

Agreed Minutes of the Second Round of Public Private Dialogue between Afghanistan and Uzbekistan

The second round of the Public Private Dialogue between Afghanistan and Uzbekistan co-chaired by H.E. Mr. Sardor Umurzakov, Minister of Investments and Foreign Trade of the Republic of Uzbekistan and H.E. Mr. Ajmal Ahmady, Acting Minister of Industry and Commerce of the Islamic Republic of Afghanistan was held in a cordial environment and mutual understanding on 16th July 2019 in Tashkent.

Both sides recalled that the first round of the dialogue took place on 20th June 2018 in Termez, Uzbekistan.

The members of the Afghan and Uzbek delegations are listed in annexes 1 and 2 of this Agreed Minutes respectively.

Both sides discussed and agreed upon the following

1. Bilateral Trade Relations

1.1. Both sides expressed concern over the low volume and imbalance of the bilateral trade and discussed ways to enhance and balance it. Both sides agreed to utilize different means to realize the bilateral trade potential and to balance the current relation.

1.2. Afghan side mentioned that adequate awareness does not exist in the markets of Uzbekistan in respect of Afghan products and sought support of the Uzbek side to promote Afghan products in Uzbekistan. Afghan side mentioned that certain Afghan products in particular marble, talc stone, Karakul (sheep) skin, carpets, handicrafts, pine-nuts, and saffron have export potential to the markets of Uzbekistan.

Meanwhile Uzbek side mentioned that certain Uzbek products such as food products, confectionaries, leather products and footwear, laundry soap, electro technical products, construction materials and textile products have export potential to the market of Afghanistan.

Both sides expressed their comprehensive support to facilitate the export of products of interest to both countries.

confectionaries

- 1.3. Both sides reaffirmed that as per the bilateral Agreement on Trade and Economic Cooperation signed on 5th December 2017, Afghan export products to Uzbekistan shall be treated on MFN basis. Both sides undertook to communicate to their customs authorities to ensure duly implementation of MFN tariff rates. Meanwhile, both sides assured to examine any specific case in respect of customs duty where MFN has not been observed.
- 1.4. In order to ensure adequate market access for goods on equal and mutually beneficial conditions, as well as based on joint intention to increase Uzbek-Afghan trade up to USD 1 billion, declared during the state visit of the President of the Islamic Republic of Afghanistan Ashraf Ghani to the Republic of Uzbekistan (December 5, 2017), Uzbek side proposed to conclude a Preferential Trade Agreement between Uzbekistan and Afghanistan.
Afghan side took note of the proposal and undertook to comment on the draft of the Agreement within two month after the submission of the draft by the Uzbek side.
- 1.5. Both sides agreed to soon exchange comprehensive information on customs related fees (duties, VAT, excise, etc.), SPS and TBT measures.

2. Transport and Transit Relations

- 2.1. Both sides highlighted the importance of facilitated transit through the territory of each other based on the Agreement on Transit of Goods signed on 5th December 2017.
- 2.2. Both sides recalled that in the Agreed Minutes of the Consultation Meeting held in Kabul on 8-9 July 2018 led by the then Minister of Foreign Trade of Uzbekistan and Minister of Industry and Commerce of Afghanistan, Uzbekistan had undertaken to reconsider the transit costs and fees in order to make it more competitive with other transit routes in the region. Both sides agreed to form a working group to study the transit tariffs through the territory of both countries through different modes and routes and develop a joint proposal for consideration. Both sides will communicate their representatives for the aforementioned working group.

- 2.3. Both sides expressed their commitment to ensure safety of the goods in transit and remove any undue delay and pause in the movement of goods in transit through the territory of each other.
- 2.4. Based on the bilateral Agreement on Transit of Goods, both sides agreed to soon introduce an authorized focal point for communicating and responding on any issue in respect of transit.
- 2.5. Uzbek side agreed to further study the proposed trilateral transit agreement (Afghanistan-Uzbekistan-Kazakhstan) which is pending their views. It was noted that Kazakhstan has shared its views on the draft and would be incorporated in the draft.
- 2.6. Uzbek side reaffirmed that no obstacle shall exist in crossing of Afghan trucks into the territory of Uzbekistan if the relevant standards and requirements are met.
- 2.7. Both sides agreed to soon conclude and sign the Air Services Agreement which has been previously communicated.

3. Investment

Both sides expressed the need to conclude a bilateral agreement on mutual promotion and protection of investments. The agreement would serve as a legal incentive for investors of both sides. Afghan side undertook to share the initial draft of the agreement with Uzbekistan.

Procurement

Both sides noted that bilateral relations under national procurement is an area of interest for both sides. In order to strengthen the relations, Afghan side proposed to conclude a framework MOU for future procurement relations. Afghan side will share the initial draft of the MOU.

5. Afghanistan's support to Uzbekistan on WTO accession

Afghan side mentioned that Afghanistan supports Uzbekistan in the accession process to the WTO. Afghan side stated that they will actively participate in all the activities relevant to the accession process. It was mentioned that Afghanistan will initiate bilateral

negotiations after the fourth Working Party meeting has been held. It was noted that Afghanistan is a member of Uzbekistan's working party for the WTO accession.

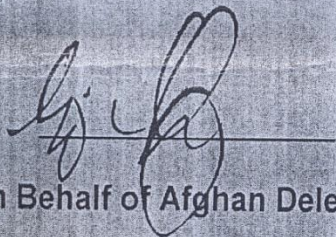
6. Commitments' Road Map

In order to time bound the commitments made under this Agreed Minutes, both sides will develop a joint commitment' road map which forms an annex of this document.

7. Focal Points

Post to the signature of this Agreed Minutes, both sides will immediately introduce focal points for following up on the implementation of the agreed points.

This Agreed Minutes is signed on 16th July 2019, in Tashkent, in English language and is enforced after signature.

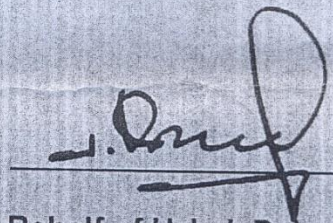


On Behalf of Afghan Delegation

Ajmal Ahmady

**Acting Minister of Industry
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Islamic Republic of Afghanistan



On Behalf of Uzbek Delegation

Sardor Umurzakov

**Minister of Investments
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