



**FAO, New Zealand Government, IFAD, Secretariat of the Pacific Community,
Pacific Islands Trade and Investment Commission (Auckland),
Pacific Islands Forum Secretariat, Forum Fisheries Agency**

**EIGHTH ROUNDTABLE MEETING FOR PACIFIC ISLAND
COUNTRIES ON THE IMPLICATIONS OF WTO MULTILATERAL
TRADING SYSTEM ON THE AGRICULTURE SECTOR**

Wellington, New Zealand, 11 – 14 July 2005

REPORT

**FAO Sub-Regional Office for the Pacific Islands
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EIGHTH ROUND TABLE MEETING FOR PACIFIC ISLAND COUNTRIES ON WTO AGREEMENT PROVISIONS

Wellington, New Zealand

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REPORT

1. The Eighth Round Table Meeting (8th RTM) for Pacific Island Countries on WTO Agreement Provisions was held at the Portland Hotel of Thorndon, Wellington, New Zealand from 11 - 14 July 2005. The meeting was attended by participants from the Cook Islands, Fiji Islands, Kiribati, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu. Resource persons and speakers for the meeting were provided by the Food and Agriculture Organization of the United Nations (FAO), the Forum Fisheries Agency (FFA), the Government of New Zealand, the International Fund for Agriculture Development (IFAD), the Pacific Islands Forum Secretariat (PIFS), the Auckland-based Pacific Islands Trade and Investment Commission (PITIC) and the Secretariat of the Pacific Community (SPC). The full list of participants and resource persons is attached as Annex 1.

OFFICIAL OPENING

2. A brief ceremony was held to mark the official opening of the 8th RTM. Following a prayer offered by the participant from the Cook Islands, the FAO Sub-Regional Representative (SRR) for the Pacific Islands, Dr Vili Fuavao delivered a short welcome speech. In his welcome remarks, the SRR extended a special welcome to the guest of honor, New Zealand's Parliamentary Private Secretary for Trade, Luamanuvao Winnie Laban, MP and thanked her for making time to attend the meeting and to deliver the opening address. He also extended a warm welcome to all the participants and resources persons, particularly those who were attending the RTM for the first time.

3. After explaining the historical development of the RTM series, the SRR thanked the collaborating partners for their support and assistance to the RTM series. He acknowledged, in particular, the support of the Government of New Zealand by way of both financial and technical contributions since the beginning of the RTM series; the PITIC for the organization and partial funding of the field visit held on the last day of the meeting every year for the past two years; and the PIFS and the SPC for their support through the provision of resources persons. The SRR also acknowledged the assistance of other agencies which had been supporting the RTM in the past but were no longer able to continue their assistance. He highlighted in particular the financial and technical contributions of the Commonwealth Secretariat for the past five years which unfortunately had decided to end its contribution by end of last year.

4. The SRR stated that while some had decided to end their support and assistance to the RTM, other agencies have recently joined as collaborating partners one of which was IFAD which had made financial contribution last year and again this year. In addition to IFAD, the SRR extended a special welcome to the FFA, which had decided to become a technical partner for the first time this year, although it had attended some of the earlier meetings as an observer.

5. He concluded by acknowledging the invaluable assistance and support provided by a number of people in developing the agenda and programme and in making the necessary arrangements for the meeting. He also expressed his gratitude to all the resource persons and their respective agencies for agreeing to support the RTM series and for sharing their knowledge and experience with the participants over the past eight years. A copy of the welcome address by the SRR is attached at Annex 2.

6. The Guest of Honor, Luamanuvao Winnie Laban, MP and New Zealand's Parliamentary Private Secretary for Trade delivered the Opening Address. After greeting

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all the participants in their respective native language, she stated that she was pleased to welcome everyone to Wellington and to the eighth meeting in the Roundtable series, the fourth to be held in Wellington. She stated that the RTM series had proved to be very useful, and was even more so this year as the multilateral trade negotiations gathered momentum in the WTO, and with the increasing activity on regional and bilateral trade agreements.

7. Ms Laban said that although only three Pacific Island Countries (PICs) were members of WTO, it was necessary for all to be aware of WTO provisions and of developments in multilateral trade negotiations given that all regions were being affected in one way or another by the global trading system. She noted that Tonga, Samoa and Vanuatu were engaged in negotiations over accession to the WTO, and New Zealand was happy to assist where it could to facilitate their accession.

8. She advised that New Zealand's Trade Negotiations Ministers, Honourable Jim Sutton was unable to attend the RTM as he was currently in China attending a Mini-Ministerial Meeting of a selected number of WTO Trade Ministers. The purpose of their meeting was to discuss the negotiating issues including agriculture, with the intention of providing guidance to officials as they worked towards the Ministerial Meeting in Hong Kong in December.

9. She reiterated that the focus of the Roundtable was on WTO, as the cornerstone of the multilateral trading system. However, all needed to be conscious too of the increasing activity on regional and bilateral trade agreements, a world-wide phenomenon experienced also in the Pacific region. She added that she attended the recent Forum Trade Ministers in Nadi, Fiji with her colleague Jim Sutton and heard of the encouraging progress now being made with PICTA, the free trade agreement that encompassed the PICs. With rules of origin and liberalization schedules now in place, it looked as though preferential trade under the agreement would at last get underway this year, which should provide useful experience with the mechanics of trade liberalization. In addition, PICs were heavily committed with their Regional Partnership negotiations with the European Union and it was understood that the Pacific Regional Negotiations Team was to get together shortly to finalize the Pacific ACP negotiating position. Thus, this was a challenge for the region and it accentuated the need to build up trade policy capacity in each of the island states.

10. She pointed out that the part of PACER regarding trade facilitation was already operating, with the Regional Trade Facilitation Programme now up and running with programmes of activities in the areas of quarantine, customs and standards and conformance. New Zealand had just handed over to the PIFS a week ago another installment of NZ\$0.25 million, as part of its programmed contribution in this area. Furthermore, New Zealand had taken steps to “kick start” the quarantine work by staffing efforts to develop quarantine pathways which had led to clearance for a number of island agricultural products for export to the New Zealand market and certification for heat treatment plants.

11. She also highlighted some of the assistance to trade facilitation from other parts of NZAID's programme including support to the PITIC in Auckland and the attendance of Pacific island representatives at the RTM while the Ministry of Agriculture and Forestry and the Ministry of Fisheries had contributed their resources in terms of staff time and expertise. She was pleased to note that a day had been dedicated in the

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programme for this year's RTM, to the particular interests of the Fisheries sector. She pointed out that fisheries subsidies rules were another area of the Doha Round that could deliver substantial trade and development benefits. She stated that conservative estimates placed global fisheries subsidies at a minimum of USD\$15 billion, which was equivalent to 20 per cent of the industry revenue. Thus, tighter WTO fisheries subsidies rules could benefit Pacific fisheries sectors by providing growth opportunities in the absence of highly subsidized products from developed countries. In addition, genuinely effective WTO rules in the fisheries sector were needed if countries were serious about addressing the problem of fisheries over-exploitation and developing a level playing field on which fishers from the developing countries operate.

12. She encouraged everyone to take active participation in the deliberations and the sharing of experiences in order to maximize the value of the meeting. She concluded by wishing everyone a very successful meeting and stay in Wellington before declaring the Eighth Roundtable Meeting officially open. A copy of her speech is attached as Annex 3.

MEETING AGENDA AND WORKING ARRANGEMENTS

13. The overall objective of the 8th RTM was to promote wider awareness and understanding of WTO Agreement Provisions and the key issues currently being discussed at the international fora and their implications to the PICs. In order to attain this overall objective, the strategy adopted was to focus on mid-management level officers from member countries dealing with trade and WTO issues. This decision was made following the outcomes of consultation with member countries, as well as the evaluation conducted at the end of the 7th RTM, which identified a number of key issues that had helped in determining the items to be covered in the Agenda, and the level of attendance being targeted. These issues included:

- The need to give more focus/attention to fisheries issues particularly fisheries subsidies given the ongoing debate on the issue at the international level;
- The need to increase the number of local individuals that are well versed with WTO issues;
- The need to build up the technical capacity of young professionals in order to take up more senior level responsibilities in view of the ongoing "brain drain" from most island countries.

14. The approved Agenda for the meeting is attached as Annex 4. Sessions were facilitated by resource persons provided by collaborating partners and FAO staff. The programme for the RTM consisted of presentations followed by discussions, focusing on capacity building and information sharing, similar to the ones adopted in previous years. A major difference in the programme for this year's RTM, however, was that separate sessions were dedicated to fisheries, that ran parallel to the ones for agriculture, as can be seen from the Agenda. The meeting ended with a field visit to some of the agricultural/fisheries trade related businesses in Auckland. Again, separate field visit programmes were organized for the two groups of participants - Fisheries and Agriculture.

SESSION 1: GENERAL BACKGROUND

15. This session aimed at briefing participants on general background to WTO and its various agreements relating to agriculture and food trade. Presentations during the session were made by resource persons from the New Zealand Ministry of Foreign Affairs (MFAT), covering such topics as Overview of WTO Agreements; International Trade in Agriculture and the Economic Rationale for Continued Liberalization; and the WTO Dispute Settlement Mechanism.

- **Overview of WTO Agreements**

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16. On the overview of WTO, Mr Levermore pointed out that 148 countries have now joined WTO and two thirds of those were developing countries. He added that WTO was a rules-based and member-driven organization and that the WTO Agreements set the ground rules for international trade. Although WTO formally came into being in 1995, its origin could be traced back to 1948 in which there was a failed attempt to establish an international trade organization, which then led to the General Agreements on Tariffs and Trade (GATT) that has now focus on trade in goods and some trade rules.

17. The GATT's two bed-rock principles are (i) the most favored nation treatment which requires treating all trading partners equally; and (ii) the issue of national treatment which requires the treatment of foreign and local investors equally. He went on to outline the historical development leading up to the establishment of WTO. Since 1947, tariffs had been the main issue discussed and it was only in the Uruguay Round (1986-1994) that the discussion really expanded to cover a comprehensive range of issues and areas including, non-tariff measures, rules, services, intellectual property, dispute settlement, textiles and agriculture. The Uruguay Round Agreements led to the creation of the WTO and new sets of agreements, such as:

- GATS - General Agreement on Trade in Services
- TRIPS - Trade Related Aspects of Intellectual Property Rights
- SPS - Sanitary and Phytosanitary Measures
- TBT - Technical Barrier to Trade
- DSU - Dispute Settlement Understanding

18. The key principles of National Treatment (NT) and Most Favored Nation (MFN) still remained as important throughout the round of talks and negotiations. They have also been included in the General Agreement on Trade in Services (GATS). However, some provisions exist that allow countries to set up free trade agreement and provide preferential access; to impose measures to protect public morals, human, animal or plant life or health. In addition, countries could raise barriers against products that are being traded unfairly from specific countries. There are also provisions that accord special and differential treatment to developing countries and they are given extra time to meet their commitments. In regards of the Doha Development Agenda, it was highlighted that the rules were not static. Also, it recognizes the issues faced by the developing countries and the negotiations covered many areas, including agriculture, NAMA, services, environment, fish subsidies and dispute settlement understanding.

- **International Trade in Agriculture and the Rationale for Liberalization**

19. On the issue of international trade in agriculture and the rationale for continued liberalization, Ms Laurie Knight noted that agriculture trade is the most distorted due to heavy subsidies being put on basic foods such as cereals, sugar and dairy products. In addition tariff differentiation/escalation exists in some countries for different products of same commodity depending on the extent of processing/added-value. For example, some countries impose higher duty on coconut oil compared to copra.

20. The main argument supporting trade liberalisation is that there will be net gains from freer trade. It was pointed out that although earlier estimates may be optimistic, it is considered that there will

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definitely be some gains. The big question, however, is how the gain going to be distributed and whether the developing and small countries will be able to share the benefits or not.

- **Overview of Dispute Settlement Understanding (DSU)**

21. Ms Alcalde of New Zealand MFAT made a brief presentation on the WTO Dispute Settlement Understanding (DSU). She stated that DSU is also known as Annex 2 of the Marrakesh Agreement establishing the WTO Agreement, or the understanding on the Rules and Procedures governing the settlement of dispute. It is one of the major improvements on the GATT and it has time limits, an appellate body, allows for automatic adoption of reports and gives automatic authority to retaliate. With regards to the scope of application of DSU, Ms Alcalde stated that it was useful in terms market access under GATT; in Agriculture; intellectual property; services; rules of origin, import licensing and customs valuation; subsidies; SPS and TBT.

22. Regarding enforcement of WTO Law, this could be done through two options: outside the WTO which involves informal bilateral negotiations and challenges to “domestic forum” in which WTO is “domestic”; or inside the WTO, which would involve inquiries through WTO bodies and initiation of formal proceedings under dispute settlement understanding (DSU). The general principles of DSU were derived from the Montreal Rules and one cannot add or diminish rights and obligations under other UR agreements. The objective is to establish mutually agreed solution and that retaliation should be the last resort although in some cases it had been the only effective option in forcing the issue. The case of the bananas from Ecuador to the EU was highlighted as an example.

23. The dispute settlement process involves four stages: (i) consultations (4 months); (ii) panel proceedings (12 months); (iii) appellate review (5 months); and (iv) implementation (15 months) giving a total time frame of three years before result is known. The consultation stage provides a forum for last attempt to resolve dispute before resorting to the panel. During this stage other WTO members can participate if they have substantial trade interest. Following the consultation, at least 60 days must be allowed before requesting for the panel however, there is no maximum waiting period.

24. For the second stage, a panel comprising of three neutral panelists is established by the dispute settlement board. The panel members are proposed by the Secretariat and agreed to by the parties (or by the DG if parties cannot agree). The parties are then required to file brief and present arguments at two subsequent hearings. A third party WTO member can also file briefs and appear at hearings.

25. The third stage of the dispute settlement process, the appellate review, requires three of the 7 sitting appellate board members to hear each appeal (but all 7 deliberate). Also, appeals are limited to issues of law and legal interpretation and not on factual findings. This appellate review process is quite quick; hearing is normally done within 30 days and the report is issued within 60-90 days. Also, at times the appellate board overturns the panel’s legal interpretation.

26. The fourth stage (implementation) takes place when the defending party loses and it is given “reasonable period of time” to implement the decision. Parties may negotiate the period or may submit questions to arbitrator who generally sets a period of 15 months. Given the processes involved, it is considered that wealthier nations had more advantages in DSU due to their being resourceful as compared to developing nations.

27. It was also pointed out that measures have been taken by countries in relation to actions taken against them by other parties. Thus, it was important to ensure the

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retaliation measures taken follow the guidelines. Also, for one to raise a dispute against another member country, one has to command at least 10% of the total world trade on that particular commodity. In view of this, small economies like the PICs are at a disadvantage as none is likely to comply with this requirement. To illustrate this point, it was pointed out that while sugar accounts for 30 per cent of Fiji's total export, it only represents 0.03% of the total world sugar trade.

SESSION 2: WTO AGREEMENTS RELATING TO AGRICULTURE – KEY ISSUES AND DEVELOPMENTS TO DATE

28. The session aimed at enhancing the knowledge and understanding of participants of the various agreements under WTO relating to agriculture, and the key issues currently being discussed at the international forums of the WTO. Presentations were made by officers from the New Zealand MFAT and Mr Daneswar Poonyth of FAO.

- **Agreement on Agriculture (AoA)**

29. On the Agreement on Agriculture (AoA) Ms Laurie Knight of New Zealand MFAT reported that it was negotiated in the 1986-1994 Uruguay Round and finally came into force on 1 January 1995. It was also the first multilateral agreement dedicated to the agriculture sector; although the original GATT did apply to agricultural trade, it contained many loopholes resulting in significant distortions. The long term objective of the AoA is to establish a fair and market-oriented agricultural trading system.

30. In terms of product coverage, the AoA covers basic products like grain, milk, meat through to other processed products such as chocolate and sausages. It also includes wine, cigarettes, cotton & wool, raw animal hides and spirits but doesn't include fish and forest products. In reference to the structure of the Agreement, it was noted that the three pillars of the negotiations were market access; domestic support; and export subsidies.

31. In regards to market access, it was noted that prior to the AoA there were a number of import restrictions that did not take the form of tariffs. Some of these non-tariff barriers have been converted to tariffs and bound. Tariffs have been reduced by an average of 36 percent with 15% minimum cut in developed countries and by an average of 24% with 10% minimum cut for developing countries.

32. In regards to domestic support, the key objective is to discipline and reduce payments that support domestic prices or subsidise production. Domestic support were then classified into three categories (or three boxes); the "green box" category were those considered to be non, or at most minimally, trade-distorting such as research, extension services, marketing and promotion services, disease control and disaster relief. The second category, referred to as the "blue box" are those that are somewhat trade-distorting or production limiting such as direct payments made on fixed areas, yields or number of livestock. Both of these categories require no reduction in the level of support provided. The third category is referred to as the "amber box" which comprises all measures with direct effects on production and are therefore required to be cut. These include market price support, direct production subsidies or input subsidies.

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33. It was also noted that in addition to the three main categories described above, small amounts of trade-distorting support (*de minimis*) are exempted from the reduction commitment. In addition, certain developing country programmes are freely permitted to provide domestic support, particularly those that are aimed at diversifying away from illegal narcotic operations.

34. Export subsidies are defined as subsidies contingent upon export performance and these include direct export subsidies, transport subsidies, producer financed subsidies and the sales of stock at lower prices. In developed countries, export subsidies have been reduced by 36% and quantities of subsidised exports by 21% over 6 years. In developing countries, on the other hand, the value of export subsidies has been cut by 24% and quantities of subsidised exports reduced by 14% over 10 years.

35. Ms Knight pointed out that after the Uruguay Round tariffs remain high on the most sensitive products such as dairy, sugar and rice with tariff peak reaching 800%. Also, export subsidies remain high and that EU provides substantial refunds on exports lowering world prices. In OECD countries, domestic support also remains high for agriculture and was estimated to be over NZ\$400 billion.

36. She also mentioned that the Doha Round was launched in Doha, Qatar in November 2001 and coined as the Development Round. An ambitious mandate was adopted for the Doha negotiations which included substantial improvements for market access; reduction with a view to phasing out all forms of export subsidies; and substantial reduction in domestic support particularly those that were trade distorting.

- **Agreement on the Application of Sanitary and Phytosanitary (SPS) Measures**

37. Mr Derek Belton provided a brief presentation on the SPS Agreement. He pointed out the importance of the SPS saying that non-tariff barriers are set to be the new barrier of choice and that the current issues are affecting over NZ\$400 million of New Zealand trade and trade potential. There have also been increasing developing countries' SPS barriers being imposed. As an example, he stated that India had increased barriers on logs, kiwi fruit and dairy products since 2003/04.

38. The Multilateral framework guides the development, adoption and enforcement of SPS measures. While sovereign rights to take measures are recognized, there are also strong obligations around the basis for any such measures. In terms of relationship with the Technical Barrier to Trade (TBT) Agreement, both the AoA and the TBT cover the protection of human, animal and plant life or health. However, in terms of product coverage, the products covered under the TBT Agreement are explicitly defined whereas the SPS Agreement does not contain an explicit reference to product coverage. Instead, Article 1.1 states that the Agreement applies to all SPS measures which may, directly or indirectly, affect international trade. In other words, the key element of the SPS Agreement is the purpose for the measure and not the type of good.

39. The key rules and disciplines of the SPS include the application of an appropriate level of protection; protection based on necessity, science and evidence; measures applied should be least trade restrictive; non-discrimination; harmonization and transparency. SPS is also important in relation to market access, either in terms of first time access, market expansion or market retention. In terms of market access, issues can be loosely grouped into three categories: first time access; market expansion; and market retention. In terms of first time access and market expansion, the type of issues may involve the need to generate and exchange a significant amount of information in order to demonstrate that trade could occur in a manner that meets the importing countries' appropriate level of protection (ALOP). These may

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include research and conducting bilateral technical meetings. Retention issues arise when one is enjoying market access and then something happens to temporarily or in some cases permanently restrict or close the market. The unexpected regulatory change on the part of the foreign government may be the result of a pest or disease incident or outbreak, or changes in the importing country's law or regulations.

40. Market access issues involve commercial, technical and legal considerations. SPS issues tend to be exceptionally resource intensive and can take considerable time to progress or resolve. It is also important that while market access negotiations focus on technical and legal aspects, the commercial realities should not be lost sight of. While measures proposed by the importing country may not be technically justified or WTO consistent, exporting countries may accept them for a number of reasons including (i) some access may be better than no access; (ii) commercially they may be able to meet the requirements with minimum cost.

- **Developments in WTO Agriculture Negotiations and Framework Agreement**

41. A presentation was made on this topic by Mr Daneswar Poonyth of the FAO. In his presentation, Mr Poonyth outlined some of the major achievements in the Uruguay Round and the build-up to the Doha Work Program Framework Agreement. In the Uruguay Round of 1994, the focus was on a "fair and market-oriented" agricultural trading system through reduction in agricultural support and protection. The Doha Round (2001) considered that international trade can play a major role in the promotion of economic development and the alleviation of poverty. The Doha Work Program Framework Agreement in 2004 agreed that special attention shall be given to the specific trade and development related needs and concerns of developing countries, including food security, rural development and livelihood, preference and net food imports.

42. In terms of the Uruguay Round achievements, it was noted that these included the tariffication of non-trade barriers; reduction in tariffs and minimum access to ensure that trade takes place. There was also commitment to reduce some types of distorting domestic support; commitment to reduce export subsidies and the recognition of the need for special and differential treatment (SDT) for developing countries and the inclusion of new disciplines under SPS Agriculture, to minimise discriminatory trade effects of the SPS. However, there were still some unresolved issues at the conclusion of the Uruguay Round. These included protection for those who reserve the right to distort; tariff peaks and tariff escalation not being addressed; large trade distorting support (AMS) and vague disciplines on non-TDS; large export subsidies and other means of export subsidization; market access in critical area not realized; and that the commitments were not effective. In other words, an uneven playing field still existed between those that had the right and the means to take advantage of flexibility and those that did not have either.

43. A major challenge after the Uruguay Round was to continue trade reform despite the differing views on purpose of agriculture and success of reforms. Countries remained far apart on how fast and how far reform should proceed. Some members held the view that agriculture is not just another sector of the economy and because of its multifunctionality it should not be treated like other commodities. Also they felt that there had been too much opening and reform already. Others held the view that agriculture should be fully integrated into the Multilateral Trading System. They also viewed agriculture as a commodity, and that very little was achieved in the Uruguay Round.

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44. Mr Poonyth pointed out that the DWPFA had raised the level of ambition on the reform in terms of substantial improvements in market access; reduction (phasing out) of all forms of export subsidies; and substantial reductions in trade-distorting domestic support. It had also raised expectations in terms of SDT in that it should be an integral part of the negotiations; it is operationally effective to take account of development needs and it includes non-trade issues such as food security and rural development. He added that the DWPFA has also established tight deadlines that would essentially fast track the whole process. For example, modalities were set for 31 March 2003; comprehensive draft commitments were set to be made by the 5th Ministerial Meeting at Cancun in September 2003; and a single understanding was set to be reached by 1 January 2005. It was also noted that although the 31 March 2003 deadline for the Modalities failed, a Framework Agreement was adopted in July 2004.

45. Mr Poonyth also outlined the main events that took place since Cancun up to July 2004. These included the individual country initiatives by the EU and the US which made offers to end export subsidies and to put aside Singapore issues; the meeting of the Group of 5 (Australia, Brazil, EU, India and USA); and the new approach to negotiations in Geneva which was more informal, less involvement from the Chair and more meetings between groups. He also stated that of the three pillars (export competition, domestic supports, and market access) market access was generally identified as the most difficult and the issue that directly affected all members.

46. In terms of the DWPFA outcomes, Mr Poonyth stated that a decision was adopted by the General Council on 1 August 2004 on a framework for establishing modalities in Agriculture. Other outcomes included the confirmation that the 1 January 2005 deadline will not be met; underlying principles (no formulas) were agreed on and the level of ambition was underscored. It was also recognized that the three pillars were connected and must therefore be balanced equitably.

47. The meeting was also advised of the Work Programme on Small Economies to which a session (of 21 February 2005) of the WTO Committee on Trade and development was dedicated. This was in line with the Doha mandate on small economies which required members to “frame responses to the trade-related issues identified for the fuller integration of small, vulnerable economies into the multilateral trading system, and not to create a sub-category of WTO members”. As such a three step approach was proposed: (i) use of characteristics to identify what is small and vulnerable; (ii) consideration of trade-related problems that could be linked to (i); and (iii) frame response to the trade related problems that countries use. He also reported that countries were divided on this matter. While some considered that characteristics should first be addressed before considering problems, some considered the problems to be more important than defining small and vulnerable economies. There were also those that felt that both should be taken into consideration at the same time, and those (US, EU, Switzerland and Paraguay) that were quite flexible on how to proceed.

48. In terms of smallness, the following characteristics were highlighted: inadequate infrastructure; insignificant trade participation; small, fragmented and imperfect markets; low supply of services; low levels of productivity and competitiveness; high transport and transit costs; and difficulties to attract foreign investment. In terms of vulnerability on the other hand, the following characteristics were noted: isolation, dispersion and distance from markets; very open economies; highly polarized domestic markets; product and market concentration; exposure to natural disasters; economic rigidity with high adjustment cost; and unable to sustain diversified production.

49. Mr Poonyth concluded by stating that agriculture remains very controversial in the negotiations; that market access issues were divisive among developing and developed countries; that developing countries were divided on the issue of preferences; that there was no progress on the issue of special and differential treatment for small and vulnerable economies; and that countries should engage in the negotiations in the most effective and efficient manner.

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- **Agreement on Technical Barriers to Trade**

50. Mr Gus Charteris of the New Zealand MFAT made a brief presentation on the Agreement on Technical Barriers to Trade (TBT). He stated that research indicates that while tariffs are being reduced, non-technical barriers (NTBs) are actually rising and it has been suggested that cost of NTBs is over US\$12 billion a year. Most common NTBs include customs procedures; food safety and health requirements (SPS); import quotas and import prohibitions, cargo handling and port procedures; and high internal taxes and charges. Technical barriers to trade, on the other hand, are technical regulations (mandatory), including labeling requirements, standards and conformity assessment measures which act to unjustifiably hinder market access. The TBTs act as trade barriers through diversity of standards among countries; conformity assessment costs resulting in higher cost of production; or discriminatory or non-transparent procedures can create unnecessary difficulties for exporters.

51. The basic objective of the TBT Agreement recognizes the right of Members to set product requirements, but must ensure that these do not create unnecessary obstacles to trade. Legitimate objectives for the use of TBTs include national security; prevention of deceptive practices; protection of human health or safety; protection of animal, plant life or health; and protection of the environment. However, these must be assessed against available scientific and technical information, related processing technologies and intended end-uses of products.

52. The main principles of the TBT Agreement include non-discrimination; avoidance of unnecessary obstacles to trade; harmonization; equivalence; performance rather than design or descriptive characteristics and transparency. The non-discrimination principle requires that countries must not discriminate between imported and like domestically produced products, and must not discriminate between like imported products from different sources. In regards to the principle of avoidance of unnecessary obstacles to trade, the objective must be legitimate and that the requirement must not be more trade restrictive than necessary taking account of the risk that non-fulfillment may create. The principle of harmonization requires that members shall use international standards except when ineffective or inappropriate. The equivalence principle states that members shall give positive consideration to accepting as equivalent technical regulations of other members, even if they differ from their own, provided they adequately fulfill the objectives of the own regulations.

- **WTO Agreement on Subsidies and Countervailing Measures**

53. Ms Alison Pearman of the New Zealand MFAT made a brief presentation on this topic. She explained that the aim of the Agreement is to discipline trade-distorting subsidies, which are those that can affect market prices and costs. Trade-distorting subsidies include export subsidies, production subsidies and subsidies contingent on use of domestic goods. There are also non-distorting subsidies such as research and extension service, environment, regional development and social policy.

54. She pointed out that the Uruguay Round took a major step forward on subsidies through the Agreement on Subsidies and Countervailing Measures (ASCM). She explained that under WTO, a subsidy has two elements: benefits and specificity. Article 1 of the Subsidy Agreement defines a subsidy as a government financial contribution that confers a benefit. This includes direct or indirect transfer of funds; government revenue not collected (e.g., taxes), provision of goods or services other than general infrastructure and any such act carried out by a private body on behalf of government.

55. In terms of specificity, it was stated that only specific subsidies are disciplined and are those specific to an enterprise or industry or a group of enterprises or industries. They also include regional or export subsidies. It is also a requirement that all specific subsidies must be reported to the WTO each year. Subsidies falling under the "Red Box" category are prohibited; those falling under the "Amber Box" are actionable while those in the "Green Box" are non-actionable. Non-actionable subsidies include research

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activities, disadvantaged regions, and adaptation to new regional environmental requirements. Prohibited subsidies include export subsidies and those contingent upon the use of domestic over imported goods. Where one exists a dispute settlement panel can order the removal of the subsidy. Prohibition, however, does not apply to least developed countries (LDCs) and those with per capita GNP less than US\$1,000. Developing countries are also exempted from serious prejudice presumptions, from debt forgiveness and from subsidies to cover social costs.

56. Actionable subsidies are those that cause adverse effects to other members. This could be in the form of injury to the domestic industry of another member, nullification or impairment of benefits under GATT; and serious prejudice to the interests of another member (which has now lapsed). Remedies could include countervailing duties or a Dispute Settlement Panel can order removal of adverse effects.

57. Ms Pearman concluded by stating that paragraph 28 of the Doha Mandate requires the Council to improve WTO disciplines on subsidies. However, subsidies negotiations have been slow to date.

SESSION 3: IMPLEMENTATION OF THE AGREEMENTS - LESSONS LEARNED

58. This session aimed at informing participants on the experience and lessons learned (both at the global and on the regional levels) on the implementations of the WTO Agreements relating to agriculture. Mr Poonyth made a brief presentation on the global experience in regards to the implementation of the Agreement on Agriculture and Ms Mere Falemaka of the Pacific Islands Forum Secretariat (PIFS) provided a brief outline of the regional experience.

- **Global Experience and Implications**

59. Mr Poonyth briefly outlined some of the key experience and lessons learned to date in relation to the implementation of the AoA. He pointed out that tariffs accounts for approximately 52% of agricultural distortion; domestic support accounts for about 31%; export subsidies account for about 13% and balance is due to other price distortions protection such as SPS, food standard, licensing and anti-dumping. He added that OECD aggregate annual support to agriculture is about USD\$318 billion out of which 75% is out-based including direct market price or production support and input subsidies. In addition, total support to farmers accounts for approximately 30% of total farmers' receipts in OECD countries although some individual countries are as high as 60%.

60. There is also a changing picture in relation to domestic support. While aggregate measure of support (AMS) for developed and developing countries is declining, many countries are declaring increasing support under the "de minimis" category, and that notifications made so far indicate that increased domestic support are being classified under the Green Box. In addition, proposals received to date generally called for greater flexibility reflecting more fear of the future than knowledge of limits being constraining.

61. Mr Poonyth also stated that the income terms of trade for agriculture have evolved differently for developing and developed countries. While the 1961-2001 figures show that there has been a steady rise in terms of trade for agriculture in industrialized countries, developing countries have experienced a very marginal increase while the LDCs are on a downward trend. Also, the impact on the real prices of selected commodities has been different. Prices for meat, dairy and horticultural products have declined less steeply than other commodity prices since 1961, and have risen since the mid-1980s while other commodity prices continue to fall. In terms of agricultural trade balance, the LDCs have become major net importers of agricultural products since the later 1960s. Also, statistics show that there has been an increase in the proportion of imported food in total food consumption (in kcal terms) in developing countries.

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62. The justification for trade liberalization has been based on models developed to analyze the impact of full liberalization. Both static and dynamic models show that there will be significant welfare gains resulting from liberalization of agricultural trade. The dynamic model, however, shows much higher and more balanced gains compared to a static model, with a net global welfare gain estimated at \$128 billion annually of which \$30 billion accruing to developing countries. In terms of assessing actual experience of individual countries, however, Mr Poonyth considered that this should cover such issues as “whether it was difficult or easy to live with country specific commitments and general WTO rules during the UR implementation period (since 1995); whether there had been any policy adjustment required; and other experiences such as impact on poverty, household food security and employment. In regards to undertaking quantitative assessment, focus should be on experience with trade flows (agricultural exports and food imports).

63. Mr Poonyth informed that a number of case studies had been conducted by FAO in an attempt to review experiences. Based on these case studies a number of important conclusions can be drawn in relation to a number of key issues such as border protection, domestic support and export subsidies, including the followings:

Border Protection

- Major policy reforms already done under World Bank/IMF SAPs, or unilaterally thus not much policy adjustments required;
- Applied tariffs much lower than bound rates for both SAPs and political economy reasons, but bound tariffs are not necessarily high for all developing countries as often said;
- Experience with border protection not easy for basic foods; i.e., countries experienced difficulties ‘living with’ simple ordinary tariffs;
- Tariffs are mostly the only and primary trade instrument for income support and stabilizing markets faced with external shocks;
- Simple safeguards considered essential to lower tariffs further.

Domestic Support

- Very few countries have detailed information thus most countries do not know their situation vis-à-vis WTO rules on various support boxes;
- Those with AMS commitments (over 10% *de minimis* level), only Thailand is close to the limit (70-80%);
- Some other countries (India, Peru) were closer to limit on non-product specific AMS, but little or negative on product-specific AMS. As a result, proposals have been made for adding the two “distortion”;
- Definitional and practical difficulties experienced;
- Fear due to uncertainty on whether flexibility will be adequate when “cheap” food era is gone and imports become more expensive.

Export Subsidies

- Only 25 WTO members have export subsidy commitments of which 8 were developing countries;
- most case study countries were strongly in favour of eliminating export subsidies, an indication of the realization that such subsidies hurt them;

64. Some key observations were also made in regards to food imports. Imports in 1995-98 were greater than 1990-94 period for all 14 cases studied, with the increase in many countries being quite significant. For LDCs and net food import deficit countries (NFIDCs), the import bills have increased also because financial terms of imports were higher (less food aid and export subsidies). As a result, food import bills are now on a higher plateau. Thus, there is an asymmetry between developed and developing countries in gains from trade. While liberalization by developing countries could lead to an almost

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immediate surge in imports of agricultural (mainly food) products, the opposite is not generally the case, for reasons of large gaps in SPS standards and supply response capacity.

65. Statistics on impact of reforms on production and trade in the Pacific show mixed results in that net trade balance for total agriculture and for basic foods declined for most countries during the period 1990/04 – 2000/02 except for Solomon Islands and Papua New Guinea. A point was made that all countries will benefit from trade liberalization but this needs to be done in a fair and transparent manner, and developed countries as the main “distorters” should bear the main responsibility. Developing countries have a responsibility to reduce trade barriers among themselves. Furthermore, in the final analysis, the success of any international trade agreement has to be assessed on the extent to which trade flows were allowed to develop between developed and developing countries and between developing countries themselves.

- **Regional Experience on WTO Agreements**

66. Ms Mere Falemaka of PIFS provided a brief presentation on the regional experience relating to the implementation of the WTO Agreements. Her presentation focused on three main areas: implementation of existing commitments and compliance; participation in the current Doha negotiation (in 2001); and defensive interests. She added that the negotiations should be concluded in January 2005, and the Ministerial Meeting was scheduled in Hong Kong in December 2005.

67. In relation to implementation of existing commitments, she explained that there was very little to no tariff reduction required in terms of market access commitments in agriculture. Also, Fiji and PNG have made uniform bindings exempted from tariff reductions, and Solomon Islands as LDC had to make no reduction. On technical agreements (e.g. SPS, TBT etc.), she stated that the fact that they were science-based was a challenge to the region due to lack of infrastructure and expertise to carry out scientific analysis. She highlighted the case of “kava” in which the region was dependent on others to undertake required analysis. There was also poor attendance and participation in meetings of standards setting bodies due to lack of resources. She also highlighted some other challenges/constraints encountered by the region, as follows:

- notification requirements were considered to be complex and cumbersome;
- difficulties in regards to compliance with legislation and export market requirements;
- lack of qualified experts to analyze WTO issues at national level;
- most countries have no representation in Geneva therefore unable to participate fully in the negotiations/meetings;
- smaller members were excluded from “Green Room” consultations;
- the challenges faced relating to managing simultaneous negotiations;
- WTO documentations are quite complex and overwhelming.

68. She pointed out that with the outcome of the recent WTO rulings, the WTO rules are regarded as a threat to the interest of the Pacific islands, as well as other developing countries. She highlighted the WTO rulings on sugar following the complaint lodged by Australia, Brazil and Thailand against EU subsidies, and the case brought by Philippines and Thailand against the EU on canned fished. The rulings on these cases, which seriously affect developing countries, have raised concerns and questions on the benefit of WTO.

69. She concluded by suggesting for the region to further promote participation in the negotiations fully since regional representation by the PIFS was a short-term solution. She also pointed out that individually, the countries of the region cannot influence the WTO negotiations. In view of this, it would be in the region’s interest to promote alliances with other member countries and regional groupings. She

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also suggested for the region to consider the possibility of pooling resources and skills in order to provide trade services and to address WTO related issues.

70. Participants were then invited to share their individual country experiences. The comments made by participants highlighted some of the constraints and challenges mentioned by Mr Falemaka in her presentation. The lack of technical expertise and skills to analyze the full impact of WTO rules and the provisions under the various agreements were highlighted as a major constraint faced by countries.

71. Dr. Fuavao of FAO provided information on CODEX trust-fund project under which resources could be utilized to participate in the CODEX meeting to be held in Geneva, and informed that the North America–South Pacific Coordinated Group was currently chaired by Samoa. He encouraged the countries to join CODEX as members. Further, he expressed that Pacific countries were not fully utilizing FAO (or international organizations') technical expertise in the negotiations, and informed that there was FAO Office in Geneva. He also informed that under the FAO's regional TCP project the IAS/USP Laboratory was upgraded to international standards.

72. With regard to FAO's technical expertise, Mr. Poonyth pointed out that FAO has a Unit dedicated to WTO issues and trade policies. He added that while numerous requests for information and assistance have been received from African and Caribbean countries there has been no request received from the Pacific. He then encouraged countries to make use of FAO expertise and assistance available to improve their understanding and technical competence in WTO matters.

SESSION 4: WTO MEMBERSHIP/ACCESSION - ISSUES AND EXPERIENCE

73. This session was dedicated to sharing of country experiences in relation to WTO. It was noted that participating countries were either WTO members (Fiji, Papua New Guinea and Solomon Islands), currently under the accession process (Tonga, Samoa and Vanuatu) or those that have yet to make a decision (Cook Islands, FSM, Kiribati, Marshall Islands, Nauru, Niue, Palau and Tuvalu).

74. In the case of Fiji, it was reported that it became a WTO member in 1996. Although it has an Embassy in Brussels it is only listening rather than fully participating in the negotiations/discussions. Fiji is keen to know the maximum benefits from market access. It was also explained that WTO issues were under the Foreign Affairs while the WTO related development in agriculture was under the Ministry of Agriculture in cooperation with the Foreign Affairs. With support of FAO etc., Fiji could manage to work out the food standards (CODEX Committee) at the Ministry of Agriculture. National workshop on food safety (inspector) is on-going. Food Safety Act was passed in 2004. Trade Committee was formed in Fiji and its meeting has been quarterly organized. It was also reported that Fiji has bound tariff at 40% except for sugar and rice which is set at 60%. In terms of priority needs, it was considered that training on notification process and requirements was an important area.

75. PNG reported that problems facing in PNG were similar to those in Fiji, and that the Bougainville crisis had adversely affected to PNG's export. Also, the necessary institutional and legislative reforms to ensure full WTO compliance were still required. In fisheries, it was noted that the competitive advantage were being built; value-added products for accessing markets were promoted through workshops on quality and safety of fish and fishery products, and legislative reform was needed. Also, the domestication of international obligations (SPS), upgrading bio-security and improving facilities were under way in PNG with technical support of SPC.

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76. Solomon Islands reported that like Fiji and PNG, it became an automatic member of WTO in 1996. It was also reported that WTO matters were being handled by the Department of Commerce but has a committee comprising of representatives from other departments. In terms of the role of agriculture in the economy, it was reported that 84% of the population live in the rural areas and therefore dependent on agriculture. Despite this, agriculture gets only 10% of the total government budget. Three commodities of economic importance are coconut, cocoa and coffee, apart from fresh and canned tuna which is being exported to the EU markets. Solomon Islands considered the development of niche markets as a way forward for development of trade in agriculture.

77. On Samoa's accession experience, it was reported that application for accession was made in 1998. Since then the necessary preparatory activities were undertaken including two national awareness workshops and the establishment of a national WTO committee. Following the formal submission of membership application in January 2000, there had been questions raised by a number of countries to which Samoa had replied in August 2001. It had also conducted consultations with Australia and New Zealand. It was also reported that Samoa had been asked to reduce tariff rates bound at 40%.

78. It was also reported that draft legislation on anti-dumping counter-measures had been prepared by the Commonwealth Secretariat's legal team. Regarding SPS, a set of guidance (for imported items) was prepared by the Quarantine Division in line with CODEX standards. On fisheries, it was reported that Samoa had experienced fish rejection by the cannery in American Samoa due to absence of quality and safety measures. A review of legislation for market access requirements had been carried out focusing on the US and NZ markets. It was also reported that fish exporters in Samoa were not large enough to cope with the new trade requirements and thus Government support was needed for local fishing industry.

79. In the case of Tonga, it was pointed out that the biggest challenge was to meet all the legislative requirements under the WTO agreements. The necessary preparations for the WTO accession are being handled by the Ministry of Labour Commerce and Industries, and a national working committee comprised of representatives from relevant ministries. A national Codex Committee has been established to be responsible for issues relating to food safety and quality standards. Lack of awareness and capacity to deal with trade issues within the Ministries of Agriculture and Fisheries was identified as a major constraint and thus awareness training at the national level was considered to be a priority.

80. Vanuatu reported that 75% of its population live in rural areas and are subsistence farmers. In regards to its accession to WTO, Vanuatu stated that it applied in 1996 and it took 5 years for the accession process to be developed. In 2001, however, it was decided to be suspended and it was not until 2004 that Vanuatu decided to re-open negotiations with the US. Vanuatu further reported that it was difficult to negotiate with the US and thus, the next steps being considered include requesting bilateral negotiations in 2004 accession terms; national awareness raising programmes; combined dialogues with FAO, New Zealand, etc.; and greater involvement of other ministries in the accession preparation process. Vanuatu stressed the importance of and the need for increased local ownership of the process through public awareness.

81. Kiribati pointed out that it was a small country with about 100,000 people with very few resources to export and thus heavily reliant on imports. It was also reported that Kiribati has yet to make a decision as to whether to apply for membership with WTO. In order for Kiribati to make a decision on this matter, it needs to be very clear on the benefits that will accrue from becoming a member and the necessary preparations and requirements it needs to fulfill in order to realize those benefits, taking into account its current balance of trade situation. The negotiations on fisheries subsidies were highlighted as one of the important issues that Kiribati was interested in.

82. Tuvalu stated that apart from fish, export was non-existent due to its limited land area. Tuvalu, on the other hand, has been dependent on imported goods financed mainly through remittances. In terms of government revenue, import tariff is the main source of revenue of government. Tuvalu also reported it

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was taking a precautionary approach to dealing with WTO membership issue. It pointed out that it needs to assess things from a small island developing state (SIDS) perspective. A point that was highlighted was the need to improve coordination among ministries to assess the full benefits and costs involved in Tuvalu becoming a member of WTO.

83. Nauru informed that it has not considered the issue of WTO membership at this stage due to other priority and more pressing needs/issues. It was also reported that there was virtually no agricultural activity in Nauru and that 98% of its food requirements are being imported mainly from Australia and NZ. There has been some effort by development partners (SPC and FAO) to develop and revive agriculture on the island.

84. Palau explained that its main concern is fisheries given that it was the only resource with great economic potentials. Palau also reported that it was aware of issues such as the EPA negotiations through its participation in the Commonwealth Secretariat/PIFS Workshop on Fisheries Subsidies held at the PIFS, Fiji and the outcomes of the Forum Trade Ministers Meeting held in May, 2005. As member of FFA, Palau further reported that it was carefully looking at the process of EU-EPA, and that it was not yet a member of the Western and Central Pacific Fisheries Commission. Regarding agriculture activities, it was reported that Palau was a net food importer and agricultural/food export was non-existent.

85. The participant from Niue outlined the general status of the country as a small island state with small population, still recovering from cyclone damage of 2004. It was also pointed out that although Niue had participated in the past RTM, there is generally a lack of understanding and appreciation of the benefits, if any, and the costs/challenges of being a member of WTO. Like other smaller island countries, Niue was very much interested in the ongoing negotiations on fisheries, particularly on the fisheries subsidies debate and the EPA with the EU. Other importance issues included CODEX, HACCP, EU fish import standards and requirements, and tuna resource management.

86. Cook Islands stated that WTO membership was still being considered and its continued participation in the annual RTM has helped to provide better understanding and appreciation of the issues involved. It was pointed out that physical and legal infrastructure on trade and customs services were among the priority areas that needed to be updated/improved.

87. After further query and discussion, the FAO Sub-Regional Representative reiterated that the main objective of the RTM was to provide updated information on international trade and on the issues currently being negotiated in WTO, in order to assist countries make informed decisions. He also emphasized that it was not the intention of the meeting (and of FAO) to try and encourage countries to become members of WTO, and that countries should decide for themselves on such important matter.

SESSION 5: ECONOMIC PARTNERSHIP AGREEMENTS AND WTO COMPATIBILITY

88. This session was devoted to discussing issues relating to economic partnership agreements (EPAs) and the implication of new developments in the WTO negotiations on such agreements. Resource persons from the government of New Zealand, from the PIFS and from the FAO made brief presentations on the topics covered during the session.

- **Evolving WTO Rules and Regional Trade Agreements (RTAs)**

89. Mr Smythe of New Zealand MFAT provided an overview and historical developments of RTA activities in the Pacific. He outlined the main features of earlier agreements such as the SPARTECA (1980), the Australia/New Zealand CER (1983), the MSG trade agreement (1983) and the recent Pacific Island Countries Trade Agreement (PICTA – 2001). It was pointed out that the SPARTECA was not a reciprocal free trade agreement (FTA). In regards to the MSG, it was noted that Fiji did not ratify the

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agreement until 1998 and the recent development was the negative list agreement which was about to be signed in 2005.

90. In regards to PICTA, it was highlighted that Vanuatu had recently ratified the agreement making it the 10th member; that the Micronesia countries have been given time to sort out implications for trade with the US; and that the French and US Territories have been invited to join PICTA. It was also pointed out that tariffs are to be phased out by 2010 and that the rules of origin have to be developed and legislation passed through Parliaments.

91. The Pacific Agreement on Closer Economic Relations (PACER) was the umbrella agreement over PICTA and that it was not a free trade agreement. PACER provides for negotiations with Australia and New Zealand to start in 2011, however, this could be triggered earlier if PICTA parties jointly commence negotiations with a third party. It provides for trade facilitation programme that was now up and running and to which New Zealand had contributed NZD\$0.25 million when the agreement was signed and similar amounts will be contributed in 2004/05, 05/06 and 06/07. New Zealand has also indicated that it will continue to provide funding as long as the progress in implementation of the programme is satisfactory.

92. In relation to regional economic partnership agreement (REPA), it was pointed out that EU's Cotonou trade regime will end in late 2007 and that negotiations for a reciprocal REPA to replace it has already begun. Phase I of the negotiations was with the whole ACP group in 2002 and phase II was the negotiations with the Pacific ACP sub-group which was launched in September 2004. It was pointed out that for the REPA, the Pacific ACP need to consider Article XXIV requirements and to work out position of exclusions and timeframe.

93. In her presentation on WTO Rules Negotiations on RTAs, Ms Pearman of New Zealand MFAT stated that to date there has been a total of 170 RTAs in force that have been notified to the WTO of which 43 were notified between January – February 2005. It was also pointed out that the RTAs are dealt with in GATT Article XXIV and the Enabling Clause. The purpose of an RTA should be to facilitate trade and not to raise barriers to others. Thus, RTAs are acceptable as long as duties and other regulations of commerce are not higher than before and that the agreements are achieved within a reasonable length of time.

94. An RTA is described as an agreement that meets the requirements of definitions of an FTA and a Customs Union. Whereas an FTA exists when two more territories agree that duties and other restrictive regulations of commerce are eliminated on substantially all trade between the territories, a Customs Union is basically an FTA except that substantially the same duties and other regulations of commerce are applied by each Union member to outside trade.

95. It was pointed out that the Enabling Clause allows for non-MFN treatment in favour of developing countries, by providing a lower standard for RTA amongst developing countries. Also, unlike Article XXIV, it allows partial reduction of trade barriers.

96. Ms Pearman reported that the Doha Mandate is to “clarify and improve” the rules and procedures on RTAs and that the negotiations have been focused on substantive as well as process issues. While negotiations on the process issues of notification and review are more advanced, there is little agreement as yet on substantive issues such as “substantially all trade”, “other regulations of commerce”, and “other restrictive regulations of commerce”.

- **Implications of New Developments in the WTO Negotiations and the EPAs**

97. Mr Poonyth made a presentation focusing on EPAs and the Pacific Islands. He pointed out that in terms of trade with the EU, Australia and New Zealand the level of exports from PICs are on a declining

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trend while imports were on a steady increase, with Australia and New Zealand being the main source of imports. In terms of export, Australia and Japan are the main export destination for PICs accounting for 23% and 11%, respectively. The EU is the third largest export market for the Pacific and export is dominated by PNG (palm oil), Fiji (sugar) and Marshall Islands (non-agricultural products).

98. Generally, EPAs seek to achieve reduction and eventual eradication of poverty; gradual integration of ACP States into the global economy while paying due regard to the principle of sustainable development. Within the framework of the negotiating objectives, the EPAs must be instruments for development; must support ACP regional integration initiatives; must improve ACP preferential market access into the EU; must be compatible with WTO rules; and should not make any ACP country worse off than already is.

99. It was pointed out that EPAs should be compatible with WTO rules on RTAs in regards to reciprocal trade liberalization. This was necessary given that all EU members and 75% of ACP countries are members of WTO, as well as required under WTO rules and legal standards. In terms of EPAs and regional trade, it was pointed out that negotiations will be done between RTAs and the EU. In the event that an ACP country is not a member of any RTA the alternative is to sign as a single country. However, in WTO terms, for ACP RTAs to sign any trade agreement with the EU, it should itself be Custom Union in the sense of GATT article XXIV. Hence, all the ACP sub-regional RTAs need to evolve into a full fledged Custom Union by end of 2007 at the latest.

100. In terms of the Pacific EPAs, it was pointed out that the Pacific Island Countries Trade Agreement (PICTA) commits 10 countries (who are currently members of the Agreement) to progressively establish FTAs. There is also the Melanesian Spearhead Group of which Fiji, PNG, Solomon Islands and Vanuatu are members, which is committed to moving to a free trade by 2008, with intention of developing a custom union. Other regional agreements include the Pacific Agreement on Closer Economic Relations (PACER) and the US Compact of Free Association with Micronesia, Marshall Islands and Palau.

101. With reference to the FPA with the EU, it was pointed out that this will call for a renegotiation of PACER and that most likely the Pacific ACP will have to offer similar terms to Australia and New Zealand, as stipulated under the PACER. However, an important point to be noted is the fact that the EU is a minor source of import for PACP compared to Australia and New Zealand. Thus, PACP need to weigh the benefits and costs of giving similar terms to Australia and New Zealand with those under the FPA with the EU.

102. It was also noted that currently most ACP agricultural products enter the EU as either under guaranteed prices for fixed quantities (for a few products such as sugar, beef, bananas and rice), or under duty-free access (for some other products) or under less than MFN duties (for many products). Apart from tariffs, agricultural market access to the EU is affected by other factors such as the disproportionate use of SPS measures for protectionist motives, and the poor supply capacity on the ACP side.

103. In regards to EU SPS Standards and EPA, it was pointed out that apart from the unquestionable rights of members to introduce measures to protect human, animal and plant life or health, legitimates concerns are also being used as smokescreen for protectionist motives. Thus the challenge for the ACP is the need for enormous/expensive investment in scientific infrastructure. This includes pre-shipment inspection/certification facilities at ACP exit points. There is also a need for EPAs countries to meet the requirement under the new EU Food/Feed Act which enters into effect from 1st January 2008. Given these situations the following strategic choices were identified for the Pacific ACP countries:

- Fragility and smallness of regional/domestic market must be major consideration in offering increased market access to EU;
- Bound tariffs should be used for tariff reduction/elimination;

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- Given that most products already enter the EU market duty free, focus to be on remaining tariffs or tariff peaks;
- Rules of Origin “cumulation” should apply to all EU’s preferential trading partners, neighbouring countries, in addition to all ACP countries;
- Need for simplicity and asymmetry in terms of safeguards;
- Development dimension of EPAs must include the transformation of PACP agriculture, supporting diversification into higher value added production;
- Need to explore anti-dumping/countervailing measures in EPA context;
- Emphasize negative effects of EU subsidies on domestic production and thus have these taken into account in market access negotiations;
- Possibility of compensation mechanism to cater for losses resulting from liberalization; and
- Use EPAs to build supply capacity and other technical capacity.

104. Mr Poonyth concluded his presentation by emphasising that Pacific ACP states have to decide whether the costs of an EPA and FPA exceed benefits or vice versa. He added that potential costs include the increased import competition; reduced government revenue; trade diversion; and adverse terms of trade movement whereas potential gains include market access for exports and trade creation for imports.

- **PICTA: Key Provisions and Progress**

105. As an introduction to her presentation, Ms Falemaka stated that the 1997 Forum Economic Ministers’ (FEM) meeting recognized the sluggish and declining growth in Forum Island Countries (FICs) and the rapid and profound changes in international economic development due to globalization of trade; multilateral trade rules resulting in the steady erosion of trade preferences and declining aid. In response to the changing economic environment, the FEM agreed that regional economic integration should be explored and a study on FTA to be carried out for the consideration of the Forum Trade Ministers (FTM). At the 1999 FTM meeting, Ministers supported regional integration as a way to enhance trade capacity and competitiveness through creation of a free trade agreement. They also considered that the FTA would be a stepping stone to global economic integration and a platform for future FTA negotiations. Furthermore, they envisaged the enlargement of the FTA in future and agreed to explore integration of trade in services in the FTA; extensions of FTA to the US and the French Pacific territories; application of FTA on Australia and New Zealand closer economic relations; and market access arrangements with Japan and USA.

106. In regards to WTO, the FTM agreed to enhance FIC participation in WTO through developing common FIC positions through a FIC-WTO working group; developing alliances with countries of common interests; and establishing a Forum Representative Office in Geneva to enhance the region’s participation in WTO negotiations. The Geneva office was subsequently established in 2004.

107. It was also pointed out that under the Cotonou Agreement, the 14 FICs are required to negotiate an EPA/new trade agreement with the EU and the new EPA would be WTO compatible. The objectives of the new EPA are to promote poverty reduction; promote sustainable development and facilitate global integration. The EPA negotiations must be concluded by end of 2007 so that the new EPA will come into effect on 1 January 2008 when the WTO waiver expires.

108. In reference to PICTA, Ms Falemaka stated that the Agreement entered into force on 13 April 2003. Potential benefits of PICTA includes (i) being a stepping stone to wider liberalization and integration; increased attractiveness to investment; promote greater cohesion among FICs in dealing with outside world; sustainable benefits from implementation of supporting programme of trade and investment facilitation measures; and size of regional market would more than double with addition of the US and French Pacific territories. In terms of costs, the major cost considerations are the loss of tariff revenue and the cost associated in domestic industry adjustments. She then highlighted some of the important provisions under the Agreement.

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109. The objectives of PICTA, as set out in Article 2 of the Agreement, are to strengthen, expand and diversify trade; facilitate trade expansion and diversification through gradual liberalization of tariffs and non-tariff reductions through agreed timetable; promote fair competition, promote commercial, agricultural and technical cooperation; eventual creation of a single regional market and to contribute to global trade liberalization. She then outlined some of the key provisions of the Agreement that are in line with WTO rules. Under Article 3, provisions are made for the gradual implementation of FTA with SIS and LDCs to be integrated under different structure and timetable. In terms of coverage, as set out in Article 4 of the Agreement, the provisions are for FTA in goods only, including agricultural goods. Provisions relating to the rules of origin are provided under article 5, which requires that traded goods must be wholly obtained or produced or substantially transformed (40% value added) at the exporting country.

110. Article 6 of PICTA related to most favoured nation treatment, which stipulates that there will be no discrimination amongst parties on tariffs, taxes or restrictions connected to importation and exportation, rules and procedures for import and exports. Provisions relating to tariffs are covered under Article 7. This provision requires that all quantitative restrictions are to be converted to tariffs, and that tariff reductions apply only to goods from Parties, thus one cannot reintroduce or increase tariff on bound rates.

111. There are also provisions relating to such issues as: Negative Lists (Article 8) which allow more gradual liberalization for sensitive products by having smaller tariff reduction over longer period; trade distorting measures (Article 9) which requires that there will be no discrimination between domestic and imported goods; and emergency action (Articles 10 -13) which allow parties to take action in specific cases. Article 14 outlines provisions for developing industry protection, which allows parties to protect infant industry through increased tariffs with a timeframe of 5 years for FICs and 10 years for LDCs/SIS. There are also provisions under Article 21 and 22 on dispute settlement procedures.

112. In terms of lessons for FICs, it was pointed out that in the long term preferences will ultimately diminish as an effect of WTO and RTAs. As such, PICTA is considered important as a stepping stone to integration with Australia and New Zealand (under PACER), with the EU (under EPA); and with the global economy in the long term. Also, it was important to make adjustment now and seek adjustment assistance for export capacity development and trade promotion; for improving trade facilitation and investment conditions and trade related reforms.

SESSION 6: UPDATE ON THE DOHA DEVELOPMENT AGENDA NEGOTIATIONS

113. This session focused on updating participants on the Doha Development Rounds of negotiations. The presentation covered key topical uses and developments to date, key issues for debate in preparation for Hong Kong and an assessment of where things are heading from a Pacific perspective. The presentation was made by Ms Sanchia Kumalija, Ms Rebekah Mawson, and Ms Tessa Te Mata of the Trade Negotiations Division of the New Zealand MFAT.

- **Key Issues and Developments in the Doha Round**

114. As an introduction, Ms Kumalija pointed out that the Doha Development Agenda (DDA) recognises the issues faced by developing countries. Also, the DDA focuses on issues relating to agriculture. In terms of developments to date, it was pointed out that by end of July it was expected that there will a final stock take before the first approximations of the draft agriculture and NAMA texts, however, at this point it was hard to see the drafts in the form originally envisaged. Also, the Geneva process has effectively come to a halt and thus the aim of having both NAMA and Agriculture draft texts was clearly threatened. There seemed to be an impasse in both Agriculture and NAMA which are strongly linked; NAMA seems to be going backwards because of the lack of market access progress in Agriculture.

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115. It was also pointed out that the senior officials' talks in Devonne in June suggested that the EU was serious about trying to make significant progress. However, with the uncertainties in the EU in the aftermath of the Dutch and French "no" votes on the European Constitution, the Commission could be seen as having chosen to play hard ball while waiting for a real political negotiation to get underway. In the absence of European movement on Agriculture market access, Brazil and India have refused to budge on the NAMA formula.

116. The recently held meeting of FIPS had wide discussion, inclusive of Agriculture and is considered to be the first real sign seen for sometime of a deliberate effort to re-establish the political management mechanism of 2004, which was messy and sometimes contentious but resulted in the breakthroughs that were needed; the 2004 July Frameworks. The London meeting of FIPS negotiators seems to have reached agreement at a political level, each was going to have to dig deeper to give on their defensive interests (US – domestic support; EU – market access, elimination of export subsidies; Brazil and India – NAMA and services).

117. It was also noted that the Dalian informal Mini-Ministerial Meeting (MMM) was currently underway in China. Thus, if at the political level, there is a more balanced mandate that shows a softening of defensive interests, one can expect to see a very busy second half of July 2005 in Geneva as Agriculture and NAMA committee chairs set to the task of attempting to draw up draft texts. Thus, the underlying issue is overall ambition and balance between NAMA and Agriculture, and how to engineer it at the political level especially as numerous key players are still calling for high ambition.

118. Other topical issues covered in the presentation included Agriculture, Industrials, Services, Rules and Development. In relation to Agriculture, it was pointed out that DDA can only move as fast as Agriculture and thus Agriculture is considered as the pacesetter. Also, there had been a breakthrough, as a result of the FIPS process in 2004, in the July Framework on export subsidy elimination, parallelism, domestic support, banded formula and sensitive products. Despite this, the market access pillar was still badly underdeveloped. There was also a lot of time wasted on the small technical issue of AVEs that in turn halted progress on larger issues such as market access.

119. In regards to Services, it was pointed out that although it was not the top priority in DDA, there is still a need to make progress in services to achieve NAMA and Agriculture as well; the progress was currently slow. Services was considered to be a relevant area for New Zealand and also for developing countries particularly in so far as it provides the opportunity for capacity building that is not obtainable in NAMA and Agriculture.

120. Referring to the Rules of WTO, it was pointed that the anti-dumping/trade remedies-related agenda at the WTO remains one of the most contentious. The Agreement on Anti-dumping is one of the least liberal agreements managed by the WTO. It allows for considerable latitude in taking anti-dumping measures. Also, OECD countries are still the greatest anti-dumpers, but developing countries are catching up. China and India are those with greatest number of cases. The current negotiations are designed to improve transparency around application of anti-dumping and disciplines governing their use. In the case of New Zealand, anti-dumping measures are used on manufactured goods, including most recently Korea, China and Indonesia on a range of products. It was also pointed out that Rules is likely to be one of the last items to be resolved, so improvement is slow while negotiators wait to see what happens in NAMA and Agriculture.

121. As far the outlook for the future is concerned, it was expected that there will be intensive process in Geneva in mid/late September through to mid-late November to put together draft texts into shape for Hong Kong. To get achievements in Hong Kong, it would be necessary to put at least the main elements of a deal into place before then. However, it was pointed out that while some progress has been made in certain areas of the negotiations, it is not enough in terms of the breadth of the work that needs to

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be done by Hong Kong, especially on technical issues where progress is needed. The EU and the US do not currently seem to be in negotiating mode but there is a feeling of optimism that none of the big players have said anything to suggest the round will fail, as they still seem serious about closing a deal and one will have to assume that they would very much worried about the consequences of the round falling over.

- **WTO and Current Agriculture Issues**

122. Ms Rebekah Mawson explained the basic structure of the negotiations on Agriculture. She highlighted the fact that a “first approximations” of the draft Agriculture text was expected to be made by July and that a Mini-Ministerial Meeting was currently underway in Dalian, China. Groups within the negotiations include the Cairns Group, the G10, the G20 and the G33.

123. In terms of the current state of play and goals of the negotiations on agriculture, three issues were highlighted as being the main focus. One was the issue of export competition, with focus on the elimination of export subsidies. Domestic support was also a topical issue with focus on tightening of disciplines and cuts in support. The other issue is market access with focus on a formula to be adopted. Discussions had focused on the Uruguay Round formula versus the Swiss formula, whether to use a linear or a progressive formula, and on the level of flexibility within the bands. Discussion also covered special and differential treatment to LDCs.

- **Doha Development Agenda: Relevance to the Pacific**

124. In her presentation under this particular topic, Ms Te Mata highlighted some of the successes of the Doha Development Round of Negotiations from the Pacific perspective. A major outcome of the DDA is that a more level playing field has been established for negotiations. This is attributed to progress in the following areas:

- Elimination of export subsidies;
- Improved market access;
- Special and differential treatment; and
- Improved rules particularly for fisheries and forestry.

125. It was also highlighted that all developing countries can benefit from the outcomes of the DDA but in different ways. However, in regards to benefits to individual countries of the Pacific, this would depend on whether changes made will be better than existing trade arrangements, whether reduction in tariffs will be offset by an increase in exports to other countries offering reduced tariffs; and whether countries are willing and are geared to take advantage of increased market access.

126. Advice was also given on how to capitalise on the outcomes of the DDA. It was pointed out that individual countries should seek to define/establish their individual “national interest”. There is also a need to clearly define what special and differential treatment mean to the Pacific and then lobby for this during the negotiations. Furthermore, countries should seek for assistance in areas of technical assistance and capacity building. Countries were also advised to capitalise on the outcomes of the DDA by giving attention to the mechanisms adopted for economic reform in terms of consistency with multilateral standards, updating legislation and paying attention to lessons learnt.

SESSION 7 (FOR AGRICULTURE): AGRICULTURE AND FOOD TRADE IN THE REGION – TRENDS AND ISSUES

127. After Session 6, participants were then divided up into two groups; one comprised those from Agriculture or interested in issues relevant to agriculture and the other was made up of those from Fisheries. Parallel sessions were then conducted for the two groups. The following provides a summary of the main issues discussed during the session for Agriculture.

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- **World Commodity Markets: Outlook and Implications**

128. Mr Poonyth of FAO made a brief presentation on this topic. In his presentation, he outlined the market access issues faced by the PICs, the tariff reduction formulae discussed within WTO including the tiered approach, and the implications for non-WTO members. In regards to market access, he pointed out that tariff was the most controversial issue since the very beginning of the negotiations which occupied approximately 75% of the negotiation time. This was due to the fact that there was lack of convergence on the tariff cutting formulae. He stated that further compromise on market access is imperative for the successful completion of the Doha Round.

129. There are five reduction formulae that had been discussed in WTO, which are: the Uruguay Round formula, the Swiss formula, the Banded approach, the Blended approach and the Tiered approach. In terms of meeting the four objectives of ambition, harmonisation, flexibility and proportionality none of the five formulae was able to meet all these objectives. Reasons for the failure to find an acceptable formula included:

- Inherent bias in the design of the different formulae towards one side of the spectrum;
- Too much focus on the formula to be used and not on the basic properties and principles that would characterise the final outcome;
- Inability of the various formulae to differentiate between the rather diverse initial tariff profiles of WTO members;
- Lack of a mechanism to ensure that the flexibility offered accommodate sensitive/special products would not be abused;
- Uncertainty as regards the extent to which special and differential treatment for developing countries would be ensured, including in particular the principle of proportionality in the outcome; and
- Successive failed attempts by previous proposed single formula to meet the Doha objectives.

130. Mr Poonyth provided a detailed explanation of the Tiered Approach formula and how it works. He pointed out that there were still some unresolved issues, which included the number and width of tiers; whether a linear or a non-linear formula should be used; and the level of flexibility to be adopted. Through a simulation exercise, Mr Poonyth then demonstrated the impacts of the tiered (linear) and the Swiss formulae on government revenue of Papua New Guinea under four different scenarios. The simulation exercise showed lower levels of revenue losses due to tariff cuts under the tiered approach as compared to the Swiss formula. He pointed out however, that countries look at the impact of tariff cuts from different perspectives. While some look at the impact in terms of reduced government revenue, others look at it in terms of increased imports, or in terms of increased production diversification or in terms of how it reduces ability to use it as a safeguard measure.

131. In terms of impact of tariff reduction, it was pointed out that reduction in tariffs by developed and developing countries is expected to increase market access for LDCs and non-WTO members. However, reduced tariffs will erode margin of preference for LDCs and non-WTO members, thus there will be a negative effect on agricultural exports of preference receiving countries. Further, LDCs and non-WTO members will be affected by other countries' designation of "sensitive and special products". As such, it

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would be advisable to be prepared now to avoid surprise later as new members are asked for more commitments thus larger impacts.

132. He then concluded by pointing out that different tariff profiles can result in significantly different impacts. Also, different members have widely different objectives hence achieving the joint goals of flexibility, harmonisation, ambition and proportionality with a single mathematical formula is likely to be very difficult.

- **Market Potentials and Status of PIC Exports to New Zealand**

133. Ms Louisa Sifakula of PITIC briefed participants on the status of exports from PICs to the New Zealand market. She highlighted some of the major problems and constraints as well as potentials for increased export.

134. One of the major problems faced by importers of PIC produce is the inability of the suppliers to maintain regular supply of quality produce. As a result of this, most importers have turned to suppliers from other countries outside the region. In relation to quality, it was pointed out that packing is an important aspect which not only helps to protect the quality of the produce but also to promote and attract interest.

135. It was noted that while New Zealand is a major exporter of agricultural products, it is also importing a lot of tropical products particularly fruits and vegetables, as well as produced targeted at its different ethnic groups including the island community. These markets are growing and PICs should be able to tap into these markets. However, to be able to penetrate and maintain a share of these markets, countries must be able to meet market requirements in terms of volume and regularity of supply, quality and other requirements.

SESSION 8 (FOR AGRICULTURE): MARKET ACCESS AND TRADE FACILITATION IN THE CONTEXT OF WTO RULES

136. The session focused on market issues and trade facilitation in the context of WTO rules. Presentations during this session were made by resource persons from FAO and the PIFS. The main issues raised and discussed during the presentations are as outlined below.

- **Special and Sensitive Products, Special Safeguard and Special Safeguard Mechanism (SSM)**

137. In his presentation, Mr Poonyth stated that special treatment and special safeguards were first introduced as part of the Uruguay Round tariffication package. However, much is not known about these categories as the framework agreement contains only a skeleton and that most issues have yet to be negotiated. Also, the Framework Agreement gives only what the special treatment will not be, rather than what it will be. Furthermore, the principle of “substantial improvement” will still be applied to each sensitive product.

138. In terms of what had already been agreed under the issue of “Special Products”, it was pointed out that a special category of sensitive products has been agreed to be created. Also, special treatment will take two forms: deviations from the tariff cutting formula (which itself is yet to be agreed) and possible exemption from a possible future agreement to have a tariff cap. Issues yet to be negotiated include the number of products; rules and a baseline for TRQ expansion, and the selection criteria.

139. It was also pointed out that there is special provision for developing countries, as spelt out in Annex A of the July 2004 Framework package. This provision allows developing countries the flexibility

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to designate an appropriate number of products as “Special Products”, based on criteria of food security, and rural development needs. Such products will be eligible for more flexible treatment.

140. Criteria for the selection of special products include food security, livelihood security and rural development needs. These criteria are considered to be vague and overlapping and thus pose some challenges on their application. There are also problems in regards to defining some of the key terms used, such as “an appropriate number”, criteria for “food security, livelihood security and rural development needs”, and the “more flexible treatment”. Another problem is the fact that the indicators being used suffer a major deficiency in that the objectives of food security, livelihood security and rural development are not easily quantifiable. Related to this is the difficulty of identifying the threshold levels of the indicators.

141. Despite the difficulties identified, there are also arguments in favour of Special Products (SP) that are of interest to, and should be supported by, the Pacific region. Two important points worth promoting are: that there should be no a priori exclusion of products from the list of products that could be eligible for SP treatment, and that SPs should be self-selected by the countries involved and there should be no arbitrary number of SPs imposed on any country.

142. Sensitive/special products are not applicable to LDCs, however, it is important that LDCs and non-WTO member countries should continue to monitor the negotiations on this particular issue as they will be affected by other countries’ designation of products, particularly those of export interest to LDCs. Also, for LDC countries with hopes of graduation, it would be better to designate products now to avoid any future surprises.

143. On the issue of special safeguards (SSG) and special safeguards mechanism (SSM), it was pointed out that these were old concepts but are now back in fashion, however, very little is known about these categories. In explaining the features of the current SSG, there is an assumption that the current SSG will influence the design of the SSM, and that experience with use of the SSG is very limited. Reasons given for its limited use including the fact that majority of countries adjust applied tariffs upwards when facing falling world prices and/or import surges. It was pointed out however that when bound rates are reduced (i.e., tariff reduction), SSM will be needed, which is a contingency measure to protect domestic producers from being injured or threatened by imports following liberalization.

144. SSM is particularly needed to reduce the effects of tariff cuts on government expenditure in support of rural development, rural economy and household food security. There is consensus in WTO (and elsewhere) that reduction in government expenditure as a result of tariff cuts is a problem and hence there is a justification for an SSG-type simple instrument. As well, the conversion of NTBs would lead to influx of unduly low-priced products or simply a surge in imports.

145. In regards to an SSM for developing countries, the Framework Agreement says almost nothing on this issue apart from the stipulation that there will be one established for use by developing member countries. Nevertheless, it is considered that the main building blocks of an SSM should comprise the following issues/topics:

- Country coverage;
- Product coverage;
- The triggers;
- Trade remedy or response;
- Other issues (duration, transparency).

146. There are still a number of outstanding issues that would need to be addressed before an SSM mechanism is established for developing countries. One important issue is whether the SSM should be

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based on product or tariff line. Related to this is the issue of whether there should be a limit on the number of products (if product-based) that can simultaneously have access to the SSM.

147. Looking at possible benefits/opportunities for the Pacific, it was pointed out that the set-up of an SSM would allow countries to respond to damaging imports (surges and price falls) in cases where this may be necessary. Also, there is more than enough “water” between bound and applied tariffs which is legal to be used and thus countries should be able to use this to their maximum benefits. It was also pointed out that there are also dangers to the Pacific if an SSM is established. One import point is that it will legitimize the continuation of SSG for developed countries. Also, it will allow potential developing country markets of bigger countries (Thailand, Argentina, Indonesia, Brazil, India, etc) to take advantage of such measures to the detriment of the Pacific.

148. In concluding his presentation, Mr Poonyth highlighted the fact that SSP provides flexibilities to promote livelihood system and rural development, and that SSM provides flexibilities to allow quick and easy reaction to import surges and price slumps. However, there are challenges and possible danger and thus there is a need for more analytical work about the pros and cons of each option before decisions are taken.

- **Regional Trade facilitation Programme: Progress**

149. Mr Sidney Suma of SPC briefed participants on the progress in implementing the Regional Trade Facilitation Programme (RTFP) implemented by SPC. The RTFP is a 5-year programme primarily funded by New Zealand and Australia under PACER. Comprised of three major components, the RTFP is managed by the PIFS and implemented by SPC (Quarantine), PIFS (Standards and Conformance) and the Oceania Customs Organization (Customs). An MOU was signed in September 2004 to enable implementation and funds were subsequently released in April 2005.

150. In regards to the quarantine component for which SPC is responsible, it was pointed out that it was originally approved in 20003 for a centre of import-export biosecurity technical support (Impextek) and for the establishment of sanitary and phytosanitary commodity pathways for FIC agricultural exports. This was further revised in 2004 for only a technical advisory unit for import-export biosecurity technology to be established (which is only part of Impextek). What is yet to be funded is the commodity pathways and 2 components of Impextek.

151. In terms of progress on the implementation of the Quarantine component, it was noted that an email based helpdesk has been established; commodity standards and commodity pathway posters have been completed for Fiji; and a training manual on systems approach/commodity pathway for Fiji has been prepared and could be used as template for similar developments in other countries. Research on hot water as a possible quarantine treatment for taro exports to New Zealand is currently being undertaken in collaboration with Pacific Cooperation Foundation of New Zealand. Once this is done, focus will be on undertaking a feasibility study on the commercialisation of hot water treatment. It was also mentioned that a Pacific Islands Pest List Database (PIPLD) has been launched, which is a regional online version of the national PLDs.

152. Reference was made to the usefulness and the positive impact of the work performed by the Biosecurity Officer recruited by New Zealand to provide dedicated assistance to the PICs. In relation to this, it was advised that Australia has decided not to proceed with the dedication of a biosecurity officer similar to one provided New Zealand, as well as with the PIC IRA training initiative, in the foreseeable future.

153. Planned activities for the future include Impextek attachment training on IRA and MAS; continue to encourage and assist market access requests to Biosecurity Australia; and develop training manuals for attachment trainees based on the Fiji Manual. Focus will also be on encouraging and

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facilitating trade between PICs and the development of pre-shipment and post harvest research and development capacity at the Impextek centre.

SESSION 9 (FOR AGRICULTURE): BIOSECURITY AND TRADE

- **Biosecurity Priorities and Issues for the Pacific**

154. This topic was introduced by way of a presentation by Ms Bronwyn Wiseman of the New Zealand MAF of the Biosecurity Standard Group. She provided an overview of the International Plant Protection Convention (IPPC) and its main functions; and a brief outline of the International Standards for Phytosanitary Measures (ISPMs) on how these standards were used. She also highlighted biosecurity issues for the Pacific, and the current work relating existing access for plant into New Zealand as well as facilitating access of new plant products.

155. Under the IPPC, requirements include having a national plant protection organization, conducting surveys, inspecting imports and exports, maintaining security of consignments and conducting pest risk assessment (PRA). The requirement for phytosanitary certification is provided under Article V of the Convention which states that certificates are to be officially issued by technically qualified staff. In terms of regulated pests, Article VI states that phytosanitary measures can be applied for quarantine pests but not for non-regulated pests. In relation to imports, Article VII of the Convention recognizes that phytosanitary measures can be used to regulate imports but they must be technically justified and must be made available to the exporting countries. There is also a requirement (Article IX) for the establishment of regional plant protection organizations to promote development and use of standards. It is in line with this particular Article that the Pacific Plant Protection Organization (PPPO) was established.

156. In regards to biosecurity issues for the Pacific, it was pointed out that many issues are being dealt with by the individual countries and by regional organization such as the SPC. In terms of New Zealand MAF priorities, the focus is on biosecurity issues for imports of plant commodities. This covers existing access as well as access for new commodities, particularly fresh produce such as fruit and vegetables and flowers. There are also specific pre-export measures if the commodity is a fruit fly host. These include heat treatment, cold treatment, research for non-host status and systems approach. In regards to processed (frozen, dried, pureed, juices) plant products, it was informed that these are generally permitted from all countries, and that the list of permitted products is readily available.

157. In relation to access for new commodities, all fresh produce requires an Import Health Standard (IHS) and phytosanitary certification. The IHS describes the phytosanitary requirements and specifies regulated pests of concern. The request for new access needs to come officially from the exporting country. Examples of recent IHS include breadfruit and papaya from Samoa and limes from Vanuatu. IHS has been revised for cucumbers from Vanuatu and chillies from Fiji. Upcoming IHS includes citrus from Vanuatu and Samoa, squash from Tonga, flowers from Vanuatu and ginger from PNG.

- **Biosecurity Priorities and Issues in the Pacific – SPC Perspective**

158. Mr Sidney Suma made a presentation on the biosecurity priorities and issues in the region from the perspective of SPC. He highlighted three main areas where SPC assist member countries in relation to border management: training, compliance and infrastructure development in order to improve border surveillance. In regards to law harmonization, it was pointed out that SPC has been working with six countries (Fiji, Kiribati, Cook Islands, Niue, PNG and Vanuatu) on their draft laws, and two countries (Tonga and Solomon Islands) were in the process of reviewing theirs. Two approaches were used in revising and re-drafting of biosecurity bills; one is where smaller bills are developed focusing on specific areas and the other involves the drafting of one single bill covering all issues. An important emphasis is placed on ensuring compliance/ harmonizing national laws with WTO rules and requirements.

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159. Other services and assistance provided by SPC to member countries include the development of biosecurity information facility, resource supplementation and training, and provision of technical and scientific advice on biosecurity matters such as pest and disease survey, pest and disease diagnostic service, and development of emergency response plans. In addition, SPC plays an important role in briefing countries on international conventions and agreements, in coordinating regional views and ensuring compliance. International agreements and bodies of particular importance include the International Plant Protection Convention (IPPC), the International Standards for Phytosanitary Measures (ISPM), the Interim Commission on Phytosanitary Measures (ICPM) and the Pacific Plant Protection Organization (PPPO) for which SPC is the secretariat.

SESSION 10 (FOR AGRICULTURE): CODEX, FOOD STANDARDS & TRADE

- **Codex Activities of Interest to Pacific Islands**

160. A presentation on this topic was made by Ms Cherie Flynn of the New Zealand Food Safety Authority. After explaining what Codex is and its functions she went on to outline why Codex is important to the Pacific. She pointed out that technical barriers to trade remain a major problem in trade and as such the international standards are key mechanisms to reducing such barriers. The Codex food safety standards are international benchmarks under WTO Agreement on Sanitary and Phytosanitary Measures and WTO members are encouraged to harmonize with Codex standards as far as possible.

161. The Codex Alimentarius Commission (CAC) is an international body for food standards that was set up in 1962 by WHO and FAO. Its mandate is to promote international standards for health protection and fair practices in food trade. In regards to the management structure of the CAC, it was noted that there is management committee that includes Samoa as the coordinator for the North America and South West Pacific region. There are also general subject committees which deals with general/cross-cutting issues; commodity committees that are responsible for setting minimum safety standards for each specific commodity; Ad Hoc Task Forces that deals with very specific subject such as biotechnology, fruit juices, and animal feeds; and Regional Coordinating Committees.

162. In the regards to benefits to countries, it was pointed out that Codex provides a ready set of reference standards and guidance for use at the national level for domestic regulation. It also provides reference standards for use in international trade, and guidance on design and operation of food import/export and food control systems. More importantly, Codex helps countries of the region promote international standards for products of interest to the region, and fair trade practices as well.

163. In terms of challenges and outlook for the future, it was considered that the level of awareness has greatly improved in the Pacific in that all countries have contact points and consultative structures. However, the challenge is to improve and expand communication and consultative processes with stakeholders. There should also be a move towards setting up networks with other Pacific countries and other partners to build national capacities and experiences. Another important point is the fact that Codex work programme is vast and diverse thus, countries must focus on areas of greatest interest such as fish, plants, inspection and certification, given their limited resources and capacities.

- **Progress, Priorities and Challenges**

164. Reporting on the progress of Codex, Ms Cherie Flynn stated that at the international level, Codex is reforming structures and processes to speed up work and become more efficient. Committees are now working on strict deadlines, with a maximum of five years to complete work. More, importantly,

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more developing countries are attending Codex meetings, following the setting up of the Trust Fund that provides funding for their participation. At the regional level, Pacific countries are making progress; all have established contact points and related consultative structures. There have also been training workshops held in all the countries of the region over the past 5 years. As such there is greater awareness of how Codex can help countries address food safety and trade.

165. In regards to priorities for the region, the need to improve national capacities in Codex, strengthen national food control systems to improve domestic food safety and help exports, and update standards based on Codex standards and guidelines were highlighted. Countries were also encouraged to take a more strategic approach by improving participation in Codex in areas of interest to the region, such as fish, plants, food, hygiene, inspection and certification.

166. A number of key initiatives/areas were identified as being important challenges for the region, as well as strategies to be adopted in order to meet these challenges. Improving communications within the region was considered to be a key priority area, and the strategies to achieve this include: involving PICs in pre-meeting consultations; sharing of written comments; and encouraging countries to raise issues of regional interest. Another challenge is to increase participation in Codex and, as a strategy, countries were encouraged to make more use of the Codex Trust Fund.

167. Strengthening national contact points is also another important area. This could be achieved through improved networking among Codex contact points; focused guidance and support provided to PICs at Codex meetings; and sharing briefing and position papers before meetings. There is also the challenge of strengthening scientific and technical expertise in the region and this could be achieved by identifying areas where scientific information is needed; seeking assistance from developed countries of the region such as Australia and New Zealand; and improved networking among regional scientific institutions to share information and expertise.

168. There are also challenges in relation to promoting procedures to review Codex standards and facilitate harmonization. In order to achieve this, strategies proposed include: the compilation of a list of Codex standards of particular interest and relevance to the region; provide guidance on how to apply Codex standards in national standards; and training more people on Codex. There is also the need to promote development of standards of interest to the region. This could be achieved by identifying specific food products of PICs that require international standards; improve food standards at the national level; and use the CCNASWP to address regional standards issues.

• Regulatory Reform Requirements to Enhance Food Trade in the Pacific

169. Mr Felemi provided a brief outline of the regulatory reform requirements to enhance food trade in the Pacific, based on notes and materials prepared by Mr Dirk Schulz, FAO Food and Nutrition Officer based in Apia, Samoa. In his introductory remarks, he highlighted the fact that international food trade is big business which is worth approximately US\$300 billion annually. In regards to the Pacific, food imports are approximated at US\$507 million while exports are worth \$633 million annually.

170. The need to control imported food is important in order to protect the public health, prevent dumping of unsafe food, ensure adequate labeling; satisfy consumer requirements for quality and safety, and to enhance quality food trade. Control of food export on the other hand is also important in order to meet the requirements of the importing countries, be able to compete on the market, establish the country's reputation as a reliable exporter, protect national industry, and prevent unfair trade practices.

171. Food products are usually rejected at the import stage for a number of reasons. This is usually due to failure to meet the requirements of the importing country; lack of information and communication

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knowledge; no efficient export control; and lack of recognized certification documents or procedures. Causes of problems in food trade include labeling, expiry dates, decomposition or reduction in the quality of the product, contamination and residues.

172. General issues important to the Pacific include the alignment of national food regulations with international standards, as set under Codex; transparency of agreements, standards and conformance; systems equivalence assessment; and achievement of mutual recognition arrangements (in terms of certification systems). In terms of specific issues for further consideration, the following three issues were highlighted: (i) utilization of risk-based inspections to prioritize control measures; (ii) electronic certification systems; and (iii) development of regional food safety and quality systems, particularly in the areas of food labeling, and food recall guidelines and systems including product tracing/traceability.

SESSION 7 (FOR FISHERIES): FISHERIES DEVELOPMENT AND FISH TRADE

- **Global Trends and Issues in Fisheries Development and Fish Trade**

173. Mr Masanami Izumi, FAO Fishery Officer provided an overview of global trends in fisheries development and fish trade. He highlighted the current level of exploitation of fish stock and the corresponding increase in aquaculture production since 1970.

174. In regards to trends in the world fish export, it was pointed out that volume of fish export from developing countries have steadily increased over the past years and now it comprises 50 percent of the total world fish trade. Trends in fish trade and development in the Pacific was also highlighted, with focus on volume of catch, export/import developments and export market development. Global issues of relevance to the region were also highlighted. These include the issues relating to the requirements under the SPS and TBT agreements of WTO, and the current negotiations and outcomes under the Doha Development Round.

- **Overview of Regional Developments in Fisheries**

175. Ms Amanda Hamilton, Project Economist of FFA provided a brief overview of the developments in fisheries in the region, focusing on the tuna fishery. She reviewed diverse scale of fishing operations, main targeted tuna species, and contribution to regional economic welfare in terms of access fees, catch value and employment. Total regional tuna catch in 2003 was 2 million tons which comprised 50% of the total world catch. However, there is concern over some species of tuna being already over-fished, or nearing full exploitation, such as yellowfin and bigeye, although other species (albacore and skipjack) still have potential for increased level of catch.

176. Given the current situation facing the region, the biggest challenge is to maintain resource sustainability given its socio-economic importance as well as political decisions made in contravention to management principles and practices. The use of the ecosystem approach to fisheries management has gained support in recent years, however, its use in the region would face a number of challenges and constraints.

- **Sharing of Country Experiences**

177. Participants were given an opportunity to share individual country experiences relating to the development of fisheries. In response, countries provided a brief account of the developments to date and some of the key issues and challenges faced. A common priority expressed is the need to expand export markets to the EU and the practical difficulties and constraints faced. Accounts were also provided on individual country's efforts to develop the rural fisheries sector, improve fisheries resource management, and private sector development.

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178. Efforts being made by some countries to develop aquaculture were also reported. Other issues and areas of focus include regulated harvest of wild fishery stock; development of small-scale longline fisheries, safety at sea and community-based fisheries management.

SESSION 8 (FOR FISHERIES): UPDATE ON WTO NEGOTIATIONS AND ISSUES RELATED TO FISHERIES

- **The Fisheries Subsidies Debate: Background, Key Issues and Concerns**

179. Ms Pearman of the New Zealand MFAT briefed the meeting on the current status of the fisheries subsidies negotiations under WTO. With the inclusion of fisheries subsidies in the WTO negotiations there has been a push for new rules based on a number of arguments. Noting that fish is a major export for many developing countries, it has been argued that subsidies provided by developed countries to their domestic fisheries industries create an uneven playing field. In addition, with 75% of the world fish stocks now being over-exploited, the continued subsidization of fisheries will only further contribute to the increased over-exploitation of fish stocks. Current subsidies provided to fisheries are estimated to comprise 20-25% of the global fish revenue.

180. While there has been agreement on the need for new rules, there has been no agreement on the structure; whether it should be a top-down or a bottom-up approach. An important point for consideration in relation to negotiations on this issue is whether the focus should be on defining prohibited subsidies or defining exceptions. This would have major implications of the substance of the outcomes. Whatever structure that will finally be adopted, it is important that it is simple, transparent and enforceable.

181. A top-down structure proposed by “Friends of Fish” focuses on deciding which subsidies should be permitted. It supports broad prohibition of all fisheries subsidies with a list of exceptions. It also proposes for special and differential treatment for certain types of fisheries or areas such as artisanal fisheries and domestic development.

182. In regards to bottom-up proposal, it was noted that Japan, Korea and Chinese Taipei (Taiwan) prohibit subsidies that seriously harm the resource. The proposal also gives green light to subsidies to vessel scrapping, environment, management, research and development for sustainable development and social safety net. The red box category (subsidy prohibition), includes vessel construction or modification if capacity enhancing; shipbuilding yards for fishing vessels and vessel transfer to non-RFMO parties. It is considered that a bottom-up structure is less likely to produce an effective result as compared to a top-down approach.

183. Brazil, on the other hand, has put forward a top-down proposal, which has shifted the middle ground in the negotiations. While it supports broad prohibition on all fish subsidies, it calls for exception to access fees and disaster relief. In regards to the special and differential proposal, Brazil suggests “actionable subsidies” to increase capacity of RFMO members; for vessel construction and modernization; for fuel bait and ice; for access fees; and for disadvantaged regions. It also supports the application of serious prejudice (reverse burden of proof).

184. In terms of the next steps to take, it was noted that there is still much work to be done in the negotiations. There is need to define subsidy categories; to give early attention to the issue of special and differential treatment; decide the shape of new rules, and there is need to target the main industrialized country subsidizers.

- **Fisheries Subsidies and FAO Relevant Work**

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185. The presentation by Mr Izumi of FAO on this issue focused on the FAO Code of Conduct for Responsible Fisheries, in particular, Article 6.14 and Article 11. He pointed out the provisions of Article 6.14 requires that “International trade in fish and fishery products should be conducted in accordance with the principles, rights and obligations established in the WTO Agreement and other relevant international agreements”.

186. He then briefed participants on the FAO activities related to fish trade. This includes a series of meetings/discussions on fisheries subsidies since 1999 with emphasis on the impact of subsidies on fishing capacity, IUU fishing and fisheries management, and the role of subsidies in small-scale/artisanal fisheries. There had also been a case study on fish trade and food security in Fiji and Samoa (2003). In response to this point, Kiribati and Tuvalu expressed interest in conducting a similar case study on fish trade in their respective countries.

- **PIFS/Commonwealth Secretariat Workshop on WTO Fisheries Subsidies and Fisheries in EPA Negotiations: Outcomes**

187. Ms Falemaka of PIFS briefed participants on the outcomes of the workshop on WTO fisheries subsidies and fisheries in the context of the EPA Negotiations with the EU, which was held on 4-5 May 2005 in Suva, Fiji and co-sponsored by the PIFS and the Commonwealth Secretariat. She drew attention to her earlier presentation on EPA during Session 5 where she explained that the Cotonou Agreement in June 2000 committed 14 Pacific ACP countries to negotiate an EPA with the EU.

188. In regards to the proposed Pacific EPA, it was advised that the approach is to have master agreements on the principles and objectives, and on trade, with subsidiary agreements on goods, services and tourism, and fisheries. The three areas of interest for fisheries EPA are market access, trade facilitation and fisheries partnership agreement covering access, fisheries management and development.

189. In considering some of the key issues relating to the EPA negotiations, it has been agreed that a regional approach should be taken in order to maximise bargaining power. It was also agreed that the Fisheries Partnership Agreement (FPA) should not undermine existing bilateral agreements. Furthermore, there is agreement that benefits to FPA should be additional to existing agreements. The proposed structure of the FPA includes a framework agreement that allows members to set access fees; monitoring control and surveillance; and a development component.

190. In regards to the structure of the Pacific EPA negotiations, the Pacific ACP Trade Ministers provide overall charge of the negotiations and they report to the Pacific ACP Leaders. There is also a regional negotiating team (RNT) comprising of 8 countries (Cook Islands, Fiji, PNG, Samoa, Tonga, RMI, Tuvalu, Palau, with Kiribati included for fisheries) to lead the negotiations and the team reports to the Pacific ACP Ministers. There are also Negotiation Groups comprising of officials that report to the RNT, Technical Working Groups as well as Trade experts Advisory Groups.

191. The period 2004-2006 is considered to the substantive phase of the negotiations covering fisheries, investment, services, goods and architectural, legal and institutional issues. The next phase will focus on negotiations on legal text which is to be completed by 31 December 2007.

192. In regards to the Commonwealth Secretariat/PIFS Workshop held in May, the discussions had focused on issues relevant for the Pacific in WTO negotiations such the need for the EPA and the FPA to be WTO compatible; and how countries could use the current WTO Doha Negotiations to defend the region's positions in EPA and FPA. It also provided an opportunity to be briefed and to provide input into the draft proposal being formulated to be tabled to the Trade and Fisheries Officials Meeting.

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193. Another issue that was considered by the May Workshop is agreeing on a definition for artisanal fisheries. The proposed definition put forward for adoption for FICs defined the fishery as one where production is primarily for sale and when a vessel is used, the vessel is less than 12 metres in length or undecked or is powered by outboard engine, sail or paddle; and that the vessel is operated by owner or family member rather than by a company.

194. In regards to the status of the WTO Proposal, it was advised that the draft proposal on WTO fisheries subsidies had been recommended to the Pacific ACP Trade Ministers. The proposal seeks exemptions from subsidies on access fees; incentives for domestic harvesting and processing; and assistance to artisanal fisheries. The proposal had subsequently been endorsed by the Ministers in May 2005 and has been submitted to WTO in June, to be discussed in September 2005.

SESSION 9 (FOR FISHERIES): FISH TRADE - QUALITY AND SAFETY ASPECTS

- **Seafood Standards and Codex, HACCP Programme and EU Requirement**

195. A brief presentation on this topic was made by Mr Izumi of FAO. He highlighted some of the relevant activities carried out by FAO in this area in the past. These included a regional project aimed at assisting the countries to meet new fisheries regulations; a national training workshop on HACCP held in Tonga; a regional capacity building project on HACCP-based fish inspection system for the Pacific; and a project aimed at strengthening national capacities in seafood trade policy including risk assessment and traceability for the Solomon Islands.

196. He also highlighted examples of good national development initiatives. These included national fish inspection course on HACCP certification auditing and regulatory management system; a study tour to a more advanced fishing country; and development of a draft seafood standard management programme. Reference was also made to the outcomes of the South West Pacific Ministers for Agriculture Meeting held in the Cook Islands in June 2005, which endorsed the need for further strengthening national capacities in seafood inspection and to meet requirements of major trading partners.

SESSION 10 (FOR FISHERIES): FISHERIES RESOURCE MANAGEMENT AND TRADE ISSUES

- **Western and Central Pacific Tuna Commission: Issues and Challenges Ahead**

197. Under this topic, Ms Hamilton of FFA briefed participants on the progress relating to the establishment and operations of the Western and Central Pacific Fisheries Commission and on the issues and challenges that lay ahead. She also provided an update on the development of the Commission's Secretariat.

198. In terms of the issues and challenges facing the region, she highlighted the complexity of the Convention area; sustainability of catch; fair and equitable allocation; adequate data to support decision-making; regulating fishing on the high seas and the Secretariat's institutional and administrative arrangements. She concluded her presentation by emphasizing the need for diplomacy, understanding, concession and commitments for the long-term conservation and sustainable use of fish stocks.

- **Fisheries Trade and Product Certification**

199. Under this topic, Mr Mike Riepen of the New Zealand Ministry of Fisheries presented a paper entitled 'Trade Information Schemes', which describes an official documentation process that accompanies the international trade of specified products. He expressed that some countries require a species specific statistical document to be correctly completed and validated to accompany imports of certain fish products (i.e. certificate of origin). He further explained about the purpose and objectives of the trade information

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schemes focusing on addressing IUU fishing activities and monitoring catch through trade and some limited fish species particularly tuna.

200. He added that most regional tuna fisheries management organizations have adopted the use of trade information schemes. As well, individual countries have also adopted the use of these schemes, including the USA whose schemes will become effective on July 2005.

- **Eco-Labeling**

201. A presentation on this topic was made by Ms Jane Willing of the Ministry of Fisheries in New Zealand. She outlined the definition of eco-labeling scheme, which entitles a product to bear a distinctive logo, or statement, by way in which consumers are assured that the product has been produced according to a given set of environmental standards (e.g. Dolphin safe or Dolphin friendly). For reference, she introduced the FAO's Guidelines for the Eco-labeling of Fish and Fishery Products from Marine Capture Fisheries. Copies of the Guidelines were also handed out to participants.

202. An explanation of the three main features of eco-labeling schemes was provided which were: setting of a certification standard, accreditation of independent certifying bodies and certification that the product meets the required standards. She further expressed that eco-labeling schemes should in no case lead to a distortion of trade or competition.

SESSION 11: REGIONAL FOOD SECURITY INITIATIVES

203. This session provided an opportunity for IFAD, SPC and FAO as well as development partners present in the meeting to brief the participants on their various programmes and activities relating to enhancing food security in the region.

- **SPC Development of Sustainable Agriculture Programme (DSAP)**

204. Mr Suma provided a brief report on the DSAP programme currently implemented by SPC, focusing on: (i) the general progress in the 5 Key Result Areas of the programme; (ii) general future activities; (iii) DSAP linkages to regional partners and NGOs; and (iv) emerging issues. The five main areas of the programme are: improving production; development of appropriate technologies through on-farm demonstrations; upgrading technical skills of national research and extension staff as well as in participatory methods; promotion of appropriate technologies in order to enhance capacity to produce; and establishment of an effective monitoring system at both nation and regional levels.

205. An important component of the programme is the provision of formal training opportunities for national staff at Universities covering skills such as project management, extension approaches, communications, and technical skills. The programme also makes provision for short term training and technical support in various areas such as effective communications skills; training in desk-top publishing imaging software; media awareness for extension staff; production of posters for enhanced public awareness on certain issues; video production focusing on specific technical subject; and strengthening of information/resource centres.

206. In regards to future activities, it was noted that there were still some administrative issues to be addressed in order to improve the management and monitoring of the programme and that preliminary PRAs have yet to be conducted for some countries. Other activities include documenting and publishing the results of the PRAS; commencing the on-farm trials for some countries and evaluating the impact of technologies. It was also noted that extension of the DSAP to December 2007 or to 2008 was anticipated.

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- **IFAD Mainstreaming of Rural Development Innovations**

207. Mr Mattia Prayer Galletti from the Asia and the Pacific Division of IFAD provided a brief outline of the main features of the proposed new initiative of IFAD for the Pacific aimed at mainstreaming rural development innovations (MORDI). Before outlining the main features of MORDI, he briefed the meeting on IFAD's strategy for the Pacific that was developed in 2004 following wide consultations with countries and had been approved by the Executive Board of IFAD. IFAD's strategy for the Pacific was developed based on the following process:

- Identification of geographical priorities;
- Identifying priority target groups;
- Establishing a clear definition of poverty;
- Identification of constraints and opportunities;
- Description of national priorities; identification of lessons learned;
- Identification of cross-cutting themes; and
- Adoption of an integrated programme approach.

208. In terms of MORDI, Mr Galletti highlighted the fact that it has a flexible design; that a decentralized implementation and a multi-stakeholder approach has been adopted; and that it will be implemented in two phases of three years each by the FSPI. The main goal of the programme is to contribute to sustainable and improved livelihoods of vulnerable communities especially youth and women living in remote rural areas of PICs, in line with the Millennium Development Goals. In terms of its objectives, it was advised that the programme is aimed at the followings:

- To strengthen the institutional capacity of existing community-based organizations and community institutions;
- To increase employment and sustainable livelihood opportunities;
- To document and share learning experiences from best practices and innovations; and
- To establish sustainable processes that enable remote rural communities to link with policy and planning processes.

209. The implementation arrangements for the regional programme include the setting up of a regional programme advisory committee and a regional programme coordination unit. At the national level, a national advisory board comprising of government and non-government agencies will be established. There will also be a review and approval committee that will be responsible for reviewing and approval of proposals.

210. On the issue of self-reliance and sustainability, it was advised that MORDI's impact will be measured against the capacity of local communities to mobilize and manage their own resources and to do it in a sustainable way. Further, MORDI aims to introduce elements of good governance "from the bottom" and to demonstrate that different stakeholders can effectively work together among themselves and in engaging government.

- **FAO Regional Programme for Food Security in the Pacific**

211. The FAO Sub-Regional Representative for the Pacific briefed the meeting on the regional project currently implemented by FAO for the Pacific, with funding assistance from the Government of Italy of US\$4.5million. The project has two major components; component 1 aims at enhancing food security and production while promoting nutrition status of the population and component 2 is focused on trade facilitation and agriculture policy. The project, which is for three years, commenced in May 2004 with all 14 island member countries in the region participating.

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212. It was also explained that the project was part of a bigger regional programme for improving food security in the Pacific. Resources were also provided by FAO under its TCP facility to support the project, as well as technical assistance provided by the People's Republic of China and the Philippines under the TCDC programme.

213. In terms of the challenges faced by the project, the diversity in scope and national priorities was highlighted. Another important challenge was the fact that the project has a finite timeframe for its implementation. In terms of progress in the implementation of the project, it was pointed out that national projects under Component I were currently being implemented in 11 of the fourteen participating countries. In regards to Component 2, it was advised that a regional training workshop of food regulations and international trade was currently being organized to be held later in the year. As well, supply chain studies targeting 4-5 commodities will be conducted in selected PICs.

214. Looking at the future work plan for the project, it was advised that apart from efforts to successfully implement the current project, there is also a plan for the project to be expanded, and that preparatory work has commenced for the formulation of the expansion phase. A concept paper has been prepared outlining the framework that will guide the development of the proposals for the expansion of the current project. This has been endorsed by the Ministers for Agriculture of the region and by the Director General of FAO at the Ministerial meeting recently held in the Cook Islands. A programming mission will be organized to develop the full programme proposal for the expansion and this will be submitted to countries for consideration before it is formally submitted to FAO.

SESSION 12: REGIONAL TRADE DEVELOPMENT ASSISTANCE PROGRAMMES

215. During this session, participants were briefed by representatives of the regional and international organizations present at the meeting, on their respective work programme activities relating to trade development and facilitations. Highlights of the presentations made are outlined below.

- PITIC's main areas of focus are trade, investment and tourism, with emphasis on assistance in marketing and promoting island products in New Zealand. Approximately 80 percent of PITIC's work is related to agriculture and food trade.
- FFA is planning to recruit a Trade Issues Officer, and consultants could be recruited to undertake some work on fisheries trade and subsidies in cooperation with the Commonwealth Secretariat or the PIFS.
- IFAD has a regional initiative on organic farming and another project is currently under consideration with Ministers' endorsement expected at the Conference to be held in Rome, Italy in November 2005.
- NZAID provides assistance to PICs in trade activities bi-laterally and is also co-funding with Australia the quarantine component being implemented by SPC, of the regional trade facilitation programme. NZAID will be likely to increase its contributions if a good feedback was received from the countries. Support is also provided to PITIC, regional financial institutions (re: tax and revenue), the South Pacific Project Facility (for micro finance, private sector support) and in the area of commodity development.
- FAO has been providing assistance and support relating to trade development and trade facilitation to member countries through both national and regional initiatives. This includes the support provided to improve the laboratory capacity of IAS/USP; and the regional workshop on the Elaboration of National Plans of Action to Deter, Prevent and Eliminate Illegal, Unreported and Unregulated Fishing which is to be held in Nadi in late August 2005. A regional trade statistics project is currently being prepared to be implemented in collaboration with PIFS. The 6th Meeting of FAO South West Pacific Ministers for Agriculture held in Rarotonga, Cook Islands on 1 - 3 June 2005, agreed that the roundtable meeting is beneficial and useful to the Pacific Island countries.

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SESSION 13: WRAP-UP AND CLOSING

216. The FAO Sub-Regional Representative for the Pacific made some general comments, highlighting some of the main issues raised during the four days of the meeting and expressed the hope that participants had found the information presented during the meeting useful. He emphasized the point that the RTM series had been organized simply with the objective of upgrading the knowledge and understanding of members countries of the issues being discussed at the WTO negotiations and their implications. Decision on whether to become a member of the WTO is entirely a matter for each individual country to consider.

217. One of the participants from Fiji offered a vote of thanks, on behalf of the participants. She thanked FAO, Government of New Zealand and other collaborating partners for organizing the meeting and for the valuable presentations made. She added that the WTO negotiations was moving with its pace and the meeting was very informative and beneficial to the island countries in the Pacific region.

218. The FAO Sub-Regional Representative thanked the Fiji participant for the kind words. He expressed gratitude and appreciation, on behalf of FAO, to the Government of New Zealand and partner organizations for their continued support and the participants for their full participation in and contributions to the meeting. He stated that with the decision taken at the Ministerial Meeting recently held in the Cook Islands, FAO was committed to continuing the RTM series in the future as long as it is found useful by the member countries. He acknowledged the assistance and commitment of individuals in the preparation and organization of the meeting and expressed his hope that partners and individuals will continue to support FAO and the RTM series in the future. He then declared the meeting to be formally closed.

FIELD VISIT

219. The meeting ended with field visits to some of the agricultural/fisheries trade related businesses and operations in Auckland. The field visits were kindly organized by PITIC, which also covered part of the costs involved. Separate programmes of visit (see Annex 5) were organized for those from Agriculture and those from Fisheries.

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Annex 1

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Sub-Regional Representative for the Pacific

**EIGHTH ROUND TABLE MEETING
FOR PACIFIC ISLAND COUNTRIES ON WTO AGREEMENT PROVISIONS**

Wellington, New Zealand

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Annex 2

**WELCOME SPEECH
BY
DR VILI FUAVAO,
FAO SUB-REGIONAL REPRESENTATIVE FOR THE PACIFIC**

Ms Winnie Laban, New Zealand's Parliamentary Private Secretary for Trade;
Honourable Tofua Puletama, Associate Minister for Agriculture of the Government of Niue;
Officials from various ministries of the Government of New Zealand;
Representatives from various regional and multilateral agencies;
Participants;
Ladies and Gentlemen.

It is indeed an honour and a pleasure for me to welcome you all to the Eighth Roundtable Meeting for Pacific Island Countries on WTO Agreement Provisions. I am particularly honoured to welcome Ms Luamanuvao Winnie Laban, Parliamentary Private Secretary for Trade of New Zealand, and to thank you for taking time off your many other commitments to be with us today and to deliver the official opening address. To those of you who are attending this Roundtable series for the first time, and I am pleased to note that there are quite a number of new faces this year, I would like to extend to you a very special welcome and I hope that you will find the Meeting useful to your work back home.

2. This roundtable meeting series, as many of you will be aware, was first initiated in 1998 following a request by the FAO South West Pacific Ministers for Agriculture at their second meeting held in Apia in 1997, for FAO to assist in assessing the possible consequence of the Uruguay Round Agreements on agricultural and fisheries policies of countries of the region, and on trade. Following this request, a study was commissioned by FAO and its findings were tabled at the first Roundtable Meeting in 1998. At this meeting it was apparent that Agriculture (including Fisheries) was not fully consulted or involved in the preparations for the WTO negotiations and in the development of national trade policies and strategies in most countries and, as a consequence, Agriculture was not fully aware of the WTO issues under negotiations and of government's trade policies. In view of this and in recognition of the need to ensure that the agricultural development policies and strategies were in harmony with trade policies and with WTO agreement provisions, FAO has been able to hold this meeting on an annual basis, with the financial and technical contributions of a number of collaborating partners.

3. Thus, I would like to express FAO's most sincere gratitude to the collaborating partners, in particular, the government of New Zealand which had provided both financial and technical contributions since the beginning of the series; the Auckland-based Pacific Islands Trade and Investment Commission (PITIC) which had been responsible for the organization of the field visit held on the last day of the meeting every year, as well as for part of the cost involved; and the Pacific Islands Forum Secretariat (PIFS) and the Secretariat of the Pacific Community (SPC) which had supported the series through the provision of resource persons.

4. There have also been other agencies that had supported the Roundtable in the past but are no longer able to continue their assistance. Thus, I would like to acknowledge with appreciation their contribution and support. In particular, I would like to acknowledge the financial and technical contribution of the Commonwealth Secretariat which had also been an important partner for the past five years but unfortunately has decided to end its contribution by end of last year.

5. There have also been other agencies that have recently joined the traditional partners in supporting the Roundtable. Among the new collaborating partners is the International Fund for Agriculture Development (IFAD), which had made financial and technical contribution last year and again this year. IFAD has confirmed its continuing commitment and willingness to provide in the future regular feedback

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on its operations in the Pacific. Last year IFAD presented its new regional strategy for the Pacific while this year it will present two new initiatives: the “Mainstreaming of Rural Development Innovations” program and the program for the certification of organic agriculture”.

6. The newest partner is the Forum Fisheries Agency (FFA) and I would like to extend a very warm its representative who is present today. Although it had attended some of the past meeting as a participant, FFA is joining us for the first time this year as a technical partner and for that I would like to express our appreciation and hope that it will also be the beginning of a closer collaboration in other areas of mutual interest.

7. Talking of new partners, I am pleased to note that for the first time we have a participant from the Republic of Palau and I would like to extend to Ms Malsol a very warm and special welcome and we hope that you will find your time with us here at this meeting most rewarding. I must clarify that the non-attendance of Palau in the past Meeting was not because it did not want to participate but due to a number of administrative problems encountered when making arrangements for travel, including inability to obtain the necessary visa on time, late arrival of the PTA and flight delays.

8. Thus, this is a historical year as far as the Roundtable Meeting series is concerned. Not only that we have new collaborating partners and one of our member countries is able to participate for the first time, it is the also the first time that fisheries has featured more prominently in the agenda and programme of the Roundtable. Furthermore, based on the outcomes of a consultation with some of the member countries last year, the agenda and programme of the meeting for this year has been designed specifically for Agriculture and Fisheries officers at middle management level that deal with WTO and trade issues. This is in order to broaden their knowledge and understanding of WTO issues and to enhance the capacities within Agriculture and Fisheries in relation to implementation of the WTO agreement provisions relevant to these two important sectors.

9. At the Sixth Meeting of the South West Pacific Ministers for Agriculture which was recently held in the Cook Islands in the beginning of June, Ministers acknowledged with appreciation the usefulness of the Roundtable Meeting in building awareness and the capacities of countries to deal with issues currently under WTO negotiations, and expressed strong support for its continuation, on an annual basis. Implicit in their decision relating to the Roundtable Meeting is the need for FAO and its collaborating partners to ensure that the meeting responds to the needs of the member countries. As such, FAO will continue to be guided by the member countries on what are considered to be important issues to be addressed during the Roundtable, and will continue to adjust both the organization and the content of the Roundtable to ensure that they are in line with countries’ needs. Thus, for this year the programme allows for more interactive discussions and exchange of views and experience among participants and we would encourage everyone to participate in the discussions and in sharing their experience.

10. Before I end this brief welcome remarks, I would like to take this opportunity to acknowledge with gratitude the invaluable assistance and support provided by a number of people without whom it would not have been possible to have the meeting today. In particular, I would like to thank those from the Government of New Zealand, particularly Neil Fraser and his colleagues from Agriculture; Mr Nigel Ewels and Sophie ven der Meeren from Foreign Affairs and Trade; and Mr Mathew Hooper from Fisheries for their input and suggestion on the Agenda and for their help with some of the logistics of the

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meeting. I would also like to thank Mr Aleki Sisifa and Ms Laisa Tigarea of SPC, who have kindly agreed to be responsible for managing the financial aspect of the meeting and for the travel arrangements for the participants. Last but not least, I would like to thank Ms Louisa Sifakula of PITIC in Auckland who has been responsible for putting together the programme and the organization of the field visit that will be held on Friday in Auckland.

11. Finally, I would like to thank all of you who have kindly agreed to be a resource person for this meeting and to share their knowledge and experience with the participants. Without you, it would not have been possible for this Roundtable Meeting series to be successfully implemented in the last seven years. Thus, we look forward to your continued commitment and dedication to this regional initiative in the future.

12. Once again welcome to you all and I hope that everyone will find the meeting useful and rewarding.

Thank you

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Annex 3

Opening Address

by Winnie Laban, New Zealand's Parliamentary Private Secretary for Trade

Ladies and gentlemen, I take great pleasure in welcoming you to Wellington for this meeting, the eighth in this series of Round Tables, and the fourth to be held in Wellington.

The Round Tables on WTO Provisions have proven to be very useful, and is even more so this year, as the multilateral trade negotiations gather momentum in the WTO, and with increasing activity on regional and bilateral trade agreements. Vili Fuavao and his team in the FAO Sub-regional office in Apia are to be congratulated for the enthusiasm and commitment with which they are continuing to organise this event – Manase Felemi, I know you have been particularly busy on this recently.

My colleague, the Hon Damien O'Connor recently attended the meeting of South West Pacific Ministers of Agriculture in Rarotonga. He informs me that Ministers at that meeting expressed support for these Round Table meetings, acknowledging their usefulness in building awareness and the capacities of countries to deal with agricultural trade policy issues.

Although only three Pacific Island Countries are WTO members it is necessary for all of us to be aware of WTO provisions and of developments in multilateral trade negotiations -- all regions are affected in one way or another by the global trading system. I know that Tonga, Samoa and Vanuatu are engaged in negotiations over accession to the WTO, and New Zealand is happy to assist where we can to facilitate your accession.

The Doha Development Round has had some difficult patches, and it seems we may be back in that territory at the moment. As you may know, there is a flurry of activity at the moment. Last week officials met in Geneva in an attempt to move close to achieving a "first approximation" package over a range of issues. I understand that those talks revealed that there is a lot of movement required if we are to reach such a package that can provide hope for an ambitious and significant outcome from the WTO Ministerial meeting to be held in Hong Kong in December.

New Zealand's Trade Negotiations Minister, Jim Sutton, is unable to be here today as he is in China, attending a mini-Ministerial meeting of a selected number of WTO trade Ministers. Their purpose is to discuss the negotiating issues, including agriculture, with the intention of providing guidance to officials as they work towards Hong Kong.

The focus of this Roundtable is on the WTO, as the cornerstone of the multilateral trading system. We need to be conscious too, however, of the increasing activity on regional and bilateral trade agreements – a world-wide phenomenon experienced also in this region.

I attended the recent Forum Trade Minister's Meeting in Nadi with my colleague Jim Sutton and heard of the encouraging progress now being made with PICTA, the free trade agreement that encompasses your island states. With rules of origin and liberalisation schedules now in place it looks as though preferential trade under the agreement will at last get underway later this year. It should provide useful experience with the mechanics of trade liberalisation.

I know that you are all heavily committed with your Regional Economic Partnership negotiations with the European Union. A couple of days in Nadi were devoted to that and I understand your Regional Negotiating Team is to get together there shortly to finalise the Pacific ACP negotiating position. It is a challenge for the region and accentuates the need to build up trade policy capacity and capability in each of the island states.

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Forum Trade Ministers are now looking more positively at PACER, recognising that it is time for the region to look beyond SPARTECA towards a more comprehensive framework for trade and economic cooperation between New Zealand and Australia and the Pacific Island Countries. The Forum Secretariat is to commission studies on the potential impacts and on needs in regard to capacity building, trade promotion and structural adjustment, so that appropriate recommendations can be put to ministers.

The part of PACER that is already operating is that regarding trade facilitation. The Regional Trade Facilitation Programme is now up and running with programmes of activities in the areas of quarantine, customs and standards and conformance. We have just handed over to the Forum Secretariat a week ago another installment (a quarter of a million dollars) as part of our programmed contribution in this area. The steps we took to 'kick start' the quarantine work by staffing efforts in MAF to develop quarantine pathways has led to clearance for a number of island agricultural products for export to the New Zealand market and certification for heat treatment plants.

New Zealand also provides assistance to trade facilitation from other parts of NZAID's programme including support to the Pacific Islands Trade and Investment Commission (PITIC) in Auckland and support for PC Trade (customs automation software) throughout the region. Some PICs have also prioritised trade facilitation assistance in bilateral programmes. NZAID has funded the attendance of the Pacific representatives to this roundtable while the Ministry of Agriculture and Forestry and the Ministry of Fisheries have contributed their resources in terms of staff time and expertise.

I'm pleased to see that this year there is a day dedicated to the particular interests of the fisheries sector. Fisheries subsidies rules is another area of the Doha Round that can deliver substantial trade and development benefits. Conservative estimates place global fisheries subsidies at a minimum of US\$15 billion; that's equivalent to 20 per cent of industry revenue. Tighter WTO fisheries subsidies rules could benefit Pacific fisheries sectors by providing growth opportunities in the absence of highly subsidised products from developed countries. If we are serious about addressing the problem of fisheries over-exploitation and serious about letting developing country fishers operate on a level playing field then we need genuinely effective WTO rules in this sector. We recognise also the need to take into account the particular circumstances of the smallest coastal states – in particular where domestic industry development, access fees and artisanal fishing are involved. New Zealand has a strong interest in a continued dialogue on this issue.

Ladies and Gentlemen: I wish you all well in this meeting. I encourage you to take full part in all the deliberations -- lively discussion and sharing of experiences will maximise the value of this event.

Finally, I have the honour and pleasure to declare this Eighth Round Table meeting officially open.

Thank you.

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Annex 4

MEETING AGENDA AND PROGRAMME

DAY/SESSION	TOPICS	SPEAKERS
DAY 1 – FOR ALL		
8.30am -9.00am	Registration	
9.00am – 9.45am	Official Opening	
9.45am – 10.15am	Morning Tea	
Session 1 10.15am – 12.30pm	General Background <ul style="list-style-type: none"> • Overview of the WTO Agreements • International Trade in Agriculture and the Economic Rationale for Continued Liberalization • Dispute Settlement Mechanism Established by the WTO Agreement 	NZMAF/MFAT/FAO
12.30pm – 2.00pm	Lunch	
Session 2 2.00pm – 3.15pm	WTO Agreements Relating to Agriculture: Key Issues and Developments to Date <ul style="list-style-type: none"> • Agreement of Agriculture • Agreement of the Application of Sanitary and Phytosanitary Measures 	NZ MAF/ MFAT [Mawson]
3.15pm – 3.45pm	Afternoon Tea	
Session 2 (Con't) 3.45pm – 5.00pm	WTO Agreements Relating to Agriculture (con't) <ul style="list-style-type: none"> • Agreement on Technical Barriers to Trade • Agreement on Subsidies and Countervailing Measures 	MFAT [Charteris] MFAT [Pearson]
DAY 2 – FOR ALL		
Session 3 8.30am – 10.00am	Implementation of the Agreements: Lessons Learned <ul style="list-style-type: none"> • Global experience • Regional experience/view • Country level experience 	FAO PIFS [Participants]
10.00am – 10.30am	Morning Tea	

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<p>Session 4 10.30am – 12.30pm</p>	<p>WTO Membership/Accession : Issues and Experience</p> <ul style="list-style-type: none"> • Update on Accession Experience of Tonga, Samoa and Vanuatu (about 5 minutes each) • Experience of WTO Members: PNG, Fiji and Solomon Islands (5 minutes each) • Key Concerns/Workplan of Non-members (5 minutes each) 	<p>PICs</p>
<p>12.30pm – 2.00pm</p>	<p align="center">Lunch</p>	
<p>Session 5 2.00pm – 3.15pm</p>	<p>Economic Partnership Agreements (EPAs) and WTO Compatibility</p> <ul style="list-style-type: none"> • Evolving WTO Rules on Regional Trade Agreements (RTAs) • Implications of new developments in the WTO Negotiations and the EPAs • PICTA: Key Provisions and Progress 	<p>MFAT [Pearson/Smythe]</p> <p>PIFS</p>
<p>3.15pm – 3.45pm</p>	<p align="center">Afternoon Tea</p>	
<p>Session 6 3.45pm – 5.00pm</p>	<p>Update on the Doha Development Agenda Negotiations</p> <ul style="list-style-type: none"> • Key Topical Issues and Developments to Date • Preparations for Hong Kong: Key Issues for Debate • Where Things are Heading: An Assessment from a Pacific Perspective 	<p>NZ MAF/MFAT NZMAF/MFAT PIFS/PICs</p>
DAY 3 – FOR AGRICULTURE		
<p>Session 7 8.30am – 10.30am</p>	<p>Agriculture and Food Trade in the Region: Trends and Issues</p> <ul style="list-style-type: none"> • World Commodity Markets: Outlook and Implication for Trade and Food Security (global and regional) • Regional Market Outlook and Challenges to PICs • Market Potentials and Status of PIC Exports to NZ Market 	<p>FAO</p> <p>PIFS/FAO PITIC</p>
<p>10.30am – 11.00am</p>	<p align="center">Morning Tea</p>	

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<p>Session 8 11.00am – 12.30pm</p>	<p>Market Access and Trade Facilitation in the Context of WTO Rules</p> <ul style="list-style-type: none"> • Tariff Reduction and Implications for PICs • Issues on Special Safeguard and Special Safeguard Mechanism (SSM) and identification of SSM products for PICs • Progress on the Regional Trade Facilitation Programme 	<p>PIFS/MAF/ MFAT</p> <p>FAO/NZ</p> <p>FAO</p> <p>PIFS</p>
<p>12.30pm – 2.00pm</p>	<p align="center">Lunch</p>	
<p>Session 9 2.00pm – 3.15pm</p>	<p>Biosecurity and Trade</p> <ul style="list-style-type: none"> • International Standards Setting Bodies and their Roles and Contributions to Resolving WTO Related Issues and Concerns • ICPM (Interim Commission on Phytosanitary Measures): Progress and Issues of Interest to PICs • Biosecurity Priorities and Issues for PICS • Trade in Animal and Animal Products: Import Access Issues 	<p>NZ MAF/SPC</p>
<p>3.15pm – 3.45pm</p>	<p align="center">Afternoon Tea</p>	
<p>Session 10 3.45pm – 5.00pm</p>	<p>Codex, Food Standards and Trade</p> <ul style="list-style-type: none"> • The Role of Codex and Food Standards in Trade Facilitation in The Region • Progress, Priorities and Challenges (international and regional) • Reform Requirements in PICs 	<p>FAO/MAF [Flynn]</p>
<p>DAY 3 – FOR FISHERIES</p>		
<p>Session 7 8.30am – 10.00am</p>	<p>Fisheries Development and Fish Trade</p> <ul style="list-style-type: none"> • Overview of Global Trends and Issues in Fisheries Development and Fish Trade • Regional Overview • Country Experience: Case Study on Fish Trade and Food Security 	<p>FAO/FFA</p> <p>FFA [Selected country representatives]</p>
<p>10.00am – 10.30am</p>	<p align="center">Morning Tea</p>	

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<p>Session 8 10.30am – 12.30pm</p>	<p>Update on WTO Negotiations and Issues Related to Fisheries</p> <ul style="list-style-type: none"> • The Fisheries Subsidies Debate: Background, Key Issues and Concerns • Fisheries Subsidies and FAO Relevant Work • Outcomes of ComSec/PIFS May Workshop on WTO Fisheries and Fisheries in EPA Negotiations 	<p>MFAT [Pearman] FAO PIFS/MFAT [Pearman]</p>
<p>12.30pm – 2.00pm</p>	<p>Lunch</p>	
<p>Session 9 2.00pm – 3.15pm</p>	<p>Quality and Safety Aspects for Fish Trade</p> <ul style="list-style-type: none"> • Fisheries and Fish Trade in the Context of EPA Negotiations with the EU: Issues and Progress • SPS and TBT Agreements • Seafood Standards and Codex, HACCP Programme and EU Requirement 	<p>FAO/FFA/PIFS</p>
<p>3.15pm – 3.45pm</p>	<p>Afternoon Tea</p>	
<p>Session 10 3.45pm – 5.00pm</p>	<p>Fisheries Management and Trade Issues</p> <ul style="list-style-type: none"> • Tuna Commission: Issues and Challenges Ahead • Trade and Product Certification with Regional Fisheries Management Organizations • Eco-Labeling • Fisheries Subsidies and Fishing Capacity • Tackling IUU Fishing 	<p>FFA NZ Fisheries FAO/FFA FFA/FAO/ NZ Fisheries</p>
<p>DAY 4 – FOR ALL</p>		
<p>Session 11 8.30am – 10.30am</p>	<p>Regional Food Security Initiatives</p> <ul style="list-style-type: none"> • FAO-RPFS Project • SPC-DSAP Programme • IFAD-MORDI Programme 	<p>FAO SPC IFAD</p>
<p>10.30am – 11.00am</p>	<p>Morning Tea</p>	
<p>Session 12 11.00 – 12.30pm</p>	<p>Regional Food Security Initiatives (Con't)</p> <ul style="list-style-type: none"> • IFAD Proposed Regional Activities on Organic Farming • FAO RPFS: Expansion Proposal 	<p>IFAD FAO</p>
<p>12.30pm – 2.00pm</p>	<p>Lunch</p>	
<p>Session 13 2.00pm – 3.15pm</p>	<p>Regional Trade Development Assistance Programmes (5 -10 Minutes each)</p> <ul style="list-style-type: none"> • PIFS, PITIC, SPC, NZAID, FAO, IFAD, FFA 	<p>Collaborating Partners</p>

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3.15pm – 3.45pm	Afternoon Tea	
Session 14 3.45pm – 5.00pm	Wrap Up and Closing • Evaluation and Closing Remarks	FAO
6.00pm	Participants start traveling to Auckland	
DAY 5 – FIELD VISIT		
8.45am	Report for Field Visit • Participants to Assemble outside the PITIC Office, Auckland	
9.00am	Field Trip Commences • Separate tour programmes for the two groups (Fisheries and Agriculture)	Organized by PITIC
12.30pm – 2.00pm	Lunch	
4.00pm	Field Visit Ends	

Annex 5

PROGRAMME FOR FIELD VISIT

Agriculture Tour (15 July 2005)

- 8.15am : Bus departs hotel (City Central Hotel)
- 8.30am : NZ MAF Quarantine – Port of Auckland
- 9.45am : Depart wharf for Quarantine Treatment Centre (QTC), Aintree Avenue, Airport Oaks
- 11.30am : Depart QTC for Butterfly Creek, Tom Pearce Drive, Auckland Airport
- 12.00pm : Lunch at Butterfly Creek
- : Presentation by Agrichain on the Supply Chain for Produce followed discussions on some of the issues related to exports from the Pacific
- 2.15pm : Depart Butterfly Creek for Tropical Fresh Ltd - an importer of fresh produce from the Pacific
- 3.15pm : Depart TFL to Visit Mangere Town Centre and view produce at a popular supermarket targeted at Pacific island people – Food World and surrounding fruit and vegetable stores
- 4.15pm : Depart for hotel

Fisheries Tour (15 July 2005)

- 5.15am : Bus departs hotel (City Central Hotel)
- 5.30am : Auckland Fish Market
- Look at supply of fish coming in from suppliers;

