



COOK ISLANDS

TRADE POLICY

FRAMEWORK

2025 - 2030

TABLE OF CONTENTS

Foreword	2
Introduction	4
Purpose of this document	4
Vision	6
The Cook Islands and trade	6
Basic considerations	6
Why does trade matter?	8
What is trade policy?	8
Who is responsible for trade policy?	8
The broader context for trade policy	9
Trade Policy, the NSDA 2020+ and EDS 2030	11
The Cook Islands trade landscape	13
Trade policy requires solid foundations	18
Legal and Institutional Framework	19
Trade facilitation	20
Education	21
Labour	22
Intellectual property	23
Access to land	23
Infrastructure	23
Digital connectivity	25
Access to capital and payment facilities	25
Investment	25
Pa Enua development	26
Southern Group	26
Northern Group	27
Our priorities for trade	29
More about our priorities	30
The Action Plan	35

FOREWORD



Honourable Deputy Prime Minister
and Minister for BTIB Albert Nicholas



Honourable Minister for Foreign Affairs
and Immigration Tingika Elikana

It is with great pleasure and optimism that we present the Cook Islands' newly revised Trade Policy Framework 2025-2030, a roadmap that reflects the importance of strengthening our trading activities, both domestic and international, as a contribution to achieving our collective vision for economic resilience, sustainable growth, and shared prosperity. This Framework reflects the aspirations of our people, the opportunities offered by our unique economy, and the values that guide our progress.

The revision of the 2015 Framework was necessitated by the changing international post-COVID 19 trading environment and made possible with the support of the European Union through the Pacific Islands Forum Secretariat (PIFS) implemented Strengthening Pacific Intra-Regional and International Trade (SPIRIT) Project led by Ms. Setaita Tupua; trade adviser for Polynesia, Mr. Stephen Musubire; the expertise of our dedicated consultants, Mr. Jeff Blackburn and Ms. Tracey Epps, and the collaborative efforts of the Business Trade and Investment Board (BTIB) and the Ministry of Foreign Affairs and Immigration (MFAI). The exercise benefited greatly from the contributions of a large number of Cook Islands stakeholders. We extend our heartfelt gratitude to all involved for their contributions in aligning this Trade Policy Framework with the Cook Islands' wide-ranging priorities.

At the heart of this Framework is the principle of diversification of Cook Islands trade, of critical importance for building a resilient and sustainable economy. With a particular focus on enhancing Cook Islands trade in services-including tourism, digital services, and the cultural and creative industries-this Trade Policy Framework seeks to unlock new and evolving opportunities in sectors where the Cook Islands can thrive.

Essential for the success of this Trade Policy Framework is our commitment to the development of Pa Enua trade. Priority will therefore be given to fostering economic and trade opportunities across all our islands, supporting businesses, improving market access, and investing in critical infrastructure. Through these efforts, we aim to ensure that prosperity is not confined to Rarotonga but shared equitably among all Cook Islands people.

This Trade Policy Framework is fundamentally a CALL TO ACTION, reflecting the fact that trade involves a wide range of stakeholders, from government agencies to private enterprises and civil society, to contribute to shaping a future of inclusive growth. The collaborative spirit of our communities has been instrumental in refining this framework, and we trust it will continue to guide its implementation.

While primary responsibility for implementing this Trade Policy Framework rests with Cook Islanders, effective collaboration with and support of Cook Islands development partners as well as relevant regional and international agencies will be important. We look forward to working with others towards that end.

Together, let us work towards a Cook Islands in which this Trade Policy Framework contributes to a vibrant, innovative, and resilient economy, with opportunities for all to thrive.

Kia manuia,

INTRODUCTION

Purpose of this document

This document sets out a Trade Policy Framework for the Cook Islands. It updates the Trade Policy Framework that was approved in 2015 in light of developments since that time. This new Framework contains a vision for how trade will contribute to the Cook Islands' future. It identifies priorities for trade and an action plan for the development and growth of trade. It also provides initial background information about how the Cook Islands trades and discusses the key economic foundations required for trade to take place.

The 2015 Trade Policy Framework was a comprehensive document that addressed institutional structures, identified priority economic sectors for development, recognised the importance of investment and intellectual property, and proposed the Cook Islands' continued participation in ongoing trade negotiations. The Framework identified a range of 'priority' sectors and set out actions to advance these areas (being tourism, fisheries, pearls, offshore financial services, agriculture, seabed minerals and cultural industries).

As discussed in this Framework, there has been great progress in some of those areas identified in 2015 (such as tourism and financial services); development continues in respect of other areas (seabed minerals and fisheries); and work remains to be done to develop others. However, the world has changed since the 2015 Framework was approved. Perhaps most importantly, the Covid-19 pandemic exposed the vulnerability of the Cook Islands' heavy reliance on tourism when the country's border was closed for many months. This led the Cook Islands to experience one of the largest economic contractions in the world.

What hasn't changed is that trade – both international and between our 12 inhabited islands – is the lifeblood of the economy. Post-pandemic, the Government developed an Economic Recovery Roadmap which functioned as a more immediate focus of action, aligned with the Economic Development Strategy 2030. The Government has also developed the National Sustainable Development Agenda (NSDA) 2020+ and the National Security Policy 2023. Central to all of these policy documents is the importance of **private sector-led economic development with a focus on diversification**. Diversified economies are more dynamic and resilient to shocks and this is of the utmost importance to the Cook Islands.

For that reason, the new Trade Policy Framework builds on what has been done in the past. It recognises the strengths that generations of Cook Islanders have worked hard to develop – most notably in the tourism sector, but also in financial services. However, in looking to the future, and in alignment with the above policy documents, it incorporates a fresh focus on **economic diversification**. It also recognises that not all trade is international – **trade between the Pa Enua (Outer Islands) and Rarotonga** is also an important pathway to prosperity and security.

Whereas the 2015 Framework looked equally at international trade in both goods and services, the revised version recognises the increased importance and potential of economic diversification through trade in services. The Cook Islands is already an active participant in international services trade, with a focus to date on exporting tourism and financial services. However, there is potential to diversify into other sectors as well. At the same time, the revised Framework acknowledges that some goods trade, particularly in niche areas, also has an important role to play, especially in supporting development of the Pa Enua.

This Framework seeks to shine a spotlight on opportunities that could be supported. Some of these opportunities have been explored in the past and require a new injection of support (such as through updated feasibility studies and assistance in obtaining modern equipment), while others are new and deserving of exploration. And, as indicated above, this Framework also highlights the importance of trade between our 12 inhabited islands.

Internet connectivity has improved, opening up new possibilities in the digital and services sectors. Connectivity also opens up possibilities for goods trade. For example, one successful agricultural business in Rarotonga is succeeding in selling its products outside the region through marketing on social media, a business model that has developed significantly since the 2015 Trade Policy Framework was adopted.

A theme highlighted throughout this Framework is the need for trade to support green and sustainable development – a central tenet of the NSDA 2020+ – and to integrate environmental and social standards into trade policy.

No single Ministry or agency can take responsibility for all aspects of trade. It is a cross-cutting policy that requires an ‘all-of-government’ approach, led by senior Government policy makers. All Ministries and agencies need to be working towards the same end, but they must have flexibility to lead in their mandated areas. This is reflected in the action plan which leaves much of the detail to individual Ministries and agencies to plan in line with the overall priorities.

At the same time, and just as important, Cook Islands trade must be private sector-led. As a result, in the detailed formulation and implementation of actions identified in this Framework there must be close consultation and interaction between Government and the private sector and the latter supported to build capacity to engage in trade.

By focusing on our strengths and supporting diversification, this Trade Policy Framework aims to support the Cook Islands’ growth as a trading nation.”



VISION

The Government's vision is for:

A dynamic, prosperous and inclusive economic future for the Cook Islands based on increased, diversified trade in both service and goods, led by the private sector, supported by Government and taking advantage of new and expanded market opportunities.

The Cook Islands and trade

Basic considerations

'International trade' means the exchange of goods and services between different countries. This Trade Policy Framework also covers 'intra-island trade' or 'Pa Enuā trade' - being trade between our 12 inhabited islands. International trade and inter-island trade takes different forms. Trade in goods is something most people are familiar with - for example, someone in Manihiki sells black pearls to a buyer in Australia or Rarotonga.

Services are 'intangible' activities that one person can offer to another that do not result in the ownership of anything physical changing hands. They cannot be seen, tasted or felt before purchase. They are performances or experiences, not objects. But, just like goods, they can be traded. Put more simply, they can be provided to a local resident for local currency or an overseas person in exchange for foreign currency.

The term 'trade in services' in the international context involves the supply of services from a supplier in one country to a consumer in another. Domestic (inside the country) services are those supplied by a provider on one island in the Cook Islands to someone living on that island or elsewhere in the Cook Islands, such as insurance or banking services.

Like trade in goods, trade in services can be divided into different 'sectors'. Businesses in the Cook Islands provide a number of different services in the tourism sector, including accommodation, restaurants, spa services and guided tours.

There are different types of trade in services as shown in the table below. Internationally, the Cook Islands participates as both an exporter and an importer of services.

	Type of service	Example
	A supplier in one country supplies services online to a consumer in another country.	Someone in New Zealand downloads and plays a computer game developed and made available by someone in the Cook Islands. Or someone in the United States asks a company in the Cook Islands to set up a trust and provide succession planning advice. In both examples, the Cook Islands is the exporting country, and New Zealand and the United States are the importing countries.
	A supplier in one country supplies services to a visitor from another country.	A diving operator in the Cook Islands takes an Australian visitor on a tour. Or a hotel in Aitutaki provides accommodation services to Australian visitors. In both cases, the Cook Islands is the exporting country and Australia is the importing country.
	A service supplier from one country establishes a presence in another to provide services.	An Australian company invests in the Cook Islands to operate a hotel or sets up a company to provide trust planning services. In both cases, Australia is the exporting country, and the Cook Islands is the importing country. (Although the trust company might then export trust planning services to Americans.)
	A person from one country comes to work temporarily in another.	A person from Indonesia comes to Rarotonga for one year to work in a restaurant in the Cook Islands. In this case, Indonesia is the exporting country, and the Cook Islands is the importing country. In trade jargon, this type of service trade is known as 'movement of natural persons' or 'labour mobility'.

Trade also involves the protection of a good or service created or invented and intended for trade so that the creator or innovator reaps the benefits of their invention. This might be done through intellectual property measures. For example, if a songwriter in the Cook Islands has copyright protection for their song and sells the rights to it in the United States, then the Cook Islands is the exporting country.

Why does trade matter?

For a small island country like the Cook Islands, trade is especially important because the only way to pay for the goods and services needed to meet our national needs is by earning foreign exchange by selling exports of services and goods to other countries. And with a small population, the Cook Islands lacks the scale to produce locally the full range of goods and services we need and that must therefore be imported.

What is trade policy?

‘Trade policy’ is the set of government rules, regulations and policies (sometimes collectively referred to as ‘measures’) that determine how a country conducts trade.

Because trade has such a broad scope – covering the supply of both services and goods, as well as intellectual property – a wide range of Ministries and agencies are involved in the formulation and implementation of trade policy or are in some way touched by it.

Some of the measures that form part of a government’s trade policy include:



Who is responsible for trade policy?

The Ministry of Foreign Affairs and Immigration (MFAI) is responsible for the negotiation and implementation of free trade agreements with other countries on behalf of Government, and for seeking foreign trade-related assistance. For example, MFAI led the negotiation of the Pacific Agreement on Closer Economic Relations (PACER) Plus and coordinates the Cook Islands ‘overall approach to implementation of the Agreement. The Business Trade and Investment Board (BTIB) has primary responsibility for trade facilitation, which includes the promotion and facilitation of business development and trade.

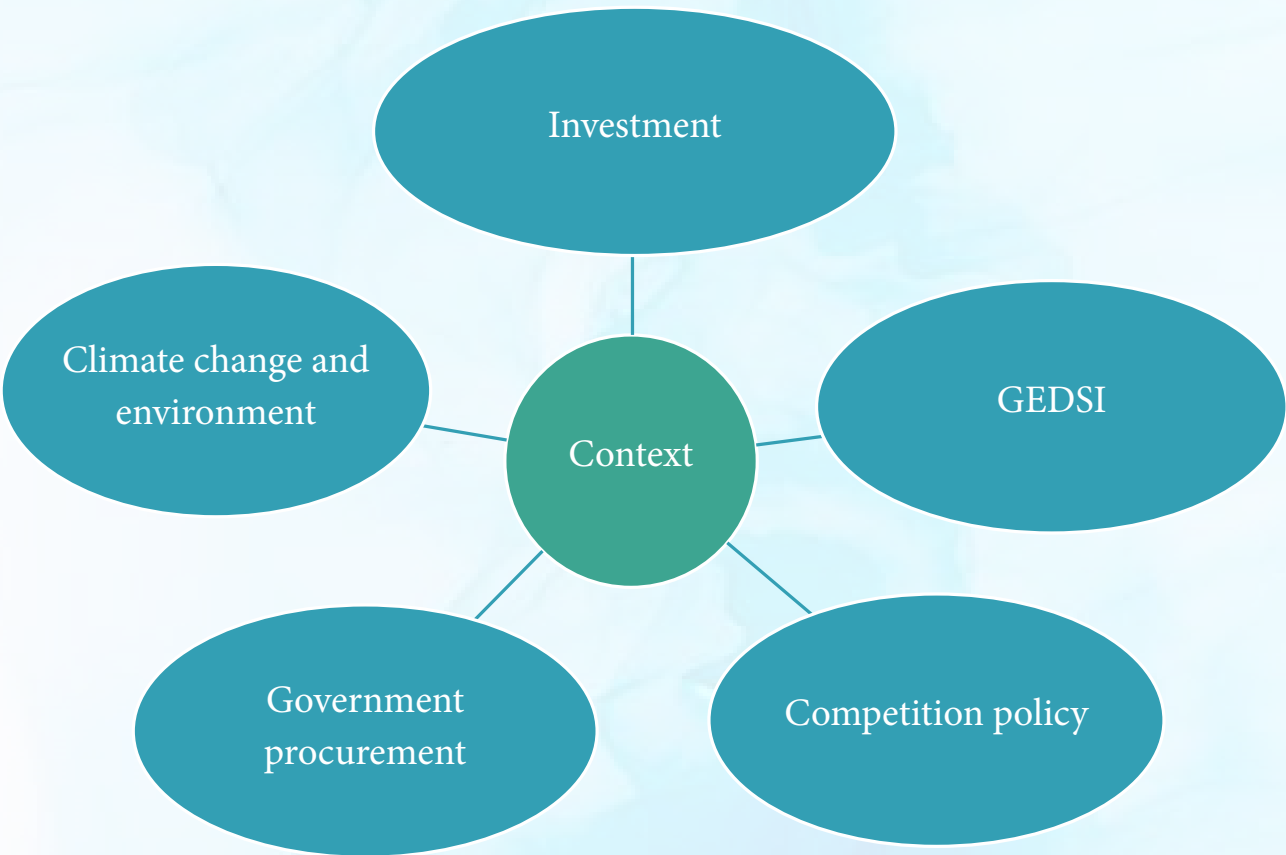
Other Ministries and agencies whose important work relates closely to trade include the: Ministry of Agriculture,; Ministry for Marine Resources,; Ministry of Finance and Economic Management,; Ministry of Transport,; Ministry of Cultural Development,; Ministry of Health,; Ministry of Internal Affairs,; Cook Islands Customs Service,; Financial Services Development Authority,; National Environment Service,; Cook Islands Tourism Corporation and Infrastructure Cook Islands.

Under the overall direction of senior political leaders, an effective trade policy requires an ‘all of government’ approach – Ministries and agencies working together to ensure that their policies and activities are leading in the same direction. That is why it is important to have a Trade Policy Framework for the Cook Islands.

At the same time, as trade activities must be private sector-led, Government entities must give detailed consideration to the needs, interests and concerns of the private sector in the formulation and implementation of trade policy measures (see also below).

The broader context for trade policy

Trade policy sits within a broader economic and social context. Trade is about economic growth as a means to lift household living standards and improve economic wellness, but it is not the only set of government policies that contribute to these ends. Other government policies are important too and are often closely linked to trade and impacted by trade.



Investment policy is closely linked to trade policy and investment matters are often included in broad-based trade agreements (for example, PACER Plus). For the Cook Islands, foreign direct investment can boost trade through contribution of capital, technology and skills (for example, in the tourism and financial services sectors). Investments in new or emerging sectors (for example, seabed mineral harvesting), hold the potential to contribute significantly to the economy.

It is important that trade policy be aligned with the Government's **climate change and environmental** policy goals including as set out in the National Environment Policy 2022-32. A balance is required between promoting trade and safeguarding environmental interests – as the Economic Development Strategy 2030 states.

One way in which trade and environmental interests may be brought into alignment is through development of a green economy and circular business opportunities. An example is the reduction of food waste and promotion of eco-friendly farming practices. The Cook Islands is in a strong position to advance sustainable trade, and this is a focus of this Trade Policy Framework. Already the tourism sector is heavily focused on sustainability through its focus on regenerative tourism where development of the sector will improve the holistic well-being of the Cook Islands people and environment.

This Framework will be implemented recognising and addressing objectives in the NSDA 2020+. By recognising gender equality, disability and social inclusion (GEDSI) considerations in its trade policy, the Cook Islands will seek to harness the full potential of its people, foster innovation, and create a more resilient and equitable economy.

Government procurement represents a significant portion of economic activity. Associated policies can support local industries and stimulate economic growth by giving opportunities to domestic suppliers. But these kinds of preferences can also lead to inefficiencies and higher costs for taxpayers if not balanced with international competition. The Cook Islands' procurement policy will be kept under regular review to optimise its contribution to Cook Islands trading activities.

Competition policy helps to ensure a level playing field for businesses and can be seen as complementing trade policy. It is, however, challenging to maintain a competitive environment in a small economy like that of the Cook Islands. There is no current competition policy in the Cook Islands, although there is a Fair Trading Act 2008 which is overseen by Internal Affairs (INTAFF) and some work is being done in the area by the Economic Planning Department within the Ministry of Finance and Economic Management. The Competition and Regulatory Authority currently only has jurisdiction over the telecommunications sector although a bill had been introduced at the time of writing to include utilities under the Authority's jurisdiction. Consideration will be given to widening and strengthening the Cook Islands competition policy.

Trade Policy, the NSDA 2020+ and EDS 2030

Te Ara Akapapa'anga Nui – National Sustainable Development Agenda (NSDA) 2020+ sets out a sustainable development direction through a 100+ year Roadmap – “a living framework that will guide the Cook Islands into the future”. Central to NSDA 2020+ is the aspiration towards Turanga Memeitaki – Wellbeing for all.

With its focus on diversification, the Cook Islands' trade policy aligns with NSDA 2020+ and the Economic Development Strategy (EDS) 2030. It is directly relevant to many aspects of the NSDA's Ta Tatou Aka'atinga 15 and the priorities in the EDS, including in particular in the areas set out in the table below.

To Tatou Turanga Memeitaki – Our wellbeing is our focus

NSDA focus: Wellbeing as the central focus and driving force for transformational change in the sustainable development of our nation.

Trade policy's role: Ensure that trade promotion and development support wellbeing of all Cook Islanders.

To Tatou Ao Ora Natura – Our ocean and environment

NSDA focus: Harness benefits offered by nature in a sustainable manner; support a clean and green economy

Trade policy's role: Ensure that promotion of trade in ocean products is consistent with sustainability objectives.

To Tatou Ngaki'anga – Our responsibility

NSDA focus sustainable Pa Enua, including through efforts to support Pa Enua living and entrepreneurship.

Trade policy's role: domestic trade in agricultural products can support the Pa Enua.

To Tatou Akamana'anga – Our empowerment

NSDA focus: an innovative and cutting edge economy and education system will be key to our development.

Trade policy's role: leverage off this to develop new services for export.

To Tatou Parau-'anga – Our dignity

NSDA focus: respect for human dignity and human rights; promotion of gender and cross generational equality.

Trade policy's role: ensure that trade benefits all assessing activities and priorities through a Gender Equality, Disability and Social Inclusion (GEDSI) lens.

To Tatou kimi-anga puapinga – Our prosperity

NSDA focus: goals including economic diversification; creation of jobs and improved productivity; sustainable business activities; reduction of the gender pay gap; importance of the creative and knowledge economy.

Trade policy's role: support all of these goals.

**To Tatou Kite Pakari –
Our knowledge and innovation**

NSDA focus: Become a knowledge economy; strive towards our digital futures; a world class education system; protect and entrench traditional knowledge; be at the forefront of innovation

Trade policy's role: support all of these goals.



**To Tatou akamatutu'anga
ora'anga e te akateateamamao –
Our resilience and preparedness**

NSDA focus: food self-sufficiency and good healthy nutrition | local production of most of food consumption and export of clean-tech solutions.

Trade policy's role: encourage production and trade between the Pa Enua and Rarotonga to meet local needs.

**Economic Development
Strategy**

EDS focus: address social and environmental challenges

Trade policy's role: ensure that trade is consistent with social and environmental policy imperatives.

**Economic Development
Strategy**

EDS focus: transform the economy, including through fostering innovation and the creative and cultural industries; and capitalising on new economic opportunities

Trade policy's role: support all of these goals and help develop opportunities.

The Cook Islands trade landscape

The Cook Islands is a net importer of merchandise goods

The Cook Islands' international trade in goods is dominated by imports, with very little in the way of exports. This is to be expected given the Cook Islands has almost no comparative advantage compared to its Pacific neighbors. It has small amounts of suitable land available and some of that land remains under-productive, a fragile environment, limited natural resources, high cost of production and labour and no currency advantages compared to its neighboring markets.¹



The largest category of exports is fresh or chilled fish caught by Cook Islands owned or flagged vessels. In 2023, the value of these exports was around \$NZ10 million. This is down from over \$NZ20 million in 2019. Reasons for this downturn include lower prices in the US market, the impact of Covid on logistics, along with a more recent uptick in demand here at home due to tourism. Fish is primarily exported to China, the United States (although the market has stagnated recently with most exports going to the cannery in American Samoa) and New Zealand.

To support those exports, the Ministry of Marine Resources works with the Cook Islands' trading partners on market access issues such as certification and sanitation requirements. MFAI is sometimes involved in these discussions.

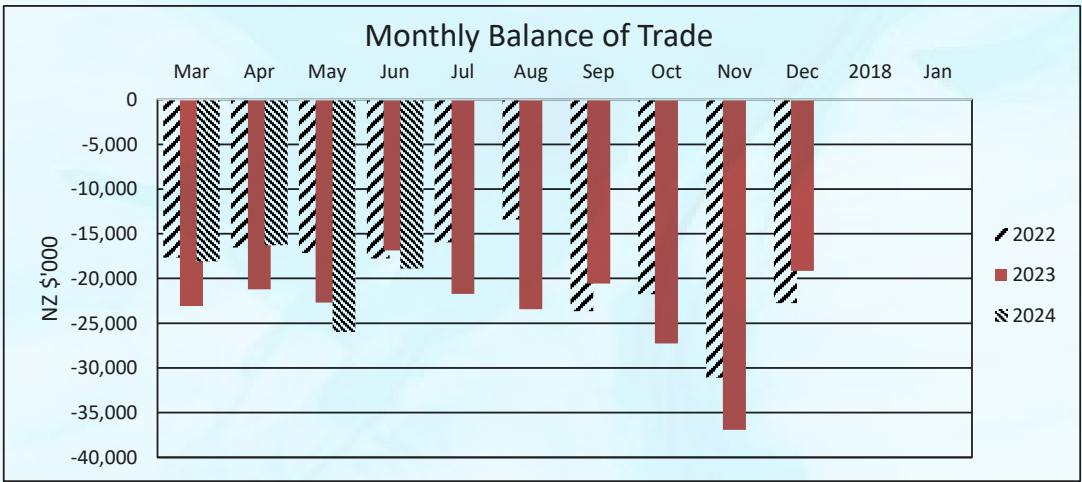
While these sales are exports from Cook Islands owned or flagged vessels, the translation to genuine economic activity in the Cook Islands itself is low. Rather, the primary benefit is through revenue from licensing. The Cook Islands issues foreign fishing licenses which are based on either fishing days or quota depending on the species. The resulting revenue, which is reflected in the balance of payments, rose from \$NZ3.6 million annually in 2011 to \$NZ21.3 million in 2019.

¹ See Agriculture Sector Action Plan 2020-2025.

The second largest category of exports is **noni juice**, exports of which were valued at around \$NZ1.3 million in 2019 but have since declined, recording an export value of around \$NZ90,000 in 2023. Key export markets were China, Japan and Korea. Multiple factors are likely responsible for the decline, including insufficient investment in agricultural innovation and competition from other markets. Such factors have likely been compounded by logistical difficulties (particularly during the Covid-19 pandemic), and gaps in the supply chain and market linkages.

Traditionally, **black pearls** were a valuable export for the Cook Islands, reaching a high of just over \$NZ18m in 2000. However, exports have since declined, recording an export value of around \$NZ129,000 in 2023.² Reasons for the decline include a labour shortage and biological issues relating to spat production, as well as increased competition from other markets – including freshwater pearl producers.

The following table shows the consistent deficit in goods trade since March 2022. This deficit, however, is offset by revenue from services, including tourism (see below).



The following graph shows merchandise exports from 2019 to 2023 by value:

² 'NextGen' Projections for the Western Tropical Pacific, "Climate change projections to inform black pearl production vulnerability in the Cook Islands, Case Study, January 2022; and Cook Islands Statistics Office.

The category of 'other' is made up of goods classified under various tariff headings where there are not enough of any one type of good to justify showing it as its own category.

Potential for trade in niche exports

Despite the relatively small amount of available land for production of commodities at the scale required for export, there are potential opportunities to increase trade from the Pa Enua to Rarotonga (for example, fish from the Northern Group and fruit and vegetables from the Southern Group).

On the export side, there may also be possibilities in niche and other untapped export markets where volume and price are more flexible. Possibilities include ginger, turmeric, honey (coconut and other), vanilla, tuna jerky, seaweed, bonefish and fashion. Where feasibility studies provide justification, support to producers should be considered.



Services dominate trade in the Cook Islands

The Cook Islands international trade deficit in goods is offset in the balance of payments by services revenue.

In 2019, the balance of payments showed a services credit of \$NZ451.6 million and a debit of \$NZ112.2 million. The services income captured in the balance of payments included revenue from tourism and other sectors such as shipping and banking. While these numbers indicate a robust international services trade, there is potential to delve deeper into specific sectors, such as hospitality, to differentiate between sales to resident Cook Islanders and those to visitors.

This data shows that the Cook Islands is a services-led economy (as are many high-income economies) and this is where the most potential for growth lies. This is also apparent from employment statistics.

In 2019, only 12 percent of the labour workforce was working in agriculture and industry, while 88 percent of economic output was generated by services.³

Tourism is the Cook Islands' most significant services sector. Services supplied include the provision of accommodation, hospitality (such as restaurants and bars), spa services and tour guide services. In 2024, the industry was predicted to have accounted for 73% of GDP – meaning that 73% of every dollar added to the Cook Islands economy came from tourism.⁴

There has been a strong recovery in the tourism sector following the Covid-19 pandemic. Visitor arrivals in 2022/23 more than doubled compared to 2021/2022, and then increased another 28% in 2023/24. Visitors from New Zealand make up the majority of arrivals, with 81% (103,648) of arrivals in 2022/23 and a further 11% (14,396) from Australia.⁵ The number of Australian visitors is likely to increase with Jetstar set to add a fifth weekly flight from Sydney to Rarotonga from May 2025.



The tables below show visitor arrivals by market as well as seat capacity on flights from origin markets per calendar year from 2019 to 2023 with predictions for 2024 and 2025.



³ Cook Islands Population Policy 2022-2032.

⁴ Cook Islands Tourism, Visitor Economy Factsheet, Volume 2: September 2024.

⁵ Cook Islands Tourism, Visitor Economy Factsheet, Volume 2: September 2024.

SEAT CAPACITY BY ORIGIN CALENDAR YEAR

Seat capacity from origin markets per calendar year from 2019 to 2023 with predictions for 2024 and 2025.

ORIGIN	2019	2022	2023	2024*	2025*
New Zealand	202,479	150,901	157,267	160,000	160,000
Australia	16,972	0	17,496	42,000	47,568
USA (HNL)	16,777	0	5,312	9,776	9,776
Tahiti	3,593	884	4,832	6,500	6,500
TOTAL	239,821	151,785	184,907	218,276	223,844

*Predicted

SEAT CAPACITY BY CARRIER CALENDAR YEAR



Looking to the future, tourism will remain a pillar of the Cook Islands economy. But, as emphasized in the NSDA 2020+, diversification of the economy will be critical to create more opportunities for our people. Diversification has potential to improve wages and living standards – as indicated in 2019, the predominant form of employment in the tourism sector was for sales and service workers. These workers are the lowest paid employees of any economic sector in the Cook Islands and have the highest incentive to emigrate.⁶

A smaller, but still important, contributor to the services economy is the **financial services industry**. The financial services industry has been part of the Cook Islands economy for over 40 years. It operates under a number of different pieces of legislation, including those relating to banking, insurance, companies and trusts.

With the exception of banks and general insurance offerings, the business conducted under this legislation is all conducted by **licensed trust companies**. This is commonly referred to as an ‘offshore industry’ because it does not operate in the domestic market. Rather, its clients are international businesses and non-Cook Islands residents. In addition to the licensed trust companies operating in the Cook Islands, there is also one private bank (Capital Security Bank Cook Islands Limited) which has both domestic and international banking licenses. Services offered include wealth management, banking, insurance, accounting and legal. The Cook Islands also operates an Open Register for vessels, including merchant vessels, fishing vessels, commercial and private yachts.

The **banking and insurance companies** also have an important role to play in the future development of the Cook Islands economy. While the commercial banks (BSP, BCI and ANZ) play an important role in facilitating trade and investment, the Capital Security Bank also contributes through provision of wealth management services. The insurance industry is also critical, offering a comprehensive range of insurance services including life, health, property, marine, aviation and travel.

⁶ As stated in the Cook Islands Population Policy 2022-2032.

The place of the financial services industry in the economy is explicitly recognized in the EDS 2030 and indirectly in NSDA 2020+ which refers to the ‘knowledge economy’ and highlights the opportunities for further innovation in the sector. Financial services providers in the Cook Islands currently offer a comprehensive range of services to individuals, families and businesses worldwide. Encouraging the development of new products and services, as well as attracting financial institutions to domicile and operate from the Cook Islands, forms a key foundation for growth in the financial services sector.

Another important foundation for ensuring the continued growth of the sector is compliance with international standards and best practice, something which is foremost amongst the Government’s priorities in this sector. The Cook Islands has implemented the OECD’s Common Reporting Standards (CRS) into domestic law, as well as the Foreign Account Tax Companies Act (FATCA), the CRS equivalent in the United States. It also has an anti-money laundering (AML)/Combatting the Financing of Terrorism (CFT) regime to meet the standards of the Financial Action Task Force.

The sector’s Strategic Plan 2025 is due to be released shortly.

In 2022/23, the financial services industry contributed \$NZ45 million to real GDP. A June 2024 survey conducted by the Financial Services Development Authority showed 284 employees in the financial services industry, with 204 in the banking sector, 53 in licensed trust companies, eight in the insurance industry, six in money remittance businesses and 10 in the Financial Supervisory Commission and the Financial Intelligence Unit

Trade policy requires solid foundations

Successful implementation of a trade policy depends on a number of related factors, referred to in this Trade Policy Framework as the ‘foundations’ of trade. Weaknesses in these foundations operate as constraints on the Cook Islands’ ability to pursue trade goals, including through economic diversification, as the private sector would find it difficult to explore and develop new opportunities. This means that successful implementation of this Trade Policy Framework relies on getting as many elements of these foundations right as possible. As indicated above, this requires an all-of-government approach and constructive interaction with the private sector to support the country’s capacity to trade.



Legal and Institutional Framework

Trade is conducted by the private sector and, in an open economy like the Cook Islands, it is important that the private sector plays a central role in identifying markets and developing new products and services. Government cannot boost trade directly.

However, through constructive engagements between the private sector and Government, the latter can play a key advisory and supportive role in creating an environment in which businesses can grow and companies can invest and prosper (for example, through enabling legislation). A failure to do so constrains the ability of businesses to trade. The financial services sector is a good example of one that requires the regulatory environment to evolve in accordance with international standards and best practice. The legal framework for intellectual property protection (see below) is also critical for the creative and cultural industries sector, while biosecurity and Customs laws lay the groundwork for trade facilitation (also see below).

Government will also seek to provide services and support through the institutions that it maintains and, in doing so, help to overcome some of the constraints that are inevitably present in a small economy, such as a lack of access to capital.

The BTIB plays a critical role. The BTIB is a government-funded agency whose trade-related objectives include to promote, coordinate and facilitate trade to, from and within the Cook Islands. As part of its activities, BTIB provides soft loans to small businesses, including those looking to participate in tourism and other export sectors. It also provides training for businesses.

Also actively engaged in trade policy is the MFAI, which holds primary responsibility for negotiating and overall implementation of trade agreements including market access arrangements with other countries, supporting Cook Islands Ministries and agencies as appropriate, and accessing foreign, trade-related assistance. Ensuring sufficient resources for BTIB and MFAI to conduct their trade-related functions will be a critical factor for the successful implementation of this Trade Policy Framework.

Trade facilitation

Trade facilitation involves putting in place processes for doing business (whether selling or buying goods or services) that are simple, streamlined and facilitate the movement of services and goods between the Pa Enua and Rarotonga and between Rarotonga and other countries. The opposite of trade facilitation is 'red tape' – bureaucratic processes and inefficiencies that slow trade down.

The Cook Islands has obligations in relation to trade facilitation under the Pacific Islands Countries Trade Agreement (PICTA) and PACER Plus which have amongst their objectives the goal of making it easier to do business across borders.

For imports and exports of goods, trade facilitation includes making sure that import and export procedures are simple and available online; that goods are cleared through Customs efficiently on arrival; and that the development and implementation of biosecurity and quarantine measures are effective while at the same time do not unnecessarily restrict trade.

With external assistance, the Cook Islands Customs Service has made recent improvements to import and export procedures based on a gap analysis. Objectives include improved trade facilitation, ensuring compatibility with international standards, strengthening risk management and enforcement techniques, increasing stakeholder engagement and collaboration, and promoting capacity-building and use of modern technology. Initiatives include improvements through the implementation of ASYCUDA World, a computerized Customs management system. ASYCUDA World offers several benefits including faster clearance of imported items and improved accessibility for Customs brokers who can work remotely. The Customs Services is also working to develop a single window system – a facility that allows parties involved in trade and transport to lodge standardized information and documents with a single-entry point to fulfill all import, export, and transit-related regulatory requirements.

The Ministry of Agriculture has also made improvements through the implementation of e-Phyto, a program to facilitate the transfer of electronic phytosanitary certificates (or 'ePhytos') with trading partners. Benefits include speeding up of processing times so that products get to consumers quicker and in better condition.

The Ministry of Health too has a role to play in trade policy as a number of different health-related measures impact on trade, such as regulation of goods such as tobacco or medicinal cannabis. Food safety measures also impact trade, and Ministry of Health officials can play a role in trade facilitation through the way in which they undertake monitoring and compliance-related activities. Further capacity and resourcing are important in this area.

‘Transparency’ is another important element of trade facilitation. Transparency is about making sure that information regarding laws, regulations, policies and procedures that affect trade are available to the public and easy to access. The Cook Islands has transparency obligations under its trade agreements to ensure that all relevant information is publicly available.

Trade facilitation also includes having standards that allow businesses to obtain certifications or approvals for their products. Sometimes these are required for products to enter other markets, and they can also help businesses to market their products. Standards can also be helpful for services such as, for example, the Cook Islands Quality Assured programme operated by the Cook Islands Tourism Corporation.

Trade between the Cook Islands’ 12 inhabited islands can also be facilitated – for example, having more efficient cargo-handling procedures at the port in Rarotonga is as important for goods coming from the Pa Enua as for goods coming from overseas.

Education

Education is a critical foundation of the Cook Islands’ economy and necessary for the development of sectors with capacity to trade through education’s contribution to human, knowledge and social capital. A recent study mapped the link between educational attainment and the trade environment, producing the following table that shows the positive relationship between trade and education across a range of developed and developing economies. Given that the Cook Islands suffers from labour shortages (see below), it is reasonable to assume that the role of education is even more important.

Source:

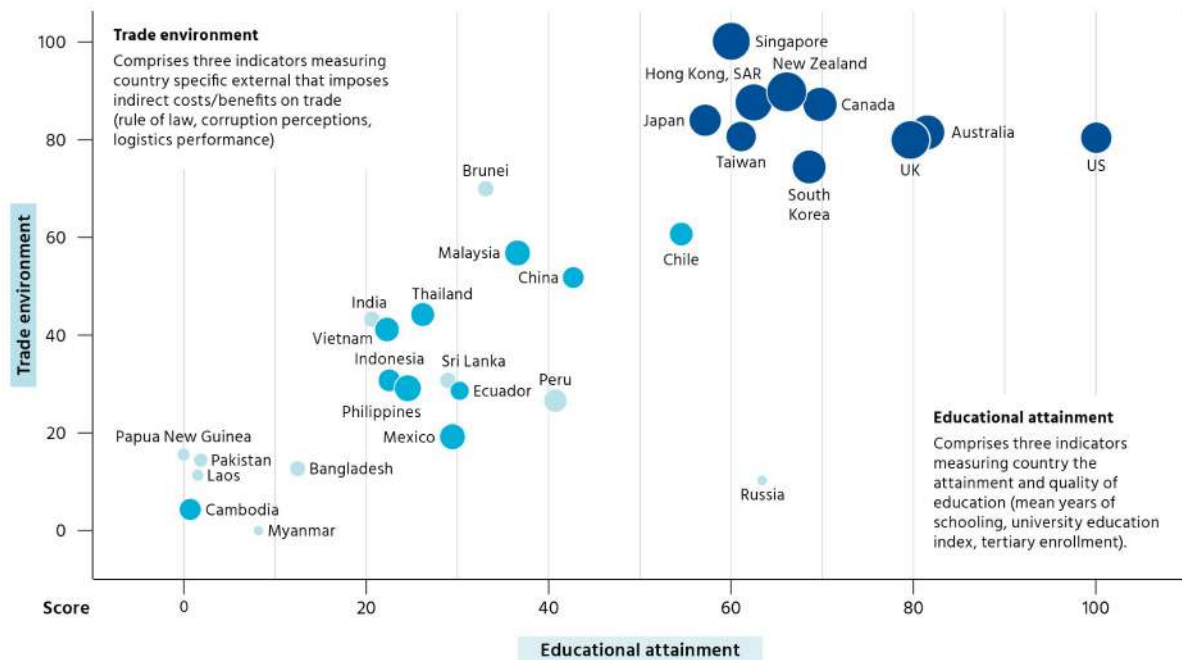


⁷ Hinrich Foundation, at: <https://www.hinrichfoundation.com/research/wp/sustainable/education-in-trade-and-sustainable-economic-development/> Note that the acronym ‘STI’ used in the table stands for ‘sustainable trade index’ – a measure created by the Hinrich Foundation to provide a framework to measure the relative capacity of economies to sustain growth through global trade and investment.

Visualizing
The link between educational attainment and trade environment

This chart illustrates the **positive relationship** between **educational attainment** and **trade environment** across developed and developing economies, indicating the importance of education in facilitating trade.

Overall STI ranking Low High
30 1



Source: Hinrich-IMD Sustainable Trade Index 2023 economy score (0-100)

Hinrich-IMD Sustainable Trade Index 2023

The Cook Islands Education Master Plan 2024-2034 seeks to elevate the standard of education in the Cook Islands, noting that education is the “bedrock upon which future prosperity and well-being of our nation rests”. Among other things, the Plan seeks to ensure that the education system “preserves our unique cultural heritage but also equips our people to excel in a rapidly changing global landscape”. This goal is well aligned with the priorities set out in the Trade Policy Framework as we look to diversify our economy for future growth. In light of the priorities in this Framework, inclusion of aspects of agriculture in the school curriculum is important.

Labour

Labour shortages can be a real constraint on business growth. The Cook Islands has a persistent shortage of skilled workers which presents a severe, ongoing challenge in this regard. The shortage has led to an increasing reliance on temporary foreign workers in many areas of the economy including agricultural production and tourism (such as in hotels and restaurants). The PACER Plus trade agreement has a Labour Mobility Arrangement which aims to strengthen labour mobility cooperation between the member countries. The Cook Islands has received recognition under PACER Plus as a ‘receiving country’, making it eligible to receive workers from other Pacific countries under the Arrangement. To date, one pilot project has been proposed and work will continue to see how the Arrangement might benefit the Cook Islands. To date, most temporary foreign workers continue to come from Fiji, Indonesia and the Philippines.

Intellectual property

Intellectual property rights (such as trademarks, copyright and patents) provide legal protection for services, innovative products, artistic works, and brands that can be traded internationally. Traditional knowledge is also an area of key importance – Cook Islands creations require legal protection. Protection is afforded under the Cook Islands Traditional Knowledge Act 2013 and the Copyright Act 2013, but more work remains to be done internationally. The Cook Islands joined the World Intellectual Property Organization (WIPO) in 2016.

The National Cultural Policy 2017-2030 outlines key strategies to preserve, promote and sustain Cook Islands culture, language and the creative industries. Implementation of these strategies will require adequate resourcing to ensure that the cultural sector contributes to the broader economy, particularly through value-added industries.

The Cook Islands remains to enact modern legislation providing for the registration of trade marks or patents. Protection of trade marks would benefit businesses and the overall economy. It would provide legal protection to trademark owners by providing them with exclusive rights to use their marks in connection with goods and services and allow them to safeguard their works against unauthorised use. It would also contribute to building brand recognition, an important aspect of building export markets. It is particularly important as efforts are undertaken to prioritize development in the creative and cultural industries sectors.

Access to land

Many business activities require access to land. As highlighted in the EDS 2030, land plays two key roles. First, as an input into economic activity, and second as security to access finance. Land that is available to use is a scarce resource in the Cook Islands, especially in Rarotonga. This makes it especially difficult to expand agricultural production and acts as a constraint to growth. However, new services industries such as in the creative and cultural industries sectors will not have the same land requirements which makes it easier for people. For example, a game developer may only need a desk in a business incubation facility. It is also possible to consider innovative solutions that require less land, such as vertical agriculture where layers of crops can be housed in spaces such as shipping containers, greenhouses or spaces that would otherwise be unfit for farming.

Infrastructure

Transport is critical to trade – whether international or between Rarotonga and the Pa Enua. Conversely, its absence is a commonly cited constraint. There are fortnightly shipping services between New Zealand, Rarotonga and Aitutaki, while a vessel from Fiji provides Rarotonga with monthly fuel supplies. Domestic shipping services between Rarotonga and the Southern Group islands operate approximately once per month, but less frequently between Rarotonga and the Northern Group.

Commercial air services operate between Rarotonga and most of the Southern Group islands. Services to the Northern Group islands with airstrips (Manihiki, Penrhyn and Pukapuka) are less frequent and are expensive.

Freight transport is one of the biggest impediments to trade from the Pa Enua to Rarotonga, particularly the Northern Group islands. This issue will require attention to encourage and develop trade between the Pa Enua and Rarotonga, as well as between the Pa Enua and other markets that are geographically close by, such as Samoa and American Samoa.

The EDS 2030 highlighted the impact of poor road, water and waste management infrastructure in the Cook Islands on the uptake of economic opportunities. The same can be said for opportunities to grow trade. Of particular importance is the potential impact of deficient power infrastructure. On Aitutaki, for example, the power supply is at a critical juncture where further development risks causing disruption to the island's power supply; while water scarcity and electricity costs are issues in some of the Pa Enua. On Rarotonga, power also remains expensive, and can occasionally be unreliable. Water is a major infrastructure issue in the islands of the Southern Group.

Other challenges include the need for a runway extension and further development of the airport terminal in Rarotonga, and capacity constraints at the port in Avarua. Infrastructure Cook Islands (ICI) is the Government's principal agent for infrastructure policy and delivery. Its Statement of Strategic Intentions 2023-2027 recognises that well planned and prioritized infrastructure investment improves productivity and wellbeing and contributes to long term national sustainable growth.



In the world of modern international trade, one of the most important factors to be considered is whether traders are able to demonstrate the quality and safety of their goods and services and to comply with international standards in target export markets. Towards that end, quality infrastructure is very important; that is, the system of bodies, legal and regulatory frameworks, and practices that establish and implement sanitation, accreditation, metrology and conformity assessment (testing, inspection and certification). It will be important for the Cook Islands to set in place a cost-effective quality infrastructure system that addresses the country's needs and priorities, working in close collaboration with bilateral and regional partners where appropriate.

Digital connectivity

Digital connectivity is critical to trade and the economy more broadly, especially to achieving economic diversification. The Cook Islands' National Digital Strategy has a vision for a “digitally empowered and inclusive Cook Islands, where technology enhances all lives, fosters innovation, drives economic growth and prosperity, improves social services, and protects our unique culture and environment, while building a shared identity for our island home”. The priorities set out in that Strategy are key underpinnings of trade success, including: to have reliable, affordable and high-quality digital infrastructure; foster innovation; shape an enabling environment; and build a digital private sector.

The Manatua submarine cable provides communication links between Rarotonga and Aitutaki and the rest of the world, while the other Pa Enua are linked to Rarotonga and the rest of the world through satellite communication. Vodafone is the main supplier of internet services, with Starlink also recently entering the market. The underlying technology is in place with Fixed Broadband and 4G Mobile Data

network coverage delivered over low latency high-capacity satellite services. Wi-Fi is a consequential service that can be set up by individuals/enterprises after connecting to the technology. For example, in Atiu, Vodafone has a number of active hotspots on the island.

Access to capital and payment facilities

One of, if not the biggest, impediments to growth in trade through e-commerce is on the supply side. For example, ANZ and BSP offer facilities for businesses to accept online payments from customers using Visa and Mastercard credit and debit cards, as well as through telegraphic transfer methods. However, in practice it can still be difficult to receive payments from offshore. This leads many businesses to direct online payments to accounts offshore. There is also a lack of other services that customers want such as PayPal, After Pay and Shopify. Many of these issues relate to the small scale of the economy and wider policies of the commercial banks whose headquarters are overseas as well as the structure of bank accounts in the Cook Islands.

Indigenous Cook Islands people seeking to start or grow a business can access loan support through the Business Trade Investment Board. This facility plays a vital role in promoting the development and expansion of small businesses, enhancing their ability to compete in the market. Under this scheme, loans of up to NZ\$10,000 are available to residents of Rarotonga, while those living in the Pa Enua (outer islands) can access loans of up to NZ\$25,000. The loan facility features a low interest rate of 5% and a maximum repayment period of 36 months.

Investment

Investment plays a crucial role in trade policy. A separate National Investment Policy (NIP) is being developed and will be implemented alongside this revised Trade Policy Framework.

Pa Enea development

The priorities for trade set out in the next section highlight in a number of places the importance of development in the Pa Enea, including to increase production of food to supply the local population in both the Pa Enea and Rarotonga. This focus on the Pa Enea aligns with the NSDA 2020+ which calls for a sustainable Pa Enea that ensures the development of all areas is mutually supportive and generates new forms of cooperation. It states that efforts will be made to support those living in the Pa Enea and entrepreneurship. The need for this Government support reflects the reality that, in recent years, depopulation of islands in both the Southern and Northern Groups has created a serious challenge and has resulted in social and economic disparities between Rarotonga and the Pa Enea.⁸

With the notable exception of Aitutaki's tourism sector, the Pa Enea leave very little footprint in either domestic or international trade. To grow this footprint, there is a need for a specific regional focus that looks at each of the Northern and Southern Groups separately.

Islands in both groups will benefit from the provision of bespoke training to individuals and businesses, as well as soft loans and financing to help small businesses get off the ground.

Carefully selected machinery and equipment is essential in both the Southern and Northern Group islands. This will be an area where a dedicated focus will increase support for producers both to increase their productivity and their own self-sufficiency as well as to supply other islands. Attention will be paid to the full lifecycle of such items, with an issue that needs to be addressed being the environmental impact of waste including broken and obsolete machinery.

Southern Group

The inhabited Southern Group islands comprise Aitutaki, Mangaia, Atiu, Mauke and Mitiaro. Overall, 20.2% of the total population of the Cook Islands live in the Southern Group islands.⁹ Based on the 2021 Census, households in the Southern Group islands are mostly engaged in raising livestock and poultry, as well as growing and harvesting root crops.

The only Southern Group island with a sizeable economy is Aitutaki which is also the most populous island (with just over 2,000 residents as at the 2021 Census). Aitutaki has a strong tourism sector and, as a result, a significant percentage of Aitutakians work in the private sector. Continuing to support tourism, including through development of new services for visitors, will be important for Aitutaki. However, diversification of the economy is also a key goal for the Island Council. A particular focus is on developing cultural and creative industries. Given a current lack of available capital, this development will require financial support from central government, especially BTIB which is a position to provide soft loans to entities as discussed.

⁸ See Labour Force Survey 2019.

⁹ Cook Islands Census, 2021.

The second most populated of the Southern Group islands is Mangaia, with a population of 572 as at the 2021 Census. Mangaia has sometimes been referred to as the “food bowl of the Cook Islands”, but it faces significant constraints including logistical difficulties in getting goods to Rarotonga. There is nevertheless one farming operation that sends up to one tonne of fruit and vegetables to Rarotonga each week, subject to air freight capacity. There remains a need for additional equipment, such as a chiller to store fruit and vegetables while waiting for air freight to become available. Also, like the Northern Group islands, Mangaia and other Southern Group islands face labour constraints with many young people having left the islands in recent years.

There are some eco-tourism activities on Mangaia and Aitu, though both islands are constrained in their offerings by limited accommodation and a lack of regular flights to and from Rarotonga.

Northern Group

The inhabited Northern Group islands comprise Manihiki, Pukapuka, Penrhyn, Rakahanga, Nassau and Palmerston. These islands remain isolated from the Southern Group, including Rarotonga. As of 2021, only 7.3% of the total population of the Cook Islands was living in the Northern Group.¹⁰ The 2021 Census showed that, like those in the Southern Group, households in the Northern Group are engaged in raising livestock and poultry.

Manihiki is the island where the black pearl industry developed (the center of black pearl production). However, as seen above, this sector has declined significantly in recent years. Another area of specialization in the Northern Group islands – perfected over many generations – is weaving, including rito (coconut fibre) hats.

The Northern Group islands face a number of difficult constraints, including a lack of machinery and equipment to increase productivity, a labour shortage, and logistical challenges in getting goods to Rarotonga or to the other islands. However, there remains potential if those constraints could be overcome. Examples of potential opportunities worth considering further include, but are not limited to:

- bonefish and recreational fishing in the North, which could emulate and expand on the bonefish fishery in Aitutaki;
- coconut honey used to be produced by priests in the Northern Group islands and is a potential niche product that could be developed; and
- other marine products such as tuna jerky, giant claims for the aquarium trade and seaweed farming.

¹⁰ Cook Islands Census, 2021.



Feasibility studies will be required in these areas. One possibility for overcoming the logistical difficulties in getting products out of the Northern Group islands may be to focus on shipping to Samoa and American Samoa which are geographically closer than Rarotonga.

Our priorities for trade

	Build on our successes in tourism and financial services Tourism will remain a staple of the Cook Islands economy. Future tourism development will improve the holistic well-being of the Cook Islands people and environment. The financial services sector is also a significant one with potential for further growth and innovation.
	Encourage and nurture new services sectors Future economic growth relies on accelerating growth in a diversified range of services sectors. The creative and cultural industries sectors will be important, including music, film, crafts, fashion, design, and gaming and other computer-related innovations.
	A sustainable Pa Enua supported by trade Opportunities will be explored to support the development of a sustainable Pa Enua through enhanced food security initiatives and development of trade opportunities in niche and untapped markets. Particular attention will be paid to exploring and building on the as yet largely under-exploited potential of the Northern Group islands (Palmerston, Pukapuka/Nassau, Manihiki, Rakahanga and Penrhyn).
	Explore export opportunities in niche and untapped markets Opportunities will be explored (including in the Pa Enua) for production and exports in niche and other untapped markets such as used cooking oil, vanilla, turmeric, ginger and honey.
	Enhance food security Agricultural production in the Pa Enua will be encouraged and market opportunities developed to build a sustainable future for the Pa Enua and support food security amongst the local population in the Pa Enua and Rarotonga.
	Trade facilitation and quality infrastructure including transportation Continuous improvement of domestic processes and standards to facilitate imports and exports, as well as movement of goods between the Pa Enua and Rarotonga.
	Implement trade agreements and work with our partners to support a rules-based trading system in the region that supports the Cook Islands trading interests The Cook Islands will work with its partners to implement regional trade agreements and support a rules-based trading system in the region that supports the Cook Islands' trading interests and priorities.

More about our priorities

The modern Cook Islands is a largely services-based economy and the priorities above reflect this reality. They are closely aligned with the focus in NSDA 2020+ and the EDS 2030 on innovation, diversification, the creative sector, a knowledge economy and digital future. They emphasize the importance of food self-sufficiency and support entrepreneurship in, and a sustainable future for, the Pa Enua.

Build on our successes in tourism and financial services

Tourism will remain a leading sector of the Cook Islands economy and it will be important that it remains competitive. Under the Cook Islands Tourism Development Strategy, future tourism development will improve the holistic well-being of the Cook Islands people and environment. Cook Islands Tourism is taking a 'regenerative' approach to tourism, where success will be based on four bottom lines: commerce, conservation, culture and community.

The **financial services** sector, while already mature, has room for innovation and creativity to drive further growth and diversification while maintaining a low carbon footprint. The goals articulated by Cook Islands Finance in its Strategic Plan for 2020 to 2025 involve the:

- introduction of new entrants into existing sectors (such as insurance, banking, licensed trust companies) to increase competition;
- development of new service offerings in existing sectors, including through the use of fintech (such as provision of more complex and higher value life insurance products for international clients, robobanking, and new trust/company structures); and
- introduction of new business lines into the financial services industry (such as asset management, fund administration, cryptocurrency/distributed ledger technology, or FX trading).

There is potential for the sector to develop new and innovative service and product offerings and a more diversified geographical market for the above financial services products is being actively explored.

Diversify the services economy

There is exciting potential to develop the **creative and cultural industries sectors**, including music, film, fashion, crafts, digital media, design, and gaming and other computer-related innovations. Development of these sectors can help to preserve the unique cultural identity of the Cook Islands and to provide marketing opportunities for all Cook Islanders, on Rarotonga as well as in the Pa Enua.

With improvements in digital connectivity, these types of initiatives need not be confined to Rarotonga and Aitutaki but could also be developed elsewhere in the Southern Group and also in the Northern Group islands. As appropriate, programmes will be undertaken both on Rarotonga and in the Pa Enua to assist in developing people's skills and businesses.



The 'Cocobots' at the 2024 FIRST Global Challenge (Source: CookIslandsNews.com)

There is potential for Cook Islanders, especially the youth, to take their creativity and imagination in untold different directions. An example is the Cook Islands' 2024 Global Robotics team, the 'Cocobots', who – working together with China, Moldova and Madagascar – won a gold medal in the FIRST Global Robotics Alliance category at the world's largest robotics competition – the FIRST Global Challenge – in Athens in October 2024. They demonstrated that, in the world of STEM (science, technology, engineering and math), the Cook Islands can compete with the world's best. This kind of creativity can, with the right support, be channeled into future economic success.

Digital technology and developments coordinated under the umbrella of the Cook Islands' National Digital Strategy will be critical to realizing this potential.

There are already examples of creative successes. For example, TAV Pacific uses a blend of traditional motifs and modern elements to create fashion that has an international market. And a number of movies and TV shows have been filmed in the Cook Islands over the years. Most recently, the film 'Stranded Pearl' was released in cinemas in September 2024, having been supported by NZ On Air and partly filmed in the Cook Islands with a local crew of around 40 people. As of late 2024, filming is underway in Aitutaki for a documentary film funded through an NZ On Air project that pairs New Zealand-based Pasifika producers with Pacific-based producers and broadcasters.

The gaming development sector also offers exciting new possibilities for development that will be supported.

The Cook Islands also has strengths in the **professional services sector** (for example, in international and regional consulting in environmental policy and other areas). Assistance will be provided to local professionals through training and working with agencies and international donors to better enable local consultants to benefit from such consulting opportunities.

Another area of potential future opportunity is for provision of **services associated with seabed minerals**, particularly if harvesting activities are ultimately undertaken.

A sustainable Pa Enua supported by trade

Despite the many challenges, there are significant potential trading opportunities for development in the Pa Enua, including in the sectors indicated above (tourism, cultural and creative industries and niche products). Such opportunities must be explored and promoted as appropriate to overcome current challenges and exploit potential market opportunities, both domestic and international.

Enhance food security

The NSDA 2020+ highlights food security under the heading of ‘resilience and preparedness’, stating that food self-sufficiency and good healthy nutrition is the heart of our food security. Key to this is ensuring that we can locally produce most of our food for domestic consumption. This goal is also reflected in the National Security Policy 2020+ which states that the Government is committed to “promoting national food security and recognises that food security involves several considerations including those relating to import substitution, production, retaining arable land, biosecurity, trade, health, accessibility and other issues”.

As part of ensuring national food security, the Government will continue to work with the Pa Enua to encourage and support farmers to improve their productive capacity and capacity to export their products to Rarotonga and, ultimately, international markets.



Explore export opportunities in niche and untapped markets

Potential opportunities will be explored for exports in niche and untapped markets where volume and price are more flexible than commodities like taro which have proven to be unsuccessful for the Cook Islands in the past. Subject to rigorous feasibility studies being undertaken, possibilities include:

- Ginger, turmeric, honey and vanilla
- Rimu (sea grapes) (Aitutaki)
- Used cooking oil (Rarotonga)
- Tuna jerky (Northern Group)
- Seaweed farming (Northern Group)
- Giant clams for the international aquarium trade (Aitutaki and Northern Group)
- Bonefish (Northern Group)
- Coconut honey.

Also, an example of as yet untapped markets for the islands of the Northern Group is the supply of fish to Samoa and American Samoa which are relatively close. As noted above, most fish exports from the Cook Islands already go through American Samoa and this is an avenue that could also be explored by fishers in the Northern Group.

For some goods, there may also be market opportunities through electronic commerce that will be explored. The above niche areas have the potential to make a real difference to individuals and communities. Their feasibility should all be pursued with a view to ensuring economic and environmental sustainability.

The Ministry of Agriculture is currently undertaking a crop survey of pests and diseases which will assist in facilitating negotiation of access to international markets.



Trade facilitation and quality infrastructure

Trade facilitation and quality infrastructure are both necessary components of the Trade Policy Framework, and priorities in themselves. If the processes and requisite standards for importing and exporting are simple, efficient, secure and straightforward and the critical standards are in place, the private sector can focus on what they do best – innovating, developing and providing their goods and services. Trade facilitation and strengthening quality infrastructure will be ongoing priorities for the Government.

Implement trade agreements and work with our partners to support a rules-based trading system in the region

The Cook Islands is a party to two major regional trade agreements, PICTA and PACER Plus. The latter is a free trade and development agreement between the Cook Islands, Australia, New Zealand, Kiribati, Niue, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu. Like any trade agreement, PACER Plus aims to remove barriers to trade and investment between its members. But it is more development-focused than most trade agreements, with its objectives including 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.

The Cook Islands benefits from funding made available by Australia and New Zealand under the Agreement's Development and Economic Cooperation (DEC) Work Programme. This funding is made available through an annual process where member countries must make proposals for activities (such as technical assistance and other types of capacity building) that are related to the various components of PACER Plus. These include trade in goods and services, as well as technical areas like sanitary and phytosanitary protection, and technical barriers to trade. In a November 2024 statement, PACER Plus Ministers emphasized the need for targeted assistance through the DEC Work Programme to strengthen private sector capacity to export and to benefit from market access provided under PACER Plus.

For the Cook Islands, the DEC Work Programme represents a source of funding which is not available through many other channels due to the Cook Islands' status as a developed economy.



PACER Plus also represents an opportunity for the Cook Islands to engage with its neighbors in the region on matters relating to trade. Although the Cook Islands is not currently a member of the World Trade Organization (WTO), a global trading system under which other countries abide by international trade rules, the latter are nevertheless still very much in its interests. For example, the Cook Islands does export some goods beyond the Pacific region and it is in the country's interest that all WTO members act in compliance with their various international obligations, which will have flow-on benefits for the Cook Islands.

The Action Plan

The Action Plan, set out below, is designed to identify key activities to be undertaken as part of this Trade Policy Framework between 2025 and 2030. The activities reflect the above national trade priorities and are intended to include the above broad national policy considerations such as, for example, protection of the environment.

At the same time, the Action Plan does not specify implementation timetables for each of the activities. Rather, it identifies the general activities to be undertaken and the Ministry/ Ministries and/or agency/ agencies that are mainly responsible for leading the Government's efforts in that particular activity area. Identification of the Ministries and agencies in the table does not exclude the involvement of others, but is intended simply to show the key responsible Ministries and agencies.

As a result, and as appropriate, the Ministry and agency concerned will seek to strengthen Government's capabilities and delivery of outputs in those areas for which they are responsible, taking into account the current situation, identification of needs, and resources available. Towards that end, the Ministry and agency concerned will consult and collaborate with other Government bodies, the private sector and Pa Enua representatives as appropriate.

Also as appropriate, the BTIB and MFAI will support the bodies implementing the various activities, including in efforts to seek external resources for implementation. The BTIB and MFAI will also coordinate reviews of this Framework implementation and report annually to Cabinet.

Implementation of this Trade Policy Framework will be overseen by a National Trade Development Committee (NTDC) comprising representatives of the following bodies and groups who are mandated to speak on their behalf:

- BTIB (co-chair)
- MFAI (co-chair)
- Ministry of Agriculture
- Ministry for Marine Resources
- Ministry of Finance and Economic Management
- Ministry of Cultural Development
- Ministry of Health
- Ministry of Internal Affairs
- Ministry of Transport
- Cook Islands Customs Service

- Cook Islands Tourism Corporation
- Pa Enua Governance Division, Office of the Prime Minister
- Chamber of Commerce
- Northern Group representative
- Southern Group representative.

Terms of Reference for the Committee will be prepared by the BTIB and MFAI and considered by the NTDC. The Committee will meet at least twice a year to review implementation of the activities set out in the Action Plan and agree an annual report for consideration by Cabinet.

Sub-committees may be established comprising the relevant stakeholders to discuss needs and developments in specific Action Plan areas. Each sub-committee will adopt its own Terms of Reference as appropriate.

Critical to successful implementation of the Action Plan will be the availability of sufficient funding, both through the national budget process as well as from external sources. As it no longer qualifies for Official Development Assistance (ODA), the Cook Islands has limited access to external funds. There are, however, some external sources which include:

- Managed by the PACER Plus Implementation Unit (PPIU) based in Samoa, assistance is available under the PACER Plus umbrella to the Cook Islands as a party to the Agreement to strengthen capacity to implement the Agreement, including assistance to the private sector as appropriate;
- The European Union-funded Strengthening Pacific Intra-Regional and International Trade (SPIRIT) project is managed and implemented by the Pacific Islands Forum Secretariat (PIFS). It began in January 2021 and runs until 2025.
- The Pacific Trade and Sustainable Development Programme (Pac-TSD) of the European Union will offer opportunities for enhancing regional and national capacities to leverage international trade standards, fostering sustainable development, and supporting the transition to a green and circular economy.

#	Action	Responsible agency
1	Monitoring of Action Plan	
1.1	BTIB to develop a page on its official website that can be accessed by each Ministry and agency responsible for aspects of this Action Plan to provide a report on progress in Action Plan implementation and upload relevant documents relating to those activities.	BTIB, MFAI (with input from other agencies as requested by BTIB and MFAI)
1.2	BTIB and MFAI to establish and develop Terms of Reference for a National Trade Development Committee (NTDC) to meet at least twice annually to discuss and monitor implementation of this Action Plan and to agree an annual report for consideration by Cabinet. The Committee is to consist of representatives from the: - BTIB (co-chair) - MFAI (co-chair) - Ministry of Agriculture - Ministry for Marine Resources - Ministry of Finance and Economic Management - Ministry of Cultural Development - Ministry of Health - Ministry of Internal Affairs - Ministry of Transport - Cook Islands Customs Service - Cook Islands Tourism Corporation - Pa Enua Governance Division, Office of the Prime Minister - Chamber of Commerce - Northern Group representative - Southern Group representative	BTIB, MFAI
2	Context and foundations of trade policy (note that action items are not identified for each of the contextual aspects and foundations discussed in this Framework, as some of these foundations involve broader policies that sit outside the scope of the Framework)	
2.1	Legal and Institutional Framework: MFAI to continue hosting the PACER Plus National Coordinator who plays an important role in coordinating and supporting the Cook Islands' overall participation in PACER Plus and deriving benefits from the Agreement, including securing assistance for capacity building. MFAI also to be the Cook Islands' focal point for relations with regional and international organizations on trade-related programs with specific activities to be implemented by other Ministries and agencies with MFAI support as appropriate. MFAI to advise on opportunities under trade agreements and aid-for-trade programmes and support in accessing those opportunities.	MFAI
2.2	Intellectual Property: Strengthen Cook Islands' intellectual property protection in support of the private sector.	BTIB, Crown Law, Culture
2.3	Access to capital and payment facilities: BTIB to continue to promote 'soft loan' programmes and to ensure individuals and small businesses are aware of its existence and how to make applications. BTIB will also seek additional funding to increase the pool of money that is available for loans.	BTIB

#	Action : Identify where infrastructure	Responsible agency
2.4	Trade Facilitation and Quality Infrastructure: Identify where infrastructure (including quality infrastructure) development is needed to support the priorities in this Trade Policy Framework and seek to address those needs as appropriate in accordance with national policies including the Cook Islands Trade Facilitation Country Report and the Infrastructure Cook Islands' Statement of Strategic Intentions 2023-2026."	Cook Islands Customs Services, Ministry of Agriculture, BTIB, Infrastructure Cook Islands, MFAI, MFEM
2.5	Labour: Progress the Cook Islands' participation in intra-regional and labour mobility matters.	MFAT, INTAFF
2.6	Other foundations: Education Digital Connectivity Access to Land: BTIB and MFAI to engage with relevant Ministries and agencies as appropriate, so as to identify possible constraints to trade development in those areas and promote opportunities to address such constraints.	BTIB, MFAI, Ministry of Internal Affairs, and other Ministries and agencies as appropriate
2.7	Investment: Finalise the National Investment Policy that is currently being formulated and commence implementation of the Policy.	BTIB, MFAI
2.8	Competition policy: Consider the formulation of a competition policy.	MFEM, Crown Law, INTAFF
3	Priorities for trade	
	Priority: Build on successes in tourism and financial services	
3.1	BTIB to work with Cook Islands Tourism Corporation where BTIB's work programme can be leveraged to assist in the implementation of Te Kaveinga Manava Turoto o te Ipukarea (Cook Islands Tourism Development Strategy), for example, through the provision of soft loans or business training to new, small-scale operators."	BTIB, Cook Islands Tourism Corporation
3.2	Support the development of the financial services sector as set out in the Cook Islands Finance's Strategic Plan 2020 and successor plans, including by introducing new entrants, new product service offerings, and new business lines into the financial services industry.	Cook Islands Finance, other agencies as required
	Priority: Encourage and nurture new services sectors	
3.3	Convene a national consultation workshop with government and private sector stakeholders to consider potential new initiatives for diversification of the economy through domestic and international trade in goods and services and agree on appropriate follow-up action. (Note that this is the same workshop as listed below under 3.11 as the same workshop should address opportunities in both goods and services.)	BTIB, MFAI
3.4	Complete and implement a National Strategy for the cultural and creative industries sector.	BTIB, Ministry of Cultural Development
3.5	Develop training and mentoring programs that encourage businesses in new services sectors, such as those in the cultural and creative industries sector.	BTIB, Ministry of Cultural Development
	Priority: A sustainable Pa Enua supported by trade	

#	Action	Responsible agency
3.6	Address constraints to enable and encourage farmers and fishers in the Pa Enua to increase and/or diversify their production so as to enable greater supply of fish products, fruit and vegetables to Rarotonga. Feasibility studies to be undertaken as appropriate, as well as peer-to-peer learning and mentoring (with successful farmers and fishers to talk to others to encourage them and help them start a business); and development of programmes to connect growers in the Pa Enua with buyers in Rarotonga.	Ministry of Agriculture, Island councils; Ministry of Marine Resources, OPM also to be involved as appropriate given its responsibility for Island Council liaison
3.7	Support farmers and fishers in the Pa Enua to secure efficient access to appropriate tools and equipment to promote feasible trading initiatives. Along with this, establish machinery support/maintenance programmes as appropriate."	Ministry of Agriculture; Ministry of Marine Resources MFEM
3.8	Conduct studies to establish the feasibility of domestic or international trade in products from the Pa Enua.	BTIB; Ministry of Agriculture; Ministry of Marine Resources; MFAI
Priority: Enhance food security		
3.9	See above under 'A sustainable Pa Enua supported by trade' A Food Security Policy could be developed to cover both agriculture and fisheries/aquaculture, focusing on the trade aspects of the Policy.	Ministry of Agriculture, Ministry of Marine Resources
3.10	Complete the new Agriculture Sector Policy for release in 2025.	Ministry of Agriculture
Priority: Explore export opportunities in niche and untapped markets		
3.11	Convene a national consultation workshop with government and private sector stakeholders to consider potential new initiatives for diversification of the economy through domestic and international trade in goods and services and agree on appropriate follow-up action. (Note that this is the same workshop as listed below under 3.3 as the same workshop should address opportunities in both goods and services.)	BTIB, MFAI
3.12	Based on the outcomes of the above workshop, undertake feasibility studies as appropriate to advance proposals identified during the workshop.	BTIB; Ministry of Agriculture; Ministry of Marine Resources; MFAI
3.13	Identify and secure technical assistance to help producers (both on Rarotonga and in the Pa Enua) address matters that impact their production, such as pests and diseases, and consider obtaining that technical assistance as appropriate.	Ministry of Agriculture, Ministry of Agriculture, BTIB, MFAI
Priority: Trade facilitation		
3.14	Develop a National Supply Chain Strategy for the Cook Islands.	Customs, BTIB
3.15	Develop, launch and implement official Cook Islands brand/logo for products.	BTIB
3.16	As part of the brand/logo project, develop a national standards system that will protect Cook Islands consumers and support exporters to sell to tourists.	BTIB

#	Action	Responsible agency
3.17	Improve access to business training currently delivered in person, to be delivered online to small and medium-sized businesses and individuals.	BTIB
3.18	Effectively implement Customs obligations in international trade agreements to ensure facilitation of efficient procedures for imports and exports, including through development of a 'single window' facility.	Cook Islands Customs Service, MFAI, Crown Law
3.19	Effectively design and implement sanitary and phytosanitary measures to fulfil obligations under trade agreements to ensure both facilitation of efficient procedures for trade and the protection of health, life and safety in the Cook Islands.	Ministry of Agriculture; Ministry of Health, MFAI, Crown Law
3.20	Develop a new Biosecurity Strategy.	Ministry of Agriculture
3.21	Crown Law to finalize Biosecurity Regulations.	Ministry of Agriculture, Crown Law
Priority: Work with our trading partners to support a rules-based trading system		
3.22	Actively participate in relevant regional and international trade-related meetings with a view to promoting and protecting the Cook Islands' interests and priorities.	MFAI and other stakeholder Ministries, agencies and organisations as appropriate
3.23	Consider other trade-related market access opportunities as appropriate.	MFAI, BTIB and other stakeholder Ministries, agencies and organisations as appropriate

