



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

**PACIFIC AGREEMENT ON CLOSER ECONOMIC RELATIONS PLUS (PACER PLUS)
(GOODS AND SERVICES)**

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 9.1, the CRTA considered the Agreement establishing a Pacific Agreement on Closer Economic Relations Plus (PACER Plus), goods and services, (hereinafter "the Agreement"). The Chair recalled that during the CRTA meeting of 4 March 2009, Members had agreed to consider RTAs involving non-Members under the Transparency Mechanism's procedures and that regional trade agreements (RTAs) notified since 14 December 2006, including future notifications, should be taken up before the others. Members had made it clear that the consideration of such agreements by the Committee had no implications for the views or positions of any Member with respect to the consistency of that RTA with the WTO rules and would be without prejudice to the rights and obligations of Members under the WTO Agreements, as clearly stated in paragraphs 1 and 5 of the Transparency Mechanism Decision. Members had also agreed that the consideration of such agreements in the CRTA would be organized under a separate Agenda Item.

1.3. The Agreement had entered into force between 13 December 2020 and 11 October 2022 depending on the Party; it was not yet in force for Nauru. It had been notified to the WTO by the Parties which were WTO Members under Article XXIV:7(a) of the GATT 1994 and Article V:7(a) of the GATS on 8 April 2021 and 13 October 2022. The Parties had indicated that the Agreement established a free trade area for trade in goods and services within the meaning of GATT 1994 Article XXIV and GATS Article V (documents [WT/REG451/N/1](#) and N/2 and [S/C/N/1052](#) and Add.1). The text of the Agreement, together with its Annexes, was available on the Parties' official websites and in the WTO RTA database. The Factual Presentation on the goods and services aspects (documents [WT/REG451/1](#) and Add.1, providing additional information on trade in services liberalization) as well as questions and replies (document [WT/REG451/2](#)) had been distributed.

1.4. The representative of Samoa was pleased to deliver the joint statement on behalf of the Parties and thanked the WTO Secretariat for preparing the Factual Presentation on the Agreement, and to members of the CRTA for their positive contribution to the transparency process. She also acknowledged written question by Brazil, which had provided an opportunity for the Parties to consider the MFN and National Treatment commitments in respect of Intellectual Property Rights.

1.5. The Agreement was the first comprehensive RTA negotiated by the Forum Island Countries with Australia and New Zealand. It had been signed on 14 June 2017 and entered into force on 13 December 2020 after eight countries had ratified the Agreement. To date there were eleven Parties to the Agreement; Australia, Cook Islands, Kiribati, New Zealand, Niue, Samoa, Solomon Islands, Tuvalu, Tonga and Vanuatu, and she looked forward to ratification by Nauru soon.

1.6. Members would appreciate from the factual presentation that Australia and New Zealand were the two largest economies in terms of GDP and trade in goods and services, while the smallest economy was Niue.

1.7. The Agreement covered trade in goods, which included tariff commitments, rules of origin, customs procedures, sanitary and phytosanitary measures, and technical barriers to trade. In recognition of their importance in sustainable economic development and targeting unemployment in the Pacific, trade in services, the movement of natural persons and investment had been included along with a special working arrangement on labour mobility.

1.8. The Parties had followed the same modalities as in the GATS, covering the four modes of supply and a positive-listing approach for scheduling sector specific commitments. It was also worth noting that the WTO Member Forum Island Countries (FIC), namely Samoa, Vanuatu, Solomon Islands and Tonga, had made broader and additional commitments compared to their commitments under the GATS. The Chapter on Investment had aimed to encourage a stable and predictable environment to attract and promote investment between the Parties.

1.9. Several activities had been implemented under the PACER Plus work programme, which complimented the implementation work of other agreements in the region including the interim Economic Partnership Agreements with the EU and the UK. Prime examples included the HS2022 transposition work, roll out of the Automated System for Customs Data (ASYCUDA), establishment of National Trade Information Portals, implementation of the Generic ePhyto National System (GeNS), and implementation of technical regulations, standards and conformity assessment procedures.

1.10. A general review of the Agreement was currently underway with a view to assessing progress in its implementation since its entry into force. The outcome of the general review would be submitted to the Parties for consideration in May 2024.

1.11. The Parties firmly reassured the members of the CRTA for their support to the procedures of the Transparency Mechanism of the WTO and had been happy to share further information on progress on the Agreement.

1.12. The representative of New Zealand thanked Samoa for its statement on behalf of the Parties and provided a national statement in support of the joint statement. New Zealand considered the Agreement to be a landmark agreement for the region, that built on earlier agreements and closely linked trade and development together. In addition to raising standards of living, creating jobs and increasing exports in Pacific Island Countries, Pacific Parties to the Agreement were being supported in implementing and utilizing the Agreement through the PACER Plus Arrangement on Development and Economic Cooperation.

1.13. New Zealand and Australia had been providing dedicated development cooperation assistance to the other Parties to implement the Agreement and take advantage of the opportunities it provided, which also contributed to the implementation of other agreements that Pacific Parties had negotiated with other partners. This included activities such as those to support improvements in customs and biosecurity systems improvements, which had led to faster clearance of imported items with one Party reporting reducing clearance times from 1-2 days to 15-30 minutes. This of course benefited consumers too, who were getting fresh products on retail shelves more quickly than before.

1.14. Other benefits had flowed from the Agreement since its entry into force. This included rules of origin accumulation which provided Pacific exporters with greater optionality for processing raw materials. It had also meant that exporters had greater certainty: New Zealand and Australia's tariff commitments had been locked in for the region, meaning certainty and less adjustment for any Party graduating from LLDC status.

1.15. The representative of Australia also thanked Samoa for the statement on behalf of the Parties and New Zealand for its national statement. Australia also thanked the Parties and the Secretariat for all their work culminating in the consideration of the Agreement in the CRTA.

1.16. A key objective of the Agreement had been to support Pacific Island Countries to become more active players in and benefit from regional and global trade. This, in turn, would create opportunities for growth, jobs and increasing living standards. As small island states, Pacific Island Countries faced a range of challenges, including small domestic markets, narrow production bases, capacity constraints, as well as high trade and business costs. The Agreement helped support them to meet these challenges, including by providing a framework for increased predictability,

transparency and stability in the regional business environment, especially in areas in which Pacific Island countries trade, and delivering targeted and responsive technical assistance to help them benefit from trade.

1.17. As noted by Samoa, Australia and New Zealand were the two largest PACER Plus economies in terms of GDP and trade in goods and services. Australia was pleased, along with New Zealand, to have supported implementation of the Agreement through their overseas development assistance initiatives. This complemented Aid for Trade (A4T) initiatives through the WTO, and their international development partners, including for implementation of the WTO Trade Facilitation Agreement. They would have welcomed further technical assistance and collaboration between the WTO and PACER Plus Implementation Unit wherever appropriate.

1.18. In closing, Australia was pleased that the Parties were benefitting from the predictability and transparency the Agreement provided and looked forward to working closely with the Parties, including after the general review.

1.19. The representative of the European Union thanked the Parties for the presentations and wished them luck.

1.20. The representative of the United States also thanked the Parties and appreciated everything that had been shared that day.

1.21. The Chair noted the consideration of the Goods and Services Aspects of the Pacific Agreement on Closer Economic Relations Plus (PACER Plus), 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.

1.22. The Committee took note of the comments made.
