

Interim Partnership Agreement between the Pacific ACP States and the European Community

Joint Statement

Brussels, 14 December 2007

Papua New Guinea, the Republic of the Fiji Islands and the European Commission (EC), have initialed an **Interim Partnership Agreement**. All other Pacific ACP may negotiate accession to this Agreement if they wish.

The EU is committed to have a comprehensive partnership with the Pacific region encompassing, political, economic, trade, development and environmental policy areas. During a high-level EU-Pacific Islands Forum dialogue covering these issues in Nuku'alofa on 19th October 2007, it was agreed the conclusion of an EU-Pacific *Economic Partnership Agreement* has very high priority for both sides.

Papua New Guinea, Fiji and the EC reaffirm their recognition of the development needs of the Pacific region, and their commitment to ensure that EPA is a tool for development which will promote and consolidate regional integration and aid the integration of the Pacific ACP into the global economy.

The EC will therefore continue to work with the Pacific ACP and their Regional Organisations to define and address the development needs associated with the EPA, to foster structural transformation and competitiveness, to increase production, supply capacity and value addition of the countries concerned.

On 1 January 2008 the WTO waiver for the ACP preferential trade regime expires. In order therefore to safeguard the interests of those Pacific ACP which have significant commercial interests in the EU, a WTO-compatible trade arrangement with the EU is being established so that the States concerned can start to benefit from the improved market access and rules of origin and avoid the trade disruption that might otherwise arise from the loss of the *Cotonou* preferences on 1 January 2008.

Papua New Guinea, Fiji and the EC have accordingly initialed an *Interim Partnership Agreement* which will serve the immediate market access interests of Papua New Guinea and Fiji and, later, of any other Pacific State which might wish to join.

The *Interim Partnership Agreement* will boost Pacific ACP signatories' development through improved rules of origin in the areas of fisheries, textiles and agriculture and through the provision of duty and quota free market access. It is expected that the improved rules of origin could lead to investment and employment opportunities in both Papua New Guinea and Fiji. The additional market access agreed to for sugar should also enhance the capacity for employment and export revenues.

Reflecting the wishes of both Papua New Guinea and Fiji, further issues, notably trade and development cooperation, will continue to be dealt with in the wider regional framework.

The *Interim Partnership Agreement* signatories reaffirm their continuing commitment to conclude a comprehensive EPA between the European Community and all interested Pacific ACP States by the end of 2008 as agreed in the Joint Ministerial Meeting on 02 October 2007 in Brussels, Belgium.