

## **REPORT OF THE XVIII. SESSION OF THE COMMISSION**

**(23-24 May 2005, Tehran)**

1. The D-8 Commission met in Tehran on 23-24 May 2005 with the participation of all the member countries.
2. In his opening statement, Chairman of the Commission, Ambassador Ali Majedi stated that the formation of economic blocs is the best means to promote individual national interests. Certainly, D-8's share in world population, trade, power generation, oil and gas production capacity, GDP is so significant to make the D-8 Grouping as an effective and strong vehicle for cooperation. He added that we have to make maximum use of our capacities and to redouble our efforts to deepen D-8 cooperation.
3. The draft agenda was adopted
4. The Executive Director introduced his report and underlined a few salient points therein. In this context, he commended the hard work of the HLTO and expressed the hope that the experts would be able to finalise the PTA Agreement at the next meeting so as to make it ready with the Customs Cooperation Agreement for signature at the Jakarta Summit. He also emphasized the necessity of establishing a proper and efficient secretariat in view of the additional tasks conferred upon it.
5. The work of the HLTO: The Commissioners of Indonesia and Turkey introduced the reports of the III. And IV. Sessions of the HLTO. Besides, the Turkish expert in the HLTO offered additional information on various articles on which there are still divergencies. In the course of the discussions, all the Commissioners deeply appreciated the work of the HLTO. Concerning the articles which are placed in brackets, it was suggested that the HLTO could draw upon the experience of OIC especially concerning article 5. "tariff on import of goods". It was also stated that the officials from the Central Banks of the member countries could join the next meeting of the HLTO and engage in the discussions on articles 19 and 21 concerning the "transfer of payments and balance of payment difficulties". Meanwhile, another suggestion was made by rolling the text of various suggestions on controversial articles through e-mail addresses. The Commissioners expressed their earnest hope that the PTA draft would be finalized before the Jakarta Summit since all the member countries stand to gain from this agreement. To this end, Pakistan volunteered to organize the V. Session of the HLTO. Moreover, if yet another meeting is needed, Turkey volunteered to do likewise.
6. The Report of the WTO Seminar : In presenting its report, the Commissioner of Pakistan particularly referred to the two messages given by the experts, namely the collaboration of D-8 Missions in Geneva by getting together in the course of the WTO meetings and supporting the Iranian membership in this Organization. The Iranian Delegation, expressing its appreciation for the work

of the Seminar, requested the member countries to instruct their delegations to WTO to continue to support the Iranian membership as there will soon be a meeting of the WTO Council.

7. The Report of the Second Working Group Meeting on Energy: The Iranian Delegation introduced the report of the meeting and referred to its recommendations such as the exchange of information in this field, the establishment of a center/ data bank to this end and cooperation among D-8 research institutes for the development of education on energy and human resources. Commenting on the report, the Commissioners expressed their appreciation for the work of the Energy Group and underlined the importance of intensification of cooperation in this field and the exchange of energy technology with particular attention to renewable energy. In this context, it was also underlined the importance of energy efficiency while increasing the capacity of energy production. As recommended by the Group to hold this meeting on an annual basis, Indonesia volunteered to organize next meeting of energy in 2006 and Egypt to do likewise in 2007. In the light of the conclusions of these meetings, an energy meeting at ministerial level could also be convened.
8. The Report of the Seminar on Shipping: The Commissioner of Pakistan presented the Report of the Seminar on Shipping and referred to various recommendations of the Seminar such as liberal visa procedures for the seafarers like the D-8 businessmen, exchange of data for sea trade, port facilities and available cargo. He stated that it would be useful to exchange e-mail addresses of the associations and institutions involved in shipping. In this context, he also expressed his disappointment for the inadequate attendance at this meeting, adding that his Government is prepared to meet the travel expenses of the participants as they did in the case of the Meeting on Drip Irrigation and Water Conservation.
9. Strengthening of the Coordinating Unit (consideration of the paper prepared by the Executive Director): In the extensive discussions undertaken, all the Commissioners underlined the need to strengthen the Coordinating Unit. The discussions rather concentrated on the increase of the existing contributions to meet the additional requirements of financing. With the exception of one delegation, all the Commissioners concurred in principle with an increase in the existing contributions although some questioned its scaling. Nevertheless, at the end of the discussions, the Commission decided as an interim solution to go along with the secondment of the Coordinating Unit as offered by the I.R. of Iran and Pakistan. In this context, the Pakistani expert would be based in Islamabad, his travel expenses to be covered by the Government of Pakistan and the Iranian expert to be located in the Iranian diplomatic mission in Istanbul, his salary to be entirely paid by his government and his travel expenses to be met either by the same government or by the host country organizing the meeting.

On the other hand, in order to make a division of labor between the seconded experts, it was agreed that the Pakistani expert would be responsible for trade, finance/banking/ privatization, insurance, tourism while the Iranian expert for

science & technology, telecommunication & information, industry, energy, environment.

In view of the instructions by the Tehran Summit, the Commission also agreed to continue to consider the paper of the Executive Director for the establishment of a proper and efficient secretariat since the secondment could not be a substitute and alternative to setting up a proper secretariat in the words of the Executive Director.

As for the unpaid contributions, the Commissioners of Bangladesh and Nigeria gave the assurance that their Government were in the process of completing the necessary financial procedures for the payment of their past contributions.

10. Tehran Trade Fair: The Iranian Delegation briefed the Commission about the preparations of the Fair and said that they were in contact with their authorities to make a discount in the rate of the additional space required by the members. The Iranian Delegation also expressed their earnest hope that all the member countries would participate in the Fair, adding that so far only three members confirmed their participation. The Commissioners of Malaysia and Egypt stated that their countries would most likely participate in the Fair.

11. V. Summit Meeting: The Indonesian Commissioner stated that internal consultations among various departments were being conducted for the preparations of Summit and they planned to organize it sometime in March or April either in Jakarta or in another place yet to be decided. He added that they were considering to also organize a meeting of trade ministers, business forum, and trade fair on the occasion of the Summit. The Commissioners, appreciating the proposal of the Indonesian Authorities, especially requested the early announcement of the precise dates of the Summit so that these dates could duly be incorporated well in advance in the rather heavy programs of the Heads of State and Government.

12. Calendar of Events for 2005: In the course of the discussions on the subject, the Commission agreed on the following:

- Meeting of Working Group on Industries, Tehran, 27-28 June 2005
  - HLTO Meeting in Islamabad, the date yet to be announced
  - Meeting of Central Bank Officials, Indonesia, a tentative date in September
  - Seminar on SMEs, Islamabad, the date yet to be announced
- of
- IX. Session of the Council of Ministers to be preceded by the XIX. Session of the Commission in New York
- XX. Session of the Commission, in Tehran at a date in November or December
- next, yet to be announced.

#### 13. Calendar of Events of 2006:

- The XXI. Session of the Commission, the Council of Ministers and the Summit, in Jakarta, the dates yet to be announced
- The Meeting of Ministers of Foreign Trade and III. Business Forum and Trade Fair, simultaneously with the Jakarta Summit
- III. Working Group Meeting in Energy, in Indonesia
- Expert Meeting on VAT (value added tax) in the I.R. of Iran
- Seminar on Olive and Saffron Cultivation, in Pakistan

The calendar for 2006 will be finalized at the XX. Session of the Commission which will be held in Tehran.

#### 14. Any other business:

- a. The Commission called upon those member Governments who have not yet done so to take appropriate steps to expedite their ratification process of the Agreement on the Simplification of Visa Procedures for D-8 Businessmen
- b. The Commission also reiterated its call to the member countries to properly feed and update the data bases established for various sectors.
- c. The Commission, reviewing the establishment of liaison with various international institutions, emphasized the importance of engaging in cooperation with them especially UNCTAD, WTO, the World Bank, ADB (Asian Development Bank), IDB.

- d. The Commission also reiterated the D-8's wish to enter into relationship and cooperation with the OIC.
  - e. The Commissioner of Malaysia informed that his country will host the OIC Trade Forum which will be held on 20-21 June 2005 in Putrajaya in conjunction with the 30<sup>th</sup> Islamic Development Bank of Governors Meeting scheduled on 23-24 June 2005. He invited the D-8 member countries to participate in the OIC Trade Forum.
15. The Commissioners expressed their appreciation to Ambassador Ali Majedi, the Chairman of the Commission, for conducting the discussions in the most diligent and productive manner, thus ensuring the success of the meeting.
  16. The Commissioners also expressed their thanks and gratitude to the Government of the I.R. of Iran for the warm and generous hospitality extended as well as for the excellent arrangements for the Meeting of the Commission.

## DECISIONS

### XVIII. SESSION OF THE COMMISSION

(23-24 May 2005, Tehran)

The D-8 Commission having met in Tehran on 23-24 May 2005 made the following decisions and recommendations:

1. Expressed its thanks to the Governments of Indonesia and Turkey for organizing the III. and IV. Sessions of the High Level Trade Officials (HLTO) on 9-11 October 2004 in Jakarta and 19-20 April 2005 in Ankara respectively.
2. Appreciated the work of the HLTO on the two draft texts, one the Preferential Trade Agreement (PTA) and the other Multilateral Agreement on Administrative Assistance on Customs Matters, and strongly supported its efforts.
3. Took note of the two progress reports of the HLTO and requested the member countries to give their written comments within 45 days on the PTA draft in particular on those articles related to the transfer of payments and balance of payment difficulties.
4. Called upon the member countries to make maximum efforts in a spirit of conciliation and compromise to reach agreement on those articles of PTA which have been placed in brackets due to divergent positions and to make it

ready for signature at the Fifth Summit along with the already agreed Multilateral Agreement on Administrative Assistance on Customs Matters.

5. Welcomed the offer made by Pakistan to convene the Fifth Session of the HLTO in Islamabad and agreed to have Central Banks representatives present during this HLTO meeting.
6. Appreciated the step taken by the Government of Pakistan to convene the Seminar on Shipping in Karachi on 20-21 April 2005.
7. Took note of its recommendations, decides to establish the “Ports and Shipping Business Forum” and pending the setting up of a proper infrastructure for it, appreciated the offer made by Pakistan to set up a dedicated desk to follow up the recommendations of the Seminar.
8. Appreciated the interactive discussions undertaken at the Seminar on WTO Issues held in Islamabad on 21-22 December 2004 on the most important subjects of the Doha Development Agenda (DDA) Negotiations.
9. Requested the member countries to instruct their delegations accredited to WTO to continue these discussions in Geneva with the initiative of the chair country for better coordination of their positions.
10. Also appreciated the work of the Second Working Group Meeting of Energy held in Tehran by the Islamic Republic of Iran on 30-31 January 2005 and took note of its report.
11. Welcomed the offer made by Indonesia to convene the Third Working Group Meeting of Energy in 2006.
12. Appreciated the arrangements made by the Islamic Republic of Iran for the Tehran Trade Fair and encouraged member countries to actively participate in the Fair.
13. Took note of Executive Director’s report on the strengthening of the Coordinating Unit and decided to continue further discussions on this issue.
14. Welcomed and accepted Iran’s offer of secondment and Pakistan’s offer to provide assistance of a Pakistan-based economic expert to the Coordinating Unit.
15. Welcomed Pakistan’s proposal to establish D-8 Resource persons database of officials, experts, trade bodies and companies for use by all member countries, and its proposal to gather and share data on agricultural research institutes in D-8 countries for encouraging contacts between them.

16. Took note with satisfaction the commitment of the member countries concerned to settle their unpaid mandatory contributions.
17. Took note of the briefing given by the Indonesian Delegation on the preparations of the Fifth Summit to be held in Indonesia in the 1st quarter of 2006.
18. Approved the calendar of events for the current year as follows:
  - a) Meeting of Working Group on Industries, Tehran (June)
  - b) HLTO Meeting in Islamabad (date to be finalized)
  - c) Meeting of the Central Banks Officials, Indonesia (tentatively scheduled for September)
  - d) Council of Ministers preceded by Commission meeting in New York (September)
  - e) Seminar on SMEs, Islamabad (date to be finalized)
19. Expressed its thanks to the member countries, which volunteered to host the events in this calendar.
20. Called upon host countries to announce dates for the meetings as soon as possible with a prior notice of 6-8 weeks, and requested the other members to nominate their participants in a timely manner and to ensure satisfactory attendance of the meetings so that any postponement be avoided.
21. Took note of following events proposed for the calendar of year 2006:
  - a) XXI. Commission, X. Council of Ministers and V. Summit
  - b) Meeting of Ministers of Foreign Trade, Business Forum and Trade Fair (back to back with the Summit)
  - c) Third Working Group on Energy in Indonesia
  - d) Experts Meeting on VAT in Iran
  - e) Seminar on olive and saffron cultivation in Pakistan, preceded by visits of experts in these fields organized also by Pakistan.
22. Called upon the member countries to reflect on calendar of events of 2006 so that it could be finalized at the XX. Session of the Commission and requested member countries to inform the Coordinating Unit.
23. Decided to convene the XX. Session of the Commission some time in the month of November or December next, the precise date to be communicated through the Executive Director in due course.

24. Taking into account the importance of easy and increased personal contacts between the D-8 businessmen for the expansion of D-8 intra-trade, called upon those member governments who have yet done so to take appropriate steps to expedite their ratification process of the Agreement on the Simplification of Visa Procedures for D-8 Businessmen.
25. Called upon the member countries to properly feed and update the databases D-8 Website (ITDB) established for various sectors.
26. Reiterated working cooperation with the international financial institutions including Asian Development Bank, Islamic Development Bank, World Bank, and also UNCTAD and WTO to be initiated without any financial costs to the Coordinating Unit.
27. Also reiterated its wish to establish liaison and cooperation with the OIC.