



PACIFIC ISLANDS FORUM SECRETARIAT

PRIVATE SECTOR DIALOGUE

**Enhancing Transport Solutions for increased Trade and
Mobility - Connecting North and South Pacific**

2-3 September 2013

Republic of the Marshall Islands

STATEMENT TO PACIFIC ISLANDS FORUM LEADERS

Honourable Leaders

1. The Private Sector appreciates the opportunity to be able to interact and dialogue with the Leaders.
2. The Private Sector Dialogue this year is the fourth such opportunity since 2010. The regional private sector representatives met earlier in the week to deliberate on issues of importance to the private sector in the region.
3. This year, we chose to focus on the critical issue common to all the Pacific island countries. We considered options for “Enhanced Transport Solutions for increased trade and mobility”, and ways in which we can “connect the North and South Pacific”.
4. Mobility of goods, services, capital, technology and people amongst the economies of the Pacific islands are the best way to support development and regional economic integration. The region’s master plan for integration, the Pacific Plan, identifies effective and efficient transport solutions as the key driver for regional integration. Lack of effective transport solutions restricts development of trade and tourism, hence restricts regional integration and limits connectivity with global markets.
5. The private sector recognises the efforts that have been made to date at national and regional level to provide transport solutions for the people in the Pacific. In

particular, we note the attempts by the Pacific region to own regional airline and shipping company; attempts to introduce sub-regional transport services; existence of the Framework for Action on Transport Services; commitments under the Pacific Island Countries Trade Agreement Trade in Services Protocol to liberalise transport sector services; the Pacific Islands Air Services Agreement; existences of shipping commissions; and many other initiatives that support transport sector in the Pacific islands including the Leaders declaration in 2004 on Forum Principles on Regional Transport Services.

6. Noting that there are still immense opportunities for enhanced transport solutions, we need to take into account lessons from the past, and move ahead with new innovative engagements that bring businesses closer to governments, including support for current initiatives that are feasible.

7. We note the work being undertaken by the Pacific Regional Infrastructure Facility partners, and the support of development partners and others in driving positive developments in the transport sector in the region.

8. We seek your support in the development of an enhanced transport network in the Pacific to support growth in sectors such as tourism, fisheries, land and offshore mining, fuel transshipment, education, health, employment, and connecting families.

9. The Pacific Private Sector calls on the Leaders for political leadership and commitment in enhancing the transport solutions to connect the North and the South Pacific, and to follow through its implementation.

10. It is essential that some Governments' interest in protecting their national transport providers does not restrict the region from exploring options that are feasible at sub-regional or regional levels.

11. We strongly encourage structured competition in the transport sector, both in domestic and international markets, with incentives to entice additional entrepreneurs in the Pacific. Innovative financing modalities and solutions such as build, own, operate and transfer options need to be considered to support private sector involvement in the transport sector.

12. The transport needs for the Smaller Island States are unique. For transport routes that are currently not viable commercially, we suggest that route subsidy or franchising options should be considered through a transparent tendering process for the allocation of subsidies. We request that a 'North-South/East-West' pilot initiative be undertaken to confirm the feasibility of a 'sub-regional' subsidised route involving countries that are ready to make commitments. A 'Transport Route Development Fund' could facilitate funding of routes of strategic and economic importance to the region.

13. We seek your urgent attention in the development of air and maritime transport linkages for the north-south and the east-west Pacific routes. If the sub-regional level engagements are not providing the required solutions, we encourage that bilateral arrangements be explored as an immediate priority to support economic development. Collaboration and partnership with regional and local airlines to provide more comprehensive services through wet leases, code and capacity sharing arrangements need to be supported.

14. Further, unproductive regulations and regulatory entities that inhibit effective facilitation of transport solutions be removed.

15. A significant cost component of transport is fuel. Every effort needs to be made to ensure that fuel costs are competitive in the region. Logistics costs at the ports are also significant, and the governments should introduce efficiency in the operations and management of the ports, including through private sector involvement.

16. Transport solutions in the region require support from the Government and Development Partners, and stronger and sustainable Public-Private Partnerships should be

vigourously pursued with an adequate enabling environment. We call on Governments' support for increased involvement of local investors and contractors in transport infrastructure projects in a transparent manner, with the strategic objective of building local capacity. Investments in transport infrastructure and equipment should be made with a long term perspective. We seek Leaders support in the development of sustainable transport options that utilise renewable energy solutions.

17. To sustain transport linkages, it is extremely important to ensure that cargo and people traffic in both directions do not diminish. We therefore encourage that regional integration initiatives be intensified to increase trade and mobility of people within the Pacific islands. To support increased mobility of goods and people within the region and beyond, we seek Leaders efforts in removing barriers to entry of goods and services, including cumbersome processes to obtain visas.

18. The Pacific Plan Review discussions have highlighted the role of regional solutions to address transport and related infrastructure issues in the Pacific. We suggest that effective and efficient transport solutions for trade and mobility to be an integral part of the revised Pacific Plan initiatives to assist in economic development and integration initiatives in the Pacific.

19. As we seek to find innovative and enhanced transport solutions, we should not compromise the safety and security of our people.

20. Recognising the inter-relationship between air, land and maritime transports, our islands require **immediate** improvements in transport solutions. The Private Sector stands ready to invest in improved services, and looks to governments for the provision of an enabling environment in the transport sector to collectively improve the livelihood of our Pacific people.

Komoltata.