

Welcoming Remarks

**by Dr. Seyed Ali Mohammad Mousavi D-8 Secretary General at
The Second Meeting of the Supervisory Committee of the Preferential Trade Agreement 29
March 2013, 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 Second 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 beautiful 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,

I would like to start with a brief overall observation on the current global economic and trade situation. According to World Trade Report 2012, published annually by World Trade Organization (WTO), the volume of world merchandise trade rose 5% in 2011, accompanied by global output growth of 2.4%. This marked a significant slowdown from 2010, when trade advanced 13.8% and output expanded by 3.8%. Slower growth in both trade and output had been anticipated for 2011, but multiple economic shocks held back economic activity and trade during the year. The influence of natural disasters, financial uncertainty and civil conflict weighed heavily in the closing months of 2011.

1

In line with this general experience in the global trade and economic conditions, it is estimated that the D-8 total trade volume would increase from US\$ 1.72 trillion in 2011 to US\$ 1.8 trillion in 2012. As a percentage share of the world trade, D-8 total trade would increase from 4.87% in 2011 to 5.2% in 2012. In addition, it is also estimated that D-8 intra-trade volume would increase from US\$ 129.5 billion in 2011 to US\$ 148 billion in 2012. This signifies an

increase from 7.5% in 2011 to 8.2% in 2012 - which is represents a solid improvement.

Within the context of this overall sketch, let me now turn to the Preferential Trade Agreement (PTA). As everybody here knows fully well, the Agreement officially entered into force between Iran, Malaysia, Nigeria and Turkey on 25 August 2011, to be followed by Indonesia on 4 October 2011 and Pakistan on 8 February 2012. In accordance with Article 27 of the Agreement, the Supervisory Committee conducted its first meeting and 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.

Distinguished Delegates,

The First Meeting of the Supervisory Committee of the Preferential Trade Agreement was held exactly last year in the same month on 22 March 2012 in Istanbul-Turkey. The initial gathering was meant to generate implementation on the importance of D-8 PTA, particularly for reduction of tariffs and elimination of nontariff barriers and para-tariffs. We all concur that this Trade Agreement was conceived and promoted as a conduit for increasing trade within the D-8 community as exporters benefit from the elimination of tariffs in partner markets.

Now please allow me to draw your attention to some outcomes and its developments from the First Meeting of SC-PTA. At the Meeting, as everybody recalls, the Committee agreed that the tentative cut-off date for the first installment of tariff reduction shall be 15 August 2012. I expect that, here in today meeting, the Contracting Parties will report their internal coordination and determine an implementation date for the first installment of tariff reduction at the respective national level and notify this respective date to the Committee.

Distinguished Delegates,

The Committee also noted with satisfaction that Indonesia, Malaysia, Nigeria, Pakistan and Turkey have submitted their respective revised offer lists during the First Meeting. Subsequently, Iran also has submitted their revised offer list on 31 July 2012. Within this line, all Contracting Parties of PTA - Indonesia, Iran, Malaysia, Nigeria, Pakistan, and Turkey - have submitted their revised offer lists. In this regard, allow me to express my gratitude to all Contracting Parties for their constructive efforts in preparing revised offer list, which will be subjected to reductions in favor of other Parties.

Another important outcome from the First Meeting was the composition and procedure of the Arbitration Panel, as stated in Article 26 of PTA. As we, all are aware; Turkey expressed its readiness to prepare the initial draft. Accordingly, Turkey submitted the document to the D-8 Secretariat entitled "*Dispute Settlement*" and the draft text has been circulated by the Secretariat for the consideration of other Contracting Parties. While expressing my appreciation to the Turkish Government for preparing the draft document, I do believe that, in today's meeting, we shall discuss thoroughly and finalize the draft in order to have a legal document for settling any dispute between Contracting Parties with regards to PTA implementation.

Distinguished Delegates,

We all concur that, in very concrete terms, as stipulated in the text of the Agreement, we have agreed on the objective to seek to strengthen trade relations among the member countries.

In a rapidly changing globalized world, increased connectedness between all D-8 governments/agencies/private sectors involved in international trade and supply chains is essential. While institutions play different roles, yet they need to support each other in order to achieve coherence of trade policies and procedures and help facilitate boosting the D-8 intra-trade. Along with this observation, as stated in Article 28 of PTA, the Committee shall prepare the agenda of Trade Ministers Council (TMC) as the highest policy making body. Within this line, during 32nd Session of D-8 Commission (19-20 November 2012), Nigeria has already expressed its readiness to host the TMC Meeting in 2013 and I hope we can receive the new date very soon.

To this end, active and effective collaboration between and among these institutions is seriously needed, especially if placed within the context of the stated objective of the Road-map of achieving the D-8 intra trade at least to a level of 15-20 percent 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.