

The EU and Papua New Guinea signed the interim Economic Partnership Agreement

The European Union and Papua New Guinea signed today (30 July 2009) the interim Economic Partnership Agreement which was first initialled at the end of 2007. Fiji also initialled the Agreement in 2007 but decided to sign at a later stage. The agreement focuses on trade in goods and includes important provisions on rules of origin for the fisheries sector. The agreement was signed today by EU Trade Commissioner Catherine Ashton on behalf of the European Commission, Mr Anders Ahnlid, Director General for Trade, on behalf of the Swedish Presidency of the EU and The Hon. Samuel Abal, Minister for Foreign Affairs, Trade and Immigration on behalf of Papua New Guinea.

Commissioner Ashton said: "This agreement is an important step towards a strong and lasting EU-Pacific trade and development partnership. We have already seen how the initialling of the agreement has delivered results, with new investment flowing into the fisheries industry, supporting development in Papua New Guinea and creating jobs."

The interim Economic Partnership Agreement was initialled in November 2007 by Papua New Guinea (PNG) and Fiji who are two of the fourteen Pacific ACP countries but represent the vast majority of the regions exports to the EU. The agreement has been provisionally implemented by the EU since 1 January 2008 and it has already attracted investment into Papua New Guinea, especially in the Madang Marine Park.

Under the agreement all imports from Papua New Guinea and Fiji will have immediate duty free quota free access to the European market (with short transition periods for rice and sugar). Papua New Guinea removes customs duties on 88% and Fiji on 87% of their imports from the EU over the next 15 years.

Background

Total trade between the EU and Pacific ACP countries in 2008 was around €1 billion. The most important Pacific exports to the EU are animal and vegetable oils, sugar, coffee, tea and spices and copper. The EU's main exports are mechanical machinery, electrical machinery, vehicles and oil. The EU is a major trading partner of Papua New Guinea and Fiji, who together represent 83% of all EU - Pacific trade.

The Pacific ACP region includes 14 countries. The Least Developed Countries of the Pacific include Kiribati, Samoa, Solomon Islands, Tuvalu, Vanuatu and the developing countries of Cook Islands, Fiji, Marshall Islands, Federated States of Micronesia, Nauru, Niue, Palau, Papua New Guinea, and Tonga. Another ACP country, Timor Leste, has observer status in the EPA negotiations.

For further information please log on to:

http://ec.europa.eu/trade/issues/bilateral/regions/acp/regneg_en.htm

Source: EPA Flash News, DG Trade, European Commission, 30 July 2009