

**Statement by
Dr. Seyed Ali Mohammad Mousavi
D-8 Secretary-General
at
The Fourth Meeting of the Supervisory Committee
of the D-8 Preferential Trade Agreement (PTA)
16 February 2016, Islamabad, Pakistan**

*Mr. Chairman,
Distinguished Delegates,
Ladies and Gentlemen,*

Assalamu 'alaikum warahmatullahi wabarakatuh,

I begin with expressing my felicitation and profound confidence on the grand success of this most important meeting in our priority areas of cooperation, the D-8 Supervisory Meeting of the PTA. Let me also welcome you to this meeting in my capacity as Secretary-General of the D-8.

I would like to register my gratitude and appreciation to the esteemed Government of the Islamic Republic of Pakistan, the Ministry of Commerce in particular, for this well-prepared Meeting, providing us with this wonderful venue in the capital city of Islamabad. I thank the esteemed Government of Pakistan for convening the meeting of our most important business, promotion of trade and economic activities. I would also like to express my appreciation to all delegates for their presence and look forward to their invaluable contribution to this Meeting.

*Mr. Chairman,
Distinguished Delegates,*

I would like to start with a general overview of the current state of the global trade. According to the World Trade Organization (WTO) Report 2015, global trade growth remained modest in the first quarter of 2015 increasing by 3.5% year-on-year, following three years of weak expansion. Annual increases in merchandise trade were small in that period, expanding by just 2.5% in 2014, 2.5% in 2013, and 2.2% in 2012. Exports of developing and emerging economies grew faster at 3.1% compared to those of developed

countries at 2.0% in 2014. However, imports of developing countries grew more slowly than those of developed economies, 1.8% compared to 2.9%.

For D-8, since its establishment in 1997, the D-8 intra-trade volume has increased steadily registering a growth of 16.6% from US\$20 billion in 1997 to US\$120 in 2014. The highest level was recorded in 2012 reaching almost US\$150 billion. However, the D-8 intra-trade experienced a decline in 2013 and 2014 to US\$133 billion and US\$122 billion respectively.

Mr. Chairman,
Distinguished Delegates,

Now, I would like to recount important developments and decisions taken in the last Supervisory Committee and Trade Ministers' meetings. The ad-hoc Working Group established in the last meeting did never convene to discuss draft 'Dispute Settlement Mechanism'; new cut-off date for the actual implementation of the first installment of tariff reductions by the Contracting Parties, issue of local value addition and convening meeting of Sub-Committee of Experts to discuss para and non-tariff barriers did not see any progress at all; most importantly, the PTA which was signed in 2006 has remained at almost the same place since its signing.

As you see the picture is not very promising but, at this juncture, I want to underscore the unique necessity for all contracting parties to expedite the implementation of the PTA taking into consideration that it was signed 10 years ago and entered into force only in 2011. Since then, the progress is not at the speed which we envisaged and as a result, we were unable to make best use of the agreement.

Mr. Chairman,
Distinguished Delegates,

As deliberated in the previous works of the Supervisory Committee, we have agreed on a set of objectives to strengthen trade relations among the member countries. Towards this end, we have a number of specific issues that need to be addressed expeditiously here at the Fourth Meeting of the Supervisory Committee as follows:

1. Review of the current state of cut-off date to implement the first installment of tariff reduction;

2. Continuous discussion on removal of NTB and PTB;
3. Discussion on the finalization of the consolidated draft “Dispute Settlement” Document;
4. Inclusion of items in Offer Lists (transposed to HS Code 2012) which may attract sufficient attention among D-8 business community;
5. Development of Plan of Action for follow-up (including meetings); and
6. Election of new Chairman of the Supervisory Committee.

Let me reiterate that the role of the Supervisory Committee of the D-8 PTA is very important, 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. To date, the Supervisory Committee had convened three times in March 2012, March 2013 and April 2014 respectively in Turkey. I hope current meeting will add significant momentum to the work of the Committee.

Mr. Chairman,
Distinguished Delegates,

The D-8 leaders have been keen to develop cooperation framework on the solid base of trade and economic cooperation. We, however, see less activities consolidating our cooperation and trade promotion. The Organization did not have any meeting regarding trade or PTA since last Supervisory Committee meeting held in early 2014 in Turkey. I would also like to note that there is very little tangible progress on the trade front: PTA signed in 2006 has yet to implement; vacuum on transition from PTA to FTA, let alone Customs or Economic Union, is widening; D-8 private sector and economic actors are disillusioned and do not see much value in our policy and instruments; trade target set by the D-8 leadership has been left unattended and there is no visible impact of D-8 mechanism on the progress in our intra-trade.

Mr. Chairman,
Distinguished Delegates,

Personally, I am a very optimistic person. Despite the bleak features mentioned above, I hold high hope and confidence that the momentum and confidence which catered to the establishment of D-8 Organization for Economic Cooperation and rapprochement of eight great nations with unique features in trade, economy, human resources and what not, will still be the guiding force to share a resilient and sustainable economic community of

D-8 nations. We hope to organize our Summit this year and I strongly believe that the Trade Ministers would be able to portray an attractive work plan in front of the leadership to achieve intra-trade target of US\$ 500 billion by 2018.

I hope that collaboration between D-8 governments, agencies, and private sectors in realizing the D-8 intra-trade of US\$500 billion by 2018 will reach a new height. I believe that through our constructive cooperation and flexibility in the course of deliberations we will succeed in reaping the fruits of our endeavors. Once again, I thank the Government of the Islamic Republic of Pakistan for hosting this important meeting and for their hospitality and I wish you all success in your endeavors and deliberations.

Thank you for your attention.