

**Second meeting of the Trade Committee between Papua New Guinea and the European Commission under the Interim Partnership Agreement between the Pacific States of Papua New Guinea and Fiji and the European Union**

**Agreed Minutes**

**Consultation on the special derogation to the Rules of Origin for fishery products (global sourcing)**

Parties concluded the consultation on the implementation of global sourcing, in accordance with protocol II of the Interim Partnership Agreement. The joint conclusions of the consultation are laid down in a document attached to these minutes as an annex.

**State of play of implementation of tariff commitments**

Papua New Guinea informed that out of a total of 5847 tariff lines (8-digit level), customs duties on 4949, or 77.1%, had already been eliminated. Duties on a further 305 lines, or 5.1%, would still be eliminated, bringing the total to 5254, or 82.1%. This would complete the process of elimination of customs duties, in accordance with annex II of the Interim Partnership Agreement. Papua New Guinea informed that the necessary gazettal notice for the elimination of duties on the remaining lines will be published by the end of March 2012. Implementation will be effective on the date of the gazettal notice.

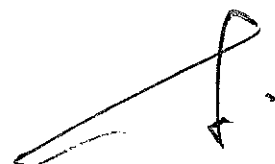
**Possible Accession of third countries to the Interim Partnership Agreement**

Parties noted that various countries, including Tonga, The Republic of Marshall Islands, and Solomon Islands, had expressed an interest in joining the Interim Partnership Agreement, but that no country had so far made a formal request for accession, in accordance with article 80 of the agreement. Parties confirmed their interest and continued support for a widening of the Interim Partnership Agreement by the accession of other Pacific ACP countries to the agreement.

**Widening and deepening of the EU-Pacific Economic Partnership**

Both sides agreed that to move beyond the current Interim Partnership Agreement, issues such as development, fisheries, services and investment, and sustainable development would be important subjects to include. Noting that the interim agreement is open to all Pacific ACP states, the question that remains open is whether this should be accomplished by amending the interim agreement or by completing the ongoing comprehensive negotiations with the wider Pacific ACP group. Whilst the EU remained open to these discussions, the Parties agreed that it was not practical to simultaneously work in both negotiations.

Papua New Guinea stated that it will make a decision on whether it would pursue deepening and widening within the context of its interim agreement or collectively with the region under a comprehensive EPA.



## **Rules of Procedure**

EU submitted the following draft documents for consideration by Papua New Guinea:

- Rules of Procedure of the Trade Committee (corrected)
- Rules of Procedure of the Special Committees
- Rules of Procedure for Dispute Settlement
- Code of Conduct for Arbitrators and Mediators.

Parties agreed to approve the documents in writing, once the internal approval procedures of the Parties would have been completed.

## **Preference Erosion on palm oil and fisheries products**

Papua New Guinea expressed concerns on possible future preference erosion for palm oil and fisheries products which are also highlighted in the study, and the possible impact on Papua New Guinea's social and economic development.

The EU recognized those concerns and noted that any such preference erosion in the framework of Free Trade Agreements would be introduced on a gradual basis and would allow Papua New Guinea's industry time to adapt to the changes.

The EU and PNG will maintain the dialogue on this issue, including within the framework of development co operation

## **Final Remarks**

The EU briefed the Trade Committee on the outcomes of a 2-day seminar held in Port Moresby with Papua New Guinea private sector.

The Papua New Guinea authorities expressed appreciation of the EU's efforts in this regard which was seen as being within the spirit of the Papua New Guinea – EU partnership and requested that this initiative should continue.

**Port Moresby, 24 February 2012**

For the Independent State of Papua New Guinea



**Hon. Charles Abel, MP**

Minister for Trade, Commerce and Industry

For the European Union



**Mr. Peter Thompson**

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