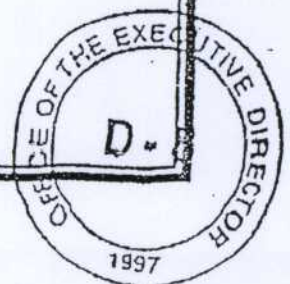




**PREFERENTIAL TRADE AGREEMENT
AMONG D-8 MEMBER STATES**

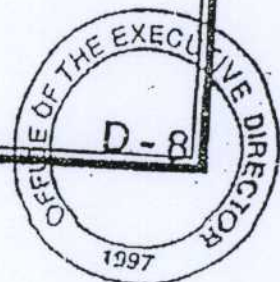




PREFERENTIAL TRADE AGREEMENT AMONG D-8 MEMBER STATES

Contents Preamble

- Article 1 : Definitions
- Article 2 : Objectives
- Article 3 : General Principles
- Article 4 : Scope
- Article 5 : Tariff Reduction Modality
- Article 6 : Schedules of Concessions
- Article 7 : Most Favored Nation Treatment
- Article 8 : National Treatment
- Article 9 : Para - Tariffs
- Article 10 : Non-Tariff Barriers
- Article 11 : Maintenance of the Value of Concessions
- Article 12 : Rules of Origin
- Article 13 : Antidumping & Countervailing Measures
- Article 14 : Safeguard Measures
- Article 15 : Standards, Technical Regulations and SPS Measures
- Article 16 : Cooperation With International And regional Organizations and Groupings
- Article 17 : Relationship With Other Agreement
- Article 18 : Payments and Transfers
- Article 19 : Re-Export and Shortage
- Article 20 : Restrictions To Safeguard The Balance Of Payments
- Article 21 : General Exceptions
- Article 22 : Security Exceptions
- Article 23 : Transparency
- Article 24 : Technical Assistance
- Article 25 : Consultations
- Article 26 : Dispute Settlement
- Article 27 : Supervisory Committee
- Article 28 : Trade Ministers Council
- Article 29 : Secretariat
- Article 30 : Amendments and Review
- Article 31 : Modification of Concessions
- Article 32 : Withdrawal and Validity
- Article 33 : Annexes and Protocols
- Article 34 : Entry into Force





PREFERENTIAL TRADE AGREEMENT AMONG D-8 MEMBER STATES

PREAMBLE

The Governments of the People's Republic of Bangladesh; The Arab Republic of Egypt; The Republic of Indonesia; The Islamic Republic of Iran; Malaysia; The Federal Republic of Nigeria; The Islamic Republic of Pakistan; The Republic of Turkey (hereinafter referred to as the Contracting Members).

CONSCIOUS of their longstanding friendship and fraternity;

EXPECTING that this Agreement will create a new climate for economic and trade relations between them;

RECOGNIZING that strengthening of their closer economic partnership will bring economic and special benefits and improve the living standards of their peoples;

BEARING in mind that the expansion of mutual trade and economic relations will promote world peace and stability;

BELIEVING that this arrangement would expand gradually and extend to new areas of mutual interests;

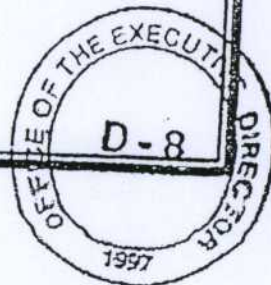
AGREEING that those Contracting Members that are not members of the World Trade Organization (WTO) will continue to pursue the WTO accession process and those Contracting Members that are WTO members shall facilitate and support their accession through appropriate efforts;

CONSIDERING that rights and obligation of the Contracting Members arising from other bilateral, regional or multilateral agreements shall not be affected by the provisions of this agreement;

STRESSING the need for the diversification of traded goods with a view to fostering further development of their respective economies;

RECOGNIZING that progressive reductions and elimination of barriers to trade will also contribute towards the expansion of trade;

Have agreed as follows:

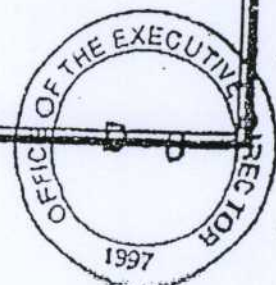




Article 1 DEFINITIONS

For the purposes of this Agreement;

- a. "Member States" refers to the Member States of the D-8.
- b. "Contracting Members" means Member States, which have ratified this Agreement.
- c. "Tariffs" means customs duties or import duties stipulated in the national tariff schedules of the Contracting Members.
- d. "Para-Tariffs" means border charges and fees/taxes other than tariffs on foreign trade transactions of a tariff like effect which are levied solely on imports but not those indirect taxes and charges which are levied in the same manner on like domestic goods. Import charges corresponding to specific services rendered, are not considered as para-tariff measures.
- e. "Non-tariff barriers" means any measure, regulation, or practice, other than tariff and para-tariff, the effect of which is to restrict imports or significantly distort trade between the Contracting Members.
- f. "Goods" constitute those scheduled under the Harmonized Commodity Description and Coding System.
- g. "Preferential treatment" means any tariff, para-tariff and non-tariff barriers concession or privilege by Contracting Members.
- h. "Serious injury" means significant damage to domestic industry of like or similar goods resulting from a substantial increase of preferential imports in situations which cause substantial losses in terms of earnings, production or employment unsustainable in the short term. The examinations of the import on the domestic industry concerned shall also include an evaluation of either relevant economic factors and indices having a bearing on the state of the domestic industry of that product.
- i. "Threat of Serious Injury" means a situation in which a substantial increase of preferential imports is of a nature so as to cause Serious Injury to domestic goods and that such injury, although not yet existing, is clearly imminent. A determination of threat of Serious Injury shall be based on facts and not on mere allegation, conjecture, or remote or hypothetical possibility.



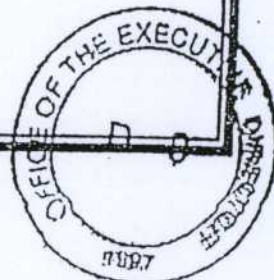


- j. "Critical Circumstances" means the emergence of an exceptional situation, where massive preferential imports are causing or threatening to cause "Serious Injury" difficult to repair and which calls for immediate action.
- k. "Domestic industry" means the producers as a whole of the like or directly competitive product operating in the territory of Contracting Members or those whose collective output of the like or directly competitive product constitutes a major proportion of the total domestic production of those products.
- l. "Dumping" means the introduction of a product into the commerce of the other Contracting Member at less than its normal value which is the comparable price in the ordinary course of trade for the like product destined for consumption in the exporting country, or in the absence of such domestic price, the comparable price for the like product for export to appropriate third country in the ordinary course of trade, or the cost of production of the product in the country of origin plus a reasonable addition for selling cost and profit.
- m. "Least Developed Contracting Member" means a Contracting Member which is designated as a least developed country by the United Nations.
- n. "Supervisory Committee" means a committee established under Article 27.
- o. "Trade Ministers Council (TMC)" means a council established under Article 28.

Article 2 OBJECTIVES

The objectives of this Agreement are to strengthen trade relations among Contracting Members in particular through the:

- a. general principles referred to in Article 3;
- b. reduction of tariffs and elimination of non-tariff barriers and para-tariffs;
- c. promotion and expansion of trade, contributing towards the harmonious development of economic relations among the Contracting Members;





- d. creation of enabling conditions for fair competition among the Contracting Members;
- e. facilitation of mutual trade and contribution towards expansion of world trade;
- f. creation of a more predictable and secure environment for sustainable growth of trade among the Contracting Members; and
- g. facilitation in the diversification of commercial exchanges among the Contracting Members.

Article 3
GENERAL PRINCIPLES

1. This Agreement shall be governed in accordance with the following principles:
 - a. Overall reciprocity and mutuality of advantages to benefit equitably all Contracting Members, taking into account their respective levels of economic development, external trade, tariff policies and import procedures; and
 - b. Recognition of needs of the Least Developed Contracting Members; and
 - c. Negotiations and implementation of the concessions in phases.
2. The Contracting Members shall establish and evolve a mechanism to promote and maintain mutual trade and economic cooperation.

Article 4
SCOPE

The provisions of this Agreement shall apply to trade in goods, contained in the national tariff schedules of concessions and originating in the territories of the Contracting Members.

Article 5
TARIFF REDUCTION MODALITY

1. Upon entry into force of the Agreement, unless otherwise provided therein, the Contracting Members :

