

**AGREED MINUTES OF THE FOURTH SESSION OF THE AUSTRIAN-PAKISTAN
JOINT WORKING GROUP FOR ECONOMIC AND TECHNICAL COOPERATION
HELD ON 9TH -10TH OCTOBER, 2007 IN VIENNA**

1. Joint Working Group (**JWG**) on Trade and Economic Cooperation was established between the Islamic Republic of Pakistan and the Republic of Austria in 1994 with the aim to foster commercial and economic ties between the two countries. The Group holds its session alternately in Islamabad and Vienna. The last session was held in October, 2004 at Islamabad.
2. The Fourth Session of the Austrian-Pakistan Joint Working Group (**JWG**) for Economic and Technical Cooperation was held in Vienna on 9th to 10th October, 2007.
3. The Austrian delegation was led by H.E. Mr. Josef Mayer, Vice-Minister of the Ministry of Economics and Labour, while Pakistan's delegation was led by Mr. M. Akram Malik, Secretary, Economic Affairs Division (EAD), Government of Pakistan, Islamabad. The list of participants of both delegations is at **Annex-I** and **II** respectively, while the Agenda of the Meeting is attached at **Annex-III**. Detailed programme is attached at **Annex-IV**.
4. The meeting of the Joint Working Group (**JWG**) was held in a cordial and friendly atmosphere reflecting the excellent relations between the two countries and indicating the readiness of the two sides to forge a stronger and mutually beneficial trade and economic cooperation and partnership in different fields.
5. In their opening statements, the leaders of the two delegations highlighted the excellent relations between Austria and Pakistan characterized by spirit of friendship and solidarity and the commonalities of views on wide range of bilateral and international issues. Both sides reflected their desire to translate the friendship and immense goodwill on both sides into a multi-

faceted and cooperative relationship especially in the field of trade, economy and technical assistance. Both sides felt the need to give a new impetus to mutual economic and commercial ties.

6. Both parties unanimously pointed out the importance of the fourth Joint Working Group (**JWG**) that took place within the wider framework of positive political relations between the two countries. It provided the opportunity to re-launch the economic and trade relationship between the two countries that already exist between them.
7. Draft Agenda was formally adopted by both the sides.
8. The decisions taken in the 3rd JWG meeting held in Islamabad in 2004 were reviewed as well as the following new decisions taken:-

(i). FOOD, AGRICULTURE AND LIVESTOCK

Secretary, EAD while discussing the importance of the Dairy Sector in Pakistan informed the forum that Pakistan is the 5th largest producer of milk in the world. He reiterated the proposal to provide technical assistance and support for (a) milk collection, transportation, processing and distribution; (b) vertically integrated feed-lots-abattoirs for production and processing of meat for local as well as foreign markets. The Austrian side took note and agreed to look into the matter of providing possible support of promoting the Dairy sector in Pakistan. The Austrian side invited the Pakistan side to submit relevant information to the institutions concerned. A list of such institutions would be provided by the Austrian side.

(ii). Irrigation Sector:

The need for conserving irrigation water through granule technology was discussed again. The Austrian side took note of the matter and agreed to forward the relevant notes to the experts of the Federal Ministry of Agriculture, Forestry, Environment and Water Management of Austria. Progress in the

matter shall be communicated to the Pakistani counterpart, through the Pakistan Embassy.

(iii). Commerce

a). Pakistan side explained their position with regards to FTA with EU and requested for support in this regards. Austrian side in principle agreed but it was explained that EU has FTAs with a very limited number of countries.

b). Both sides agreed to have seminars and exchanges of business delegations for promotion of trade and investment and undertook to explore the possibilities with the Austrian Federal Economic Chamber to facilitate access of other Pakistani products.

(c). It was noticed by both sides that there is a great potential and opportunities for promotion of bilateral relationships in various sectors like communication, construction, railways, hydropower, water treatment and SMEs. The Austrian side also handed over letters of interest by some of the Austrian companies in some of the above-mentioned fields. The Pakistani side agreed to consider the possibilities of cooperation in the fields identified by the Austrian side in the Memoranda. Pakistan side however added that they had to follow the ICB method in implementation of Public sector projects.

(d). The Austrian side also informed that to promote trade and bilateral relations between two countries a commercial/trade office of Austrian Federal Chamber of Commerce has been opened in Karachi since January 2006. All trade related initiatives and offers may be shared with their representative in Karachi.

(v). Education

(a). Both sides welcomed the existing linkages between the institutions of higher education in Pakistan and Austria and exchanged views on their possible further development.

(b). Both sides welcomed the planned Pakistan-Austria University in Lahore and the technology park included in the project. The park shall also attract Austrian companies.

(c). Both sides expressed interest in an exchange of information in the field of education via the new communication technologies.

(vi). Industries and Production

(a). Pakistan side reiterated its proposal for providing technical assistance for technology up-gradation of Higher Electrical Complex (**HEC**) and Heavy Mechanical Complex (**HMC**). Austrian side agreed to study the possibility of technical assistance for both the Complex as well as Competitiveness Support Fund (**CSF**) to improve the efficiency of industrial and agriculture sector to make their products more competitive in the world market.

(b). Pakistan side again raised the issue of extending technical support for water desalination and purification plants to provide clean drinking water to the general public. The Pakistani side agreed to deliver detailed information about these projects. The Austrian side took note of the proposal and agreed to consult their local firms having expertise in this field.

(vii). Mining and Mineral Development

The Pakistan side explained the potential of the mining and mineral sector in Pakistan and requested the Austrian side to provide technical support and expertise to promote mining and mineral sector in Pakistan which includes marble, granite and magnesite. The Austrian side agreed to consider the proposal and line up prospective investor and mining firms having technical know-how in the field.

(viii) Water & Power

(a). The Head of Pakistani delegation informed the JWG regarding the growth in the economy which has led to increase in demand for energy in the country. Besides

setting up large dams for hydroelectric power generation, Pakistan is eager to have additional electricity generated through setting up of small scale hydropower generation projects (100-150 MW capacity). The Pakistani side agreed to deliver detailed information about these projects. The Austrian side agreed to consider the proposal in view of its expertise in the field of small scale hydro power generation projects.

(b). Austrian side was also requested for extending support for clean and alternate energy which include bio-fuel and wind energy. They agreed to consider the possibilities of extending technical support in the field of clean and alternate energy.

(c). The Pakistani side requested for Austrian support for developing the capacity of the Hydrocarbon Development Institute of Pakistan (**HDIP**) in promoting the use of bio-fuel. The Austrian side noted the proposal and agreed to look for potential firms/organization for extending support for HDIP.

(ix) Infrastructure Projects

The Secretary, EAD briefed the forum about the ongoing and future projects for infrastructure development particularly the National Trade Corridor, construction of sea ports, airports, bridges, tunnels, combined effluent treatment plants, industrial park development and other similar projects which offer great potential to the foreign investors including Austrian firms. The Pakistani side agreed to deliver detailed information about these projects. The Austrian side agreed to work with the Pakistani authorities for development of infrastructure projects and informed the forum that some of the Austrian Firms are always engaged in development of infrastructure project in Pakistan, including projects like Lowari Tunnel.

(x). Health

Possibilities of cooperation in the field of pharmaceutical sector were discussed and Austrian side agreed to study the possibility of technical assistance for standardization and certification of medicines and surgical equipment in Pakistan.

(xi) Tourism

Pakistan side requested for (a) Austrian master trainer to visit Pakistan for providing training to Pakistani trainers in hotel management and its allied field of tourist hospitality; (b) cooperation in syllabus formulation and curriculum development for the two Pakistani institutes, namely PAITHOM (Swat) and PITHM (Karachi); (c) Providing two full and four partial scholarships for Pakistani students at Salzburg University of Hospitality.

Austrian side took note of the above-mentioned proposals and agreed to study the possibility of providing two full and four partial scholarships for Pakistani students at Salzburg University of Hospitality.

(xii) Investment

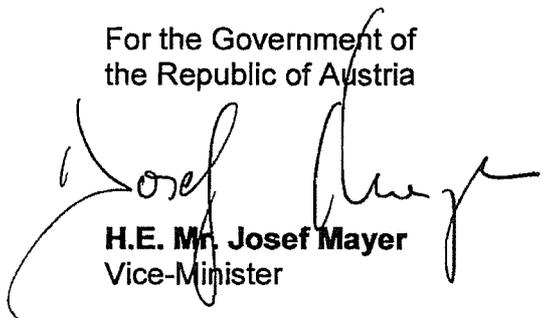
Pakistan side appraised the Group about the opportunities available to foreign investors in Pakistan in priority sectors which included Mining, Power, Oil & Gas, IT & Telecommunication, Infrastructure, Tourism, Agriculture and Banking. The Pakistani side agreed to deliver detailed information about these projects. The Austrian side promised to encourage investors in these areas to have joint ventures.

9. Both sides agreed to hold the meetings of Joint Working Group (**JWG**) regularly and alternatively in each capital. Next meeting of **JWG** will be held in Islamabad in 2008.

The Pakistani delegation expressed their gratitude and deep appreciation to the Government of the Republic of Austria for warm welcome and generous hospitality extended to them during their stay in Austria and for the excellent arrangement made for the holding of the 4th Session of the Pakistan-Austria Joint Working Group.

10. Done and signed in Vienna on 10th October, 2007 in two original in English.

For the Government of
the Republic of Austria



H.E. Mr. Josef Mayer
Vice-Minister

Federal Ministry of
Economics and Labour

For the Government
of the Islamic Republic of Pakistan



H.E. Mr. M. Akram Malik
Secretary, Economic Affairs Division

Ministry of Economic Affairs & Statistics