

EU statement at the Trade Policy Review of Fiji, 25/02/16

Statement by EU Deputy Ambassador Detlev Brauns

I would like to start by welcoming the Delegation of Fiji, led by H.E. Mrs. Nazhat Shameem Khan in this difficult moment where disaster and grief has once again struck your country. Our honest feelings and our sympathy are with you and the families of the victims that have been hit by the catastrophic cyclone Winston last weekend.

Mr Chairman, Fiji has performed well since its last review with an annual real GDP growth of 3.5%. despite the impact of the financial crisis and of natural disasters and thanks also to the internal stabilisation succeeding the elections 2014 and the formation of the new government. The perspectives for 2015 are set at 4.3%. This singles out Fiji in comparison with other small and vulnerable economies of the Pacific. Fiji's internal situation started to stabilise after the elections of September 2014 which led to the formation of the government now in charge of the country's trade and investment policies. Fiji has improved its human development indicators and ranks 88th in the latest UNDP Human development Index. Even if many of the Fijian people continue to depend a lot on the sugar sector (about one quarter of the population and 45% of the goods exports), efforts to diversify the economy have started to bear fruit. This is a priority that has been supported by the EU. However, obstacles are not minor, especially for a country that is composed of more than 300 islands with high transportation costs.

An important issue is Foreign Direct Investments where Fiji seems to score lower than international benchmarks. The WTO Secretariat noted that existing data bases and statistics could be improved in the area of investment but also in other domains, which would help the authorities to better document situations with the view to support policy-making in many areas. Among the factors that do contribute to improving investors' confidence, the most important ones are a country's political and economic stability as well as transparency, predictability and the rule of law. And a case in point in Fiji is the agriculture sector, an important area that was mentioned by the Secretariat, where there is a degree of uncertainty about land tenure. The EU would be welcome the authorities' views on this issue.



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EU-Fiji trade relations take place in the framework of the Economic Partnership Agreement which is under provisional application. International trade (imports and exports) represents more than 120% of the country's GDP and the EU is an important trade and cooperation partner for Fiji. EU assistance to Fiji has resumed following the restoration of democracy and Fiji is eligible to the 11th European Development Fund. The cooperation covers areas such as public administration reform and governance as well as sustainable rural livelihoods and diversification of the economy. EU assistance amounts to 28 million euros for the period 2014-2020.

Fiji's trade is well integrated into Asia and the country has taken initiatives to strengthen its ties with the Pacific Island States. It also recently adopted a trade strategy for the period 2015-2025. Fiji in its report stresses its commitment to the multilateral trading system and to the WTO. The EU commends Fiji for having recently set up of a mission to the WTO which we consider an illustration of the country's priority attached to the multilateral trading system. In this regard, the EU would welcome more information about Fiji's intentions regarding category "A"- commitments and the ratification of the Trade Facilitation Agreement.

In its advanced written questions, the EU has asked clarification on a few issues. I would like to use the opportunity of this first meeting to enquire about the state of play of Fiji's compliance with the core ILO conventions.

In conclusion, the EU wishes Fiji a very successful review.

Thank you.