REPORT

OF THE FIFTH MEETING OF THE
FOLLOW-UP COMMITTEE OF THE COMCEC

Istanbul, 23-25 May 1989

COMCEC Coordination Office

Ankara, May 1989
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# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Report of the Fifth Meeting of the Follow-up Committee of the Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Conference</td>
<td>3</td>
</tr>
<tr>
<td>List of Documents of the Fifth Meeting of the Follow-up Committee of the COMCEC</td>
<td>21</td>
</tr>
</tbody>
</table>

## ANNEXES

1. List of Participants of the Fifth Meeting of the Follow-up Committee of the COMCEC | 27   |
2. Message of H.E. Kenan EVREN, President of the Republic of Turkey, Chairman of the COMCEC | 35   |
3. Message of H.E. Turgut ÖZAL, Prime Minister of the Republic of Turkey, Alternate Chairman of the COMCEC | 37   |
4. Opening Statement by H.E. İlşın ÇELEBİ, Minister of State of the Republic of Turkey, Chairman of the Follow-up Committee | 39   |
5. Statement of Mr. A.K.M. Farooq, Director of Economic Affairs of the General Secretariat of OIC | 43   |
6. Agenda of the Fifth Meeting of the Follow-up Committee of the COMCEC | 49   |
7. Background Report of the General Secretariat of OIC on the Progress Achieved since the Fourth Session of the COMCEC | 51   |
8. Progress Report on a Detailed Study on the Establishment of an Export Credit and Guarantee Insurance Scheme among OIC Member Countries | 71   |
IX. Report of the Study Group Meeting on the Implementation Programme of the Trade Information Network among the Islamic Countries (TINIC) .................. 79

X. "Crash Programme on Consolidation of Economic Cooperation among OIC Member Countries" and the Explanatory Note by ICCICE .......................... 95

XI. Working Paper on the Renewal of the Members of the Bureau of the COMCEC and the Composition of its Follow-up Committee ........................................ 117

XII. Draft Agenda of the Fifth Session of the COMCEC ...................................... 129

XIII. Draft Agenda of the First OIC Ministerial Meeting on Energy .................. 131

XIV. Closing Statement by H.E. İşın ÇELEBİ, Minister of State of the Republic of Turkey, Chairman of the Follow-up Committee of the COMCEC ................. 133
REPORT

OF THE FIFTH MEETING OF THE
FOLLOW-UP COMMITTEE OF THE COMCEC

1. The Fifth Meeting of the Follow-up Committee of the
Standing Committee for Economic and Commercial Cooperation of
the Organization of the Islamic Conference (COMCEC) was held in

2. The Meeting was attended by the representatives of the
following Member States of the Follow-up Committee:

- Republic of Turkey (Chairman)
- Islamic Republic of Pakistan (Vice-Chairman)
- Kingdom of Saudi Arabia (Vice-Chairman)
- Republic of Guinea (Vice-Chairman)
- State of Palestine (Vice-Chairman)
- State of Kuwait (Vice-Chairman, Chairman of the
  Fifth Islamic Summit Conference)
- Hashemite Kingdom of Jordan (Rapporteur)

3. The Meeting was also attended by the representatives of
the General Secretariat and the following subsidiary and
affiliated organs of OIC:
4. The representatives of the United Nations Conference on Trade and Development (UNCTAD) and the United Nations Development Programme (UNDP) were present at the Meeting as observers.

   (A copy of the list of participants is attached as Annex I.)

Opening Session

5. The Meeting was inaugurated by H.E. İşın ÇELEBİ, Minister of State of the Republic of Turkey and Chairman of the Follow-up Committee of the COMCEC.

6. H.E. Kenan EVREN, President of the Republic of Turkey and Chairman of the COMCEC, in a message addressed to the Meeting, expressed his confidence that the recommendations to be made by the Follow-up Committee would further contribute to the early implementation of the various projects on the Agenda, as well as
to the effective functioning of the COMCEC, and conveyed his best wishes for the success of the Meeting.

(A copy of the text of the message of H.E. Kenan EVREN is attached as Annex II.)

7. H.E. Turgut ÖZAL, Prime Minister of the Republic of Turkey and Alternate Chairman of the COMCEC, in his message to the Meeting, welcomed the delegates to Turkey and underlined the importance attached by the Turkish Government to multilateral economic cooperation, in supporting development efforts at national level and expressed its readiness to extend every possible assistance in this regard. H.E. ÖZAL wished all success to the Meeting and a pleasant stay in Turkey to the delegates.

(A copy of the text of the message of H.E. Turgut ÖZAL is attached as Annex III.)

8. The Meeting was then addressed by H.E. Işın ÇELEBİ, Minister of State of the Republic of Turkey and Chairman of the Follow-up Committee. H.E. Işın ÇELEBİ, stating his pleasure in addressing the Committee for the first time, expressed his awareness of the fact that the COMCEC owed much of its success to the efficient work done so far by the Follow-up Committee. Concerning the items appearing on the agenda of the Committee, the Minister commended the efforts being exerted by the Member Countries and the related OIC organs towards completion of the necessary studies,
and emphasized the positive impact of multilateral cooperation on bilateral relations between countries. H.E. İşın Çelebi, wished all success to the Committee and a pleasant stay in Turkey to the delegates.

(A copy of the text of the Opening Statement by H.E. İşın Çelebi is attached as Annex IV.)

9. Mr. A.K.M. Farooq, Director of Economic Affairs of the OIC General Secretariat, also addressed the Meeting. Mr. Farooq conveyed the profound gratitude and best wishes of H.E. Dr. Hamid Al-Gabid, Secretary General of OIC, to H.E. Kenan Evren, President of the Republic of Turkey and Chairman of the COMCEC and to H.E. Turgut Özal, Prime Minister of the Republic of Turkey and Alternate Chairman of the COMCEC, for their unflagging personal interest and abiding commitment to the implementation of the OIC Plan of Action as well as for their wise guidance in promoting economic and commercial cooperation among Member States. The Director also congratulated H.E. İşın Çelebi on his assuming the Chairmanship of the Follow-up Committee and expressed the confidence of the General Secretariat of OIC that under his Chairmanship this meeting will fulfill its great task of bringing about the economic well-being of the Member States. The Director of Economic Affairs also expressed his satisfaction at the commendable progress achieved under the auspices of the COMCEC and stated that the 18th Islamic Conference of Foreign
Ministers, held in Riyadh, Kingdom of Saudi Arabia, on 13-16 March 1989, had been apprised of the progress in this regard.

(A copy of the text of the statement of Mr. A.K.M. FAROOQ is attached as Annex V.)

10. The Committee was then addressed by the Heads of the delegations of the Kingdom of Saudi Arabia, the Hashemite Kingdom of Jordan, the Republic of Guinea, the State of Palestine, the Islamic Republic of Pakistan and the State of Kuwait. In their statements, the Heads of Delegations thanked the President, the Government and the people of Turkey for their continuing interest in fostering economic cooperation among the OIC Member Countries and for the excellent arrangements made for the Meeting. Stressing the significance of the guidelines contained in the messages of the Chairman and the Alternate Chairman of the COMCEC, they expressed their appreciation for the efforts of the COMCEC to strengthen economic cooperation among the Member Countries in the face of deteriorating world economic conditions. Referring to the importance of the items of the Agenda, they commended the efficient work done by the COMCEC towards finalizing them.

11. After the adoption of its Agenda, the Follow-up Committee set up an open-ended Drafting Committee under the Chairmanship of the Rapporteur.
The working sessions of the Meeting were chaired by H.E. Dr. Ali TİGREL, Undersecretary of State for the State Planning Organization of the Republic of Turkey.

(A copy of the text of the Agenda as adopted by the Committee is attached as Annex VI.)

Report of the OIC General Secretariat

12. Under Agenda item 3, Mr. A.K.M. FAROOQ, Director of Economic Affairs of the OIC General Secretariat, presented a summary of the Background Report of the General Secretariat. In his summary, the Director highlighted the progress achieved towards the implementation of various Resolutions of the COMCEC pertaining to various items on its Agenda. The Director also summarized the progress achieved towards the implementation of the resolutions adopted at the Ministerial Meetings held under the auspices of the COMCEC, namely, trade, industry, agriculture, transport and communications.

(A copy of the text of the Background Report of the General Secretariat is attached as Annex VII.)

Regional Export Credit Guarantee Scheme

13. Under Agenda item 4, the representative of IDB presented the Background Report on the progress achieved on the feasibility study on the "Export Credit Guarantee/Insurance Scheme" together with the views and comments of Member States on that study.
14. The Committee, in view of the fact that only 10 member countries had communicated their views on the study to the Islamic Development Bank, asked the COMCEC Coordination Office to call upon the member countries to send their replies to the Bank by the end of July 1989 at the latest. IDB was requested to present a progress report on the project to the Fifth Session of the COMCEC.

(A copy of the Progress Report and the comments of the Member States on the "Detailed Study on Export Credit Guarantee/Insurance Scheme" is attached as Annex VIII.)

15. The Delegations expressed their views on various aspects of the envisaged Scheme, in particular, on the scope of insurance coverage, structure of rates of premiems, participation of the private sector, location of the Scheme, underwriting capacity and country ceilings. In relation to the scope of the insurance coverage, there was consensus that the Scheme should cover both exports and investments in a step by step approach. Delegations also agreed that the location of the Scheme would be the Islamic Development Bank rather than setting up a new structure for it. They shared the view that the private sector could participate in the Scheme either directly or through the existing financial schemes of IDB.
Multilateral Islamic Clearing Union

16. Under Agenda item 5, the representative of IDB submitted a progress report on the establishment of a Multilateral Islamic Clearing Union.

17. The Committee noted that the subject was being studied by IDB, as requested by the COMCEC. In view of the importance of the subject and recalling Resolution No. 8/18-E of the 18th Islamic Conference of Foreign Ministers held in Riyadh in March 1989, the IDB was requested to continue its efforts toward finalizing the study, in consultation with all the relevant parties, including the Central Banks and Monetary Authorities of the Member States, as well as relevant clearing arrangements and to present it to the Follow-up Committee of the COMCEC after it has been completed.

Draft Framework Agreement on the Establishment of a Trade Preferential System Among the OIC Member States (TPSOIC)

18. Under Agenda item 6, the representative of ICDT presented a progress report on the preparation of the Draft Framework Agreement on the Trade Preferential System Among OIC Member Countries (TPSOIC).

19. The Committee, in view of the insufficient number of comments received from the Member States on the Draft Framework Agreement, requested ICDT to renew its appeal, through the OIC
General Secretariat, to the Member States to expedite their comments on the Draft. The Committee also agreed to recommend to the COMCEC that the Draft Framework Agreement, together with the comments of member countries, be examined in an expert group meeting to be convened by ICDT at the earliest possible date, before its submission to the Follow-up Committee.

Methodology for the Harmonization of Standards

20. Under Agenda item 7, the Turkish delegation informed the Committee that the expert group meeting which was originally scheduled for 13-14 February 1989 to examine the study on the "Methodology for Harmonization of the Existing Standards in the Islamic Countries and the Preparation of Common Standards" was postponed to a later date, as a result of the inadequate response to the invitation of the Turkish Standards Institution. The Committee, while noting that the Turkish Standards Institution, as the Secretariat of the Coordinating Committee on the Harmonization of Standards, was willing to convene an open-ended expert group meeting in October 1989, requested the submission of the report of the said meeting to the Sixth Meeting of the Follow-up Committee.

Trade Information Network for Islamic Countries (TINIC)

21. Under Agenda item 8, the representative of ICDT submitted the report of the Study Group on the Trade Information Network
22. The Committee noted with satisfaction that the Implementation Programme had been prepared by ICDT. However, taking into consideration the complementarities between TINIC and the ICINET currently being studied by IDB and, in order to avoid any duplication of work and/or additional cost to the Member Countries in pursuance of the decision of the COMCEC, asked ICDT and IDB to prepare jointly a comprehensive report on the progress made to achieve the said objectives and submit it to the Sixth Meeting of the Follow-up Committee.

(A copy of Report of the Study Group Meeting and the Implementation Programme on TINIC is attached as Annex IX.)

Crash Programme For Consolidation of Economic Cooperation Among OIC Member Countries

23. Under Agenda Item 9, the Committee considered the "Crash Programme on Consolidation of Economic Cooperation Among OIC Member Countries" submitted by ICCICE.

24. The Committee, while appreciating the proposals contained in the "Crash Programme", noted that they were not adequately developed to allow for the assessment of their feasibility. It was further noted that the main proposals contained in the Programme were similar to the schemes being considered by the COMCEC and the relevant Ministerial meetings held under its
auspices. The Committee, therefore, agreed that, at this stage, it was not appropriate to submit the Crash Programme to the COMCEC. The Committee further decided that the COMCEC in its Fifth Session be informed about the Crash Programme, through the report of the Follow-up Committee.

(A copy of the "Crash Programme", together with the explanatory note presented by the representative of ICCICE is attached as Annex X.)

Methodology for the Renewal of the Members of the Bureau of the COMCEC and the Composition of its Follow-up Committee

25. Under Agenda item 10, the Committee considered the alternatives contained in the Working Paper submitted by the COMCEC Coordination Office, along with various other suggestions made by the delegations, on the renewal of the members of the Bureau of the COMCEC and the composition of the Follow-up Committee.

(A copy of the "Working Paper on the Election of the Members of the Bureau of the COMCEC and the Composition of its Follow-up Committee" is attached as Annex XI.)

26. The Committee, following detailed discussions on various aspects of the issue, and emphasizing the importance of continuity in the work of the COMCEC and the right of every Member State to be a member of its Bureau and participate in the
work of the Follow-up Committee, agreed to recommend to the COMCEC the following:

A) Renewal of the Members of the Bureau:

27. The elected members of the present Bureau would be considered as the "founding members" and acquire permanent status.

The Member State which hosted the previous Islamic Summit Conference would also gain a permanent status as vice-chairman in the Bureau, in addition to the founding members. The same rule would apply to the Member States who would host Islamic Summit Conferences in the future.

At the first session of the COMCEC subsequent to each Summit Conference, two additional Member States would be elected to the Bureau as vice-chairmen from the two regions other than that of the Member State which hosted the last Summit Conference.

At the first session of the COMCEC following the Sixth Islamic Summit Conference to be held in Dakar in 1991, Senegal would become a permanent member as vice-chairman of the Bureau in addition to the present ones, including Kuwait as the Chairman of the Fifth Islamic Summit Conference, and two additional Member States from the Asian and the Arab regions would be elected to the Bureau as vice-chairmen until the following Summit Conference, thus increasing the number of its members to 10. After that, with each passing Summit Conference, the number of
Member States represented permanently in the Bureau would increase by one, and the two additional posts created in the Bureau would be rotated among the other Member States by election. The outgoing members would be eligible for re-election.

This model would be applied starting from the COMCEC session following the Sixth Islamic Summit Conference to be held in Dakar in 1991.

B) Composition of the Follow-up Committee:

28. Starting from the Sixth Islamic Summit Conference, the Bureau of the COMCEC to be formed in the manner described in para. 27 above, would also constitute its Follow-up Committee.

The Rules of Procedure and Substance of the COMCEC

29. Under Agenda item 11, the Committee noted with appreciation that the COMCEC Coordination Office had prepared a working paper on the "Substance and Rules of Procedure of the COMCEC" in pursuance of the decision of the Fourth Session of the COMCEC, and submitted it to the OIC General Secretariat for its contribution. The representative of the OIC General Secretariat explained that the General Secretariat was in the process of preparing a draft rules of procedure for all the three Standing Committees of OIC and, in doing so, will benefit greatly from the working paper prepared by the COMCEC Coordination Office in this regard.
30. The Committee asked the General Secretariat to expedite the finalization of the study on the OIC Standing Committees and submit the proposed version of the working paper to the Sixth Meeting of the Follow-up Committee.

Draft Agenda of the Fifth Session of the COMCEC

31. Under Agenda item 12, the Committee considered the Draft Agenda of the Fifth Session of the COMCEC to be held on 3-6 September, 1989, in Istanbul.

32. In that connection and upon explanations given by the Turkish delegation, the Committee noted that the Republic of Tunisia had requested the inclusion in the Draft Agenda of the Fifth Session of the COMCEC of a separate item on its proposal to give a permanent status to the Fourth Islamic Trade Fair to be held in Tunis in October 1990. The Committee, in keeping with Resolution No. 8/18-E of the 18th Islamic Conference of Foreign Ministers, urging the Member States to participate in the 4th and 5th Islamic Trade Fairs to take place in Tunisia and Sudan in 1990 and 1992 respectively, could not include the proposal in the Draft Agenda and requested the COMCEC Coordination Office to inform the Tunisian authorities accordingly.

33. The Committee, in pursuance of Resolution No. 1/18-E of the 18th Islamic Conference of Foreign Ministers, also agreed that the Ankara Center and the Casablanca Center prepare reports on "The World Economy and the Recent Economic Developments in the
34. The Committee revised the Draft Agenda of the Fifth Session of the COMCEC, taking into consideration various suggestions made by the delegations, and decided to circulate it, through the General Secretariat of OIC, among the Member States.

(A copy of the Draft Agenda of the Fifth Session of the COMCEC, as agreed on by the Committee, is attached as Annex XII.)

Draft Agenda of the First OIC Ministerial Meeting on Energy

35. Under Agenda item 13, the Turkish delegation explained to the Committee the items of the Draft Agenda of the First Ministerial Meeting on Energy of OIC to be held on 3-6 September, 1989 in Istanbul, concurrently with the Fifth Session of the COMCEC. The Committee noted that the Ministry of Energy and Natural Resources of Turkey had prepared the first version of the Draft Agenda and circulated it, through the OIC General Secretariat, among the Member States for their comments and suggestions.

36. After having considered the suggestions received from some of the Member States and various proposals made by the delegations, the Committee agreed to make certain amendments in the Draft Agenda and requested its circulation, through the General Secretariat of OIC, among the Member States.
A copy of the Draft Agenda of the First OIC Ministerial Meeting on Energy, as agreed on by the Committee, is attached as Annex XIII.

Date of the Next Meeting of the Follow-up Committee

37. Under Agenda item 14, the COMCEC Coordination Office explained to the Committee that, depending on the dates of the 19th Islamic Conference of Foreign Ministers to be held in Cairo in the first half of 1990, two alternatives for the sixth meeting of the Follow-up Committee would be 20-22 March 1990 and 20-22 May 1990. The Committee, while agreeing on the suitability of the dates 20-22 May 1990 for the time being, requested the COMCEC Coordination Office to confirm the dates for its Sixth Meeting in consultation with the Egyptian authorities, through the General Secretariat, and inform the member countries accordingly.

Closing Session

38. At its closing session, which was presided by H.E. İşın ÇELEBİ, Minister of State of the Republic of Turkey, the Committee adopted its report together with its Annexes. The Committee decided to circulate the Report to the Member States through the General Secretariat of OIC, and decided to submit it to the Fifth Session of the COMCEC through the Rapporteur.

39. H.E. Abdul Mohsen Yousuf Al HUNAIF, Undersecretary of the Minister of Finance of the State of Kuwait, made a statement on behalf of all the delegations. H.E. HUNAIF expressed his profound
thanks and appreciation to H.E. Kenan EVREN, President of the Republic of Turkey and Chairman of the COMCEC and to H.E. Turgut ÖzAL, Prime Minister of the Republic of Turkey and Alternate Chairman of the COMCEC, for their wise guidance and keen interest in strengthening economic cooperation among the Member Countries, and underlined the significance of the guidelines contained in the messages they sent to the Meeting. The Head of the delegation of the State of Kuwait thanked H.E. İşın ÇELEBİ, Minister of State of the Republic of Turkey and Chairman of the Follow-up Committee and H.E. Dr. Ali TİGREL, Undersecretary of State for the State Planning Organization, Chairman of the working sessions of the Meeting, for the able and effective manner in which they chaired the Meeting. H.E. HUNAIF also expressed his profound thanks to the Government and people of Turkey for the warm welcome and hospitality extended to the delegates during their stay in Turkey. He finally thanked the COMCEC Coordination Office and all the supporting staff for the excellent arrangements made for the Meeting.

40. In his closing statement, H.E. İşın ÇELEBİ expressed his pleasure in observing that the constructive recommendations made in respect of the ongoing studies and the organizational aspects of the work of the COMCEC provided a new impetus and perspective to the activities being carried out under the auspices of the COMCEC. He expressed his confidence that this would further
strengthen economic cooperation among the Member Countries and wished delegates a safe journey home.

(A copy of the text of the Closing Statement by H.E. İşın ÇELEBİ is attached as Annex XIV.)

41. At the end of the Meeting, the Committee requested the Chairman to send messages on its behalf to H.E. Kenan EVREN, President of the Republic of Turkey and Chairman of the COMCEC, and to H.E. Turgut ÖZAL, Prime Minister of the Republic of Turkey and Alternate Chairman of the COMCEC. In these messages, the Committee expressed its feelings of profound gratitude and appreciation to H.E. Kenan EVREN and to H.E. Turgut ÖZAL for the sincere welcome and most generous hospitality extended to the delegates during their stay in Turkey.
LIST OF DOCUMENTS OF
THE FIFTH MEETING
THE FOLLOW-UP COMMITTEE
OF THE COMCEC

Istanbul, 23-25 May 1989
LIST OF DOCUMENTS OF
THE FIFTH MEETING OF THE FOLLOW-UP COMMITTEE
OF THE COMCEC

Istanbul, 23-25 May 1989

1- Background Report by the General Secretariat of OIC
   (OIC/C0MCEC-FC/5-89/D1)

2- Progress Report on a Detailed Study on the Establishment of
   an Export Credit and Guarantee Insurance Scheme among OIC
   Member Countries
   (OIC/C0MCEC-FC/5-89/D2)

3- Progress Report on the Establishment of a Multilateral
   Islamic Clearing Union
   (OIC/C0MCEC-FC/5-89/D3)

4- Background Note on the Establishment of a Trade Preferential
   System among OIC Member States
   (OIC/C0MCEC-FC/5-89/D4)

5- Report of Study Group on the Implementation Programme for
   the Trade Information Network for Islamic Countries
   (ICDT/TINIC/SG/FR./REV.2)

6- Crash Programme on Consolidation of Economic Cooperation
   among OIC Member Countries
   (OIC/C0MCEC-FC/5-89/D6)

7- Report by ICCICE on the "Crash Programme for Consolidation
   of Economic Cooperation among OIC Member Countries"
   (OIC/C0MCEC-FC/5-89/D7)

8- Working Paper on the Election of the Members of the Bureau
   of the COMCEC and Composition of its Follow-up Committee
   (OIC/C0MCEC-FC/5-89/WP1)

9- Working Paper on the Substance and Rules of Procedure of the
   COMCEC
   (OIC/C0MCEC-FC/5-89/WP2)
10- Draft Agenda of the Fifth Session of COMCEC
   (OIC/COMCEC-FC/5-89/DA2)

11- Memorandum on the Establishment in Tunis of a Permanent
    Islamic Trade Fair and of its Secretariat
    (OIC/COMCEC-FC/5-89/D5)

12- Draft Agenda of the First OIC Ministerial Meeting on Energy
    (OIC/COMCEC-FC/5-89/DA3)

13- Suggestion of the Republic of Indonesia on the Draft Agenda
    of the First Ministerial Meeting on Energy
    (OIC/COMCEC-FC/5-89/D8)
LIST OF PARTICIPANTS TO
THE FIFTH MEETING OF THE FOLLOW-UP
COMMITTEE OF THE COMCEC

Istanbul, 23-25 May 1989

REPUBLIC OF GUINEA

- H.E. Kemoko KEITA
  Minister at the Presidency in charge of Economic and
  Financial Control

H.E. Lansana KOUYATE
Ambassador of the Republic of Guinea to Egypt

Mr. Pepe GUILAVOGUI
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Industry* Trade and Crafts

HASHEMITE KINGDOM OF JORDAN

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Director of Science and Technology Department,
Ministry of Planning

Dr. Jamal MOHD HIJAZI SALAH
Head of Research Department, Central Bank of Jordan
ANNEX I to 0IC/C0MCEC-FC/5-89/REP.

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- H.E. Abdul Mohsen Yousuf Al HUNAIF
  Undersecretary of Ministry of Finance

- H.E. Faisal Seyyid A. AL-RIFAI
  Ambassador of State of Kuwait to Turkey

- Mr. Khaled Jassem M. AL RUBAIAN
  Director of Economic Organizations Department, Ministry of Finance

- Mr. Ishaq A. Mohammed ABDULKARIM
  Head of Economic Relations Dept. Ministry of Finance

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- H.E. Dr. Naseer Ahmed B. SHAIKH
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  Secretary, Economic Affairs Division

'-Mr. Jamil ERICKZADA
  Joint Secretary, Ministry of Commerce

- Mr. M.F. Rahman AKBAR
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  Director of Economic Affairs

- Mr. Amer Mustafa QURIE
  Department of Economy

KINGDOM OF SAUDI ARABIA

- H.E. Osama JAFAR PAQUIH
  Deputy Minister of Finance and National Economy for International Economic Cooperation

- Mr. Hassan J. ABUZEID
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- Mr. Abdullah A. AL-NAFISAH
  Economic Advisor, Ministry of Finance

- Mr. Abdullaziz A. AJLAN
  Vice Consul of the Kingdom of Saudi Arabia in Istanbul

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- H.E. Işın ÇELEBİ
  Minister of State

- H.E. Dr. Ali TİGREL
  Undersecretary of State, State Planning Organization

29
ANNEX I to 0IC/COMCEC-PC/5-89/REP.

- H.E. Tanşuğ BLEDA
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- H.E. Yaşar YAKIŞ
  Ambassador of the Republic of Turkey in Riyadh

- Mr. İ. Hakkı BATUK
  Economic and Financial Advisor to the President of the Republic of Turkey

- Mr. Yavuz AKTAŞ
  Head of Department, Ministry of Foreign Affairs

- Mr. Oktay APAYDIN
  Head of Department, Ministry of Energy and Natural Resources

- Mr. Celal KARATEKELİOĞLU
  Acting Head of Department, Undersecretariat of Treasury and Foreign Trade

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- Mr. A.K.M. PAROOQ
  Director of Economic Affairs Department

- Mr. Müstafizur Rahman KHAN
  Professional Officer, Economic Affairs Department
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  Senior Economist

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  Secretary General

- Mr. T. Fikret BARAN
  Assistant Secretary General

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- Mr. E. J. CA'NE
  Resident Representative
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Mr. Yakup KARACA

Expert

Mr. Ferruh TIĞLI

Coordinator, Documentation Services

Mr. Ahmet KOCAER

Protocol

Mr. Orhan ÖZTAŞKIN

Press Relations
MESSAGE BY H.E. KENAN EVREN
PRESIDENT OF THE REPUBLIC OF TURKEY,
CHAIRMAN OF THE COMCEC

Fifth Meeting of the Follow-up
Committee of the COMCEC

Istanbul, 23-25 May 1989

Mr. Chairman,

Distinguished Members of the Follow-up Committee,

I should like to express my pleasure in welcoming you all in Turkey on the occasion of the Fifth Meeting of the Follow-up Committee of the COMCEC.

The work you have been carrying out since your first meeting has been of great assistance to the COMCEC in monitoring the implementation of its decisions as well as in organizing its work. I have no doubt that this Fifth Meeting will be no exception.

In addition to the projects on your agenda, you will also consider in this meeting the issue of the renewal of the members of the Bureau of the COMCEC and the draft agenda of the First Ministerial Meeting on energy to be held next September, concurrently with the Fifth Session of the COMCEC. I am confident
that you will reach most appropriate recommendations on these issues that would satisfy all member countries, and take necessary measures for the early implementation of the projects on the agenda.

I wish you success in your important work and a happy stay in Turkey.

Kenan EVREN

President of the
Republic of Turkey,
Chairman of the COMCEC.
MESSAGE BY H.E. TURGUT ÖZAL
PRIME MINISTER OF THE REPUBLIC OF TURKEY,
ALTERNATE CHAIRMAN OF THE COMCEC

Fifth Meeting of the Follow-up
Committee of the COMCEC

Istanbul, 23-25 May 1989

Mr. Chairman,
Honourable Members of the Follow-up Committee,
Distinguished Delegates,

On behalf of the Government and people of Turkey, and on my own behalf, I would like to welcome you all in Turkey on the occasion of this Fifth Meeting of the Follow-up Committee of the COMCEC.

It is a source of great satisfaction for the Turkish Government to observe that the necessary studies for the implementation of the projects on the agenda of the COMCEC are approaching their final stages, thanks to the mutual efforts of the member countries, the General Secretariat and concerned specialized institutions of the Organization of the Islamic Conference.
I am confident that the implementation of these projects will greatly enhance the existing means of economic cooperation among the member countries of the Organization for the welfare and prosperity of their people.

My Government believes in the importance of multilateral economic cooperation in supporting the development efforts at the national level and is ready to extend every possible assistance in that direction.

I wish every success to the Committee and a pleasant stay in Turkey to the delegates.

Turgut Özal

Prime Minister of the Republic of Turkey,
Alternate Chairman of the COMCEC
OPENING STATEMENT BY H.E.
IŞİN ÇELEBİ, MINISTER OF STATE OF THE REPUBLIC
OF TURKEY, CHAIRMAN OF THE FOLLOW-UP COMMITTEE

Fifth Meeting of the Follow-up Committee
of the COMCEC

Istanbul, 23-25 May 1989

Honourable Members of the Follow-up Committee,
Distinguished Delegates,

It is a great pleasure for me to address this esteemed Committee for the first time on the occasion of the opening of its Fifth Meeting. In welcoming you to Turkey, I sincerely wish to convey to all of you my own and the Turkish people's cordial greetings and good wishes.

At the outset, I should say that I am deeply honoured by the duty of chairing this esteemed body and the ministerial sessions of the subsequent annual meetings of the COMCEC. With your continued assistance and support I shall have no difficulty in fulfilling this honourable duty for furthering the cause of economic cooperation among the member countries of the Organization of the Islamic Conference.
Distinguished Delegates,

Dear Brothers,

I am fully aware that the COMCEC owes much of its success to the efficient work done so far by this Committee. In fact, this Committee, during its previous four meetings, has not only monitored the implementation of the projects on the agenda of the COMCEC and come up with suitable recommendations for their early realization, but, at the same time, made significant contributions to formulating the strategy to be followed by the COMCEC and to organizing its work. At this point, I should express my thanks and appreciation to the General Secretariat and the concerned subsidiary and affiliated organs of the Organization for their invaluable contributions to the work of the COMCEC.

A quick glance at the draft agenda of our meeting shows that we shall consider important issues pertaining to the organization of the work of the COMCEC and examine the progress regarding the implementation of the projects on the agenda.

As regards the organization of the work of the COMCEC, we shall reconsider the issue of the renewal of the members of the Bureau and the closely related issue of the composition of this Committee. I believe that this time we shall be able to formulate an acceptable recommendation for submission to the COMCEC, next September.
In relation to most of the projects of economic cooperation on our agenda, I note with satisfaction that the necessary groundwork for their implementation has been undertaken by the concerned institutions and organs of the Organization in the light of the directives of the COMCEC.

It is common knowledge that actual implementation of multilateral projects involving so many member countries takes much longer than the implementation of bilateral ones. However, multilateral negotiations, due to their much wider coverage of different interests and viewpoints, are much richer in their contents and have significant positive feedbacks to bilateral relations between countries involved.

Honourable Members of the Committee,
Distinguished Delegates,

We all know that the task of this Committee is not limited to monitoring the implementation of the projects on the agenda of the COMCEC itself, which mostly pertain to trade cooperation.

As a Follow-up Committee of the COMCEC which was given the mandate of supervising and coordinating a multiplicity of activities in different areas of the OIC Plan of Action, it should be informed of the progress in this regard and be able to make appropriate recommendations for submission to the COMCEC. In the fulfillment of this duty we should take maximum advantage of the capabilities of our esteemed General Secretariat.
You would kindly recall that the Eighteenth Islamic Conference of Foreign Ministers held in Riyadh last March, recognizing this supervisory role of the COMCEC, adopted a single resolution comprising different areas of the OIC Plan of Action being carried out under the auspices of the COMCEC.

It is within these terms of reference that we shall examine the draft agenda of the first meeting of the Ministers of Energy of the member countries to be held concurrently with the fifth session of the COMCEC. With the holding of the meeting of the ministers of energy all of the priority areas of economic cooperation of the Plan of Action will be covered by the COMCEC within the time frame set at the Fourth Islamic Summit Conference in 1984.

With these words, I should like to conclude by wishing you every success in your important work and a pleasant stay in Turkey.
Mr. Chairman,
Excellencies,
Distinguished Delegates,
Dear Brothers,

ASSALAMU ALAIKUM WA-RAHMATULLAHI WA-BARAKATUH

It is indeed a great honour and privilege for me to address the Fifth Meeting of the Follow-up Committee of the Standing Committee for Economic and Commercial Cooperation of the Islamic Conference. May I first of all, Mr. Chairman, convey the profound gratitude and best wishes of H.E. Dr. Hamid Al-Gabid, Secretary-General of the Organization of the Islamic Conference to H.E. President Kenan Evren, Chairman of the Standing Committee and to H.E. Prime Minister Turgut Ozal, Alternate Chairman for the continued personal and abiding interest in the implementation of the OIC Plan of Action to Strengthen Economic Cooperation and for the commitment to the socio-economic progress of the Islamic Ummah. This meeting is yet another manifestation of the invaluable contribution made by the Government of Turkey in achieving one of the foremost objectives of the Organization of the Islamic Conference. I would also like to
express, on behalf of the General Secretariat and on my own behalf, our thanks and appreciation to the brotherly Government of Turkey for convening this important meeting in this beautiful and historic city of Istanbul, for the excellent arrangements made for it and for the traditional warm hospitality extended to us all since our arrival.

Mr. Chairman,

The Standing Committee for Economic and Commercial Cooperation, has since its establishment, in pursuance of a decision of the Third Islamic Summit, played an effective role in strengthening and expanding cooperation and collaboration among Member States of the OIC in all economic fields. The remarkable progress achieved so far by the Standing Committee in preparing the ground for meaningful collaboration among Islamic states is indeed encouraging and inspiring.

The Four Sessions of the COMCEC, held so far, in 1984, 1986, 1987 and 1988, had achieved encouraging success in translating the broad outlines of the Plan into concrete programmes and projects of mutual cooperation thus prompting Member States to adopt measures to boost their economic and trade contacts. The Follow-up Committee of the COMCEC established in November 1984, has since been vitally contributing in this process. Furthermore, the current meeting will not only review the progress so far realised in the implementation of the decisions adopted during the previous sessions of the COMCEC, but will also formulate appropriate
recommendations and strategies for the next session of the COMCEC which will be concurrently held with the First Meeting of the Ministers of Energy in September this year.

Mr. Chairman,

Development on the world economic climate during the past few years have confirmed the fears expressed by the Islamic States regarding the continuation of an unequal unjust and chaotic conditions characterising the global economic situation. The overall deterioration in the state of the world economy has persisted to the disadvantage and detriment of the developing nations which include the Islamic States. Efforts to carry out the urgently needed structural reforms in the conduct of international economic relations with a view to ensuring that the pressing and legitimate rights and interests of the Third World States are protected through revived cooperation between developed and the developing states and also stalemated. Difficulties encountered by the developing nations on account of burgeoning debts, curtailment of financial aid on favourable terms, inability to increase their export earnings in the face of ever-rising protectionist walls erected by developed nations as well as the drop in income from sale of primary commodities have become more accentuated and complicated. These adverse global economic factors only serve to underline and emphasise the importance of the efforts exerted by
the OIC Member States to increase and expand economic contacts and cooperation amongst themselves with a view to promoting their socio-economic development and also to protect their economies from the vagaries of the international economic situation and the decisions of the policy matters in the industrialised world.

Mr. Chairman,

The Agenda of this meeting of the Follow-up Committee includes a number of important subjects, such as the Regional Export Credit Guarantee Scheme, Multilateral Islamic Clearing Union initiated by the Islamic Development Bank; Trade Preferential System and Trade Information Network, undertaken by the Islamic Centre for Development of Trade as well as the crash programme for consideration of economic cooperation among OIC Member countries. All these subjects are of fundamental importance in the context of implementation of the Plan of Action. Besides, this meeting will consider the agenda of both the Fifth COMCEC as well as that of the First Ministerial Meeting on Energy to be held concurrently here in September this year. I am confident that the Honourable Ministers will stress the importance of cooperation among Member States in this vitally important sector of Energy as an essential corollary of cooperation in other fields.
Mr. Chairman,
Honourable Ministers,

I need not emphasise the importance of our present meeting which will discuss and review the progress achieved on the important recommendations of decisions of the previous sessions of the COMCEC. I am confident that we will also be able to agree upon specific measures to expedite the implementation of the decisions adopted earlier within a practical time frame.

Allow me Mr. Chairman, to once again thank you for your gracious presence and express our deep appreciation to the Government and the brotherly people of Turkey for having hosted the Fifth Meeting of the Follow-up Committee of the Economic and Commercial Cooperation. I pray to the Almighty Allah to guide our steps and bless our efforts to serve the Islamic Ummati.
Ameen.

WASSALAMU ALAIKUM WA-RAHMATULLAH WA-BARAKATUH.
AGENDA OF THE FIFTH MEETING
OF THE FOLLOW-UP COMMITTEE
OF THE COMCEC

Istanbul, 23-25 May 1989

1. Opening Session
   - Inaugural Statement by H.E. İşın ÇELEBİ, Minister of State of the Republic of Turkey, Chairman of the Follow-up Committee.
   - Statement by the Representative of the General Secretariat of OIC.
   - Statements by the Heads of Delegations.

2. Adoption of the Agenda.

3. Background Report by the OIC General Secretariat.


5. Progress Report by IDB on the Establishment of a Multilateral Islamic Clearing Union.


7. Report by the Secretariat of the Coordinating Committee on the Harmonization of Standards Among Member States of OIC.


9. Report by ICCICE on the "Crash Programme for Consolidation of Economic Cooperation Among OIC Member Countries".
ANNEX VI to OIC/COMCEC-FC/5-89/REP.

10. Report by the COMCEC Coordination Office on the Methodology for the Renewal of the Members of the Bureau of the COMCEC and the Composition of its Follow-up Committee.


12. Draft Agenda of the Fifth Session of the COMCEC.


14. Date of the next meeting of the Follow-up Committee.

15. Any other Business.


17. End of the Meeting.
The Fourth Session of the Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Conference was held in Istanbul, Turkey from 4 to 7 September 1980.

The First Ministerial Meeting on Communications of the OIC Member States was also held concurrently with the Fourth Session of the Standing Committee (COMCEC).

The Government of the Republic of Turkey has circulated the reports of the above two meetings to the Member States and to all concerned agencies.

The General Secretariat of the OIC has also requested the Member States and the concerned agencies to implement the decisions of the above two meetings and keep the General Secretariat informed of their developments.

Decisions of the Fourth Session of COMCEC end the progress of their implementation together with the comments of the General Secretariat on each item of the agenda of the present Follow-up Committee meeting are given below:

**Item No.4: Establishment of 8 Regional Export Credit Insurance Scheme**

It may be recalled that the First Session of COMCEC held in November 1984 has requested the Islamic Development Bank to study, among others, the feasibility study on establishing a Regional Export Credit Guarantee
Scheme for the benefit of the DIC Member States. In compliance with the above decision, the Islamic Development Bank prepared the feasibility study and convened a meeting of Group of Experts to examine it. Subsequently, the IÖB presented interim reports on the preparation of the feasibility study to various COMCEC fcra and also to the Seventh Meeting of the Governors of Central Banks and Monetary Authorities of OIC Member States held in Istanbul, Turkey in March 1987.

Islamic Development Bank presented a paper entitled "Detailed Study on the Establishment of an Export Credit and Guarantee Insurance Scheme for the OIC Member Countries" at the Third Session of COMCEC held in Istanbul in September 1987. The COMCEC recommended that, the study be further reviewed by a meeting of technical experts directly involved in the field of export credit guaranteee to work out the operational mechanism of the Scheme which will be feasible and consistent with Islamic Sharia.

Accordingly, the IOB had convened the experts group meeting in Jeddah in 25-26 January 1988 and submitted its Report along with the revised version of the study to the fourth Fleeting of the Follow-up Committee of COMCEC in April 1980. The revised study was also circulated to the Member States for their comments and views.

The fourth Session of COMCEC held in Istanbul in September 1988 urged those Member States which have not yet send their comments to do so in order to enable IDR to proceed with its work towards the implementation of the project.

IDB shall submit a progress report to the fifth Meeting of the Follow-up Committee in this regard.
ITEM NO.5: Establishment of a Multilateral Islamic Clearing Union

The Islamic Development Bank was also entrusted by the First Session of COMCEC to prepare the feasibility study on the establishment of a "Multilateral Islamic Clearing Union" which is another important instrument of intra-trade promotion in particular and monetary and economic cooperation in general.

The IDB’s first study on this subject was presented at the experts group meeting which was held at the IDB’s Headquarters in May 1985, subsequently, the IDB has submitted several progress report on the subject at the COMCEC fora, as well as the 7th Meeting of Governors of Central Ranks and Monetary Authorities of OIC Member States held in March 1907. The 7th Meeting of the Governors of Central Banks and Monetary Authorities while reviewing the study requested IDB to set up an open-ended Task Force comprising the representatives of Central Banks of Member States and IDB to finalize the study.

In view of the importance of the Scheme, the 4th Session of the COMCEC also directed IDB to further study and to devise on operational mechanism.

Accordingly the IDB convened a meeting of experts in Jeddah on 26-27 November 1988. The experts discussed various issues on the subject and agreed on certain technical aspect of the Scheme. The experts recommended that this study should be submitted to COMCEC through the 8th Meeting of Governors of Central Banks and Monetary Authorities of OIC Member States, for its final approval. The General Secretariat is also pursuing with the Member States for the early holding of the said meeting and
The representative of IDB shall present a progress report at the 5th Meeting of the follow-up Committee of COMCEC.

ITEM No.61 Draft framework Agreement on Trade Preferential System among QIC Member States (IPSOIC)

The Islamic Centre for Development of Trade (ICDT) prepared the second version of the Draft Framework Agreement on Trade Preferential System among QIC Member States taking into account the views and comments of the legal Department of the General Secretariat and those of the relevant subsidiary organs of OIC and of HACTAD and GATT and circulated it to the Member States for their views and comments. The same text was also submitted to the 4th Meeting of COMCEC Follow-up Committee.

The Committee, in view of the importance of the subject matter, requested the ICDT to recirculate the Draft framework Agreement to the Member States for their examination and comments.

The Committee further directed the ICDT to follow up the issue with the Member States and revise the text taking into account the proposed content of the Draft Declaration of Intent and the comments of the Member States. Find also to submit it to the fifth Meeting of the Follow-up Committee of COMCEC.

According to the report of the ICDT, only four Member States have replied up to January 1989. Jbree among them approved the Draft Framework Agreement while one Member State has proposed an amendment concerning the rules of origin.

the COMCEC may wish to urge the Member countries in this respect.
The ICDT shall submit the Final text of the Draft Framework Agreement to the 5th Meeting of the Follow-up Committee of the COMCEC.

ITEM NO. 7 : Harmonisation of Standards Among QIC Member States

The First Session of COMCEC has decided on the preparation of a methodology for the harmonization of the standards applied in Member States, particularly to those which have an adverse impact on the promotion of the intra-DIC trade.

A Coordination Committee on Harmonization of Standarda was established by an experts' group meeting held in Istanbul in April 1985, to undertake the studies required for the development of a methodology as decided by COMCEC.

'In accordance with the decision of the "3rd Session of COMCEC, the Coordination Committee submitted a study on "Methodology for the Harmonization of the Existing Standards of the Islamic Countries and for the preparation of Common Standards" to the 4th Meeting of the Follow-up Committee of COMCEC.

The Committee recommended that the methodology explained in the study should be re-examined and revised on the basis of comments and suggestions received from the Member States by an expert'3 group meeting for submission to the COMCEC.

The 4th Session of COMCEC has requested the Member States to send their comments on the Methodology for the Harmonization of Standards to the COMCEC Coordination Office so that it could convene an experts' group meeting to finalize the document.
Secretariat of the Coordination Committee on Marminisation is expected to submit a detailed report on thin item to the fifth Meeting of the Follow-up Committee of COMCEC.

ITF.M NO.O: Trade Information Network among Member States of OIC (TINIC)

The First Session of COMCEC decided on the establishment of a Trade Information Network among Member States, to facilitate the rapid collection, processing, analysis, and disseminating of trade related data for the benefit of the Member States.

The Islamic Centre for Development of Trade (ICDT) was entrusted with the task of preparing the feasibility study on the modalities of such network, in collaboration with relevant organs of OIC and other international organisations.

In compliance with the above decision the ICDT prepared the feasibility study and the same was submitted to the Second Session of COMCEC. Subsequently the study was revised by an open-ended Task Force in Izmir, Turkey in October 1986 and by an Ad-hoc Experts Contact Group in Casablanca in February 1988. The outcome of the Contact Group meeting 11/33 submitted by the TCDT to the 4th Meeting of the Follow-up Committee of COMCEC.

The Committee while noting with satisfaction the revised version of the feasibility study on TINIC, requested the Casablanca Centre (ICDÎ) to convene a study group meeting composed of SESRTCIC, IDB, ICCICE, IFSTAD, ICTVTR, OIC General Secretariat and the COMCEC Coordination Office to draw up an implementation programme.
The 4th Session of COMCEC requested the ICDT to convene the meeting of the study group as early as possible, to consider possibilities for the establishment of TIMIC in close cooperation with similar or complimentary projects in existence or under consideration, with a view to avoiding any additional cost. The Study Group was requested to submit its report to the Fifth Meeting of CDMCEC.

In pursuance of the above decision, the ICDT convened the Meeting of the Working Group on TINIC in Casablanca on 27-28 February 1989. The meeting while examining the document on the implementation programme for TINIC presented by ICDT, emphasized on the setting up of TINIC, namely the procedures of designating the focal points, the regional and specialized centres, the financial profile and the timetable and revised the study accordingly.

The representative of ICDT shall submit a detailed report to the Fifth Meeting of the Follow-up Committee on this subject.

ITEM NO. 9: Crash Programme for Consideration of Economic Cooperation Among OIC Member Countries

A proposal on the "Crash Programme for Consolidation' of Economic Cooperation Among OIC Member States" was submitted by Indonesia at the Sixth Meeting of the General Assembly of the Islamic Chamber of Commerce, Industry and Commodity Exchange held in Istanbul, in September 1986.
ANNEX VII to OIC/COMCEC-FC/5-89/REP.

The Crash Programme contains a number of recommendations pertaining to economic cooperation in the fields of trading, banking, investment, technology, manpower, shipping and tourism among OIC Member States.

The Islamic Chamber of Commerce, Industry and Commodity Exchange has requested COMCEC Coordination Office to inscribe this item in the Draft Agenda of COMCEC for consideration.

The subject has been included in the Draft Agenda of the 5th Meeting of the follow-up Committee of the COMCEC. The Committee may wish to examine the Item and decide on its inclusion in the draft agenda of the 5th Meeting of COMCEC.

The ICCCE shall present necessary documents on the subject at the Fifth Meeting of the Follow-up Committee of COMCEC.

ITEM NO. 10: Methodology for the renewal of the Members of the Bureau of the COMCEC

AND

ITEM NO. 11: Rules of Procedure and Substance of COMCEC

The Government of the Republic of Turkey has prepared and forwarded to the General Secretariat two Draft Working Papers on the above two items and requested the General Secretariat to examine and revise them, if necessary.

The General Secretariat has informed the Government of the Republic of Turkey that the General Secretariat is in the process of preparing a draft Rules of Procedure for all the three Standing Committees of the Organization of the Islamic Conference, namely (i) Standing Committee for Economic and Commercial Cooperation (COMCEC), (Ü) Standing Committee for Scientific and Technological Cooperation (COMCEC), and (iii) Standing Committee for
Information and Cultural Affairn, set up by the Third Islamic Summit Conference, end in doing BO, the Draft Working Papers prepared by Turkey shall also be taken into consideration. The General Secretariat shall circulate the paper to the Member States as soon as they are ready.

HEM NO. 12: Draft Agenda of the 5th Session of the COMCEC

The COMCCC Coordination Office has prepared the Draft Agenda for the fifth Meeting of the Standing Committee for economic and Commercial Cooperation (COMCEC) scheduled to be held in Istanbul on 3-6 September 1997.

The follow-up Committee `nay wlr,h to i dr the draft AGENDA of the fifth Session of the COMCEC.

THEM NO. 13: Draft Agenda of the First QIC Ministerial Meeting on Energy

The Fourth Session of the Standing Committee for Economic and Commercial Cooperation (COMCEC) has riedidod to hold the First Ministerial Meeting on Energy in Istanbul on 3-6 September 1989 concurrently with the Fifth Session of COMCCC. It may be mentioned that Energy is the only remainign priotity area of the Plan of Action in which no Ministerial Meeting han yet been held.

The Ministry of Energy and Natural Resources of the Republic of Turkey has prepared the Draft Agenda of this meeting. The Heneral Secretariat of the DIC has circulated the Draft Agenda to the Member States and requested them to send their views and comments, if any, on the agenda items to the General Secretariat and also to the host authorities concerned in Turkey.
The Turkish Delegation shall provide the Follow-up Committee with explanations regarding the items of the Draft Agenda as well as the procedure followed in its preparation.

The Fifth Meeting of the Follow-up Committee may like to consider recommending the items of the Draft Agenda to the Ministers of Energy.

The 14th Session of the Islamic Commission for Economic, Cultural and Social Affairs held in Jeddah, Kingdom of Saudi Arabia on 4-8 February 1989 while reviewing the progress of various economic and commercial activities of QIC has made important recommendations to the 10th Islamic Conference of Foreign Ministers for approval.

The General Secretariat has circulated the Report: and Recommendations of the 14th Islamic Commission for Economic, Cultural and Social Affairs to the Member States and concerned agencies.

The Eighteenth Islamic Conference of Foreign Ministers held in Riyadh, Kingdom of Saudi Arabia in March 1989, has approved the recommendations of the 14th Session of the Islamic Commission and adopted comprehensive Resolutions on various items of the agenda. The Conference, under one Resolution (No.8/10-F) on the "Activities under the Auspices of the Standing Committee for Economic and Commercial Cooperation (COMCFC) for the implementation of the Plan of Action to Strengthen Economic Cooperation Among Member States" has covered ALL the priority areas of the Plan of Action, instead of adopting separate Resolutions for each item.
However, the following report on the sectorwise implementation of the Plan of Action to Strengthen Economic Cooperation covers the progress so far achieved since the 4th Session of the COMCEC.

i) Agricultural Development and Food Security

The Third Ministerial Conference on Food Security and Agricultural Development held in Islamabad, Islamic Republic of Pakistan, from October 13-20, 1990 adopted 10 resolutions which, if implemented, can greatly contribute towards the objective of food security in the Islamic countries. The Resolutions are as follows:

- Review of Food Security Situation in the Islamic countries.

- Food Security Situation in the African OIC countries.

- A Case Study for a Strategy of Science and Technology for Food Security in the Islamic World.

- Preparation of a Medium-Term Training Programme for Strengthening Food Security in the Islamic countries.

- Identification of Measures and Policies Necessary for Increasing Production of livestock.

- Increasing Trade in Food Commodities among the OIC Member countries.

- Establishing the OIC Food Security Reserve.

- Declaration on Decade of Food Security for the OIC Member countries.

- Deaert l.ociuat.

- Plight of Palestinian Farmers under Israeli Occupation.

A detailed report on the Conference has been circulated to the Member States and concerned agencies with the request to implement the resolution contained in the report. The General Secretariat has been following up its implementation with the Member States and the concerned agencies,
The Government of Indonesia has proposed to hold an experts group meeting in Jakarta sometimes this year to finalize the establishment of the OIC Food Security Reserve.

The General Secretariat has circulated the Resolution on it to the Member States and requested them to send their comments to the General Secretariat.

It may be mentioned that the OIC Food Security Reserve, when established shall be administered by a Hoard. The Board shall be assigned by one of the designated officials of the OIC General Secretariat as Executive Secretary of the Board. The General Secretariat has already designated the Director (Economic Affairs Dept.) as an ex-officio Executive Secretary of the Board.

The 18th Islamic Conference of Foreign Ministers urged the Member States to implement the Resolutions adopted at the previous three Ministerial Conferences on Food Security and Agricultural Development which will greatly contribute to the attainment of the objectives of Food Security and Agricultural Development in the Member countries and calls upon IDB to consider providing technical assistance to the Member States to enable them to formulate programmes for the realisation of food security.

ii) Industrial Cooperation/Promotion of Joint Ventures

Following are the notable development in the implementation of the recommendations of the Second and Third Ministerial Consultation on Industrial Cooperation;

Out of 57 joint venture projects, proposals received from the Member States, the Islamic Chamber of Commerce, Industry and Commodity Exchange (ICCI,CE)
after detailed study, submitted 19 projects to the Islamic Development Bank. Of these 5 were considered viable for technical and financial assistance by the Islamic Development Bank.

The Islamic Chamber of Commerce, Industry and Commodity exchange together with the UNIDO and the Union of Turkish Chambers held a meeting in Istanbul in June 1937, for promotion of joint ventures among Islamic countries. The meeting was attended by the representatives of 12 Selected More Advanced Islamic Countries, 8 Selected Less Advanced Islamic Countries, International Organizations and National and Regional Institutions. It resulted in the signing of agreements of understanding between project sponsors, interested investors and bankers on a total number of 81 projects with an investment cost of US$720.8 million.

A Follow-up meeting was held in Karachi in April 1988, with the participation of UNIDO. Islamic Development Bank, Union of Turkish Chambers, Federation of Pakistan Chambers of Commerce and Industry and National Development Finance Corporation of Pakistan. The object of the meeting was to examine and evaluate the arrangements related to joint venture projects as well, as to frame the future plan of action and the implementation modalities of each project. During the said meeting, the Islamic Development Bank showed an interest, in principle, on 24 projects while the NDFC of Pakistan showed its interest on 7 projects. Therefore, the Islamic Chamber requested the sponsors of these projects to approach the IDB and the NDFC of Pakistan for further processing in the matter.

At the request of UNIDO, a Joint. UN100-Islamic Chamber meeting was held in September 1908 at the Headquarters of the Islamic Chamber in Karachi. The meeting took a series of decisions, notably sending of
ANNEX VII to OIC/COMCEC-FC/5-89/REP.

joint missions composed of Islamic Chamber and UNIDO officials to some concerned Member states in order to find out ways and means for the early realisation of projects.

A Project Assessment Meeting was planned and has to take place in near future either in Karachi or in Jeddah or in Turkey, in order to review any progress made in that field. The 2nd Investment Project Meeting is scheduled to be held in June 1991.

The Recruitment of Consultants was also agreed. The Consultants have to visit the concerned countries and help in the early preparation of the feasibility studies. The Consultants have just started their work in Somalia and Gabon.

The Islamic chamber lauds its fruitful cooperation with the Islamic Development Bank who has been supporting its promotional activities and has just provided US$4.6 million for financing the Petroleum Storage and Distribution Project of nali which was among the discussed projects.

It may be mentioned that a Task Force Meeting for the Promotion of Joint Ventures among the Member States, was held at IDB Headquarters in Jeddah, between 1-2 November 1987. The Task force was composed of the representatives of the interested Member States and their relevant institutions, ADPIMI, ICCICE, IOB, FCIC, SESRTCIC, ICDT, IFSTAD and ICIVIR. It prepared its report covering a mechanism for the promotion of joint ventures among the Member States of the Oil to be submitted to the Fourth Ministerial Consultation on Industrial Cooperation.

The Government of Turkey has informed the General Secretariat that "The Minister of Industry and Trade of the Republic of Turkey, as the current Chairman of the
Ministerial Meeting on Industrial Cooperation requested the Member States to study the proposed mechanism before Fourth Ministerial Consultation on Industrial Cooperation end to send their views and comments on it. But only a few responses were received from Member States. So the other Member States were invited again to study the proposed mechanism and to submit their views on it.

The meeting of national productivity Centres or 'similar institutions of the Member countries, originally scheduled to take place on 17-19 October 1905 in Turkey and then postponed to a later date because of insufficient number of replies received to the invitations made.

Member States were invited to give due response on time for the realization of the meeting which was considered to be beneficial for Member States euring the Ministerial Consultation".

iii) Trade

The Eighteenth Islamic Conference of Foreign Ministers has noted with satisfaction the various on-going activities in the field of trade and urged the Member' States to participate effectively in the 4th and 5th Islamic Trade Fairs to be held in Tunisia in October 1990 and in Sudan in 1992, respectively, and requests ICDf to continue to assist the host authorities for the successful holding of these Fairs.

Welcomed the establishment of the Longer Term Trade Financing Scheme under the IDB and urged all Member States to participate in this Scheme, as soon as possible, to facilitate its optimum utilization.
Urged Member States to join the Agreement on the Global System of Trade Preferences (GSTP) among Developing Countries and to coordinate their negotiating positions within the framework of the System.

iv) Transport

The First Meeting of the Ministers of Transport of the Member States was held in Istanbul, Turkey from 7-10 September 1980, concurrently with the Third Session of the COMCEC. The Ministers were convinced that transportation is an important element of the development of the commercial and economic cooperation among the Islamic countries and agreed to cooperate in the development of (a) Road Transport (b) Maritime Transport, (c) Railway Transport, and (d) Training in the field of Transport.

The General Secretariat has been pursuing with the Government of Turkey, as Chairman of the follow-up Committee Member States and concerned agencies the follow up of the implementation of the decisions of the Ministers of Transport.

The recently held Eighteenth Islamic Conference of Foreign Ministers has also urged the Member States to implement the decisions of the first Meeting of the Transport Ministers.

The Government of Turkey has sent a note to the General Secretariat on the "Progress achieved Towards the implementation of some of the decisions of the First Meeting of the Ministers of Transport" which BIB as follows:

TRANSPORT TRAINING CENTRE

The Turkish Ministry of Foreign Affairs and the European Economic Commission (EEC) Secretariat are in consultation for the holding the session of the Executive Committee of the UN Transport Training Centre in Istanbul in early 1909, possibly in April.
ANNEX VII to OIC/COMCEC-FC/5-89/REP.

Invitation of the OTC member countries as observers to the session of the Executive Committee is being considered. The Executive Committee will decide on the training programmes which will then be communicated to the member countries for their participation.

The Istanbul Transport Training Centre was given the United Nations Status and the decision to include its activities within the programme of the UN Inland Transport Committee have been taken at the 43rd EEC Session, with the condition that no financial burden would be imposed on the United Nations.

The QIC General Secretariat will be informed about the Financial situation after the session of the executive Committee, like to be convened in April 1909.

MARITIME TRANSPORT

The inclusion of the Following items in the agenda of the first session of the Follow-up Committee of the First meeting of the Ministers of Transport is deemed appropriate:

* Measures for eliminating the hardships likely to be faced by the crafts of the member countries at the ports of member countries.

* Provision of facilities for the crew of the crafts of Member countries in landing, lodging and transit passing at the ports of the Member countries.

* Cooperation in the field of ship building industries.

* Technical cooperation for improving the existing port facilities in the member countries and for constructing new ones.
v) Communications

The First Ministerial Meeting on Communications of the OIC Member States was held in Istanbul, Turkey in September 1900, concurrently with the Fourth Session of the COMCEC.

The Ministers' while recognizing that telecommunication and postal services are important elements of cooperation in various fields among OIC Member States and that the development of telecommunication networks among Member countries will lead to progress and contribute to the general welfare of the Members of their mutual interest, took appropriate decision.

The Report and Resolution of this Meeting had been circulated to the Member States and concerned agencies with the request to implement it.

It may be mentioned that the Government of the Republic of Indonesia has offered to host the Second Ministerial Meeting on Communications sometimes in 1991. The Eighteenth Islamic Conference of Foreign Ministers welcomed the offer of Indonesian Government to host the Second Ministerial Meeting on Communications and urged the Member States to implement the decisions of the First Communications Ministers Meeting.

Meeting of Governors of Central Banks and Monetary Authorities

The Eighteenth Islamic Conference of Foreign Ministers invited the Member States to host the Eighth Meeting of Governors of Central Banks and Monetary Authorities, to consider, among others, the establishment of a Multilateral Islamic Clearing Union in the light of the study to be submitted by the IDB.
In addition to the above, the 10th Islamic Conference of Foreign Ministers has also:

1) Invited the Member States to render necessary assistance to the COMCCC to expedite the implementation of the Plan of Action.

ii) Appealed to the Member States to host the required expert group meetings for the examination and finalisation of the ongoing projects and studies pertaining to different areas of the Plan of Action.

iii) Also appeals to the Member States to render possible assistance and support to the General Secretariat and its Subsidiary Organs working in the field of economy and trade to enable them to fulfil their assignments for the implementation of the Plan of Action.

iv) Urged the concerned Member States to participate in the meeting of the Working Group on "Draft Bilateral Agreement on Labour and Manpower Exchange" to be held on 27-29 May 1989 in Istanbul, and invites the Member States to host the Third Export Group Meeting on Labour and Social Security to finalize the two Draft Agreements on Social Security and on Labour and Manpower Exchange.

v) Welcomed the enthusiastic response of the Member States, the national and regional agencies to cooperate with the OIC General Secretariat and its Agencies in the realization of technical cooperation activities.
vi) Requested the General Secretariat to continue with its efforts to follow-up the implementation of the Plan of Action and to present comprehensive, progress reports at the Annual Sessions of the COMCEC on the implementation of the decisions pertaining to various areas of the Plan of Action.

The 10th Islamic Conference of Foreign Ministers while reviewing the progress of signatures and ratifications on the-

a) Agreement on Promotion, Protection and Guarantee of Investments among Member States;


c) The Islamic Civil Aviation Council;

d) Islamic States Telecommunications Union;

has requested the General Secretariat to urge those Member States which have not yet signed and/or ratified the above mentioned Agreements/Statutes to do so as early as possible.

The foregoing gives an outline of the economic activities undertaken by the Organization of the Islamic Conference. It further shows significant benefits that have accrued from mutual cooperation since the adoption of the Plan of Action as well as the setting up of the Standing Committee for Economic and Commercial Cooperation (COMCEC).

In conclusion, it may be stated that the General Secretariat and the OIC subsidiary organs will continue to exert every effort to implement the Plan of Action in the light of decisions taken by the Organization.
PROGRESS REPORT ON A DETAILED STUDY ON THE ESTABLISHMENT OF
AN EXPORT CREDIT AND GUARANTEE INSURANCE SCHEME AMONG OIC
MEMBER COUNTRIES

Submitted by the Islamic Development Bank

The Third Session of the OIC Standing Committee on
Economic and Commercial Cooperation (COMCEC), held in
Istanbul on 14-17 Muharram, 1408H, (7-10 September, 1987),
discussed a feasibility report prepared by the IDB entitled
"Detailed Study on the Establishment of an Export Credit and
Guarantee Insurance Scheme for the OIC Member Countries".
On the recommendations of the Third Session of COMCEC, the
IDB was requested to hold a meeting of experts whose terms
of reference included a review of the study and to work out
the mechanics of a Scheme that would be operationally
feasible and consistent with Islamic Sharia.

The Experts Group Meeting on Export Credit and
Guarantee Insurance Scheme was held at the IDB on 6-7 Jumad
Thani, 1408H, (25-26 January 1988). The recommendations of
the experts were taken into account in preparing a revised
version of the Detailed Study on the Establishment of an
Export Credit and Guarantee Insurance Scheme Among O.I.C.
Member Countries.

The IDB presented both the revised "Detailed Study" and
the "Report of the Experts Group Meeting" to the Fourth
Session of the COMCEC Follow-up Committee that was held in
Istanbul on 19-21 Shabaan 1408H (6-8 April 1988). This
Follow-up Committee of COMCEC noted that, in view of the
importance of this matter, member countries were kindly
requested to communicate to the IDB their views and comments
on the issues raised by the experts.
In connection with the subject under reference, the following reports were attached to communication that was addressed to all OIC member countries, as well as to the Secretariats respectively of the OIC and COMCEC, to elicit their views on the issues raised by the Experts Group meeting and on any other relevant policy matters, for onward transmission to the COMCEC Secretariat:

1. **Detailed Study on the Establishment of an Export Credit and Guarantee Insurance Scheme Among O.I.C. Member Countries** (Revised version incorporating the recommendations of the Experts Group Meeting, as indicated above);

2. **Summary of the Detailed Study on the Establishment of an Export Credit and Guarantee Insurance Scheme Among O.I.C. Member Countries** (Revised to be consistent with the contents of the main document mentioned above);

3. **Progress Report on the Detailed Study on the Establishment of an Export Credit and Guarantee Insurance Scheme Among O.I.C. Member Countries**, presented at the Fourth Session of the COMCEC Follow-up Committee, held in Istanbul on 19-21 Sha'baan, 1408H, (6-8 April, 1988); and

4. Attached to the above **Progress Report as an annexure** was the **Report of the Experts Group Meeting on the Establishment of an Export Credit and Guarantee Insurance Scheme** held at the IDB Headquarters on 6-7 Jumad Thani, 1408H, (25-26 January, 1988).
As a result of the communication undertaken, responses were received from 10 OIC member countries. A summary of the responses that were received is presented in two formats and attached as Annex I. The first format comprises a summary of the salient comments. The second is a table of the responses, in terms of the principal issues raised in the study and the report of the Expert Group meeting. The complete text of the respective responses is attached as Annex II.

The 10 countries are: Algeria, Benin, Egypt, Iran, Iraq, Jordan, Malaysia, Pakistan, Saudi Arabia and Turkey.
SUMMARY OF SALIENT COMMENTS FROM COUNTRIES THAT RESPONDED TO THE IDB ENQUIRY

ALGERIA

1. Insurance coverage should be confined to only export credit.

2. No independent participation of private sector to the capital of the scheme.

BENIN

1. Insurance coverage should start with export credit.

EGYPT:

1. Importance, for the success of the Scheme, to implement the recommendation of the 5th Islamic Summit concerning the establishment of an Islamic Information Centre.

2. The case of the inabilities of the shareholders fund to cover the losses of the policyholders fund, should be studied.

3. Coverage of both political and commercial risks should be limited to 75% instead of 90% and 85% respectively as suggested by the study.

4. The net maximum coverage for one buyer or one transaction should be limited to only 5% of the capital and reserves (instead of 10% suggested by the study).

5. Indicators laid down by the IMF for country grading should only be indicative.

6. The scheme should establish the required coordination with similar schemes in member countries or in international markets.

7. Signature of the insurance policy may be ratified by competent authorities like export banks in concerned countries.
IRAN:

1. Duration for the payment of member countries installments should be extended to 3 years for least developed member countries.

2. Minimum subscription could be reduced to 250 thousand Islamic dinars to encourage subscription of a larger number of countries.

3. Investments should be made inclusively in the Islamic countries.

4. A technical committee should be established to study different technical aspects and later on to prepare a report for enlarging the risk underwriting capacity.

IRAQ:

Name of the institution to become "Islamic Company for the Guarantee of Investments and Export Credits".

JORDAN:

The scheme should try to arrange co-insurance with other Islamic Insurance Companies.

MALAYSIA:

1. Relationship between multilateral and national institutions needs to be highlighted.

2. Basis for premium rating should be detailed out.

3. The report to be submitted to COMCEC should not present alternatives on issues where unanimous agreement has been achieved in the Experts Group Meeting.

PAKISTAN:

Agree to cover the principal amount of interest-bearing transactions but further guidance on the subject may be sought from a wider body of Islamic jurists.

2. Raw cotton, cotton yarn and other products exported on cash/LC basis may be excluded from the list of eligible goods.
3. Minimum percentage for indigenous components in engineering goods covered by the Scheme, may be fixed at only 20% instead of the 40% mentioned in the study.

4. Administrative structure could be reduced by grouping various departments in 3-4 administrative units.

5. Some corrections are needed in the information regarding ECGS in Pakistan.

**SAUDI ARABIA**

1. Insurance coverage should apply to both export credit and investment.

2. There should be no independent participation of private sector to the capital of the scheme.

**TURKEY**

Insurance coverage should start with export credit.
## I. SUBJECTS COMMENTED BY MORE THAN ONE MEMBER COUNTRY

<table>
<thead>
<tr>
<th>Country</th>
<th>Insurance coverage</th>
<th>Uniformity of rates of premiums</th>
<th>Independent participation of private sector to the capital of the scheme</th>
<th>Location of the scheme</th>
<th>Underwriting capacity as a % of capital and reserves</th>
<th>Country ceilings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Algeria</td>
<td>Export credit and investment</td>
<td>Export credit only</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Senegal</td>
<td>X</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Egypt</td>
<td>X</td>
<td>Y</td>
<td>N</td>
<td>Y</td>
<td>-</td>
<td>5-10 times in the beginning and would never exceed 15 times</td>
</tr>
<tr>
<td>Iran</td>
<td>X</td>
<td>Y</td>
<td>N</td>
<td>-</td>
<td>5 times in the beginning</td>
<td>-</td>
</tr>
<tr>
<td>Iraq</td>
<td>X</td>
<td>-</td>
<td>-</td>
<td>Subject to M.C.'s government decision</td>
<td>Under the aegis of the IDB</td>
<td>-</td>
</tr>
<tr>
<td>Jordan</td>
<td>X</td>
<td>-</td>
<td>-</td>
<td>Y</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Malaysia</td>
<td>X</td>
<td>N</td>
<td>N</td>
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<tr>
<td>Pakistan</td>
<td>X</td>
<td>Y</td>
<td>-</td>
<td>Y</td>
<td>-</td>
<td>10 times</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>X</td>
<td>-</td>
<td>-</td>
<td>N</td>
<td>-</td>
<td>Proportional to contributions</td>
</tr>
<tr>
<td>Turkey</td>
<td>X</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>Under the aegis of the IDB</td>
<td>-</td>
</tr>
</tbody>
</table>
REPORT OF THE STUDY GROUP MEETING ON THE IMPLEMENTATION OF THE TRADE INFORMATION NETWORK FOR ISLAMIC COUNTRIES (TINIC)
Casablanca,
21 - 22 Rajab 1409
27 - 28 February 1989

1. In pursuance of the decision adopted by the Fourth Session of the Standing Committee for Economic and Commercial Cooperation (COMCEC) held in Istanbul on 6th and 7th September, 1988, the Meeting of the Study Group on TINIC was convened for the preparation of the implementation programme for TINIC in Casablanca on the 21-22 Rajab 1409 (27-28 February 1989) upon the invitation of the Islamic Centre for Development of Trade (ICDT).

2. The meeting was attended by the representatives of:
- the General Secretariat of the OIC;
- the Coordination Office of the COMCEC;
- the Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRTCIC);
- the Islamic Development Bank (IDB);
- the Islamic Foundation for Science, Technology & Development (IFSTAD);
- the Islamic Chamber of Commerce, Industry & Commodity Exchange (ICCICE);
- the Islamic Centre for Development of Trade (ICDT).

The list of Participants is in Annex 1.
3. The meeting was opened by Dr. Driss ALAOUI MDAGHR1, Director of ICDT, who welcomed the Participants. He then outlined the general context of this meeting and the tasks assigned to it.

Taking the floor during the beginning of the working session Mr. A. K. M. FAROOQ, Director of Economic Affairs at the General Secretariat of OIC, expressed the OIC Secretary General's keen interest in the proceedings of the meeting and recalled the different decisions made in this respect.

Mr. Aydan KARAHAN, Head of the Coordination Office of the COMCEC, also addressed the meeting. In his statement he pointed out that the Study Group was entrusted with the task of elaborating an implementation programme for TINIC to be submitted to the Fifth Meeting of the COMCEC Follow up Committee to be held between 23rd and 25th May in Istanbul.

4. The Participants unanimously elected the Director of ICDT to chair the meeting.

5. The Meeting examined the draft agenda presented by the Chairman and adopted it with minor amendments.

The agenda is in Annex 2.

6. Under agenda item 4, ICDT introduced the document on the implementation programme for TINIC. This document tackled three major issues namely: a historical account recalling the different steps already undertaken; the broadlines of the project as specified in the Feasibility Study and the implementation of the project.

Concerning this last item, emphasis was laid on the setting up of TINIC, namely the procedures of designating the focal points, the regional and specialised centres, the financial profile and the timetable.

7. Under agenda item 5, the representative of IDB presented the OIC Member Countries Information Network (Network) which is being studied by the Bank. He stated that the Network is designed as hardware (providing means of communication between users) and as software (developing data bases).

Emphasizing the complementary nature of TINIC and Network, he stated that the latter would be open to all Member Countries and would meet data communications and information requirements in various fields. The Participants while welcoming the view that the establishment of the Network will facilitate the operation of TINIC, they agreed on the implementation of TINIC without waiting for the establishment of the Network.
8. Under agenda item 6, the representatives of the participating OIC institutions expressed their views and comments on various aspects of the draft implementation programme prepared by ICDT.

Taking into account the views and comments of the Participants and on the basis of the consensus reached, the implementation programme was redrafted.

9. At the closing session, the Meeting adopted its Report and the Draft Implementation Programme for TINIC to be submitted by ICDT to the Fifth Meeting of the Follow-up Committee of the COMCEC.

The Draft Implementation Programme on TINIC is in Annex 3.

10. At the conclusion of the deliberations, the Participants expressed their appreciation and thanks to ICDT for the excellent arrangements which contributed to the success of the Meeting.
STUDY GROUP MEETING ON TINIC
Casablanca
21-22 Rajab 1409

LIST OF PARTICIPANTS

* OIC General Secretariat :
  - Mr. A. K. M. FAROOQ, Director of Economic Affairs

* COMCEC Coordination Office :
  - Mr. Aydan KARAIIAN, Head of the COMCEC Coordination Office
  - Mr. Celal ARMANGLIL, Deputy Head
  - Mr. Yakup KARACA, Expert

* Islamic Development Bank (IDB) :
  - Mr. Mohamed BENYOUCEE, Head of Computer Section
  - Dr. Hilmi Mohamed FOUDEII, Chief Library

* Statistical, Economic and Social Research and Training Center for Islamic Countries (SESRTCIC)
  - Oker GÜRLER, Economist

* Islamic Foundation for Science, Technology and Development (IFSTAD) :
  - Mr. ESAM M. ALYANAI, Expert.

* Islamic Chamber of Commerce, Industry and Commodity Exchanges (ICCICE) :
  - Mr. Lahcen EL WAFI, President of Casablanca Chamber of Trade and Industry.

* Islamic Centre for Development of Trade (ICDT) :
  - Mr. Driss ALAOUI MDAGIIRI, Director of ICDT
  - Mr. Zine El Abidine IIOUKI, Deputy Director
  - Mr. Youssef AMRANI, Assistant to Director
  - Mrs Souad BOUTALEB, Head of Documentation Department.
STUDY GROUP MEETING ON TRADE INFORMATION NETWORK FOR ISLAMIC COUNTRIES (TINIC)

Casablanca,
21 - 22 Rajab 1409
27 - 28 February 1989

AGENDA

1 - Opening of the Meeting by the Director of ICDT
2 - Adoption of the Agenda
3 - Designation of the Drafting Committee
4 - Report of the Implementation Programme of the TINIC by the ICDT
5 - Presentation of the ICINET Project by IDB
6 - Comments of Participants :
   - O I C General Secretariat
   - COMCEC Coordination Office
   - S E S R T C I C
   - I D B
   - I C C I C E
   - IFSTAD
   - I C T V T R
7 - Discussions
8 - Conclusions and Adoption of the Report
DRAFT IMPLEMENTATION PROGRAMME
FOR TRADE INFORMATION NETWORK
FOR ISLAMIC COUNTRIES
(T I N I C)

I / HISTORICAL ACCOUNT

1. Trade Information Network for Islamic Countries was designed
and studied by the Islamic Centre for Development of Trade (I.C.D.T. -
Casablanca) in compliance with the objectives of the "Plan of Action
for Economic Cooperation among Islamic Countries" which
recommended from 1981 onwards to "further strengthen exports
promotion activities among Member States ... through a better
circulation of information", and the Group of Experts on Inter-Islamic
Trade who met in Casablanca in April 1984 identified "the collection,
dissemination and intensification of the flow of information and data"
as a priority in the field of commercial cooperation and recommended
"the development of a trade information Network so as to ensure the
automatic and continuous dissemination of such information, to which
all economic operators could have access".

2. On the basis of this recommendation, the I.C.D.T. elaborated an
introductory note of a Network Project and submitted it to the
Standing Committee for Economic and Commercial Cooperation of
O.I.C. (COMCEC) which on its First Session (14 - 16 November 1984)
considered this issue and entrusted I.C.D.T. with preparing a
feasibility study in close collaboration with interested Islamic and International Organisations.

3. In June 1985, a draft Feasibility Study was presented to a limited group of experts who met on the initiative of I.C.D.T., including the representatives of the Islamic Chamber of Commerce, Industry and Commodity Exchange (I.C.C.I.C.E.), the Statistical, Economic, Social Research and Training Centre for Islamic Countries (S.E.S.R.T.C.I.C), the Islamic Development Bank (I.D.B.) and the International Trade Centre (UNCTAD/GATT). The meeting concluded that the alternative of a decentralised model would be most suitable while taking into account the need for a central coordination unit and stressed the necessity of minimizing the financial implications, avoiding work duplication and sharing existing capacities.

4. The Feasibility Study was finalised and presented to the Second Session of the COMCEC (14 - 16 March 1986) which decided to form an "open-ended Task Force" including the COMCEC Co-ordination Office, the I.C.D.T., the S.E.S.R.T.C.I.C, the I.C.C.I.C.E., the I.D.B. and national export and trade promotion institutes of interested Member States. This task force was entrusted with revising the Feasibility Study with a view to developing a system of data bases for collecting and disseminating, among others, maximum trade information within the O.I.C., eliminating duplication and sharing all existing capabilities, through necessary budgetary adjustments to ensure that no additional cost is incurred".

5. On the initiative of I.C.D.T., the Task Force met in Izmir (Turkey), from 21st to 23rd October 1986, and defined the principles which will rule the Network and decided:

* to form an Ad-Hoc Experts Contact Group, composed of interested Member States, the I.C.D.T., the I.D.B., the S.E.S.R.T.C.I.C, the I.C.C.I.C.E. to revise the Feasibility Study in order to facilitate the early setting up of the Network.

* to entrust I.C.D.T. with sending questionnaires to Member States so as to collect relevant information on the existing capabilities.

6. In collaboration with the I.D.B., the S.E.S.R.T.C.I.C, I.C.D.T. worked out three questionnaires and disseminated them to Member States in order to obtain maximum information on computer facilities, available data bases, and telecommunication facilities.

Nineteen countries answered the questionnaires. Even though this number is insufficient, answers were adequately used and maximum information was derived from them, since they came from
a range of countries geographically scattered and fairly representative of the whole Islamic Community.

The information which were collected were added to the revised version of the Feasibility Study.

7. This document was submitted to the Ad hoc Contact Group, mentioned hereabove, which met from 22nd to 24th February 1988, at the headquarters of I.C.D.T.

During this meeting, participants reviewed the various aspects of the issue and gave specifications on their available information means. Thus, the I.D.B. representative presented the ICINET project under consideration at the IDB/IRTI which he defined as hardware and software. As hardware, ICINET is a physical medium providing means of communication between users in the O.I.C. Member States and specialised institutions.

At the outcome, the meeting decided the following:

a) Necessity of a close cooperation between the I.C.D.T. and the I.D.B. in view of the complementarity between TINIC and ICINET.

b) Working out by I.C.D.T. an Implementation Timetable taking into account other projects notably, ICINET (I.D.B.), and ARISNET (League of Arab States).

c) Necessity of having National Focal Points.

d) Possibility for National Focal Points and Specialised Islamic Organisations to play the role of Regional Centres. Within this framework, the representatives of Turkey and Tunisia declared that their countries were ready to appoint one of their organisations to act as regional centre.

e) Possibility for I.C.D.T., I.R.T.I. and S.E.S.R.T.C.I.C. to serve as back up centres, when necessary.

f) Evaluation of the financial implications to be submitted to the COMCEC.

8. The report of the Ad Hoc Contact Group was submitted to the Follow-up Committee, which during its Fourth Meeting (6 - 8 April 1988), deemed it necessary to draw up an Implementation Programme and requested I.C.D.T. "to convene a meeting of the Study Group composed of the S.E.S.R.T.C.I.C, the I.D.B., the I.C.C.I.C.E., the
ANNEX IX to OIC/COMCEC-FC/5-89/REP.

I.F.S.T.A.D. and the I.C.T.V.T.R., the O.I.C. General Secretariat and the COMCEC Co-ordination Office in order to draw up such a programme.

9. This decision was confirmed by the COMCEC on the occasion of its Fourth Session (6 - 7 September 1988) which recommended to "consider the possibility of establishing TINIC, in close cooperation with existing projects and/or those under consideration, in order to avoid any additional cost" and requested the study group to submit its report to the Fifth Session of the COMCEC.

II / PRESENTATION OF THE PROJECT

1. Definition and objectives of the project

   System of data bases : collection and dissemination of trade information within the OIC Member States with a view to developing direct trade flows among them.

   TINIC Project will ensure the achievement, inter alia, of the following:
   - to meet the trade information needs in all the Member States;
   - to make possible the systematic collection of appropriate and up-to-date information pertaining to trade;
   - to facilitate the most rapid data collection, processing, analysis and dissemination to the users;
   - to help Member States Governments take decisions relating to external trade policy and to provide basic information at the enterprise level on commercial opportunities in the Member States;
   - to help facilitate research and development activities in the trade field.

2. Basic principles

   - The project will be opened to all O.I.C. Member Countries. It shall be developed among Member States through stages of a step-by-step approach.

   The project shall be established on the basis of a decentralised structure at the levels of both data collection and dissemination, in order to derive maximum advantage of the existing capacities within the O.I.C.

   The project shall be based and applied on the principle of mutuality of advantages in such a way as to ensure benefits to all participants on an equitable basis.
3. Users

- Government Organs
- Public and/or semi-public institutions
- Public and private enterprises
- Private associations
- Public and private research and training institutions.

4. Nature of information

- Foreign Trade Statistics (MEMOSTAT) : Country and commodity breakdown of foreign trade statistics of the Member States.

- National and International Regulations (MEMOREGL) : National and international rules, regulations and procedures pertaining to trade; tariff schedules and quota restrictions, and national and international product standards.

- Business Opportunities (BEIC) : Classified advertisements from trade operators.

- Index of Foreign Trade Operators (FÖCE) : Data base on trade operators, their names, addresses, specialisations, annual transactions volume, the past performance of the operators in terms of their activities.

- Bibliographical Data Bank (BIBLIO) : Documents concerning foreign trade not specified under any other data base defined in this section.

- International Tenders (TENDERS) : Data base on international tenders of O.I.C. Member Countries.

- International Commodity Prices (COMPRIS) : Data base containing international market prices of commodities.

5. Structure of the Network

a) Focal points :

The Member Countries will have to officially appoint Focal Points which will collect information and documents.
* Choice criteria:
- Public or private institutions, specialised in trade and already operational.
- Minimum equipment: telephone, telex, telefax.
- Sought equipment: telecommunication terminal to be directly linked to the Network.

* Mission:
- Information and documents collection.
- To meet if possible the users' needs.
- To ensure the connection as the case may be between the user and the Regional Centre or the Co-ordinating Centre.

b) Regional Centres:

Four Regional Centres shall be designated in compliance with the distribution of the OIC Member States in four geographical zones:
- North Africa
- Africa South of Sahara
- South-East Asia
- Middle East

* Choice criteria:
In pursuance of the recommendations of the Ad Hoc Contact Group, it is not a question of creating new cells. The functions of the Regional Centre shall be assigned either to the Focal Points already designated or to the already existing Islamic organisations. In both cases, the setting up of the Regional Centres shall be made in countries provided with the necessary equipment to ensure satellite transmissions.

* Minimum equipment:
Teledocumentation terminal and telecommunication infrastructure required for a good functioning, reprographics equipment, and to the extent possible computer hardware and software.

* Mission:
- Storage of documents provided by the focal points or the Co-ordinating Centre.
- Information retrieval on ad-hoc data banks and sending back of answers to the inquiring focal point.
ANNEX IX to OIC/COMCEC-FC/5-89/REP.


c) Specialised Centres:

It is a question of designating four Centres which will be responsible for each data bank of the Network.

* Choice criteria:
  These centres shall be chosen from among the OIC Institutions.

* Equipment:
  Computer hardware and software and experience on developing and maintaining data bases as well as similar equipment specified for the Regional Centres.

* Mission:
  Building up and management of a data bank in connection with the Regional Centres.

d) Co-ordinating Centre:

This role has been entrusted to I.C.D.T..

* Equipment:
  Data processing facilities and reprographics.

* Mission:
  Management of the Network and responsibility for at least one of the data banks.

III / IMPLEMENTATION OF THE PROJECT

For the setting up of TINIC, the COMCEC recommended the convening by ICDT of a Study Group composed of the SESRTCIC, the IDB, the ICCICE, the IFSTAD, the ICTVTR, the OIC General Secretariat, and the COMCEC Co-ordination Office. This group shall be entrusted with the task of drawing up an Implementation Programme which will determine among others:

- Regional and Specialized Centres, their areas of specialization and the data banks to be entrusted to them;

- Standards and procedures regarding the data and operating modalities of the envisaged Network;

- Overall financial profile of the Network, assuming that the Member Countries would bear the cost of national antennas, while the regional, Specialized and Coordinating Centers would bear any additional costs that the operation of the Network would entail.
For the drawing up of the Implementation Programme, the Study Group will have to specify the setting up procedures of the different components of the Network and to define the Overall Financial Profile of the latter and the Timetable.

1. Setting up of the Network

   a) Focal points :

   For the appointment of Focal Points, the choice criteria and the mission assigned to these units should be specified to all Member States by mail. It should be stressed that membership should be voluntary, Member States shall join it according to their interests.

   b) Regional Centres :

   For the setting up of Regional Centres, the Feasibility Study recommends, the appointment of four centres. This number has been approved in view of the geographical distribution of Member States in four big zones, namely:

   * North Africa : This sub-region includes 7 countries: Algeria, Egypt, Libya, Morocco, Mauritania, Sudan and Tunisia.

      During the meeting of the Ad Hoc Contact Group held in Casablanca in February 1988, Tunisia offered to host a Regional Centre, expressing thus its will to contribute to the setting up of this Network. This offer should be taken into consideration more especially as the table herewith shows that Tunisia is provided with a good communication Network which connects it to the other capitals of the sub-region.

   * Africa South of Sahara : This sub-region covers 17 countries: Benin, Burkina Faso, Cameroon, Comoros, Djibouti, Gabon, Gambia, Guinea, Guinea Bissau, Mali, Niger, Nigeria, Uganda, Senegal, Sierra Leone, Somalia, Chad.

      None of these countries proposed to host a Regional Centre. Nevertheless, two countries are equipped with communication facilities connecting them to the other States of the sub-region; Burkina Faso and Niger which should be contacted to know if they are interested in hosting the Regional Centre on the one hand and if they meet the choice criteria on the other.

   * Middle East : This sub-region includes fourteen countries: Saudia Arabia, Bahrain, United Arab Emirates, Iraq, Jordan, Kuwait,
Lebanon, Oman, Palestine, Qatar, Syria, Turkey, Yemen Arab Republic and Yemen Democratic Republic.

During the Meeting of the Ad-Hoc Contact Group in Casablanca in February 1989, Turkey proposed to host a Regional Centre. For the same reasons as those set out for Tunisia, this offer should be taken into consideration.

* South East Asia : This region covers eight countries : Afghanistan, Bangladesh, Brunei, Indonesia, Iran, Malaysia, Maldives, Pakistan.

None of these countries offered to host a Regional Centre. These countries should be consulted for a candidature.

It seems that Bangladesh is in a position to host a Regional Centre which may be established at the ICTVTR, Dhaka.

c) Specialised Centres :

The TINIC shall work with seven data banks which shall be built up and managed by specialised centres chosen from among the OIC institutions. As a guidance, the following distribution has been suggested :

I.D.B.: MEMOREGL - BIBLIO
Ankara Centre: MEMOSTAT - COMPR1S
I.C.D.T.: BE1C - FOCE

The Federation of Consultants for Islamic Countries (FCIC) may be assigned for developing Tenders data base.
COMCEC Coordination Office shall contact the FCIC in this regard.

d) Co-ordinating Centre

This role shall be played by ICDT within the framework of the mission entrusted to it.

2. Financial profile

The COMCEC recommended that the setting up of this Network should be made without additional costs, within the framework of the budgets provided to the parties concerned, namely, the Member States and the O.I.C. institutions.

a) The Member States shall be solicited to appoint Focal Points and in some cases, Regional Centres. This action may increase
the work volume and require additional personnel and an appropriate equipment. It will therefore, entail expenses to be borne by their own resources.

It should be noted that for both Focal Points or Regional Centres, the financial implications will not be significant since such functions will be entrusted to an already existing institution. Nevertheless, specifications shall be worked out and presented to the Member States to enable them to consider their membership taking into account the full facts.

b) Islamic institutions shall act as specialized centres or Regional Centres. Each one of them shall estimate the costs to be entailed by these activities and include them in its budget.

3. Timetable:

The following two immediate steps shall be taken as part of the implementation process:

a) ICDT shall determine the specifications of each data base and transmit them to the related OIC institutions to obtain their views on these specifications. After having received their responses, ICDT shall incorporate them in the Draft Implementation Programme.

b) ICDT shall send letters to the Member Countries requesting them to duly designate national institutions to act as Focal Points in matters pertaining to the establishment and operation of TINIC. After the Focal Points have been designated, ICDT shall convene a meeting with the participation of the representatives of these Focal Points preferably at the beginning of 1990.
Introduction.

The present world structural economic recession would likely continue in its present situation, due to the unbalances in the economic relations between the industrialised and the developing countries. To eliminate those unbalances, some necessary integrated and comprehensive economic steps must be taken, especially by the OIC member countries, in the spirits of cooperative self-reliance and in the systems of direct relations among the OIC member countries (regional, inter-regional as well as global) within the fields of trading, banking, investment, shipping and tourism in the framework of gradual establishment of New International Economic Order.

The direct relations would be economically feasible and workable because of the geographic locations and the cultural ties among OIC member countries as well as the role of the production and consumption capacities of international economic basic materials within the OIC countries. The direct relations based on the fair trade preference system appropriate for the major commodities could consecutively support the cooperative investment effort for economic development of any member country requiring it, by determining the priorities of the cooperative investment, particularly in the productions/supplies of foodstuffs, textiles, housing materials, technology and transportations to meet the domestic needs of the OIC member countries.

In the struggle for the establishment of the NIEO based upon freedom, eternal peace and the social justice for all nations to utilize the resources which God has provided, some proper attitudes and ways are required to "face the industrialised countries which economics are still in the power of a handful of international financial capitalists and industrialists in the forms of MNC's. Such attitudes and ways should be flexible, innovative, consultative, motivative and persuasive, and far from confrontative in order to neutralise the influences of the Jewish systems in those MNC's.

So, in accordance with the plan for enhancing the direct trade relations among OIC member countries/other developing countries, the exports of the basic raw materials produced by member countries/other developing countries, especially to the industrialised countries must be limited to the amounts directly needed for their own consumption, and not for re-exports in the forms of industrial products or even worst for re-exports as the upgraded raw materials.

To put this challenging mission into realization, the Islamic Chamber as an affiliate body of the OIC, as well as its member bodies as counterparts of Governments of OIC member countries, must
be consolidated with appropriate feasible program and projects in economic cooperation and consolidate its organizational structure and working procedures as outlined in sections II, III and IV below.

II. Crash program and projects of cooperation in trading, banking, investment, technology, shipping and tourism among OIC countries

A. Trading

To enhance and to extend cooperation in direct trading among OIC member countries under the following terms:

1. To give priority to raw materials commodities and semi-processed / processed commodities exportable from and to member countries for direct consumption in importing countries and not for re-export.

2. Exporter's bank will provide export credit within the period of 6 to 18 months to the exporters recommended by the national chambers of commerce of both exporting and importing countries.

3. Importers should open L/C's for the benefit of exporter with payment period of 6 to 18 months via their banks as mutual responsibility upon transaction of export/import consignment.

4. Export/import prices are to be based on competitive prices.

5. Islamic Development Bank (IDB) with its Foreign Trade Financing' program is to assist in providing guarantee for the L/C opening bank to exporter's bank.

6. Instrument for preference of trade to certain basic commodities could be sufficient with the "long terms sales/purchase commodities contracts".

7. A recommended list of basic commodities is attached for consideration on trade preference among OIC member countries.

* source

8. To monitor the situation and condition of production and consumption of basic raw materials in the OIC member countries and developing countries as well as industrialised countries, for informational on export/import quota of each country, should be recorded as such similar to what the OPEC Secretariate has practised/implemented relating to the the national, regional and global production and consumption of crude/fuel oil.

B. Banking

1. Government Banks in each member country must at least have bank correspondent at each other member country to provide direct bank services for enhancing and expanding cooperation in trading, investment and financing.

2. IDB is to be gradually made an International clearance bank.
ANNEX X to OIC/COMCEC-FC/5-89/REP.

for member countries with Islamic Dinar being the "standard monetary value" and it is to accept some other currencies from OIC member countries as convertible foreign exchange such as Saudian Real, Malaysian Ringgit, Nigerian Naira, Indonesian Rupiah, etc.

3. It is suggested that IDB form a basic commodity price and clearance department to monitor and determine prices and clearance system for trading transactions among the OIC member countries.

C. Investment

1. Investment is to be controlled and implemented with the priority to establish industries processing raw material/semi-processed or processed materials from a member country for its domestic consumption under investment cooperation based upon the terms of musyarakah or mudarabah among three partnerships, namely:

   a. raw material supplying countries
   b. capital financing countries
   c. countries which require/provide location for the processing countries, while appropriate labour intensive technology and machines will be concluded by the three parties by musyawarah.

2. The sectors of investment cooperation in various medium and small size/home industries to be given priority for development in the OIC member countries among other include:

   a. Integrated poultry farming, horticulture and pond fishery for food supplies.
   b. Installation/equipment for fuel/gas distribution for transportation and electrification.
   c. Palm oil processing for production of cooking oils, "soaps, etc.
   d. Garment/footwear industries.
   e. Tire and rubber article industries.
   f. Plastic article industries.
   g. Woods/cane processing for furniture.
   h. Real Estate construction industry for home ownership scheme of the lesser income population.
   i. Electronic goods assembling.
   j. Transportation/automotive assembling.
   k. Books/stationery for school and office supplies.

3. In the meantime there is a need to build a number of basic
industrial and supply centres for member countries with branches in each region for basic raw materials i.e.

a. petro chemical industry
b. metallurgical industry
c. machinery/tool industry,

to be built cooperatively by major oil producing Islamic countries in one of the cities in the following location:

1. Red Sea
2. Arabian Gulf
3. North Africa
4. West Africa
5. South East Asia

4. The responsibility for good coordination and efficient planning and implementation of the above points 1, 2, and 3 could be assigned to the Islamic Research & Training Institute (I.R.T.I.) of IDB.

D - Manpower/Technology.

Cooperation in the field of manpower utilization is to be considered mainly in the frame work of the requirement of skilled and field workers to carry out the cooperative investment and technical projects.

E. SHIIPPING

To support the exports of non-oil consignment commodity, the transportation is to be voluminous and to be scheduled as follows:

1. A minimum of twice per month shipping schedule from the Indonesia/South East Asian Ports to the Arabian Gulf Ports via Abudhabi and Karachi as transhipment/consignment ports with 6000 up to 7500 DWT capacity ships to serve Pakistan/ Afganistan and Arabian Gulf Ports, vice versa.

2. A minimum of once per month shipping schedule from Indonesia/South East Asian Ports to Red Sea Ports via Aden, Jeddah, Suez and Aqaba as transhipment/consignment Ports, with 7,500 up to 10,000 DWT ships to serve Red Sea and East African Ports, vice versa.

3. A minimum of twice per month from Indonesia/South East Asian Ports to Mediterranean Ports, once as transhipment/consignment ports to service each OIC member countries located in North Africa, on the western side of Portsaaid and once via Izmir and Rijeka to service OIC member countries on the eastern side of Portsaaid and some Mid and East European countries with 25,000 up to 30,000 DWT capacity ships, vice versa.

4. Regional schedules such as between member countries in South East Asian Region, Mediterranean Sea Region, Red Sea Region and West African Region should be scheduled at least
twice monthly with suitable smaller DWT vessels.

5. To provide effective and efficient transportation regularly from OIC member countries in West Africa to Western and Southern Europe and vice versa.

With the above transportation plans, the terms of sales of the commodity would be CIF and with such voluminous cargoes the freight rate would be 40% less than the International Freight Conference Tariff, so that the prices of the commodity could be fairly competitive with that from outside OIC countries.

F. Tourism

To promote cooperation on tourism among OIC member countries especially for short visits of tourists/businessmen-holding valid passports from and to OIC member countries, it is imperative to serve them with entrance permit visa on arrival by the recommendation and guarantee of the respective National Chambers, as an alternative to the normal procedures for obtaining visa issued by the respective embassies of the host countries abroad.

III. CRASH PROGRAM FOR CONSOLIDATION OF ORGANIZATIONAL STRUCTURE AND WORKING PROCEDURES OF I.C.C.I.C.E.

1. Regional Secretariate of Islamic Chamber
   a. Consequence to the resolution of the 9th ECM and 5th GAIC held in Jeddah on 7 – 11 Nov. 1984, the Vice Presidents should form their permanent offices to serve the committee which could follow up the implementation of the decisions adopted by the Executive Committe and the GA in the scopes of their regions and inter-regional relations.

      This permanent Vice President offices could be named the Regional Secretariate of the Islamic Chamber.

   b. Based on Article 17 of the Constitution of the Islamic Chamber, the President in his capacity as the chief executive of the Islamic Chamber should delegate his power and authority to all the Vice Presidents to act for and on behalf of the Islamic Chamber within their regional scopes.

   c. The Vice Presidents by musyawarah with the Executive Committee members of the region could appoint:
      - the Chairman and member of the Working Committee
      - the Secretary of the Regional Secretariate of ICCIÇE.

   d. The Secretary of the Regional Secretariate –according article 23 and 24 of the constitution of the Islamic Chamber– should have the function of the General Secretary of the General Secretariate within its regional scopes.

   e. Budget for the Regional Secretariate should be prepared jointly by the Vice Presidents and the Executive Committee members as well as member bodies of the region.
2. **Permanent office of the President/General, Secretariate of the Islamic Chamber**

In accordance with paragraph 1 the President in his capability, acceptability and capacity as the Chief Executive of the Islamic Chamber as well as to coordinate -intensively and effectively- all the activities of the Vice Presidents, -in implementing the crash program and projects of cooperation in trading, banking, investment, technology, tourism and shipping among OIC countries-should have his permanent office i.e. the General Secretariate of the Islamic Chamber in Jeddah, Saudi Arabia as to be closed to the Masjidil Haram and as an Islamic economical and financial sphere centre to be achieved by the Moslem World.

It is important to note that the General Secretariate of OIC and Head Quarters of IDS as well as many Head Quarters of other affiliate bodies of OIC are also located in Jeddah.

3. **Proposal on the establishment of...Regional Division**

Obviously it become an urgent matter to have By-Laws to regulate Article 16 of the Constitution of the Islamic Chamber concerning the number of Vice Presidents and members of the Executive Committee, according to the sum of feasible economic cooperations among and between the regional divisions of the Islamic Chamber.(enclosed the draft proposal on the regional divisions)

4. **National Chamber_of_Commerce_as_Marketing__-Consortium_of export/Import_commodi. ti.les**

In the implementation of the programs and projects for economic cooperations among OIC member countries, the National Chambers should have to obtain the guardianship and trust from each respective government of OIC member countries to function innovatively, informatively and administratively -supported by its members through the registration and recommendation system- as the National Marketing Consortium of export/import commodities from and for member countries.

**ESTABLISHING AN EXPERT TEAM**

1. To refine and to complete these draft crash programs integrally and comprehensively from all different aspects, the GA would need to appoint an Expert Team responsible to the Executive Committee -on behalf of the GA- for their approvals.

2. The Expert Team will be given 3(three) months period beginning October 1th 1986, to complete their work at the office of the President of the Islamic Chamber, in Jeddah.

Jakarta, July 16th, 1986.

[Signature]
H.E. Kowari
Vice President Islamic Chamber
South-East Asia Region.
DRAFT PROPOSAL ON THE REGIONAL DIVISION

There will be 8(eight) -direct economic cooperation- regions under the ICCICE, each under a Vice President, with the respective Secretariat locations and member bodies as follows:

1. **South East Asia Region**
   - Secretariat : in Jakarta
   - Member bodies are Chamber of Commerce of : Indonesia, Malaysia, Brunei, Bangladesh and Maldives.

2. **Central Asia Region**
   - Secretariat : in Karachi
   - Member bodies are Chamber of Commerce of : Pakistan, Afghanistan, Iran, Turkey and Kibrish.

3. **West Asia Region**
   - Secretariat : in Cairo
   - Member bodies are Chamber of Commerce of : Syria, Palestine, Lebanon, Jordan and Egypt.

4. **Arabian Gulf Region**
   - Secretariat : in Abu Dhabi
   - Member bodies are Chamber of Commerce of : Saudi Arabia, Iraq, Kuwait, Bahrain, Qatar, U.A.E. and Oman.

5. **Red Sea/East Africa Region**
   - Secretariat : in Jeddah
   - Member bodies are Chamber of Commerce of : Saudi Arabia, Sudan, Jibouti, Somali, North Yemen, South Yemen, Uganda and Comoro.

6. **North Africa Region**
   - Secretariat : in Rabat
   - Member bodies are Chamber of Commerce of : Marocco, Algeir, Lybia, Tunisia and Mauritania.

7. **Northern West and Central Africa Region**
   - Secretariat : Dakkar
   - Member bodies are Chamber of Commerce of : Senegal, Gambia, Guinea Bissau, Guinea, Sierra Leone, Mali and Burkina Faso.

8. **Middle West and Central Africa Region**
   - Secretariat : Lagos
   - Member bodies are Chamber of Commerce of : Nigeria. Penin, Cameroun, Gabon and Chad.
LIST OF MAIN COMMODITIES

I. Food-stuffs

<table>
<thead>
<tr>
<th>Code</th>
<th>Commodities</th>
</tr>
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<tbody>
<tr>
<td>001</td>
<td>Live animal</td>
</tr>
<tr>
<td>031</td>
<td>Fish fresh, frozen</td>
</tr>
<tr>
<td>032</td>
<td>Fish prepared, preserved</td>
</tr>
<tr>
<td>042</td>
<td>Rice</td>
</tr>
<tr>
<td>045</td>
<td>Cereal unmilled not wheat</td>
</tr>
<tr>
<td>048</td>
<td>Cereal preparation</td>
</tr>
<tr>
<td>051</td>
<td>Fresh Fruit, Nuts</td>
</tr>
<tr>
<td>052</td>
<td>Dried fruit</td>
</tr>
<tr>
<td>053</td>
<td>Fruit fresh fruit &amp; fruit preparation</td>
</tr>
<tr>
<td>054</td>
<td>Vegetables, fresh, frozen</td>
</tr>
<tr>
<td>062</td>
<td>Sugar confectionary</td>
</tr>
<tr>
<td>071</td>
<td>Coffee</td>
</tr>
<tr>
<td>072</td>
<td>Cocoa</td>
</tr>
<tr>
<td>081</td>
<td>Feeding stuff for animal</td>
</tr>
<tr>
<td>121</td>
<td>unmanufactured tobacco</td>
</tr>
<tr>
<td>122</td>
<td>Tobacco manufactured</td>
</tr>
<tr>
<td>211</td>
<td>Raw hides, skins, furs</td>
</tr>
<tr>
<td>221</td>
<td>Oil seeds, kernels/nuts</td>
</tr>
<tr>
<td>231</td>
<td>Crude rubber</td>
</tr>
<tr>
<td>242</td>
<td>Rough wood</td>
</tr>
<tr>
<td>243</td>
<td>Wood sheed slippers</td>
</tr>
<tr>
<td>263</td>
<td>Cotton</td>
</tr>
<tr>
<td>264</td>
<td>Jute other textile fibre</td>
</tr>
<tr>
<td>271</td>
<td>Crude fertilizer</td>
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<tr>
<td>276</td>
<td>Other crude mineral</td>
</tr>
<tr>
<td>281</td>
<td>Iron ore, concentrates</td>
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<tr>
<td>283</td>
<td>Non ferrous base metals</td>
</tr>
<tr>
<td>286</td>
<td>Uranium</td>
</tr>
<tr>
<td>292</td>
<td>Crude Vegetable materials</td>
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<tr>
<td>421</td>
<td>Fixed vegetable oils soft</td>
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<tr>
<td>422</td>
<td>Other fixed vegetable oil non-soft</td>
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<td>513</td>
<td>Inorganic chemical</td>
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<tr>
<td>561</td>
<td>Manufactured fertilizer</td>
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<td>331</td>
<td>Crude petroleum</td>
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<td>332</td>
<td>Petroleum product</td>
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II. Industrial supplies

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<tr>
<td>513</td>
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III. Chemical

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<tr>
<th>Code</th>
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<tbody>
<tr>
<td>611</td>
<td>Total 13 items</td>
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</table>

IV. Fuel

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<td>331</td>
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</table>

V. Machinery plus transport equipment

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<th>Commodities</th>
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<tr>
<td>718</td>
<td>Total 3 items</td>
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</tbody>
</table>

VI. Manufactured goods

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<tr>
<th>Code</th>
<th>Commodities</th>
</tr>
</thead>
<tbody>
<tr>
<td>611</td>
<td>Total 13 items</td>
</tr>
</tbody>
</table>

No Code Commodities

1. 001 Live animal
2. 031 Fish fresh, frozen
3. 032 Fish prepared, preserved
4. 042 Rice
5. 045 Cereal unmilled not wheat
6. 048 Cereal preparation
<table>
<thead>
<tr>
<th>Number</th>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>36</td>
<td>341</td>
<td>Gas natura &amp; manufactured</td>
</tr>
<tr>
<td>37</td>
<td>718</td>
<td>Machinery for special industry</td>
</tr>
<tr>
<td>38</td>
<td>719</td>
<td>Much. &amp; applns</td>
</tr>
<tr>
<td>39</td>
<td>729</td>
<td>Kiec. mach &amp; apparatus</td>
</tr>
<tr>
<td>40</td>
<td>611</td>
<td>Leather</td>
</tr>
<tr>
<td>41</td>
<td>629</td>
<td>Rubber articles</td>
</tr>
<tr>
<td>42</td>
<td>632</td>
<td>Wood manufactured</td>
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<tr>
<td>43</td>
<td>651</td>
<td>Textile yarn &amp; thread</td>
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<tr>
<td>44</td>
<td>652</td>
<td>Cotton fabric woven</td>
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<td>45</td>
<td>653</td>
<td>Textile non cotton fabric</td>
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<tr>
<td>46</td>
<td>654</td>
<td>Lace, ribbon</td>
</tr>
<tr>
<td>47</td>
<td>655</td>
<td>special textile prod.</td>
</tr>
<tr>
<td>48</td>
<td>656</td>
<td>Textile material</td>
</tr>
<tr>
<td>49</td>
<td>657</td>
<td>I'llior cdvcrlnga</td>
</tr>
<tr>
<td>50</td>
<td>673</td>
<td>Iron steel</td>
</tr>
<tr>
<td>51</td>
<td>687</td>
<td>Tin (sheet, bars, rods, alloys)</td>
</tr>
<tr>
<td>52</td>
<td>841</td>
<td>Clothing</td>
</tr>
</tbody>
</table>

Commodities would be in accordance with National and/or International Standard Grade Specification.
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b) Digest of Schemes (May 1983)
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d) Handbook on Handicraft.


EXPLANATORY NOTE BY ICCICE ON THE
"CRASH PROGRAMME FOR CONSOLIDATION
OF ECONOMIC COOPERATION AMONG OIC MEMBER COUNTRIES"

The original proposal of the Indonesian Chamber of Commerce & Industry, entitled, "Crash Programme for Consolidation of Economic Cooperation among OIC Member Countries" submitted to the 6th General Assembly of the Islamic Chamber of Commerce, Industry & Commodity Exchange (ICCICE) held in September 1986 in Istanbul, were examined in-depth by the Re-study Committee composed of Bangladesh, Indonesia, Pakistan, Turkey and the General Secretariat of the Islamic Chamber. The Report of this Committee was completed in January 1988 in Cairo under the chairmanship of the President of the Federation of Egyptian Chambers of Commerce. The meeting was also attended by representatives of the Islamic Development Bank (IDB), Kuwait, Palestine and United Nations Industrial Development Organization (UNIDO) as Observers.
2] It was after considering the findings and recommendations of this Re-study Committee that the Seventh General Assembly of the Islamic Chamber held in January 1988 in Cairo, took the decision to submit the "Crash Programme" to OIC and COMCEC for information and implementation, as most of the Indonesian proposals fell within the competence of Governments. At the same time, the General Assembly duly expressing appreciation to Mr. H. E. Kowara and the Indonesian delegation for the efforts exerted to prepare the project & adopted the following resolutions:

"To ask Member Chambers to provide the General Secretariat of the Islamic Chamber with all relevant economic data and information which will be used in the dissemination of the information that is of particular interest for the economy of the Islamic Ummah".

"To ask the General Secretariat of the Islamic Chamber to prepare a study on the said data and information".

3] The General Secretariat is pleased to report to the Fifth Meeting of the Follow-up Committee of COMCEC that notable progress has been recorded for realizing some of the major objectives contained in the "Crash Programme" for consolidation of economic cooperation among OIC Member States, through concerted measures taken not only by the General Secretariat of the Islamic Chamber but also by COMCEC and various organs of OIC such as the IDB, ICDT, SESRTCIC and others.
4] It is noteworthy that the major and important areas of economic cooperation covered in the Crash Programme are:

- A. Trading
- B. Banking
- C. Investment
- D. Manpower / Technology
- E. Shipping
- F. Tourism.

In the context of economic areas included in the Crash Programme and on the basis of the resolutions adopted by the General Assembly of the Islamic Chamber in recent years, two significant areas have been given top priority for strengthening collective self-reliance among Islamic Countries:

1. Promotion of Intra-Islamic Trade.
2. Facilitating Joint Industrial Projects among OIC Member States.

PROMOTION OF INTRA-ISLAMIC TRADE

5] A comprehensive questionnaire was prepared and circulated in March 1988 by the General Secretariat of the Islamic Chamber requesting member countries to provide it with statistical data on their imports, exports and key economic indicators for recent years from 1984 onwards. The 9-page questionnaire sought foreign trade information both commodity-wise and country-wise with special emphasis on the trends of imports and exports with the Muslim countries.
This was meant to prepare a specialised study which would help to understand the share of individual Muslim Countries in respect of total imports and exports of various commodities of major importance to the reporting country. In the light of its macro-economic growth of a particular Muslim country and the implications of its rules and regulations governing foreign trade, the rest of Islamic countries would be able to adopt necessary steps for promoting its own trade and thereby improve upon the share of the Ummah.

6) On the basis of response received from some member countries in filling up and returning the questionnaire, the economic documents sent by them as well as relevant and up-to-date data collected from publications of the international agencies, the General Secretariat has been able to compile and publish analytical studies on nine member countries for the wider usage and benefit of all the OIC Member States. While special studies covering economic development and pattern of foreign trade of Indonesia, Pakistan and Saudi Arabia, were published in the quarterly 'Information Bulletin' of the Islamic Chamber, a special issue entitled 'Foreign Trade of Islamic Countries' covering six countries viz: Bangladesh, Gabon, Kuwait, Mauritania, Qatar and U.A.E., was brought out in February 1989 on the occasion of the 7th General Assembly held in Abu-Dhabi. The copies of the said publications are at the disposal of COMCEC.
Since the early 1980's, impetus for trade promotion is also given by the regular publication of trade enquiries and opportunities and vital information in the 'Information Bulletin'. Meanwhile another special issue on trade is being planned on the basis of the statistical questionnaire circulated by the Chamber and presently being received back after completion from the member countries.

7] Another development of far-reaching impact for strengthening commercial, industrial and economic collaboration among the Muslim countries is the recent publication of a new magazine called "Islamic Economic Magazine" in February 1989 by virtue of the dynamic initiative and assistance of the Jeddah Chamber of Commerce & Industry. It has become a historic landmark in the activities of the Islamic Chamber and its services to the Private enterprise system. Its articles deal with the Islamic economic concepts together with all the practical subjects in the field of economic activities and especially in three languages of Arabic, French and English and this Magazine is expected to play an admirable role in integrating the socio-economic system among all the Muslim countries. The Islamic Chamber would take this opportunity to appeal to the Governments, various Islamic Organizations, Federations and National Chambers of Commerce & Industry to kindly subscribe to the Islamic Economic Magazine. This will be a source of encouragement and assistance to the Islamic Chamber which is experiencing financial strains.
8] Thus the Islamic Chamber is actively engaged in the implementation of the general proposal of the "Crash Programme" under the heading of "Trading". However, some of the concrete measures suggested by Indonesia fall within the jurisdiction of Government decisions. Indeed it would need far-reaching efforts in the present circumstances to implement that "the exports of the basic raw materials produced by member countries, especially to the industrialized countries must be limited to the amounts directly needed for their own consumption, and not for re-exports in the forms of industrial products....". Government cooperation would be needed for getting the"proposition accepted that National Chamber of Commerce should "obtain the guardianship and trust from each respective government of OIC member countries to function as the National Marketing Consortium of export/import commodities from and for member countries". About the suggestion on foreign trade financing programme and the need for IDB to provide greater assistance, many questions would be raised if the IDB is expected to provide "guarantee for the L/C opening bank to exporter's bank".

9] However, an admirable and constructive suggestion worth supporting by the Islamic Chamber and other OIC organizations, is the recommended list of 52 basic commodities for consideration to grant "trade preferences" among OIC Member countries. There is a general consensus among the OIC countries on the long-term goal of an Islamic Common Market and this objective forms part of the constitution of the Islamic Chamber'. The progress towards
this ultimate goal has to be marked by stages in terms of political will and economic collaboration among sub-regional and regional countries and then on the level of the entire Ummah. Meanwhile, the COMCEC is already earnestly engaged in the consideration of a number of relevant research-oriented studies such as the Establishment of a Multilateral Islamic Clearing Union (prepared by the IDB), the Report by ICDT on the Preparation of the Draft Framework Agreement on Trade Preferential System among OIC Member States. Indeed, some other Agenda Items of this Meeting including IDB's Export Credit Insurance Scheme, ICDT's Report on Trade Information Network, go a long way for furthering the cause of the Crash Programme. The Islamic Chamber is truly encouraged by these empheric?al and policy-oriented studies meant for commercial, industrial and financial integration of Muslim countries.

FACILITATING JOINT INDUSTRIAL PROJECTS AMONG OIC MEMBER STATES.

10] The Crash Programme has made many useful suggestions emphasising the need for larger investments for the promotion of various branches of industries from agro-based to heavy industries. It has identified eleven groups of small/medium size industries— from poultry farming to palm oil processing and from plastic articles to electronic goods, for providing priority development in the OIC Member countries. As regards heavy industries involving petrochemical, metallurgical and machinery/tools industries,
a proper planning is suggested for their locations by selective
regions such as Red Sea, Arabian Gulf, North Africa, West Africa,
and South East Asia. The Islamic Research and Training Institute
of IDB is to be entrusted with the responsibility for efficient
planned coordination and implementation.

111 The Islamic Chamber has from its very inception in 1979 been concerned with the promotion of joint industrial ventures among member countries, as this is an area in which private enterprise and national chambers of commerce & industry can play a pioneering and effective role. Since 1981, redoubled efforts are being made for inviting, reviewing and coordinating concrete proposals on joint ventures. Following the First Conference of the Ministers of Industries of the Islamic Countries held in Islamabad in February 1982 particular emphasis has been placed on agro-based joint ventures among Islamic countries. Modalities and guidelines for identification and implementation of joint ventures, have also been stipulated by the Task Force set up by the First Ministerial Consultation on Industrial Cooperation. Accordingly, a number of potential joint ventures have been identified and circulated among member countries but the progress of implementation has been slow due to reasons which would be enumerated later.

12] Meanwhile, the Islamic Chamber has received considerable assistance and support from the IDB and UNIDO. To facilitate the development of new and on-going joint industrial ventures in
Selected Less Developed Member countries, the Islamic Chamber jointly organised with the UNIDO an Investment Promotion Meeting in June 1987 in Istanbul, which was hosted by the Union of Chambers of Commerce, Industry, Maritime Commerce and Commodity Exchanges of Turkey. The meeting was quite encouraging and was attended by 200 participants from 20 Member countries including eight Less Developed Member countries (viz. Bangladesh, Cameroun, Gambia, Guinea, Mali, Niger, Somalia and Yemen Arab Republic) as project sponsors and 30 representatives from international organizations, and national and regional financial institutions. It was indeed a historic success when 110 industrial joint ventures were discussed and out of which understanding/commitments were reached on 81 projects by Egypt, Indpnesia, Iran, Pakistan, Turkey and U.A.E. (which are comparatively better developed among the member countries) and total investment cost amounted to U.S. Dollars 720.8 million. It was clearly a decisive break-through in the area of joint industrial ventures among the OIC Member States.

13) The 7th General Assembly of the Islamic Chamber held in January 1988 appreciated the results achieved at the Istanbul meeting and invited Member States to make further progress in the area of joint ventures. Since the outcome of the Istanbul Meeting the Islamic Chamber, UNIDO, UCCET have been ensuring a follow-up of projects agreed upon at that meeting for their speedy implementation.
Despite the multiple difficulties encountered at the administrative and financial levels, substantial progress has been made in that respect. The Second Meeting for the promotion of Joint Ventures is scheduled to be held in Pakistan in 1990. Meanwhile, follow-up action on the joint venture projects identified and agreed upon in Istanbul in June 1987, was taken by the General Secretariat of the Islamic Chamber which organised a meeting in Karachi in April 1988. This meeting reviewed the progress made so far, decided upon the modalities for early implementation, and its success was underlined by the participation of UNIDO, UCCET, IDB, FPCCI and the National Development Finance Corporation (NDFC) of Pakistan. The IDB has shown interest in the financing of 24 projects and the NDFC in 7 projects; but the implementation of the projects would very much depend upon the updating and completion of feasibility studies by the sponsors. A project assessment meeting between UNIDO, UCCET, IDB, ICCICE and the project sponsors/co-partners, is also scheduled to be held shortly in Istanbul. These developments clearly underline the growing opportunities for initiating and following-up many joint industrial ventures among Muslim countries.

14) However, there are still a number of bottlenecks in the realization of the available potentials for joint ventures. It is the considered view of the General Secretariat of the Islamic Chamber that timely intervention and continued support would be necessary from the Governments of sponsoring parties of joint ventures as well as the co-ordinating partners of other member
countries, for promotion and successful implementation of selected joint ventures. There have been hesitancy and delays in the issuance of 'official request' and 'no-objection certificate' by the governments. Government/Central bank guarantees against loans and security against currency fluctuations, are some of the hindrances slowing down the pace of proposals on joint ventures. It has also been witnessed that governments alter their declared policy on joint venture in a specific field, when some progress has been achieved in the negotiations of joint ventures between interested parties of two countries. These and other issues have to be reviewed so that the momentum already set for the promotion, of joint ventures especially with the assistance of the IDB and the National Development Financial Institutions, are maintained in the future.

15] The Crash Programme has also made a number of brief suggestions on Banking, Technology, Manpower and Tourism. These would require scrutiny by appropriate specialised bodies of OIC and also by different governmental departments of Member States when progress is achieved in the on-going studies concerning trade, investment, credit, information network and others. The proposal that the IDB should become an International Clearnace Bank of OIC Member countries, needs to be considered in depth as a far-reaching development. Meanwhile regular shipping services on some identified routes between the Far East and the Middle East and the North Africa, Western and Southern Europe have been proposed and deserve to be
evaluated by the Association of Islamic Shipowners, Jeddah and other Islamic Shipping Lines, with a view to achieving a concerted programme of action. Strengthening the process of technology transfer among Muslim countries, training of manpower needed by them as well as encouraging tourism and travel of businessmen with liberal visa facilities, are helpful proposals for strengthening socio-economic cooperation among Islamic countries.

16] In conclusion, the Crash Programme has succeeded in drawing attention of the Governments, national private enterprises, Chambers of Commerce & Industry of the Member States as well as the various specialised organs and institutions affiliated to OIC, on the vital areas for coordinated action. Many-sided measures have already been taken and a number of special studies are already in progress, which have a positive bearing on the Crash Programme. Meanwhile, the Islamic Chamber is confident that concerted programmes chalked out with the consensus of the Governments of Member States and through the medium of OIC and COMCEC, would greatly brighten the future prospects for integrated and self-reliant economic development of Islamic countries.

I. PURPOSE

I. The purpose of this paper is to present some alternative methods for the renewal of the members of the Bureau of the COMCEC and for the composition of its Follow-up Committee, with a view to facilitating the selection of the alternatives to be submitted to the Fifth Session of the COMCEC for final decision.

II. SCOPE

2. After an introductory chapter giving a background information on the subject, some alternatives regarding the renewal of the Members of the Bureau and the composition of the Follow-up Committee are explained in Sections IV and V below.

3. The coverage of the present paper is similar to the one presented at the Fourth Meeting of the Follow-up Committee held on 6-8 April 1988 in Istanbul. In addition to the explanations
and alternatives given in the previous paper, the present one also includes background information on the developments which took place since then and some new alternatives for the renewal of the members of the Bureau and the composition of the Follow-up Committee. The alternatives contained in the previous paper are kept in the present one with the consideration that the Follow-up Committee in its fifth meeting may wish to re-examine them in more detail.

4. The alternatives presented in this paper are by no means exhaustive. Variations on the alternative methods presented in the following pages, as well as completely different ones may be considered by the Follow-up Committee.

III. BACKGROUND

5. At the First Session of the COMCEC, held on 14-16 November 1984 in Istanbul, the following Member States were elected to represent their respective geographical regions in the Bureau of the COMCEC:

- First Vice-Chairman: Kingdom of Saudi Arabia to represent Arab Member States;
- Second Vice-Chairman: Islamic Republic of Pakistan to represent Asian Member States;
- Third Vice-Chairman: Republic of Guinea to represent African Member States;
- Fourth Vice-Chairman: Palestine;
- Rapporteur: Hashemite Kingdom of Jordan.
6. The COMCEC in its First Session also decided

"...to establish a Follow-up Committee, at ministerial level, to assist the Chairman, supported by the Secretary General and composed of the Members of the Bureau of the Standing Committee..." (1)

7. During its Second Session, held on 14-16 March 1986 in Istanbul, the COMCEC, with a view to maintaining continuity in the organization of its work, decided

"... to keep the members of its Bureau, who were elected during its First Session, unchanged until the next Islamic Summit (the Fifth Islamic Summit Conference)." (2)

8. Following the Fifth Islamic Summit Conference, the question of the renewal of the members of the Bureau was raised during the Third Session of the COMCEC. At its Third Session, the COMCEC decided that the question of the renewal of the members of the Bureau should not be tackled before various aspects of the question and its implications for the follow-up mechanism were carefully studied.

9. According to the resolution adopted at the Third Session of the COMCEC, however, the Member State who holds the Sessional Chairmanship of the Islamic Summit Conference was included in its


Bureau as a regular member. Thus, the State of Kuwait was included in the Bureau of the COMCEC to serve as the fifth Vice-Chairman until the Sixth Islamic Summit Conference to be held in 1990 in Senegal.

10. At the same Session, the COMCEC assigned the Follow-up Committee with the task of determining feasible alternatives for the renewal of the Members of the Bureau, together with their implications for the follow-up mechanism, in a longer perspective, on the basis of a working paper to be prepared by the COMCEC Coordination Office. (3)

11. The COMCEC Coordination Office presented a working paper (4) on the subject at the Fourth Meeting of the Follow-up Committee which was held on 6-8 April 1988 in Istanbul. The Follow-up Committee considered the alternatives explained in the paper, and following detailed discussions on the subject, emphasized the importance of the following:

   a) continuity in the work of the COMCEC;
   b) benefiting from the accumulated experience of the members of the Bureau;
   c) functional requirements of the work of the COMCEC;
   d) maintenance of the distinction between the roles of the Bureau and the Follow-up Committee.


12. In the light of the foregoing, the Follow-up Committee decided to recommend to the COMCEC that the present composition of the Bureau should be maintained. It was also agreed that the practice of inclusion of the current Chairman of the Islamic Summit Conference in the Bureau would be continued.

13. The Follow-up Committee, taking into consideration the need to allow greater participation of a larger number of Member States in the work of the Follow-up Committee, agreed to recommend to the COMCEC that, in addition to the members of the Bureau, three Member States, one from each geographical region, would be elected to the Follow-up Committee. Every two years, a new election would be held for these three new seats. The outgoing new regional representatives would be eligible for re-election.(5)

14. The alternatives proposed by the Follow-up Committee on the methodology for the renewal of the members of the Bureau of the COMCEC and the composition of its Follow-up Committee were extensively discussed at the Fourth Session of the COMCEC held on 4-7 September 1988 in Istanbul, and the Follow-up Committee was requested to re-examine the subject and to come up with new alternatives that would satisfy the Member States. The decision of The Fourth Session of the COMCEC on the issue reads as follows:

"Regarding the methodology agreed on at the Fourth Meeting of the Follow-up Committee pertaining to the renewal of the members of the Bureau of the COMCEC and the composition of its Follow-up Committee, the Follow-up Committee was requested to reconsider the issue in its Fifth Meeting and to formulate new alternatives that would satisfy the Member States. In undertaking this task, the Follow-up Committee was requested to give due consideration to the importance of the continuity in the work of the COMCEC and to the right of Member States to take part in its activities." (6)

IV. ALTERNATIVE METHODS FOR THE RENEWAL OF THE MEMBERS OF THE BUREAU

15. In view of the fact that Turkey and Palestine are permanent Members of the Bureau and that Kuwait holds a Vice-Chairmanship in its capacity as the Sessional Chairman of the Fifth Islamic Summit, the alternative methods for the renewal of the members of the Bureau explained below will be applicable to three Vice-Chairmen representing three geographical regions and to the Rapporteur.

16. Keeping the principle of geographical representation and assuming that the outgoing members of the Bureau would be eligible for re-election, the two alternative methods contained in the previous paper submitted to the Fourth Meeting of the Follow-up Committee for the renewal of the Member States representing three Vice-Chairmen and the Rapporteur are recited below:

a) At the end of every one, two, or three years, as may be decided, one of the member states representing three geographical regions in the Bureau may be replaced by another member state from the same region by election. The member state holding the post of the Rapporteur may also be replaced at the end of an agreed period, by election.

Assuming that the renewal will start with the African region at the Fifth Session of the COMCEC in September 1989, and that the African member states are symbolized by "AF", Asian Member States by "AS", Arab Member States by "AR" and Rapporteurship by "RP", the operation of this alternative, on the basis of two yearly renewal period, until 1997 can be shown as follows:

<table>
<thead>
<tr>
<th>Year of Election</th>
<th>Vice-Chairman Representing</th>
<th>Vice-Chairman Representing</th>
<th>Vice-Chairman Representing</th>
<th>Rapporteur</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>African Region</td>
<td>Asian Region</td>
<td>Arab Region</td>
<td></td>
</tr>
<tr>
<td>1984</td>
<td>AF-1(Guinea)</td>
<td>AS-1(Pakistan)</td>
<td>AR-1(S.Arabia)</td>
<td>RP-1(Jordan)</td>
</tr>
<tr>
<td>1989</td>
<td>AF-2</td>
<td>AS-1</td>
<td>AR-1</td>
<td>RP-2</td>
</tr>
<tr>
<td>1991</td>
<td>AF-2</td>
<td>AS-2</td>
<td>AR-1</td>
<td>RP-3</td>
</tr>
<tr>
<td>1993</td>
<td>AF-2</td>
<td>AS-2</td>
<td>AR-2</td>
<td>RP-4</td>
</tr>
<tr>
<td>1995</td>
<td>AF-3</td>
<td>AS-2</td>
<td>AR-2</td>
<td>RP-5</td>
</tr>
<tr>
<td>1997</td>
<td>AF-3</td>
<td>AS-3</td>
<td>AR-2</td>
<td>RP-6</td>
</tr>
</tbody>
</table>

b) The member states representing three regions and the Rapporteur may be renewed simultaneously at the end of every one, two, or three yearly periods that may be deemed appropriate. As explained in the following section, the outgoing members in
a given term may constitute the members of the Follow-up Committee during the course of the following term.

17. Another alternative which may be considered in addition to the above would be to keep the present composition of the Bureau, and to institute three additional positions of Vice Chairmen. In this case, in addition to Turkey and Palestine, Saudi Arabia, Guinea, Pakistan and, Jordan will gain permanent status as founding members in their present positions. The three additional positions would be filled in by election on a rotational basis observing the principle of geographical representation in accordance with the method explained in paragraph 16 (a) above.

Such an alternative may ensure the continuity in the work of the COMCEC while observing the right of every Member State to be represented in its Bureau. As will be explained in the following section, the rotating members of the Bureau may also take part in the work of the Follow-up Committee together and on an equal footing with the permanent founding members of the Bureau, and thus would increase the representative powers of the Follow-up Committee.

V. ALTERNATIVES FOR THE COMPOSITION OF THE FOLLOW-UP COMMITTEE

18. The following are the alternative methods in terms of the composition of the Follow-up Committee which were contained in the previous paper on the subject submitted by the COMCEC
Cooperation Office to the Forth Meeting of the Committee. They are recited below in case the Follow-up Committee may wish to reexamine them.

a) The present practice, as decided at the First Session of the COMCEC, may be maintained; thus, the members of the Bureau, elected according to one of the methods explained in Section IV above, may continue to serve at the same time as the members of the Follow-up Committee.

b) The Follow-up Committee may be composed of the members of the Bureau, elected according to one of the methods explained in Chapter IV, plus the Chairmen or the Rapporteurs of other ministerial level meetings held in areas of economic cooperation indicated in the OIC Plan of Action, which fall under the competence of the COMCEC. In this case, each year with the holding of a ministerial meeting, a new member in addition to the existing ones would be added to the Follow-up Committee until all relevant areas indicated in the OIC Plan of Action are covered. Adoption of this alternative may increase the capacity as well as the representative powers of the Follow-up Committee in performing its functions pertaining to different areas of economic cooperation being dealt with by the COMCEC. Depending on the method to be adopted for the renewal of the members of the Bureau, the size of the Follow-up Committee in this case would be 20 member states at the maximum.
c) The Bureau which may be formed for a given term may serve as the Follow-up Committee during the course of the next term.

This model resembles the pattern followed for the Annual Meetings of the Board of Governors of the Islamic Development Bank (IDB). In the IDB’s case, the members of the Bureau of the Annual Meetings of the Board of Governors elected for a given term constitute the Procedures Committee during the next term to maintain continuity in matters pertaining to the organization and substance of the meetings.

19. As another method which may be considered in addition to the above, the Follow-up Committee would be composed of the members of the Bureau of the COMCEC, to be elected in accordance with an agreed method, together with three or more representatives from among the member countries to be selected on the basis of a set of economic criteria, such as national income per capita, population or share in intra-OIC trade.

VI. CONCLUSION

20. The alternative methods explained above for the renewal of the members of the Bureau of the COMCEC and for the formation of its Follow-up Committee are only a few of various alternatives that might be thought of in this regard. The Follow-up Committee may wish to recommend any of the alternatives explained in this
paper, their variation, or a completely new ones as it may deem appropriate, for consideration and approval of the COMCEC.
DRAFT AGENDA
OF THE FIFTH SESSION OF THE COMCEC

Istanbul, 3-6 September 1989

1. Opening of the Session.
   - Inaugural Speech by H.E. Kenan EVREN, President of the Republic of Turkey, Chairman of the COMCEC.
   - Statement by H.E. Turgut ÖZAL, Prime Minister of the Republic of Turkey, Alternate Chairman of the COMCEC.
   - Statement by H.E. Dr. Hamid Al-Gabid, Secretary General of OIC.
   - Statements by Heads of Delegations on Behalf of the Three Regional Groups of OIC Member States.
   - Statement by H.E. Dr. Ahmed Mohammed Ali, President of IDB.

2. Adoption of the Agenda.

3. Report by the General Secretariat of OIC.


7. Methodology for the Renewal of the Members of the Bureau of the COMCEC and the Composition of its Follow-up Committee.

8. Economic measures in support of Palestine and Lebanon.

10. Any Other Business.

11. Adoption of the Resolutions of the Fifth Session of the COMCEC and the First OIC Ministerial Meeting on Energy.

12. Date of the Sixth Session of the COMCEC.

DRAFT AGENDA
OF THE FIRST MINISTERIAL MEETING
ON ENERGY IN OIC MEMBER STATES
Istanbul, 3-6 September 1989

1. Inaugural Session.
2. Election of the Members of the Bureau.
3. Adoption of the Agenda.
4. Background Report by the General Secretariat of OIC.
6. Conventional and Nonconventional Energy Situation in the Member Countries.
11. Cooperation to Establish Regional Interconnected Power Grid Systems.
12. The Energy Situation in Rural Areas in the OIC Member States and Their Energy Needs for Agricultural Development.
13. Establishment of a Follow-up Committee.

15. Date and Venue of the Next Meeting.

16. Adoption of the Report and the Resolution to be Submitted to the COMCEC.

17. Closing Session.
CLOSING STATEMENT BY H.E. İŞİN ÇELEBİ, MINISTER OF STATE OF THE REPUBLIC OF TURKEY, CHAIRMAN OF THE FOLLOW-UP COMMITTEE

Fifth Meeting of the Follow-up Committee of the COMCEC

Istanbul, 25 May 1989

Your Excellencies,
Distinguished Delegates,

We have successfully completed another meeting of the Follow-up Committee of the COMCEC, thanks to your invaluable and most constructive contribution and sense of cooperation.

The recommendations contained in the report we have just adopted will no doubt expedite the implementation of the projects on the Agenda of the COMCEC which mostly concern the promotion of trade among the Member Countries.

Growing protectionism in the world economy during recent years, despite notable improvements in the economies of the developed countries, points to the continuing necessity of increasing the volume of trade among the Member Countries in order to prevent further worsening of their external payments situation.
In this context of world economic affairs, the establishment of the longer-term trade financing facility within the Islamic Development Bank, as a result of the implementation of a decision adopted at the first session of the COMCEC, should constitute a source of satisfaction to all of us. With the achievement of similar results with respect to the other projects on the Agenda, Member Countries will have additional multilateral mechanisms in support of their development efforts at national level.

We have noticed during the meeting that the necessary groundwork for the implementation of most of the projects on the COMCECs Agenda have almost been finalized by the relevant OIC institutions. Regarding these projects, it is my understanding that we have reached the stage where a final seal of approval by the governmental authorities of the Member States is needed for their actual implementation.

My personal thanks go to the distinguished directors and the staff of the OIC institutions for their contribution in undertaking the necessary studies for the implementation of these projects.

We should not, however, content ourselves with what we have achieved so far. We should continuously strive for new joint cooperation projects. This would not only set a basis, however modest, for taking advantage of the existing complementarities between the economies of the Member States, but would as well...
enhance understanding amongst them conducive to Islamic solidarity.

Bearing this in mind, we should be open to any suggestions, coming from any Member State concerning economic cooperation projects which are feasible and most likely to attract the interest of the Member States, irrespective of their political and economic structures.

At this Fifth Meeting we also discussed in detail the important organizational issues of the renewal of the Members of the Bureau of the COMCEC and the composition of the Follow-up Committee. I believe that the recommendations we have formulated on these issues adequately address the need to maintain continuity in the work of the COMCEC and the right of Member States to be represented on its Bureau and on the Follow-up Committee. Therefore, I am confident that these recommendations would be approved at the forthcoming Fifth Session of the COMCEC.

I believe that the draft Agenda of the first Ministerial meeting on energy to be held concurrently with the Fifth Session of the COMCEC, which we have reviewed, will ensure the initiation of a meaningful cooperative action in this last priority area of the OIC Plan of Action. With the coverage of the area of energy the COMCEC will have to supervise the related activities in five priority areas of economic cooperation, in addition to those related to the items of its own Agenda. The fulfillment of this
constantly expanding mandate in a satisfactory manner might require the reconsideration of the strategy and organization of work of the COMCEC.

We have not been able to discuss at this meeting the subject of the substance and the rules of procedure of the COMCEC due to the fact that the ongoing study by the General Secretariat has as yet not been completed. I hope that we shall have the opportunity to consider this subject during our next meeting and reach suitable recommendations that would bring improvements to the work of the COMCEC, thus enabling it to fulfill its mandate in a more efficient manner.

Before concluding my remarks, I should like to thank you once more for your contribution to the success of this meeting.

I should also like to thank the interpreters and all the supporting staff for their selfless efforts and efficient work which ensured the success of the meeting.

On behalf of the people and the Government of Turkey, I wish you a very happy and safe journey home.

The meeting is closed.

Thank you very much.