



REMARKS BY THE MSG DIRECTOR GENERAL

LEONARD LOUMA, OBE

**AT THE SIGNING OF THE HOST AGREEMENT FOR THE MELANESIA TRADE ADVISER
BETWEEN MSG SECRETARIAT AND PACIFIC ISLANDS FORUM SECRETARIAT**

7.30am (Singapore time) on Monday, 6 June, 2022

Secretary General of the Pacific Islands Forum Secretariat (PIFS), Mr. Henry Puna

Deputy Head – EU Delegation for the Pacific, His Excellency Dr. Erja Askola

Excellencies

Senior Officials from the Melanesian Spearhead Group (MSG) region

Distinguished Guests

Ladies and Gentlemen

Good morning to you all.

First of all, let me apologise for having to deliver my remarks through this pre-recorded message. By the time these remarks are played, I will be airborne enroute to Bali from Singapore.

I have asked the Deputy Director-General, Mr. George Hoa'au, to sign the Agreement on behalf of the MSG Secretariat.

I am delighted to acknowledge the signing of the 'Host Agreement with Pacific Islands Forum Secretariat (PIFS) to facilitate the deployment of the Melanesia Trade Adviser' to the Melanesian Spearhead Group (MSG) Secretariat.

You can be assured that we will do our utmost to ensure that the occupant of this position, Ms. Jill Juma, will be well looked after and assisted in our household at the MSG Secretariat.

Today's event is an important testament to the MSG Secretariat's firm commitment and resolve in strengthening strategic partnerships with the PIFS. And under my watch, I intend to further deepen this collaboration between our two organisations.

I am informed that this hybrid model is a 'first' for the Pacific. As such, I would like to commend PIFS for embarking on this new initiative to support the deployment of three Sub-Regional Trade Advisers to the Pacific, one of whom recently joined the MSG Secretariat to serve the MSG sub-region.

At the risk of belaboring the point, let me state that the MSG is a significant grouping of countries consisting of Fiji, PNG, Solomon Islands, Vanuatu and the FLNKS of New Caledonia.

By and large, excluding Australia and New Zealand, the MSG constitutes almost 98% of the land area, 86% of the population and accounts for almost half of the Pacific's EEZ. By some calculations, MSG possesses close to 90% of the natural resources as well as 91% of the Pacific Island Countries Gross Domestic Product (GDP).

Against this background, the MSG does, and must, bear a corresponding corporate responsibility to be at the forefront of regional actions towards strengthening economic integration and regionalism within our Blue Pacific Continent.

The MSG aims to achieve economic prosperity and sustained growth under the *MSG 2038 - Prosperity for All Plan*. Over the years, the MSG has grown in strength to become a strong sub-regional trade and economic bloc.

The spirit and desire to grow our joint efforts in trade and economic integration, will underpin the enormous prospects to enhance MSG solidarity for the future.

The MSG's sub-regional economic integration agenda, is being pursued as a fore runner, to achieve regional economic integration in the Pacific. The MSG has successfully formed the Melanesian Free Trade Area. Overtime, this will lead to increasing growth of MSG made originating products such as: Fiji Water, PNG Ox and Palm corned beef, Solomon Blue canned tuna, Vanuatu beef, Vanuatu kava, to name but a few, obviously taking advantage of duty free access under the MSG Trade Agreement, the Pacific Island Countries Trade Agreement (PICTA) arrangements and the EPA.

As I have just alluded to, in our collective efforts to broaden and deepen trade and economic relations, the MSG has developed the Melanesian Free Trade Agreement (MFTA). The MFTA, which is a comprehensive trade agreement, covers trade in goods and now has been expanded to include trade in services, cross border investments and labour mobility to strengthen an increasingly economically integrated region comprising a market of more than 11 million people.

The Melanesian Free Trade Agreement aims to unlock potential and expand existing trade and investment opportunities to incentivize private sector and in turn, generate employment, foreign exchange earnings, economic growth and sustainable development of our MSG economies.

The Agreement has been signed by Fiji and Solomon Islands. We are now anxiously awaiting Papua New Guinea and Vanuatu to complete their pre-requisites to allow them to sign and ratify the MFTA in the near future.

The 'Strengthening Pacific Intra-Regional and International Trade' or commonly referred to as SPIRIT Project, a component of the EDF11 Pacific Regional Integration Support (PRISE) Programme, is also closely aligned to Economic Prosperity, a core objective endorsed by the MSG Leaders in the *MSG 2038 - Prosperity for All Plan*.

The Host Agreement with PIFS aims to strengthen the MSG members of the PACP countries trade related capacities, increase their trade competitiveness and enhance their capacity to benefit from international trade through the implementation of Economic Partnership Agreement (EPA).

The SPIRIT project complements the MSG's Trade and Investment Programme initiatives to support and advance the implementation of several chapters of the MFTA in the areas of Trade in Services, Electronic Commerce and Regional Integration Trade Statistics. Strengthening sub-regional integration would accelerate the regional integration agenda for the Pacific.

Specifically, the PIFS SPIRIT Project aims to improve the capacities of the MSG region to undertake trade reforms and strengthen member countries' understanding and implementing of its international commitments under various trade agreements, including the Economic Partnership Agreements (EPA) and the MSG Trade Agreement.

The benefits from the EDF11 PRISE Programme specifically the SPIRIT Project will strengthen MSG members of the PACP countries trade and investment policies to facilitate increased exports of goods and services within the Melanesia, in the Pacific and with the rest of the world.

The entry into force of the Host Agreement with PIFS will go a long way towards supporting the MSG region to reap the benefits from the SPIRIT Project contributing substantially towards strengthening intra-regional trade and international trade.

To this end, I am grateful towards the support and cooperation of the team who have worked tirelessly to complete work on the Host Agreement.

As I conclude my remarks, it would be remiss of me not to commend and express our profound gratitude and sincere appreciation to the European Union (EU) for its substantial financial contributions to the EDF11 PRISE Programme for the Pacific. I am deeply grateful for the EU's unwavering support to the Pacific - which would also mutually benefit the MSG in many ways.

With these few remarks, I thank you.

Tankiu tru

Tank tu tumas

Merci beaucoup

Vinaka Vakalevu

6 June, 2022