

## **MICRONESIAN TRADE MINISTERS MEETING**

Palikir, Pohnpei – FSM Information Services

August 3, 2010

(FSM Department of R&D) - The Third Trade Ministers Meeting of the Micronesian Trade Committee (MTC) was held in Ngerulmud, Republic of Palau on July 26-27, 2010. The meeting was attended by the Ministers in charge of trade and representatives of Trade Ministers of the three Member States: The Honorable John Silk, Minister of Foreign Affairs of the Republic of the Marshall Islands (RMI), The Honorable Jackson Ngiraingas, Minister of Public Infrastructure, Industries and Commerce of the Republic of Palau (Palau) and The Honorable Marion Henry, Acting Secretary of the Department of Resources and Development of the Federated States of Micronesia (FSM).

The Meeting agreed to a road map for the establishment of a permanent secretariat for the MTC. The permanent secretariat will assist the Freely Associated States (FAS) to coordinate their trade policies and engagement with their trade partners to maximise the development benefits from international trade. The Chair of the 3rd MTC, The Honorable Jackson Ngiraingas, said that this was a major milestone in the development of the trading relations of the FAS, which reflects the strong bonds and benefits of cooperation among the FAS.

The MTC was established in 2008 in accordance with the decision of the Micronesian Presidents' Summit in 2007. FSM has been serving as the interim secretariat for the MTC since 2008 following a decision of the MTC Ministers, which was endorsed by the FAS Leaders. The MTC also agreed that the permanent secretariat will be based in FSM.

The Ministers anticipate that the establishment of a permanent secretariat will have a number of benefits for the FAS. It will permit the FAS to pool resources and expertise to better address the trade challenges that face the FAS and their people, such as in relation to biosecurity and modernization of customs procedures. MTC Trade Ministers further observed that there is value in the FAS working together in trade negotiations, including Compact trade issues and PACER Plus. The secretariat will also assist the FAS to engage with their trading partners more effectively by providing a source of high quality analysis and advice.

The 3rd MTC Meeting also discussed subregional trade issues, and various trade-related provisions of their Compact Agreements with the United States and their relevance to the FAS' future trade with other countries. In this regard, Trade Ministers stressed the need to give priority to overcoming quarantine, immigration and labor constraints that inhibit trade among the FAS. They also directed the Interim Secretariat, in consultation with Trade, Compact and Legal Officials, to expedite preparation for the consultations with the US on Compact trade-related issues.

The MTC Trade Ministers agreed to cooperate on Economic Partnership Agreement (EPA) negotiations in order to maximize the benefits from their tuna resources. They also highlighted the importance of securing improved rules of origin for fresh and frozen fish

(heading 0304/0305) because this is one of the products they may actually be able to produce and export to the EU.

The Trade Ministers emphasized that PACER-Plus must provide clear development benefits to the FAS and take account of the special circumstances of the FAS. The Ministers will work together to ensure a positive outcome. FAS also agreed that they will only accept commitments that are appropriate for small island economies and commensurate with their resources and capacity to implement. The Ministers noted that shipping, aviation, telecommunication and water supply infrastructure is a priority issue in Pacific Agreement on Closer Economic Relations (PACER-Plus) negotiations, and look forward to creative thinking on how investment in infrastructure in the FAS can be promoted. They also agreed that development assistance should be a key element of PACER-Plus.

The Ministers expressed their appreciation to the Government of Palau for its hospitality, and to the Hub and Spokes Project under Pacific Islands Forum Secretariat for funding the Meeting.

Assisting the Ministers during the meeting were officials from the three countries, a representative from the Pacific Islands Forum Secretariat and the Chief Trade Adviser for the Forum Island Countries.

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