**ISLAMABAD: The much-talked about proposed Free Trade Agreement (FTA) between Pakistan and Gulf Cooperation Council (GCC) countries is reportedly making little or no headway as the latter is more interested in ‘extraordinary’ incentives in Bilateral Investment Treaty (BIT) instead of goods trade, well informed sources told Business Recorder.**

On October 4, 2023, the caretaker Commerce Minister, Gohar Ejaz while addressing a press conference along with other federal cabinet colleagues claimed that “Pakistan has achieved a historic milestone in its trade relations with the GCC by successfully finalising the FTA which marks the first FTA that the GCC has entered into with any country in the past 14 years.”

However, no visible progress has been witnessed with regard to FTA, which, if signed, will be applicable only on a few items as both sides have not agreed on a wider scope.

[**Pakistan ‘finalises’ free trade agreement with GCC**](https://www.brecorder.com/news/40265791/pakistan-finalises-free-trade-agreement-with-gcc)

The sources said, FTA with GCC has neither been signed nor yet finalised at any forum, contrary to the claims of caretaker Minister for Commerce and Industries.

According to sources, GCC’s key focus is on special incentives for investment through amendments in Bilateral Investment Treaty (BIT), which is also under consideration at an appropriate forum. However, there are several issues, which are yet to be agreed upon by both sides.

Board of Investment (BoI), sources said, had convened a meeting early October 2023 to discuss post-FTA negotiation and devise future strategy as FTA could not be signed until BIT is finalised. The GCC members including Saudi Arabia and Qatar are eager for the finalisation of BIT before making any investment in Pakistan.

“The teams from Qatar and Saudi Arabia were part of negotiations during the 5th round of Pak-GCC FTA to finalise the treaty in investment. However, some articles which were different from template of BIT approved by the Cabinet, were not agreed by the Pakistan team as approval of competent authority was required for it,” the sources added.

The GCC Ministerial Council (91st session, June 2004) agreed to consider the possibility of concluding a Framework Agreement on Economic Cooperation between the GCC States and the Islamic Republic of Pakistan, and FTA negotiations. The Framework Agreement was signed in Islamabad in August 2004.

“On October 1, 2023, Minister of Commerce and Chairman of the Board of Directors of the General Authority of Foreign Trade, Dr Majid bin Abdullah Al-Kassabi, stated that signing of FTA with Pakistan contributes to enhancing inter-regional trade, economic cooperation between GCC countries and Pakistan, and removing any impediments.”

The Agreement aims to facilitate market access for both goods and services between the GCC countries and Pakistan by eliminating and reducing customs duties on goods and services market access, and encouraging and protecting investments.

The Saudi negotiating team, headed by the General Authority of Foreign Trade, oversees and monitors trade negotiations to guarantee consistency with the trade objectives and policies of the Kingdom and in addition participates in trade negotiations to include the Kingdom’s negotiating positions and in collaboration with countries in international trade.

According to Embassy of Qatar in Islamabad, since January 2022, both sides have been engaged in continuous discussions, culminating in the successful completion of four rounds of negotiations, and are requesting Pakistani authorities to expedite the finalisation process, while understanding the mutual benefits that will result from the successful conclusion of the FTA.

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