

**Statement by the D-8 Secretary-General  
at the 6<sup>th</sup> Supervisory Committee Meeting  
26 January 2021**

**The Chairman,**

**Distinguished Delegates,**

**Ladies and Gentlemen,**

It's a great pleasure to welcome you all to the 6th Supervisory Committee Meeting on the D-8 PTA. I would like to start by expressing my sincere gratitude to the Ministry of Trade in particular and the esteemed Government of the Republic of Turkey in general for graciously hosting this long-awaited meeting albeit virtually. I also wish to thank the members of the national delegations of the member states for their valuable participation in this important meeting amid this tough time. I wish you all fruitful discussion and glorious outcomes.

**Mr. Chairman,**

**Distinguished Delegates,**

You all are aware that one of the underlying objectives of establishing this organization is to consolidate economic cooperation among the member States by boosting intra-trade. Therefore, Trade has been identified as the most important priority area of cooperation of the D-8. The D-8 PTA, which was signed in 2006, is the major building block for promoting trade among the Member States. It has been almost one decade since the D-8 PTA came into force (2011). However, we are yet to reap the benefits of this lofty agreement due to the pending status of full implementation. As of this date, all the member states, except Egypt, have ratified the agreement. In fact, Turkey, Malaysia and Iran have already started full implementation and we deeply appreciate their spirit and commitment. We look forward to Egypt coming on board soon so that the density of trade among our members will increase astronomically.

**Mr. Chairman,**

**Distinguished Delegates,**

Since the entry into force of this agreement, two ministerial meetings and five Supervisory committee meetings were held so far. It is undeniable that we have recorded appreciable progress through these meetings. However, we have some pending issues to thrash out with regards to the customs notification, rules of origin and internal capacity building. It would be recalled that 1st March 2019 was set as the new cut-off date for Member States to complete their internal procedures for full implementation. As of today, apart from the above-mentioned three implementing states, Indonesia, Pakistan and Nigeria have expressed their readiness to fully implement this agreement. Therefore, if it is agreeable to the parties, these six Member States can proceed with the implementation of the agreement so that progress can be made. Bangladesh and Egypt may join them after resolving outstanding issues pertaining to customs notification and rules of origin.

**Mr. Chairman,**

**Distinguished Delegates,**

As you are all aware, the second hurdle in the implementation of the D-8 PTA is the operationalization of the agreement which requires completion of all necessary custom-related actions. Most of the Contracting Parties are in the process of operationalization of the D-8 PTA. The first Customs Officials meeting which was convened in Ankara, Turkey on 23rd October 2018 stressed that without proper notification of the customs authorities by the relevant bodies (i.e. Ministry of Trade), the D-8 PTA remains non-operational. Therefore, it is of utmost importance that Member States provide necessary notifications of the Certificates of Origin/Operational and Certificate of procedures, Specimen of Certificate of Origin and Application for a D-8 Certificate of Origin. The Meeting also highlighted the importance of internal capacity building on the national level and training of relevant Customs Officials on the provision of the D-8 PTA and Customs Agreement, as well as internal capacity building linked to the implementation of RoO. It also recommended the designation of a Contact Office in the Member States' respective customs authorities. It is in this light that I would like to request the esteemed delegates of customs of each member states to shed light on their respective status of implementation of these decisions and set a new cut-off date to accomplish all the internal procedures for the operationalization of the D-8 PTA.

**Mr. Chairman**

**Distinguished Delegates,**

We are not unaware that D-8 Member States are enmeshed in several bilateral and multilateral trade agreements and regional economic cooperation arrangements and there are new ones in their agenda. Data also reveals that the Member States have an increasing willingness to trade among themselves. The D-8 intra-trade which stood around USD 15 billion in 1997 has increased more than six folds and reached USD 111 billion in 2018. Though it is far from the targeted amount of USD 500 billion, this significant increase has not been due to the D-8 PTA but due to business networks and bilateral and multilateral trade relations that have been developed between and among our Member States over the last 20 years. Despite apparent and growing interest in trading with one another, Member States are reluctant to fully implement the D-8 PTA and even take it to the next level. There is no gainsaying that it would be highly beneficial if Member States could come up with effective ways to make the D-8 PTA complimentary to subsisting trade arrangements.

**Mr. Chairman,**

**Distinguished Delegates,**

It has been also been observed overtime that on bilateral basis, the Member States are willing to improve trade cooperation by signing FTAs. The D-8 PTA on the other hand remains rather trivial with most of the offer lists being comprised of least or non-traded items that bear little significance for the national economies. Member States are therefore advised to consider revising and upgrading their offer lists in line with the economic complementarities of the Member States. According to a study conducted by the Economic Policy Research Foundation of Turkey (TEPAV), there are 827 country-product matches in which D-8 countries can increase their bilateral trade almost by USD 300 million using their current production structures. Moreover, individual D-8 members can take advantage of the wide extent of the other D-8 members' existing preferential trade agreements to access third countries.

**Mr. Chairman,**

**Distinguished Delegates,**

It is important to point out that D-8 Member States lag behind in terms of World Bank trade facilitation indicators. Therefore, it was another priority agenda of the last Supervisory meeting to develop a Trade facilitation strategy for the simplification and harmonization of trade procedures through eliminating bureaucratic, procedural barriers to trade. I wish to seize this opportunity to express my deepest gratitude to the Ministry of Trade of Turkey for coming up with an excellent Draft Trade Facilitation Strategy ahead of this Supervisory Meeting. This vital document is undoubtedly a significant addition to the D-8 PTA which aims to provide transparency and uniform application of trade-related legislation. It will surely help realize appropriate, transparent and predictable trade-related fees and formalities and also facilitate customs procedures and enhance cooperation between border agencies. I hereby call upon the esteemed delegates of the member states to voice out their constructive views/opinions in this regard. The earliest finalization of this document will help us move to the next level of the D-8 PTA.

**Mr. Chairman,**

**Distinguished Delegates,**

The D-8 Organization for Economic Cooperation is a trans-continental organization. D-8 Member States are geographically diverse, yet they are all economically important Muslim majority countries. The D-8 total trade with the world amounts to USD 1.6 trillion which is almost 4.5 per cent of the total world trade, while the OIC Countries' total trade comprises 9 per cent of the total world trade. 49 per cent of the OIC's total trade was from the D-8 Member States. This makes the D-8 an ideal vehicle for participating in various international economic governance fora such as the G20 as an observer and UNCTAD as a partner.

The D-8 Roadmap of 2008 forecast an intra-trade of USD 500 billion by 2018 which is unattainable even in the near future, given the current global economic realities. Therefore, it is imperative that this target be revised for the D-8 Decennial Roadmap 2020-2030 and strategies be mapped out to attain this target.

**Mr. Chairman,**

**Distinguished Delegates,**

As the international trade landscape is continuing to evolve, bilateral and multilateral collaborations for improving business to business (B2B) interactions have become imperative. Both the context and coverage of trade agreements have been expanding from tariff liberalization to increasing harmony in doing business. However, the tariff rate on agricultural products implemented by the D-8 within its bloc is even higher than the tariff rates implemented by NAFTA and the EU-28 to third parties. The high tariff rate that is implemented by the D-8 within the bloc is an obstacle hindering the smooth flow of agricultural trade within the bloc. Therefore, the member states are highly encouraged to reduce the tariff rate phase by phase once the PTA is implemented fully. Not only that, the Member States could start discussion on the possibility of signing Free Trade Agreements or other possible trade agreements that are not limited to goods but include services and investments.

I hope today's meeting will come up with some actionable plans in order to successfully overcome the challenges in the path of full implementation of the PTA and thus pave way for the deepening of the D-8 cooperation in trade.

I thank you all for your attention.

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