



## **MSG Trade Ministers Approve New MSG Trade Agreement**

The 5th Trade Ministers Meeting of the Melanesian Spearhead Group (MSG) held in Port Vila, Vanuatu yesterday endorsed the conclusion of negotiations for the new Melanesian Free Trade Agreement. The meeting was chaired by Hon. Milner Tozaka, Minister for Foreign Affairs and External Trade of Solomon Islands.

The meeting was attended by Hon. Richard Maru, Minister for Trade, Commerce and Industry

of Papua New Guinea and Hon. Bruno Leingkone Tau, Minister for Foreign Affairs, External Trade and International Cooperation of Vanuatu. Fiji was represented by Ms. Seema Sharma, Director of Trade, while Mr. Yvon Fua represented the Front de Libération Nationale Kanak et Socialiste (FLNKS). Senior Trade, Investment and State Law officials from Member countries were also present.

In stressing the significance of the meeting, Hon. Tozaka said, “The ultimate milestone to be achieved following the series of intense negotiations between MSG Members over the last three years is the establishment of the Melanesian Free Trade Area by 2017.” A policy environment that facilitates freer trading between Members would enhance Melanesian Sub-regional Economic Integration as aspired to under the MSG 2038 Prosperity for All Plan. Hon Tozaka added that the key enablers for the Free Trade Area would be the Melanesian Free Trade Agreement and the MSG Private Sector Development Strategy.

MSG Secretariat’s Director General, Mr. Amena Yauvoli, congratulated Members for their contributions through extensive national stakeholder participation that helped shape the Revised MSG Trade Agreement as well as the Private Sector Development Strategy. “The approval of the Private Sector Development Strategy will go a long way in supporting the revised Trade Agreement as intra-MSG or cross-border investment flows are stimulated and facilitated,” he said.

The Ministers endorsed the revisions made to MSG Trade Agreement which would now be extended from covering goods alone to also include trade in services, labour mobility and cross-border investments. The Trade Agreement will be reviewed further by State Law officials during a legal scrubbing workshop to be held also in Port Vila on 26th-27th May 2016. The Ministers agreed that following the legal scrubbing, the Trade Agreement is to be signed by Leaders and subjected to national ratification processes before the Melanesian Free Trade Agreement enters into force by 1st January 2017.

The Ministers also endorsed the MSG Private Sector Development Strategy which is aimed at achieving higher, inclusive and sustainable growth through the development of the private sector. The hallmarks of the Strategy are the adoption of an inclusive approach to private sector development, unleashing rural entrepreneurship and heightening the resilience of the private sector to the impact of climate change.

The Ministers noted updates on the economic performance of Member countries as well as progress with the implementation of the MSG 2038 Prosperity for All Plan. They also noted reports on MSG’s Sectoral Development Programmes and Export Products Study as well as the outcomes of the MSG Aviation and Tourism Sectoral Dialogue.

In recognition of the potential economic benefits from cross-sectoral linkages, the Ministers supported initiatives that would strengthen sectoral linkages such as between Agriculture and Tourism.

Hon. Tozaka acknowledged the support of stakeholders across the Melanesian sub-region including Governments, business communities, civil society representatives, development

partners and academics towards the MSG Secretariat's ongoing guidance and advice to Members on the Trade Agreement and Private Sector Development Strategy.

"I particularly thank the European Union for its funding support through the Pacific Integration Technical Assistance Project, which is administered by the Pacific Islands Forum Secretariat," Hon. Tozaka said. "We also welcome the prospects of further funding through the 11th European Development Fund which the MSG Secretariat is pursuing from the European Union through the Forum Secretariat and we look forward to consolidating a stronger partnership with the European Union and other prospective development partners," he added.

For more information, please contact Mr. Molean Kilepak, Deputy Director General, MSG Secretariat on [m.kilepak@msg.int](mailto:m.kilepak@msg.int).

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Port Vila, Vanuatu  
26 May 2016