

AGREEMENT ON THE EARLY HARVEST

PROGRAMME

FOR THE FREE TRADE AGREEMENT

BETWEEN

THE GOVERNMENT OF MALAYSIA

AND

**THE GOVERNMENT OF THE ISLAMIC REPUBLIC OF
PAKISTAN**

The Government of the Islamic Republic of Pakistan and the Government of Malaysia (hereinafter referred to as the “Parties”).

RECALLING the Joint Statement issued during the visit of the Prime Minister of Malaysia to Pakistan on 18th February, 2005 to negotiate a bilateral Free Trade Agreement.

NOTING WITH SATISFACTION the expanding economic and trade relations of the two parties.

CONSIDERING the strong complementarities in industrial and trade structures as well as the willingness to further develop economic and trade relations of the two Parties.

RECOGNISING that progressive liberalisation of trade in goods and services and the elimination of trade barriers through the bilateral Free Trade Agreement will facilitate the expansion of trade and investment flows and encourage broader and deeper economic cooperation.

ACKNOWLEDGING that the Early Harvest Programme will provide benefits of the Free Trade Agreement early and provide confidence for early conclusion of Free Trade Agreement negotiations.

HAVE AGREED AS FOLLOWS:

Article One

The Early Harvest Programme (EHP) is an integral part of the Free Trade Agreement (FTA); the EHP covers the lists of products as set out in Annex I and II of this Agreement, and shall be implemented from 1 January 2006.

Article Two

The Most Favoured Nation (MFN) applied tariff rates of the Parties of 1 January 2005 on all products covered under the EHP shall be reduced and where relevant eliminated in accordance with the modality as set out

in Annex I and II of Article One of this Agreement. The aforesaid modality in Annex I and II of this Agreement shall expire upon entry into force of the FTA or 31 March 2007, whichever is earlier.

Article Three

Interim Rules of Origin applicable to the products covered under the EHP shall qualify for tariff preference and are set out in Annex III, which shall be superseded and replaced by the Rules of Origin to be negotiated and implemented by both the Parties under the FTA.

Article Four

The World Trade Organization (WTO) provisions governing safeguard actions, emergency measures and other trade remedies, including anti-dumping and countervailing measures, shall be applicable to the products covered under the EHP and shall be superseded and replaced by the relevant disciplines to be negotiated and agreed to by the Parties under the FTA.

Article Five

Any disputes concerning the interpretation, implementation or application of this Agreement shall be settled amicably by mutual consultation pending the establishment of the formal dispute settlement procedure and mechanism under the FTA.

Article Six

1. This Agreement shall enter into force on 1 January 2006 and shall expire upon the entry into

force of the FTA or 31 March 2007, whichever is earlier.

2. The Parties undertake to complete their internal procedures for the entry into force of this Agreement prior to 1 January 2006.

3. Parties shall notify each other in writing upon the completion of its internal procedures for the entry into force of this Agreement.

IN WITNESS WHEREOF, the undersigned, being duly authorised thereto by their respective Governments, have signed this Agreement.

DONE at Kuala Lumpur, this 1st day of October, 2005 in duplicate copies in the English language.

For and on behalf
of the Government
of Malaysia

For and on behalf of the
Government of the Islamic
Republic of Pakistan

Dato' Seri Rafidah Aziz
Minister of International Trade
and Industry

Dr. Abdul Hafeez Shaikh
Minister for Privatization
and Investment