

Overview of the MSG Green Trade Projects in Vanuatu

DEPARTMENT OF EXTERNAL TRADE

Background

- Trade Policy Framework 2019 – also identify Coconut Oil as a key merchandise products for Vanuatu

Purpose

- Purpose of the project was to reinforce synergistic linkages between green trade and sustainable development in the MSG countries
- Two workshops were conducted in Vanuatu – 3th August 2022 and 8/9th June 2023
- NTM data collection
- Review Vanuatu’s Coconut Oil Voluntary Sustainable Standards (VSS) since the previous study on “Assessment of Organic Certification in the Coconut Oil Value Chain”
- Have a Vanuatu Virgin Coconut Oil Export Guide
- Propose policy recommendations

Findings for the NTMs

- 73 regulations introduced NTMs (both principal and subsidiary legislation)
- 276 NTMs were identified and classified
- 17 different ministries and departments were involved.
- The number of regulations and ministries is similar to other MSG countries.

Findings for the VSS review

- Key barriers in the coconut sector:
 - Lack of certification awareness
 - Market novelty and regulation
 - Quality improvement needed
 - Market access and infrastructures
- Recommendations:
 - Facilitate third-party organic certification through cost subsidies and in-country auditing.
 - Establish a national body to manage organic certification.
- Additional Areas of Action:
 - Government-supported education on certification and sustainability.
 - Centralized resource for market access and export guidance.

Vanuatu Virgin Coconut Oil Export Guide

- The export guide aimed to provide a detailed approach to address NTM and Sanitary and Phytosanitary (SPS) barriers associated with exporting VCO. The goals were to enhance awareness among potential exporters, strengthen logistical and supply networks, and revitalize the coconut industry through increased export of quality coconut oil.
- Guide was officially published at:
https://unctad.org/system/files/official-document/tcsditcinf2023d7_en.pdf



Policy recommendations – based on NTMs and VSS

- **Vegetable Oil Quality:** Revise the Food Act to include CODEX Standard for named vegetable oil.
- **Sustainable Agriculture:** Align GAP (Good Agricultural Practice) code with international standards.
- **Data Streamlining:** Publish trade regulations on a regular basis

- **Expected impact**
 - Achieve Vanuatu 2030 – The People’s Plan (SOC 6; ENV 1, 2; ECO 1, 2, 3, 4) and Vanuatu National Coconut Strategy 2016-2025 and the SDGs under the 2030 Agenda, sustainable practices, and enable green trade.

Trend in the past decades

TABLE 3.2: MERCHANDISE EXPORTS, MAIN PRODUCTS

Product	2008		Product	2018	
	Value (VUV)	Share		Value (VUV)	Share
Copra	1,194,016,373	26%	Kava	2,531,391,618	52%
Coconut Oil	827,763,098	18%	Copra	549,919,572	11%
Kava	615,669,547	13%	Coconut Oil	403,768,954	8%
Beef	474,997,845	12%	Cocoa	189,802,924	4%
Cocoa	242,889,212	5%	Sandalwood	126,286,398	3%
Tahitian Limes	212,615,454	5%	Noni Juice	83,149,019	2%
Timber	96,492,403	2%	Essential Oils	82,875,631	2%
Ornamental Fish	74,507,721	2%	Beef	81,926,188	2%
Hides & Skins	44,158,247	1%	Timber	50,842,350	1%
Essential Oils	43,088,585	1%	Copra Meal	39,636,570	1%
Total	4,665,003,579	100%	Total	4,871,165,728	100%
Share of total Exports	82%		Share of total Exports	85%	

Source: calculations on Department of Customs and Inland Revenues (DCIR)

Current State of Play

Table 1. Major markets for crude and virgin coconut oil

	2021 - Quantity of imports (tons)		2021 - Value of imports (millions of United States dollars)		2020/2021		
	Crude	Virgin	Crude	Virgin	Percentage change Crude value	Percentage change Virgin value	Percentage change in Virgin volume
United States	176 325	291 586	289.7	564.1	49	56	12
European Union	630 399	262 014	969.2	468.3	73	51	8
China	3 646	170 413	8.2	275.8	-4	84	7
Japan	273	41 490	1.9	74.2	19	79	12
Australia	591	12 636	1.3	28.6	292	59	14

Source: Own calculations based on UN Comtrade and ITC Trade Map.

Way forward

- Awareness on the export guide to farmers, exporters and implementing agencies
- Effective Implementation headed by the Department of Industry