

**Report on the Sixth Meeting of
High Level Trade Officials of the Developing Eight (D-8)
Bali, Indonesia, 3-4 April 2006**

1. The Government of the Republic of Indonesia hosted the Sixth Meeting of High Level Trade Officials (HLTO) of the Developing Eight in Bali, Indonesia, on 3-4 April 2006. The Meeting was presided over by H.E. Herry Soetanto, the Director General of International Trade Cooperation of Ministry of Trade of the Republic of Indonesia. The delegations from all D-8 member states attended the Meeting. The list of delegates is attached as Annex I.

 2. In his welcoming remarks, H.E. Ambassador Mochamad S. Hidayat, the Director General of Multilateral of the Ministry of Foreign Affairs/D-8 Commissioner of the Republic of Indonesia highlighted that trade is the main issue of D-8 cooperation as it could contribute significantly to economic development. Using trade as a means to address poverty problems requires comprehensive approach at both domestic and international level. Therefore, concluding the draft Preferential Trade Agreement (PTA) among D-8 countries would be very important for enhancing D-8 intra trade. The Sixth Meeting of HLTO was highly expected to finalize the draft PTA so that it could be signed during the Fifth Summit of D-8 in Bali on 13 May 2006. During the Summit, another Agreement on Customs Cooperation would also be signed, to facilitate the PTA. With the conclusion of the two Agreements, D-8 member countries would be materializing their commitment through concrete cooperation. The text of his remarks is attached as Annex II.

 3. H.E. Herry Soetanto mentioned in his opening statement that the trade relation among D-8 countries was still below expectation although the opportunity and its potential were vast enough. Most of D-8 member countries are developing economies where trading activities should be
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further facilitated. The D-8 Governments should undertake effective measures and leading initiatives in providing supportive mechanism to the private sector to be involved more actively in expanding D-8 intra trade. Finalizing the draft PTA became more relevant and essential for enhancing D-8 intra trade. The text of his opening statement is attached as Annex III.

4. The Agenda of the Meeting was adopted and attached as Annex IV.
 5. The Meeting considered the Fifth version of the draft PTA among D-8 countries, particularly on the two pending issues contained in Article 5 of the PTA. In this regard, the Delegation of Turkey confirmed that Turkey accepted the 8% tariff line coverage as contained in Article 5.1c(i). Meanwhile, the Delegation of Bangladesh proposed a two-year grace period prior to the six annual installment for LDCs in tariff reduction modality as provided in Article 5.1c(ii). After a lengthy discussion, most delegates were not in favour of Bangladesh proposal. There were several alternatives raised during the discussion, among other giving Bangladesh a two-year grace period and four-year installment, or seven-year installment without grace period. However, Bangladesh delegation expressed the difficulty in agreeing to this alternative. In the spirit of compromise, finally the Meeting agreed to extend the installment for LDCs from six to eight years without the two-year grace period.
 6. The Meeting also discussed Article 13 and adopted it with some modification. With regard to Article 14 on Safeguard Measures, it was agreed to include a new paragraph to elaborate the right of contracting members in applying safeguard measures.
 7. The Meeting adopted the draft PTA and agreed to submit it to the respective D-8 Governments for signing during the Fifth D-8 Summit in Bali, on 13 May 2006. In this regard, member countries were expected to complete their
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internal procedures and requirements for the signing of the PTA. It was emphasized that the PTA should be signed by the respective Trade Minister. The adopted PTA among D-8 Countries is attached in Annex V.

8. The Delegation of Pakistan introduced his proposal on the draft Rules of Origin (RoO). Some delegates expressed their general views and comments on the draft RoO. Pakistan would send an improved text of the draft RoO to all HLTO members for further consideration. The Meeting agreed to continue more comprehensive consideration of the draft RoO in the next HLTO meeting. It was further agreed that more elaborated views and positions of each D-8 member countries would be provided in writing and sent to the D-8 Secretariat for circulation to all D-8 member countries prior to the forthcoming HLTO meeting.
 9. The Meeting requested the D-8 Executive Director to consult member countries on the venue of the seventh meeting of HLTO that should be held in 2006.
 10. The Head of Delegation from Egypt on behalf of all participating delegates expressed his appreciation and gratitude to the Government of the Republic of Indonesia for hosting the Sixth Meeting of HLTO.
 11. The D-8 Commissioner of Indonesia briefed the Meeting on the preparation of the Summit and its preceding meetings to be held in Bali, Indonesia, from 9 to 13 May 2006, The related Administrative Arrangement document was also distributed in the Meeting. HLTO members were requested to encourage their respective business communities and private sector to take part actively in the Trade Fair and Business Forum that would be held during the forthcoming summit.
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12. In his closing remarks, the Chairman emphasized that the D-8 member countries needed to work hard to further negotiate the modalities for the implementation of the PTA, including the RoO and the schedule of concession.
