

The 2nd Ministerial Meeting on Trade & Commerce

Islamabad Communique

(Islamabad, 17 July, 2003)

Annex-VI

No. T&I/2nd MMC/2003/RIC/10

1. The Second ECO Ministerial Meeting on Commerce/Foreign Trade was held in Islamabad, Islamic Republic of Pakistan on July 17, 2003. The Federal Minister of Commerce of Pakistan H.E. Mr. Humayun Akhtar Khan chaired the said meeting which was attended by the Ministers/Heads of delegation of the ECO member states as well as representatives from international organizations.
2. H.E. Mir Zafarullah Khan Jamali, Prime Minister of the Islamic Republic of Pakistan in his inaugural address urged upon the ECO member states to accelerate their efforts towards early realization of the goals and objectives set-forth in the Treaty of Izmir. He also lauded the efforts made by the ECO member states in promoting intra-regional trade by developing new mechanisms and modalities.
3. The Ministers/Heads of delegation while reviewing the trade situation in the ECO region, expressed their concern regarding the overall low level of intra trade. They, however, appreciated the various initiatives launched towards improving cooperation in this regard.
4. The Ministers/Heads of delegation particularly appreciated the signing of the ECO Trade Agreement (ECOTA) and expressed the hope that it will go a long way in promoting trade among the ECO member states.
5. The Ministers/Heads of delegation impressed upon the member states the importance of taking the trade liberalization process forward by making accelerated progress towards actualization of ECOTA by 2011.
6. The Ministers/Heads of delegation, recognizing the need for collective strategies to promote a rule based non-discriminatory and equitable international system in which the interests and concerns of developing countries will be fully safeguarded and served, expressed the desire for the establishment of an ECO approach on such issues. In this regard, they proposed that High Level Expert Group (HLEG) should consider and examine closely all issues of common concern and to advance the interest of ECO member states in all WTO matters. The Ministers/Heads of delegation expressed the need to support and assist the member states who are in the process of applying or acceding to WTO. They also emphasized the need for improving the mechanism of accession to WTO.
7. The Ministers/Heads of delegation while appreciating the efforts of the ECO Secretariat in forging closer ties with other regional groupings, urged the Secretariat to continue its efforts in this regard, keeping in view the formal decisions of ECO on the subject.
8. The Ministers/Heads of delegation acknowledged the central role of an active and dynamic private sector in enhancing Intra-regional trade, which in turn would be instrumental in the uplift of the entire region. While the governments of the member states can encourage trade facilitation it is the private sector that propels this process forward. In this context, the need for enhanced interaction between the trade chambers of the member states was underlined.
9. The Ministers/Heads of delegation requested the ECO Secretariat to strengthen links with the National Chambers of ECO member states through activating and collaborating with the ECO Chamber of Commerce and Industry (ECO CCI) and provide a platform to the private sector to express their views on the ECO policies as well as to participate in implementation of its projects and activities. In this context, they emphasized the need of

- early convening of the meeting of the General Assembly of ECO CCI with a view to deciding on its permanent Secretariat.
10. The Ministers/Heads of delegation while taking note of the report of the 1st ECO Business Forum, held in Istanbul on 11 October 2002 asked the ECO Secretariat to organize the 2nd ECO Business Forum for accelerating private sector participation in the ECO projects.
 11. The Ministers/Heads of delegation called upon the member states to work closely towards enhancing the region's attractiveness and competitiveness for promoting direct investment. The promotion of direct investment into and amongst the ECO member states will help in the development and growth of ECO economies. In this regard, ECO member states were urged to finalize the text of the ECO Regional Investment Agreement for Promotion and Protection of investment as soon as possible and hold Regional Investment Conferences on a regular basis with a view to promoting foreign direct investment in the ECO region.
 12. The Ministers/Heads of delegation, cognizant of the fact that to effectively reap the anticipated benefits from implementation of the ECO Trade Agreement, supplementary trade facilitation mechanisms would have to be launched, urged upon the member states to consider launching such initiatives in tandem with implementation of ECOTA.
 13. The Ministers/Heads of delegation recognizing the importance of introducing greater transparency in standard and conformance measures in promoting intra regional trade, called upon the member states to align product standards based on international standards and to undertake efforts to enter into mutual recognition of standards on a bilateral, multilateral or regional basis wherever possible.
 14. The Ministers/Heads of delegation, prompted by the problems faced by the trading community due to complex and time consuming customs clearance procedures, called upon the Council of Heads of Customs Administration to give serious consideration to simplification and harmonization of customs rules and procedures, including harmonization of tariff nomenclature and standardizing and simplifying customs documents.
 15. The Ministers/Heads of delegation taking into consideration the Recommendations of the 1st ECO Business Forum requested the member states to commence efforts, through regional discussions, towards harmonizing their policies and regulations related to the movement of business persons across national borders, in this regard also to consider expanding the scope of existing Agreement on Simplification of Visa Procedures for ECO businessmen. Ministers and Heads of Delegation also urged the non-signatory ECO member states to become a part of the Agreement, as advised by the 13th RPC.
 16. The Ministers/Heads of delegation acknowledging that the inadequacies in the transportation infrastructure are a common problem in conducting smooth and uninterrupted transit operations across national frontiers, called upon the member states to work towards early harmonization and implementation of ECO Transit Trade Agreement and Transit Transport Framework Agreement.
 17. The Ministers/Heads of delegation recognizing the critical importance of banking and trade financing services in promoting trade among the member states called for early establishment and operationalization of ECO Trade and Development Bank.
 18. The Ministers/Heads of Delegation, cognizant of the importance of the sustainable economic growth and development of all member states for further stability and prosperity of the region, envisioned growth of Trade through closer cooperation in trade expansion, investment, financial services, tourism, training and research, transactions through electronic commerce, use of information technology, Establishment of Trade-Net database, implementation of ECOTA and improving institutional framework.

19. The Ministers/Heads of delegation while appreciating the efforts made by the ECO Secretariat in collaboration with the United Nations Development Programme to establish an ECO Trade-Net, called upon member states to appoint their respective National Focal Points and timely furnish the inputs required by the ECO Secretariat for maintaining and updating the trade-net data base.
20. The Ministers/Heads of delegation, acknowledging the fact that weak infrastructure (both physical and non-physical) is a great impediment in promoting trade in the region, called upon the member states to take appropriate remedial action in this regard.
21. The meeting noted with appreciation the announcement made by the government of Pakistan to hold a combined event of 4th ECO Trade Fairs and the Second ECO Chambers Fair in December 2003.
22. The meeting also noted with satisfaction the approval of the Government of Pakistan for the holding of third Seminar on Trade & Investment Networking in the ECO region in Islamabad in December 2003.
23. The Ministers/Heads of Delegation welcomed the successful conclusion of the Second Buyers/Sellers Meeting on Food & Beverages held in Almaty, on 26-27 May 2003.
24. The meeting also noted with satisfaction that the convening of the Second ECO Regional Investment Conference in Kabul in last quarter of 2003 indicated the growing participation of Afghanistan in the ECO activities.
25. The Ministers/Heads of Delegation welcomed the offer made by the Republic of Turkey to host the Third Ministerial Meeting on Commerce/Foreign Trade in two years time as well as the 1st meeting of the newly established HLEG on trade, investment and related matters in November 2003.
26. The Ministers/Heads of delegation expressed their profound gratitude to H.E. Mr. Humayun Akhtar Khan, Federal Minister of Commerce of the Islamic Republic of Pakistan and also thanked all concerned government officials of the Islamic Republic of Pakistan for their relentless efforts in ensuring the success of the Ministerial meeting. The Ministers/Heads of delegation also thanked the ECO Secretary General, His Excellency Ambassador Seyed Mojtaba Arastou and his staff for their invaluable assistance in organizing this successful meeting.