



Climate-COVID19-Smart Trade

Tuvalu National Trade Development Strategy

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Supporting Trade is Critical

Trade is the engine of the global economy



In 1990, world trade as a share of GDP was around 38%, compared to 60% today. (WB Development Indicators).

Trade causes growth



Trade liberalization increases economic growth by an average of 1.0 to 1.5 percentage points, resulting in 10 to 20% higher income after a decade.

Trade can be inclusive



Trade has increased incomes by 24% globally since 1990, and 50% for the poorest 40% of the population.

Trade supports competitiveness



Spillovers, tech transfers, and learning enhance the competitiveness of the domestic economy.

Supporting Trade is Critical

Simplifying and streamlining regulation and border processes, enhancing risk management and automation would:

Reduce trade costs for small islands

Improve the viability of agribusiness trade and support exporters to become more competitive

Increase border efficiency to reduce time, and increase throughput at ports



1

**Recognizing COVID-19
and Climate Change**

3

**Connecting Tuvalu
through the Tuvalu
National Trade
Development Strategy**

2

**Integrating Pacific in
the world trade**



1. Recognizing COVID-19 and Climate Change

COVID-19: a defining moment



COVID-19 pandemic has revealed the fault lines of our communities

UN estimates indicate

- **Trade decline:** volume of global trade in goods and services fell by 7.6 per cent in 2020
- **Estimates:** global trade in goods and services will grow by 6.9 per cent in 2021 and 3.7 per cent in 2022
- **Vaccination access:** With the access to vaccination everywhere for everyone, the trade recovery can be a reality in the short-run

Adapt to COVID-19



Streamlining trade procedures and facilitating trade at borders are key to crisis mitigation

Limit [human interaction](#) on trade processes

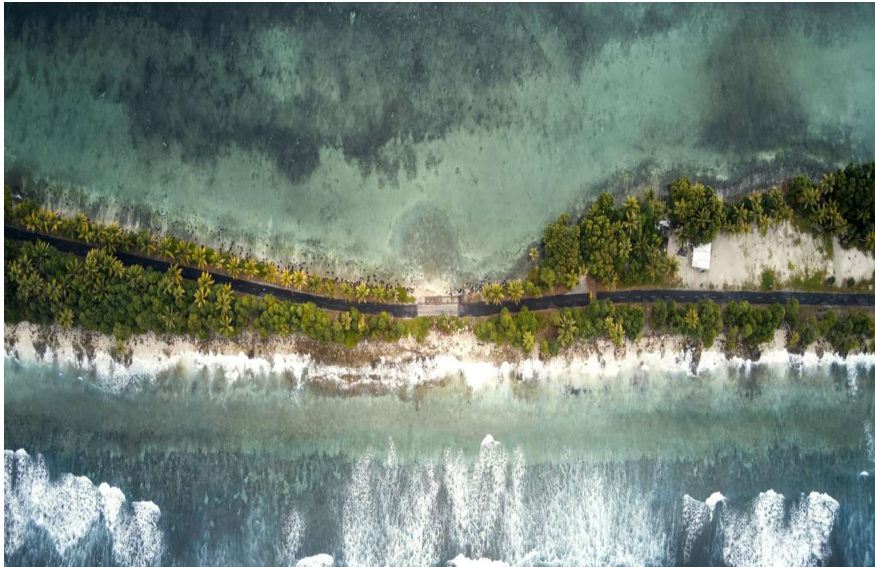
Increase internal and external [border agency collaboration](#)

Enhance [business continuity](#) in border clearance processes to increase efficiency and [limit the physical presence and interaction](#) of logistics workers and officials at facilities and border crossing points

Traders have [access to updated trade related regulatory requirements](#) during the COVID crisis and beyond

[Maintain cross border trade](#) and [keep borders open](#) while reducing movement and interaction of people

Climate change: an existential threat to humanity



UN IPCC report highlights that climate change is man-made, widespread, rapid, and intensifying

UNESCAP report underscores

- **Climate smart:** All countries have room to make trade and investment “climate smarter”
- **Environmental goods:** Liberalize trade in climate-smart and other environmental goods and services
- **Subsidies:** Phase out fossil fuel subsidies
- **Non-tariff measures:** Adopt climate-smart non-tariff measures
- **Private sector:** Encourage climate-smart investment and private sector initiatives

Crisis of confidence: current global trade situation



Evidence suggests:

- **Trade benefits:** the uneven distribution of the benefits and costs from global trade integration both within and across countries
- **Vulnerabilities:** unskilled workers have borne the brunt of the adjustment burden
- **Protectionism:** trade disputes and widespread phenomenon, with non-tariff measures accounting for almost all trade interventions
- **Multilateral trading system:** posed significant challenges for the rules-based multilateral trading system operating under the auspices of the WTO; policymakers have turned increasingly to bilateral and plurilateral trade agreements



2. Integrating Pacific in the world trade

Regional Trade Development and Integration

- **Regional trade integration through the trade arrangements**
 - SPARTECA;
 - Pacific Island Countries Trade Agreement;
 - MSG Trade Agreement;
 - Interim Economic Partnership Agreement (EPA);
 - PACER Plus;
- **PICTA** amongst the largest of the Trade Agreements for the region in terms of the number of parties.
- **2017 Pacific ACP** Leaders agreed that PICTA framework should provide for deeper integration.
- **2018 PICTA** Parties agreed to a comprehensive review of Members commitments under various trade-related agreements
- **2019 – 2022 PICTA Modernisation** : PICTA Rules of Origin, PICTA product specific mapping, PICTA Trade in Services Protocol and PICTA TMNP

Regional Trade Development and Integration

➤ PACER PLUS

- Landmark trade and development agreement
- Enforced in 2020 after being ratified by 8 of the 11 members
 - Nauru, Tuvalu and Vanuatu have not ratified
 - Living agreement: open to members and agreement modification
- The scope is deeper than MSG, PICTA and SPARTECA
- It replaces the previous one-way agreement known as the South Pacific Area Regional Trade and Economic Cooperation Agreement (SPARTECA).
- PACER Plus obliges Pacific Island members to reduce import tariffs over time and to liberalize incoming services trade and investment.
- Unlike the Melanesia Spearhead Group (MSG), PICTA and SPARTECA which only applies to trade in goods, the PACER Plus incorporates extensive coverage of goods, services, investment, movement of a natural person, development assistance, and transparency.

Regional Trade Development and Integration

➤ Regional Development Support on:

- A broad and inclusive regional platform for Labour Mobility;
- Development of a Regional Private Sector Strategy;
- Prospects for the development of a Regional Trade Strategy

➤ Trade Capacity Building

- Private Sector – Peer to Peer Programme
- Trade Officials Capacity Building Programme

Partnerships essential in optimal delivery



Pacific Partners



Asia-Pacific Partners



International Partners



European Union





3. Connecting Tuvalu through the Tuvalu National Trade Development Strategy

Solving real challenges

Creating Private Sector Opportunities.....

Improve the **viability of agribusiness trade** and **support exporters to become more competitive**



Connects to **agri-business supply chains**



Lays the **regulatory foundation for investment**



Solving real challenges

Bottlenecks identified:

- Regulatory agencies not met formally
- 30% rejection of sea containers as non-suitable for packing for export
- No joint inspection or undertaken on behalf of other agencies
- No measures on process performance
- Staff away, documents not processed

Solving real challenges

The Trade Strategy lays the regulatory foundation for investment

- Work on **legislative reform** for Customs and Quarantine agencies
- Coordinate **risk management** between Customs and Quarantine and Other Government Agencies
- Coordinate with international groups to support the implementation of **e-Phyto system** - electronic phytosanitary certification –
- Bring together multiple government, private and international organisations in **complex reform programmes**
 - Such as harmonising processes and data in preparation for the implementation of a National Single Window (NSW)



Activity Focus

- Strategy to include activities that support national implementation of trade facilitation measures, ranging from:
 - National programs for sharing information and experience, to the
 - development of model/ harmonized laws, regulations, operating procedures/technical guides
- National Trade Strategy
 - intends to reduce time and cost that would otherwise be incurred by individual members and
 - promotes closer integration of private sector through harmonized, agreed approaches to implementation of trade strategy measures.

Activity Focus

- Focus on implementing ePhyto (electronic phytosanitary certificates): ASYCUDA
- Focus on implementing (Single Window) to: Digitalize clearance processes in their ports
- Focus on Preparation for connectivity to National Single Window: Digitization Blueprint, and Connectivity between Systems

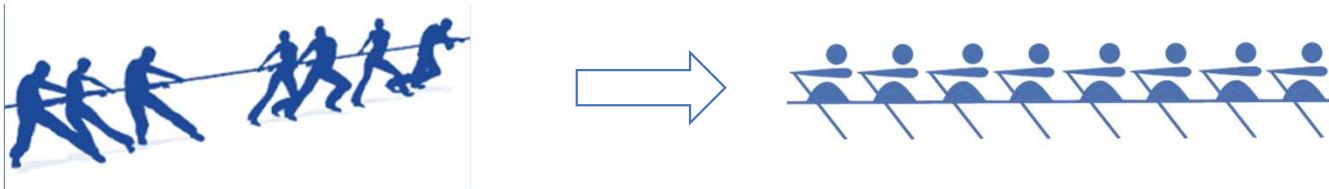
Plans And Importance Of Regional Cooperation

- **WE TRADE:** We live in a modern-globalized world (no one, no community, no country is self sufficient)
- **WE TRADE:** Goods, Services etc
- **WE TRADE:** MORE AS WE DEVELOP
- **WE TRADE:** WITHIN (DOMESTIC) & BEYOND OUR BOUNDRIES (FOREIGN)
- **TRADE & DEVELOPMENT LINKAGES**

The Govt. of Tuvalu recognizes that, under the right conditions, trade can be an important tool for promoting national sustainable development objectives

Plans And Importance Of Regional Cooperation

- LESS DEVELOPED COUNTRIES LACK COMPETITIVE SUPPLY CAPACITIES
- TRADE WORKS UNDER THE RIGHT CONDITIONS (TO BE CREATED)
 - SUPPLY CAPACITIES
 - RIGHT POLICIES/RIGHT INSTRUMENTS
 - INSTITUTIONAL ARRANGEMENTS
 - COOPERATION & PARTNERSHIP
 - WE NEED REGIONAL COOPERATION.
- TO SUPPORT THE DEVELOPMENT OF THE TRADE STRATEGY UNESCAP HAS JOINED HANDS WITH EIF PROJECT TEAM IN TUVALU





THANK YOU

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