

R E P O R T
OF THE SECOND SESSION OF THE
STANDING COMMITTEE FOR ECONOMIC AND
COMMERCIAL COOPERATION OF THE ORGANIZATION
OF THE ISLAMIC CONFERENCE
AND
RELATED DOCUMENTS

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FOREWORD

The Second Session of the Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Conference and the Second Ministerial Conference on Food Security and Agricultural Development have been successfully completed with a remarkably high level of participation on the part of the Member States.

The Second Session, like the First, undoubtedly owes its success to the Member States, the General Secretariat and the subsidiary and affiliated agencies of the OIC. Without their will to cooperate, arduous efforts towards increasing the quality and standard of the work carried out and indispensable contributions of expertise, it would have been impossible to conclude the Session with such success and to attain tangible results beneficial to all the Member Countries.

This book, which I have the honour of presenting, contains the Report of the Second Session of the Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic

Conference. The Report and Resolutions of the Second Ministerial Conference on Food Security and Agricultural Development, which was held concurrently with the COMCEC Session, are also included.

The book consists of three main sections.

The first section contains basic reference documents, namely, the Resolutions adopted at the Third and Fourth Islamic Summit Conferences regarding the establishment and functioning of the Standing Committee. It should be mentioned here that, although the Resolution numbered 13/3-P (IS) which was adopted by the Third Islamic Summit Conference to establish three Standing Committees restricts the membership of each to ten Member States, the membership of the COMCEC has been extended, as approved during its First Session, to all Member States of the OIC. This has been done in view of the importance of economic and commercial cooperation and the need for ensuring their maximum possible participation.

The second section is devoted to the Report of the Second Session of the COMCEC which also includes the Resolution as adopted. The Resolution adopted during the Second Session is an integrated one comprising a set of decisions aimed at strengthening cooperation in the areas of trade and industry, which was the subject

matter of the First Session of the COMCEC, together with those having implications on economic cooperation in general and some decisions pertaining to organizational matters.

The third section of the book contains the Report and Resolution of the Second Ministerial Conference on Food Security and Agricultural Development. It also contains other documents which include ideas related to the strategy to be followed in this area and others related to the Second Session of the COMCEC. The latter includes, among others, the reports of the preparatory meetings of senior officials and some of the texts of the speeches delivered at jointly held Opening and Closing Sessions.

I am convinced that the Resolutions adopted or approved during the Second Session of the COMCEC will be implemented with determination by the Member States, the General Secretariat and the subsidiary and affiliated agencies of the OIC and that this constitutes the most reliable path towards peace and prosperity for our nations and for the world as a whole.

Dr. Yusuf Bozkurt OZAL
Chief Executive
Coordination Office for the COMCEC

P A R T O N E

RESOLUTIONS OF THE OIC
FORMING THE BASIS AND GUIDING
THE ACTIVITIES OF THE COMCEC

I

RESOLUTION ADOPTED AT THE THIRD ISLAMIC SUMMIT
CONFERENCE ESTABLISHING THE STANDING COMMITTEES
OF THE OIC CHAIRED BY HEADS OF STATE

Resolution No. 13/3-P(IS)

The Third Islamic Summit Conference (Palestine and A'l-Quds Session). meeting in Mecca AI -Mukarramah, Kingdom of Saudi Arabia, from 19th to 22nd Rabi-Al-Awal, 1401 H. (25-28 January, 1981);

HAVING listened to the proposals by His Majesty King HASSAN II, Chairman of Al Quds Committee, that three committees will be established and chaired by the Kings and Presidents of the Islamic States,

PROCEEDING from a firm belief that joint Islamic action needs to be consolidated in the scientific and technological field, and in the economic and trade sphere,

PROMPTED BY THE DESIRE to give information and culture a fresh impetus, to help world public opinion understand the basic issues of the Islamic nations, particularly those of Al-Quds and Palestine, and to confront the tendentious campaign launched against Islam and Muslims,

DECIDES:

I. To establish three Standing Committees, the first for scientific and technological cooperation, the second for economic and trade cooperation, and the third for information and cultural affairs;

II. These Committees shall undertake to follow up implementation of the resolutions passed, or about to be passed, by the Islamic Conference in those fields; to study all possible means of strengthening cooperation among Muslim States in those fields, and to draw up programmes and submit proposals designed to increase the Islamic States' capacity in those fields;

III. Each Committee shall consist of the representatives of ten Islamic States, at ministerial level, and shall be chaired by the Head of State of an Islamic State;

IV. Members of these Committees shall be elected by the Islamic Foreign Ministers' Conference for a renewable term of three years;

V. A Committee shall hold a meeting, if invited to do so, by its Chairman or by a majority of its members; its meeting shall be valid if attended by a majority.

II

RESOLUTION ADOPTED AT THE THIRD ISLAMIC
SUMMIT CONFERENCE ON THE PLAN OF ACTION
TO STRENGTHEN ECONOMIC COOPERATION
AMONG MEMBER STATES

Resolution No. 1/3-E(IS)

The Third Islamic Summit Conference (Palestine and
A3 Quds Session) meeting in Mecca Al-Mukarramah,
Kingdom of Saudi Arabia, from 19th to 22nd Rabi-Al-
Awal, 1401 H. (25-28 January 1981)

RECALLING the LAHORE Declaration adopted by the
Second Islamic Summit which called for consultations
among Member States to adopt a joint and agreed
position on important economic issues;

RECALLING Resolution No. 1/11-E, 2/11-E, 3/11-E
and 11/11-E pertaining to economic and trade
cooperation among Member States and Resolution No.
8/11-E concerning the activities of the Islamic Bank
adopted by the Eleventh Islamic Conference of Foreign

Ministers held in Islamabad, Islamic Republic of Pakistan;

NOTING the relevant resolutions, adopted by the General Assembly of the United Nations, the Sixth Conference of Heads of State and Government of Non-Aligned Countries, the Buenos Aires Plan of Action on Technical Cooperation among developing countries;

NOTING WITH CONCERN that the problems of developing countries have aggravated due to the current crisis in international economic relations leading to the widening of the gap between the developed and the developing countries;

DEEPLY CONCERNED at the adverse impact on the terms of trade and balance of payments of the Member States due to their reliance on export of primary products;

REGRETTING the lack of political will demonstrated by some developed countries in negotiations on economic issues, particularly in the fields of trade, industrialization, transfer of technology and the restructuring of the international economic relations;

RECOGNIZING that economic cooperation among developing countries in general and the Member States in particular is a key-element in the strategy of collective self-reliance and an essential instrument to bring about structural changes resulting in a balanced and equitable process of global economic development in order to consolidate their unity in their endeavours to achieve the New International Economic Order;

REITERATING that the developing countries must direct their efforts in their negotiations with the developed countries in all forms towards the establishment of the New International Economic Order;

NOTING WITH SATISFACTION that the Member States of the Islamic Conference have been laying great stress on the principles of self reliance and progressive economic inter-action among developing countries which will enhance cooperation with each other to increase their economic capabilities and attain their development, needs;

CONVINCED that development of close commercial and trade ties between the Member States is an initial essential step towards achieving economic cooperation and self-reliance requiring formulation and adoption of policy proposals on the elimination of existing

barriers to trade and adopting a coordinated programme of cooperation and priorities for the expansion of trade and commercial relations;

HAVING CONSIDERED the report of the High Level Meeting of Member States held in Ankara, Republic of TURKEY, from November 4-6, 1980 to examine the economic prospects of the Islamic countries during the Third Development Decade and to draw up a Plan of Action for strengthening Economic Cooperation among Member States;

NOTING ALSO the recommendations made by the Sixth Session of the Islamic Commission for Economic, Cultural and Social Affairs held in JEDDAH on 16-19 November 1980 pertaining to the Plan of Action drawn up by the Ankara Meeting and on the trade cooperation programme and priorities among Member States proposed by the Expert Group;

RECALLING ALSO resolution No. 8/11 of the Eleventh Islamic Conference of Foreign Ministers on increasing paid up capital and widening the scope of the Islamic Development Bank and also its recommendations relating to allocation of resources for financing of imports of Member States by the Bank and taking into account the importance of this decision for the successful implementation of the Plan of Action;

NOTING WITH APPRECIATION the measures taken by the Islamic Development Bank to expand its activities for foreign trade financing;

EXPRESSING SATISFACTION at the progress made by the Statistical, Economic and Social Research and Training Centre for Islamic Countries in Ankara in its study and data collection on Islamic trade aimed at formulation of policy proposals;

DECIDES:

1. To approve the Plan of Action to Strengthen Economic Cooperation among Member States (as at Annex I) •
2. To direct the General Secretariat to take appropriate measures without delay for the implementation of the Plan of Action to Strengthen Economic Cooperation among Member States.

PLAN OF ACTION TO STRENGTHEN
ECONOMIC COOPERATION AMONG
MEMBER STATES

The Conference on Economic Cooperation among Islamic Countries was held in Ankara from 4 to 6 November, 1980, by virtue of the Resolution No.3/11-E of the 11th Islamic Conference of Foreign Ministers concerning the convening of a high level meeting of Islamic countries to examine the economic prospects of the Islamic countries during the Third Development Decade and to recommend measures for strengthening the economic cooperation among the Member States of the Islamic Conference;

RECALLING the resolution of the Islamic Conference of Foreign Ministers on Economic Cooperation among the Member States in the areas of food and agriculture, industry, transport and communications and tourism, financial and monetary cooperation, labour and know-how and technical cooperation;

NOTING WITH APPRECIATION that majority of the Member States have signed the General Agreement on Economic, Technical and Commercial Cooperation among Member States;

BEARING IN MIND the resolutions of the Sixth Special Session of the United Nations' General Assembly for the establishment of New International Economic Order;

NOTING the limited progress made in the various international negotiations between the developed and developing countries owing largely to the lack of political will and serious intentions on the part of the developed countries to bring about structural changes in the world economy;

RECOGNIZING that the primary responsibility for economic development of the Islamic and developing countries would rest upon themselves, placing increasing emphasis on collective self-reliance in the global efforts to establish the New International Economic Order;

ENCOURAGED by the growing desire on the part of the Member States to cooperate among themselves in sharing experience and knowledge in the areas of industrialization and technology, development of human resources, promotion of direct trade, strengthening of institutions responsible for promotion of economic cooperation, and maximum utilization of the economic, human and technical energies and potentialities

available in the Islamic World for the prosperity and welfare of their people through collective efforts;

RECOMMENDS the following Plan of Action to Strengthen the Economic Cooperation among Member States of the Islamic Conference :

I. FOOD AND AGRICULTURE

1. To take necessary measures towards the implementation of the provisions of the General Agreement regarding maximum utilization of potentials for food production within the Islamic countries and to cooperate for meeting their food requirement ;

2. With a view to creating balanced development of the agriculture and industrial sectors of the economies of Member States, greater accent be placed upon agro-based and agro related industries such as the production of tractors, fertilizers, seed industry, pesticides as well as the processing of the agricultural raw materials;

3. To ensure food security in the Islamic World, regional food reserves' stocks must be created;

4. Necessary measures be taken to improve the agricultural infrastructure and the transport facilities;

5. Consideration be given towards assisting the Islamic countries affected by natural calamities such as drought and flood;

6. Consider to devise ways and means for tackling such natural phenomena as desertification, deforestation, water logging and salinity;

7. The Islamic Development Bank and other financial institutions should play more active role in financing food and agricultural projects of Member States both at national and communal level.

II. TRADE

1. Necessary measures for acceleration of the tempo as well as the changes in the pattern of production be taken in order to realise a gradual integration, expansion and diversification of their foreign trade;

2. To expand the present trade flows among Member States; identification of the real opportunities for expanding trade based on the use of existing idle or

underutilized production capacities in the field of primary and processed agricultural goods. To create new capacity for production and trade in these **goods** including intermediate and capital goods;

3. To promote bilateral trade among the Member States in order to substantially increase their share in international trade, and the volume of such trade in the processed, semi-processed goods and commodities within the Islamic Community;

4. To strengthen further the export promotion activities among Member States in particular, and with other countries in general, by way of greater flow of information, improved training facilities and appropriate financial mechanisms to this end. In this connection, early completion of the studies on cooperation in the fields of insurance, reinsurance, export credit guarantee schemes and the possible establishment of clearing mechanisms would constitute steps towards removing some of the most important barriers to bilateral trade;

5. To apply equal and non-discriminatory commercial treatment towards one another in their foreign trade policies without prejudice to the obligations under other agreements already concluded by the Member

States, and special treatment should be given in favour of products of export interests to least developed Member States;

6. To strive to enlarge and develop trade exchanges among themselves through, INTER-ALIA, accelerating the establishment of the Islamic Centre for Development of Trade, strengthening the Islamic Chamber of Commerce, Industry and Commodity Exchange, promoting cooperation among the Member States' trading organizations, facilitating joint-ventures in the area of trade promotion and gradually reducing the tariff and non-tariff barriers to such trade by means of multilateral trade arrangements, promoting the conclusion of bilateral and multilateral and general agreements, exchange of information relating to the prospects of trade, exchange of specialized trade delegations;

7. To make an inventory of the existing preferential schemes applied by groups of Member States with a view to strengthening and linking them so that the establishment of a system of trade preferences through a step-by-step approach on the part of all interested Member States (sic). It should be based on the principles of mutuality of advantages yielding benefits to all participants and taking into account the

respective levels of economic and industrial development, trade regimes and international obligations of individual Member States with the ultimate aim of a free trade area and with that end in view to render support to the efforts towards trade liberalization of global system of trade preferences and to recommend to Islamic countries participating in the G.S.T. negotiations to avail that opportunity for pursuing negotiations among themselves;

8. To organize and actively participate in trade fairs and exhibitions held in Member States to promote and to market the Member States' products in order to contribute to the expansion of trade amongst themselves, and in this context a scheme for standardization should be undertaken;

9. To study the possibility of creating a coordinating mechanism in the Member States in the field of maritime transport to enable the Member States' enterprises to compete with their counterparts in the developed countries and with the transnational merchants' fleets;

10. To facilitate effective cooperation between landlocked Member States and their transit neighbours involving the harmonization of transport planning and

the promotion of joint ventures in the field of transport at regional, subregional and bilateral levels;

11. To implement decisions of the Islamic Conference concerning the Economic boycott of the Zionist entity in occupied Palestine (Israel).

III. INDUSTRY

1. To develop appropriate policies and programmes at the national levels conducive to rapid industrialization, as an indispensable element and a dynamic instrument of self-sustained growth, by strengthening, expanding and diversifying the industrial capacities of the Member States;

2. To conclude bilateral and/or multilateral agreements of industrial cooperation among Member States for augmenting their industrial production and achieving industrial complementarity and by adopting economies of scale with a view to strengthening the manufacturing capacities and acceleration of industrialization in Member States to contribute to their collective self-reliance;

3. To consider giving priority to promotion of joint ventures among Member States in the following fields;

food and agriculture, industry, trade, marketing, research services and infrastructure;

4. The Islamic Development Bank as well as the Islamic Chamber of Commerce, Industry and Commodity Exchange may consider establishing within themselves mechanism for the promotion and the implementation of joint projects and the projects among Member States.

IV. TRANSPORT, COMMUNICATION AND TOURISM

1. To speedily implement various recommendations developed towards strengthening coordination and co-operation in the fields of shipping, air transport, telecommunications, meteorology, and postal services;

2. To speed up creation of institutional mechanisms necessary for such activities as per decisions of the Islamic Conferences of Foreign Ministers;

3. To harmonize the activities of the Member States in the fields of transport, communications and tourism with the existing sub-regional, regional and global agencies.

V. FINANCIAL AND MONETARY QUESTIONS

Member States, meeting of Governors of Central Banks and Monetary Authorities of the Member States and the Islamic Development Bank to study and to take appropriate action on the following issues:

1. Contribution to an enhanced flow of financial resources in the Member States on terms and conditions that are better attuned to the development programmes and economic circumstances of the Member States to help meet their rising investment, import and export needs commensurate with an accelerated growth within the framework of the International Development Strategy, giving special consideration to most pressing socio-economic problems of least developed Member States;

2. To strengthen direct cooperation between financial institutions in Member States in the area of direct financing and other banking facilities in the area of trade of Member States and to support Islamic financial institutions particularly the Islamic Development Bank;

3. To strengthen the existing payments' arrangements participated in by the Member States and to explore the possibility of setting up a communal network of

multilateral schemes in the light of the experiences gained in the operations of the existing ones;

4. The meeting of the Governors of the Central Banks and Monetary Authorities of the Member States to complete their assessment of the existing national capital markets for the possibilities of improved access by other interested Member States to these markets with a view to encouraging investment within the Member States on the basis of mutual benefits and sound commercial practice;

5. To ask further the monetary authorities of Member States to strengthen their mutual exchange of information on monetary and financial matters in accordance with the rules and regulations of the concerned countries and taking particularly into consideration the international trends;

6. Implementation of the penultimate and final operative paragraphs of the Resolution on the Cyprus Question adopted by the Eleventh Islamic Conference of Foreign Ministers held in Islamabad, for the reactivation and development of the economy of the Muslim Turkish People of KIBRIS.

VI. ENERGY

To work mutually towards strengthening the position of each Member State of the Organization of the Islamic Conference, with the aim of achieving the objectives of development by:

1. Encouraging the most efficient method of utilization of energy, and the development of the conventional and non-conventional sources of energy;
2. Encouraging greater cooperation among Member States in the areas related to the production of energy;
3. Urging the regional and international financial institutions to finance the local projects related to enhancing self capabilities in the conventional and non-conventional energy fields in the Member States.
4. Exchanging expertise, technical experience and skilled manpower in the energy sector among Member States.

VII. SCIENCE AND TECHNOLOGY

1. To give high priority to cooperation among Member States in the area of science and technology;

2. To consider Islamic community wide mechanism to enhance the overall financial inputs into the national science and technology systems, as well as programmes in the areas of research, education and training on a continuous basis;

3. To cooperate on transfer, acquisition, assimilation and adaptation of imported technologies and in their assessment compatible with national policies for development and use of science and technology;

4. To extend preferential treatment for technology from the Member States;

5. To consider the feasibility of setting up a network of scientific and technological agencies or institutions to organize and support. research and development programmes, training programmes to promote technological institutions; to establish information systems, to undertake joint efforts to solve specific technological problems and to develop science and technology policies commensurate with their development aims;

6. To expedite the establishment of an Islamic Foundation for Advanced Science and Technology as

foreseen in the General Agreement for Economic, Technical and Commercial Cooperation among Member States to serve their needs, in cooperation with the national institutions, organizations and agencies to sponsor basic research, to facilitate the exchange of information, expertise and know-how and to be implemented in the diffusion of technology among the producers and users within the Member States. This Foundation would also endeavour to coordinate the disbursement of fellowships and scholarships in relevant fields to be established through private and public financial resources available in the Member States;

7. To combine research efforts and share their results with one another by means of agreement on scientific and technical cooperation, strengthen indigenous research centres and scientific and other institutions and link them with those in other Member States.

VIII. MANPOWER AND SOCIAL AFFAIRS

1. To expand cooperation among Member States for the exchange and to support actively the creation of skilled manpower pools, coordination of education and manpower training activities on a medium-term and long-

term basis, establishment of joint consultancy agencies, and procurement of links between skill flows and capital transfer;

2. To make a concentrated effort to cooperate in the area of manpower exchange following an assessment of the needs and availabilities in the Member States, and to delineate the potentials that can be allocated for the benefit of the Member States in industrial and other research institutions;

3. To provide preferential treatment for the employment of manpower available within the Member States and to ask the General Secretariat to devise a model social security system commensurate with the national legal and institutional environments of the participating Member States;

4. To make a thorough evaluation of the 'brain-drain' problem, including the emigration of skilled manpower, with a view to identifying community-wide measures to stop the exodus of the scientific and technological manpower to developed countries, and thus make their services available to the Member States in conformity with the manpower exchange programmes to be established;

5. To develop mechanisms and programmes for professional and technical undating (sic), systematically organized at all levels, so as to train specialized personnel required to cover all the links in the chain that associates research and development with production and marketing;

6. To facilitate continuous training, development and upgrading of the labour force in the Member States so that it may be better able to assimilate and benefit from technological change and also to secure their adaptation to the socio-economic conditions of the host countries through cooperative programmes.

IX. POPULATION AND HEALTH

1. To initiate studies and research on population policy in the Member States with a view to improving the responsiveness of population to the development efforts of Member States;

2. To initiate studies and research in the field of health to ensure better health and sanitary conditions and higher standard of nutrition and health care with a view to developing a common public health policy;

3. To undertake research in the field of medicine;

4. To intensify exchange of information and expertise in the fields of population and health among Member States.

X. TECHNICAL COOPERATION

1. To improve, develop and expand the information system of the Member States concerning the collection, processing, analysis and dissemination of technical information available in the Member States on the capacities and needs and to match the specific needs of Member States through the wider use of experts, consultants, training facilities, equipment and other capacities of the Member States in line with the provisions of the General Agreement for Economic, Technical and Commercial Cooperation among Member States;

2. To endeavour to identify the national potentials for technical cooperation among Member States in the formulation of their national development plans or programmes. On this basis, the Governments of Member States may consider national requirements in research, technology, skills, consultancy services and training facilities that can be met most effectively through co-operation with other Member States;

3. To examine the feasibility of a legal and administrative framework for effective and equitable technical cooperation, taking into account practices already established on the basis of formal conventions, thus ensuring their widest possible applicability and acceptance. Such framework should cover the administrative and legal arrangements concerning the entry, employment obligations and privileges of experts and consultants, arrangements concerning fellowships, the use of contractors and other specialized services, entry of equipment and supplies, fiscal and currency regimes favourable to Member States' technical co-operation together with financial arrangements aimed at an equitable sharing of costs;

4. To expand bilateral and multilateral arrangements for promoting technical cooperation through such mechanisms as cooperative agreements and programmes, joint commissions, the regular exchange of information and experience, and also by establishing direct linkages among relevant institutions;

5. To take the necessary steps to establish a joint mechanism for the pooling of information within the

Community, on resources and opportunities for technical cooperation that are available within the Member States;

6. To identify and improve the effectiveness and potentials of national institutions that can contribute to technical cooperation efforts, and adopt concrete measures so that such national organizations in the Member States could develop. Operational modes of collaboration which would strengthen their capabilities through joint efforts and sharing experiences with sister organizations working on similar problems, and by contributing to common training activities (sic);

7. To provide financial and personnel support to the greatest extent possible to the training activities of the OIC related institutions with mandates to meet the immediate needs of the Member States for skilled administrative and technical manpower. For this purpose, the Member States should cooperate closely with the said institutions by supplying data and information on their availabilities and potentials in this area;

8. To pursue with the UNDP and other relevant agencies of the UN to seek necessary assistance and conclude arrangements to implement the Plan of Action.

XI. SPECIAL PROVISIONS

The PLO shall have special facilities in the sphere of economic cooperation so as to buttress the steadfastness of the Palestinian people and consolidate their struggle for the liberation of their homeland, Palestine.

XII. COORDINATION AND FOLLOW UP

The General Secretariat shall take all necessary steps to follow up the implementation of the Plan of Action and may arrange meetings on periodic basis at ministerial level as often as deemed necessary and in any case at least every two years on subjects covered by the Plan of Action and especially to:

- a) review progress on work done,
- b) set out guidelines,
- c) to solve problems,
- d) to formulate policies and plans for future action.

III

FINAL COMMUNIQUE OF THE FOURTH ISLAMIC
SUMMIT CONFERENCE ENTRUSTING THE
CHAIRMANSHIP OF THE STANDING COMMITTEE
FOR ECONOMIC AND COMMERCIAL COOPERATION
TO H.E. KENAN EVREN, PRESIDENT OF THE
REPUBLIC OF TURKEY

Final Communiqué No. IS/4-84/F/DEC

"....The Conference decided to entrust H.E. Mr. Kenan EVREN, President of the Republic of Turkey, with the Chairmanship of the Permanent Committee on Economic and Commercial Cooperation...." (Page 18, para 40).

IV

RESOLUTION ADOPTED AT **THE** FOURTH ISLAMIC SUMMIT
CONFERENCE DETERMINING THE PRIORITY
AREAS OF ECONOMIC COOPERATION

Resolution No. IS/4-84/EF/RES; 1/4-E.F(IS)

"....Recommends the adoption of the following priorities during the next six years :

- Agricultural Development and Food Security
- Industry
- Science and Technology
- Trade
- Transport and Communications
- Energy

Which in no way means that the other fields included in the Plan should be neglected" (page 4, para 2).

P A R T T W O

R E P O R T A N D R E S O L U T I O N
OF THE SECOND SESSION OF THE STANDING COMMITTEE
FOR ECONOMIC AND COMMERCIAL COOPERATION

OIC/COMCEC/2-86/REP-RES

Original! English

R E P O R T A N D R E S O L U T I O N
OF THE SECOND SESSION OF THE STANDING
COMMITTEE FOR ECONOMIC AND COMMERCIAL
COOPERATION OF THE ORGANIZATION OF THE ISLAMIC
CONFERENCE

Istanbul, Republic of Turkey
14-16 March, 1986

REPORT AND RESOLUTION
OF THE SECOND SESSION OF THE STANDING
COMMITTEE FOR ECONOMIC AND COMMERCIAL
COOPERATION

1. The Second Session of the Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Conference (COMCEC) was held in Istanbul, from 14 to 16 March, 1986 (4-6 Rajab, 1406H), preceded by a preparatory meeting at Senior Officials' level, from 11 to 13 March, 1986 (1-3 Rajab, 1406 H).

2. The Session was attended by the following member countries of the Organization of the Islamic Conference (OIC):

- Algerian Democratic and Popular Republic
- State of Bahrain
- People's Republic of Bangladesh
- People's Republic of Benin
- Negara Brunei Darussalam
- Burkina Faso
- United Republic of Cameroon
- Federal Islamic Republic of the Comoros
- Arab Republic of Egypt

- Republic **of the Gambia**
- Republic of Guinea-Bissau
- Republic of Indonesia
- Islamic Republic of Iran
- Republic of Iraq
- Hashemite Kingdom of Jordan
- State of Kuwait
- Republic of Lebanon
- Socialist People's Libyan Arab Jamahiriya
- Malaysia
- Republic of Mali
- Islamic Republic of Mauritania
- Kingdom of Morocco
- Republic of Niger
- Sultanate of Oman
- Islamic Republic of Pakistan
- Palestine
- State of Qatar
- Kingdom of Saudi Arabia
- Republic of Senegal
- Somali Democratic Republic
- Democratic Republic of Sudan
- Syrian Arab Republic
- Republic of Tunisia
- Republic of Turkey

- United Arab Emirates
- Yemen Arab Republic

The Turkish Republic of Northern Cyprus participated in the Session as an observer.

3. The Session was also attended by the representatives of the General Secretariat and the following subsidiary and affiliated organs of the OIC:

- The Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRTCIC)
- The Islamic Centre for Technical and Vocational Training and Research (ICTVTR)
- The Islamic Centre for Development of Trade (ICDT)
- The Islamic Foundation for Science, Technology and Development (IFSTAD)
- The Islamic Development Bank (IDB)
- The Islamic Chamber of Commerce, Industry and Commodity Exchange (ICCICE)

4. The representatives from the International Association of Islamic Banks (IAIB), the United Nations Development Programme (UNDP), Food and Agriculture Organization (FAO) of the United Nations, the United Nations Industrial Development Organization (UNIDO), and the OPEC Fund for International Development also attended the Session as observers.

5. The list of participants of the Second Session of the Standing Committee is contained in Part Three of the present book.

6. The opening ceremony of the Session was held jointly with that of the Second Ministerial Conference on Food Security and Agricultural Development of the OIC, under the Chairmanship of H.E. Kenan Evren, President of the Republic of Turkey and Chairman of the COMCEC.

7. In his inaugural speech, H. E. Kenan Evren stressed the importance of strengthening economic cooperation among the member countries in view of the present world economic conditions having an adverse effect on their terms-of-trade and external debt structures. He pointed out that the recent upturn in the economies of the industrialized countries had slowed down before having had beneficial effects on the economies of developing countries.

H.E. Kenan Evren emphasized that fostering cooperation among the OIC member countries should not be viewed as a weakening of their relations with the rest of the world, but as an attempt to replace relations based on dependence with those based on mutual interest. He expressed his belief that an international economic order which ensured respect for mutual

interests between equal partners was ultimately essential for world peace.

Referring with satisfaction to the real and rapid progress achieved in the implementation of the proposal for the establishment of a longer-term trade financing facility within the Islamic Development Bank, H.E. Kenan Evren emphasized the need for an integrated approach to economic cooperation, taking into consideration interactions between different areas.

8. H.E. Turgut Ozal, Prime Minister of the Republic of Turkey and Alternate Chairman of the COMCEC, also addressed the opening ceremony. In his speech, H.E. Turgut Ozal conveyed his pleasure in observing that the OIC countries were increasingly acting in an Islamic spirit to foster economic and commercial cooperation among themselves. He stressed the importance of ever-increasing cooperation among the Member States and emphasized the need for closer economic cooperation which would also reduce political tensions. In the field of commerce, Mr. Ozal stated that the reduction of tariff and non-tariff barriers to intra-Islamic trade would be an important stimulus for the healthy growth of commercial transactions and possibly for the formation of a free trade area.

9. In his statement, the Secretary **General of the** OIC, H.E. S.S. Pirzada, referred to the adverse effects which the deterioration in the global economic situation **and** the protectionist policies adopted by the industrialized nations had on the economies of the Islamic countries. He called for efforts by the OIC Member States to strengthen economic cooperation amongst themselves with a view to increasing their production capacities and freeing their economies from being subjected to the policies of the industrialized nations.

H.E. S.S.Pirzada also emphasized the inter-relation between industrial and agricultural development. and called for concerted efforts to exploit the vast potential of agricultural production through infrastructural projects, capital investments and greater coordination of agricultural policies.

10. The Heads of the Delegations of the Republic of Senegal, the Kingdom of Saudi Arabia and the People's Republic of Bangladesh made statements on behalf of the geographical groups they represent.

In their statements they praised the progress achieved by the COMCEC in the field of economic co-operation among the member countries which would give

them a stronger stand in international negotiations. Referring to the increasing difficulties of the member countries with respect to their balances of external payments, they underlined the need for reform in the world monetary and financial system. They emphasized the role of the private sector in strengthening economic cooperation and stressed the necessity of adopting practical and realistic measures of economic cooperation according to a list of priorities.

11. The President of the Islamic Development Bank, Dr. Ahmed Mohamed Ali, gave a summary account of the activities of the Islamic Development Bank, and of the progress achieved by the Bank in terms of the studies assigned to it by the First Session of the COMCEC. He also outlined the basic elements of the feasibility study on a longer term trade financing facility, proposed to be established under the aegis of the Islamic Development Bank.

12. Following the opening ceremony, H.E. Kenan Evren received the Heads of the Delegations of the participating member countries.

13. On the following days, the ministerial level working sessions of the Standing Committee, were

chaired by H.E. Kaya Erdem, Minister of State and Deputy Prime Minister of the Republic of Turkey.

14. The **Standing** Committee approved the **proposal made** by the Senior Officials to keep the members of its Bureau, who were elected during its First Session, unchanged until the next Islamic Summit.

15. The Ministers adopted the draft agenda prepared by the Follow-up Committee, and decided to consider the draft resolution prepared by the Senior Officials as a whole, rather than deal with the items on the **agenda** one by one. A copy of the Agenda as adopted is annexed to this report.

16. H.E. Tan Sri Abdurrahman Bin Abdul Jalal, Assistant Secretary General of the OIC, submitted a progress report on behalf of the Secretary General.

17. The Rapporteur then presented the Report of the First Meeting of the Follow-up Committee, which was held from 9 to 11 September, 1985, in Istanbul. He underlined such recommendations of the Follow-up Committee as the involvement of the private sector in the activities of economic cooperation, the convening of the seventh meeting of the Governors of Central Banks and Monetary Authorities of the Member States

under the auspices of the COMCEC and the preparation of a list of all the economic resolutions and ensuing activities of the OIC as significant steps towards increasing the effectiveness of economic cooperation among the Member States.

18. The Committee then approved the recommendations of the Follow-up Committee.

19. The progress made since the First Meeting of the Follow-up Committee was outlined by the Head of the Coordination Office for the COMCEC. In this connection, the finalization of the procedures for the establishment of the Association of the National Development Finance Institutions, which would play an important role in strengthening economic cooperation among the member countries, and the imminent commencement of its operations, was noted with satisfaction.

20. Dr. Yusuf Bozkurt Ozal, Undersecretary of the State Planning Organization of the Republic of Turkey and Chairman of the Senior Officials' Meeting of the Second Session of the Standing Committee, presented the Report of the Meeting of the Senior Officials, along with an integrated draft resolution[^] and the Report of the Sessional Committee which had been charged with

evaluating the activities of the related OIC **organs and** institutions and which had met concurrently **with the** Senior Officials.

21. The Standing Committee, while approving the Report of the Senior Officials' Meeting and that of the Sessional Committee, adopted, with minor modifications, the resolution annexed to the said Report.

22. The Closing Session of the Standing Committee was held jointly with the Closing Session of the Second Ministerial Conference on Food Security and Agricultural Development, under the Chairmanship of H.E. Kenan Evren.

23. H.E. Husnu Dogan, Minister of Agriculture, Forestry and Rural Affairs of the Republic of Turkey, presented the Report of the Second Ministerial Conference on Food Security and Agricultural Development and the resolutions adopted thereof.

24. The Standing Committee took note of the Report of the Second Ministerial Conference on Food Security and Agricultural Development, and approved the resolutions annexed to it.

25. H.E. Kaya Erdem, Minister of State and Deputy Prime Minister of the Republic of Turkey, presented a

resume of the proceedings and resolutions **adopted** during the ministerial level working sessions of the Standing Committee .

26. Referring to the Resolution adopted during the ministerial sessions, H.E. Kaya Erdem emphasized that it was an integrated document comprising a set of resolutions on economic, commercial and industrial cooperation as well as certain organizational matters. He pointed out that the said Resolution reflected a common desire to promote economic and commercial cooperation through a step-by-step approach within the framework of an integrated programme. H.E. Kaya Erdem then highlighted certain aspects of the Resolution. In that context, he especially mentioned the endorsement of the idea of establishing a longer-term trade financing facility within the IDB, the agreements concerning the development of a trade preferential system for the member countries and the convention of the seventh meeting of the Governors of Central Banks and Monetary Authorities to discuss the monetary and financial issues of cooperation. The said Resolution reads as follows:

" R E S O L U T I O N

"The Standing Committee for Economic and
"Commercial Cooperation (COMCEC);

"RECALLING the Plan of Action to
"Strengthen Economic Cooperation among the
"Member States of the Organization of the
"Islamic Conference;

"RECALLING the Resolution No. 13/3-P
"(IS) of the Third Islamic Summit Conference
"establishing the COMCEC;

"RECALLING Resolution No. 1/4-EF (IS)
"adopted by the Fourth Islamic Summit
"Conference, determining, trade, industry,
"food security and agricultural development,
"transport and communications, science and
"technology and energy as priority areas of
"economic cooperation;

"COGNIZANT of the famine prevailing in
"the Sahel countries caused by the
"catastrophic drought leading to terrible
"human suffering;

"TAKING INTO CONSIDERATION the
"recommendations of the COMCEC and those of
"its Follow-up Committee;

"TAKING NOTE of the relevant resolutions
"of the Sixteenth Islamic Conference of
"Foreign Ministers;

"NOTING the recommendations of the First
"Meeting of the Follow-up Committee of the
"Second Ministerial Consultation on
"Industrial Cooperation;

"ENCOURAGING Member States to enhance
"their cooperation and coordination in all
"international fora, with a view to
"harmonizing their positions;

"NOTING WITH SATISFACTION that since the
"First Session of the COMCEC substantial
"progress has been achieved in the
"implementation of the Plan of Action and, in
"particular, that :

"(a) generous contributions have been
"made by a number of Member States to the
"Sahel programme of the Islamic Solidarity
"Committee With the Peoples of Sahel, and

"other Member States were urged to do the
"same;

"(b) the final stage has been reached
"for the establishment of the Association of
"the National Development Finance
"Institutions of the Islamic Countries;

"(c) the statutes of the Islamic Cement
"Association and the Islamic States
"Telecommunications Union have been approved
"by the Fifteenth Islamic Conference of
"Foreign Ministers;

"(d) the Second Islamic Trade Fair has
"been scheduled to take place in Casablanca
"from April 5 to 14, 1986, and already 20
"Members States have agreed to participate
"and others were invited to do so in the
"near future;

"AGREED ON THE FOLLOWING;

"A. ECONOMIC COOPERATION

"1. The SESRTCIC was requested to
"further elaborate its study on the OIC
"economic resolutions, developing a

"systematic and summarized compendium and
"preparing a working paper that would enable
"the COMCEC to monitor, better coordinate and
"follow up the implementation of the OIC
"Plan of Action, with a view to avoiding
"duplication and developing guidelines for
"improved implementation.

"2. The Governors of Central Banks
"and Monetary Authorities of the OIC Member
"States were invited to discuss monetary and
"financial issues related to the
"implementation of the Plan of Action.

"The Governors were invited to consider
"the possibility of preparing, in
"consultation among themselves and with the
"General Secretariat, a draft agenda for
"their seventh meeting and report their
"findings to the Follow-up Committee of the
"COMCEC. The Follow-up Committee would review
"the progress in its meeting in September
"1986 and decide on the opportunity of
"inviting the Governors to convene at an
"appropriate date.

"3. The private sector should be
"involved in the process of economic
"cooperation through activities organized
"under the auspices of the COMCEC.

"4. The activities of the IMB and
"meetings organized by it, particularly the
"expert meeting on Islamic banking to be held
"in Dhaka in April 1986 and the first meeting
"of Islamic banks, scheduled to take place in
"Istanbul, in October 1986, were noted with
"satisfaction.

"B. COMMERCIAL COOPERATION

"1. The idea of the establishment of a
"Longer-Term Trade Financing Scheme as a new
"facility within the IDB was received with
"general consensus. The IDB was recommended
"to take the necessary steps to submit such
"a scheme for approval to the forthcoming
"Tenth Annual Meeting of its Board of
"Governors with the hope that it becomes
"operational as soon as possible. Member
"States were urged to give full support to and
"participate in the said scheme which was
"expected to reflect maximum flexibility.

"2. Recommendations of the Expert Group
"Meeting on the feasibility of establishing:
 "a) a Regional Export Credit Guarantee
 "Scheme, and,
 "b) a Multilateral Islamic Clearing
 "Union,
"were noted.

"The IDB was requested to continue its
'work on these issues and to keep the COMCEC
'informed of the progress.

'3. The IDB was recommended to intensify
'its research, particularly through IRTI, to
'identify ways and means of mobilizing
'additional resources from the financial
'markets in conformity with the rules of
'Sharia.

'4. The OIC Secretariat, the COMCEC
'Coordination Office, the ICDT, the SESRTCIC,
'the ICCICE, the IDB and national export and
'trade promotion institutes of interested
'Member States should form an open-ended Task
'Force within 1986, upon invitation of the
'ICDT. This Task Force should revise the

"feasibility study of the ICDT on the
"creation of a Trade Information Network for
"the Islamic Countries with a view to
"developing a 'System of Data Bases' for
"collecting and disseminating, among others,
"maximum trade information within the OIC,
"eliminating duplication and sharing all
"existing capabilities, through necessary
"budgetary adjustments to ensure that no
"additional cost is incurred. The open-ended
"Task Force would report its findings to the
"second meeting of the Follow-up Committee of
"the COMCEC.

"5. Member States were urged to provide
"the Islamic Centre for Development of Trade
"(ICDT) with complete and up-dated
"information for the finalization of the
"inventory of the existing preferential
"schemes applied by them at an early date.

"6. An open-ended group composed of the
"General Secretariat, the ICDT, the ICCICE,
"the IDB, the SESRTCIC and trade experts of
"the Member States should be convened in
"1986, upon invitation by the ICDT, to make

"the necessary revisions in the said
"inventory, together with recommendations on
"overcoming weaknesses of existing data
"sources and to report to the second meeting
"of the Follow-up Committee of the COMCBC.

"7. The same group, on the basis of the
"complete and up-dated inventory, should also
"develop proposals on the possibilities of
"removing non-tariff barriers to intra-
"Islamic trade. Similarly, it should work out
"the possibilities of drawing up a
"methodology and time-table for the
"development of a list of products and scales
"for an Islamic Trade Preferential Scheme and
"report its findings to the COMCEC.

"8. The Member States were requested to
"concert and coordinate their views and
"positions in various international fora in
"the context of any multilateral trade
"negotiations and/or discussions, in
"particular within the GATT and in the Group
"of 77.

"9. The Coordinating Committee on
"Standardization was requested to continue

"its work on the harmonization of standards
"and to work out ways and means for closer
"cooperation between the standardization
"institutions of the Member States.

"C. INDUSTRIAL COOPERATION

"1. The ICCICE, the IDB, the Association
"of the National Development Finance
"Institutions of the Islamic Countries (when
"operational) and interested national
"investment institutions were requested to
"further develop the mechanisms and procedures
"for the promotion of the industrial joint
"ventures among the OIC Member Countries.

"2. The ICCICE would periodically inform
"the relevant institutions and firms in the
"OIC Member Countries, through national
"chambers of industry, about the OIC
"activities for the promotion of industrial
"joint ventures in order to increase the
"number of new proposals.

"3. An investment promotion meeting
"would be organized by the ICCICE in

"conjunction with the UNIDO **and** the **Union of**
"Chambers of Commerce **and** Industry, **Maritime**
"Commerce and Commodity Exchange **of Turkey**
"with the participation of investors, **for**
"considering the industrial investment
"projects of the least developed OIC Member
"Countries. These countries were requested to
"send their projects to the ICCICE and to the
"UNIDO by June 1986 and to actively
"participate in this meeting.

"4. The Member Countries who have not
"yet done so were urged to sign, and/or
"ratify at an early date, the various
"statutes and agreements in the field of
"economic and commercial cooperation, drawn up
"within the framework of the OIC, such as the
"'General Agreement for Economic, Commercial
"and Technical Cooperation', the 'Agreement on
"the Promotion, Protection and Guarantee of
"Investments among the Member States', the
"'Statute of the Islamic Cement Association',
"the 'Statute of the Islamic Civil Aviation
"Council', etc..

"5. Member Countries were requested to
"designate focal points within their
"Ministries of Industry to coordinate their
"industrial cooperation activities with the
"Follow-up Committee of the Ministers of
"Industry.

"6. The Follow-up Committee of the
"Ministers of Industry would be convened in
"1986 to consider, among others, the
"implementation of the recommendations of
"the Second Ministerial Consultation on
"Industrial Cooperation, the agenda, date and
"venue of the Third Consultation and report
"the results of its deliberations to the
"Follow-up Committee of the COMCEC.

"7. Member States were also urged to
"enhance cooperation among their productivity
"centres and other relevant bodies, and to
"harmonize activities in these fields.

"D. PLIGHT OF MEMBER STATES STRICKEN BY
"DROUGHT AND OTHER NATURAL CALAMITIES

"1. The efforts undertaken by various
"individual Member Countries and the IDB, as

"well as the Islamic Committee for Solidarity
"with the Peoples of the Sahel, in order to
"assist Member Countries stricken by drought
"and other disasters, were noted with
"appreciation, and the Islamic Community was
"urged to do its utmost in a true Islamic
"spirit to continue and intensify such
"efforts.

"2. The need to structure such
"assistance in a manner to improve the
"production potentials of the stricken
"countries, thereby ameliorating circumstances
"of their livelihood in the medium and long
"term, particularly through technical
"cooperation and sharing of expertise and
"know-how, was stressed by all Member
"Countries.

"3. Activities in other international
" fora in the same vein, particularly those in
"the United Nations framework, should be
"followed closely and Member Countries should
"highlight their views and contributions
"collectively in the forthcoming special

"session of the UN General Assembly on the
"critical situation in Africa.

"E. MEASURES IN SUPPORT OF LEBANON

"Member States reaffirmed their support
"to Lebanon in its efforts to rebuild its
"war-stricken economy, recommending to
"provide to the Lebanese Government all forms
"of financial and economic assistance to help
"it reconstruct areas and institutions
"damaged or destroyed as a result of war, to
"extend all facilities for the marketing of
"Lebanese products and goods and grant them
"preferential treatment.

"F. MEASURES IN SUPPORT OF PALESTINE

"Full support was reiterated for the
"Palestinian people inside and outside their
"occupied land by using all material and
"moral means and assistance possible.

"Member States were requested to
"implement the relevant resolutions of the
"Islamic Summit Conferences in this regard,

"including those on the application of the
"economic boycott measures against the Zionist
"entity, and to extend all facilities to
"encourage the marketing of Palestinian
"products and goods, granting them
"preferential treatment and other advantages.

"The OIC centres and institutions were
"requested to provide technical and financial
"assistance in order to conduct socio-
"economic surveys and feasibility studies of
"economic and commercial projects to be
"implemented in the occupied Palestinian
"territories.

"G. ORGANIZATIONAL MATTERS

"1. In view of the need for advance
"planning of COMCBC sessions, they would be
"held every September and the Follow-up
"Committee would meet every May. As the second
"COMCEC session would be held in March 1986,
"however, the Follow-up Committee, this year,
"would meet in September 1986.

"2. Considering that the Fifth Islamic
"Summit would meet in 1987, the COMCEC

"delegated its Follow-up Committee to draw up
"the items of the draft Agenda of the said
"Summit on economic and commercial co-
operation in consultation with the OIC
"Secretariat.

"3. The OIC Transport and
"Telecommunications Ministers would meet in
"1987 concurrently with the third session of
"the COMCEC."

27. After the presentation of the above
Resolution, H.E. S.S.Pirzada, Secretary General of the
Organization of the Islamic Conference delivered a
speech in which he stressed the significance of the
results achieved during the Second Session of the
COMCEC. He expressed satisfaction with the remarkable
progress made in terms of the implementation of the
Plan of Action and achieved in a relatively short span
of time under the auspices of the COMCEC.

The Secretary General, recalling the report and
recommendations of the Second Ministerial Conference on
Food Security and Agricultural Development, expressed
the hope that the Standing Committee would help enable
the Islamic world to attain self-sufficiency in its

basic needs, a prerequisite for a self-reliant development strategy.

H.E. S.S. Pirzada also gave an assurance of the full support and cooperation of the General Secretariat in the follow-up work for ensuring the implementation of the recommendations adopted by the COMCEC.

28. H. E. Ali Wardhana, Minister of Coordination for the Economy, Finance, Industry and Development Supervision of the Republic of Indonesia, made a statement on behalf of all the Member Countries that had participated in the Second Session of the COMCEC. H.E. Ali Wardhana expressed his deep appreciation for the significant results reached at the Session and for the effective approach adopted by the COMCEC in dealing with the issues of economic and commercial cooperation, and he conveyed thanks and appreciation to the Chairman of the Standing Committee and to the Government and people of the Republic of Turkey, for all that had been done to make the meeting a success.

29. In his closing speech, H.E. Turgut Ozal, Prime Minister of the Republic of Turkey and Alternate Chairman of the COMCEC, made an assessment of the various activities conducted under the auspices of the COMCEC. H.E. Turgut Ozal underlined the necessity for

increasing the intra-Islamic trade as the common goal of the Islamic countries. In this regard, he emphasized that consideration of issues pertaining to various areas of economic cooperation during the forthcoming COMCEC Sessions, would constitute major contributions towards the attainment of this goal.

30. In his concluding address, H. E. Kenan Evren, Chairman of the Standing Committee, expressed his appreciation and gratitude to the representatives of member countries, to the General Secretariat and to the subsidiary and affiliated organs of the OIC for their positive contributions to the work of the Standing Committee. He expressed his satisfaction with the achievement of important progress concerning the issues under discussion during the previous six days, first at the level of Senior Officials and then at Ministerial level].

H.E. Kenan Evren praised the member countries and related organs of the OIC for their assistance provided to the famine and drought-stricken Sahel countries, and stressed the need for providing the Sahel countries with technical assistance within the framework of the technical cooperation activities among the Member States as the soundest way of finding a permanent and

effective solution to the problems of the peoples living in those countries.

Before concluding his address, the Chairman of the COMCEC declared that the Meeting of the Ministers of Transport and Communications of the member countries would be held at the same place and date as the Third COMCEC Session in September 1987.

AGENDA

of the Second Session of the
Standing Committee for Economic and
Commercial Cooperation

Istanbul, 14-16 March, 1986

Opening of the Session.

- Inaugural Statement by H.E. Kenan Evren,
President, of the Republic of Turkey, Chairman of
the COMCEC.

- Statement by H.E. Turgut Ozal, Prime Minister of
the Republic of Turkey, Alternate Chairman of
the COMCEC.

Statement by H.E. S.S. Pirzada, Secretary
General of the OIC.

- Statements by the Heads of Delegations of the
Kingdom of Saudi Arabia, the Peoples' Republic
of Bangladesh and the Republic of Senegal on
Behalf of the Regional Groups of Member States
They Represent.

- Statement by H.E. Dr. Ahmed Mohamed Ali, President
of the IDB.

Election of the Members of the Bureau.

3. Adoption of the Agenda.
4. Report of the OIC Secretariat.
5. Report of the Follow-up Committee.

6. Report of the Senior Officials' Meeting.
7. Feasibility Study Prepared by the IDB on the Longer Term Trade Financing Facility.
8. Report by the IDB on:
 - Regional Export Credit Guarantee Scheme
 - Multilateral Islamic Clearing Union
9. Report by the ICDT on Trade Preferences.
10. Feasibility Study Prepared by the ICDT on the Trade Information Network for Islamic Countries.
11. Report by the SESRTCIC on the Inventory of the Economic Resolutions of the OIC.
12. Assistance to Drought-Stricken African Countries.
13. Presentation of the Report of the Second Ministerial Conference on Food Security and Agricultural Development.
14. Any Other Business.
15. Adoption of the Report and Resolution.
16. Date and Venue of the Next Session of the COMCEC.
17. Closing of the Session.

P A R T T H R E E

DOCUMENTS

RELATED TO THE SECOND SESSION
OF THE STANDING COMMITTEE FOR
ECONOMIC AND COMMERCIAL COOPERATION

I

LIST OF PARTICIPANTS

SECOND SESSION OF THE STANDING COMMITTEE
FOR ECONOMIC AND COMMERCIAL COOPERATION OF THE OIC

Istanbul, 14-16 March, 1986

ALGERIAN DEMOCRATIC AND POPULAR REPUBLIC

- H.E. Abdelkrim BEN MAHMOUD
Ambassador to Ankara
- Mr. Bouajria BELGHOULA
Ministry of Finances
- Mr. Zahir_ ABDERRAHIM
Ministry of Commerce
- Mr. Mourad BENMEHIDI
Head of Bureau of Cooperation Among
Developing Countries
Ministry of Foreign Affairs

STATE OF BAHRAIN

H.E.Habib Ahmed KASSIM

Minister of Commerce and **Agriculture**

Mr. Hasan Abdul KAREM

Mr. Nabil HAMDAN

Mr. Hamad SHEHABI

PEOPLE'S REPUBLIC OF BANGLADESH

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- Mr. M.A.HENA

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- Mr. Alieu M.N'GUM

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Ministry of Economic Planning
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Expert,
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- Mr. I.Kenan SANDAN
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- Mr. Mohammad Reza YOUSOFKHAN
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Ministry of Economic Affairs and Finance

- Mr. Habibollah D. SHIRAZI
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Original! Turkish

II

INAUGURAL SPEECH BY H.E. Kenan EVREN

President of the Republic of Turkey
and Chairman of the COMCEC

Your Excellencies,
Distinguished Delegates,

I welcome you to the Second Session of the Standing Committee for Economic and Commercial Co-operation of the Organization of the Islamic Conference. Turkey takes a special pride in hosting the meetings of the Standing Committee and high ranking delegations from our brother Member Countries. I am confident that we will achieve significant progress at this meeting as we did at the last. The positive developments recorded since the First Session strengthen my conviction in this respect.

The world economic situation has further deteriorated since our last meeting. The relatively high growth achieved by industrial countries at that time has slowed down before having beneficial effects on the economies of developing countries.

Protectionism, aiming mostly at the highly competitive products of developing countries in international markets, is on the constant rise.

The reduced pace of growth in the industrial economies and the growing protectionism are the main factors which have an adverse effect on the exports of the Muslim countries and hence on their economic development. The deteriorating terms of trade observed in most of the Member Countries has led to a rapid increase in their foreign debt.

The international debt problem has acquired even more serious dimensions and no progress has been made towards its solution. Chances that the important structural and institutional problems besetting the world economy in monetary and financial fields will be resolved in the foreseeable future are small.

This state of affairs leads to major uncertainties concerning the global economic prospects and creates difficulties in the establishment of conditions conducive to stable growth.

Under these economic circumstances, the strengthening of economic cooperation among Muslim Countries is of utmost importance to us all. Fostering

this cooperation should not be viewed as weakening or substituting our relations with the rest of the world.

I view the increased cooperation among ourselves as an attempt to replace relations based on dependence on other countries with those based on mutual interest. I believe that an international economic order which ensures respect for mutual interest between equal partners is ultimately essential for the world peace in the long run.

Distinguished Guests,

In just over a year, the Standing Committee has assumed the leadership role in the economic co-operation within the OIC and has begun to fulfil this mission successfully.

The Plan of Action adopted at the Third Summit stressed the political wish of the members to strengthen economic cooperation priorities on broad lines. The main task of the Standing Committee is to translate this political wish into action.

Thanks to the cooperative efforts of the members, the Secretariat of the Islamic Conference and the affiliated bodies, the first year of the Standing Committee has been quite successful.

Distinguished Guests,

We have deliberately opted for an approach which envisages the inclusion of only few but substantive items in the agenda before us, the aim being to avoid the dispersion of our efforts to areas where co-operation is more difficult to achieve.

I will now express my views on the salient features of the agenda.

In my opinion, in all the issues we have dealt with, the most concrete progress made in the short span of time is related to the establishment of a Longer-term Trade Financing Facility. Once this facility is established, an important gap will have been filled in the efforts towards increasing trade among us.

Intra-regional trade accounts for only one tenth of our total trade. This clearly indicates the need for strengthening economic cooperation among Muslim Countries. The facility to be established will not only contribute towards the development of trade among us, but will also promote our exports to world markets. This is because, together with other measures, this financing facility will help our economies to attain higher export potentials. The achievement of this

facility depends on the establishment of an efficient mechanism combining careful management, imagination and a spirit of cooperation.

Distinguished Guests,

The item of Trade Preferences is another important issue on our agenda. We are still in the initial stages of our work on this subject, but, with your valuable contributions, we will prepare the ground for a concrete and substantive study in this respect. I am confident that you will work out a pragmatic approach to this priority area, because trade preferences are a determinant factor in trade expansion. It is my opinion that if trade financing and preferences are taken up as complementary elements, they will make an important contribution to the cooperation which we have been trying to foster among our countries.

It is becoming evident that the export credit guarantee scheme and the clearing union are subjects on which more work needs to be done. I hope that at this meeting new ideas will emerge to shed light on future work to be undertaken at expert level.

The establishment of the Trade Information Network will also bridge an important gap between Muslim

Countries. I hope that the feasibility study to be submitted by the Casablanca Centre will, after having been carefully examined by you, lead to the establishment of a working mechanism among Member Countries.

We are also following with interest the work related to joint investments within the framework of industrial cooperation. However, I would like to stress one point here.

In order for joint investments to find a scope for implementation, intra-regional trade must be in the process of development.

If conditions for a trade cooperation protecting the interests of all parties can be created, there is no doubt that, enterprising individuals or companies will immediately take advantage of such an opportunity. Unless outlets are prepared for the goods to be produced, it will be difficult for joint investment companies to be successful. Such outlets can only be created through the implementation of measures which will increase trade among Member Countries.

As you know the meeting of the Standing Committee which begins today is being held concurrently with the

Conference of the Ministers of Agriculture. Food security and agricultural development constitute a field of cooperation which should occupy a special place in the economic relations among Member Countries, because, in the large majority of Member Countries the economy is mainly based on agriculture. In the same way, the subject of food security constitutes one of the most important economic problems in Member Countries.

In my statement, I have hitherto referred to specific and individual subjects for cooperation. However, in reality these areas of cooperation are closely related with one another. Agriculture joins industry to become agro-industry; agricultural and industrial products cannot be marketed unless trade is developed and consequently this sector of economic activity cannot make the expected contribution towards improving the welfare of our people. Unless credit mechanisms and monetary systems are operating effectively, cooperation in other fields cannot develop as expected.

For these reasons, we as the COMCEC, have adopted a unifying approach, taking into consideration the

relations between the various subjects for co-operation.

Distinguished Guests,

One of the subjects on our agenda is the assistance to the drought and famine stricken Sahel countries.

During the First Session of the COMCEC I declared that Turkey would donate ten million dollars to the Sahel countries. Turkey has started to disburse the aid she promised and has already shipped one million dollars worth of food products and medical equipment. This aid will continue with shipments to be made this year and next year to the other Sahel countries.

In addition, Saudi Arabia, Kuwait, Pakistan, the United Arab Emirates, Indonesia, Iran, Egypt, Malaysia and others are assisting the Sahel countries in various ways.

I hope that other economically capable OIC Member Countries will also participate effectively in this aid campaign.

However, in order for the assistance to change the fate of our brothers in those countries, in addition to

supplying food aid, it is also necessary to direct our efforts towards technical aid which will produce lasting results.

Distinguished Delegates,

Before I conclude, I would like to state my views about the way in which economic cooperation is carried out.

The Organization of the Islamic Conference does not yet hold forums where concrete and detailed subjects of cooperation can be discussed in a profound and continuous manner. Instead, work is conducted at meetings which are held from time to time at various levels.

Concrete subjects similar to those included on the agenda of this meeting are debated for months in the existing international bodies and organizations which are in continual operation.

We are trying to bridge this gap with our existing forums. For the time being it cannot be claimed that a high level of organization among Muslim Countries has been reached, especially in the field of economic co-operation.

On the other hand,. the ground we have already covered towards close cooperation is much greater than expected.

I hope that, our meetings will be beneficial to our nations and I wish you great success.

Original], English

III

SPEECH DELIVERED BY H.E. Turgut OZAL,
Prime Minister
of the Republic of Turkey
and Alternate Chairman of the COMCEC,
at the Opening Ceremony

Your Excellency, President of the Republic of Turkey,
Excellencies,
Distinguished Delegates,
Ladies and Gentlemen

On behalf of the Turkish Government and people, It gives me immense pleasure to welcome the distinguished participants to the Second Session of the Standing Committee for Economic and Commercial Cooperation.

The Government of Turkey is proud to be the host to the COMCEC which we consider to be an important instrument for ensuring the welfare and prosperity of the Islamic community.

I am extremely pleased to observe that since the First Session of the COMCEC, our nations have all been increasingly acting in a truly Islamic spirit to foster economic and commercial cooperation among ourselves. Building on the decisions and recommendations adopted at the First Session of the COMCEC, a new process has been initiated to increase and diversify trade among the OIC members, to establish financial mechanisms in support of this aim and to streamline the activities and information necessary for wider cooperation.

As we proceed towards closer collaboration, we are aware that many of our countries are faced with unfavorable economic conditions. Islamic Countries, like other developing ones, are adversely affected by the persistent slow-growth in the industrial world where growing protectionism especially against the internationally competitive exports of developing countries, distorts and inhibits the practice of free trade. The international oil market has been destabilized owing to massive falls in oil prices. The debt problem of developing countries has become almost unmanageable. Overall output and productivity in many countries is on the decrease. These trends clearly

demonstrate the **vulnerability of our** economies to global economic conditions.

Against this background, cooperation among the Member States has not only become a desirable objective, but an essential instrument for the preservation of our well-being and the achievement of economic and social progress.

However, economic cooperation among developing countries is very difficult. Recent history testifies to this fact. Cooperation between industrial countries is not much easier either. But their determination to achieve cooperation has eventually been able to overcome all barriers at the end. What made this will so resolute was the simple historic truth acknowledged after a very long period of suffering, that political conflicts cannot be resolved by war to the lasting advantage of one side or another. Islamic Countries should profit from this lesson without necessarily going through the same ordeal.

Our common history and the cultural heritage based on belonging to the same creed calls credit for an ever-increasing cooperation. Our peoples sharing the same traditions and faith have no wish for political enmity. We can combine our cultural unity and our

desire for economic cooperation to transcend our political differences.

The instability in the Gulf is evidently one of the factors which contributes to the fall in oil prices. What is more, the oil wealth of the region which should be allocated to the development and well-being of our peoples is being wasted. The conflict, on the one hand, and the decline in revenues and related purchasing power, on the other, has begun to threaten the prospects of a more comprehensive cooperation in the region. Despite the fact that the Islamic World is composed of both oil-exporting and oil-importing developing countries, in the final analysis, the fall in oil prices seems to have direct and indirect adverse effects on our region as a whole.

My Government firmly believes that every concrete step towards economic cooperation will pave the way towards diffusing political tensions and strengthening our ties of friendship and brotherhood.

We have always believed that one of the reasons for the lack of stability and peace in this part of the world has been the initial absence of close economic cooperation. History clearly shows that increased economic ties between nations ultimately reduces

political conflicts. Economic cooperation among nations brings into play forces of peace and mutual understanding.

Distinguished Delegates,

In achieving economic integration, the OIC countries have a great complementary potential which cannot be matched by other regions. As a whole, we are rich in energy and natural resources. We have a large and skilful labour force. We have new industries with modern technology. We have sufficient productive land to assure our food security and to export our agricultural surplus. By tradition, our people have a great talent for commerce and business.

This huge potential needs to be activated and channelled into a dynamic cooperation. This has been the task of the COMCEC and it will remain so.

In our efforts to achieve economic cooperation, we have chosen a step-by-step approach and decided to concentrate on topics designated as priority subjects at the Third Islamic Summit. These include trade, industry, food security and agricultural development, transport and communications, science and technology, and energy. As we did during the First Session of the

COMCEC, this Second Session of the Standing Committee is focusing its attention on one of these priority areas to achieve tangible results.

At the First Session of the COMCEC, we dealt with matters related to trade and industry. The agenda of this Session is devoted not only to the elaboration of these issues, but also covers the area of food security and agricultural development.

I am very pleased to note that since our First Session, considerable progress has been made in the implementation of the decisions regarding trade and industry.

There is a consensus on the establishment of a Longer-term Trade Financing Facility within the Islamic Development Bank. I sincerely hope that this facility will become operational as soon as possible. We will also continue to study the establishment of a Regional Export Guarantee Scheme, and if possible, a Multilateral Islamic Clearing Union. The existence of such services will no doubt make an important contribution to the promotion of intra-Islamic trade.

Another aspect of our activities for the promotion of trade will involve the development of preferential

treatment of our export products. The elimination, to the extent possible, of tariff and non-tariff barriers among the OIC countries will be an important stimulus for the expansion of trade which, we hope will eventually lead to the establishment of a free trade zone. We also attach considerable importance, to the increased flow of information on trade and economic opportunities within the OIC countries and to the development of close institutional ties between our organizations.

Distinguished Delegates,

By trying to foster economic and commercial cooperation among the OIC countries based on collective self-reliance, we do not intend to isolate ourselves from the world economy at large. On the contrary, our objective is to enter into international competition from a position of strength and thereby increase our ability to compete on better terms. The fostering of cooperation will give a boost to our economic growth, reduce our dependence and offset the adverse effects of global economic difficulties. Our agricultural and industrial potential put to use through increased trade, and financial sources more readily available to the region could ultimately create an autonomous growth

centre. In the course of this development, political conflicts now ravaging our region will gradually fade away, making room for an ever-expanding cooperation.

I am convinced that economic integration of the OIC countries depends to a large extent on the availability of the necessary infrastructure. We must all try to create a community easily accessible to all our citizens. The Member States must have direct road, railway, air and sea transport connections and instant telecommunication facilities. Our citizens must be able to travel from one member country to another without any hindrance.

This is our ambition and I believe it is the goal we have set ourselves to accomplish.

The Government of Turkey is confident that the Member States will devise and implement policies to improve their cooperation in the most rational manner. The Standing Committee is charged with contributing to the search for strengthening the economic activities of the OIC and achieving collective progress and prosperity.

I am convinced that, on the basis of the existing political will and commitment of the Member States to

the cherished aims and objectives of Islamic solidarity and fraternity, the work of our Committee will contribute to the social and economic development of the Ummah and for a better future for the Islamic World.

Thank You.

Original! English

IV

SPEECH DELIVERED BY H.E. Syed Sharifuddin PIRZADA

Secretary General of the Organization
of the Islamic Conference
at the Opening Ceremony

BISMILLAHI AR-RAHMANI AR-RAHIM

Mr. President,
Mr. Prime Minister,
Distinguished Ministers,
Excellencies,
Ladies and Gentlemen,

Assalamu Alaykum Wa Rahrnatullahi Wa Barakatuh

1. It is an honour for me to be present at the joint opening of the Second Session of the Standing Committee for Economic and Commercial Cooperation, which has been designed and designated as the main policy making forum in the economic and commercial fields by the Third Islamic Summit, and the Second Ministerial Conference on Food Security and Agricultural Development in Islamic countries.

2. I should like to begin by expressing deep gratitude to His Excellency President Kenan Evren, the Chairman of the Committee, and His Excellency Turgut Ozal, Prime Minister and Alternate Chairman, for their personal and keen interest in the promotion of economic and commercial cooperation among Islamic countries. The inaugural address by His Excellency Kenan Evren and the statement by His Excellency Turgut Ozal reflect the commitment of these two leaders of the Islamic World to the strengthening of the economic ties amongst Islamic countries. Economic progress and integration forms the bed-rock on which the edifice of a strong and united Ummah must be raised. I am confident that during its deliberations, the Standing Committee and the Ministerial meeting on Food Security and Agricultural Development will be guided by these two inspiring addresses.

3. I should also' like to express our thanks to the people and the Government of Turkey for the excellent arrangements made for the holding of these two important Conferences concurrently and for the warm and generous hospitality extended to the delegations since their arrival in this historic capital Istanbul, which has stood for centuries as the proud standard bearer of Islamic tradition, culture and civilisation.

Mr. Chairman,

4. The Second Session of the Standing Committee for Economic and Commercial Cooperation takes place against the backdrop of a picture of international economic relations which remains sombre for the developing countries and the Islamic World. The period since the First Session of the Committee in November 1984 has been characterized by the continuing lack of political will on the part of the developed and industrialized world to provide the necessary impetus to the process of international economic cooperation based on equity and justice. The impasse in the economic negotiations at the United Nations and other international fora which has now lasted for more than five years is a clear manifestation of the absence of any desire on the part of the North to agree to the necessary structural changes in international economic relations. We have witnessed a continuing retreat from the multilateralism on the part of the major industrialized and developed countries. The volume of international assistance has been on the decrease and is threatened with further shrinkages. The international terms of trade work consistently to the disadvantage of the developing countries. Their debt burden looms large and threatens the very foundations of their economies. Their exports

have stagnated against the protectionist walls erected by the developed countries. The developing countries individually do not have the economic or the political strength to participate as equal partners in the world economy. Their bargaining ability as a group has been eroded over the last decade because of their internal divisions and differences. While the Group of 77 at the United Nations, of which all Islamic countries are members, has managed to paper over the differences that have developed amongst its membership, regarding priorities and approach, the resultant cosmetic unity has not been convincing and has failed to persuade the North to negotiate seriously to usher in the New International Economic Order sought by the developing world.

Mr. Chairman,

5. In these circumstances, the developing countries breakthroughs in negotiations with the North that they seek in order to direct their economies to the path of self-sustained and self-generating economic growth and self-sufficiency. They have been casting around for alternatives which would, in the first instance enable them to achieve reasonable rates of growth and alleviate the conditions of their poor and toiling

masses and on the other hand would provide a counter-veiling strength for negotiations with the industrialized world from a position of relative equality.

6. It is in this perspective that the work of the Standing Committee for Economic and Commercial Cooperation assumes crucial significance for the Islamic World. It is essential that the Islamic Countries, notwithstanding differences in their economic structures, financial means, or manpower availability, work with firm resolve to promote economic cooperation among themselves, increase their trade exchanges, assist, each other and achieve a level of economic strength which would free their economies from being vulnerable to the vagaries of the international economic climate or to the decisions of policy makers in the industrialized world.

Mr. Chairman,

7. The Islamic World comprises a majority of countries who are designated by the United Nations as least-developed countries. It also has, in its ranks, countries with per capita incomes which are the highest in the world. Some of its members are endowed with rich natural resources, others have acquired a reservoir of

expert manpower. They all, however, **have not yet** achieved the basic economic infrastructure which is essential for self-generating economic growth. Their economies are weak and their economic policies are framed to respond in an ad-hoc manner to developments and factors beyond their control. Their development plans have had to be slashed drastically in recent years because the resources necessary to implement them have not been available or forthcoming. Their economies are being strangulated because their foreign exchange earnings and loans are piped back into the industrial world in the form of debt repayments. The meagre resources left to them are not sufficient to meet their basic requirements for importing capital goods, technology and expertise.

8. I believe that in this bleak situation we must concentrate on the more effective utilization of what we have and what we can produce rather than continue an abject dependence on the developed world. We must change our attitudes. Instead of looking West-wards for inspiration as well as concrete assistance, we must start to look inwards, we must harness our own resources and utilize them more effectively. We must turn our economies away from dependence on the doles of the developed countries.

9. The gap between the industrialized world and the Islamic World will continue to increase unless we can devise ways and means of improving cooperation among ourselves, agree on concrete measures and implement them. Our economic dependence on the Western World must be reduced. Recent happenings on the international scene, particularly the reduction in the prices of oil have made it clear that international economy continues to be manipulated by the West to its own advantage. The overall resources available to the Islamic World as a result of the reduced oil prices have decreased drastically. The oil producing Islamic countries are directly affected by this trend, and all other Islamic Countries will also suffer through reduced trade exchanges, lesser assistance from Islamic oil producers, job losses by their expatriate workers, and a falling off in the revenue from home remittances. Consequently, the entire Islamic World will face a slow-down of economic growth.

Mr. Chairman,

10. I believe that in this situation we must place particular emphasis on increased intra-Islamic trade which constitutes at present less than 10 per cent of the total trade of the Islamic World. As export markets

in the industrialized world are closed to our products through protectionist measures, alternative markets within the Islamic World must be tapped. Our current dependence on the North in our trade-relations must be reduced. International trade is a major instrument of economic growth. We have large potential markets which, if opened, could lead to a tremendous spurt in the growth of trade among the Islamic Countries. The Western economies have developed to a degree where their further expansion is bound to be slow. It is only the developing countries whose markets can be expanded to absorb increased production of goods and services of each other leading to an expansion of economic activity. Furthermore, we must not lose sight of the fact that most of the Islamic Countries are in a pre-Industrial age whereas the industrialized countries are fast jumping into the post-industrial era. As such a basic absence of complementarity and compatibility is developing, which can and must promote larger trade exchanges amongst the developing world.

11. Expansion of trade, however, depends on an improvement of productivity and productive capacity. The production processes in the Islamic World require to be upgraded. The work-force needs to be educated and trained. For this, we must provide greater financial

inputs for the vital sectors of education and research and development.

12. We must also consider the reduction of tariff barriers amongst the Islamic Countries and the integration of our planning and production processes. The need of greater coordination in our planning processes cannot be over-emphasized. The dominance of the North-South axis in trade is reflected in the entire structure of our economies. We are faced in this context with both psychological and physical problem. Transport and communications are geared to serve North-South trade rather than intra-Islamic trade. The services sector is controlled by the industrialized countries and it would require a major effort to establish or to divert the existing infrastructures to optimize intra-Islamic trade. The belief that whatever the West produces is better than the production in the developing world is deeply ingrained and dominates our decision making at the conscious as well as the unconscious level. These attitudes will have to be eradicated if intra-Islamic trade is to expand.

Mr. Chairman,

13. As regards the field of food and agriculture, it will be recalled that the last meeting of the Ministers

of Agriculture of the OIC was held in Ankara in October 1981. The Conference had adopted a Programme of Action for Strengthening Cooperation among the Member States in the Field of Food and Agriculture. It had also been agreed to institutionalize the meeting of Ministers of Food and Agriculture to be held every two years. Unfortunately, however, it was not possible to convene the Second Meeting until now for reasons which are known to Member States.

14. In the Islamic World, as in most developing countries, agriculture is both the main traditional pursuit and the key to the development of modern economy. Industrial and agricultural development are inter-related and one cannot be achieved without balanced growth of the other. It was in recognition of this fact that the Plan of Action adopted by the Third Islamic Summit called for a balanced development of agricultural and industrial sectors of the economies of the Member States. The Plan of Action which accorded the highest priority to the field of food and agriculture, laid particular emphasis on the improvement of agricultural infrastructure and transport facilities, ensuring food security in the Islamic World and the creation of food stock reserves. The Plan of Action also included the devising of ways

and means to tackle natural phenomena like desertification, water-logging and salinity as well as assistance to Islamic Countries affected by natural calamities. The Programme of Action adopted by the First Meeting of the Ministers of Agriculture included not only the initiation of indepth studies but also meetings of experts to outline policies in the furtherance of the goals established by the Summit.

Mr. Chairman,

15. The Islamic World today faces a serious economic crisis and it is expected that problems will continue to confront the Islamic Countries as well as other developing countries for a number of years to come. Stagnation of agricultural production coupled with rapid population growth in many Islamic Countries and the need to improve the diet of millions of people who suffer from under-nourishment and malnutrition will continue to hamper efforts in other sectors of economic activity and need to be overcome as rapidly as possible. Many Islamic Countries will have difficulty in increasing their food production to keep pace with the rising demands particularly since marginal lands of low and unreliable productivity will have to be brought into use. This will involve substantial investments in

land **development, infrastructure and production inputs.**

The capital necessary to meet these requirements is scarce and the technical skill required to harness modern technology into the service of the agriculture sector continues to be a major constraint. The recent upswing in the international prices of agricultural goods and food products as a result of the tightening of the world food supply situation have underscored the paramount importance of increasing production levels in the Islamic World to achieve self-sufficiency and to establishing regional food reserves in order to overcome price fluctuations, and crises resulting from crop failures and other natural disasters.

16. I believe that despite the problems that we face there is considerable scope to strengthen collective self-reliance of the Islamic World through increased productivity and expansion of intra-Islamic trade in food. Long-term bilateral agreements or collective arrangements could ensure regular and reliable flow of supply of food to food-deficit countries as well as sustained production growth rates in countries which can produce surplus food in the Islamic World.

17. Our efforts to increase production would also require better coordination of agricultural policies

and production goals in Member Countries, Such coordination can be achieved at regional levels through the formulation of production targets in principal commodities and agricultural planning with possible commodity specialization based on ecological, physical and economic considerations. A marketing intelligence system **which** could provide information on import needs and export availability of agricultural products in the Islamic World would assist in streamlining the existing ad-hoc arrangements and would reduce dependence on the international commodity markets controlled by the Western Countries. Joint ventures for the production and marketing of agricultural inputs such as farm machinery, fertilizers, insecticides etc. as well as the procurement of improved seeds could assist in promoting self-sufficiency in the Islamic World in the field of food and agriculture. The Islamic Countries need to undertake coordinated research in the field of agriculture in order to increase productivity through the utilization of improved varieties of cereals taking into account the climatic and soil conditions.

Mr. Chairil'uum,

18. The two meetings have a heavy agenda. The senior officials have met for the past three days; deliberated

on the issues before the Conference, inter-alia, a Longer-term Trade Financing Scheme, a Multilateral Islamic Clearing Union, Trade Information Network for Islamic Countries; and evolve concrete recommendations to help us move forward. I am confident that the Honourable Ministers would give consideration to these recommendations in line with the decisions of the Islamic Summit and Foreign Ministers.

19. The problems that we face are numerous. We must not, however, be disheartened. We must move forward with determination and afore thought in order to avoid pitfalls and setbacks which could be more fatally discouraging than a longer period of gestation allowing for the preparation of realistic plans. We must also recognize that our decisions at multilateral conferences are only the beginning of the process of greater cooperation. These decisions can only show the way. They have to be followed up and implemented through constant bilateral and other contacts, consultations and agreements. I trust that with the maturity of thought and outlook and the undoubted ability of the distinguished delegates gathered here we will be able to move forward in a united fashion towards the goal of the economic emancipation of the

Islamic World and the Muslim peoples, and the eventual
establishment of an Islamic Common Market.

May God bless your efforts.

I thank you.

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REPORT OF THE FIRST MEETING
OF THE FOLLOW-UP COMMITTEE
OF THE COMCEC

(Istanbul, 9-11 September 1985)

1. The First Meeting of the Follow-up Committee, set up by the First Session of the Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Conference (COMCEC) was held in Istanbul on 24-26 Dhulhijja 1405 A.H. (corresponding to 9-11 September 1985).

2. The Meeting was attended by the following members of the Follow-up Committee :

- Republic of Turkey (Chairman)
- Islamic Republic of Pakistan (Vice-Chairman)
- Kingdom of Saudi Arabia (Vice-Chairman)
- Palestine (Vice-Chairman)
- Hashemite Kingdom of Jordan (Rapporteur)

3. The Meeting was also attended by the representatives of the General Secretariat and the following affiliated and subsidiary organs of the OIC :

- **The Islamic Chamber of Commerce, Industry and Commodity Exchange (ICCICE).**
- **The Islamic Centre for Technical and Vocational Training and Research (ICTVTR).**
- The Islamic Centre for Development of Trade (ICDT).
- The Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRTCIC).
- The Islamic Development Bank (IDB).
- The Islamic Foundation for Science, Technology and Development (IFSTAD).

The list of participants is attached as Annex I.

4. The plenary session, which was held jointly with the Follow-up Committee of the Ministers of Industry, was inaugurated by H.E. Mr. Kaya ERDEM, Minister of State, Deputy Prime Minister of the Republic of Turkey, in his capacity as the Chairman of the Follow-up Committee of the COMCEC.

5. The Chairman invited a representative of the Turkish Delegation to read the message sent by H.E. Mr. Kenan EVREN, President of the Republic of Turkey, and the Chairman of the COMCEC. In his message, H.E. Mr. Kenan EVREN, underlining the importance of establishing the institutional framework within the OIC, emphasized the importance of furnishing these institutions with a more concrete substance and expressed his confidence in

the continuation of active support of the member countries to the activities of the COMCEC. H.E. Mr. Kenan EVREN wished all the success to the Committee in its endeavours which he hoped would be beneficial to all Member States of the OIC. A copy of the text of the Message of H.E. Mr. Kenan EVREN is attached as Annex II.

6. Subsequently, the message sent by H.E. Mr. Turgut OZAL, Prime Minister of the Republic of Turkey, and the Alternate Chairman of the COMCEC, was delivered to the Meeting. In his message, H. E. Mr. Turgut OZAL stressed the importance of implementing the resolutions. H.E. Mr. Turgut OZAL expressed the determination of the Turkish Government for exerting every effort to this effect and wished every success to the Committee in following up the decisions and developing new modalities for expanding economic cooperation by adopting an approach realistic but broadminded and unbiased. A copy of the text of the message of H.E. Mr. Turgut OZAL is attached as Annex III.

7. In his inaugural speech, H.E. Mr. Kaya ERDEM, Chairman of the Committee, commended the concurrence of this Meeting with the Meeting of the Follow-up Committee of the Ministers of Industry. He emphasized

that this concurrence will facilitate the expeditious reporting of the decisions of the Follow-up Committee of the Ministers of Industry to the Second Session of the COMCEC. Referring to the resolution establishing the COMCEC Follow-up Committee, the Chairman pointed out that the tasks of the COMCEC also defines the responsibilities of the Follow-up Committee. He emphasized the importance of mutual efforts on the part of the Member States in furthering economic cooperation. Considering various complexities involved in the process of economic cooperation, he stressed the necessity for specifying short, medium and long term priority targets and trying to attain them by means, of concrete projects. The Chairman finally drew attention to the importance of the implementation, by the Member States, of the resolutions adopted within the OIC with a view to strengthening cooperation in the economic and commercial fields and wished every success to the Committee in its important task. A copy of the text of the inaugural speech by the Chairman is attached as Annex IV.

8. Mr. A.H.G.Mohiuddin, Director of the Economic Department of the General Secretariat of the Organization of the Islamic Conference, conveyed the message of H.E. Mr. S.S.Pirzada, Secretary General of

the Organization of the Islamic Conference. In his message H.E. Mr. S.S. Pirzada paid warm tributes to H.E. Mr. Kenan EVREN, the President of the Republic of Turkey and to the Government of Turkey for their constant contribution to the cooperative activities of the OIC. H.E. Mr. Pirzada went on to review the progress made in the implementation of the decisions taken in the First Session of the COMCEC, where the national institutions, the OIC General Secretariat and the OIC related institutions made substantive efforts to fulfil their respective tasks within this context. Finally, he expressed his belief that the work of the Follow up Committee will significantly contribute to the implementation of the resolutions pertaining to economic cooperation among the Member States. A copy of the text of the message of H.E. Mr. S.S. Pirzada is attached as Annex V.

9. In his speech, H.E. Mr. Cahit ARAL, Chairman of the Follow-up Committee of the Ministers of Industry and Minister of Industry and Trade of the Republic of Turkey, emphasizing the importance of the interaction between various areas of economic cooperation, praised the establishment of the COMCEC and its Follow-up Committee as significant steps towards the realization of effective coordination and monitoring of OIC

cooperation activities. A copy of the text of the **speech by H.E. Cahit ARAL** is attached as Annex VI.

10. Following these speeches, Heads of Delegations of the Kingdom of Morocco, the People's Republic of **Bangladesh**, the Islamic Republic of Pakistan and the Republic of the Gambia made statements emphasizing the difficulties confronted by the OIC Member States in the face of the adverse developments in the world economic situation, particularly, the protectionist measures applied by the major industrialized countries, and expressed their appreciation to the COMCEC for the major thrust provided to the overall economic activities of the OIC.

The Heads of Delegations stressed the necessity of involving the private sector in the processes and activities of economic cooperation among the Member States, and suggested that regular symposia and seminars be organized under the auspices of the COMCEC to offer the business community opportunities to meet and discuss matters of common interest to boost economic cooperation and trade relations among Islamic countries.

In this connection, the **Committee also emphasized** the importance of private sector investments. It considered that seminars on investment opportunities should be held periodically with the collaboration of the host country, the OIC General Secretariat, the IDB and the ICCICE, and with the participation of the Arab League. The Committee recommended that the first of such seminars for investors in the Islamic countries be held in the Republic of Turkey.

The Committee shared the view that the private sector projects from the Member States should also be promoted. The members expressed their appreciation of the service offered by the IDB in the field of economic development, and recommended that:

- The IDB and the ICCICE jointly conduct preliminary studies on investment possibilities in the Islamic countries;
- The **IDB** should promote joint venture projects, for which it has already prepared preliminary studies, through gatherings of businessmen in the Islamic countries.

The Committee also noted with satisfaction the **statement** by the **Head** of the Palestinian Delegation that the Executive Committee of the PLO has already signed and ratified the "General Agreement for Economic, Technical and Commercial Cooperation among the Member States of the OIC" and the "Agreement for Promotion, Protection and Guarantee of Investments among the OIC Member States".

11. After having adopted its agenda, the Follow-up Committee of the COMCEC established an open-ended Drafting Committee under the chairmanship of the Rapporteur. A copy of the agenda is attached as Annex VII.

12. Under the agenda item 3, the Committee considered the background paper presented by the Head of the Coordination Office for the COMCEC. Summarizing the recent economic developments in the Member States and especially noting the continued deterioration in the external payments position in spite of the recent improvement in the world economic situation, the paper emphasized the importance of economic cooperation as a means of attaining the objective of collective self-reliance.

Referring to interaction between various areas of economic cooperation, the paper emphasized the importance of adopting a comprehensive approach and giving priority to measures, such as the implementation of joint venture projects and the consideration of appropriate monetary and financial arrangements, which cut across a wide spectrum of areas of economic cooperation.

Finally, the need for an inventory of all the resolutions and ensuing activities pertaining to economic cooperation within the OIC was stressed in the paper as a first step towards the adoption of a rational methodology for coordination and follow-up and effective implementation of short, medium and long-term measures.

The text of the background paper is attached as Annex VIII.

13. While appreciating the pertinence of the issues raised in the paper, the Committee decided to recommend that the SESRTCIC (Ankara Centre) be entrusted with the task of preparing such an up-to-date inventory of all the resolutions and ensuring activities pertaining to economic cooperation undertaken since the establishment of the OIC.

14. **The Committee was of the view** that the **Seventh Meeting of the** Governors of Central Banks and Monetary-Authorities of the **Member** States may be convened under the auspices of the COMCEC to discuss the monetary and financial issues arising out of the relevant decisions of the COMCEC.

15. Under the agenda item 4, the representative of the General Secretariat of the OIC presented a report on the progress achieved regarding the implementation of the decisions and resolutions of the First Session of the COMCEC. Subsequently, the representatives of the relevant OIC institutions gave detailed information on the state of progress in the tasks assigned to them by the COMCEC. The text of the report of the General Secretariat is attached as Annex IX.

16. Following the review of the progress reports submitted by the IDB, the ICCICE, the ICDT, the IFSTAD, the ICTVTR and the SESRTCIC, the Committee noted with satisfaction that :

The IDB had convened an experts' group meeting on 13-16 May, 1985 to discuss the background papers on the possibilities of establishing :

- a longer-term trade financing facility,
- a regional export credit guarantee scheme, and
- a multilateral Islamic clearing union.

The IDB has reached the stage of finalizing the feasibility study on the longer term trade financing facility for submission to the Second Session of the COMCEC. Progress reports on the remaining subjects will also be submitted to the Second Session of the COMCEC.

The ICCICE is prepared to receive new joint venture project proposals from the OIC Member States for onward transmission to the IDB for further consideration.

The ICDT has completed an initial study on the feasibility of establishing a trade information network among the member countries. The ICDT has also initiated studies concerning the trade promoting regional preferential measures. Within the context of activities related to trade promotion, the First Meeting of the State Trading Organizations (STOs) was held in Tunisia in July 1985 and arrangements have been finalized with the Moroccan Government for the holding of the Second Islamic Trade Fair in Casablanca during April 1986. Furthermore the ICDT has continued with its training programmes in the areas of trade cooperation.

The IFSTAD has completed the roster of Muslim experts in the fields of contracting, design and engineering, and has undertaken to establish and promote consultancy services for utilization by the member countries. The IFSTAD is finalizing the preparation of the First Coordinating Conference on Technology among the Member States, to be held in Istanbul on October 21-25, 1985, in cooperation with The Scientific and Technical Research Council of Turkey. The IFSTAD is also giving scholarships in different areas of technology, including computer technology.

The ICTVTR has taken necessary steps to launch its training activities.

The SESRTCIC has developed a variety of data bases containing statistics and information in the areas related to industrial development and cooperation, as well as to trade and commercial exchanges for the reference of interested parties in the member countries. It has also initiated projects to prepare directories on consultancy firms, free zones and ports and on financial institutions in the member countries, and to publish the up-dated final version of the "Foreign Investment Legislation in the Member States".

In the area of training and technical cooperation, the Centre has continued with its training programmes, and published a directory on training institutions in the member countries.

17. The Committee having noted the above mentioned developments stressed the need for further action in order to expedite the translation of the Member States' aspirations into concrete action. In this context, the Committee considered those studies and programmes which are still in progress and expressed the feeling that a closer cooperation needs to be established between the institutions entrusted with the completion of these studies and the relevant organs of the Member State Governments. This would facilitate the timely completion of :

a) Preparation of a directory of exporters and importers of the Member States by the ICDDT.

b) Formulation of a methodology for the harmonization of standards applied in the member countries and completion of the other studies mentioned in the report of the Meeting of the Standardization Experts held in April 1985 by the Turkish Standards Institute.

c) The preparation of an inventory of trade preferential practices among the Member States by the ICDF.

d) Formulation of ways and means to implement short and long-term measures to promote technical cooperation in trade by the ICDF.

18. Furthermore, the Committee decided to recommend to the COMCEC to urge the Member States on the following:

a) Timely provision of up-to-date and detailed information to the above mentioned institutions to be utilized in the studies entrusted to them.

b) Identification of joint venture projects and their subsequent-transmission through the ICCICE to the IDB for further consideration.

c) Signing and ratification of the Statutes of the Islamic States Telecommunications Union, the Islamic Cement Association and the Islamic Civil Aviations Council so that they can become operational at an early date.

d) Signature and ratification of the General Agreement for Economic, Technical and Commercial

Cooperation and the Agreement on Promotion, Protection and Guarantee of Investments by those Member States who have not done so.

19. The Committee noted with deep concern the particularly alarming deterioration in the financial situation of the OIC General Secretariat and the OIC affiliated and subsidiary organs and felt that the COMCEC should urge the Member States to:

i) Immediately settle the arrears to the budgets of these institutions.

ii) To take the necessary arrangements for prompt and regular payment of their mandatory contributions to the budgets of the above institutions.

20. Under the agenda item 5, the Head of the Coordination Office for the COMCEC presented a background paper on the composition and functioning of the COMCEC. The Committee undertook extensive deliberations on this issue and recommended that the COMCEC be composed of the relevant ministers responsible for the national economy and/or coordination of economic activities in their respective countries in order to enable the COMCEC to carry out its mandate most effectively as was entrusted to it by

the Third Islamic Summit Conference. The text of the background paper is attached as Annex X.

In view of the composition of the COMCEC as proposed by the Follow-up Committee, it was agreed that the frequency and the level of other ministerial meetings which have overlapping implications should gradually be reduced. However, inputs provided by such meetings should be incorporated into the overall work of the COMCEC.

21. Under agenda item 6, the proposed draft agenda for the Second Meeting of the COMCEC was considered. The draft agenda as revised by the Follow-up Committee is attached as Annex XI.

22. The Follow-up Committee suggested that the reports of the affiliated and subsidiary organs of the OIC on their activities be reviewed by a Group of Experts to be formed during the Second Session of the COMCEC.

23. The Follow-up Committee of the COMCEC took note of the Report of the Meeting of the Follow-up Committee set up by the Second Ministerial Consultation on Industrial Cooperation, which was held concurrently. A copy of the Report is attached as Annex XII.

24. At the conclusion of its deliberations, the Committee expressed its deep gratitude to the Government and the people of the Republic of Turkey for hosting the First Meeting of the Follow-up Committee of the Standing Committee for Economic and Commercial Cooperation, and for the generous hospitality accorded to the delegates. The Committee felicitated the Chairman for the effective manner in which he presided over the Meeting. The Committee thanked the Rapporteur for the preparation of the Report. The Committee also thanked the Coordination Office for the COMCEC for the excellent arrangements and preparations made for the success of the Meeting.

25. The Committee asked the Chairman to send messages on its behalf to H.E. Mr. Kenan EVREN, President of the Republic of Turkey and the Chairman of the COMCEC, and to H.E. Mr. Turgut OZAL, Prime Minister of the Republic of Turkey and the Alternate Chairman of the COMCEC. In these messages the Committee expressed its feelings of gratefulness to H.E. Kenan EVREN and to H.E. Mr. Turgut OZAL for the efforts which ensured the excellence of the organization and the success of the Meeting, and for sincere reception and most generous hospitality accorded to the delegates during their stay in Turkey.

26. Finally, the Committee adopted its report together with its annexes for submission to the COMCBC-II.

(For the annexes to this report, please refer to the "Report of the First Meeting of the Follow-up Committee", Coordination Office for the COMCEC, IS/COMCEC/R-15, Ankara 1985)

Originals **English**

VI

REPORT OF THE SENIOR OFFICIALS' MEETING
OF THE SECOND SESSION OF THE COMCEC

(Istanbul, 11-13 March 1986)

1. The Meeting of the Senior Officials of the Second Session of the Standing Committee for Economic and Commercial Cooperation (COMCEC) was held in Istanbul, Republic of Turkey, from 11 to 13 March 1986 (1-3 Rajab 1406).

2. The Meeting was attended by the Senior Officials of the following Member Countries of the Organization of the Islamic Conference (OIC) •

- Algerian Democratic and Popular Republic
- People's Republic of Bangladesh
- Negara Brunei Darussalam
- Burkina Faso
- United Republic of Cameroon
- Federal Islamic Republic of the Comoros

- Arap **Republic of Egypt**
- Republic of **the** Gambia
- Republic of Guinea-Bissau
- Republic of Indonesia
- Islamic Republic of Iran
- Republic of Iraq
- Hashemite Kingdom of Jordan
- State of Kuwait
- Republic of Lebanon
- Socialist People's Libyan Arab Jamahiriya
- Malaysia
- Republic of Mali
- Islamic Republic of Mauritania
- Kingdom of Morocco
- Sultanate of Oman
- Islamic Republic of Pakistan
- Palestine.
- State of Qatar
- Kingdom of Saudi Arabia
- Republic of Senegal
- Somali Democratic Republic
- Democratic Republic of Sudan
- Syrian Arab Republic
- Republic of Tunisia
- Republic of Turkey

- United Arab Emirates
- Yemen Arab Republic

The Turkish Republic of Northern Cyprus participated in the Meeting as an observer.

3. The Meeting was also attended by the representatives of the General Secretariat and the following affiliated and subsidiary organs of the OIC

- The Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRTCIC)
- The Islamic Centre for Development of Trade (ICDT)
- The Islamic Foundation for Science, Technology and Development (IFSTAD)
- The Research Centre for Islamic History, Art and Culture (IRCICA)
- The Islamic Development Bank (IDB)
- The Islamic Chamber of Commerce, Industry and Commodity Exchange (ICCICE)

4. The Representatives of the International Association of Islamic Banks (IAIB) and that of the United Nations Industrial Development Organization (UNIDO) also attended the Meeting as observers.

5. The names of the participants to the Meeting of Senior Officials are included in the integrated list of participants to the Second Session of the COMCEC contained in the same part of the present book.

6. The Meeting, which was held concurrently with the Senior Officials' Meeting preparing the Second Ministerial Conference on Food Security and Agricultural Development of the OIC, was presided over by His Excellency Dr. Yusuf Bozkurt Ozal, Undersecretary to the Prime Minister for the State Planning Organization and Chief Executive of the COMCEC Coordination Office.

7. His Excellency Dr. Yusuf Bozkurt Ozal inaugurated the Meeting by welcoming the distinguished participants to Turkey. Dr. Ozal also explained the programme of work which included the preparations for the Second Ministerial Conference on Food Security and Agricultural Development.

8. Dr. Ozal informed the Meeting of the formation of the Follow-up Committee at Ministerial level to assist the Chairman of the COMCEC, which held its First Meeting in Istanbul on 9-11 September, 1985, in reviewing the progress achieved in the

implementation of the decisions of the First Session of the COMCEC held in November, 1984.

Dr. Ozal also announced the establishment of the Coordination Office for the COMCEC within the State Planning Organization of the Republic of Turkey to provide the required secretarial services to H.E. President Kenan Evren, Chairman of the COMCEC.

9. The Assistant Secretary General of the OIC, Tan Sri Abdurrahman Bin Abdul Jalal, informed the Meeting of the progress in the ongoing activities within the OIC and its subsidiary and affiliated bodies in the field of economic and commercial cooperation.

The Assistant Secretary General also commended the rapid progress achieved within the purview of the COMCEC and praised the substantive results already achieved.

10. In view of the need to provide continuity in the organization of the work of the COMCEC and to facilitate the task of its Chairman in reporting to the Fifth Islamic Summit Conference, the Office Bearers elected during the First Session of the COMCEC were reinstated; namely,

Chairman : Republic of Turkey

Vice Chairmen:

- Islamic Republic of Pakistan
- Kingdom of Saudi Arabia
- Republic of Guinea
- Palestine

Rapporteur: Hashemite Kingdom of Jordan.

11. An open-ended Drafting committee was established to formulate the results of the deliberations of the Senior Officials' Meeting. The Drafting Committee, in undertaking the task entrusted to it, drew up a draft resolution for the Second Session of the COMCEC, reflecting the consensus of the plenary.

The text of the Resolution as adopted at the Ministerial Session is contained in the Report of the Second Session of the COMCEC which takes place in Part Two of the present book.

12. In order to enable a thorough review of the activities of the OIC subsidiary organs and affiliated bodies, and to consider their reports in detail, an open-ended Sessional Committee was established. The Sessional Committee reported its appraisal to the plenary, which was duly noted.

The Report of the Sessional **Committee is contained** in the same part of the present book.

13. It was agreed that the results of the **Meeting of** the Senior Officials would be reported to the **Second** Session of the COMCEC by its Chairman, Dr.Yusuf Bozkurt Ozal.

14. The delegations expressed their appreciation for the arrangements made to convene the Meeting and thanked the Government of the Republic of Turkey for its hospitality.

Qcifiinşil English

VII

REPORT OF THE MEETING OF THE SESSIONAL COMMITTEE
OF THE COMCEC
ON THE ACTIVITIES OF THE SUBSIDIARY **AND**
AFFILIATED ORGANS OF THE OIC

1. In pursuance of the decision taken in the First Meeting of the Follow-up Committee which was held in Istanbul, from 9 to 11 September, 1985, an open-ended Sessional Committee composed of a group of experts was formed during the Senior Officials' Meeting of the Second Session of the Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Conference (COMCEC) (1.1-13 March 1986). The mandate of the Sessional Committee was to review the reports of the subsidiary and affiliated organs of the OIC.

2. The Meeting of the Sessional Committee was attended by the following Member Countries of the OIC:

- Islamic Republic of Iran
- Republic of Iraq
- Republic of Indonesia
- State of Kuwait
- Kingdom of Morocco
- Kingdom of Saudi Arabia
- Republic of Turkey

3. The Meeting was also attended by the OIC General Secretariat and the following specialised agencies of the OIC:

- Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRTCIC)
- The Islamic Centre for Development of Trade (ICDT)

4. During the Meeting, detailed progress reports were submitted by the SESRTCIC and the ICDT on their activities, and by the General Secretariat of the OIC on the activities of the ICTVTR, ICCICE, IFSTAD, and IAIB.

5. The Sessional Committee noted the efforts of the affiliated and subsidiary organs of the OIC to achieve coordination among themselves; the contribution of the subsidiary and affiliated organs to the work of the OIC and the COMCEC; and expressed deep concern about the financial situation of the General Secretariat and the affiliated and subsidiary organs of the OIC.

6. The Sessional Committee recommended that:

a) the OIC centres and agencies should consider implementing measures to augment their financial resources, including the charging of user fees for their services.

b) the affiliated and subsidiary bodies of the OIC should avoid duplication in their work, both among themselves and with other regional and international organizations engaged in similar activities.

7. The Sessional Committee urged Member Countries :

a) to implement the relevant resolutions of the Sixteenth Islamic Conference of Foreign Ministers on the financial difficulties of the OIC General Secretariat and the affiliated and subsidiary organs of the OIC.

b) to immediately pay their arrears to the **budgets of** these OIC institutions; and,

c) to cooperate with these institutions in their research and training activities, by providing them with requisite information and technical support.

Original 1 English

VIII

REPORT OF THE SENIOR OFFICIALS' MEETING
OF THE SECOND MINISTERIAL CONFERENCE ON
FOOD SECURITY AND AGRICULTURAL DEVELOPMENT

1. The Meeting of the Senior Officials of the Second Ministerial Conference on Food Security and Agricultural Development was held in Istanbul, Republic of Turkey, from 11 to 13 March 1986.

2. The Meeting was attended by the Senior Officials of the following Member States :

- Algerian Democratic and Popular Republic
- People's Republic of Bangladesh
- People's Republic of Benin
- Negara Brunei Darussalam
- United Republic of Cameroon
- Arab Republic of Egypt
- Republic of Indonesia
- Islamic Republic of Iran
- Republic of Lebanon

- Socialist People's Libyan Arab Jamahiriya
- Malaysia
- Republic of Mali
- Islamic Republic of Mauritania
- Republic of Niger
- Islamic Republic of Pakistan
- Palestine
- State of Qatar
- Kingdom of Saudi Arabia
- Republic of Senegal
- Republic of Turkey
- United Arab Emirates

The Turkish Republic of Northern Cyprus participated in the Meeting as an observer.

3. The Meeting was also attended by the representatives of the General Secretariat of the Organization of the Islamic Conference (OIC), the Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRTCIC) and the Islamic Development Bank (IDB).

4. Representatives of the Food and Agricultural Organization (FAO) of the United Nations also attended the Meeting as observers.

5. The **names of the participants to the Meeting of Senior Officials** are included in the integrated list of participants to the Second Ministerial Conference on Food Security and Agricultural Development contained in the same part of the present book.

6. The Meeting, which was held concurrently with the Meeting of the Senior Officials preparing the Second Session of the Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Conference (COMCEC), was presided over by H.E. Dr. Nazmi Demir, Deputy Undersecretary of the Ministry of Agriculture, Forestry and Rural Affairs of the Republic of Turkey.

7. H.E. Dr. Nazmi Demir inaugurated the Meeting by welcoming the distinguished delegates to **Turkey**. Dr. Demir explained the programme of work. He outlined the developments that had taken place in cooperation among the Islamic Countries in the agricultural sector since the First Ministerial Conference on Food Security and Agricultural Development. He emphasized the importance of finalizing the studies that had been assigned to some Member Countries during the First Conference in accordance with the priorities to be set during the present meeting. He gave a brief account of

the agricultural situation in Turkey. In concluding, he pointed out the great potential for cooperation in the agricultural sector among Islamic Countries in such areas as investment, training, research, exchange of material inputs such as seeds, livestock breeds, vaccines, machinery and equipment, etc.

8. In his opening statement, the OIC representative Mr. A.H.G.Mohiuddin, Director of the Economic Division, informed the Meeting of the progress in ongoing activities within the OIC and its subsidiary and affiliated bodies in the agricultural sector.

9. The Meeting then elected the members of its Bureau with Turkey as Chairman and Malaysia, Niger and Palestine to serve as Vice-Chairmen and Saudi Arabia as Rapporteur.

10. The Meeting adopted the draft agenda which was approved during the Coordination Meeting of the Ministers of Agriculture held on the occasion of the 23rd FAO Conference in Rome in November 1985, with an addition concerning the proposal of the Delegate of Palestine. "The Agricultural Situation in the Occupied Territories" was added as agenda item 9.

11. Mr. Mohiuddin, speaking on behalf of the Secretary General of the OIC, presented the progress report. The Meeting expressed its appreciation for the background papers presented by the General Secretariat of the OIC.

12. The FAO representative, Mr. M.H.Abbas, presented the reports prepared by the FAO on "The State of Food and Agriculture in Islamic Countries and Agricultural Development" and on "The Status of Food Security". The Representative of Senegal presented the study on "Mechanisms and Modalities for the Creation and Financing of Food Reserve Stocks in the Islamic World". The Representative of Indonesia submitted a Progress Report on the follow-up action of the study on "Measures for the Improvement of Agricultural Infrastructures".

13. Under agenda item 6 on "Cooperation in the Trade of Food and Agricultural Commodities among Islamic Countries", a study was presented by the SESRTCIC and under agenda item 7 on "Cooperation in Agricultural Research and Training among Islamic Countries" the Turkish Delegate presented his country's study on "The Establishment of a Regional Research and Training Centre on Agro-Hydrology in Turkey".

14. The Plenary decided to establish an open-ended Drafting Committee to formulate the results of the deliberations of the Senior Officials' Meeting. The Drafting Committee, in undertaking the task entrusted to it, drew up a draft resolution reflecting the consensus of the Plenary.

15. It was agreed that the results of the Meeting of the Senior Officials would be reported to the Second Session of the "Ministerial Conference on Food Security and Agricultural Development" by its Chairman, Dr. Nazmi Demir.

16. The delegations thanked the Government of the Republic of Turkey for its generous hospitality and the arrangements made for the Meeting.

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IX

REPORT OF THE SECOND MINISTERIAL CONFERENCE
ON FOOD SECURITY AND AGRICULTURAL DEVELOPMENT
IN ISLAMIC COUNTRIES

1. The Second Ministerial Conference on Food Security and Agricultural Development was held in Istanbul, Republic of Turkey, from 14 to 16 March, 1986.

2. The Conference, in its joint session with the Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Conference (COMCEC), was inaugurated by His Excellency Kenan Evren, President of the Republic of Turkey.

3. The Conference was attended by the representatives of the following Member States:

- Algerian Democratic and Popular Republic
- People's Republic of Bangladesh
- People's Republic of Benin

- **Negara Brunei Darussalam**
- **Burkina Faso**
- United Republic of Cameroon
- Arab Republic of Egypt
- Republic of the Gambia
- Republic of Guinea Bissau
- Republic of Indonesia
- Islamic Republic of Iran
- Republic of Iraq
- Socialist People's Libyan Arab Jamahiriya
- Hashemite Kingdom of Jordan
- State of Kuwait
- Republic of Lebanon
- Malaysia
- Republic of Mali
- Islamic Republic of Mauritania
- Kingdom of Morocco
- Republic of Niger
- Sultanate of Oman
- Islamic Republic of Pakistan
- Palestine
- State of Qatar
- Kingdom of Saudi Arabia
- Republic of Senegal
- Somali Democratic Republic

- **Democratic Republic of Sudan**
- Syrian Arab Republic
- Republic of Tunisia
- Republic of Turkey
- United Arab Emirates
- Yemen Arab Republic

The Turkish Republic of Northern Cyprus participated in the Conference as an observer.

4. The Conference was also attended by the representatives of the General Secretariat of the Organization of the Islamic Conference (OIC), the Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRTCIC), the Islamic Development Bank (IDB) and the Islamic Centre for Development of Trade (ICDT).

5. Representatives of the United Nations Development Programme (UNDP), and the Food and Agriculture Organization (FAO) of the United Nations also participated as observers.

6. The list of participants is contained in the same part of the present book.

7. The Conference, which was held concurrently with the Second Session of the Standing Committee for

Economic **and Commercial Cooperation** of the OIC, was presided **over by H.E. Husnu Dogan**, Minister of Agriculture, Forestry and Rural Affairs of the Republic of Turkey.

8. H.E. Husnu Dogan, in his statement, stressed the importance of implementing the decisions taken with regard to agriculture since 1981 within the OIC and of those that would be agreed upon at the present meeting. After briefly giving some information on the state of agriculture in Turkey, H.E. Husnu Dogan underlined the challenges which the Islamic Countries were faced with. Among such challenges, he indicated the need to provide sufficient nutrition to the 750 million people living in the Member States, to procure raw materials for agro-based industries, to facilitate the flow of technical information required for agricultural production and to provide all infrastructural opportunities and the input for optimum exploitation of the arable land in the Islamic Countries. He emphasised the need to take the necessary measures to increase the trade of agricultural goods among the Islamic Countries. He also stated that to increase self-sufficiency in the Islamic community, intensification of economic, commercial and technical cooperation was needed.

9. The Conference then agreed that the Bureau which was elected during the Senior Officials' Meeting held between 11 and 13 March, 1986, composed of Turkey as Chairman; Malaysia, Niger and Palestine as Vice-Chairmen; and Saudi Arabia as Rapporteur should continue to serve the Conference.

10. The Conference adopted the draft agenda as was approved by the Senior Officials. A copy of the Agenda as adopted is annexed to this report.

11. Mr. A.H.G. Mohiuddin, Director of the Economic Division of the OIC, speaking on behalf of the Secretary General, presented the Progress Report on **the** activities of the OIC and its subsidiary and affiliated bodies in the agricultural sector.

12. Mr. Edouard Saouma, Director General of the Food and Agriculture Organization of the United Nations, gave an account of the activities jointly undertaken by the FAO and the OIC. Pointing out the adverse conditions in a number of Member States of the OIC, he expressed his satisfaction at the adoption by the governing bodies of the FAO of the "World Food Security Compact". He stated that the Islamic Countries could overcome the problems they faced in the agricultural field through close cooperation among themselves. The

Chairman and a number of delegations expressed their appreciation to the **FAO for the close cooperation and support** it provided for the activities of the OIC. They expressed confidence in the continuing activities of the Director General in supporting the countries that need FAO's assistance.

13. H.E. Dr. Nazmi Demir then presented the report and the draft resolution prepared by the Senior Officials during their meeting.

14. The Ministers adopted the draft resolution prepared by the Senior Officials with some amendments that were presented by a number of delegations. The resolution as adopted is contained in the same part of the present book. The Gambian delegation also submitted a draft resolution. The Conference noted its contents and the presentation made by the Gambian Delegation as a result of its consultation with several Member States.

15. It was agreed that the results of the Conference would be reported to the Second Session of the Standing Committee for Economic and Commercial Cooperation.

16. The delegations thanked the Government of the Republic of Turkey for its generous hospitality and the excellent arrangements made for the Meeting.

Annex
to the Report of the Second
Ministerial Conference
on Food Security and
Agricultural Development

AGENDA

OF THE SECOND MINISTERIAL CONFERENCE ON
FOOD SECURITY AND AGRICULTURAL DEVELOPMENT

14-16 March 1986, Istanbul

Opening of the Conference.

Organizational Matters:

- a) Election of the Chairman, Vice-Chairmen and Rapporteurs.
- b) Adoption of the Agenda and Timetable.

Progress Report by the OIC Secretary General.

State of Food and Agriculture in Islamic Countries
and Agricultural Development.

Status of Food Security.

Cooperation in Trade of Food and Agricultural
Commodities Among Islamic Countries.

Cooperation in Agricultural Research and Training
Among Islamic Countries.

Possible New Areas of Cooperation in the Field of
Agriculture.

Other Matters.

Adoption of the Report.

Original English

X

RESOLUTION OF THE SECOND MINISTERIAL CONFERENCE
ON FOOD SECURITY AND AGRICULTURAL DEVELOPMENT
IN ISLAMIC COUNTRIES

The Second Ministerial Conference on Food Security and Agricultural Development in Islamic Countries was held in Istanbul, Republic of Turkey» from March 14 to 16, 1986.

RECALLING the Program of Action for Strengthening Cooperation among the Member States of the Organization of the Islamic Conference in the field of food and agriculture adopted by the First Ministerial Conference on Food Security and Agricultural Development held in Ankara, Republic of Turkey, from 20 to 22 October, 1981;

RECALLING Resolution No. 1/4-EF (IS) adopted by the Fourth Islamic Summit Conference held in Casablanca, Kingdom of Morocco, from January 16 to

19,1984, which identified Agricultural Development and Food Security as one of the six priority areas of cooperation in the Plan of Action to Strengthen Economic Cooperation among the OIC Member States;

RECALLING ALSO the decisions of the Follow-up Committee and three Coordination Meetings of the Ministers of Food and Agriculture and the recommendations of the Expert Group on Forestry and of the Working Group on Agricultural Cooperation:

NOTING WITH SATISFACTION that the General Agreement on Economic, Technical and Commercial Cooperation which will encourage the maximum utilization of the potential for food and agricultural production, has gone into effect following its ratification by the majority of the Member States.

NOTING WITH CONCERN the unfavourable food security situation and the continued dependence of most Islamic Countries on external sources to meet their food and agricultural requirements;

CONCERNED with the catastrophic food situation prevailing in the Sahel countries caused by the continuous years of drought leading to terrible human suffering;

DEEPLY APPRECIATING the generous contributions made by some of the Member States and the IDB to the Sahel Programme of the Islamic Solidarity Committee with the People of Sahel;

APPRECIATING the studies completed by some Member States in accordance with the decisions of the First Ministerial Conference on Food Security and Agricultural Development.

APPRECIATING ALSO the two major studies undertaken by the Food and Agriculture Organization (FAO) on the "State of Food and Agriculture" and the "Food Security Situation of the Islamic Countries" and the study prepared by the SESRTCIC on "Trade of Food and Agricultural Commodities in the Islamic Countries";

AGREES AS FOLLOWS :

I- The Recommendations of the Working Group which met at the FAO Headquarters in Rome from April 17 to 19, 1984 on Agricultural Cooperation:

1. The Ministers decided not to wait until the completion of the studies but to proceed with cooperation in the agricultural sector. With this end

in mind, they adopted the priority programme recommended by the "Working Group on Agricultural Cooperation" which met at the FAO Headquarters in Rome on April 17-19, 1984.

2. However, having decided to concentrate on selected studies, they deleted the following studies from the list prepared by the Working Group:

i) Measures Required for Raising Production and Productivity in Various Food and Agricultural Products in the Member States (Sudan);

ii) Measures to Control Drought, Desertification, Deforestation, Water Logging and Salinity in Member States (Drought: Mali; Desertification: Saudi Arabia; Deforestation: Water Logging, Salinity: Pakistan);

iii) Measures for Reduction of Pre- and Post-Harvest Losses Including Measures to Control Pests and Diseases (Turkey).

iv) Requirements and Mechanisms for the Establishment of Agro-Based and Agro-Related Industries, in particular, Production of Tractors, Fertilizers, Water-Pumps, the Seed

Industry, Pesticides, and the Processing of Agricultural Raw Materials (Turkey). This study will only be focused on "Water-Pumps" and "The Seed Industry".

3. The Ministers urged the Member States to complete the remaining studies in a maximum of two years in close coordination with the General Secretariat, the SESRTCIC and the FAO. The Ministers underlined the great importance of carrying out the projects that would be prepared as a result of these studies. They agreed that measures to be taken in this regard should be studied, if possible, in the next Follow-up Meeting. The IDB's assistance in financing such projects would also be highly appreciated.

4. The Member States who have been assigned studies are requested to make maximum use of the data available within the FAO and SESRTCIC and to organize fact finding missions. The Member States may request assistance from the FAO under the Technical Cooperation Program (TCP) for the completion of these studies. Assistance from other Member Countries for providing the unavailable data may

also be sought. FAO's cooperation in this regard will be highly appreciated by the Member States.

II. State of Food, Agriculture and Food Security:

5. In order to increase agricultural production and improve food security in the Islamic Countries the following measures are recommended to the Member States:

Public expenditure on agriculture needs to be increased;

Opportunities need to be improved for technological and commercial cooperation among the Islamic Countries and assistance should be provided to those countries that need help for this purpose;

Joint action and joint investments should be developed among the Islamic Countries in order to ensure maximum use of comparative advantages in the form of land, capital, and technical expertise in order to complement each other successfully;

- The adoption of specific **and integrated** agricultural policies **by the Member States** themselves and appropriate attention being given to agricultural development in their development plans.

6. A meeting of experts should collect the required data from the relevant international organizations and the Member Countries. They should examine the studies already completed by the Member States. Based upon these data, they will study measures for achieving food security in the Islamic States and suggest specific and practical measures for promoting coordination in maintaining national grain reserves and for evolving a mechanism that will ensure security of food supplies in times of shortage and high prices and for this purpose, to promote trade in food products among the Member States. The experts, in making recommendations to the Ministers, should also keep in mind the activities of the other international organizations as well.

7. The establishment of early warning systems on pest and disease in plants and livestock within the OIC Member States needs to be studied. An expert group established for this purpose should examine the

ways and means of establishing such an early warning system.

III- Cooperation in the Trade of Food and Agricultural Commodities among Islamic Countries:

8. Measures should be taken to increase the trade of food and agricultural commodities and inputs among the Islamic Countries and to benefit from the foreign trade financing schemes within the IDB in this respect. The Ministers noted the progress achieved in the establishment of a "Longer-term Trade Financing Scheme" under the IDB. They also noted that, work would continue on a "Regional Export Credit Guarantee Scheme". They agreed that such new possibilities would promote intra-Islamic trade. The Ministers of Trade of the Islamic Countries are urged to give special consideration to measures which would increase agricultural and agro-industrial trade among Islamic Countries. The ICDT should intensify its efforts to promote intra-Islamic trade of agricultural as well as agro-based products. The Ministers also urged the early convening of the Ministers of Transport and Telecommunications of the Member States of the OIC so that measures needed to

increase trade among the Islamic Countries in these two sectors **may be** reviewed.

IV- Cooperation in Agricultural Research and Training:

9. The Ministers, in view of the importance of research and training for increasing agricultural production and food security decided that "Centres of Excellence" should be identified by the SESRTCIC as well as the General Secretariat of the OIC in Member States that would provide opportunities for training and joint research in the agricultural sector. These centres would provide short-term training to participants from other Member States of the OIC.

10. The Ministers decided that the possibilities of establishing a network of "Agricultural Research Centres" should be studied by SESRTCIC. These centres would be responsible for determining strategies and programmes for agricultural development in the Member States with specific emphasis on technology development for target groups and applied research and provide coordination and cooperation in research and manpower training, transfer of technology, collection, conservation and exchange of plant and animal

germplasm and exchange of information **among** the **Member** States. These centres would have sub-stations at regional and sub-regional levels. The SESRTCIC is requested to prepare a working paper on this question and submit it to an expert group which would be convened by the General Secretariat of OIC by March 1987 to examine this matter. The same group would examine the paper to be prepared by SESRTCIC on "Centres of Excellence" mentioned in paragraph 9. These institutions should be based on the existing national institutions; creation of new institutions should be avoided. The Follow-up Committee will finalize the report of the expert group and take the necessary steps for its immediate implementation.

11. The Ministers, after considering the feasibility study prepared by Turkey decided to establish a "Regional Research and Training Centre in Agro-hydrology for Islamic Countries" in Turkey. They noted that the Turkish Government is ready to provide the land and necessary infrastructure for this purpose and the Turkish Government's intention was to establish this centre. The Turkish Government will try to provide the necessary financing from other sources, especially the IDB.

12. To encourage the utilization of technological know-how and expertise among the Member States there will be frequent exchange of experts among the Member States.

13. In order to promote career development programs for the students of agriculture of the Member Countries, scholarship programmes will be arranged in collaboration within the Member States particularly by those who are capable of offering such facilities.

V- Forestry:

14. The programme of cooperation drawn up at the expert meeting held in Peshawar, Pakistan, in March 1983, is adopted by the Conference. The General Secretariat and the SESRTCIC are requested to follow up the implementation of the recommendations of the expert group.

VI- Possible New Areas of Cooperation:

A) Cooperation in the area of fisheries and fishing technology.

15. The Ministers agreed on the need for cooperation in the fisheries and the aqua-culture sector. They decided that in the initial phase studies should be undertaken to cooperate in establishing a production and training centre on fisheries (fresh water and off-shore) and another one on aspects of gear and equipment and fishing technologies. The OIC General Secretariat was requested to convene a meeting of experts from the Member Countries for this purpose.

B) The Seed Industry.

16. In order to realize a wider use of the better quality seeds of high-yielding varieties, a feasibility study should be undertaken on seed certification procedures as well as production and supply, on the determination of common quarantine regulations and distribution within the Islamic Countries. The establishment of a joint, seed company to implement the system should also be taken into consideration. The Turkish Government, in connection with the study it has undertaken on this question, will invite experts from Member Countries in coordination with the OIC General Secretariat to determine the ways and means of implementing this decision.

C) Irrigation.

17. The Ministers agreed that special attention and priority needed to be given to measures for cooperation on irrigation and especially groundwater exploitation. They decided to establish an expert group to study possibilities for cooperation in this field. The Ministers agreed that the expert groups mentioned in paragraphs 15, 16, and 17 above should be convened by the OIC General Secretariat, in the very near future, if possible; within the next three months.

D) Animal Production.

18. The Ministers agreed that the animal production sector must be encouraged in Member States. The development of the sector could be achieved by means of better management, feeding, breeding, and selection. It was decided to establish an expert group to study means of cooperation and ways of increase trade in this area.

E) Agricultural Inputs.

19. The Ministers agreed to cooperate in the fields of the acquisition and manufacturing of agricultural inputs such as farm machinery, fertilizers, pesticides etc. The Ministers agreed to delegate this matter to a

team of experts for studying and reporting to the Ministers in their forthcoming meeting.

VII- The State of Agriculture in Occupied Palestinian Territories:

20. Having heard the clear and exhaustive presentation made by the Palestinian Delegate to the Conference concerning the severe plight of the Palestinian farmers under Israeli occupation, caused by arbitrary Israeli policies against the Palestinian population in general and the Palestinian farmers in particular, the Meeting recommended;

i) that all the UN affiliated bodies work each in its own domain for an end to Israeli occupation of the Palestinian homeland.

ii) that a complete agricultural cadastral survey be made of the West Bank and the Gaza Strip under the supervision of the relevant International Organizations.

iii) that technical and financial assistance be extended to the agricultural pilot-projects undertaken by the National Palestinian Institution with a view to the development of agricultural

production in the occupied Palestinian territories.

iv) that the agricultural products of the occupied Palestinian territories exported to Islamic Countries be exempted from all taxes and customs duties.

VHI-Support of the Agricultural Sector in Lebanon:

21. The Ministers agreed to support the agricultural sector in Lebanon owing to the heavy losses it has incurred as a result of the Israeli invasion. This support could be given by allowing and encouraging agricultural produce of Lebanese origin into members' markets.

IX- Meeting of the Follow-up Committee:

22. The Follow-up Committee, composed of the members of the Bureau of this Conference will meet in the beginning of 1987 in Turkey to review the implementation of the above decisions to report to the next session of the Meeting of the Ministers of Agriculture. The Follow-up Meeting may be attended by other OIC Member States as observers.

XI

LIST OF PARTICIPANTS

SECOND MINISTERIAL CONFERENCE ON FOOD SECURITY
AND AGRICULTURAL DEVELOPMENT OF THE OIC

Istanbul, Republic of Turkey
14-16 March, 1986

ALGERIAN DEMOCRATIC AND POPULAR REPUBLIC

- H.E. Abdelkrim BEN MAHMOUD
Ambassador to Ankara

- Mr. Mourad BENMEHIDI
Head of Bureau of Cooperation among
Developing Countries,
Ministry of Foreign Affairs

PEOPLE'S REPUBLIC OF BANGLADESH

- H.E.M.A. MUNIM
Major-General
Minister of Agriculture

- Mr. M.A. HENA
Additional Secretary
External Resources Division
Ministry of Finance

- Mr. **Abdul QUAYYUM**
Director General
Ministry of Foreign Affairs
- Mr. A.H.Mofazzal **KARIM**
Joint Secretary
Ministry of Agriculture
- Mr. Iftikharul **KARIM**
CDA a.i. of Bangladesh
Embassy of Bangladesh
Ankara

PEOPLE'S REPUBLIC OF BENIN

- H.E.A.BIAOU
Minister of Rural Development
- Mr. Mamudou FASSASSI
Director of Agriculture

NEGARA BRUNEI DARUSSALAM

- Dr. Pg.Ismail Bin Pengiran Haji DAMIT
Permanent Secretary (Technical),
Ministry of Development
- Mr. Danial Bin Haji HANAFIAH
Director of Agriculture,
Ministry of Development
- Mr. Rosli Bin OMAR
Officer with Special Duties,
Ministry of Development

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Minister of Public Works **and** Housing
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- H.E. Shaikh Ebraheem Duaij AL-SABAH

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Supervisor of Plant Wealth

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Ministry of Agriculture and Agrarian

- Mr. Ben Souda Koraichi TALEB
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- Mr. Mohamed BENNIS
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Minister of Agriculture

- Mr. Ouhmarou IBRAHIM
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SULTANATE OF OMAN

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Ministry of Food, Agriculture
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- Mr. Khalid MAHMOOD
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- Mr. Mahmood Qureshi AJMAL
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- Mr. Mohamed Ziny JOWANA
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Minister of Agriculture and Fisheries

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- Mr. Ali Abdulla **ALAGBARY**
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TURKISH REPUBLIC OF NORTHERN CYPRUS (OBSERVER)

- H.E.Nazif **BORMAN**
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- Mr. Emir Ali **GÜDER**
Undersecretary,
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GENERAL SECRETARIAT OF THE OIC

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- Mr. Mahmoud Al Sayed **AHMAD**
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- Dr. Badreddine ALLALI
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**STATISTICAL, ECONOMIC AND SOCIAL RESEARCH AND TRAINING
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- Dr. Sadi CINDORUK
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- Mr. Abdulrahman ZEINEL ABIDIN
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- Mr. Oker GÜRLER
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- Mrs. Adile AYGUN
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FOOD AND AGRICULTURE ORGANIZATION (FAO) OF THE
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- Mr. Mohamed H. ABBAS
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Original i loglişh

XII

SPEECH DELIVERED BY H.E. H. Husnu DOGAN

Minister of Agriculture, Forestry and Rural Affairs
of the Republic of Turkey, at the
Opening Session of the Second Ministerial Conference
on Food Security and Agricultural Development

Excellencies,
Distinguished Delegates,
Esteemed Guests,

We are gathered here for the Second Ministerial
Conference on Food Security and Agricultural
Development among member countries of the Organization
of the Islamic Conference.

I would like to welcome all of you in the name of
the Turkish Government and myself, and express my
sincere belief in the efficacy of your work aimed at
agricultural development and the strengthening of co-
operation among our countries.

This cooperation in the area of agricultural
development and food security consists of several
interrelated stages and covers a wide range of issues.

In this connection, I would like to stress the importance of objectively analyzing and determining possible areas of cooperation and of pointing out existing problems in the field of agricultural development and food security among Islamic Countries. It is also imperative that the short, medium, and long term priorities and measures specified in the Rome Follow-up Meeting held in April 1984, be carefully directed and intensified upon concrete projects. However, the translation of proposals into reality depends highly on our determination and care in implementing the Programme of Action devised in the 1981 Meeting and those decisions which are to be taken here in the next few days.

The ties of friendship and brotherhood among our countries shall be the greatest source of support and guidance in our work.

In this context, I would like to make a few comments about agriculture in my country.

In recent years, Turkey has shown notable development in the field of agriculture as well as in other sectors. Particularly the government support of agro-based and agro-related industries, such as seed production, artificial insemination, production of

feedstuff, agricultural protection, fertilizer industries, coupled with opportunities provided to private enterprise to engage in these activities are important factors contributing to agricultural development.

I would also like to talk about my country's long-term endeavours related to irrigation and the utilization of soil resources.

The country's infrastructural and rural needs like roads, water, electricity and housing are being accommodated within the framework of our budgetary considerations.

The control of deforestation, desertification, the development of our fishery sources and of the livestock sectors are all issues to which we attribute great importance.

I am sure that other members of the Islamic Conference approach these issues with the utmost care as well.

We are faced with great challenges. These are: providing sufficient nutrition for almost 750 million people living in our countries, procuring raw materials

for agro-based industries, facilitating the technical information flow required for agricultural production and providing all infrastructural opportunities and input for the optimum exploitation of our arable land totaling up to 164 million hectares. These are the challenges that make cooperation in the agricultural sector vital for our countries.

According to statistics, exports of agricultural goods from Islamic Countries to the world in 1984 were 16 billion dollars, whereas imports, were 34 billion dollars. On the other hand, the proportion of agricultural imports of Islamic Countries to the global total of world agricultural imports shows a rapid increase, whereas their share in exports marks a decrease. As we study the figures of trade on foodstuffs among Islamic Countries, we see that the imports from each other make up only 4.3 % of the total world imports and the proportion of exports among themselves make up the 12.9 % of the total food exports of the world. Estimations reveal that if all the food exports of Islamic Countries were directed towards one another, the rate of self-sufficiency in the field of food could easily be raised from 4.3 % to 30 %.

In order to reverse this trend and increase self-sufficiency in the Islamic World, we need to intensify our economic, commercial, and technical cooperation. This includes cooperation in transport, marketing, joint-ventures, engineering and consultancy and technical cooperation in areas like irrigation and underground water exploitation. In our work towards these objectives, we should especially consider the comparative advantage of each one of our countries.

Furthermore, opportunities in the areas of education, publication and research exist in our countries. I sincerely hope that we will agree upon implementing projects which would enable the transfer of technology and know-how among our brotherly countries. We can utilize various organs of the United Nations such as the FAO as well as our own financial resources for this purpose.

I am also of the opinion that we can help each other in establishing an early warning system for effectively fighting against animal and plant diseases, we can combat animal and plant diseases together with the exchange of experts and technology in the fields of vaccine, medicine and biological control.

Before we go on the agenda items, I would like to convey some information on the timetable of our meetings.

The senior officials met between the 11th and the 13th of March. We shall study and decide upon their report which contains detailed analyses of the agenda items and recommendations. We are going to complete our work in one day. The Secretariat of the OIC and one country from each region is going to make a statement. This report will then be presented to the COMCEC meeting at 11.00 o'clock on Sunday.

Confident that the deliberations made here at the Second Ministerial Conference on Food Security and Agricultural Development will produce concrete results, may I wish to all my distinguished brothers success towards strengthening ties among our Islamic nations.

Originals English

XIII

SPEECH DELIVERED BY H.E. Syed Sharifuddin PIRZADA

Secretary General of the Organization
of the Islamic Conference
at the Closing Session

BISMILLAH! AR-RAHMANI AR-RAHIM

Mr. President,
Mr. Prime Minister,
Distinguished Delegates,
Excellencies,
Ladies and Gentlemen,

Assalamu Alaykum Wa Rahmatullahi Wa Barakatuh

1. It is an honour for me to attend the concluding meeting of the Second Session of the OIC Standing Committee for Economic and Commercial Cooperation and the Second Ministerial Conference on Food Security and Agricultural Development in Islamic Countries.

2. I would like to first of all convey our deepest thanks to His Excellency President Kenan Evren for the personal care and attention which he has devoted to the overall work of the Standing Committee, which has under his able guidance and leadership become the guiding force for the economic and commercial activities of our Organization.

3. President Kenan Evren's inaugural address contained a candid analysis of the deteriorating global economic situation and its adverse effect on the economies of the Islamic States. While diagnosing the malaise characterising the international economic scene, President Kenan Evren also identified the steps that would enable the Islamic States to overcome the obstacles placed by the external forces which impede their socio-economic progress, and to contribute to sustained economic recovery on a global level.

4. Prime Minister Ozal's speech summarised the encouraging progress achieved in the implementation and follow up of the resolutions adopted by the COMCEC at its First Session, held in Istanbul in November, 1984 and underlined the growing importance of closer cooperation among the OIC Member States, especially in view of the vulnerability of our economies to the

vagaries of global economic situation. Prime Minister Ozal also referred to the positive impact of closer cooperation in the economic sphere on the efforts to resolve the tragic political conflicts among Islamic States at present.

5. I wholeheartedly share and uphold the views expressed by both President Kenan Evren and Prime Minister Ozal regarding the purport and significance of efforts by the Islamic States to forge mutually supportive collaboration in the economic sphere. The quest for the collective growth and well being of the Islamic States does not signify an intention to curtail or substitute relations with other countries. These efforts are indeed aimed at achieving the optimum utilization of the human and material resources and potential of the Islamic States which would not only benefit them but also contribute to rectifying the unjust and lop-sided features of the international economic scene.

6. We have had very fruitful discussions during the past several days both at the level of the Senior Officials and the honourable Ministers. The deliberations were characterized by a high degree of pragmatism, seriousness of purpose, keen awareness of

difficulties, a positive outlook as well as a genuine and sincere desire to evolve practical and feasible measures to carry forward, in a phased and systematic manner, the process of joint action in key areas of economic activity such as investment, trade financing, food security, and agricultural development. The discussions have p.in-pointed measures which lend themselves to implementation in a short span of time. At the same time, efforts to achieve progress in **other** fields which require further discussions and consultations have also been initiated.

7. The results of the meetings are due to the valuable contributions by the delegations, the guidance provided by the members of the Bureau, and the studies and documents presented by the Member States, the Islamic Development Bank, and the OIC specialized agencies as well as the Food and Agriculture Organization of the United Nations. I would like to express gratitude to these organizations for their vital contribution to the success of our meetings.

8. Mr. Chairman, a review of the deliberations of the past few days indicates significant progress in the implementation of the Plan of Action to Strengthen Economic Cooperation in a number of sectors. The

general consensus that we have reached on the establishment of a Longer-term Trade Financing Scheme is a clear proof of the resolve on the part of the Member States to accelerate and expand trade and commercial exchanges among them. I am confident that the forthcoming Tenth Meeting of the Board of Governors of the Islamic Development Bank would give its blessing to this scheme so that it could become operational in the very near future. Similarly, the initial reactions to the proposals for a Regional Export Credit Guarantee Scheme and a Multilateral Islamic Clearing Union make us feel optimistic about the eventual realization of these projects. Likewise, the proposals for setting up a Trade Information Network for Islamic countries and the establishment of an open-ended task force have evinced favourable response. We hope that the next session of the Standing Committee would adopt final decisions on these proposals. The Islamic Centre for Development of Trade deserves our full support in carrying out these projects for expanding trade among OIC Member States.

9. It is encouraging to note that satisfactory progress has been achieved in following up the recommendations of the First Session of the Standing Committee with regard to industrial cooperation and

promotion of joint ventures. Similarly, technical cooperation activities have witnessed a remarkable growth in the past year with the holding of training programmes and other activities by the **Ankara** Centre and other OIC agencies as well as the training institutions of the Member States. Technical assistance activities have become increasingly important in view of the acute shortage of qualified experts in the Member States.

10. The measures agreed upon in support of Palestine would further strengthen our solidarity with our Palestinian brothers inside and outside the occupied land. I need not remind the distinguished delegates about the necessity of extending all possible material and moral assistance to the Palestinian people in support of their legitimate struggle. Similarly, the reaffirmation by the Standing Committee in its resolve to support Lebanon in its efforts to rebuild its war-ravaged economy underlines our desire and commitment to share the burden of our brethren in their hour of need. In the same spirit, the Standing Committee has also reiterated its readiness to continue to provide aid and assistance to our brothers in the Sahel Region affected by drought and famine with a view to enabling **them to**

overcome their present difficulties and to prevent the recurrence of sufferings caused by natural disasters.

11. Mr. Chairman, as regards Food Security and Agriculture, the report and recommendations of the Second Ministerial Conference on Food Security and Agricultural Development clearly set out the practical measures which are intended to be pursued in this crucial sector of economic activities. The studies which have been selected for completion on a priority basis would help in formulating policies and measures which would enable the Islamic world to attain self-sufficiency and self-reliance. The new measures of cooperation which have been considered by the Ministers of Food and Agriculture are expected to boost production of food items and the establishment of food reserves. These efforts would also lead to a significant improvement in the living conditions of rural population in Islamic States.

12. Mr. Chairman, I would like to assure you, on behalf of the General Secretariat of the OIC, of our full cooperation in the follow up work for ensuring the implementation of the recommendations adopted by the Second Session of the Standing Committee for Economic and Commercial Cooperation and the accomplishment of

other responsibilities entrusted to this Committee. The General Secretariat shall also exert its utmost efforts to help implement the recommendations approved by the Second Ministerial Conference on Food Security and Agricultural Development.

13. May I conclude **these remarks** by expressing on behalf of the General Secretariat of the Organization of the Islamic Conference and OIC institutions our profound appreciation and gratitude to President Kenan Evren and Prime Minister Turgut Ozal for their invaluable contributions to the success of these meetings and to the Government and the People of Turkey for their fraternal welcome and most generous hospitality to all of us.

14. May Allah bless our efforts to serve the Islamic Ummah. Amen.

Original! English

XIV

SPEECH DELIVERED BY H.E. Turgut OZAL

Prime Minister of the Republic of Turkey
and Alternate Chairman of the COMCEC
at the Closing Session

Mr. President,
Distinguished Delegates,
Esteemed Guests,

The intensive meetings and discussions we have had on the occasion of the Second Session of the COMCEC have now come to an end. At this point I would like to make an evaluation of the various activities conducted in connection with the COMCEC and to put forward some of my thoughts on the possible direction of our future work.

The contribution made during the meetings illustrate the similarity of our viewpoints concerning international economic issues. **As a matter of fact,** world economy has entered a critical **phase.** **The growth rate of the market economies of industrialized**

countries has lately shown a decrease. The ever growing protectionism in these countries is mostly directed towards the competitive goods of developing countries. On the other hand, the terms of trade of our export goods, which are mainly raw materials, and which occupy an important place in the commerce of our countries, is suffering from this state of affairs.

The significant decrease in oil prices, occurring in a very short period of time, has had serious repercussions.

The exchange rates suffer from instability in the international monetary system. The importance of the international debt problem has increased in these conditions. In view of the negative developments, which I have briefly reviewed, the Muslim Countries are under the obligation to strengthen the cooperation amongst themselves. They must rely on their own potentials and encourage one another to minimize the influences of the outside world on their development efforts. On the other hand, it is imperative that a solution be found to these important problems, which will be of international significance in the near future and which are of a nature to affect, our future: generations. I believe that, as Muslim Countries, we must unite our

forces towards this **goal** too. **In this context, the COMCEC, which** closes its Second Session today, could play a major role.

Indeed, I am convinced that, thanks to the meeting on this occasion of the distinguished representatives responsible for the economic and financial policies for the Muslim World, it will be possible to reach similar viewpoints and attitudes on international financial, commercial and monetary issues.

I would also like to state that after reaching an agreement on industry within the framework of the COMCEC, we have now reached an agreement on important activities in the field of agriculture, which constitutes a new and positive development for the future of our work.

I believe that in this way we will more quickly reach our common goal of both increasing trade among Islamic Countries and having a greater share of world markets. I think, that with the gradual inclusion of other sectors, the COMCEC will play a major role in the elaboration of an interrelated and integrated activity programme. In this context, the consideration by future COMCEC meetings of transportation and telecommunications, of monetary, financial and energy

problems, in that order, will constitute major achievements towards the attainment of our goals.

Mr. President,
Distinguished Delegates,

We cannot disregard the profound and challenging changes facing the world in these years leading to the 21st century. We all know that the future will be shaped under the influence of present development. Therefore, we must think about tomorrow as well as about today. To do this we must exploit our common resources in line with modern technological progress and we must considerably increase our current share in world economy.

It is only in such a way that we can adopt our co-operation to current realities and utilize our existing potential. Our countries cooperate in the field of economy with other countries or groups of countries in respective regions. However, this should not be viewed as a factor restricting cooperation among the members of the Islamic community. We must determine the objectives of Islamic cooperation on the basis of their own requirements. Trade, which is the foremost priority, constitutes the first step in our co-operation. In this context, the implementation of

medium term trade **financing facilities will bring major** benefits to **our countries**. We must find ways and means of utilizing the **financial resources not only** of the Islamic world, but **also of other areas**, so as to develop intra-regional trade.

Our financial institutions are capable of putting these resources at **our disposal in** liie with efficient and cautious banking policies. We must keep in mind that our ultimate commercial objective is the creation of a free trade zone covering the Muslim World. We know that we can reach this goal with a step by step approach protecting and conciliating the interests of all Member States.

We are well aware of the difficulties involved in the development of economic cooperation among developing countries. We are convinced of the necessity to devise a pragmatic approach to overcome these natural difficulties. We have decided to take a concrete step in order to lay the foundation of a co-operation in the framework of the COMCEC. We shall reserve a quota to be allocated to the cooperation activities of the OIC Member Countries within the framework of the COMCEC, in the free zone that is being established in Mersin, in the south of Turkey. At this

stage, I do not think we have full knowledge of all the ways and means that can be used for cooperation. The reciprocal visits to be made by delegations, including representatives of the private sector, will create an opportunity for first-hand study of cooperation possibilities and will ensure personal contacts. We should not forget, that to translate political decisions into concrete results requires the enthusiastic and willing approval of this cooperation by various people at various stages. Such a pragmatic approach is the only way to ensure a marked increase in the existing economic and commercial cooperation. The developing commercial, financial and investment activities will, in the course of time, lead to economic integration among ourselves. In this way the strength of our common interests will reach a level where political conflicts can be put aside.

The setting up of the Standing Committee of the OIC which is the only body grouping the whole Islamic community, and its establishment as a forum for co-operation, is of enormous importance and will fill any existing gap.

I would like to conclude with these thoughts on the role that could be played by the COMCEC. However,

before bringing my speech to a close,I wish to express my gratitude to you, the representatives of guest countries, for ensuring the success of our meeting, and to express the hope that we will meet again at the next COMCEC meeting. May all of you have a pleasant journey.

OriginalıTurkish

XV

SPEECH DELIVERED **BY** H.E. **Kenan EVREN**

President of the Republic of Turkey and
Chairman of the COMCEC at the
Closing Session

Distinguished Delegates,
Esteemed Guests,

We have now reached the end of our work which has continued uninterruptedly and intensively for the last six days, first at the level of Senior Officials, and then at Ministerial level. I would like to express my appreciation and gratitude first of all to you, the representatives of brother member countries, and also to the General Secretariat and to the subsidiary and affiliated organs of the OIC, for their positive contributions to the work of the Standing Committee.

It is a pleasure for me to put on record the positive point that this meeting, which is due to close soon, did not stop at expressing its faith and determination in the fostering of economic and commercial cooperation among Muslim countries, but also

reached constructive decisions in the field of co-operation with a view to the future. Indeed, these concrete developments are clearly mentioned in the report covering the decisions you approved during yesterday's session.

The most important of these developments concerns the Longer-term Trade Financing Facility, the establishment of which is planned within the Islamic Development Bank.

I am confident that this financing facility will make a great contribution towards raising the volume of intra-Islamic trade to the desired level. It is currently well below that level. I hope that at future COMCEC meetings we will have the opportunity of witnessing the positive developments to be achieved among Muslim countries in the field of trade cooperation.

The achievement of important progress in other issues on which work has been conducted in line with previous decisions is also a source of satisfaction.

Another subject included in the final report of this meeting, which I consider worth emphasizing, is that of ensuring the contribution of all the sectors of

the economy to the economic cooperation between our countries,

In this context, the work to be undertaken by the representatives of the private sectors in our countries in line with the decisions of the COMCEC, will add a new dimension and meaning to cooperation.

Another point which I would like to emphasize with satisfaction is our decision to work towards the development of common views and attitudes in international fora. Such solidarity among our countries, with their similar economic structures and levels of development, will play a major role in the alleviation of our external economic problems.

Positive decisions on food security and agricultural development were also reached at the meeting of the Ministers of Agriculture of Islamic countries, held concurrently with the COMCEC meeting, the working report of which has been submitted to you.

If the measures proposed for increasing agricultural production and ensuring food security in Islamic countries can be implemented, important progress will have been made in the field of agriculture. In this context-, I believe that it will be

useful to further develop technical **cooperation** by pooling our countries' know-how and **putting it to use.**

The assistance provided to the **famine and drought** stricken Sahel countries by the member countries **of the** Organization of the Islamic Conference and by the affiliated bodies is beyond praise. **As I stated in my** opening address, and as pointed out by some delegates during the meetings, the soundest way to find permanent and effective solutions to the problems of our needy brothers is to provide "them with technical assistance within the framework of the technical cooperation activities among our countries.

There are countries among the members of the Organization of the Islamic Conference which can well provide such technical assistance. The efforts to be made by these countries towards extending technical assistance will constitute the most valuable contribution towards the economic cooperation which the COMCEC is endeavouring to strengthen.

Distinguished Delegates,

The achievement of dynamic cooperation among our countries undoubtedly depends largely on transportation and communication facilities. We must

accept the fact that» in a world becoming increasingly smaller through technological progress, the Muslim World is faced with the unavoidable necessity of acquiring the facilities which will ensure speedy internal and external communication.

In this respect, the meeting of the Ministers of Transport and Communications of the Muslim countries, to be held at the same place and date with the third COMCEC meeting in 1987 will constitute an important development.

Distinguished Delegates,

While maintaining the main direction of the decisions taken on commercial and industrial issues at the first COMCEC meeting, the elaboration of a program integrated with existing and future cooperation possibilities in the areas of agriculture, transport and telecommunications, in monetary and financial questions and in the energy sector gains new importance within the framework of the cooperation activities to be conducted in the Islamic community.

Distinguished Delegates,

In conclusion, the aim of the economic and commercial cooperation we are striving to foster amongst ourselves is to contribute to the development efforts of our countries and to ensure the welfare and happiness of our nations. This cooperation will facilitate the exploitation of the potential existing in our countries. Meanwhile, the Islamic world will increase its influence on the world economic scene and take the place it deserves according to the extent that cooperation is strengthened.

Distinguished Delegates,

I hope that the work conducted during the Second COMCEC meeting will be beneficial to all Muslim countries and that the decisions taken here will be implemented as soon as possible.

I would especially like to ask you to convey to our brothers in your respective countries the peaceful, loving and brotherly feelings of the Turkish nation.

In the hope of seeing you again at the next COMCEC meeting, I wish you a pleasant journey and extend my best wishes.