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# PECC TRADE FORUM

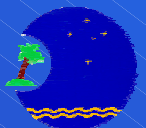
17-19 May

Lima, Peru

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## **A Small States' Perspective on Reform of Article XXIV**

Presentation by: **Mere Falemaka**  
**Trade Policy Advisor**  
**Pacific Islands Forum Secretariat**



# The Pacific Island Forum Secretariat (PIFS)

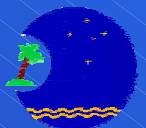
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- **Presentation = 3 parts:**

- I - Background**

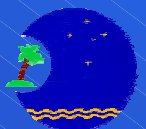
- II - Perspective on Article XXIV**

- III - Other WTO Work & Challenge for PECC**



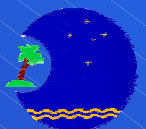
# I : Background

- **Recent Mandates – FEMM 1997 & FTMM 1999**
- **Reasons** - globalisation
  - erosion of preferences
  - decline in aid
  - communication technology
  - overcoming smallness
- **Objectives** - stepping stone
  - strengthening capacity
  - basis for dealing with Trading Partners
  - WTO compatibility - Art XXIV
    - Enabling clause



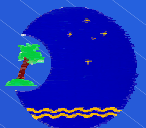
# Background contd

- **Result 2001**
  - **(a) PACER with ANZ**
    - economic co-operation agreement
    - Provision for negotiation of FTA after 8 yrs or triggered
  - **(b) PICTA – FICs only FTA**
- **New Challenge for FICs:**
  - ANZ Negotiations (PACER) – 8 yrs or earlier
  - EU-EPA negotiations (Cotonou) – 2002 to 2007
  - US negotiations for 3 COMPACT countries
  - WTO Negotiations –DDA – 2002 to 2005



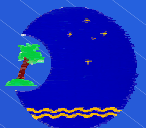
# II :Perspective on Art XXIV

- **Transitional period – 10 years**
  - >10 years in exceptional circumstances
- **Substantially all trade – undefined**
  - how to measure – value, volume, tariff lines?
- **Elimination of trade – uneven trade – trade assymetrical-**
- **Other – trade facilitation – ROO, etc**



# III: Other WTO Work

- **Small Economies –para 35 DDA**
- **Other key areas – Rules –Article XXIV**
  - Fisheries Subsidy
  - Services, Agriculture, TRIPS, SDT



# Challenge for PECC

- re-inforcing stepping stone approach
- facilitation of FIC integration
  - AP processes
  - multilateral system

