



Government of
Samoa

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Foreign Affairs and Trade Bulletin

MINISTRY OF FOREIGN AFFAIRS & TRADE
APRIL — JUNE 2008

Pacific Agreement on Closer Economic Relations (PACER): Current Status

PACER is a framework agreement that establishes the guidelines for the future development of trade relations among the 14 FICs and with the two developed country members of the Pacific Islands Forum, Australia and New Zealand.

Under PACER, negotiations over a preferential trade agreement between the FICs and Australia and New Zealand were to begin 8 years after PICTA came into force (i.e. 2011). However, negotiations may begin earlier by mutual consent or if triggered by the FICs commencing negotiations of preferential trade agreements with other developed countries, such as Economic Partnership Agreements (EPA) with the EU.

In November 2007, two PACER Parties, Fiji and Papua New Guinea, signed an Interim EPA with the EU.

Furthermore, all Pacific ACP States (PACPS) are currently engaged in discussions with the European Community to conclude a comprehensive EPA that may or may not impact on obligations contained in Article 6(3) (a) of PACER relating to consultations followed by negotiations with Australia and New Zealand.

An informal meeting of Senior Trade officials was held on 26—28 May 2008 in Auckland, New Zealand.

Items discussed during the informal meeting include:

- (i) the context for moving PACER forward;
- (ii) the objectives of a PACER Plus Agreement;
- (iii) the coverage of the agreement;
- (iv) What sort of structure will the agreement have;
- (v) the economic implications of trade liberalization;
- (vi) rules of origin to be used for trading;
- (vii) what is the process for moving forward; and
- (viii) capacity building and development assistance.

It ought to be noted that the Pacific Trade Ministers during a meeting held in March 2008, decided that; a detailed study be undertaken to examine the viability of ‘Strengthened Cooperation Arrangements’ for substantially increased development aid tied to acceptable governance criteria; and that the PACPS and the Secretariat engage in further work to assess the viability of a set of investment incentives schemes that could stimulate investment growth in PACPS.

The above informal consultations and the proposed study are essential in guiding the country on the next steps before engaging in consultative arrangements for PACER.

Utilising Trade Policy as a means of Increasing Contribution of Trade to Economic Development.

Trade policy encompasses all the tools that governments may use to encourage or restrict imports and exports. These can take the form of tariffs, quotas, and voluntary export restraints. Domestic regulations, such as mandatory health and safety standards, can also serve as trade policy tools, if they are utilised to prevent or encourage goods or services to be brought into the domestic economy. Subsidies, payments by the government to encourage the production of certain products, can be considered trade policy tools, particularly if directed at encouraging exports.

Trade policy also includes the approach taken in trade negotiations. In participating in the multilateral trading system and/or negotiating bilateral and regional trade agreements, a country is likely to assume obligations that will become part of, and shape her national trade policy.

Whereas no standard formula exists for how best to channel trade policy as an instrument for development; each country has its own political, social and economic conditions shaping its trade policy, and consequently, participation in bilateral, regional and international trading arrangements and agreements.

The process of developing a Trade Policy Statement for Samoa was initiated by the

Ministry of Foreign Affairs and Trade. A series of meetings and consultative sessions with stakeholders have been conducted since 2007 when the process was initiated. The underlying objective being to identify, current trade policy tools, challenges relating to engaging in trade and also trigger further discussion on prospective solutions to the problems identified.

Though a National Trade Policy Framework is being created as a result, it was deemed necessary to develop a Trade Policy Statement in the interim. The statement is for purposes of informing stakeholders and the various trade partners that could be interested in Samoa's trade related policies before trading with Samoa. It briefly lays out the current tools and policies related to trade that Samoa's government uses to encourage or restrict imports and exports. These include domestic regulations, utilised to prevent or encourage goods or services to be brought into the domestic economy. Subsidies, such as those contained in the Duty Concession Scheme among others are reflected. Regional and multilateral arrangements and Agreements, such as Pacific Island Countries Trade Agreement (PICTA), Pacific Agreement on Closer Economic Relations (PACER), Economic Partnership Agreement (EPA) and World Trade Organisation

(WTO), that the country is party to, or in the process of acceding to are also presented.

The Trade Policy Statement was extracted from a Draft National Trade Policy Framework (Background document) being developed and with the Ministry. This Background document, identifies the key drivers of Samoa's recent trade performance, assesses current trade related policies, and proposes recommendations to strengthen the integration of Samoa into Multilateral and Regional trading arrangements. It also identifies the core obstacles in the on-going trade integration process. The underlying objective of the National Trade Policy is to ensure an increase in the contribution of trade to the economic Development of Samoa.

For the first time, the Strategy for the Development of Samoa 2008-2012(SDS) specifically recognises Trade Policy as an important area of economic development. In fact, trade policy is one of the instruments identified to ensure that the goal of a private-sector led economic growth and employment creation is achieved.

Enhanced Integrated Framework

Since the last IF update the IF Focal Point has taken up the 'stand in' role for a team leader and commenced work on compiling and piecing together the Aide Memoire. This was a product of the preliminary DTIS mission which ended the Sensitization Workshop held in late January this year. The Aide Memoire is a skeleton framework of what is to be covered under the DTIS, the chapters and trade-related issues which will be further researched and fleshed out in the DTIS report.

The Project Document outlining the Annual Work Plan for the DTIS, budget allocations, management arrangements has also taken many months to draw up. With the many levels of authorization needed from UNDP, this document has undergone many screening groups and committees, to be

changed, altered and edited for best results. The document was finally signed by both Government and UNDP in early May.

Following this the Team Leader recruitment hit the local media, associated websites, PSC vacancy portal (Circular) and other links. Priority was accorded to local consultants to apply for, but failed to gauge much interest. It was because of this that the vacancy was re-advertised opening it up to overseas experts. We are currently in the recruitment process and should have an update by the next issue of this bulletin.

That is the national IF ground work done here in Samoa. Extensive work is also being done in the IF headquarters in Geneva.

A new Trust Fund Manager has been selected, with the new criteria & guidelines for Enhanced IF being developed by the Secretariat. The IF Board selected the United Nations Office for Project Services (UNOPS) to serve as the EIF Trust Fund Manager (TFM). There is great confidence that the choice will support a successful implementation of the Enhanced IF.

UNOPS is a UN agency with headquarters in Copenhagen, Denmark. It also has an established office in Geneva, and it is expected that the TFM activities will be handled out of the Geneva office by staff dedicated to the EIF, supported by regional offices in Africa and Asia.

Stay tuned for the next stages of the EIF project in Samoa!

WORLD TRADE ORGANISATION (WTO) REFERENCE CENTRE

The WTO Reference Centre located within the Ministry of Foreign Affairs and Trade, Level 3, Government Building, is available for users from the private sector, civil society as well as students.

Those interested in learning more about WTO or those looking for specific WTO Documents, may contact Mr Louis Ofele for more details. Guidelines for the use of the Reference Centre have been developed to facilitate and enhance the provision of this service to the public.

Contact details are on the back cover of this bulletin.

Capacity Building on Services Liberalisation

The Capacity Building Workshop on Services Liberalisation for Forum Island Countries (FICs) was held at the Tanoa International Hotel in Nadi from 9 to 11 June, 2008. Officials were invited from the Ministries/Departments of Foreign Affairs, Trade, Labour, Immigration and Education in the region. Countries that participated include Australia, Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Nauru, New Zealand (NZ), Niue, Palau, Papua New Guinea (PNG), Republic of the Marshall Islands, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu.

The aim of the workshop was to build the technical capacity of FIC officials by enhancing their understanding on trade in services and to enable them to deal with services liberalisation and services negotiations. The workshop provided an overview of the overall policy setting of trade in services, the multilateral legal framework of the General Agreement on Trade in Services (GATS), Free Trade Agreement (FTA) negotiations, exchange of

experiences on regional services agreement and in-depth presentations on specific services sectors and modes that offer potential benefits for services liberalisation. Services Sectors that were specifically covered includes: Investment, Financial, Legal, Tourism, Telecommunications, Transport and Labour Mobility.

The international, regional and national context of services sector liberalisation was also raised and discussed, highlighting the need for the region to engage in services sector liberalisation to benefit from improved efficiency and growth. However concerns were expressed on the unknown implications of services liberalisation and the need for extensive consultations with stakeholders including a stock take of national laws and regulations. The provisions of Pacific Agreement of Closer Economic Relations (PACER) seeking gradual and progressive economic integration, and the extension of the Pacific Island Countries Trade Agreement (PICTA) to

include trade in services were some major issues highlighted. Participants were briefed on the need to look at services sectors in its total, and the need for appropriate safeguards and prioritisation as the FICs consider liberalisation of service. The need for substantial work to consolidate national legislations in preparation for service sector liberalisation initiatives was also raised.

The workshop was funded by the New Zealand and Australian Governments in collaboration with the Pacific Islands Forum Secretariat.

Samoa nominated three Government officials to the workshop. Terozita Uitime (Investment Officer) and Faiiletasi Seuao (Labour Officer-Work Permit) of the Ministry of Commerce, Industry and Labour and Louis J Ofele (Trade Officer) of the Ministry of Foreign Affairs and Trade were the three participants from Samoa.

National Export Strategy Project Update

The National Export Strategy (NES) Project is moving towards its final stages. The initial draft document was compiled during the NES retreat that was held at Aggies Resort from 19th-21st May 2008. At the retreat, the Steering Committee and the NES Team of trade officials compiled the draft document using the reports that the sub-committees had prepared. These sub-committees are made of members of the Steering Committee.

This initial draft document was made available at the NES symposium that was held at Hotel Kitano on 23rd May 2008. All export

stakeholders were invited to attend. The participants had the opportunity to discuss and consult on the draft document. This wider consultation achieved its goal of improving the quality of the document through further comments and suggestions.

The document has since been updated with a revised draft document being circulated to the Steering Committee members and all those who attended the symposium for final comments.

The Steering Committee at its 5th meeting on 24th June, 2008, approved a tentative work plan for the final stages of the NES project. It is expected that if these timelines are met with no difficulties the NES project should be completed by late August 2008. You can view these work plans and all other NES activities that have taken place on our website www.mfat.gov.ws, under 'Projects'.

WTO Accession Update

As reported in our last bulletin, Samoa has concluded bilateral negotiations with New Zealand. Bilateral negotiations continue with Australia, the United States of America, the European Union, Japan and the Republic of Honduras.

A meeting of Samoa's trade officials and the bilateral partners to progress negotiations was scheduled to be held in Geneva on 30 June – 4 July 2008 in the margins of the WTO Geneva Week meetings. An informal

consultative with WTO Members was also scheduled to be held while in Geneva. The meeting is an opportunity for Members to ask direct questions regarding trade-related policies in place in Samoa. A report on these discussions will soon be made available.

When Samoa graduates from its current LDC status come 2010, it is hoped that the accession process will progress substantially within the next 12 months. LDC accessions are accorded more

favourable treatment than the accession of developing countries. Samoa would like to become a WTO member while it holds its LDC status.

National consultations on trade related issues – EPA, PACER, PICTA and trade related needs

Public awareness of issues relating to trade is often not widespread. An attempt to address this was the objective of national consultations on trade related issues conducted for Samoa from 14-16 May 2008. The consultations included a two day workshop on the 15 – 16 May 2008 at the Development Bank of Samoa Conference Room.

The consultations discussed issues relating to the Pacific ACP (PACP)-European Commission (EC) Economic Partnership Agreement (EPA) negotiations, EPA Trade in Services and Comprehensive EPA. With the exception of Fiji and PNG, Samoa (and the rest of the PACP region) has yet to conclude anything with the EC. The PACPs have recently communicated to the EC that negotiations for a trade in services agreement be suspended as the EC has not responded favourably to the PACPs request for the inclusion of labour mobility in the agreement. This was mandated by the PACP Trade Ministers in March 2008. No further development has occurred since. Participants at

the workshop supported the suspension of negotiations in services and at the same time; consider further the regional trade arrangements with our close trading partners, Australia and New Zealand.

As such, the participants were informed that informal consultations of trade officials will take place in early June under the Pacific Agreement on Closer Economic Relations (PACER). PACER issues to be discussed covered those relating to the deepening of trade and economic cooperation between Forum Island Countries (FICs) and Australia and New Zealand ('PACER Plus').

The participants were informed also that the Pacific Island Countries Trade Agreement (PICTA) implementation has been slow. Samoa has commenced exports under the agreement to Fiji. It was acknowledged that there have been teething problems in which the Samoa Ministry for Revenue is

working on ironing out. On the PICTA Trade in Services negotiations, the participants were informed that as agreed by Trade Ministers, the negotiations should conclude by October 2008. Samoa will be using its WTO draft services offers as a basis of services commitments under PICTA.

The consultations also aimed to identify and prioritise Samoa's trade related needs. The participants supported the needs identified in previous assessments and further requested that a study be undertaken immediately to look into the trade implications of Samoa's LDC graduation as well as a closer look at a possible trade arrangement with American Samoa.

LOCAL PRODUCE PRICES

	head cabbage	cucumber	tomatoes	pumpkin	bananas	taamu	coconut	taro
March 08	\$4.59/lb	\$1.88/lb	\$3.55/lb	\$0.85/lb	\$0.40/lb	\$1.03/lb	\$0.19/lb	\$1.02/lb
April 08	\$4.24/lb	\$1.15/lb	\$3.73/lb	\$0.79/lb	\$0.53/lb	\$1.16/lb	\$0.20/lb	\$1.17/lb
May 08	\$2.46/lb	\$1.00/lb	\$3.93/lb	\$0.81/lb	\$0.51/lb	\$1.30/lb	\$0.20/lb	\$1.20/lb

Source: Ministry of Finance

OVERSEAS PRODUCE PRICES

New Zealand Prices (NZ\$)

Product	Packaging	March 08	April 08	May 08
Coconuts (dry)	N/A	\$1.30	\$1.30	\$1.30
Bananas (ripe)	Kg	\$1.56	\$1.56	\$1.56
Bananas (green)	Kg	\$1.16	\$1.16	\$1.16
Beans (round)	Kg	\$4.00	\$5.00	\$6.00
Honey melon	18 kg	\$50.00	\$40.00	\$45.00
Pawpaws (Waimanalo)	8-9 count	N/A	\$36.00	N/A
(sunrise)	9-10 count	\$23.00	\$23.00	\$23.00
Taro (Fijian Pink)	30 kg	\$65.00	\$50.00	\$55.00
(Fijian White)	30kg	\$55.00	\$45.00	\$45.00
Ginger (from Thailand)	Kg	\$6.50	\$2.50	\$3.00

Source: NZ Pacific Trade Explorer (PITIC NZ)

Publisher:

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