii) **agreed** that ample time be given to Members to consider recommendations on the legal structure of the OCTA;
- (iv) **agreed** that the CTA, as an observer to the FTOM and FTMM, be available to be involved as appropriate on PACER Plus issues should FICs require support, information or clarification during these meetings;
- (v) **thanked** Australia for offering to support a Rules of Origin and Customs Procedures Workshop on PACER Plus, **agreed** that the Workshop take place in the week commencing 30 August 2010, and **noted** the possibility of other technical issues being considered at the Workshop;
- (vi) **thanked** Solomon Islands for agreeing to host a PACER Plus Officials Meeting in early- to mid-October 2010;

- (vii) **noted** that the option of a third meeting of PACER Plus Officials in 2010 could be considered;
- (viii) **noted** the status of consultations so far with non-state actors on PACER Plus;
- (ix) **agreed** that, in accordance with direction from the Special Forum Trade Ministers' Meeting on PACER Plus in October 2009, the Secretariat will organize an annual discussion with non-state actors on PACER Plus matters in the margins of a forthcoming Forum trade meeting;
- (x) **noted** that FICs had agreed to prepare a paper on regional labour mobility for consideration by PACER Plus Officials;
- (xi) **noted** the fundamental importance of shipping, aviation, telecommunications and water infrastructure to increased trade in goods and services between Member Countries, and **agreed** that these were priority negotiating issues for PACER Plus;
- (xii) **noted** the need for a work program to guide PACER Plus negotiations;
- (xiii) **noted** that the Lead Spokesperson has not been successful in briefing Fiji Officials on the outcomes of the Special Forum Trade Ministers' Meeting on PACER Plus; and
- (xiv) **reaffirmed** that, in accordance with the 2009 decisions of Leaders and the subsequent direction of Trade Ministers from their meeting in October 2009, future briefing and liaison on PACER Plus with Fiji Officials would be undertaken by the CTA, who would report any views from Fiji back at subsequent meetings of Trade Ministers.

SESSION 2: FORWARD STRATEGY FOR THE PACIFIC ISLANDS TRADE AND INVESTMENT COMMISSIONS (PITICs)

15. Ministers considered the forward strategy for the Pacific Islands Trade and Investment Commissions (PITICs). Mr Caleb Jarvis, Trade Commissioner, PITIC Sydney, made a presentation on the high-level strategic framework document developed to profile the new focus and branding of the PITICs for consideration and endorsement by Members.

Decisions

16. Ministers:

- (i) **noted** the work done to date to develop a strategy for the Pacific Island Trade and Investment Commissions;
- (ii) **noted** the introduction of performance improvement measures as identified and recommended through the Quadrilateral meeting process;
- (iii) **endorsed** the development, in consultation with Members, of a shared 10-year Strategy to be tabled for the consideration of Forum Trade Ministers at their meeting in 2011; and

- (iv) **endorsed** the new name (Pacific Islands Trade and Invest) and branding to be introduced to the Offices.

SESSION 3(a): PACIFIC ISLANDS FORUM SECRETARIAT (PIFS) TRADE-RELATED WORK PROGRAM FOR 2009 - 2010

17. Ministers considered the Pacific Islands Forum Secretariat trade related work program for 2009 – 2010 under the Trade and Economic Integration Component of the Economic Governance Programme.

Decision

18. Ministers **noted** the Secretariat's Trade and Economic Integration Component work program for 2009 and 2010.

SESSION 3(b)(i): REGIONAL TRADE FACILITATION PROGRAMME (RTFP) AND INFORMAL WORKING GROUP MEETING

19. Ministers considered an update on the implementation of the Regional Trade Facilitation Programme (RTFP) under PACER.

20. Ministers highlighted the need for the regional trade facilitation to continue after the conclusion of the RTFP, noting that obligations under PACER to support regional trade facilitation are ongoing and emphasized that a process of consultation between all parties to PACER should be used to progress discussions about future support for regional trade facilitation under PACER, including the need for the FICs to identify their specific trade facilitation needs.

Decisions

21. Ministers:

- (i) **noted** the status of current funding arrangements under the RTFP as having been extended until 30 June 2010;
- (ii) **endorsed** the 2009 Annual Reports of the RTFP submitted by implementing agencies;
- (iii) **endorsed** the 2010 RTFP Work Plan;
- (iv) **directed** the Secretariat to undertake a regional status analysis in early 2011, in consultation with national trade facilitation committees, development partners and implementing agencies, which will provide a stocktake of current and future trade facilitation programs; and
- (v) **endorsed** consideration of the status analysis at a regional meeting comprising trade officials, development partners, and implementing agencies to develop recommendations for consideration by FTOM/FTMM in 2011.

SESSION 3(b)(ii): STANDARDS AND CONFORMANCE WORK

22. Ministers considered a revised approach to implementing regional Standards and Conformance (S&C) activities in the region.

23. Ministers noted that the work on S&C needed to be prioritized at the national level before work could progress, including the identification of the sectors. Ministers also highlighted the need for Members to provide comments on the draft Concept Note and urged the Secretariat to work with relevant departments and Ministries to progress S&C work.

Decisions

24. Ministers:

- (i) **noted** the work carried out by PIFS in developing a revised approach to S&C development in the region; and
- (ii) **directed** the Secretariat to table the revised concept paper on S&C at the regional meeting of trade officials, development partners and implementing agencies for further consideration once the regional status analysis of trade facilitation work in the region is complete.

SESSION 3(b)(iii): AN UPDATE ON THE PACIFIC REGIONAL ECONOMIC INTEGRATION PROGRAMME (PACREIP)

25. Ministers considered an update on the Pacific Regional Economic Integration Programme (PACREIP).

Decisions

26. Ministers:

- (i) **noted** the update on PACREIP; and
- (ii) **noted** that PACREIP Rider 3 has been submitted to the European Commission seeking extension of the programme to December 2010, and that a response from the European Commission is expected in June 2010.

SESSION 3(c): UPDATE ON THE SECOND AND THIRD ROUND TABLE MEETINGS ON AID FOR TRADE

27. Ministers considered an update on the Second and Third Round Table Meetings on Aid for Trade. Ministers noted the importance of a Pacific AFT Strategy/roadmap as a way to coordinate donor engagement in the provision of infrastructure for trade in the region.

Decisions

28. Ministers **noted** the plans for the continued development of the Pacific Aid for Trade Strategy and the prioritization of regional Aid for Trade projects.

SESSION 4: FUTURE FUNDING ARRANGEMENTS FOR THE FORUM WORLD TRADE ORGANISATION (WTO) OFFICE IN GENEVA

29. Ministers discussed the future funding arrangements for the Forum WTO Office in Geneva (the Geneva Office). Ministers thanked the Resident Representative at the Geneva Office, Mr Paulo Kautoke for the valuable services provided during his term and wished him well in the new role as ACP Assistant Secretary General for Intra-ACP Programming, Macroeconomic and Development Finance. FIC WTO Members and Observers present at the meeting confirmed their financial contributions to the Geneva Office, and thanked Australia for their offer to consider financial support for the Geneva Office.

Decisions

30. Ministers:

- (i) **agreed** to make the first annual contribution to the Geneva Office in 2010 according to the schedule of fees discussed; and
- (ii) **directed** the Secretariat to return to Trade Ministers in 2011 with a review of the operations of the Geneva Office and recommendations to improve service delivery to Members.

SESSION 5: DEVELOPMENTS RELATING TO TRADITIONAL KNOWLEDGE (TK) AND INTELLECTUAL PROPERTY (IP) RELATED ISSUES

31. Ministers considered developments relating to Traditional Knowledge (TK) and Intellectual Property Rights (IPR) related issues. Ministers welcomed the launch of the Traditional Knowledge Action Plan in December 2009 and thanked the World Intellectual Property Organization (WIPO) for its ongoing support for work on Traditional Knowledge. Ministers also welcomed the proposal to progress and finalise the Memorandum of Understanding (MOU) for the establishment of a regional trademark system, and stressed the need for it to include capacity building. Ministers also noted the availability of support to assist in national consultations on this matter.

Decisions

32. Ministers:

- (i) **noted** the efforts being undertaken to secure adequate funding to commission the study to give effect to Forum Leaders' desire for a regional institution to protect and advocate for TK and IPRs;
- (ii) **noted** the need to convene a meeting of legal and IP officials to finalise the MOU for the establishment of the regional trademark administration system; and
- (iii) **noted** the launch of the Traditional Knowledge Action Plan and ongoing work by the Secretariat and WIPO to implement the Plan.

SESSION 6: DISCUSSION BETWEEN MEMBERS ON TRADE NEGOTIATIONS

33. Ministers considered updates on trade consultations and negotiations being undertaken by Forum Members.

34. Ministers noted an update on the Pacific ACP States' negotiations of the Economic Partnership Agreement (EPA) with the European Union. Ministers noted the difficulties faced by the Pacific ACP States in the negotiations, and Ministers from the Pacific ACP States urged the Secretariat to continue with urgency the negotiations of the EPA with the EU and aim an early conclusion of the Comprehensive EPA.

35. Ministers also noted an update provided by Australia and New Zealand on their trade negotiations with non-Forum countries. Ministers noted the commitments from Australia and New Zealand in ensuring capacity building of Forum Members as an integral part of the PACER Plus negotiations, taking into account the specific needs of the region.

36. Ministers discussed the request from the Republic of Turkey to commence discussions on a potential free trade agreement (FTA) with the FICs. Ministers noted with appreciation the interest shown by the Republic of Turkey, and noting the current trade negotiations being undertaken by Members, requested that the Secretariat notify the Republic of Turkey that the discussions on a FTA with the FICs shall be pursued at a later date.

SESSION 7: NEXT MEETING OF FORUM TRADE OFFICIALS AND MINISTERS

37. Ministers thanked the Government of the Kingdom of Tonga for offering to host the next Forum Trade Officials' and Ministers' Meetings in April 2011.

SESSION 8: ANY OTHER BUSINESS

Employment Opportunities in Guam

38. Ministers noted an update provided by PIFS and SPC on the progress made with respect to engagement with Guam on the possibility of the FIC workers accessing the Guam labour market to benefit from the employment opportunities. Ministers noted that the FICs need to ensure that their workers are able to meet the accreditation and certification requirements to be able to access the Guam employment markets, and that discussion between individual FICs and relevant authorities may be necessary.

Pacific Food Summit

39. Ministers noted the update on the Pacific Food Summit held from 21 – 23 April 2010 in Port Vila, Vanuatu. Ministers noted the importance of the food security in the region and

the implications for trade facilitation and the need for continued work with line Ministries in advancing the work on food security.

Shanghai Expo

40. Ministers noted the opportunity provided by Expo 2010 being held in Shanghai and the importance of the Members to actively engage in the event. Ministers also noted that the Secretariat will be organizing a visit to the Peoples Republic of China in near future to discuss issues of interest to the region.

Tuvalu Announces Readiness to Trade Under PICTA

41. Ministers welcomed Tuvalu's announcement of their readiness to trade under the Pacific Island Countries Trade Agreement (PICTA) and congratulated Tuvalu for making necessary domestic arrangements for PICTA trading. Ministers noted the need for the FICs yet to announce readiness to trade under PICTA to do so with urgency.

42. The Chair thanked Ministers for their participation in the meeting. Ministers congratulated the Chair for the excellent conduct of the Meeting, and thanked the Secretariat for their work and the Government of FSM for hosting the Meeting.

29 April 2010
Pacific Islands Forum Secretariat
Pohnpei, Federated States of Micronesia