

Salutations

- Hon. Vice President of Kiribati
 - Hon. Deputy Prime Minister Fiji
 - Hon. Deputy Prime Minister of Tuvalu
 - Baron Waqa, Secretary General of the Pacific Islands Forum
 - Hon. Colleague Economic Ministers
 - Distinguished Pacific Women Leaders
 - Heads of Delegations
 - Distinguished participants
 - FEMM Observers,
 - Excellencies & Senior Officials,
 - Ladies and Gentlemen.
- *Malo e lelei* and good morning to you all.
- Let me welcome you all to the 2025 Forum Economic Ministers Meeting being held here at the Pacific Islands Forum Secretariat (PIFS) Headquarters. On behalf of all delegations, may I offer our deep appreciation to the Government of Fiji and her people for their warm hospitality in hosting us once again in your beautiful shores. I am aware of the logistical challenges faced in the lead up to the convening of this meeting. Despite the difficulties encountered, I commend the Secretary General and the Forum Secretariat team for ensuring all relevant arrangements were in order in time to ensure we have a successful 2025 FEMM.
- I am very honoured to take on the role of FEMM Chairman and this morning is also special because we welcome our Pacific Islands Forum Women Leaders, who will join us for the first part of the FEMM agenda. I am aware that Forum Economic Ministers are also invited to join our Forum Women Leaders at their *Talanoa* with our young people on Thursday this week. I urge our Forum Economic Ministers and Forum Women Leaders to embrace this opportunity as a good example of regional cooperation and a cross-sectoral model that should be encouraged at other Forum meetings and those convened by CROP agencies.
- Honourable Colleagues, I would like to comment on the theme for this year's FEMM, which is, “**Stronger Together: Advancing Economic Resilience and Sustainable Future in the Pacific**”. This theme is very closely aligned to the theme for the 54th Pacific Islands Forum Leaders Meeting (PIFLM54), “**Iumi Tugeda: Act Now for an Integrated Blue Pacific Continent**” launched by Solomon Islands a few weeks ago.
- The need for working together, amidst the increasing global uncertainties confronting our region is critical and cannot be overstated. We need to work together in solidarity to realise our Forum Leaders' vision for collective aspirations and action.
- Later this morning, we have two very interesting scene-setting sessions. The first is on the economic state of play and outlook for our region and the second, a *Talanoa* session on the pressing economic challenges facing the Pacific, including shifting global trade policies, heightened geopolitical tensions, and other external shocks that pose serious risks to our already vulnerable economies.

- As Economic Ministers, you are all very familiar with the global, regional and national issues facing our region because you deal with them every day. And you have valuable insights and perspectives on potential policy solutions and mechanisms to deal with these issues. The *Talanoa* session this morning, which also involves important private sector voices, will provide a platform and opportunity for us to discuss and share information on how we can deal with these challenges collectively as a region. I am also eager to hear the perspectives of the private sector, especially how their respective industries and sectors are being impacted by these challenges and how we can forge a stronger public-private partnership in tackling the Pacific's most pressing development challenges.
- Based on World Bank estimates, the outlook for global growth this year has been revised downward from 2.7% to 2.3%, attributable to “trade tensions” and “policy uncertainties”. This indicates that the global economy is headed for a slowdown in the years ahead. With limited economic opportunities in many Forum Island Countries (FICs), uncertainties around future sustainable growth, and reduction in development assistance in favour of increased defence spending, this outlook could have devastating impacts on Pacific economies.
- At the same time, while remittances from migrants on labour mobility schemes or from permanent migrant diasporas have enhanced domestic economic activity, it is essential their impacts are translated beyond the retail and service sectors and into tangible investments. On a positive note, however, while many FICs are classified as at high risk of debt distress, their debt levels remain sustainable, and forecasts are for debt to GDP ratios to decline in the next few years. This will depend, however, on effective implementation of fiscal consolidation measures by Pacific economies.

Addressing our regional challenges

- We know the many challenges that our region faces, with the impacts of climate change as our greatest threat. Pacific economies are on the frontlines of climate change, with rising sea levels, more frequent and intensive climate events, seriously threatening our people's livelihoods. Beyond climate change, the Pacific is grappling with other challenges, notably impacts from global fragmentation, impacts of global conflicts, trade uncertainties and geopolitical competition for resources and influence in our region.
- Our region has significant potential for greater economic cooperation and integration across many sectors, such as economic development, trade, security and social development. We can achieve this by strengthening existing regional institutions and arrangements, developing coordinated regional policies, and fostering closer economic cooperation and integration to address development issues.
- I am happy that there are examples of this already happening in our region. The Pacific Strengthening Correspondent Banking Relationship (CBR) initiative being implemented by PIFS and the World Bank is a case in point. At this juncture, let me acknowledge and thank the World Bank for their support to our region and other partners such as Australia, NZ, UK, European Union and Japan . The CBR project, “unique and first of its kind”, involves seven, (and soon to be nine), participating countries pooling their IDA allocations from the World Bank to address the closure of CBRs in the Pacific with a view to developing a Pacific Payments Mechanism that provides a long-term and sustainable

solution. The CBR issue is a global phenomenon and individually, countries cannot do much but as a group, we can make a difference.

- There are other examples of our Members working together to address common challenges. Our united advocacy on climate change, social issues such as gender, security concerns, and economic matters such as the joint approach to global trade disruptions at the regional and global stage, gives me great confidence and hope and that our region can stand up for its interests in an ever-increasing uncertain world. Leveraging our role as custodians of 20% of the world's oceans and building on our status as “Large Ocean States”, we can certainly make an impact on global discourse on matters affecting our economies and people.
- I believe, the completion and endorsement of the review of the regional architecture (RRA) and the implementation of the Pacific Roadmap for Economic Development (PRED) and 2050 Strategy for the Blue Pacific Continent, among others, will provide the impetus and drive to working together as a region to address our common challenges. We may be small individually, but together we are strong.

Private Sector Development

- Let me offer brief comments on the need to support our private sector.
- I am delighted that this meeting will discuss the Pacific Regional Private Sector Strategy (PRPSS) to drive the work on private sector development in our region. I would like to encourage colleague Ministers to favourably consider this important piece of work that prioritises the needs of MSMEs, Smaller Islands States and other vulnerable groups across the region. There are also papers on a proposed investment forum to support investment in climate finance, and investment opportunities for our superannuation funds supported by the Pacific Islands Investment Forum. We should consider these papers as complementary to private sector development in our region.
- I am also pleased to note that the feasibility study to explore the establishment of a Fisheries Development Fund (FDF) under the East New Britain Initiative (ENBI) has commenced and is targeted for completion this year. These are all regional efforts towards increasing investments to support private sector development in the region.

Development Cooperation

- Early this month, over 15,000 delegates, including 50 Heads of States and Governments from 192 countries converged in Seville, Spain for the 4th Financing for Development Conference (4FDC). The Sevilla Commitments adopted at the end of the conference, among other things, sets out a new global roadmap to raise funds for sustainable development, calls for new instruments, including debt-swap schemes, options to pause payments during crises, and better transparency to ease debt pressures on vulnerable countries. The goals are to make the global financial system more inclusive and accountable, with improved coordination and broader participation from civil society and others. Given the goodwill evident in Sevilla, it would be interesting to see how the commitments play out during the implementation phase.

- That is why our roundtable dialogues with partners, CSOs and the private sector at the end of FEMM are very important. These dialogues provide the space and platform for consultation on potential areas for regional collaboration.

Conclusion

- Colleague Ministers, in these trying times, it is very easy to be overwhelmed. But as stewards of our Pacific economies, we should remain focused as we navigate the challenges we face in our Blue Pacific Continent. I wish all of us a successful FEMM this year. We have important matters to discuss and with our collective wisdom, expertise and experience and importantly God's blessing, I believe we can sail through whatever storm that comes our way, because we are resilient Pasifika people.
- I thank you all. Malo Aupito.