

PREAMBLE

The Governments of Australia, the Cook Islands, the Federated States of Micronesia, the Independent and Sovereign Republic of Kiribati (Kiribati), the Republic of Nauru (Nauru), New Zealand, Niue, the Republic of Palau (Palau), the Republic of the Marshall Islands, the Independent State of Samoa (Samoa), Solomon Islands, the Kingdom of Tonga (Tonga), Tuvalu, the Republic of Vanuatu (Vanuatu);

Recognising the unique and close historical, political, developmental, economic, geographic and cultural links that bind the Parties as well as their shared values and interests;

Recognising the significant development relationship among the Parties and seeking to further enhance and complement this relationship with improved trade and investment cooperation;

Desiring to further deepen these ties of friendship and cooperation and bind their economies closer together in order to bring further economic and social benefits and improved living standards of all peoples of the Pacific region;

Recalling the *Pacific Agreement on Closer Economic Relations (PACER)*, done at Nauru on 18 August 2001;

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 to which they are party;

Confident that this Agreement will strengthen economic partnerships, support sustainable economic development, and serve as an important building block towards regional economic integration;

Taking into account the significant differences in the size of the Parties; the unique and particular vulnerabilities and development challenges of developing country and least-developed country Parties in the region; the need to build their capacities with a view to fostering their enhanced participation in international trade and investment; and that many of the Parties are not Members of the World Trade Organization;

Affirming the desire to foster a stable and predictable environment to progressively remove barriers to trade and investment between them, while taking into account the principles of flexibility and special and differential treatment;

Affirming that their commitment is to make a significant and sustainable contribution to the economic and social development of the Forum Island Country Parties and to assist their gradual integration into the world economy including, *inter alia*, through the strengthening of their domestic capacity, efficiency and competitiveness;

Mindful of the links between economic development, social development and environmental protection and the important role of development and economic cooperation in promoting

sustainable development, the Parties resolve that PACER Plus must be a development tool for the Forum Island Countries to, *inter alia*, increase their production capacity and exports; support their economic and trade diversification, and competitiveness efforts; attract investment to them; and lead to the creation of jobs;

Cognisant of the role of technical assistance through trade-related assistance mechanisms and other programmes to strengthen the capacity of the Forum Island Countries to effectively participate in the multilateral trading system and improve trade competitiveness;

Reaffirming their commitments to multilateral environmental, labour and sustainable development agreements to which they are a Party;

Sharing a common aspiration to promote high standards of environmental and labour protection and, to uphold these in the context of sustainable development;

Recognising that it is inappropriate to use environmental and labour standards as a disguised means of trade protectionism, or to weaken or fail to enforce them to encourage trade or investment; and

Recognising their right to regulate and their resolve to preserve the flexibility of the Parties to set legislative and regulatory priorities, safeguard public welfare, and protect legitimate public welfare objectives, such as public health, safety, the environment, the conservation of living or non-living exhaustible natural resources, the integrity and stability of the financial system and public morals;

Have agreed as follows: