



**Committee on Regional Trade Agreements
Hundred and Ninth Session**

**ECONOMIC PARTNERSHIP AGREEMENT BETWEEN THE EUROPEAN UNION
AND THE PACIFIC STATES (PAPUA NEW GUINEA, FIJI, SAMOA AND
THE SOLOMON ISLANDS)
(GOODS)**

NOTE ON THE MEETING OF 8 APRIL 2024

Chair: Ambassador H.E. Ms. Clare KELLY (New Zealand)

1.1. The 109th Session of the Committee on Regional Trade Agreements (hereinafter "CRTA" or the "Committee") was convened in Airgram [WTO/AIR/RTA/34/Rev.1](#) dated 28 March 2024.

1.2. Under Agenda Item 8.3, the CRTA considered the Agreement establishing an Economic Partnership Agreement between the European Union and the Pacific States (Papua New Guinea, Fiji, Samoa and the Solomon Islands), goods, (hereinafter "the Agreement"). The Chair stated that the Factual Presentation had been prepared by the Secretariat on its own responsibility in full consultation with the Parties, in accordance with paragraph 7(b) of the Transparency Mechanism for Regional Trade Agreements (document [WT/L/671](#)).

1.3. The Agreement comprised three notifications made under Article XXIV:7(a) of the GATT 1994 and received between 18 October 2011 and 26 October 2020: that of EU-Papua New Guinea and Fiji ([WT/REG302/N/1](#) and Add.1), and the accessions of Samoa and the Solomon Islands ([WT/REG408/N/1](#) and [WT/REG409/N/1](#), respectively). The Agreement, which had entered into force between 20 December 2009 and 17 May 2020 depending on the Party, had been notified as an agreement establishing a free trade area for trade in goods, within the meaning of Article XXIV(8)(b) of the GATT 1994. The text of the Agreement, together with its Annexes, was available on Parties' official websites and in the WTO RTA database. In order to provide a comprehensive description of the Agreement, a single Factual Presentation had been drafted encompassing the three notifications and had been circulated as a triple symbol document, [WT/REG302/1](#) – [WT/REG408/1](#) – [WT/REG409/1](#). The corresponding questions and replies document (documents [WT/REG302/2](#) – [WT/REG408/2](#) – [WT/REG409/2](#)) had also been distributed.

1.4. The representative of the European Union stated that it was a pleasure for the EU to say a few words on the Agreement and thanked the WTO Secretariat for the opportunity to present as well as all WTO Members for their interest in the Agreement.

1.5. The Agreement had been signed by the EU, Fiji, and Papua New Guinea (PNG) in 2009 and had been provisionally applied between the EU and PNG since 2009 and between the EU and Fiji since 2014. The Agreement was open for accession to all Pacific Island States that were party to the Samoa agreement, formally known as the Cotonou agreement, based on the submission of a GATT 1994 Article XXIV compliant market access offer. Any request for accession had to be presented to the Parties to the Agreement, which would make a decision. It was in that context that Samoa and the Solomon Islands had acceded to the Agreement and were provisionally applying it since 2018 and 2020, respectively.

1.6. The Agreement established a free trade area for trade in goods between the Parties, within the meaning of Article XXIV(8)(b) of the GATT 1994. It offered duty-free and quota-free access to the EU market for all products from the Pacific States and provided for asymmetrical and gradual tariff liberalisation taking account of the level of development of the Pacific States. The Agreement

protected domestic industries through product exclusions, an infant industry clause, special safeguards and, as necessary, a flexible approach to export taxes. For instance, all four Pacific States were exempted from liberalizing all products from sensitive sectors, such as meat, fish, fruits and vegetables.

1.7. The Agreement also aimed to promote sustainable development and the gradual integration of the Pacific States in the global economy, and to cooperate on customs and trade facilitation, technical barriers to trade and sanitary and phytosanitary measures. It established dispute avoidance and settlement procedures and an institutional framework for dialogue between the Parties.

1.8. The Agreement established the EU-Pacific EPA Trade Committee that met regularly to take stock of implementation of the Agreement and ensure that consumers and businesses could fully reap the benefits of trade and the development opportunities that the Agreement offered. Since 2009, nine EPA Committee meetings had taken place alternatively in the Pacific region and in Brussels with the most recent one having taken place on 7-8 February 2024, in Apia, Samoa. The next Trade Committee meeting would be held in Brussels in 2025. The Agreement also established a Special Committee on Customs Cooperation and Rules of Origin that had also met twice to discuss recent developments in the customs legislations and procedures of the Parties, including an exchange of up-to-date lists of contacts for the purposes of implementation of the Protocol on mutual administrative assistance in customs matters.

1.9. With regard to trade flows between the EU and the Pacific States, despite the challenges related to small island economies, the EU was pleased with the progressive implementation of the Agreement. With the Pacific States' EPA utilisation rate of 95%, their trade with the EU had increased by 35% to EUR 1.4 billion between 2020 and 2022, with the EU trade deficit worth EUR 1.1 billion in 2022.

1.10. The EU's investments had also been increasing at the same time. Between 2016 and 2021, its outward investment stock in the Pacific EPA countries had more than doubled, passing from approximately EUR 1 billion to EUR 2.3 billion, representing 49% of the EU's investment in the ACP Pacific countries in 2021.

1.11. As the EU looked forward under the Samoa Agreement, which had been signed on 15 November 2023 between the EU and the ACP Group of States, it had committed to support its implementation and functioning, to encourage the accession of interested countries, and, where appropriate, broadening the scope of the Agreement. The Samoa Agreement solidified the foundation for strengthening trade relations between the EU and the Pacific States, and this would enable them to benefit more from the duty-free quota-free access to the EU market, and from the facilitative rules of origin, in particular arrangements on fisheries that were proving to be beneficial in creating jobs and growth in the Pacific EPA States.

1.12. The EU was also stepping up its EU-Pacific relations on trade policy and cooperation, which had been improving, with the facilitation by the Pacific Island Forum Secretariat's (PIFS) coordination of a number of development programmes, notably the Pacific Regional Integration Support Programme (PRISE), whose objectives supported EPA implementation through three aspects - strengthening Pacific Intra-Regional & International Trade (SPIRIT), improving Pacific Islands Customs and Trade (IMPACT), and Safe Agriculture Trade Facilitation in the Pacific (SAFE).

1.13. EU-Pacific trade relations were gaining significant momentum through the accession of six more countries, namely Tuvalu, Niue, Tonga, Timor-Leste, Vanuatu, and the Federated States of Micronesia that had recently requested to join the Agreement. The EU's priority therefore was to build on that momentum by concluding the accessions and to focus on the implementation of existing commitments, without prejudice to any decision that the Parties would take later, in the long run, to enlarge the scope of the Agreement beyond goods.

1.14. The representative of Samoa delivered the statement on behalf of the Pacific Parties to the Agreement and thanked the Chair and commended her commitment and stewardship of the committee's work and wished her the best for her next role.

1.15. The Pacific Parties acknowledged the work of the Secretariat in putting together the factual presentation on the Agreement and Members for their positive contribution to the process. They also

acknowledged the written question from Türkiye which had provided an opportunity for the Parties to reflect on the important role of medium and small-scale enterprises (MSMEs), particularly for the Pacific States with almost 100% commercial activities dominated by MSME operations.

1.16. As noted by the EU, the Agreement had been signed by the Parties between 30 July 2009 and 17 May 2020. It had entered into force between the EU and Papua New Guinea (PNG) in December 2009, and between the EU and Fiji in July 2014. The accessions of Samoa and the Solomon Islands had entered into force on 31 December 2018 and 17 May 2020, respectively.

1.17. The Agreement aimed to enable Pacific States to benefit from preferential access to the EU market following the expiry of preferences under the Cotonou Agreement at the end of December 2007, and pending the completion of comprehensive economic partnership agreement negotiations with all 15 Pacific ACP Member States. It also aimed to promote sustainable development and the gradual integration of Pacific States into the global economy, in conformity with their political choices and development priorities. The Agreement also aimed to establish a free trade area between the Parties, along with appropriate dispute settlement and institutional arrangements.

1.18. As included in the factual presentation, the structure of the Parties merchandise trade in 2021 showed that while EU trade was dominated by manufactures, manufactured products tended to dominate imports by the Pacific States, while their exports were concentrated in agriculture - 90% for the Solomon Islands, 57% for Fiji, 47% for Samoa and around 23% for PNG, and fuels and mining products which accounted for 41% of PNG's exports. Bilateral trade between PNG and the EU were most especially concentrated in fuels and mining products. In 2021 the EU ranked first as a source of imports for the Solomon Islands, sixth for Fiji, ninth for PNG and 13th for Samoa. The EU was the largest export market for PNG and the Solomon Islands, and the 11th and 20th largest market respectively for Fiji and Samoa.

1.19. Since 2009 when PNG became the first Party to ratify the Agreement and the notification of provisional application submitted by the EU, PNG and Fiji, Samoa and the Solomon Islands joined in 2018 and 2020. In 2020, six other Pacific countries, as stated by the EU, had formally expressed their intent to exceed to the Agreement, namely Tonga, Timor-Leste, Tuvalu, Niue, Vanuatu, and the Federated States of Micronesia. Coordination amongst the Parties took place at the annual Trade Committee meeting which met at the senior official level and nine meetings had taken place already, the latest one in Samoa in February 2024.

1.20. The Pacific Parties to the Agreement took the opportunity to acknowledge the support of the EU through the prize program of the 11th EDF (European Development Fund) which was supporting Pacific Parties and observers in their accession efforts but also in the implementation of national implementation plans of action. They looked forward to working with the EU including under the Samoa Agreement to broaden the scope of the Agreement and to support the sustainable development of the Pacific States. In closing, they assured the Members of their support for the procedures of the Transparency Mechanism of the WTO.

1.21. The representative of the United States thanked all the Parties for the updates provided.

1.22. The representative of Australia thanked the EU and Samoa for their statements and noted the complementary nature of the Agreement and the PACER Plus Agreement that would be considered under item 9.1. He noted with interest the potential future accessions to the Agreement and looked forward to further considerations in the Committee.

1.23. The representative of the United Kingdom thanked the Parties for participating in the transparency exercise and wished them best of luck in implementing the Agreement. He also looked forward to presenting the UK's agreement with the Pacific States later during the year.

1.24. The representative of Türkiye thanked the Parties for their presentations and for their reply to Türkiye's question regarding small and medium sized enterprises.

1.25. The Chair noted the consideration of the goods aspect of the Economic Partnership Agreement between the European Union and the Pacific States, had allowed the Committee to clarify a number of questions and conclude oral discussion of the RTA in accordance with paragraph 11 of the Transparency Mechanism. Any delegations wishing to ask follow-up questions were invited to

forward submissions in writing to the Secretariat by 15 April 2024 and the Parties were asked to submit replies in writing by no later than 29 April 2024. In accordance with paragraph 13 of the Transparency Mechanism all written submissions, as well as minutes of the meeting would be circulated promptly, in all WTO official languages, and made available in the WTO database on RTAs.

1.26. The Committee took note of the comments made.
