



Economic Cooperation Organization (ECO)

REPORT

**4th ECO Ministerial Meeting
on Commerce/Foreign Trade
(Kabul, I.R. of Afghanistan, July 11-13, 2011)**

ECO Secretariat, Tehran

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Report

1. The 4th ECO Ministerial Meeting on Commerce/Foreign Trade was held on July 13, 2011 in Kabul, Islamic Republic of Afghanistan. The Ministerial Meeting was preceded by the Senior Officials' Meeting (SOM) on 11 – 12 July, 2011, under the chairmanship of Mr. Mozammil Shinwari, Director General of International Trade, Ministry of Commerce and Industries of Afghanistan.

2. The Ministerial Meeting was attended by delegations of the Islamic Republic of Afghanistan (the host), the Islamic Republic of Iran, the Republic of Kazakhstan, the Kyrgyz Republic, the Islamic Republic of Pakistan, the Republic of Tajikistan, the Republic of Turkey, Turkmenistan, the Republic of Uzbekistan as well as the Secretary General of ECO along with other officials of the ECO Secretariat and ECO Trade and Development Bank (ECOTDB). The delegates of Islamic Development Bank (IDB) Jeddah also attended the meeting. The list of participants is placed at **Annex-I**.

Agenda Items No. 1

Inauguration of the Meeting

3. The Meeting was inaugurated by His Excellency Dr. Anwar-ul-Haq Ahady, Minister of Commerce and Industries of the Islamic Republic of Afghanistan who made the welcoming remarks. A copy of the statement is placed at **Annex-II**.

4. The message of the His Excellency Mr. Hamid Karzai, the President of the Islamic Republic of Afghanistan on the occasion of the 4th ECO Ministerial Meeting on Commerce/Foreign Trade was read by Dr. Daud Yar, Director General of Economic Affairs, Ministry of Foreign Affairs, Afghanistan. Copy of the English translation of the message is placed at **Annex-III**.

5. His Excellency Mr. Mohammed Yahya Maroofi, the ECO Secretary General also made a statement during the inaugural session. A copy of the statement is placed at **Annex-IV**.

Agenda Item No. 2

Election of the Chairman

6. His Excellency Dr. Anwar-ul-Haq Ahady, Minister of Commerce and Industries of Afghanistan was unanimously elected as the Chairman of the Meeting.

Agenda Item No. 3

Adoption of the Agenda

7. The Meeting adopted the following agenda, which had been reviewed/endorsed earlier by the Senior Officials Meeting (SOM):

1. Inauguration of the Meeting
2. Election of the Chairman
3. Adoption of the Agenda

4. Appointment of the Drafting Committee
5. Statements by Ministers/Heads of Delegation of Member States
6. Review of the Decisions of the 3rd ECO Ministerial Meeting on Commerce and Foreign Trade
7. Developing a Road Map on Multi-Dimensional Regional Trade and Investment Strategy
8. Action Plan for Establishment of Free Trade Area in the Region under ECO Vision 2015
9. Consideration of Progress on Trade Liberalization Process under ECOTA
10. Progress of Non-WTO Members of ECO in their Accession Process to Multi-lateral Trading Regime – Ways and Means to Strengthen Cooperation among WTO and Non WTO Member States
11. Trade Facilitation Measures – Need for the Region – Possible Collaboration with WTO, WCO and other Regional/International Organizations
12. Joint Trade Promotional Activities by TPOs of Member States
13. Setting up a Working Group of National Focal Points of Trade and Investment Network Web Portal for Promoting Trade in the Region
14. Enhanced Role of ECO-Trade & Development Bank – Identification of Specific Areas of Trade
15. Recommendations on Strengthening Private Sector Cooperation in the Region.
16. Consideration/Adoption of the Kabul Declaration
17. Any other Business
18. Date and Venue of the Next Meeting
19. Consideration/Adoption of the Report of the Meeting
20. Closing

Agenda Item No. 4

Appointment of the Drafting Committee

8. An open ended Drafting Committee comprising ECO officials and delegates from the Member States was constituted for preparation of the draft report and draft Kabul Declaration.

Agenda Item No. 5

Statements by Ministers/Heads of Delegation of Member States

9. The Ministers and the Heads of Delegation delivered their statements, expressing the views of their respective governments on the ongoing and future activities and proposed measures on the promotion of trade among ECO Member States. Copies of their statements, which were made available to the ECO Secretariat, are placed at **Annex-V**.

Agenda Item No. 6

Review of the Decisions of the 3rd ECO Ministerial Meeting on Commerce and Foreign Trade

10. The Meeting appreciated the comprehensive presentation made by the representative of the ECO Secretariat focusing on the progress made since the 3rd ECO Ministerial Meeting on Commerce and Foreign Trade (Istanbul, July 2005). The Meeting was briefed on the decisions taken by Summit and CoM on trade related initiatives since the 3rd Ministerial Meeting on Commerce and Foreign Trade. The status of implementation of these decisions on promoting regional trade cooperation was also highlighted. Follow up actions and fresh proposals requiring decisions of the Ministerial Meeting were also dwelt upon at length in the presentation. A copy of the presentation is placed at **Annex-VI**.

Agenda Item No. 7

Developing a Road Map on Multi-Dimensional Regional Trade and Investment Strategy

11. In accordance with the decision of the Communiqué of the 3rd ECO Ministerial Meeting on Commerce and Foreign Trade (Istanbul, July 2005), the Meeting deliberated on “Preparation of ECO Regional Trade and Investment Strategy”. The Meeting considered the outline of the Strategy prepared by the Secretariat and agreed to establish a Joint Working Group representing senior officials of the Ministries of Commerce/Foreign Trade of the Member States to deliberate on it in detail with a view to finalizing the Multi-Dimensional Regional Trade and Investment Strategy in light of the proposals of the Member States without any prejudice whatsoever. The draft strategy to be prepared by the Joint Working Group would be submitted to the 5th ECO Ministerial Meeting on Commerce and Foreign Trade for final approval. The draft outline of the strategy is attached as **Annex-VII**.

12. The Meeting emphasized the need to improve coordination among the Ministries of Commerce and related trade organizations of the Member States to ensure the full utilization of trade capacity of the region.

13. The Meeting reviewed the ECO initiatives and activities in trade, investment, finance, customs and visa simplification and stressed the need to ensure expeditious implementation of the relevant Agreements to strengthen the base of cooperation on trade related initiatives among the Member States.

14. Deliberating on the Concept Paper on “Technical Assistance and Capacity Building (TACB) of ECO Member States and the ECO Secretariat”, the Meeting decided that Pakistan as the Coordinating Country on the initiative would undertake activities during 2011.

Agenda Item No. 8

Action Plan for Establishment of Free Trade Area in the Region under ECO Vision 2015.

15. The Meeting deliberated the need to develop an Action Plan aimed at establishing a Free Trade Area in the region under the ECO Vision 2015 and decided that the matter may be discussed in detail by the Joint Working Group as established under the Agenda Item No.7 of the present Report. The Joint Working Group would conduct preliminary study on the prospects of establishing a Free Trade Area. Such a study would be included in the agenda of the next (5th) ECO Ministerial Meeting on Commerce and Foreign Trade.

16. In line with the decisions of the ECO Summit meetings concerning establishment of Free Trade Area in the region, the Meeting decided that trade and investment organizations would work closely to create favorable conditions for a liberal and transparent regional economy. In this regard, it was agreed that the Republic of Turkey would act as the Coordinating Country on the plans for establishing Free Trade Area.

Agenda Item No. 9

Consideration of Progress on Trade Liberalization Process under ECOTA

17. Recalling the decisions of ECO Summits, CoM, Ministerial Meetings and considering the recommendations of other ECO forums regarding ECOTA implementation, the Meeting took note of the delay in implementation of the tariff concession under ECOTA. Further, the Contracting Parties were called upon to remove obstacles for its accelerated implementation, preferably by the end of 2011.

18. The Meeting took note of the position of the Republic of Tajikistan regarding its commitment under other multilateral arrangements outside the ECO and decided that all the Contracting Parties to ECOTA having similar obligations may convey their positions. Similarly, the Contracting Parties may also convey their reservations if any, so that all pending procedures on ratification of ECOTA and its Annexes are completed and Agreement implemented during 2011.

19. The Meeting referred the consideration of the proposal on the Establishment of ECOTA Implementation Fund to the upcoming Meeting of the Council of Permanent Representative (CPR).

Agenda Item No. 10

Progress of Non-WTO Members of ECO in their Accession Process to Multi-lateral Trading Regime - Ways and Means to Strengthen Cooperation among WTO and Non - WTO Member States

20. The Meeting appreciated the initiatives/efforts of the ECO Secretariat assisting non-WTO Member States in their accession process to WTO and welcomed the offer of Islamic Republic of Pakistan and Republic of Turkey to assist in capacity building, sharing of experiences and strengthening institutions of the non-WTO Member States and invited them to forward their proposals in this regard.

Agenda Item No. 11

Trade Facilitation Measures - Need for the Region

21. The Meeting agreed to establish a Joint Working Group (JWG) comprising officials of Trade Ministries, Customs Authorities, Trade Promotion Organizations and if deemed necessary, the representatives of ECO Chamber of Commerce and Industries and private sector. The JWG was tasked to develop a draft of the ECO Trade Facilitation Agreement (ETFA) aiming at simplification of customs procedures, harmonizing transit trade mechanisms and adoption of transparent customs regulatory regimes.

Agenda Item No. 12

Joint Trade Promotional Activities by TPOs of Member States

22. The Meeting took note with appreciation of the proposals of the forum of ECO - Trade Promotion Organizations (TPOs) aimed at developing understanding on joint strategy for promotion of intra-regional trade, evolving a mechanism for exchange of trade information, organizing joint fairs, cooperation in market and product research, establishing sector specific associations, enhancing trade in services and entering into a "Regional Agreement on Organizing Joint Trade Promotional Activities". The Meeting encouraged ECO-TPOs to devise appropriate strategies to take practical step for promotion of intra-regional trade in light of their plans.

23. The Meeting welcomed the offer of the Republic of Turkey to prepare the draft of the "Regional Agreement on Organizing Joint Trade Promotional Activities".

Agenda Item No. 13

Setting up a Working Group of National Focal Points (NFPs) of Trade and Investment Network Web Portal for Promoting Trade in the Region

24. Reiterating the importance of increased flow of information for growth of trade and investment and integration of economies of the ECO region, the Meeting underscored the need to enhance information and awareness on opportunities existing in Member States in trade and investment fields through the ECO Trade and Investment Web Portal.

25. The Meeting decided that the Ministries of Commerce/Foreign Trade of the Member States would monitor the progress of the designated NFPs with a view to ensuring their performance.

26. The Meeting called on the Member States to consider hosting Orientation Seminars under the Web Portal Project and finalize an assessment of the existing IT infrastructure of the Trade and Investment Promotion Organizations with a view to identifying requirements for upgrading the existing national infrastructure of the smaller economies of ECO.

Agenda Item No. 14

Enhanced Role of ECO-Trade & Development Bank– Identification of Specific Areas of Trade

27. The Meeting took note with appreciation of the presentation made by the representative of the ECOTDB and appreciated the efforts made so far in connection with mobilization, promotion and provision of financial resources to enhance trade and investment activities in the region. A copy of the presentation is at **Annex-VIII**.

28. Welcoming the launch of the process of membership to the ECOTDB by Afghanistan and Azerbaijan, the Meeting reiterated the need for all Member States to join the Bank to benefit from its financial products and services.

29. In order to further strengthen the role of the ECOTDB in its mandated areas, the Meeting made following recommendations:

- a. The Bank may expedite establishing “Technical Capacity Fund” in close consultation with the ECO Secretariat and the Member States.
- b. The Ministries of Commerce/Foreign Trade of the Member States may establish close liaison with the representative offices of the ECOTDB in the Member States.

30. The Meeting appreciated the presentation made by the representative of the IDB on prospects of enhancing cooperation between ECO and IDB in the trade related initiatives; and called on the Secretariat to identify, develop and implement joint activities for the promotion of intra-regional trade with the assistance of the IDB. A copy of the presentation is placed at **Annex-IX**.

Agenda Item No. 15

Recommendation on Strengthening Private Sector Cooperation in the Region

31. The Meeting appreciated the concrete efforts made by the ECO Secretariat to help business communities of the region to interact more frequently through initiatives such as re-activation of ECO Chamber of Commerce and Industry, institutionalizing Business Forums, holding of Buyers/Sellers meetings, Commodity Forums and organizing Trade Fairs on regular intervals. Further, the Meeting acknowledged the ongoing efforts to establish Trade Associations on regional basis and noted that this initiative would contribute towards strengthening private sector cooperation.

32. The Meeting underlined the need to develop a workable mechanism for holding of Specialized Trade Fairs; organizing symposia on key sectors, establishing sector specific Trade Associations at regional level and launching of Integrated Market Promotion Plans (IMPP) on regular basis. In this regard, the Meeting requested IDB and ECOTDB to offer financial support for implementation of such activities.

33. The Meeting called on Afghanistan, Kyrgyz Republic and Tajikistan to develop proposals within the framework of IMPP and forward their proposals to the IDB and ECOTDB to be considered for financial assistance.

34. A presentation on “Strengthening Private Sector Cooperation” was delivered by ECO Director Trade and Investment. A copy of the presentation is at **Annex-X**.

Agenda Item No. 16

Consideration and Finalization of the Draft Kabul Declaration

35. The Meeting unanimously adopted the Kabul Declaration as recommended by the Senior Officials’ Meeting. The text of the Declaration is placed at **Annex-XI**.

Agenda Item No. 17

Any Other Business

36. No issue was raised under this agenda item.

Agenda Item No. 18

Date and Venue of the Next Meeting

37. The Ministers/Heads of Delegation appreciated and welcomed the offer of the Islamic Republic of Iran to host the 5th ECO Ministerial Meeting on Commerce/Foreign Trade to be held in Tehran after one year. The exact dates of the meeting will be communicated to ECO Secretariat in due course.

Agenda Item No. 19

Consideration/Finalization of the Report of the Meeting

38. The Meeting unanimously adopted this Report.

Agenda Item No. 20

Closing

39. The Ministerial Meeting concluded with a vote of thanks to the Chair for conducting the meeting in a smooth and efficient manner. The Ministers and Heads of Delegation also expressed their heartiest gratitude to the Government of the Islamic Republic of Afghanistan for their warm hospitality and excellent arrangements made for this important event. They also appreciated the efforts of the ECO Secretary General and his staff for their assistance in successfully organizing this meeting.

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