



MSG GREEN PROJECT

DEPARTMENT OF EXTERNAL TRADE

3TH AUGUST 2022

OUTLINE

1. OVERVIEW OF THE DEPARTMENT ROLE
2. MSG TRADE AGREEMENT
3. PICTA
4. PACER PLUS
5. EPA
6. NC/VANUATU BILATERAL

DEPARTMENT OF EXTERNAL TRADE AND TRADE NEGOTIATIONS

1. The Department of External Trade is the leading agency mandated by Government to negotiate trade arrangements with the world. The primary objective for trade negotiation is to lower trade barriers in foreign markets.
2. All trade negotiations are guided by the National Sustainable Development Plan (NSDP) and the Trade Policy Framework (TPF)
3. All trade negotiations are also directed by national consultations with private sectors, government agencies and NGOs. The National Development Trade Committee (NTDC) is the biggest forum that direct trade negotiations.
4. Political Will provide the final decision of adopting any trade agreement into national law.

MELANESIAN SPEARHEAD GROUP (MSG) TRADE AGREEMENT

1. Vanuatu signed and ratified the MSGTA2 before it came into force in 2005. Vanuatu reduced its tariff lines to zero duty over a period of 8 years on all goods (except beer, tobacco and sugar)
2. In 2013 a revised draft of the MSGTA2 was proposed to leaders in an effort to further broaden trade between MSG countries.
3. The revised agreement (MSGTA3) included new provisions on trade in services, labour mobility and cross boarder investment. It also includes an expanded rules of origin, safeguard measures, phytosanitary measures, technical measures and trade facilitation.
4. Negotiations were completed in 2016 and the agreement signed by Fiji and Solomon Islands. Instrument of ratification has not yet been deposited, so the agreement has not yet come into force.

Pacific Island Countries Trade Agreement

1. Vanuatu completed its ratification of the PICTA agreement in July, 2005 (covers all goods except alcohol and tobacco)
2. PICTA comes into effect on 1 Jan 2006 – members are the 14 Pacific Island countries
3. Very Minimal trade under PICTA

PACIFIC AGREEMENT ON CLOSER ECONOMIC RELATIONS (PACER) PLUS

1. The Agreement comes into force on 13th December 2020.
2. Members are the 14 Pacific Islands Countries plus Australia and New Zealand
3. Vanuatu had recently ratified the Bill in Parliament. Once it is gazetted, Vanuatu will implement the agreement after 60 days.
4. The coverage include trade in goods, services, labour mobility, investments and other important chapters
5. Currently market access to Australia and New Zealand – 100% Duty Free

ECONOMIC PARTNERSHIP AGREEMENT (EPA)

1. EPA with European Union was also identify in the TPF and LDC Development Strategy
2. The interim EPA covers trade in goods
3. Vanuatu is currently undergoing the process of carrying out a Cost Benefit Analysis on Vanuatu's possible Accession to the PACP-EU interim EPA

NEW CALEDONIA – VANUATU BILATERAL TRADE AGREEMENT

1. New Caledonia - a potential trading partner (TPF)
2. Launching of the trade negotiation was signed by both Leaders in 2019
3. The proposed BTA covers only goods and there are fifteen (15) products agreed by both countries
4. Given the NC status the proposed date for the signing on 30th July was then postponed
5. Both Leaders signed a Joint Declaration of Intent on 30th July to continue the discussion

SUMMARY

1. Coconut oil is currently a key exporting product for Vanuatu and can be exported to any member of the FTAs that Vanuatu is member to under duty free.
2. Coconut Oil is not included in the list of product for the NC-Van Bilateral. However, in the future, we will include with other key products.

*THANK YOU FOR YOUR
ATTENTION*

DEPARTMENT OF EXTERNAL TRADE