SUMMER RESEARCH 2024/25 PROJECT ABSTRACT



PROJECT # TBC

SUPERVISOR/S: Professor Frank Scrimgeour & Geua Boe-Gibson

PROJECT TITLE: Pasifika Trade in Agricultural Products

FIELD: International trade

DIVISION/SCHOOL: WMS - School of Accounting, Finance & Economics

PROJECT LOCATION: Hamilton

PROJECT ABSTRACT:

This project explores the opportunities and constraints associated with international trade of agricultural products by firms and communities of the Pacific Islands.

While most people in the Pacific Island countries (defined here as the Pacific Forum island member countries) live in rural areas and have access to land, these countries have struggled to create viable agricultural export industries. Historically tree crop industries (coffee, cocoa, palm oil, coconut and copra) provided export earning opportunities, albeit with volatile international markets. Yet exports of tropical foods to nearby rich country markets such as Australia and NZ have struggled to develop and to persist. Indeed, instead of their rural population producing agricultural products to export to Australia and New Zealand some of them are (temporarily) exporting themselves as seasonal workers for horticultural enterprises in the neighbouring rich countries.

Instead of trade in sustainably produced food products, the Pacific countries have tended to export unsustainably harvested tropical timbers, and in some of the larger countries like Papua New Guinea, mineral and petroleum products. Understanding why exports of a broader array of agricultural products have not arisen from these countries, despite their apparent comparative advantage in these products, may help sustainable development of the Pacific. This summer scholarship project aims to review the history of agricultural exports from the Pacific Island countries and identify the barriers that have prevented the emergence of a broader array of agricultural trade opportunities, especially with nearby markets in Australia and New Zealand.

STUDENT SKILLS:

- Knowledge of at least one Pacific nation. The motivation for this project is to build Pacific research capability in alignment with the University strategic plan. Hence a Pasifika student is ideal.
- Competency with Excel. The student does not lead advanced modelling skills but they need to be comfortable with undertaking basic calculations and learning new ways to assemble and analyse the data.
- Completion of ECONS100. A strong 1st year of a BBus degree would be helpful.
- Writing skills. The ability to write logically and present work professionally is critical.

PROJECT TASKS:

- 1. Complete a review of the refereed literature pertaining to Pacific Trade. This would confirm the existing knowledge base and show gaps in the literature. Given these will be multiple it will identify those gaps that are most important to fulfil from the perspective of Pacific island nations.
- 2. Complete a review of the "grey literature" pertaining to Pacific Trade. Despite the lack of refereed literature there are multiple sources of relevant "grey; literature". These need to be identified and evaluated.
- Build a database of international trade in Pacifica agricultural and horticultural products. We are keen to understand
 the volume and value of export products, their source and destination, their seasonality and resilience of the trading
 relationships.
- 4. Create a map showing trade flows between Pacific Island nations. Apart from product movements it is important to identify key ports, shipping lines and the key features of the relevant supply chains.
- 5. Undertake a trade potential analysis. Given the data a obtained there is the opportunity to estimate trade potential using the Revealed Comparative Advantage method or some other similar approach.
- 6. Write a short report outlining trade prospects for Pacific nations. This would be a standard approach costing of introduction, literature review, methodology and data, analysis, discussion and conclusion.
- 7. Summarize the results of the research in a Poster. This would communicate the findings from Task 6.

EXPECTED OUTCOMES:

- Student's Research Poster (as per clause 6 of the <u>Scholarship regulations</u>)
- A literature review potentially publishable (after revision) in a Pacific journal
- A database potentially useable by other students and staff for ongoing research.
- A report that could be made available to Pacific island nations and firms
- A poster that could be used at the University of Waikato and at a conference such as the NZ Agricultural and Resource Economics Society.