

EXPERT CORNER

# PACER Plus

*Seeking Clarity  
and Honesty*

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FCEF Expert Corner · Suva · 4 May 2026



# Where this conversation sits



*"PACER Plus must be assessed not as an expression of intent but as an instrument whose value lies in practical economic transformation."*

— Shaheen Ali

*Navigating PACER Plus in Uncertain Waters*

Fiji Times & Fiji Sun · 26 February 2026

Today's conversation goes behind that article — into the nuts and bolts.

# Fiji's structural trade position, 2025

FJD

2.53

BILLION

Total merchandise  
exports

FJD

7.38

BILLION

Total merchandise  
imports

FJD

4.85

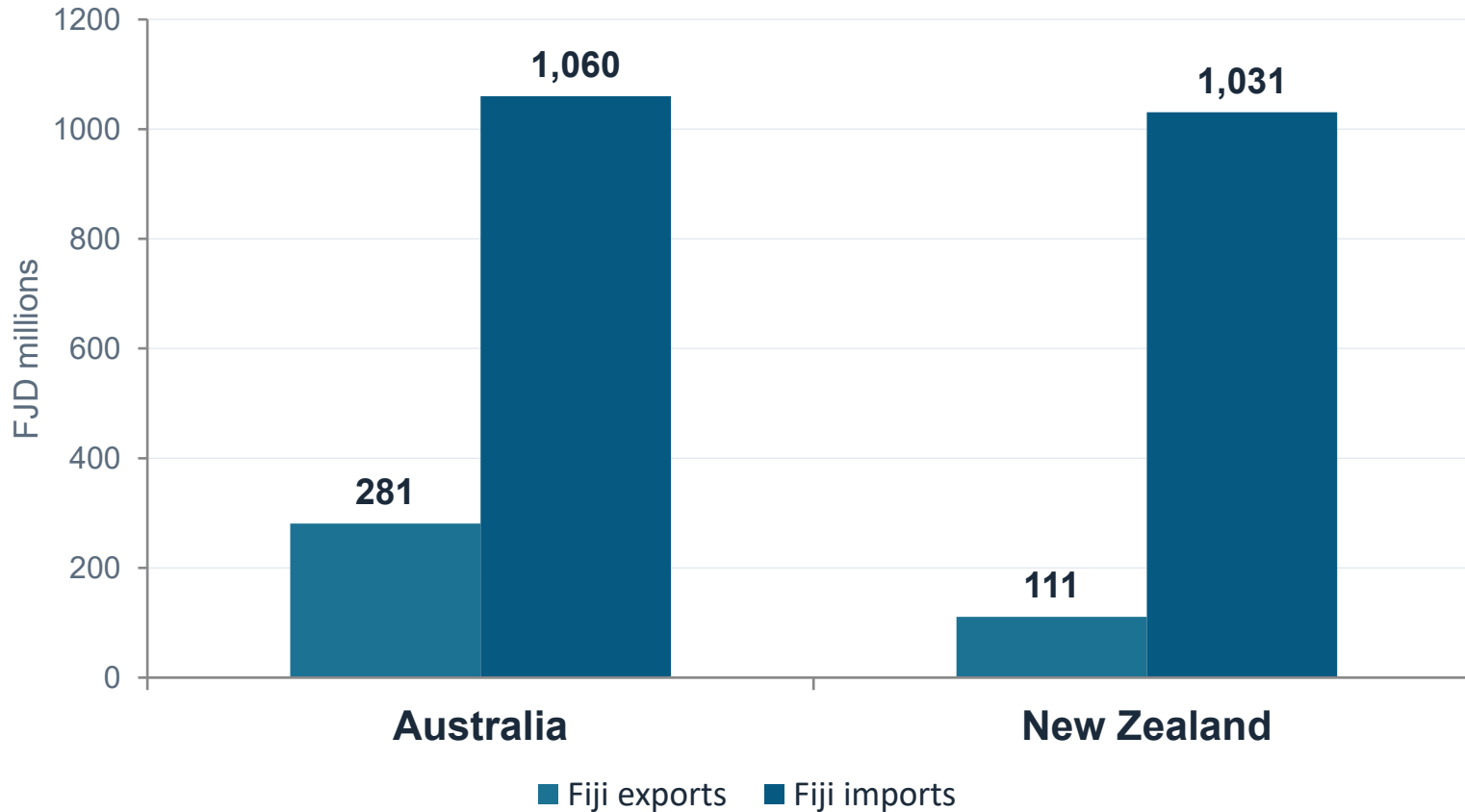
BILLION

National  
trade deficit

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*Not cyclical. Persistent and widening across more than a decade. Structural — and the agreement does not change it by default.*

# Bilateral picture: where the deficit sits



**BILATERAL DEFICITS**

Australia  
– **779m**

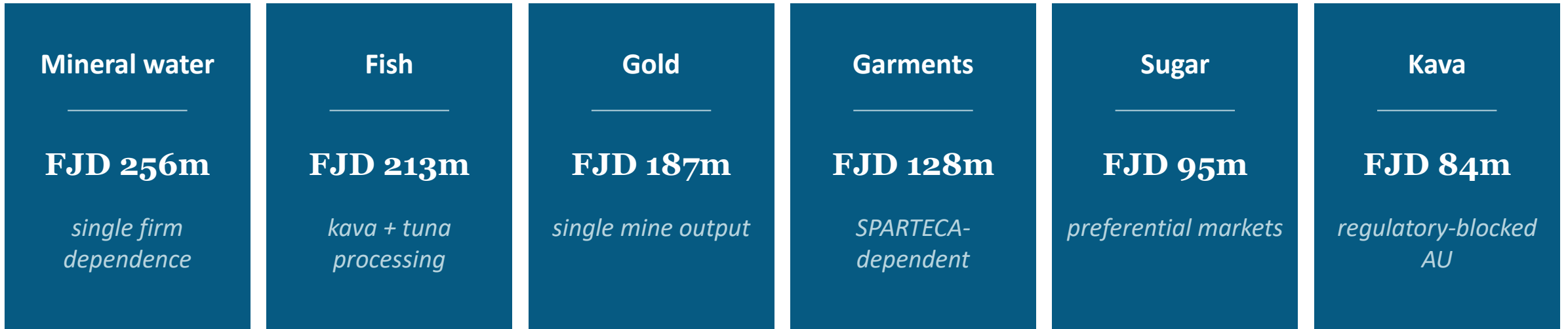
New Zealand  
– **920m**

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Combined  
**FJD 1.7bn**

All figures in FJD millions. Source: FBS, DFAT, MFAT (2025).

# A narrow export base



Six product categories. Each exposed to price, demand, and logistical shocks. None high value-added.

*The export base, not the agreement, determines whether market access is meaningful.*

# MSMEs: the backbone, undercapitalised

80%

of registered  
businesses

60%

of national  
workforce

18%

of GDP  
(2025)

9%

of private sector  
credit

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*Target: 40% of GDP by 2030. The capability gap, not the access gap, is binding.*

THE FIGURE THAT MATTERS

**15–20%**  
*of export value*



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Trade Facilitation costs for small island developing states.  
For Fiji, the binding constraint is not at the border. It is behind it.

Source: UNESCAP, Trade Cost Constraints for SIDS (2023).

# What PACER Plus is — and isn't

## WHAT IT IS

- Regional FTA — goods, services, investment
- Labour mobility as side arrangement
- 11 signatories; 10 Parties (Dec 2020)
- Modernised Rules of Origin
- DEC Work Programme: AU\$31.4m (2025–2030)

## WHAT IT ISN'T

- NOT giving Fiji new market access
- Fiji already has DFQF under SPARTECA, DCS, GSP
- Headline benefit already in hand
- 2024 Review: institutional cooperation — yes; commercial transformation — not yet

*The analytical question: do the marginal benefits justify the marginal commitments?*

# Four issues Fiji has difficulty with

## 01 Article 2.3.2 — MFN

Better terms with any third party flow automatically to Aus & NZ.  
Fiji negotiates — others benefit.

## 02 Article 7 — Safeguards

Designed to protect Pacific industries from import injury.  
Conditions so demanding it has not been used.

## 03 Article 9 — Industry Development

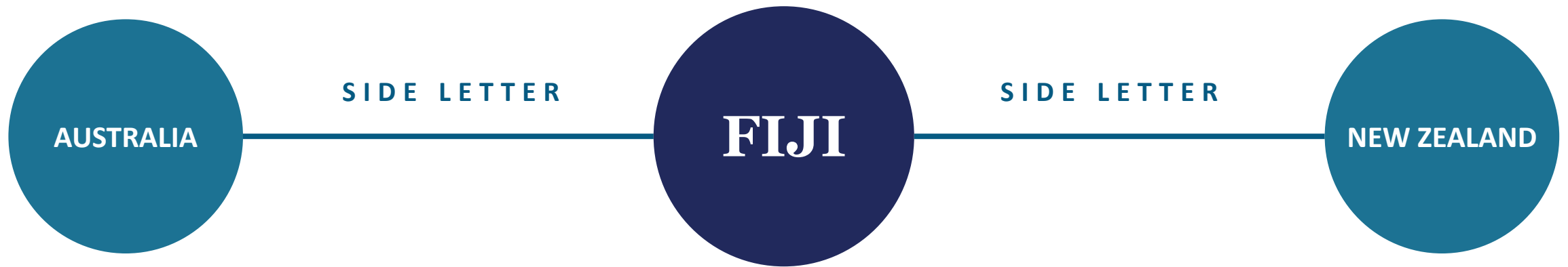
Designed to support new and emerging industries.  
Restrictive conditions; high burden of proof.

## 04 Tariff Binding & Standstill

Removes fiscal headroom. MoF estimate:  
up to FJD 300m annual revenue exposure for Aus & NZ combined.

*These are not minor technical concerns. They are structural — they shape whether the agreement works for Fiji.*

# Bilateral side letters: the technical fix



*Cook Islands · Kiribati · Nauru · Niue · Samoa · Solomon Islands · Tonga · Tuvalu · Vanuatu*

Other 9 Parties — not the source of structural concerns; agreement text untouched

**Disapply Articles 2.3.2, 7, 9, and standstill as between Fiji and the two Parties that matter.  
Legally sound. Standard FTA practice (CPTPP, RCEP, EU IEPA). Tabled in early 2025; acknowledged in principle.**

# SAT counter-offer: 60%

## CONVENTIONAL BENCHMARK

80%

*of tariff lines liberalised*

90-100% negotiated by smaller Pacific Parties.  
Fits their economic structure — not Fiji's.

## FIJI'S FIRST POSITION

60%

*of tariff lines liberalised*

Reflects manufacturing base.  
Protects fiscal exposure.  
Consistent with Article XXIV flexibility.

*GATT Article XXIV is a guideline, not a quantitative formula. Modern FTA practice supports the lower range.*

# Defer through legal instrument

*not refusal, sequencing*

## Long-term structural risks

- Positive list locks in commitments for the life of the agreement
- 20-year horizon — commitments must fit possible future policy
- Investment chapter creates regulatory chill
- Asymmetric protections — Fiji is not a capital exporter
- Standstill obligations constrain future regulatory reform

## THE DEFERRAL POSITION

Side letters defer accession to services and investment chapters until:

- regulatory frameworks have matured
- investment chapter reviewed against current ISDS practice
- sector-by-sector lock-in analysis completed

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***Deferral is not refusal. It is sequencing.***

*On services and investment, this analysis draws on the work of Professor Jane Kelsey — her warnings on lock-in, regulatory space, and asymmetric investment protections cannot be ignored.*

ALREADY UNDERWAY

# Vuvale and Duavata — integration that's already happening

## VUVALE PARTNERSHIP

*with Australia*

- Labour mobility (SWP, PALM)
- Education and skills pathways
- Infrastructure investment
- Sector partnerships (PHAMA Plus, MDF)

## DUAVATA PARTNERSHIP

*with New Zealand*

- Labour mobility (RSE)
- Qualifications recognition
- Trade and economic dialogue
- Two-way trade target: NZ\$2bn by 2030

*The benchmark for PACER Plus is what it adds that Vuvale and Duavata aren't already delivering.*

# Adjustments to the agreement itself

1

## Bilateral side letters

Articles 2.3.2, 7, 9, standstill—  
legally addressed; services and  
investment deferred

2

## SAT coverage at ≈60%

First negotiating position. Reflects  
Fiji's manufacturing base and fiscal  
exposure

3

## Structural adjustment programme

Concessional facility for at-risk  
manufacturing sectors. Food & bev,  
building materials, furniture,  
garments, packaging. ~\$50–100m  
over 5 years

*PACER Plus was designed for economies without significant manufacturing exposure. Fiji is the exception.*

# Six conditions Fiji should require

1

## Trade-enabling infrastructure

Irradiation; biosecurity; ports; freight

2

## Business mobility & visa access

Visa-free / fast-track travel for traders, entrepreneurs

3

## Education access at all levels

TVET to postgraduate. Same access AU & NZ give each other

4

## Supply chain & energy security

Fossil fuel bill: ~FJD 1.5bn / 20% of imports. Fuel storage to 60-day buffer; ~100MW solar with Australia

5

## Sectoral capacity programmes

PHAMA Plus + MDF, scaled and extended to manufacturing

6

## DEC re-scoping

Not just front-loading. Envelope re-sized for Fiji's accession

*Conditions, not concessions. Structural adjustments make the agreement workable; the package makes it worthwhile.*

# What this room should be doing

01

## Get organised

Sector-by-sector position-mapping. Specific interests visible in writing, with numbers attached.

02

## Get loud

Press government on conditions — publicly and privately. Not yes/no. A conditions debate.

03

## Get ready

Compliance, certification, logistics, scale. Invest now, with PACER Plus or without it.

*If the private sector is not specific, government will default to generalities.*

The question is not engagement.



*The question is structure.*

*Vinaka vakalevu.*