

**THE FIFTH MEETING OF THE SUPERVISORY
COMMITTEE
OF THE D-8 PREFERENTIAL TRADE
AGREEMENT**

24 October 2018

Ankara, TURKEY

Annotated Draft Agenda

- 09:00** **Agenda Item 1- Welcoming Remarks**
D-8 Secretary-General, Ambassador Dato' Ku Jafaar Ku Shaari, will make a brief welcoming statement.
- 09:10** **Agenda Item 2- Opening Remarks**
Chairman will make a brief opening statement.
(The Head of delegation of Turkey as the Chairman of the Committee, will make an opening statement.)
- 09:20** **Agenda Item 3- Consideration and Adoption of the Draft Agenda**
The Meeting will consider and adopt the draft agenda.
- 09:30** **Agenda Item 4- Statement by Heads of Delegations**
The Head of Delegations will deliver country statements.
(About 5-7 minutes are allocated for each country)
- 10:30** **Coffee/Tea Break**
- 10:45** **Agenda Item 5- Presentation and discussion on the current state of the implementation of the Preferential Trade Agreement (PTA)**

At the Second Trade Ministers Council Meeting (16 February 2016, Islamabad) Member States endorsed 1 July, 2016 as the new cut-off date for the implementation of first installment of tariff reductions, by the contracting Parties. Turkey, Malaysia and Iran¹ began implementing the Agreement after 1st July 2016. Pakistan, Nigeria and Indonesia are yet to implement the Agreement.

In the Supervisory Committee meeting, the Secretariat will present a paper (attached as Annex I) that it has prepared and circulated pertaining to the challenges and opportunities of the PTA. Afterwards, each contracting Party is expected to inform Committee on the current state of progress in the implementation of the PTA.

¹ The Secretariat did not receive any notification that the PTA has been gazetted in Iran.

In light of the discussions, members shall fix a definite date for the implementation of the Agreement by the remaining countries, i.e. Pakistan, Nigeria and Indonesia, to be reflected to the decisions of 3rd Ministerial Council.

On the other hand, the Supervisory Council would welcome Bangladesh who ratified the PTA as of November 2017.

12:30 Lunch

14:00 Agenda Item 6- Discussion of the draft “Dispute Settlement” Document

At its fourth meeting, the Supervisory Committee established an ad-hoc working group to resume discussion on the consolidated Dispute Settlement document. The Working Group worked intersessionally to finalize the draft document.

The meeting decided that the Supervisory Committee should continue its work on the consolidated draft Dispute Settlement document to finalize it in the fifth meeting. The meeting also decided that the special session of the Supervisory Committee under the chairpersonship of Pakistan would convene in May 2016 in Istanbul.

Special Session of Supervisory Committee of the PTA took place on 30-31 May 2016 in Istanbul. At the meeting, the Committee agreed to develop a dispute settlement mechanism in the form of a protocol establishing the Annex on DSM to the PTA based on the current consolidated text. In addition, the Committee agreed that the protocol would add the following provisions to the Annex on DSM: (i) a conflict of provisions clause (between the Annex on DSM and the PTA); (ii) an accession clause; (iii) an entry into force clause, which follows the mechanism under Article 34 of the PTA. The Committee also agreed that the protocol would not bring any amendment or modification to the text of the PTA.

In light of these decisions, Committee agreed that Indonesia would prepare the first draft of the protocol and send it to the D-8 Secretariat by 30th June 2016; and the Secretariat would distribute the document to the Member States for their feedback by 31st August 2016 which would be compiled for discussion in the upcoming regular session of the Supervisory Committee.

Afterwards, Indonesia submitted the draft protocol to the PTA on Dispute Settlement Mechanism (attached as Annex II), which the Secretariat circulated on 11 January 2018. The Secretariat did not receive any objections from any of the Member States to the proposed draft protocol.

15:30 Coffee Break

15:45 Agenda Item 7- Discussion on Rules of Origin

At the fourth meeting of the Supervisory Council, the Council urged all Contracting Parties to expedite operationalization of the Rules of Origin procedures. The meeting also recognized the necessity of Customs working

group to meet to discuss implementation issues regarding the Rules of origin. Pakistan volunteered to host the customs working group meeting in Islamabad within three months. However, the meeting could not convene and Turkey volunteered to host the meeting on 23 October 2018. The output of the meeting will be further discussed at the Fifth Supervisory Council.

16.30 Agenda Item 8- Consideration of the Proposal of Bangladesh regarding their request to have 30% Local Value Addition Criteria for LDCs

Bangladesh brought their proposal to the attention of the fourth meeting of the Supervisory Committee. Bangladesh requested Member States to consider the proposal to have 30% Local Value Addition Criteria for LDCs as agreed in Trade Preferential System (TPS) amongst the OIC Member States. After having deliberations amongst the delegates, the meeting agreed to take up the case in the Fifth Supervisory Committee Meeting. The meeting also requested Bangladesh to present a concept paper on the issue.

Subsequently, Bangladesh brought the issue to the attention of the Special Session of Supervisory Committee of the PTA that took place on 30-31 May 2016 in Istanbul. At the meeting, Bangladesh presented a concept paper (attached as Annex III) regarding three issues on 30% Local Value Addition Criteria for LDCs as per the decision of the Second Trade Ministers and Fourth Supervisory Committee Meetings and requested the Committee to consider inclusion of 30% Local Value Addition Criteria for LDCs in the RoO. Bangladesh referred to the status of S&DT in different international and regional fora including WTO, APTA, TPS-OIC, SAFTA, BIMSTEC-FTA etc., amendment of RoO at Rule 4 and 5 and legal status required of the Contracting Members.

After detailed deliberations, Iran and Malaysia supported the request of Bangladesh concerning 30% local value addition. Bangladesh also noted that Nigeria supported Bangladesh's request in the Fourth Supervisory Committee.

On the other hand, Indonesia informed that presently their policies do not provide for 30% value addition for LDCs. Pakistan and Turkey requested Bangladesh to consider ratification of the D-8 PTA. Indonesia and Turkey stated that they would consider proposal after the ratification (as of November 2017 Bangladesh ratified the PTA).

The Committee agreed that the issue would be discussed in the Supervisory Committee.

17.00 Agenda Item 9- Exchange of views on the Third Trade Ministers Council Meeting and Discussion of the Draft Istanbul Declaration to be adopted by the Third Trade Ministers Council Meeting on 27 November 2018, Istanbul

The Meeting will discuss and finalize the agenda (attached as Annex IV) and the report of the Third Trade Ministers Council and the "Istanbul Declaration" for adoption by the Trade Ministers Council on 27 November 2017 in Istanbul.

18.00 Agenda Item 10- Exchange of views on the Fourth Trade Ministers Council Meeting

The Meeting will exchange views on the Fourth Trade Ministers Council Meeting with regard to the proposed agenda, date and venue of the Meeting.

18.15 Agenda Item 11- Date and Venue of the Sixth Meeting of the Supervisory Committee

The Meeting will exchange views on the next meeting of the Supervisory Committee.

18.30 Agenda Item 12- Any Other Business

The Meeting would address any other issues to be raised by the Member States.

18:45 Agenda Item 13- Adoption of the Meeting Report

The report of the meeting will be presented by the D-8 Secretariat – assisted by the host country will be discussed and adopted.

19:00 Closing