TRADE AND INVESTMENT FRAMEWORK AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE ISLAMIC REPUBLIC OF PAKISTAN CONCERNING THE DEVELOPMENT OF TRADE AND INVESTMENT RELATIONS

The Government of the United States of America and the Government of the Islamic Republic of Pakistan (individually a "Party" and collectively the "Parties"):

1. Desiring to enhance the bonds of friendship and spirit of cooperation between the two countries;

2. Desiring to promote further both countries' international trade and economicinterrelationship;

3. Recognizing the importance of fostering an open and predictable environment forinternational trade and investment;

4.Recognizing the benefits to each Party resulting from increased international trade and investment, and that trade-distorting investment measures and protectionist trade barriers would deprive the Parties of such benefits;

5. Taking into account the membership of the two countries in the World Trade Organization (WTO) and noting that this Agreement is without prejudice to each Party's rights and obligations, where applicable, under the Marrakesh Agreement Establishing the WTO and the agreements, understandings, and other instruments relating thereto or concluded under the auspices of the WTO;

6. Recognizing the essential role of private investment, both domestic and foreign, in furthering growth, creating jobs, expanding trade, improving technology, and enhancing economic development;

7. Recognizing that foreign direct investment confers positive benefits on each Party;

8. Desiring to encourage and facilitate private sector contacts between the two countries;

9. Recognizing the desirability of resolving trade and investment problems as expeditiously as possible;

10. Recognizing the increased importance of services in their economies and in their bilateral relations;

11. Taking into account the need to reduce tariffs and eliminate non-tariff barriers in order to facilitate greater access to the markets of both countries and the mutual benefits thereof;

12. Recognizing the importance of providing adequate and effective protection and enforcement of intellectual property rights and of membership in and adherence to intellectual property rights conventions;

13. Reiterating the commitment reaffirmed in the Doha Declaration and recognizing the 'importance of providing adequate and effective protection and enforcement of workers' rights in accordance with each nation's own labor laws and of improving the observance of internationally recognized core labor standards;

14. Reaffirming the commitment in the Doha Declaration that expansion of trade and investment and the promotion of sustainable development and protection of the environment can and must be mutually supportive,

15. Desiring that this Framework Agreement reinforce the multilateral trading system by strengthening efforts to complete successfully the Doha Development Agenda; and

16. Considering that it would be in their mutual interest to establish a bilateral mechanism between the Parties for encouraging the liberalization of trade and investment between them.

17. Recognizing that framework agreements may help prepare parties for eventual free trade agreement negotiations.

To this end, the Parties agree as follows:

Article One.

The Parties affirm their desire to promote an attractive investment climate and expand trade in products and services consistent with the terms of this Agreement. They shall take appropriate measures to encourage and facilitate the exchange of goods and services and to secure favorable conditions for long-term development and diversification of trade between the two countries.

Article Two.

The Parties shall establish a United States-Pakistan Council on Trade and Investment ("the Council"), which shall be composed of representatives of both Parties. The side of the Islamic Republic of Pakistan will be chaired by the Minister of Commerce, and the U.S. side will be chaired by the U.S. Trade Representative ("USTR"). The Chairs may delegate their authority to their respective senior officials to conduct a meeting of the Joint Council. Both Parties may be assisted by officials of other government entities as circumstances require. The Council will meet at least once a year and at such times as agreed by the two Parties.

Article Three.

The objectives of the Council are as follows:

1. To monitor trade and investment relations, to identify opportunities for expanding trade and investment, and to identify issues relevant to trade or investment that may be appropriate for negotiation in an appropriate forum.

2. To hold consultations on specific trade and investment matters of interest to the Parties.

3. To identify and work toward the removal of impediments to trade and investment flows.

4. To seek the advice of the private sector, where appropriate, in their respective countries on matters related to the work of the Council.

Article Four.

Either Party may raise for consultation any trade or investment matter between the Parties. Requests for consultation shall be accompanied by a written explanation of the subject to be discussed and consultations shall be held within 30 days of the request, unless the requesting Party agrees to a later date. Each Party shall endeavor to provide for an opportunity forconsultations before taking actions that could affect adversely the trade or investment interestsof the other Party.

Article Five.

The parties agree to initiate consultations on areas of cooperation that may be agreed by the Joint Council to liberalize trade and/or investment. This could be a precursor for a more comprehensive trade agreement.

Article Six.

This Agreement shall be without prejudice to the rights of either Party under its domestic law or under any other instrument to which it is a party.

Article Seven.

This Agreement shall enter into force on the date of its signature by both Parties.

Article Eight.

This Agreement shall remain in force unless terminated by mutual consent of the Parties or by either Party upon six months' written notice to the other Party.

IN WITNESS WHEREOF, the undersigned, being duly authorized by their respective governments, have signed this

Agreement.

DONE at Washington, D.C. this 25th day of June 2003.

FOR THE GOVERNMENT OF THE ISLAMIC REPUBLIC OF PAKISTAN:

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA: