

**STATEMENT BY MINISTER FOR COMMERCE ON OCCASION  
OF THE 2<sup>nd</sup> D-8 TRADE MINISTERS COUNCIL MEETING**

***17<sup>th</sup> FEBRUARY, 2016***

**H.E Ms. Aisha Abubakar, Minister of State for Industry, Trade and Investment, Nigeria,**

**H.E Mr. Faith Metin, Vice Minister of Economy, Turkey,**

**H.E. Dr. Syed Ali Mohammad Mousavi, Secretary General of D-8,**

**Excellencies the Ambassadors of D-8 Member States,**

**Distinguished Delegates,**

It is my proud privilege to extend you all a very warm welcome. We are grateful and value your presence here in Pakistan for the 4<sup>th</sup> Supervisory Committee and the 2<sup>nd</sup> Ministerial Council's meetings. I hope your stay in Islamabad would be comfortable and a memorable one.

**Excellencies & Distinguished Delegates,**

The new global environment, determined by the phenomenal pace of technological progress, rapid communications, information revolution and rising expectations confronts every country with external and internal challenges. This is especially true of the developing countries which remain politically weak, economically vulnerable and lacking the technological edge. In several regions of the world, absence of peace and stability and security concerns exacerbate the challenges of development.

In 1997 a shared vision had motivated the leaders of our countries to gather in Istanbul to lay the foundation of the Developing-Eight, to promote economic, trade and technological cooperation among the member states. Developing such cooperation among countries of similar background, economies and size, was an endeavour in step with the spirit of our times. The results achieved thus far, may have fallen short of the early expectations, yet, the Group has achieved a momentum, which must be accelerated to forge a stronger partnership for development and to transform D-8 into a true leader and beacon of light for the Islamic world.

Commercial integration among our countries will boost development through trade and investment which could lead to decrease poverty and uplift millions of people to a brighter and mutual prosperous future. Our deep historic, cultural and religious affinities can be consolidated into solid and quantifiable economic gains. Trade being the engine of economic growth and well being, the leadership of D-8 has abidingly focused on bolstering trade and commercial ties between our countries.

It is in this spirit that the target of enhancing the trade between our countries to the level of US \$ 500 billion by 2018 was set. Although intra-D-8 trade has been fluctuating in recent years, yet to achieve the target and to rapidly realize the true potential our block possesses, we need to immediately address some outstanding issues, such as operationalization of D-8 Preferential Trade Agreement (PTA), which has been inordinately delayed. I am hopeful that during the 4th Supervisory Committee meeting yesterday a consensus towards early effectiveness of D-8 PTA has achieved. This would be great step forward to not only help achieve the target but also to collectively overcome the challenges of sustainable economic growth, elimination of poverty, employment generation etc., currently being faced by the world, in general, and Muslim Ummah, in particular.

### **Excellencies & Distinguished Delegates,**

Under the leadership of Prime Minister Muhammad Nawaz Sharif, the economy of Pakistan is growing satisfactorily, which is manifested by an overall improvement in macroeconomic indicators. In FY14, Pakistan achieved GDP growth of 4.02 percent - the highest in six years - and increased it further to 4.24 in FY15, reaching the highest level in seven years. The fiscal deficit which stood at 8.2 percent at the end of FY13 has been brought down to 5.37 percent in FY15. There has also been a significant increase in Pakistan's foreign exchange reserves. Having touched the predicted low level of less than US\$ 8 billion in February 2014, Pakistan's reserves have continued to grow and have now reached the record level of over US\$ 20 billion. Positive macroeconomic performance has resulted in a soaring stock market and increased investment.

Pakistan is following a liberal trade regime and has undertaken a three-year process to rationalize custom tariffs. The objective of the rationalization process is to reduce maximum tariff and the number of total slabs. Trade Policy reforms focus on simplifying tariff rates, phasing out SROs that establish special rates and/or non-tariff barriers in some 4000 product areas. The maximum tariff as a result of this rationalization process has been brought down to 20% with fewer exceptions.

Pakistan also has one of the most liberal foreign investment regimes in South Asia. 100% foreign equity is permitted in the manufacture and infrastructure sectors as the country has a market-oriented economy, with a rapidly growing private sector. Pakistan has a very dynamic market and a large consumer base of more than 180 million people. Special Economic Zones have been established with efficient infrastructure and one window facility for investors. Enterprises operating in these Zones enjoy exemption from customs duty on import of capital goods as well as income tax for a period of 10 years. Pakistan provides opportunities of investments in infrastructure, energy, textiles and engineering sectors.

### **Excellencies & Distinguished Delegates,**

Our countries are endowed with enormous human and material resources. We face similar challenges of development. Our aspirations and objectives are the same and complementary. Our governments attach high priority to economic growth, technological development and promotion of trade. There is, thus, no reason to doubt the promise of the D-8. The D-8 activities will grow and their scope will expand with the development of our individual potential and the success of our collective efforts in building prosperous and vibrant economies.

**I thank you**