

FORUM ECONOMIC MINISTERS MEETING

**1-2 AUGUST 2024
SUVA, FIJI**

**HON. TIOFILUSI TIUETI, CHAIR OF THE FORUM ECONOMIC MINISTERS
MEETING 2024**

OPENING REMARKS

Hon. Teuea Toatu, Vice President and Minister of Finance for Kiribati

Hon. Professor Biman Prasad, Deputy Prime Minister and Minister of Finance for Fiji

Hon. Panapasi Nelesone, Deputy Prime Minister and Minister of Finance and Economic
Development of Tuvalu

Distinguished Finance Ministers,

Excellencies,

Members of the Diplomatic Corp,

Secretary General of the Pacific Islands Forum

Distinguished guests

Ladies and Gentlemen.

Good morning and Malo e lelei to you all.

1. I extend a warm welcome to everyone attending the 27th Forum Economic Ministers Meeting in here Suva. I express my gratitude and acknowledge the Honourable Mark Brown, the Prime Minister and Minister of Finance and Economic Management of the Government of the Cook Islands for his exceptional leadership throughout the previous year. As the Minister of Finance of Tonga, I am privileged to chair this meeting addressing regional economic challenges and opportunities. I would also like to thank our Secretary General Waqa and his team for their strong leadership and dedication in leading us towards a more prosperous Blue Pacific. I acknowledge their dedication in ensuring the smooth execution of this event.

2. The 2050 Strategy for the Blue Pacific Continent is the compass that directs us towards a future characterized by prosperity and sustainability. Our theme this year is ***“Accelerating Transformative Resilience in the Pacific: Partnerships for Prosperity,”*** highlighting the need for our Blue Pacific Continent to collectively address challenges and promote shared growth. It compels us to move beyond simply coping with challenges. Our long-term well-being requires a fundamental transformation of our economies and societies. Transformative resilience goes beyond reactive measures and focuses on proactive and collective strategies and actions that build long-term capacity to withstand shocks and disruptions.

3. We will dedicate the next two days to addressing key economic priorities in the region. We will analyse the current economic state of play and explore emerging opportunities in technology, connectivity, and the digital economy. The global economic outlook remains uncertain, with lingering pandemic effects, geopolitical tensions disrupting supply chains, and rising inflation, particularly in our region. Climate change continues to pose an existential threat to our Blue Pacific Continent.

4. Many of you may remember the destruction caused by the eruption of Hunga Tonga-Hunga Ha'apai in January 2022 that we witnessed in Tonga. The islands were engulfed by tsunami waves, some houses turned into debris, and crops were devastated by ashfall. Although only a small number of families suffered the loss of their loved ones, numerous individuals were forced to leave their homes and continue to encounter difficulties in rebuilding their lives. This is just one example of the harsh realities we face in the Pacific, and why building transformative resilience is not a choice, it is a necessity.

5. The eruption caused significant loss and damage equivalent to 36% of Tonga's GDP. The devastating impact on tourism, a key driver of our economy, and only just recovering from the pandemic slump, was immense. Businesses on Tongatapu, our economic heart, were decimated. Farmers lost their harvests, and fishermen's livelihoods were swept away. Ashfall crippled key infrastructure, taking months to repair. This was a devastating blow to our already fragile economy.

6. In the eruption's aftermath, the Pacific community rallied around Tonga. This outpouring of support is a testament to the strength of our regional cooperation. By working

together, we can address these gaps and ensure a more coordinated response in the future. However, the eruption also exposed areas where we can improve our collective response for future challenges.

7. The scars of Hunga Tonga-Hunga Ha'apai underscore the critical importance of our theme: "Accelerating Transformative Resilience in the Pacific: Partnerships for Prosperity." We may not simply rebuild what was lost But we must rather build back better, with a focus on long-term resilience that can withstand future shocks. This requires working together, leveraging our combined strengths, and forging even stronger partnerships.

8. We must also seize opportunities wherever we find them. Technological advancements offer innovative solutions for climate adaptation, financial inclusion, and sustainable development. The vast ocean resources of the Pacific offer significant opportunities for unlocking economic prosperity, together with the ingenuity, resilience and unwavering spirit of our people.

9. Honourable Ministers, we will engage in a talanoa session – the traditional Pacific discussion forum – to foster a sense of urgency and collaboration in addressing our shared economic challenges. The Ministerial Talanoa, will be a structured discussion on the topic ***“Unleashing Pacific Resilience Through Partnerships and Innovation: A Revolutionary Plan for Advancement and Prosperity.”*** This interactive session aligns perfectly with the theme of the 53rd Pacific Island Forum Leaders Meeting, encouraging open dialogue and a sense of collective purpose.

10. Honourable Ministers, we will also consider the draft Pacific Roadmap for Economic Development (PRED), a landmark document that outlines a pathway for deeper regional economic cooperation and integration leading us all towards greater economic prosperity. A key discussion point will be the endorsement of the draft PRED. This initiative will strengthen regional economic integration and collaboration, fostering deeper ties and more vibrant Pacific economies.

11. It is twenty years since regional economic cooperation and integration first appeared on our FEMM agenda. Whilst we have made good progress in some areas, in fisheries for example, we need to work harder to extend this to other sectors. A comparative analysis indicates that

our Pacific region lags behind our Asian neighbours in regional economic cooperation and integration. As a region Asia has been growing much faster than us in the Pacific. It is an accepted fact that where there is closer regional economic cooperation and integration economic growth and employment are enhanced.

12. We need to harmonise our systems and processes to generate greater trade flows between our countries, to support intra-regional labour mobility amongst our islands, and to encourage private sector investment and employment creation in our domestic economies.

13. Whilst we have benefitted from the Australian and New Zealand labour mobility schemes, and the increasing opportunities for permanent migration, these have come at a cost to our domestic economies. The latest figures indicate that over 50,000 Pacific Islanders are now working on these schemes.

14. Remittances are certainly important sources of income for many families. But our domestic economies are languishing through a loss of labour and a lack of sound new business and investment opportunities. Our rural areas and outer islands are losing their populations making it more costly for our governments to provide public services. I recommend Ministers to carefully study the paper on the assessment of socio-economic impacts of human migration.

15. Critical issues such as correspondent banking relationships, climate finance, public financial management as well as human mobility will be discussed. We will also be engaging with development partners to explore avenues for enhanced collaboration and support in achieving our economic goals. We will also focus on harnessing crucial partnerships for success. Collaboration is essential for achieving transformative resilience, which cannot be achieved in isolation. Collaboration between Forum Island Countries, development partners, and the private sector is essential. The Pacific region boasts numerous examples of successful partnerships that have yielded positive economic and social outcomes.

16. The impacts of climate change and disasters continue to pose existential threats to our Pacific economies and communities, with climate-related events often undoing many years of development progress. In an increasingly uncertain world we need to be more vigilant and aggressive towards strengthening the resilience of our communities against the devastating impacts of climate change and disasters. Our very own Pacific-led Pacific Resilience Facility presents us with an opportunity to better position ourselves to leverage timely access to much needed finance by our communities to build their resilience. To facilitate access to finance,

whether it be for climate finance or development finance, robust Public Financial Management (PFM) systems are absolutely necessary. These are things I look forward to in our deliberations this week.

17. Honourable Ministers, I invite all participants to embrace a collaborative mindset of working together and fostering innovation. By working together, we can create a stronger and more successful Blue Pacific Continent that will benefit future generations. Our meeting this week presents a unique opportunity to chart a new course for our Blue Pacific. By engaging in open and honest discussions, forming strategic alliances, and prioritizing sustainable development, we can fully realize the potential of our peoples.

18. I look forward to two days filled with productive and inspiring discussions and extend my sincere wishes to all participants for fruitful deliberations that will advance the welfare of our Pacific people.

Malo 'aupito