

# The 2<sup>nd</sup> Ministerial Meeting

on Trade and Commerce

Report

( Islamabad, 17 July, 2003 )

No. T&I/2<sup>nd</sup> MMC/2003/Rpt/19

1. The Second ECO Ministerial Meeting on Commerce/Foreign Trade was held on 17 July, 2003 in Islamabad, Islamic Republic of Pakistan. The Meeting was preceded by the 6<sup>th</sup> High Level Experts Group on Tariff & Non-Tariff Barriers and the Senior Officials' Meetings, chaired by Mr. Zafar Iqbal Qadir, Joint Secretary and H.E. Mr. Kamal Afsar, Secretary, Ministry of Commerce, Government of the Islamic Republic of Pakistan and held on 15 and 16 July, 2003 respectively. The Ministerial Meeting was attended by the delegations of Transitional Islamic State of Afghanistan, Republic of Azerbaijan, Islamic Republic of Iran, Republic of Kazakhstan, Kyrgyz Republic, Islamic Republic of Pakistan, Republic of Tajikistan, Republic of Turkey, Turkmenistan and the Republic of Uzbekistan. The Secretary General of ECO and other ECO officials of the Secretariat also attended the Meeting. Representatives from International Organizations also participated in the Ministerial Meeting. The list of participants is placed at ***Annex-I***.

## **Agenda Item No. 1**

### Inauguration of the meeting

2. The Meeting was inaugurated by H.E. Mir Zafarullah Khan Jamali, the Honourable Prime Minister of the Islamic Republic of Pakistan. In his statement the Honourable Prime Minister referred to the overall trade situation in the ECO region and highlighted the importance of promoting Intra-regional trade with a view to sustaining economic growth and development in the ECO region. He also called upon the ECO Member States to move quickly towards achieving a Free Trade Area in the ECO region.

3. In his welcoming remarks, H.E. Mr. Humayun Akhtar Khan, the Honourable Minister for Commerce of the Islamic Republic of Pakistan expressed his gratitude to the Ministers/Heads of delegations for their participation in the present meeting. He also appreciated the efforts made by the distinguished delegates for finalization of the text of the ECO Trade Agreement and expressed the hope that all the ECO member states would be able to join this Agreement.

4. The Secretary General of ECO, H.E. Ambassador Seyed Mojtaba Arastou, in his statement gave a brief resume of the developments that had taken place since the 1<sup>st</sup> Ministerial meeting on Commerce/Foreign Trade held in Tehran in March 2000. While taking stock of the performance of the Organization with regard to the achievements in the field of Trade & Investment, the Secretary General expressed his satisfaction over the pace at which the objectives laid down in the last Ministerial meeting were attained, particularly finalization of the ECO Trade Agreement. The Secretary General also emphasized the need to forge closer cooperative relations with International Organizations and donor agencies for sponsoring technical assistance programmes aimed at improving the overall development of trade and investment activities in the ECO Region. He also highlighted the present ECO trade cooperation activities, the trade situation in the ECO region and summarized the latest developments regarding relations with regional and international Organizations. Copies of their statements are placed at ***Annex-II***.

**Agenda Item No. 2**Election of the Chairman

5. In accordance with the ECO rules and procedures, H.E. Mr. Humayun Akhtar Khan, the Honourable Minister for Commerce of the Islamic Republic of Pakistan was unanimously elected as the Chairman of the Meeting.

**Agenda Item No. 3**Adoption of the Agenda

6. The Agenda adopted by the Ministerial Meeting is placed at **Annex-III**.

**Agenda Item No. 4**Appointment of the Drafting Committee

7. The Meeting decided to establish an open ended drafting committee comprising Senior Officials of ECO Member States and the ECO Secretariat.

**Agenda item No. 5**Opening Statements by the Ministers and the Heads of Delegation

8. The Ministers and the Heads of delegation made their statements, outlining their views on the trade cooperation and proposed measures on the promotion of the trade among ECO Member States. Copies of their statements, which were made available to the ECO Secretariat, are placed at **Annex-IV**.

**Agenda item No. 6**Review of the ECO Cooperation in the field of Trade & Investment and other allied issues

9. The Ministers/Heads of delegation noted with satisfaction the achievements made by the organization in the field of Trade and Investment since the 1<sup>st</sup> Ministerial meeting and expressed the hope that the signing of the ECO Trade Agreement would lead to a new era of increased trade and investment cooperation in the ECO Region.

10. The Ministers and the Heads of Delegation also noted with appreciation the Statement made by the Secretary General regarding the Secretariat's efforts in promoting trade cooperation in the region and lauded the progress made with regard to improving relations with regional and international Organizations dealing with trade such as WTO, ITC, UNCTAD, UNIDO and ESCAP. In this connection, the Ministers specifically welcomed the MoUs concluded with WCO, ITC and UNECE. The Ministers/Heads of delegation also urged the Secretariat to expedite efforts towards finalizing the proposed MoU with WTO.

11. The Ministers/heads of delegation directed the ECO Secretariat to continue working towards establishing the ECO Trade and Investment Network (ECO Trade-Net) and called upon the member states to assist the Secretariat in successful completion of this extremely important project through their respective National Focal points. In this context the Ministers/Heads of delegations noted with appreciation the announcement by the Government of Pakistan to hold the 3<sup>rd</sup> Seminar on Trade & Investment Networking in Islamabad in December, 2003.

12. The Ministers/Heads of delegation also emphasized the need to reactivate the ECO Chamber of Commerce and Industry in order to promote private sector interaction at business fora through organizing trade fairs, seminars and exhibitions. They also impressed upon the member states the importance of developing small and medium enterprises to ensure equitable distribution of the fruits of economic development attained through increased trade amongst the ECO member states. In this regard the Ministers/Heads of delegation appreciated the offer made by the Islamic Republic of Pakistan to organize the 4<sup>th</sup> ECO Trade Fair and 2<sup>nd</sup> ECO Chamber Fair in December 2003.

13. The initiative to hold investment conferences on a regular basis was welcomed by the Ministers/Heads of delegation. They particularly appreciated the Secretariat's efforts to organize the 2<sup>nd</sup> ECO Regional Investment conference in Afghanistan in the fourth quarter of 2003.

### **Agenda Item No. 7**

#### Consideration/Approval of the ECO Trade Agreement (ECOTA)

14. The Ministers/Heads of delegation expressed their gratitude and appreciation to the members of the HLEG and the ECO Secretariat for fulfilling their mandate effectively in a spirit of accommodation and compromise through a series of meetings which lead to the drafting and finalization of the ECO Framework Agreement on Trade Cooperation and the ECO Trade Agreement (ECOTA).

15. The 2<sup>nd</sup> Ministerial meeting on Commerce/Foreign Trade unanimously approved ECOTA. The Agreement was signed by the Transitional State of Afghanistan, Islamic Republic of Iran, Islamic Republic of Pakistan, Republic of Tajikistan and Republic of Turkey. The approved and signed Agreement is attached at **Annex-V**.

16. The Ministers/Heads of delegation urged the member states which have not signed the agreement today to do so at the earliest. They also expressed the hope that the signatory member states would expedite the ratification process for early operationalization of ECOTA.

### **Agenda Item No. 8**

#### Consideration of the draft Agreement on Promotion and Protection of Investment in the ECO Region and recommendations regarding future course of action

17. The Ministers/Heads of delegation noted that HLEG on Tariff & Non-Tariff barriers has completed its mandate and thus decided to establish a new HLEG on Trade, Investment and related matters to consider, inter alia, the draft Agreement on Promotion and Protection of Investment in the ECO Region.

### **Agenda Item No. 9**

#### Adoption of the Islamabad Communiqué

18. The Ministers and Heads of Delegation adopted the Islamabad Communiqué of the 2<sup>nd</sup> Ministerial meeting on Commerce/Foreign Trade held on 17<sup>th</sup> July, 2003. The adopted text of the Communiqué is placed at **Annex-VI**.

**Agenda Item No. 10**Any Other Business.

19. Encouraged by the call made by the Honourable Prime Minister of the Islamic Republic of Pakistan to move quickly towards achieving a Free Trade Area in the ECO region, H.E. Mr. Shariatmadari, the Honourable Minister of Commerce of the Islamic Republic of Iran proposed to the Ministerial Meeting that the newly established HLEG should consider a fast track approach to reach the above objective. The said proposal received wide approval from all the participating Ministers/Heads of delegation. The Ministerial Meeting therefore, mandated the HLEG to convene at the earliest for developing a fast track mechanism and to report to the 3<sup>rd</sup> ECO Ministerial Meeting on Commerce/Foreign Trade.

20. The 1<sup>st</sup> HLEG will meet in Turkey in November, 2003 to discuss the implementation of ECOTA and the mechanism for the fast track approach toward achieving a possible Free Trade Area as well as considering the draft Agreement on Promotion and Protection of Investments in the ECO region.

**Agenda Item No. 11**Date and Venue of the next Meeting.

21. The Ministers and Heads of Delegation appreciated and welcomed the offer of the Republic of Turkey to host the 3<sup>rd</sup> ECO Ministerial Meeting on Commerce/Foreign Trade to be held within two years time. The exact date and venue of the said meeting will be conveyed later through the ECO Secretariat.

**Agenda Item No. 12**Adoption of the Report

22. The Report of the 2nd ECO Ministerial Meeting on Commerce/Foreign Trade was adopted unanimously.

**Agenda Item No. 13**Vote of Thanks

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