



PACIFIC ISLANDS FORUM SECRETARIAT

PIFS (09) FTMM.2

SPECIAL FORUM TRADE MINISTERS MEETING

23 - 24 October 2009

Marriott Hotel

Brisbane, Australia

OUTCOMES DOCUMENT

The Forum Trade Ministers met in Brisbane, Australia on 23 - 24 October 2009. Member Countries represented were Australia, Cook Islands, Federated States of Micronesia, Kiribati, Nauru, New Zealand, Niue, Palau, Papua New Guinea, Republic of the Marshall Islands, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu. Observers comprised representatives from the Oceania Customs Organisation (OCO) and the Secretariat of the Pacific Community (SPC). The Meeting was chaired by Mr Simon Crean, Minister for Trade, Australia.

2. The Meeting opened with a prayer from the Reverend Milo Toleafoa Fa'aleava of the Congregational Christian Church of Samoa in Australia.

3. The objectives of the Meeting were to consider and make decisions on progress made toward the appointment of the Chief Trade Advisor and the establishment of the Office of the Chief Trade Advisor, and the framework for the PACER Plus negotiations including timelines for the negotiations, identification of issues relating to PACER Plus arrangements common to all Forum countries, and issues in respect of which the CTA could negotiate. The meeting also discussed the preparatory work for PACER Plus negotiations, including engagement with Non-State Actors, and other matters relating to PACER Plus.

4. The Chair opened the meeting by acknowledging the traditional owners of the land, and by expressing sympathy to Samoa and Tonga for the tragedy of the recent tsunami. The Chair also acknowledged the passing of Vanuatu Member of Parliament Ture Cailo. Turning to the focus of the Meeting, the Chair noted the importance of economic growth for the sustainable development to all Member countries. He spoke of the consistency between PACER Plus and the Cairns Compact, and stated that the negotiation of PACER Plus would support the Compact's goal of lifting the economic performance of the region. He highlighted the recognition in the Compact of the importance of broad-based private-sector-led growth, and the role that greater trade and investment liberalisation would play to advance the process. He noted that consultations had been going on for some time at both the Ministerial and Officials level. He emphasised that the task for the Meeting was to deliver on Leaders vision for PACER Plus to promote the sustainable economic development of Forum island countries, and that this should be underpinned by capacity building and development assistance. The Chair concluded by saying that the goal of all Forum Member Countries was broader and more diversified economic growth that would raise standards of living throughout the region and boost the economic prospects of Forum Island Countries.

SESSION I: UPDATE ON THE APPOINTMENT OF THE CHIEF TRADE ADVISOR (CTA) AND THE ESTABLISHMENT OF THE OFFICE OF THE CTA

5. The Meeting was provided with an update on the appointment of the Chief Trade Advisor and recent developments in the establishment of the Office of the Chief Trade Advisor. The Secretariat reported that the recruitment of the Chief Trade Advisor had been facilitated by them in accordance with the decisions of the FTMM of June 2009. The Secretariat advertised the position, and interviews were conducted on 7 October 2009 by an interview panel led by the Tongan Minister for Labour, Commerce and Industry, Honourable Lisiate 'Akolo.

6. The Chair invited Honourable William Haomae, Minister for Foreign Affairs and External Trade to update the meeting on progress made in the appointment of the Chief Trade Advisor.

7. Minister Haomae informed the meeting that Forum Island Country Ministers had agreed to appoint Dr Christopher Noonan as the Chief Trade Advisor. Vanuatu Minister for Trade and Business Development, Honourable James Bule, informed the meeting that progress was being made toward establishing the Office in Vanuatu. The Secretary General told the meeting that the Secretariat would expedite the employment of the Chief Trade Advisor, who would initially join a special unit within the Secretariat pending the move to Vanuatu.

8. Australia and New Zealand reaffirmed their commitment to fund the Office of the Chief Trade Advisor, with contributions of AU\$500,000 and NZ\$650,000 per annum respectively for a period of three years. They noted that Australia's initial contribution of AU\$250,000 and New Zealand's contribution of NZ\$650,000 towards the first year's operational costs of the Office had been disbursed to the Pacific Islands Forum Secretariat. Australia and New Zealand affirmed that the funding mechanisms are flexible enough to accommodate the establishment of the Office in Port Vila, and that commitments will be fully honoured. Forum Island Country Ministers thanked Australia and New Zealand for their funding for the Office of the Chief Trade Advisor and emphasized the need to ensure adequate funding was available for the effective functioning of the Office. Ministers discussed the need for the Chief Trade Advisor to move quickly to secure funds from other donors for the operation of the Office.

Decisions

9. Ministers:

- (i) **Noted** the decision of Forum Island Countries to appoint Dr Christopher Noonan as the Chief Trade Advisor;
- (ii) **Thanked** the Governments of Australia and New Zealand for their funding to establish the Office of the Chief Trade Advisor; and
- (iii) **Thanked** Vanuatu for progress made toward the establishment of the Office of the Chief Trade Advisor in Port Vila.

SESSION II: FRAMEWORK FOR PACIFIC AGREEMENT ON CLOSER ECONOMIC RELATIONS (PACER) PLUS NEGOTIATIONS

10. The Chair asked Mr Ric Wells, Deputy Secretary of the Department of Foreign Affairs and Trade, Australia and Chair of the Forum Trade Officials' Meeting, Australia, to present the outcomes of the Forum Trade Officials' Meeting and bring the recommendations of Officials to the attention of the Meeting.

11. Mr Wells noted the proposal by Officials that no more than three Trade Officials meetings per year be undertaken, in addition to the annual Forum Trade Officials'/Ministers' Meetings. He highlighted the priority issues recommended by Officials for early negotiation.

12. Minister Haomae informed the meeting of the outcomes of earlier discussions between Forum Island Country Ministers. He highlighted the Ministers' shared interest for the regional negotiating machinery to be defined in order to advance negotiations. He also informed the Meeting that Forum Island Country Ministers had emphasized the need for extensive national consultations that include all relevant Government agencies and Non-State Actors, and the need to schedule national consultative processes.

Decisions

13. Ministers:

- (iv) **Agreed** that there be no more than three Forum Trade Officials Meetings on PACER Plus be undertaken per year in addition to annual Forum Trade Officials'/Ministers' Meetings;
- (v) **Agreed** that, when appropriate, additional Forum Trade Ministers' Meetings would be called;
- (vi) **Agreed** that national consultations are essential.
- (vii) **Agreed** that during the preliminary stage of negotiations, within the next 12 months, Members would focus on:
 - a. consolidating the Office of the Chief Trade Advisor;
 - b. intensifying national consultations, bearing in mind the differing capacities of Members to undertake consultations; and
 - c. undertaking meetings at Officials level to deepen understanding on common priority issues including, but not limited to:
 - Rules of Origin;
 - Regional Labour Mobility (beyond Mode 4);
 - Development Assistance, focusing on physical infrastructure for trade, trade development and promotion; and
 - Trade Facilitation, including Sanitary and Phytosanitary Measures, Technical Barriers to Trade, Standards and Customs Procedures.

- (viii) **Noted** that Members also identified the following priority issues for discussion: Services, including Health, Education, Telecommunications, Shipping and Aviation; Investment; Economic Cooperation; and Environment including renewable energy.
- (ix) **Agreed** that, during this preliminary stage, it would be premature to table any draft consolidated legal text.

SESSION III: DISCUSSIONS ON THE PREPARATORY WORK FOR PACER PLUS NEGOTIATIONS

14. Ministers discussed and emphasized the importance of consultations with stakeholders including the private sector and non-government organizations. They also discussed the important role played by national consultative groups in informing and building support for negotiations.

15. Ministers discussed the importance of engagement with Non-State Actors in the PACER Plus process. Ministers then discussed the issues and challenges of ensuring adequate consultation and funding for capacity development.

16. Countries discussed progress made in capacity development activities through their use of funds provided by Australia and New Zealand in preparation for negotiations.

Decisions

17. Ministers:

- (x) **Noted** the importance of national consultations with Non-State Actors;
- (xi) **Noted** that these consultations will be wide-ranging and include many communities and stakeholders;
- (xii) **Recognized** that the process of consultation with Non-State Actors had begun in some countries; and
- (xiii) **Directed** the Secretariat to organize an annual discussion with regional Non-State Actors on PACER Plus issues in the margins of a Forum trade meeting.

SESSION IV: THE ROLE OF PACIFIC ISLANDS FORUM SECRETARIAT AND THE OCTA IN THE PACER PLUS NEGOTIATIONS

18. Ministers discussed the role of the Secretariat and the Office of the Chief Trade Advisor in the PACER Plus negotiations. Ministers noted that the Secretariat would provide necessary secretarial and logistics support for meeting of all Members to negotiate. The Office of the Chief Trade Advisor will be responsible for supporting Forum Island Countries in their PACER Plus engagement.

19. Ministers agreed that the Secretariat's role was to provide administrative and secretarial support to PACER Plus negotiations for meetings involving all Members including coordinating meetings, travel, circulation and drafting of documents, and finalization of outcomes documents. Ministers reiterated that the provision of policy advice and capacity building to Forum Island Countries in relation to PACER Plus will be the responsibility of the Office of the Chief Trade Advisor.

OTHER BUSINESS

20. Ministers discussed how to operationalise the decision of Leaders in Cairns regarding Fiji and PACER Plus.

Decisions

21. Ministers:

- (xiv) **Agreed** that Solomon Islands, as Lead Spokesperson for Forum Island Countries in the PACER Plus negotiations, would brief Fiji Officials on the outcomes of this Meeting and report any views from Fiji back to the next Meeting;
- (xv) **Agreed** that future briefing and liaison with Fiji Officials be undertaken by the Chief Trade Advisor, who would report any views from Fiji back at subsequent meetings of Trade Ministers;
- (xvi) **Agreed** that Officials would meet in the first quarter of 2010, and that the next Ministerial meeting would take place in late April or May in the Federated States of Micronesia or Palau; and
- (xvii) **Directed** the Secretariat to finalise a date convenient to all Ministers in January 2010.

22. The Chair thanked the participants for their contribution to the Meeting. The participants congratulated the Chair for the excellent conduct of the meeting.

Pacific Islands Forum Secretariat
23-24 October 2009
Brisbane, Australia.