

# **IMPLEMENTATION OF ECO TRADE AGREEMENT (ECOTA)**

## **Introduction**

ECO Trade Agreement (ECOTA), a preferential trading arrangement, comprehensively covers a host of issues ranging from the 8-year trade liberalization programme, non-tariff barriers (NTBs), para tariffs, transit trade, transport facilitation, technical Standards and certification, trade defence measures, WTO accession, Rules of Origin, intellectual property rights and dispute settlement, to those related to procedural formalities for smooth implementation of the agreement.

According to the Tariff Reduction Modality for the implementation of ECOTA, the Member States are required to reduce tariffs on at least 80% of the tariff lines to maximum 15% over 8 years with the exception of Afghanistan for which the implementation period is 15 years. The tariff lines are classified into 3 lists i.e. Positive, Sensitive List, and Negative Lists. The Positive List shall consist on all goods being actually traded among the Contracting Parties at the date of entry into force of the Agreement, except for the goods contained in the Negative List. The Positive List shall be expanded gradually on proportionate basis in 8 equal annual stages so as to cover at least 80% of the goods on tariff lines. The Negative List will comprise products on which no concessions will be made. The Sensitive list will consist of products outside the purview of the Agreement.

## **Implementation of ECOTA**

At the 3<sup>rd</sup> Meeting of the ECOTA Cooperation Council held in Ankara on 02-03 October 2012, the Contracting Parties, namely Afghanistan, Iran, Pakistan, Turkey, and Tajikistan, agreed to implement tariff concessions under ECOTA with effect from January 1, 2013. The Contracting Parties will submit their lists by 15<sup>th</sup> November 2012.

## **Prospects of ECOTA**

ECOTA, now in the implementation phase would help liberalize and open up regional trade. Its full scale implementation would be a big step forward towards establishing a Free Trade Area in the region by the year 2015 as envisaged by ECO Vision 2015. A more active role by the Member States in implementation of ECOTA and other initiatives in the fields of investment promotion, cooperation in customs, banking and strengthening private sector cooperation would certainly help in advancing ECO objectives.

**Bahram Heidari**  
**Legal Advisor**