

Pacific Agreement on Closer Economic Relations Plus (PACER Plus).

The Pacific Agreement on Closer Economic Relations Plus (PACER Plus)," is a comprehensive regional development-centred free trade agreement that aims to foster closer economic integration and cooperation among its parties. This agreement builds upon the existing PACER framework, which stands for "Pacific Agreement on Closer Economic Relations," and is specifically tailored to suit the context of Pacific Island countries. PACER Plus was negotiated over a period of seven years and represents a significant step towards strengthening economic ties and enhancing development outcomes in the Pacific region.

PACER Plus was signed on June 14, 2017, by 8 Pacific Island countries: Australia, Cook Islands, Kiribati, New Zealand, Niue, Samoa, Solomon Islands, Tonga, Tuvalu while Vanuatu becomes the ninth country to sign on 7 September 2017. The agreement came into force on December 13, 2020, after eight of the signatory countries completed their domestic ratification processes. For Vanuatu in particular, it becomes the tenth country to ratify the agreement and notify the depositary in Tonga on 12th August 2022 whilst the agreement enter into force on 11th October 2022.

The primary objective of the PACER Plus agreement is to promote sustainable economic development, enhance regional trade, and improve the livelihoods of the people in the Pacific Island countries. It seeks to achieve these goals through various means, including the reduction of tariffs, the elimination of trade barriers, and the facilitation of cross-border trade and investment. The agreement also emphasizes cooperation in areas such as customs procedures, sanitary and phytosanitary standards, technical barriers to trade, and capacity building.

Vanuatu, as a party to the PACER Plus agreement, stands to gain several benefits. Firstly, the reduction or elimination of tariffs on goods traded with other parties can enhance Vanuatu's export opportunities and make imports more affordable for its citizens. This can stimulate economic growth and diversification. Additionally, the agreement's provisions on trade facilitation can streamline customs procedures, making it easier and more efficient for businesses in Vanuatu to engage in international trade. The emphasis on capacity building and technical assistance can also support Vanuatu's efforts to improve its capacity to participate in trade, institutional and regulatory frameworks, thus enhancing its overall economic competitiveness.

By participating in PACER Plus, Vanuatu aligns itself with a regional approach to trade and development, fostering stronger relationships with neighboring Pacific Island countries and key trading partners like Australia and New Zealand. However, it is important to note that trade agreements can be complex and their impacts can vary across different sectors and industries. While PACER Plus offers potential benefits, there can also be challenges and considerations that each participating countries, including Vanuatu, must navigate to ensure the agreement's outcomes align with its national trade policy framework including the national sustainable development plan (NSDP) priorities.