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United States-Pakistan Trade and Investment Framework Agreement (TIFA) Meeting Joint Statement

WASHINGTON, D.C. - Senior Representatives of the Governments of the United States and Pakistan met at the Office of the U.S. Trade Representative in Washington today for the third meeting of the United States-Pakistan Trade and Investment Council, the implementing body of the U.S.-Pakistan Trade and Investment Agreement (TIFA) that was signed by both countries in 2003. Today's meeting demonstrates the continuing close cooperation between Pakistan and the United States on economic, trade, and investment issues. It manifests the importance both countries place on strengthening a long-term relationship that broadens our cooperation beyond military and security ties to programs that promote the private sector and economic development. Over the long term, solid economic, trade, and investment policies will create jobs, boost investment, and build sustainable development. The TIFA process also supports our objective of building closer people-to-people ties between our countries. We will continue discussion of some of these issues at the May 6-7 U.S.-Pakistan-Afghanistan Trilateral meetings in Washington.

The TIFA process has been a key part of a sustained and multi-faceted high-level engagement between our governments, focused on tackling major economic, trade, and investment challenges. The process is designed to guide and complement the practical work that officials from a wide range of agencies in both our governments carry out daily. At the same time, we strongly encourage private sector input that highlights the challenges that businesses and investors face, so that our efforts are focused on practical solutions that effectively address these issues, helping to create jobs and draw private investment. Strengthening cooperation is particularly important during this difficult global economic downturn.

Our discussions covered four areas: 1) Pakistan's preparations for implementing Afghanistan and Pakistan Reconstruction Opportunity Zones (ROZ), for which legislation is now pending in the U.S. Congress; 2) South and Central Asia regional trade issues; 3) investment climate issues, including bilateral trade issues, Pakistan's privatization plans, intellectual property rights, and current programs in Pakistan of the U.S. Export-Import Bank, Overseas Private Investment

Corporation, and U.S. Trade and Development Agency; and 4) a review of ongoing agricultural cooperation programs by the U.S. Department of Agriculture and U.S. Agency for International Development, and ideas for expanding agricultural cooperation.

Our discussion about the Afghanistan and Pakistan ROZ legislation was useful. We reiterated the President's support for ROZ legislation and noted the efforts of USTR and other key agencies to work with Congress to win quick passage. We believe that ROZ trade benefits would complement other U.S. assistance efforts, fostering investment and creating jobs in critical border areas where there are few economic opportunities. By providing trade-based sustainable development, we will give hope to impoverished citizens and reduce extremist attacks on U.S., Pakistani, and allied soldiers working to stabilize the region.

We also discussed the importance of improving trade among South Asian neighbors and between South and Central Asia. Keeping in mind the continuing strong commitment of the United States to support Pakistan and Afghanistan, the parties also noted the need for Pakistan and Afghanistan to make required improvements to the Pakistan and Afghanistan Transit Trade Agreement that are currently under consideration. The United States presented data on Pakistan's usage of the U.S. Generalized System of Preferences benefits, and Pakistan provided an update on progress of the South Asia Free Trade Agreement (SAFTA).

The parties also discussed a full range of investment climate issues, including intellectual property rights concerns, and privatization of state-owned enterprises. The U.S. Export-Import Bank, Overseas Private Investment Corporation, and U.S. Trade and Development Agency apprised of their programs in Pakistan and discussed areas for possible future cooperation. We also agreed to explore forming a joint trade study group to discuss key trade and investment issues in more depth.

The final session on agriculture reviewed ongoing U.S. Department of Agriculture and U.S. Agency for International Development programs in Pakistan, suggestions for economic reforms to modernize the sector and improve productivity, and ways we might increase the level of agricultural trade between our countries.

In conclusion, our meeting provided an excellent review of key economic, trade, and investment issues, helped to focus our efforts to achieve priority goals, and allowed us to identify new areas for cooperation. With an overarching goal of providing a better quality of life for our peoples, we strengthened our commitment to work together to boost economic development and trade ties between our countries.

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