

AID FOR TRADE IN ASIA AND THE PACIFIC: PROMOTING CONNECTIVITY FOR INCLUSIVE DEVELOPMENT

7–8 FEBRUARY 2018

SESSION 2: ISSUES FOR INCLUSIVE DEVELOPMENT IN THE PACIFIC

REGIONAL TRADE AGREEMENTS: WAY FORWARD FOR OPEN REGIONALISM IN THE PACIFIC

SHIU RAJ (SHIUR@FORUMSEC.ORG)

DIRECTOR PROGRAMMES & INITIATIVES

PACIFIC ISLANDS FORUM SECRETARIAT



Australian Government
Department of Foreign Affairs and Trade



**WORLD TRADE
ORGANIZATION**



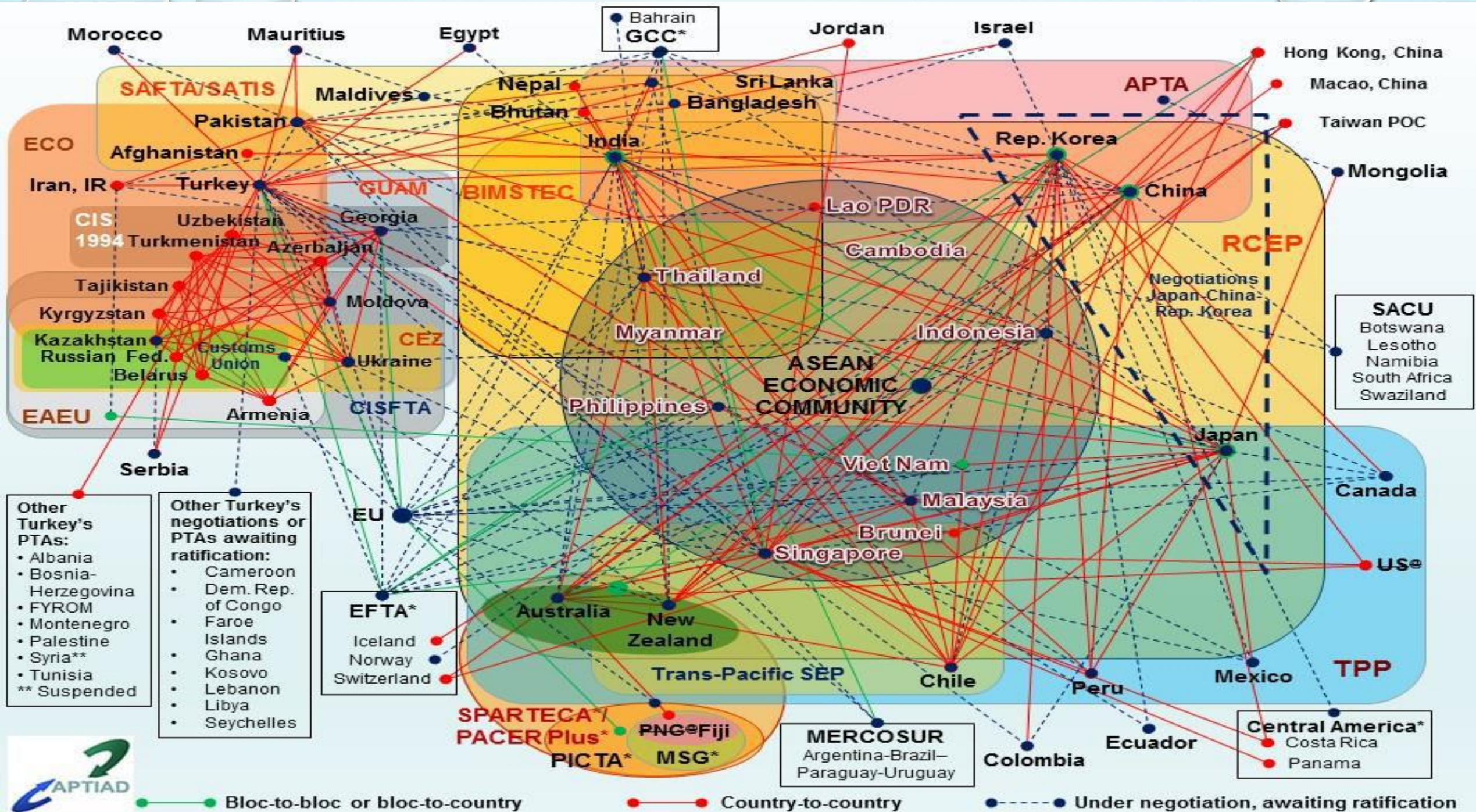
**PACIFIC ISLANDS
FORUM SECRETARIAT**



Celebrating the Pacific, Shaping its Future

REGIONALISM IN THE PACIFIC

- PACIFIC PLAN TO FRAMEWORK FOR PACIFIC REGIONALISM
- MERITS OF REGIONALISM – ARE WE ALL PRODUCING THE SAME PRODUCTS?
- FPR PRIORITIES – CLIMATE CHANGE/RESILIENCE, FISHERIES, WEST PAPUA, CERVICAL CANCER, ICT, BUSINESS HARMONIZATION & MOBILITY, DISABILITY...
- THE BLUE PACIFIC NARRATIVE
- LINKAGES WITH TRADE AGREEMENTS



*Not all members shown / @Withdrawals: US (TPP); PNG (PACERPlus) / PTAs not represented: GSTP, D-8 PTA and PTN (in force) and TPS/OIC (under negotiation)

TRADE AGREEMENTS (~) IN THE REGION

BILATERAL AGREEMENTS – GOODS, SERVICES, LABOUR

MSGTA

MTEC

PICTA/PICTA-TISPO

SPARTECA/SPARTECA-TCF

PACER PLUS

WTO

INTERIM EPA / EPA

GSP/GSP+

OPEN REGIONALISM (COMPATIBILITY BETWEEN AGREEMENTS)

- RECOGNITION THAT DEEPER LEVELS OF INTEGRATION IS DESIRED AMONGST SUB-GROUPS
- MEMBERS WANTING TO KEEP OPTIONS OPEN - MFN
- CERTAIN ASPECTS HARMONIZED OVER TIME – MSG (+/- LIST), PICTA ROO, ETC.

ISSUES:

- UNDER-UTILISATION OF SOME AGREEMENTS: 8/14 FOR PICTA
- PRIVATE SECTOR OVERWHELMED?
- ADMINISTRATIVE COSTS TO MANAGE DIFFERENT REGIMES
- POLICY SPACE – PACIFIC-ASIA ENGAGEMENT

REGIONALISM TESTS - ILLUSTRATIONS

- MARKET TEST – CANNED FISH, RICE
- REGIONALISM (SUB) TEST – PHARMACEUTICAL
- SOVEREIGNTY TEST – PETROLEUM (BULK PROCUREMENT)
- POLITICAL OVERSIGHT TEST – SUGAR, TOMATOES
- BENEFIT TEST – AIR SERVICES (PRIDE?)
- RISK & SUSTAINABILITY TEST – PINEAPPLES
- DUPLICATION TEST – SEAFOOD

CONCLUSIONS

- FROM TRADE LIBERALIZATION TO ECONOMIC COOPERATION/DEVELOPMENT
 - GOODS TO SERVICES & INVESTMENT
 - TARIFFS TO NTMS/SPS/TBT ETC
- TRADE AND INVESTMENT CREATION/FACILITATION/PROMOTION
- IMPROVED MOBILITY OF CAPITAL, LABOUR & TECHNOLOGY
- INVESTMENTS IN TRADE INFRASTRUCTURE - PAFTS, CONNECTIVITY (ICT, TRANSPORT, ...)
- AFT TO BUILD EFFICIENCIES - ADDRESS SCALE/CRITICAL MASS ISSUES