



MSG Trade Agreement and perspectives for Melanesia

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8 & 9 June, 2023
Port Vila, Vanuatu



Outline

1. MSG Leader's Mandate
2. Overview of Current Activities
3. Insights into the MSGTA & MFTA
4. Opportunities for Intra-Regional Trade and Perspectives



MSG Leaders Mandate

1. MSG Goal is to pursue sub-regional integration agenda for Members
2. MSG Trade Minister's Declaration in PNG (2016)
 - Achieving a Free Trade Area by 2017
 - Concluding MSGTA3 (MFTA) negotiations on Goods and Services by 2015
3. MSG Trade Agreement currently operational (goods only)
4. MFTA is transitional - 2 countries have signed (Fiji & Solomon Islands); awaiting PNG and Vanuatu to sign the Agreement.



Overview of Current Activities

Strategic Priority 1 – MSGTA2 Melanesian Free Trade Agreement

- i) Consultations with Members on the signing/ratification of MFTA.
- ii) Administration of MSG Trade Agreement

Strategic Priority 2 – Post PITAP and Tradecom Implementation

- i) Establishment of the MSG Trade Statistics Working Group to address trade database for MSG
- ii) Collaboration with SPC on the development of the PACComTrade Database
- iii) MSG E-Commerce Report
- iv) MSG Labour Mobility
- v) Melanesian Business Travel Card (MBTC)
- vi) Implementation of the intra-MSG Business and Employment Travel Framework



Overview of Current Activities

Strategic Priority 3 – MSG Private Sector Strategy

- i) Support implementation of PSD Strategy
- ii) Capacity building and collaboration with Members on rural and informal economies on the indigenous business programmes

Strategic Priority 4 – Implementation of EDF11 PRISE Programme

- i) Support implementation of EDF11 SPIRIT Project by hosting PIFS Melanesia Trade Adviser for three years (on-going)
- ii) PIFS – Melanesian Women’s Trade Symposium (completed 2022)



Proposed UNCTAD IMPACT Project activities

- i) Support 4 Member States to draft amendments or new legislation related to the MFTA
- ii) MSGTA Customs Rules of Origin (ROOs) Handbook reviewed and updated to comply with MFTA
- iii) MSG Trade Show and Investment Seminar
- iv) Training programs developed, conduct capacity building and raise awareness on MFTA Rules of Origin to government, private sector and stakeholders
- v) Coordination meetings on electronic data exchange in MSG countries
- vii) Update Trade Information Portals



Insights into MSGTA & MFTA

MSG Trade Agreement

Trade in goods only

Free Trade Area by 2017

Melanesian Free Trade Agreement

- a) Progressively liberalising and facilitating trade in goods
- b) Broadening and deepening MSG economic integration through making commitments on, among other areas such as Trade in Services, Cross border investments and labour mobility
- c) Ensuring intra-MSG trade takes place under conditions of fair and competitive treatment
- d) Trade development cooperation, technical and financial assistance to LDC MSG countries
- e) The institutional arrangements for implementing the MFTA
- f) Resolution of trade disputes under the Agreement



Opportunities for Intra-Regional Trade and Perspectives

1. Setting up a unified regional market consisting of approximately 11.2 million people in Melanesia (Fiji, PNG, Solomon Islands & Vanuatu signed MSGTA2)
2. Market access opportunities for movement of trade in goods, services, cross border investments and labour mobility, public procurement, intellectual property rights within the MSG
3. Simplify trade facilitation measures and develop regional value chains to strengthen exports of MSG originating products
4. The MSG Skilled Movement Scheme is based on offer of employment.



Opportunities for Intra-Regional Trade and Perspectives

5. Inclusion of technology, digitalization of the ICT sector and electronic commerce is essential to support delivery of trade in products and services (eg. sale of niche products in the MSG)
6. Regional collaboration is important to support the implementation of the Melanesian Free Trade Area and strengthen sub-regional integration of the MSG and wider Pacific market
7. Encourage voluntary best practices of corporate social responsibilities by enterprises and compliance with environment laws to strengthen coherence between economic and environment objectives
8. Together we are stronger - leverage its collective voice in the WTO, PIFS, ACP and in other forums on how the MSG can benefit from the world trading system and trade infrastructure as informed by our own constraints and challenges we are confronted with.

Thank You!

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