



PACIFIC ISLANDS FORUM SECRETARIAT

PIFS(11)FTMM

FORUM TRADE MINISTERS MEETING

18-19 May 2011

Puataukanave International Hotel,
Vava'u, Kingdom of Tonga

OUTCOMES DOCUMENT

The Forum Trade Ministers Meeting was held in Vava'u, Tonga on 18-19 May 2011. Australia, Cook Islands, Federated States of Micronesia (FSM), Kiribati, Nauru, New Zealand, Niue, Palau, Papua New Guinea (PNG), Samoa, Solomon Islands, Republic of Marshall Islands, Tonga, Tuvalu and Vanuatu were represented at the Meeting. New Caledonia attended as an associate member. Representatives from the Oceania Customs Organization (OCO), Office of the Chief Trade Adviser (OCTA), the Pacific Islands Forum Secretariat and the Secretariat of the Pacific Community (SPC) were also present at the meeting. The meeting was chaired by Hon. Lisiate 'Aloveita 'Akolo, the Minister for Labour, Commerce and Industries in Tonga.

2. The objective of the meeting was to consider and make decisions on the recommendations of Forum Trade Officials on trade-related issues. Ministers considered matters regarding the Forum's Representation to the World Trade Organization (WTO) in Geneva; the Pacific Islands Trade and Invest Offices; developments relating to Traditional Knowledge and Intellectual Property Rights; the Forum Secretariat's trade-related activities in 2010/2011; the completion report of the Regional Trade Facilitation Programme; the stocktake of trade facilitation activities in Pacific island countries; Pacific Agreement on Closer Economic Relations (PACER) Plus negotiations; the establishment of OCTA; the Outcomes of the Second and Third Officials Meetings and the Non-State Actors Dialogue on PACER Plus; and a request by the Pacific Islands Private Sector Organisation (PIPSO) for observer status at Forum Trade Officials' Meeting and Forum Trade Ministers' Meeting.

3. In his welcoming remarks, acting Governor of Vava'u Lord Dr Fred Vaka'uata Sevele welcomed Trade Officials and Ministers to Vava'u, thanking them for their presence at these important discussions and deliberations and noting the importance of trade to Pacific island economies.

4. In his introductory remarks, the Secretary General of the Pacific Islands Forum Secretariat, Tuiloma Neroni Slade, highlighted the important role of the Forum Trade Officials and Ministers in deliberating on those trade-related matters vital to the future of the Pacific region. The Secretary General affirmed that the Forum Secretariat stood ready to support Members in their deliberations. He said that the ongoing global economic instability

compounded the challenges of the Pacific region and that intra-regional trade in particular, if pursued properly and equitably, offered the prospect of stronger economic growth. He said that this would benefit all Pacific communities, especially through greater regional cooperation and integration.

5. The Prime Minister of the Kingdom of Tonga, Lord Tu'ivakano, in his opening address emphasised the crucial role of trade to all Forum Member economies, and highlighted the way tourism and services exports could support national and regional economic development initiatives. The Prime Minister informed delegates that the Pasifiki Trade Fair would be held after the conclusion of the Meeting, and would showcase products from Vava'u. He urged participants to explore ways in which increased regional trade could be facilitated. He noted the presence of the Pacific Islands Trade and Invest Commissioners at the Meeting and encouraged local businesses to work with them to promote Tonga's exports in key markets. The Prime Minister added that initiatives such as the Pacific Islands Trade and Invest build essential linkages to markets for Pacific island goods and services.

6. In providing the vote of thanks, Minister for Labour, Commerce and Industries, Honourable Lisiate 'Aloveita 'Akolo thanked the Hon. Prime Minister of Tonga, Trade Ministers and their Officials for their presence and wished them well in their deliberations. Minister 'Akolo thanked the Parish Priest of the Catholic Church in Vava'u, Christopher Toutai and the Taoa Youth Choir for gracing the opening ceremony.

7. The meeting adopted the Agenda and the Working Procedures for the Meeting.

SESSION 1: UPDATE ON THE FORUM WORLD TRADE ORGANIZATION OFFICE IN GENEVA

8. The meeting considered an update on the operations of the Office of the Permanent Delegation of the Pacific Islands Forum to the World Trade Organization (WTO) in Geneva, and progress made in the Doha Development Round.

9. Vanuatu and Samoa were congratulated for progress made on their accessions to the WTO. Samoa informed the Meeting that it was in the final stages of WTO accession, had recently signed three bilateral agreements in Geneva to progress their accession, and was making necessary legislative changes. Samoa informed the Meeting that it was expecting to be able to accede to WTO later in the year. Vanuatu informed the Meeting that it is in the final stages of WTO accession, with the accession package expected to be adopted by the General Council later in May 2011. Vanuatu thanked Australia and New Zealand for their support during the WTO accession process. Australia offered their congratulations to these countries and offered further support if needed.

10. Ministers expressed their support for the work of the WTO and for deeper engagement in the WTO by Forum island countries. The Meeting noted that Solomon Islands has established a representative office in Geneva, and that other countries were considering doing likewise. Ministers noted the important role played by the Forum's Geneva Office in representing the interests of Forum island countries and in supporting Forum island country delegations, including both those visiting and those based in European Union Member countries.

Decisions

11. Forum Trade Ministers:

- i) **noted** the developments pertaining to the operations of the Geneva Office, including the funding arrangements for 2011;
- ii) **acknowledged** the funding contribution from Samoa and Solomon Islands towards the Geneva Office;
- iii) **acknowledged** the funding contribution from Australia towards the Geneva Office;
- iv) **urged** those FIC WTO Members and Observers who have not already done so to urgently disburse their agreed contributions to support the operations of the Geneva Office;
- v) **urged** FICs to make good use of the services and training initiatives provided through the Geneva Office;
- vi) **noted** the forthcoming relocation of the Geneva Office to the Commonwealth Secretariat Small States Office;
- vii) **noted** the status of accession by Samoa and Vanuatu to the WTO; and
- viii) **noted** the most recent developments relating to the Doha Development Agenda.

SESSION 2: UPDATE ON PACIFIC ISLANDS TRADE & INVEST

12. The Meeting considered an update on work undertaken by Pacific Islands Trade and Invest in 2010, including the progress of initiatives to streamline and improve the performance of the four Offices. They also considered the first Annual Report of Pacific Islands Trade and Invest.

13. Members commended the work being undertaken by the Pacific Islands Trade and Invest Offices, and urged that they continue to be responsive and supportive of the needs of the Forum island country private sector. Ministers noted the importance of the Japanese market, and the need to continue to support and strengthen the performance of the Pacific Islands Centre in Tokyo. Ministers supported the finalisation of the 10 year Strategy through a comprehensive consultation with Forum island countries, particularly with their private sectors, with a view to ensuring their interests are taken into account. Ministers also noted the importance of the United States of America to many Forum island countries, particularly to the Freely Associated States, and the potential to increase exports to this market.

Decisions

14. Forum Trade Ministers:

- i) **welcomed** the achievements of Pacific Islands Trade & Invest in 2010;
- ii) **welcomed** progress made in 2010 to strengthen the agency's performance;
- iii) **agreed** that further country-based consultation on the 10-year Strategy take place with Members, prior to the Strategy being brought to Ministers for their consideration in 2012;
- iv) **noted** the combined 2010 Annual Report;
- v) **directed** the Secretariat to explore opportunities to undertake a feasibility study on whether a Pacific Islands Trade and Invest Office in the USA can be established, with funding to be secured from the relevant development partners; and
- vi) **agreed** to a further 3-year extension of the arrangement governing the Pacific Islands Centre, contingent on the Centre undertaking a range of performance improvement reforms to bring its activities in line with the other Pacific Islands Trade and Invest Offices including the recruitment of FIC nationals to the Office.

SESSION 3: DEVELOPMENTS RELATING TO TRADITIONAL KNOWLEDGE AND INTELLECTUAL PROPERTY ISSUES

15. The meeting considered an update on developments relating to Traditional Knowledge (TK) and Intellectual Property (IP) issues including the work being undertaken for the development of the Memorandum of Understanding (MoU) for a Regional Trademark Applications System, the implementation of the Traditional Knowledge Action Plan and broader support provided to the Forum island countries on TK and IP work. FSM expressed their interest in being included in Phase 2 of the TK Action Plan.

16. Ministers noted the need for technical assistance to be provided to Forum island countries for the implementation of the MoU on the Regional Trademarks Application System. They noted the work already in progress to develop, review and implement traditional knowledge and intellectual property frameworks.

17. Papua New Guinea was commended for its readiness to host the Examining Body for the Regional Trademarks Application System, in accordance with the decision of Ministers in 2009. Papua New Guinea informed the Meeting that it was undertaking necessary preparatory work to assume this role.

Decisions

18. Forum Trade Ministers:

- i) **acknowledged** the support provided by key technical partners on TK and IP work in the region, including the funding support by the Government of Australia;
- ii) **noted** that national IP bodies will take the MoU forward through extensive national consultations, with a view to finalising the MoU by July 2011;
- iii) **noted** that the Secretariat in partnership with key technical agencies will review Phase 1 of the TK Action Plan, and develop Phase 2 for consideration by the FTOM/FTMM in 2012; and
- iv) **noted** that individual FICs are to submit to the Forum Secretariat, their requests for technical assistance to support implementation of the Regional Trademark Application System and engagement under the TK Action Plan.

SESSION 4(a): PACIFIC ISLANDS FORUM SECRETARIAT TRADE-RELATED WORK PROGRAMME 2010/2011

19. The meeting considered an update on Pacific Islands Forum Secretariat Trade – Related Programme for 2010/2011.

20. Ministers commended the Forum Secretariat for its work, noting its role in the coordination of trade-related work supported by the region's development partners and in its support for the development of national trade policy frameworks in Member countries. Ministers noted that Members are at different stages of development of their Trade Policy Frameworks and the need for the Secretariat to provide adequate technical support. Ministers noted the important role played by the Hub and Spokes Programme to support the development of national trade policy frameworks, and the need to secure financial support to continue the programme. FSM informed the meeting that they had adopted their Comprehensive Trade Policy Framework in early 2011, and observed that the need for support was ongoing as they moved to implement the Framework.

Decisions

21. Forum Trade Ministers:

- i) **noted and welcomed** the work of the Pacific Islands Forum Secretariat in the provision of trade-related assistance in 2010; and
- ii) **directed** the Forum Secretariat to continue to provide support upon request to individual Forum island countries for the formulation and implementation of their Trade Policy Frameworks.

SESSION 4(b): COMPLETION REPORT FOR THE REGIONAL TRADE FACILITATION PROGRAMME

22. The meeting considered the completion report of the Regional Trade Facilitation Programme (RTFP).

23. Ministers noted that continued support for trade facilitation activities, including Customs, Quarantine and Standards related work was needed in Forum island countries. Ministers commended the completion of the RTFP, and acknowledged the ongoing technical assistance provided by SPC, OCO, the World Health Organisation and the Forum Secretariat. Ministers noted that customs and quarantine management and standards and conformance continue to require capacity building. Australia and New Zealand confirmed their continued engagement in supporting trade facilitation activities in Forum island countries to enhance economic integration, including support for customs and quarantine management and trade-related infrastructure. Ministers noted the refresh and renew process for the Pacific Aid for Trade Strategy currently underway, and that this would help to identify further trade facilitation needs that required support. Ministers noted the need to consider future work on trade facilitation, and that this must be determined through consultation with Forum island countries.

Decisions

24. Forum Trade Ministers:

- i) **noted** the RTFP Completion Report;
- ii) **acknowledged** the support provided by implementing agencies OCO, SPC, WHO and the Forum Secretariat in executing the RTFP work programme; and
- iii) **acknowledged** the funding provided by the Governments of Australia and New Zealand under the RTFP.

SESSION 4(c): REVIEW AND STOCKTAKE OF TRADE FACILITATION PROGRAMMES UNDERWAY IN PACIFIC ISLAND COUNTRIES

25. The meeting considered the Report on the Review and Stocktake of Trade Facilitation Activities in Pacific Islands. Ministers noted that further consultations in Forum island countries were needed to finalise the Report.

Decisions

26. The Forum Trade Ministers:

- i) **noted** the draft Report on the Review and Stocktake of Trade Facilitation Activities in the Pacific Islands;
- ii) **agreed** that additional time is needed for further consultations at the national level and with the implementing agencies;

- iii) **agreed** that feedback on the Report, including the appendices be submitted by July 2011, following which the Report will be finalized; and
- iv) **agreed** that the appendices to the final Report should be made available to the public.

SESSION 5(a): UPDATE ON THE SECOND AND THIRD PACIFIC AGREEMENT ON CLOSER ECONOMIC RELATIONS (PACER) PLUS OFFICIALS MEETINGS

27. The meeting considered Chairs' reports of Second and Third PACER Plus Officials Meetings held in Honiara, Solomon Islands from 19-20 October 2010 and Koror, Palau from 14-15 March 2011.

Decisions

28. Forum Trade Ministers:

- i) **welcomed** the Outcomes from the Second PACER Plus Trade Officials Meeting held in Honiara, Solomon Islands and the Third PACER Plus Trade Officials Meeting held in Koror, Republic of Palau;
- ii) **noted** that the CTA has been working to engage Fiji consistent with Forum Leaders' decision of 2009, but that Fiji had declined to be briefed; and
- iii) **reaffirmed** that consistent with the decision of Leaders in 2009, the CTA should continue to seek to engage Fiji to provide a briefing on outcomes of Meetings and report any views from Fiji back at subsequent meetings of Trade Ministers.

SESSION 5(b): UPDATE ON THE NON-STATE ACTORS (NSAs) DIALOGUE ON PACIFIC AGREEMENT ON CLOSER ECONOMIC RELATIONS (PACER) PLUS

29. The meeting considered the Chair's report of Non-State Actors Dialogue on PACER Plus held in Honiara, Solomon Islands on 18 October 2010.

Decisions

30. Forum Trade Ministers:

- i) **noted** the consultations undertaken with NSAs, and the Forum Secretariat's role in organizing the NSA Dialogue on PACER Plus as mandated by the Forum Trade Ministers; and
- ii) **noted** that the next NSA Dialogue on PACER Plus would be held in the margins of the next PACER Plus Officials Meeting.

SESSION 5(c): UPDATE ON THE ESTABLISHMENT AND OPERATION OF THE OFFICE OF THE CHIEF TRADE ADVISER (OCTA) FOR PACER PLUS NEGOTIATIONS

31. The Meeting discussed a number of issues relating to the role and work of OCTA. Ministers noted the letter from the Chair of the Forum Island Country Trade Ministers' Meeting regarding funding arrangements for OCTA. Australia and New Zealand reaffirmed their commitment to fund OCTA for the purpose of PACER Plus negotiations. New Zealand confirmed that they were developing an agreement to provide support for OCTA to September 2011, and welcomed the work done by the OCTA towards an MOU framework for PACER Plus. Ministers noted that the Freely Associated States would undertake consultations with USA as one of their PACER Plus activities.

Decisions

32. The Forum Trade Ministers:

- i) **noted** the decision of Ministers in 2010 to note that Forum Trade Ministers agreed in October 2009 to establish the OCTA to assist Forum island countries on PACER Plus matters only, and that they had not agreed to create a new international or regional organization;
- ii) **noted** the update on the establishment of OCTA;
- iii) **agreed** that funding arrangements between development partners and OCTA should not compromise the independence and integrity of OCTA operations and activities;
- iv) **noted** all current arrangements in the provision of trade negotiations advice to Forum island countries;
- v) **recommended** that the above arrangements be discussed at the Forum Leaders' Meeting in September 2011; and
- vi) **noted** that Australian and New Zealand funding for OCTA be provided to undertake PACER Plus work without prejudice to discussions by Forum Leaders in September 2011.

SESSION 5(d): WAY FORWARD ON PACER PLUS NEGOTIATIONS

33. The Meeting discussed the way forward on PACER Plus negotiations. Ministers noted the need to progress PACER Plus negotiations with a meeting focused on selected priority issues as agreed by Forum Trade Ministers. Australia and New Zealand undertook to respond to issues raised by Forum island countries regarding labour mobility prior to the next meeting. Ministers raised the need to ensure the appropriate organizations and Officials from relevant Ministries and Departments should be present at meetings of PACER Plus Officials, and that additional resources would be required to support this. Australia offered to host the next meeting of the PACER Plus Officials, and undertook to consult further on the arrangements for the meeting.

Decisions

34. The Forum Trade Ministers:

- i) **agreed** that the next Meeting of the PACER Plus Officials be held before the end of 2011, preferably in November;
- ii) **noted** the possibility of another Meeting of PACER Plus Officials being held in early 2012, prior to the next FTOM/FTMM;
- iii) **agreed** that the agenda of the next meeting of PACER Plus Officials should focus on Customs Procedures, Rules of Origin and Labour Mobility, including related development assistance issues, with other priority areas to be discussed at subsequent meetings; and
- iv) **thanked** the Government of Australia for their offer to host the next PACER Plus Officials meeting.

SESSION 6: DISCUSSIONS BETWEEN MEMBERS ON TRADE NEGOTIATIONS

35. The meeting noted the consultations and negotiations of trade and economic agreements that Australia and New Zealand are currently undertaking with other trading partners.

SESSION 7: NEXT MEETING OF FORUM TRADE OFFICIALS AND MINISTERS

36. Ministers welcomed the offer by the Republic of the Marshall Islands to host the next Forum Trade Ministers Meeting.

SESSION 8: OTHER BUSINESS

Request by the Pacific Islands Private Sector Organization for Observer Status at FTOM/FTMM

37. The meeting considered the request by the Pacific Islands Private Sector Organization (PIPSO) for observer status at FTOM/FTMM.

38. Ministers noted PIPSO's role and work in the region. Ministers also noted the need for Officials and Ministers to retain the flexibility to invite relevant technical agencies and regional organisations to Trade Meetings as required. Ministers noted that private sector events could be held in conjunction with future trade meetings.

Presentation from New Caledonia

39. Honourable Anthony Lecren, Minister for Economy, Foreign Trade and Sustainable Development from New Caledonia, informed the Meeting that the recently elected Government wished to place regional economic integration at the forefront of its priorities. The Minister reminded the meeting of New Caledonia's request for accession to full membership of the Pacific Islands Forum, in which it was supported by the Government of France. Minister Lecren

emphasized the wish of the Government of New Caledonia to take part in meetings of Forum Ministers and Leaders as a full Member of the Forum.

40. Minister Lecren informed the Meeting that New Caledonia has in the past explored the possibility to take part in negotiations of the Pacific Island Countries Trade Agreement in cooperation with the Forum Secretariat. He said that New Caledonia wished to reactivate cooperation on this matter, and that New Caledonia wished to quickly progress work to accede to PICTA. He asked for the support of Forum Members in this matter.

Decisions

41. Forum Trade Ministers:

- i) **agreed** that subject to a positive assessment of the Consultative Status Committee of the Forum, PIPSO could be invited by Ministers to attend Forum Trade Officials Meetings and related events.

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 the Kingdom of Tonga for hosting the Meeting.

19 May 2011
Pacific Islands Forum Secretariat
Vava'u, Kingdom of Tonga