

Vanuatu's Bilateral trade and investment relationships with EU on the provisions of the PACP EPA legal text



**Second Vanuatu national workshop on the MSG Green Trade Project and Joint
IMPACT-SAFE
workshop on non-tariff measures (NTMs) and International Trade
Promotion Workshop
Port Vila, 9 June 2023**

BACKGROUND

- The LDC smooth transition strategy and the trade policy framework recommended Vanuatu to continue monitor the development of EPA with EU;
- The Prime Minister submitted an expression of Interest for Vanuatu intention to accede the iEPA in 2022, EU responded positively and accepted the interest.
- iEPA is a trade in goods agreement and that the negotiation will only focus on the market access offers for Vanuatu
- Considering the importance of Trade in Services in Vanuatu
- Papua New Guinea (2007), Fiji (2009), Samoa (acceded in Dec 2019), Solomon islands (May 2020). Niue, Timor Leste, Tonga, and Tuvalu are in the process of acceding to the PACP EU IEPA
- Acknowledge the SPIRIT project, part of PRISE EDF11, Ms. Jill Juma who is with us for 3 years.

MARKET ACCESS OFFER

- iEPA with the EU will have a very minimal impact on Vanuatu's trade with the EU;
- EU will offer Vanuatu 100% market access offer
- Vanuatu with 5503 tariff lines, 82% subject to tariff liberalization, 993 not subject to liberalization commitments, agricultural products (Section 1 Animal and Animal products and Section 2 Vegetable products) are largely excluded from liberalizing commitments under D
- Expected Revenue Loss on import duty from 2021 data, shows 9.6 million 0.5% only, spread over 25 years 11.7 million

Foreign direct Investment (FDI)

- Good opportunity for EU exporters of finished goods to sell their products to Vanuatu & Vanuatu to sell Agriculture Product
- Good opportunity for EU market to obtain organically certified coffee, cocoa, kava and vanilla.
- Will give the EU the opportunity to engage with Vanuatu and other PACP states to engage in discussions on other non-trade issues.
- Foreign Direct Investment will contribute to Vanuatu's GDP.

THANKYOU