

## **Welcoming Remarks**

**by Dr. Seyed Ali Mohammad Mousavi D-8 Secretary General at  
The Third Meeting of the Supervisory Committee of the Preferential Trade Agreement 9-10  
April 2014, Ankara-Turkey**

*Honorable Chairman,  
Distinguished Delegates,  
Ladies and Gentlemen,*

At the outset, on behalf of the D-8 Secretariat, I would like to welcome all of you to *the Third Meeting of the Supervisory Committee of The Preferential Trade Agreement* .

It is a great honor and pleasure for me to be with all of you at the opening of this significant gathering. First, let me extend my heartfelt gratitude to the Government of Republic of Turkey, especially to the Ministry of Economy, for this well-prepared Meeting, providing us with this wonderful venue in capital city of Ankara. I would also like to express my appreciation to all delegates for their presence and for their contribution to this Meeting.

*Distinguished Delegates,*

As you may aware, over the past several years, global trade has been subdued - both because of weak overall demand in high-income countries, but also because of changes in the composition of demand away from import sensitive categories of demand like investment goods and toward less trade creating government spending. According to World Trade Organization (WTO) in its current report, World trade growth fell to 2.0% in 2012 — down from 5.2% in 2011 — and was expected to remain sluggish in 2013 at around 3.1%.

However, as growth normalizes and the pattern of demand in high income economies shifts back towards import sensitive private investment and consumption, trade is likely to accelerate more rapidly than global GDP growth. According to WTO projection, growth in global trade volumes will accelerate from 3.1% in 2013 to 5.1 percent by 2015.

In line with this general experience in the global trade and economic conditions, it is estimated that the D-8 total trade volume would slightly decrease from US\$ 1.8 trillion in 2012 to US\$ 1.7 trillion in 2013. As a percentage share of the world trade, D-8 total trade would decrease from 5% in 2012 to 4.4% in 2013. In addition, it is also estimated that D-8 intra-trade volume would slightly decrease from US\$ 148 billion in 2012 to US\$ 131 billion in 2013. This signifies a decrease from 8.2% in 2012 to 7.4% in 2013.

Taking into account these important figures and the target set by the D-8 Roadmap in our mind; Member States should do their best and take necessary measures to compensate the D-8 intra-trade's deficit in coming years.

*Distinguished Delegates,*

Now, please allow me to draw your attention to our Supervisory Committee meetings. The First and Second Meetings of the Supervisory Committee of the Preferential Trade Agreement was held respectively on 22 March 2012 and 29 March 2013 in Turkey. We all recognize the importance of the role and function of this Committee, which is to formulate and prepare the grounds for the actual implementation of the Agreement, in particular to set-up a cut-off date for the first installment of tariff reduction.

Please allow me to take the opportunity to highlight some important outcomes from previous works of the Supervisory Committee, which are in need of close follow up by the Contracting Parties, inter alia, finalization of the Dispute settlement Document. While expressing my appreciation to the Ad hoc Working Group for discussing and producing the consolidated draft document, I do believe that this meeting shall continue their discussion in order to finalize the consolidated draft and produce a legal document for settling any dispute between Contracting Parties concerning PTA implementation.

In addition, the 2<sup>nd</sup> Meeting of Supervisory Committee agreed that Contracting Parties shall provide the Secretariat with specimen signature(s) and impressions of stamps used by their Customs or the competent authorities for the issuance of D-8 Certificate of Origin and with the addresses and specimen of stamps of the Customs or competent authorities responsible for verifying those certificates, as stipulated by Article 12 of the Operational Certification Procedures (OCP).

In this sense, as of to date, all of the Contracting Parties have submitted these specimen signature(s) and impressions of stamps to the Secretariat, and subsequently, the documents were circulated to Member States. In this regard, I would like to express my gratitude to all Contracting Parties for their effort fulfilling the said obligation. I believe that you would concur that this meeting is expected to continue discuss the role of Rules of Origin in the internal procedure of the implementation of PTA, including operationalization of the D-8 PTA Certificate of Origin procedures.

*Distinguished Delegates,*

Subsequent to Supervisory Committee meetings, the Organization held its very first ministerial meeting level, the First Trade Ministers Council, on 24-25 June 2013 in Abuja, Nigeria. In this meeting, the Ministers and head of delegation adopted a document called "***Abuja Declaration***" which provides a rational approach to conceive and promote increasing trade

within the D-8 community.

The most concrete outcome of the aforementioned above meeting is that, the Ministers agreed on 1<sup>st</sup> November 2013 as the new cut-off date for the actual implementation of the first installment of tariff reductions by the Contracting Parties. In line with this commitment, I would like to express my gratitude to the Government of Malaysia for their effort on the implementation of PTA through announcement “Malaysia's Federal Government Gazette on Goods under the D-8 Preferential Trade Agreement”, as approved by the Parliament of Malaysia on 5 December 2013.

At this juncture, I would also like to reiterate remaining Contracting Parties of D-8 PTA to take necessary measures in the implementation of the PTA at the respective national level, in particular, with regards to the national action plan for commencement of first installment of tariff reductions.

Referring to the Abuja Declaration, Member States were also requested to send their Revised Offer Lists (transposed to HS Code 2012) to the D-8 Secretariat. As per to date, member states, which have submitted their offer lists, are Malaysia, Pakistan, Turkey, and Indonesia, and Nigeria. D-8 Secretariat is urging Iran, as member of the Contracting Parties, to follow suit and submit their respective revised lists as soon as possible.

### **Distinguished Delegates,**

As stipulated in the previous works of the Supervisory Committee, we have agreed on a set of objectives to seek to strengthen trade relations among the member countries. Within this line, we have a number of specific issues to address here at the third Meeting of Supervisory Committee as follows:

1. The current state of cut-off date implementation for the first installment of tariff reduction;
2. Discussion of the consolidated draft “Dispute Settlement” Document;
3. Consideration of the Proposal of Bangladesh regarding their request to have 30% Local Value Addition Criteria for LDCs;
4. election of the new Chairman of the Supervisory Committee;
5. And finally, the possibility to have new arrangement for hosting the Supervisory Committee back-to-back with the Trade Ministers Council in the future.

I believe these specific issues need to be accorded due attention henceforth and pursued in earnest further. In this context, I would like to emphasize that Contracting Parties, should take

necessary actions, as a matter of priority, in order to implement the D-8 PTA in concrete terms.

**Distinguished Delegates,**

Deep arrangements on D-8 PTA may be necessary to promote trade in certain sectors and economic integration more broadly. In addition, the expansion of trade needs to be supported by a stable financial and monetary system - delivering a sufficient volume of trade finance at an affordable cost, particularly for developing countries, and macroeconomic policies that promote exchange rate stability.

To this end, active and effective collaboration between D-8 governments, agencies, and private sectors is seriously needed for realizing the stated objective of the Roadmap of achieving the D-8 intra trade at least to a level of 15-20 percent or around US\$ 500 billion of their total trade in the world by the end of 2018.

I am confident that through our constructive cooperation we will succeed in reaping the fruits of our endeavors in the near future. Once again, I thank the government of Turkey for hosting this important meeting and for their hospitality and I wish you all success in your endeavors and deliberations.

Thank you very much for your attention.