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PACIFIC FREE TRADE AGREEMENT DRIVEN FORWARD WITHOUT TWO MAJOR ISLAND NATIONS

PACER-Plus is a comprehensive free trade agreement conforming to [World Trade Organisation](#) rules, which has been in negotiation for eight years (2009 – 17). For most of this time the participating countries have **included the 16 member states of the Pacific Island Forum**: Australia and New Zealand, by far the largest and most dominant, and 14 small Pacific Island nations - Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Nauru, Niue, Palau, Papua New Guinea (PNG), Republic of Marshall Islands, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu.



Recently, PNG decided to withdraw; and Fiji was still wanting to negotiate certain provisions they found unacceptable when **the decision was taken to finalise the agreement with the 14 countries willing to do so.**

On 20 April, these countries' trade ministers met in Brisbane, Australia, and agreed that they would formally sign PACER-Plus into effect in Tonga in June. Both PNG and Fiji are permitted to join the agreement at any time in the future if they wish, **but the terms of the agreement are now settled.**

It's important to note that the populations of the 16 Forum countries range from Australia's 25 million to Niue's 2,000. The populations of 6 out of 16 countries are less than 20,000. Three countries number their people in millions: New Zealand, Papua New Guinea and Australia. **The two countries absent from this agreement are the largest economies among the small Pacific Forum nations**; Fiji is commonly called the 'hub' of the South Pacific.

Background

PACER-Plus is an agreement developed out of PACER (Pacific Agreement on Closer Economic Relations), which was signed and came into force in 2002. PACER was described as a 'framework document' that provided for future development in trade cooperation and economic relations across the entire region of the Forum. **It envisaged step-by-step trade liberalisation.**

Seven years later, Australia and New Zealand began to put pressure on the other Forum countries to achieve this liberalisation not only in goods but also in services and investment.

Some of the provisions of PACER-Plus presented by its proponents as advantageous to the small island nations are:

- countries will progressively remove tariffs over a very extended period of time;
- infant industries may be protected for 10 years, after which any country wanting to maintain protection must pay compensation to those affected by this decision;
- a country may take safeguarding measures against a surge of imports when another country's excess production threatens their domestic industry;
- only those services which a country specifies as open to free trade are included in the agreement;
- Aid for Trade will be available to assist small countries in increasing and diversifying exports; and
- assistance will also be available to help them participate in seasonal work in Australia and New Zealand.

However, PACER-Plus has been opposed and severely criticised by many throughout the region concerned about its potential for damage to the small, vulnerable nations it is supposed to be helping. Two enthusiastic comments from the Trade Ministers of Australia and New Zealand after the Brisbane meeting confirm critics' alarm. Steve Ciobo (Australia) announced that PACER-Plus "has the potential to reshape the economic fundamentals of the Pacific region". Todd McLay (New Zealand) rejoiced that the agreement afforded "good access for New Zealand companies to some of those markets".

What is wrong with PACER-Plus?

The following criticisms come from civil society organisations, government officials, technical officers in regional organisations and even business people, representing a broad cross-section of people from 22 Pacific Island countries. In brief:

- Tariffs are a key source of revenue for governments with little access to taxes. Their removal diminishes government capacity to provide essential services to their people (for example, in education, health care, environmental health, finances, communications, transport). At the same time opening the economy to foreign service companies and foreign investment shifts control of services to foreign private enterprise and reduces the power of governments to regulate.
- Taking health care as an example, these measures readily lead to the growth of high-cost, private health services for those who can afford them and poor health outcomes for those who cannot.
- The protections provided for foreign investors limit the scope for governments to ensure that what is done is in the best interests of their people and may expose governments to prohibitively expensive litigation when there is a dispute. This becomes a deterrent to government action.
- PACER-Plus threatens people's right to such productive resources as land, water and seed, as well as the role of the state in providing these resources. It jeopardises the people's access to healthy food.



- The secrecy of negotiations and lack of transparency have excluded civil society from the process. A Social Impact Assessment of PACER-Plus, based on high-quality research, should have been made before commitment to the agreement. For example, to explore and respond to the possible gender-differentiated impacts of PACER Plus. Women of the Pacific who are concentrated in poorly paid jobs or in small income generating projects in the informal sector are particularly vulnerable.

There is more, quite a deal more, to be said. Meanwhile, Australia and New Zealand trade officials will be congratulating themselves on yet another ‘successful’ achievement.

Source: Alison Healey, indebted to the [Pacific Network on Globalisation](#) (PANG), and PANG’s Report: [Defending Pacific Ways of Life: a Peoples Social Impact Assessment of PACER-Plus](#), June 2016 | Photo: [Unsplash](#).

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ELEVATED MERCURY LEVELS FOUND IN PACIFIC ISLAND WOMEN

A joint study by conducted by [UN Environment, Biodiversity Research Institute](#) (BRI), and global NGO network [IPEN](#) released in April reveals that women of childbearing age living in four Pacific Island countries have elevated levels of mercury in their bodies.



MERCURY MONITORING IN
WOMEN OF CHILD-BEARING AGE IN
THE ASIA & THE PACIFIC REGION



Lee Bell,
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April 2017



[The study](#) examined hair samples from women aged 18 - 44 from Cook Islands, Marshall Islands, Tuvalu, and Kiribati, and two landlocked Asian countries, Tajikistan and Nepal. Researchers found **96% of the women sampled from the Pacific Islands contained significantly elevated hair mercury levels**. They propose that the Pacific Island participants may have a higher mercury body burden than other locations due to their relatively high consumption of predatory fish species shown to have elevated mercury concentrations in previous studies. In contrast to the Pacific Islands, samples from Tajikistan, where fish consumption is very low, had the least amount of mercury overall.

According to BRI, “Mercury exposure is particularly concerning for women of childbearing age as it can damage the nervous system, kidneys, and cardiovascular system. Developing organ systems, such as the foetal nervous system, are the most sensitive to the toxic effects of mercury, although nearly all organs are vulnerable.”

“This study underscores the importance of biomonitoring mercury pollution,” said David Evers, PhD, executive director and chief scientist at BRI and co-author of the study. “Although the subjects in this study represent small selected populations, the information gained contributes to overall global information on mercury concerns. Mercury contamination is ubiquitous in marine and freshwater systems around the world.”

Sources: [Mercury monitoring in women of childbearing age in the Asia and the Pacific Region](#), Lee Bell (IPEN Mercury Policy Advisor), April 2017 | [Press Release: New study reveals elevated levels of mercury in women](#)



of child-bearing age in Pacific Island countries, IPEN, 19 April 2017 | [Website: UN Environment Minamata Convention on Mercury](#), BRI, accessed: April 2017 | Photo: Front page of the report | Edited by Kendall Benton-Collins.

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PART 1 - CAN SOLAR POWER GIVE THE PACIFIC A BRIGHTER FUTURE?

It's no secret that Pacific Island nations are bearing the brunt of climate change. However, they're also at the forefront of adopting green technologies such as solar power. One such example is the **island of Ta'u in American Samoa, which has switched from diesel to 100% solar power.**

In November 2016, Ta'u (pop. 200 – 600), saw the completion of a new solar-powered microgrid which was installed by [SolarCity](#), a California-based company. The USD\$8 million project was funded by the U.S. Department of Interior and the American Samoa Power Authority (ASPA). Located on seven acres of land on the northern coast of the island, the system includes 5,328 solar panels, generating 1.410 megawatts of electricity. The energy can be stored in 60 [Tesla Powerpacks](#) - large batteries that allow Ta'u to stay powered for up to three days without any sunlight.



According to SolarCity, “The system is expected to **offset the use of more than 109,500 gallons of diesel per year.** Factoring in the escalating cost of fuel, along with transporting such mass quantities to the small island, the financial impact is substantial.”

“This is part of making history. This project will help lessen the carbon footprint of the world. Living on an island, you experience global warming first-hand. Beach erosions and other noticeable changes are a part of life here. It's a serious problem, and this project will hopefully set a good example for everyone else to follow,” says local resident Keith Ahsoon.

Sources: [How a Pacific Island Changed from Diesel to 100% Solar Power](#), National Geographic, Daniel Lin, 24 February 2017 | [Island in the Sun](#), SolarCity, Peter Rive, 22 November 2016 | Photo: National Geographic/Daniel Lin © | Edited by Kendall Benton-Collins.

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