

PACIFIC ISLAND COUNTRIES TRADE AGREEMENT (PICTA)

The Parties to this Agreement:

MINDFUL of the close historical, political, economic, geographic and cultural links that bind them;

DESIRING to foster and strengthen trade in the Pacific region;

BELIEVING that an expansion of trading links will bring economic and social benefits and improve the living standards of all the peoples of the Pacific region;

RECOGNISING the desirability of a clearly established and secure framework of rules for trade under conditions of fair competition in the Pacific region;

BEARING in mind their commitment to trade liberalisation and an outward looking approach to trade;

TAKING into account the differing economic potentials and the special development problems of some Parties to this Agreement; and

DESIRING to act consistently with their respective rights, obligations and undertakings under the Marrakesh Agreement Establishing the World Trade Organization, or other multilateral, regional and bilateral agreements and arrangements to which they are party, including the Melanesian Spearhead Group Trade Agreement and the Compacts of Free Association between the United States of America and Federated States of Micronesia, Republic of the Marshall Islands, and Republic of Palau;

IN EXERCISE of their sovereign rights;

HAVE AGREED as follows:

PART I: DEFINITION AND OBJECTIVES

Article 1

Definitions

In this Agreement, unless the contrary intention appears:

“Agreement” means the Pacific Island Countries Trade Agreement and includes any annexes or protocols to that Agreement, which shall be an integral part of that Agreement;

“Area” means the free trade area established under Article 3;

“Forum” means the Pacific Islands Forum, as referred to in the Agreement establishing the Pacific Islands Forum Secretariat;

“Forum Secretariat” means the Secretariat of the Forum;

“frontier traffic” means the non-commercial import and export of goods carried by residents of the border area;

“Least Developed Country” means any Party to this Agreement that is for the time being designated as a Least Developed Country by the United Nations;

“measure” includes any law, regulation, or administrative action or practice;

“originating goods” means goods which qualify as originating goods under the Rules of Origin set out in Annex I of this Agreement;

“Party” means a State, Territory or Self-Governing Entity which has signed and ratified or acceded to this Agreement pursuant to Article 26 or which has acceded to this Agreement pursuant to Article 27;

“Secretary General” means the Secretary General of the Forum Secretariat;

“Small Island State” means, on becoming a Party to this Agreement, the Cook Islands, Kiribati, Nauru, Niue, Republic of Marshall Islands, and Tuvalu, and any other State, Territory or Self-Governing entity that becomes Party to this Agreement and is designated as a Small Island State by agreement of the Parties;

“tariff” includes any customs or import duty and any charge imposed in connection with importing goods, including any import levy, surtax or surcharge, but does not include any:

- (a) fees or charges connected with importing goods which approximate the actual cost of providing customs, quarantine and similar services provided that such fees or charges do not represent an indirect form of trade protection or a taxation for fiscal purposes; and
- (b) internal duties, taxes or charges on goods, ingredients or components which do not exceed the duties, taxes or charges applied to the same goods, ingredients or components originating in the importing Party.

“territory” means a Party’s land territory, internal waters, territorial waters, continental shelf, archipelagic waters and exclusive economic or resource management zones established in accordance with international law.

Article 2

Objectives

The objectives of the Parties in concluding this Agreement are to:

- (a) strengthen, expand and diversify trade between the Parties;

- (b) promote and facilitate this expansion and diversification through the elimination of tariff and non-tariff barriers to trade between the Parties in a gradual and progressive manner, under an agreed timetable, and with a minimum of disruption;
- (c) develop trade between the Parties under conditions of fair competition;
- (d) promote and facilitate commercial, industrial, agricultural and technical co-operation between the Parties;
- (e) further the development and use of the resources of the Pacific region with a view to the eventual creation of a single regional market among the Pacific Island economies in accordance with the respective social and economic objectives of the Parties, including the advancement of indigenous peoples; and
- (f) contribute to the harmonious development and expansion of world trade in goods and services and to the progressive removal of barriers to it.

PART II: TRADE IN GOODS

Article 3

Free Trade Area

- 1 The Parties shall gradually establish a free trade area in accordance with the provisions of this Agreement, with the understanding that Least Developed Countries and Small Island States may be integrated in accordance with different structures and by different time frames than other Parties. The Area shall consist of the territories of the Parties to this Agreement.
- 2 The Parties may agree to extend the Area to include any other State, Territory or Self-Governing Entity, subject to terms consistent with this Agreement which shall be negotiated between the Parties and the other State, Territory or Self-Governing Entity.

Article 4

Coverage of the Agreement

This Agreement shall apply to trade in originating goods exported from one Party to another Party, in accordance with the terms of this Agreement.