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

Istanbul, 10-12 May 2005

COMCEC Coordination Office
Ankara, May 2005
ADDRESS:

COMCEC COORDINATION OFFICE
Necatibey Cad. 108
Ankara-TURKEY
Phone : 90-312-294 55 10
        90-312-294 55 03
Fax   : 90-312-294 55 77
Website : http://www.dpt.gov.tr
 e-mail : ftigli @ dpt.gov.tr
          ykaraca @ dpt.gov.tr
TABLE OF CONTENTS

Report of the Twenty First Meeting of the Follow-up Committee of the Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Conference…………………………………………………………………………………………7

ANNEXES

I. List of Participants of the Twenty First Meeting of the Follow-up Committee of the COMCEC……..27

II. Message of H.E. Ahmet Necdet SEZER President of the Republic of Turkey and Chairman of the COMCEC…..35

III. Opening Statement by H.E. Dr. Ahmet TIKTIK, Undersecretary of the State Planning Organization of the Republic of Turkey………………………………………..43

IV. Message of H.E. Professor Ekmeleddin İHSANOĞLU, Secretary General of the Organization of the Islamic Conference………………………………………………………………………………………51

V. Agenda of the Twenty First Meeting of the Follow-up Committee………………………………………………………………………………………………………………..57

VI. Background Report by the OIC General Secretariat…………………..61

VII. Report by the OIC General Secretariat on the Review of the Implementation of the Plan of Action……..81

VIII. Report of the Sessional Committee——93

IX. Report by IDB on the Expansion of Intra-OIC Trade…………………99
X. Report by ICDT on the Expansion of Intra-OIC Trade.............109

XI. Report by IDB on Issues Relating to Activities of the World Trade Organization..............................................125

XII. Report by ICDT on Issues Relating to Activities of the World Trade Organization.............................................147

XIII. Reports by ICCI on Private Sector Meetings among the OIC Member Countries..............................................165

XIV. Report by ICDT on Trade Fairs of Islamic Countries..............185

XV. Joint Report by SESRTCIC and ICDT on the Developments Related to the Promotion of Cooperation Among the Stock Exchanges of the OIC Member Countries....197

XVI. Presentation by Istanbul Stock Exchange on the Results of the Round-Table Meeting on Promotion of Cooperation Among the Stock Exchanges of the OIC Member States....203

XVn. Draft Agenda of the Twenty First Session of the COMCEC .... 209

XVIII. Closing Statement by H.E. Dr. Ahmet TIKTIK, Chairman of the Closing Session of the Twenty First Meeting of the Follow-up Committee of the COMCEC........213
REPORT

OF THE TWENTY FIRST MEETING OF THE
FOLLOW-UP COMMITTEE OF THE STANDING COMMITTEE
FOR ECONOMIC AND COMMERCIAL COOPERATION OF THE
ORGANIZATION OF THE ISLAMIC CONFERENCE

(Istanbul, 10-12 May 2005)
REPORT

(Istanbul, 10-12 May 2005)

1. The Twenty First 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 Istanbul on 10-12 May 2005.

2. Representatives of the following Member States of the Committee attended the Meeting:

1- Republic of Turkey : Chairman (Permanent)
2- Kingdom of Saudi Arabia : Vice Chairman (Permanent)
3 - State of Palestine : Vice Chairman (Permanent)
4- Malaysia : Vice Chairman (the Current Chairman of the Summit)
5- State of Qatar : Vice Chairman (Representing the Arab Region)
6- Indonesia : Vice Chairman (Representing the Asian Region)
7- Republic of Sierra Leone : Rapporteur
8- Islamic Republic of Pakistan : Member of the Previous Bureau
9- State of Kuwait : Member of the Previous Bureau
10- Islamic Republic of Iran : Member of the Previous Bureau
11- Federal Republic of Nigeria

7
3. Representatives of the following countries attended the Meeting as guests:
   Kingdom of Bahrain
   Republic of Iraq

4. Representatives of the General Secretariat and the following OIC subsidiary-
   organs, specialized and affiliated institutions also attended the Meeting:
   • Statistical, Economic and Social Research and Training Centre for
   • Islamic Countries (SESRTCIC)
   • Islamic Center for Development of Trade (ICDT)
   • Islamic Development Bank (IDB)
   • Islamic Chamber of Commerce and Industry (ICO)
   • Organization of the Islamic Shipowners' Association (OISA)
   • Islamic Research Center for History Art and Culture (IRCICA)

5. Representative of Center for Regional Cooperation in Ankara (UNIDO) also
   attended the Meeting, as observer.

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

Opening Session

6. Following recitation from the Holy Qur'an, H.E. Dr. Ahmet TIKTIK, 
   Undersecretary of the State Planning Organization of the Republic of Turkey, 
   inaugurated the Meeting.

7. H.E. Ahmet Necdet SEZER, President of the Republic of Turkey and the
   Chairman of COMCEC, sent a message to the meeting, which was read by Mr. Velibi
   Esgel ETENSEL, Advisor to the President on Foreign Affairs. In his message H.E.
   President SEZER underlined the increasing importance of COMCEC as a platform for
   strengthening cooperation in the areas of economy and commerce as well as the
   evaluation of world economic developments. In this context, for reaching the
   objectives that had been foreseen in areas of economy and commerce, he stressed the
   importance of improving the efficiency and productivity of COMCEC works.

8. H.E. President SEZER pointed out the importance of supporting the private
   sector and reinforcing a productive and comprehensive cooperation among the private
sectors, in order to contribute to increasing the welfare levels of OIC Countries. In this regard, he referred to the OIC Economic Conference organized in parallel to the 20th Session of the COMCEC and expressed his hope that the 21st Meeting of the Follow-up Committee would prepare the draft agenda of the 21st Session of the COMCEC in an appropriate manner so that the outcome of the said conference might be followed up.

9. H.E. President SEZER mentioned the importance of the commercial arrangements within the OIC to improve cooperation among the Member Countries. In this context, the President referred to the realization of the first round of the Framework Agreement on the Establishment of Trade Preferential System Among the OIC Countries (TPS-OIC) and stressed that the Draft Protocol of Tariff Reduction Scheme (PRETAS) that had emerged as a result of these negotiations, would be ready for signature by the 21st COMCEC Ministerial Session to be held in November 2005. H.E. President SEZER also called on the Member States that had not signed or ratified the TPS-OIC Agreement to do so in the near future.

10. The message of H.E. President SEZER concluded with best wishes for the success of the Meeting.

(A copy of the text of the message of H.E. President Ahmet Necdet SEZER is attached as Annex II.)

11. Following the message of H.E. President SEZER, H.E. Dr. Ahmet TIKTIK, Undersecretary of the State Planning Organization of the Republic of Turkey, addressed the Meeting.

12. Welcoming the delegates, H.E. Dr. Ahmet TIKTIK, appreciated COMCEC for having been a valuable platform for the economic and commercial cooperation among the OIC Member States for twenty years. Upon giving a concise summary of the recent world economic trends, he stressed that it was necessary for the developing countries to achieve an adequate level of infrastructure, skilled labor force, and macroeconomic stability for attracting sufficient foreign direct investment, which is necessary for economic development.

13. In this context, H.E. Dr. TIKTIK referred to the trade negotiations held under the Framework Agreement on Trade Preferential System Among the OIC Countries as an historical opportunity towards this end. Expressing his pleasure for the successful
OIC/COMCEC-FC/21-05/REP

progress in the trade negotiations, H.E. Dr. TIKTIK emphasized the importance of finalization of the Draft Protocol for signature during the 21st Ministerial Session of COMCEC.

14. Referring to the implementation of the OIC Plan of Action, H.E. Dr. TIKTIK pointed out the importance of early implementation of the proposed projects under the Plan of Action. He mentioned that, in order to accelerate the implementation mechanism of the said projects, it is necessary to make a technical evaluation, to provide financial support to feasibility studies and to establish a structure capable of monitoring implementation of these projects.

15. H.E. Dr. TIKTIK concluded by indicating sustainable economic development as the way to securing regional peace and stability.

(The text of the Statement of H.E. Dr. Ahmet TIKTIK is attached as Annex III.)

16. The message of H.E. Professor Ekmeleddin İHSANOĞLU for the Meeting was read by H.E. Ambassador Nabika DIALLO Assistant Secretary General for Economic Affairs of OIC. In his statement, H.E. Professor İHSANOĞLU exalted H.E. Ahmet Necdet SEZER, President of the Republic of Turkey and Chairman of COMCEC, for his wisdom and sagacity in guiding the work of COMCEC and thanked the Government of Turkey for hosting the Meeting.

17. H.E. Professor Ekmeleddin İHSANOĞLU called upon the OIC Member States and OIC Institutions to support the initiative of OIC General Secretariat to promote trade and investment in cotton sector in Africa.

18. Touching the successful completion of the First Round of Trade Negotiations under the Framework Agreement on Trade Preferential System Among OIC Member States, H.E. Professor İHSANOĞLU strongly urged the Member States of OIC that had not yet done so to sign and ratify the Framework Agreement as soon as possible. In this context, H.E. Professor İHSANOĞLU also stressed the importance of a number of other agreements and statutes on economic matters finalized under the auspices of OIC which also should be acceded to by all Member States.

19. Appreciating the new supplementary mechanism concerning the implementation of the Plan of Action, H.E. Professor İHSANOĞLU expressed his hope that the
supplementary mechanism would accelerate the implementation process of the Plan of Action.

20. Recalling the initiative of Malaysia, as the current chairman of the OIC Summit, to adopt a set of action-oriented programmes on poverty alleviation in OIC countries, H.E. Professor İHSANOĞLU appealed to Member States to support these laudable activities promoting intra-OIC cooperation.

(A copy of the text of the message of H.E. Professor Ekmeleddin İHSANOĞLU is attached as Annex IV.)

21. The Meeting was then addressed by the Heads of Delegations of Kingdom of Saudi Arabia, Republic of Indonesia and Republic of Sierra Leone on behalf of the regional groups. They expressed their thanks and appreciation to the President of the Republic of Turkey, the Government and people of Turkey for their continued support for economic and commercial cooperation among the Member States as well as for the warm welcome and excellent arrangements made for the Meeting. They stressed the need for further strengthening economic cooperation among OIC Member States.

Working Sessions

22. The working sessions of the Meeting were chaired by H.E. Dr. Ahmet TIKTIK, Undersecretary of the State Planning Organization of the Republic of Turkey.

23. After the adoption of the Agenda, the Meeting set up an open-ended Drafting Committee under the Chairmanship of the Rapporteur, Mr. Mohammad RIAZ, Consul General and Head of the Delegation of the Islamic Republic of Pakistan.

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

Background Report of the OIC General Secretariat

24. Under Agenda Item 3, H.E. Nabika DIALLO, Assistant Secretary General for Economic Affairs of OIC, presented the Background Report of the General Secretariat. In his presentation, he highlighted the various activities undertaken by the Member States and the OIC Institutions in the implementation of the resolutions of COMCEC.
25. The Committee **took note** of the Background Report of the General Secretariat and **expressed** its appreciation, while appealing to the General Secretariat to prepare more up to date and to-the-point background reports.

26. The Committee **emphasized** the importance of OIC Agreements and Statutes in the area of economic and commercial cooperation. In this connection, the Committee **renewed** its call to Member States, that had not yet done so, to sign and ratify the Agreements as early as possible, particularly the Framework Agreement on the Trade Preferential System Among Member States of the OIC (TPSOIC) so as to facilitate the participation of Member States in the future rounds of trade negotiations.

27. The Committee **renewed** its appeal to the Member States, that were the proponents of the projects, to expedite the formation of the project committees, as envisaged in the Plan of Action, with a view to implementing those projects proposed during the sectoral experts group meetings.

28. The Committee **requested** the Member States that had already offered to host sectoral expert group meetings to expedite the convening of said meetings. It was also of the view that the Member States offering to host the expert group meetings (EGMs) may kindly do so by November 2006, failing which it could be open to other Member States willing to host the same meeting as decided by the COMCEC. The Committee **also appealed** to the Member States to come forward with proposals for hosting EGMs in the priority areas of the Plan of Action, where no EGM has so far been held.

29. The Committee **thanked** the Government of the Islamic Republic of Iran for holding the Expert Group Meeting on tourism to be held in July 2005 and **called upon** Member States to actively participate in this meeting.

30. The Committee **took note** of the holding of the 1st Private Sector Forum on Tourism in Islamic Countries, by the Islamic Chamber in Riyadh before the end of 2005 and **thanked** the Kingdom of Saudi Arabia represented by the Supreme Commission of Tourism for their offer and support and **called upon** the Member States to encourage their private sector to actively participate in the Forum.

31. The Committee **requested** the General Secretariat to include in its subsequent Background Reports the necessary recommendations, where appropriate.

(The Background Report by the General Secretariat is attached as Annex VI.)
Review of the Implementation of the Plan of Action to Strengthen Economic and Commercial Cooperation Among OIC Member States

32. Under Agenda Item 4, H.E. Nabika DIALLO, Assistant Secretary General for Economic Affairs of OIC, presented the report on the review of implementation of the Plan of Action. The Committee took note of the report with appreciation.

33. The COMCEC Coordination Office also submitted the Report of the Sessional Committee, held on May 4th 2005 in Jeddah. The Committee took note with appreciation.

34. The Committee approved the recommendations of the Sessional Committee, in particular the designation of some of the subsidiary organs and affiliated institutions of the OIC to coordinate the work needed for the implementation of the six Project proposals made by the Republic of Turkey, and called necessary action to be taken towards this end.

35. The Committee also approved the decision of the Sessional Committee that the recommendations made by the businessmen who participated in the OIC Economic Conference - Business Forum be considered by the concerned OIC Institutions for necessary measures and actions.

(The Report by the OIC General Secretariat on the Implementation of the Plan of Action, and the Report of the Sessional Committee are attached as Annexes VII and VIII.)

Report by IDB and ICDT on the Expansion of Intra-OIC Trade

36. - Under Agenda Item 5, the representatives of IDB and ICDT presented their respective reports to the Committee on the promotion of intra-OIC trade.

37. The Committee noted with satisfaction the steps taken by IDB through its operational plans to mobilize the needed resources under the four schemes, namely the Import Trade Financing (ITFO), the Export Financing Scheme (EFS), the Islamic Bank Portfolio (IBP), the Unit Investment Fund (UIF) and the two mechanisms (two steps murabaha and syndication). The continuous efforts of IDB in this regard, to finance an amount of US $5.6 billion in favour of intra-OIC trade from 1420H-1425 H (1999-
2004) constituting 76% of its approved trade financing operations totaling an amount of US$ 7.4 billion, were appreciated.

38. The Committee expressed its appreciation for the parallel efforts of IDB to increase intra-OIC trade through financing trade-related projects and technical assistance; and further urged Member States to subscribe to the EFS and to accede to the programs of ICIEC and to other schemes designed to boost intra-OIC trade.

39. The Committee welcomed IDB initiatives in introducing new mechanisms in the area of funds mobilization through Two Step Murabaha Financing (2SMF) and syndications which started in 1420H (1999) for the purposes of financing intra-trade among OIC Member Countries and appreciated efforts in mobilizing a total of US$ 1.58 billion through these mechanisms to-date with US$ 545 million mobilized in 1425H (2004) alone.

40. The Committee appreciated the approvals aggregating US$2.72 billion by IDB in 1425H (2003-2004) under its four trade financing schemes which constituted an increase of 33% over the US$1.96 billion approved in the previous year. The bulk of this approval (US$2.25 billion, ie 83%) was made under the ITFO and EFS schemes. Of the total ITFO approvals to date, US$18.42 billion, ie 76% has been dedicated to financing of imports from Member Countries. As for EFS, all approvals are towards financing of intra exports of Member Countries.

41. The Committee took note of the IDB newly launched five year Strategic Plan, which aims at increasing the Trade Portfolio by 20% annually. Furthermore, it endorsed IDB’s measures to increase focus on the mobilization of funds from the market through two step Murabaha Financing, Syndications as well as developing a new trade financing mechanism such as Structured Commodity Financing, in an effort to undertake more private sector oriented business.

42. The committee took note with appreciation of the ICDT’s 2005 Annual Report on "Trade Between the Member States of the OIC" and noted with satisfaction that the share of intra-OIC trade in the overall trade of the OIC Member States has recorded a positive evolution by 27% rising from 10.60% in 2001 to 13.5% in 2003, and the value of this trade reached to 74.2 billion US dollars in 2003,

43. The committee requested Member States to keep on providing ICDT with data relating to trade and investment statistics and regulations.
44. The committee entrusted IDB and ICDT to follow up the expansion of intra-OIC trade and report it to the COMCEC and to other OIC fora.

(The Reports by IDB and ICDT on the Expansion of Intra-OIC Trade are attached as Annexes IX and X.)

**Report of the Trade Negotiating Committee for Establishing Trade Preferential System among the OIC Member States**

45. The Secretariat of the TNC presented a report on the outcomes of the first round of the trade negotiations under TPS-OIC.

46. The Committee expressed its thanks and appreciation to the Republic of Turkey for hosting successfully and conducting efficiently the first round of trade negotiations under the Framework Agreement on Trade Preferential System among Islamic Countries (TPS-OIC) held in Antalya from April 2004 to April 2005.

47. The Committee expressed its thanks and appreciation to the COMCEC Coordination Office and the ICDT for performing in an excellent manner their role as the Secretariat of the Trade Negotiating Committee throughout the first round.

48. The Committee thanked the Islamic Development Bank (IDB) for contributing to the financing of the first round of the trade negotiations and encouraged IDB to continue to support future rounds of trade negotiations.

49. The Committee took note with appreciation of the results of the first round and urged the Participating States to submit the Protocol on the Preferential Tariff Scheme for TPS-OIC (PRETAS) to their capitals for final decision with a view to finalizing it for signature during the Ministerial Session of 21st COMCEC Meeting which is to be held on 22-25 November 2005.

50. The Committee took note with appreciation the proposal made by the representative of the Republic of Turkey to host a Trade Negotiating Committee meeting on the sidelines of the 21st COMCEC in order to finalize the PRETAS for signature at the Ministerial Session of 21st COMCEC.
The Committee called on the Member States, that have not yet done so, to sign and ratify the Framework Agreement of TPS-OIC, so as to enable them to participate in the future trade negotiations.

Matters Relating to the World Trade Organization (WTO)

The Committee expressed its thanks and appreciation to IDB and ICDT for preparing, in accordance with the decision of the 14th Session of the COMCEC, monitoring reports on the World Trade Organization (WTO) matters.

The Committee noted with appreciation the Report submitted by ICDT on the recent developments of the Doha development Agenda (especially on July package and on the developments of the new acceding OIC Member States to WTO) and urged the OIC Member States to participate actively in these negotiations by submitting a positive agenda for the issues of high interest for their economies especially those relating to the African cotton producers, market access for agricultural and non agricultural products.

The Committee noted with appreciation that the "Forum on Trade and Investment Expansion in the Cotton Sector in the Member States of the Organization of the Islamic Conference (OIC)" was organised successfully in Ouagadougou, Burkina Faso from 18th to 19th April 2005.

The Committee expressed its thanks and appreciation to the Government of Burkina Faso for hosting, and to the OIC General Secretariat, IDB and ICDT for organising jointly with the Burkina Faso the Forum on Trade and Investment Expansion in the Cotton Sector in the Member States of the Organization of the Islamic Conference;

The Committee commended IDB on its report on the activities of the WTO-related technical assistance programme extended to the OIC Member States.

The Committee commended the IDB for organizing a seminar on 29-30 March 2005 on "The State of Play in the Current WTO Negotiations on Agriculture and Non-Agricultural Market Access: Challenges and Opportunities for the OIC Member Countries", and a Workshop on 31 January-3 February 2005 on WTO accession for the CIS countries. The Committee also landed IDB's continued efforts towards enhancing the OIC Member Countries' understanding of the WTO agreements.
through the regular trade policy courses, the ninth of which is being held in Tunisia on 9-27 May 2005.

58. The Committee welcomed the IDB’s initiative to increase and intensify its WTO-related technical assistance activities to the Member Countries in preparation to the 6th WTO Ministerial Conference in Hong Kong from 13 to 18 December 2005 by scheduling three consultative meetings in the forthcoming period: the first for permanent representatives in Geneva, the second for capital-based officials in Jeddah, and the third at the Ministerial level on the eve of the 6th WTO Ministerial Conference in Hong Kong.

59. The committee called on IDB, ICDT and other related institutions to keep on extending their assistance to the Member States in the context of the future multilateral trade negotiations;

60. The committee called on IDB and ICDT to pool and coordinate their efforts to reinforce the human and institutional capacities of OIC Member States, so as to facilitate their full integration into the multilateral trading system on equitable and fair basis;

61. The committee entrusted IDB and ICDT to monitor matters relating to WTO activities and report them to the annual sessions of the COMCEC and other concerned fora;

(The copies of the papers submitted by IDB and ICDT are attached as Annexes XI and XII.)

Reports by the ICCI on the Private Sector Meetings among the OIC Member Countries

62. The Committee took note of the reports presented by the representative of the Islamic Chamber, on the 11th Private Sector Meeting held in Bahrain from 5-7 February 2005 and the 1st Forum for Businesswomen in Islamic Countries held in the Emirate of Sharjah from 1-3 March 2005. It commended the efforts of the Islamic Chamber in continuously deploying efforts for the promotion of the private sector and conveyed its thanks to the Governments of the Kingdom of Bahrain and the Emirate of Sharjah and the National Chambers of Commerce in Bahrain and UAE, the IDB for their support in organising the respective meetings.
63. The Committee took note of the recommendations of the 11th Private Sector Meeting which focused on engaging the private sector, through the national chambers of commerce, in formulating policies and programmes to face the challenges of globalization and trade liberalization, by giving them due representation at appropriate levels.

64. The Committee also laid emphasis on developing the Small Medium Enterprises (SMEs) and appreciated the role of the ICCI in promoting this sector.

65. The Committee also welcomed the new initiative undertaken by the ICCI in holding the First Forum for Businesswomen in Islamic Countries, taking into consideration that the gender issue is one of the main items on the Millennium Development Goals (MDGs).

66. The Committee welcomed the proposal made by Qatar to host the Second OIC Businesswomen Forum in 2006. The Committee, also, urged the member states and the OIC institutions to effectively participate in this forum.

67. The Committee took note of recommendation No. 11 of the First Forum for Businesswomen, which focused on the need to strengthen and enhance the link between the businesswomen organizations in the Member States through networking in order to learn from each others experiences.

68. The Committee called upon the "related OIC Institutions, the IDB, NGOs the UN Agencies and the National Chambers of Commerce to extend all support to the initiative of the ICCI in upgrading the management, marketing and packaging skills of the businesswomen in order to compete in the international market.

69. - The Committee called upon the ICCI to continue with its efforts for the development of the private sector, by organizing relevant meetings and to continue to submit the reports to the COMCEC for consideration and support for the follow-up of the recommendations.

70. The Committee underlined the importance of holding Business Forums on the sidelines of the COMCEC and the Islamic Summits as an effective mechanism to establish a dialogue between the public and private sector and called for the follow-up of the recommendations by relevant OIC institutions.
(The reports of the ICCI is attached as Annex XIII.)

Report by the ICDT on Trade Fairs of Islamic Countries

71. The Committee noted with appreciation that the 10th Trade Fair of Islamic Countries was organised successfully in Manama, in the Kingdom of Bahrain from 5th to 9th February 2005, by the Kingdom of Bahrain and ICDT, under the theme of "Role of the Private Sector in the Economic Integration between the Islamic Countries", with an exhibition area of 14,000 sqm, and deals settled around 50 million Bahraini Dinars (about 130 million US $).

72. The Committee further welcomed the offers of the republic of Senegal, the Republic of Iraq and the Republic of Guinea to host the 11th, 12th and the 13th editions of Trade Fair of Islamic Countries in 2006, 2008 and 2010 respectively.

73. The Committee noted with appreciation the Progress Report submitted by ICDT on the organization of the first Tourism Fair of Islamic Countries to be held in Istanbul, Republic of Turkey in November 2005, and urged the OIC Member States to actively participate in this fair.

74. The Committee noted with appreciation that the First Agribusiness Exhibition of the OIC Countries was organised successfully from 17th to 20th April 2005 at the "Palais des Expositions Pins Maritimes" in Algiers under the theme "The Agribusiness sector: partnership model among the Member States of the Organisation of the Islamic Conference".

(The report of ICDT is attached as Annex XIV.)

Cooperation Among the Stock Exchanges of the OIC Countries

75. The Committee noted with appreciation the Progress Report on the Developments Related to the Promotion of Cooperation among the Stock Exchanges of the OIC Member States submitted by SESRTCIC and ICDT.

76. The Committee expressed its appreciation to the Republic of Turkey for hosting and to the Istanbul Stock Exchange for organising in collaboration with
SESRTCIC, ICDT and IDB a Round Table Meeting on "Promotion of Cooperation among the Stock Exchanges of the OIC Member States", in Istanbul on 28 and 29 March 2005.

77. The Committee also noted with appreciation the presentation by the Istanbul Stock Exchange on the results and implications of the said Round Table Meeting.

78. The Committee noted with appreciation the creation of a platform called "Islamic Stock Exchanges Forum" as an outcome of the Round Table Meeting and called upon the Member States to inform their stock exchanges more about the "Islamic Stock Exchanges Forum", promote it and invite them to join the Forum.

(The Joint Report by the SESRTCIC and ICDT, and the Presentation of Istanbul Stock Exchange are attached as Annex XV and XVI.)

Preparation for the Exchange of Views on "Role of Tourism in the Promotion of Economic Cooperation Among the OIC Member Countries" to be organized during the Twenty First Session of the COMCEC

79. The Committee took note of the ICDT's progress report on the preparation of a workshop on the subject and expressed its appreciation to the Kingdom of Morocco for hosting and to ICDT for preparing this workshop to be held in Casablanca on 14th and 15th June 2005, and urged the OIC Member States and OIC Institutions to actively participate in this workshop.

80. The Committee took note of the project on the "Preservation of the Architectural Heritage of the Islamic Countries", and the activation of its role in development.

81. Following the presentation made by the COMCEC Coordination Office, the Committee took note of the various past and present proposals as possible themes for the exchange of views sessions to be held during the subsequent COMCEC Sessions. These were as follows:

   Micro-Credit Financing and Poverty Alleviation in Member States
   External Aid and the Least Developed Member States.
82. The Committee encouraged the Member States to propose other themes for future exchange of views sessions of COMCEC.

Draft Agenda of the Twenty First Session of the COMCEC

83. The Committee examined and amended the proposed Draft Agenda of the Twenty First Session of the COMCEC, which is to be held from 22 to 25 November 2005, in Istanbul and decided to submit it to the Twenty First Session of the COMCEC.

(A copy of the Draft Agenda of the 21st Session of the COMCEC, as amended by the Committee, is attached as Annex XVII.)

Closing Session

84. At its closing session chaired by H.E. Dr. Ahmet TIKTIK, Undersecretary of the State Planning Organization of the Republic of Turkey, the Committee adopted its Report together with its Annexes. The Committee requested the COMCEC Coordination Office to circulate the Report among Member States, and to submit it to the Twenty First Session of the COMCEC.

85. The Head of Delegation of Islamic Republic of Pakistan, Mr. Mohammad RIAZ, proposed to send a message of thanks to H.E. Ahmet Necdet SEZER, President of the Republic of Turkey and Chairman of the COMCEC, which was unanimously approved by the Committee.

86. The Head of Delegation of Kingdom of Saudi Arabia Mr. Abdullah Bin Abdelwahab AL-NAFISAH, made a statement on behalf of all delegates. Mr. AL-NAFISAH expressed his sincere thanks to the Government and people of Turkey for the warm welcome and hospitality extended to the delegates during their stay in Istanbul. He also thanked the Chairman of the Meeting and all the supporting staff for the excellent arrangements made for the Meeting.
87. In his closing statement, H.E. Dr. Ahmet TIKTIK, Undersecretary of State Planning Organization of the Republic of Turkey, expressed his thanks to the delegates for their valuable contributions and spirit of cooperation. H.E. Dr. TIKTIK, also thanked the OIC General Secretariat, and the subsidiary organs and affiliated institutions of the OIC for their valuable contributions. With regards to the issues on the agenda of the Meeting and its recommendations, he expressed his satisfaction about the recent important developments regarding the Trade Preferential System, Cooperation Among the Stock Exchanges and Some Cooperation Projects.

(A copy of the text of the Closing Statement by H.E. Ahmet TIKTIK is attached as Annex XVIII.)
LIST OF PARTICIPANTS

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

(Istanbul, 10-12 May 2005)
LIST OF PARTICIPANTS
OF THE TWENTY FIRST MEETING OF THE
FOLLOW-UP COMMITTEE OF THE COMCEC
(Istanbul, 10 - 12 May 2005)

A. MEMBER STATES OF THE QIC

REPUBLIC OF INDONESIA
- H.E. AMIN RIANOM
  Ambassador of Indonesia to Turkey
- Mr. R. TOTO WASPODO
  Counsellor, Indonesian Embassy in Ankara

ISLAMIC REPUBLIC OF IRAN
- Mr. SAEID KHANI OUSHANI
  Division Chief, Ministry of Economic Affairs and Finance

STATE OF KUWAIT
- Mr. ISHAQ ABDULKAREEM
  Director of International Economic Corporation Department,
  Ministry of Finance
- Mr. SALEM AL-BATHER
  Economic Researcher
- Ms. HIND BOU-HAMRA
  Economic Researcher,
  Ministry of Finance

MALAYSIA
- Mr. JOJIE SAMUEL
  Counsellor, Deputy Head of Mission,
  Embassy of Malaysia

FEDERAL REPUBLIC OF NIGERIA
- H.E. ADAMU AJUJI WAZIRI
  Ambassador of Nigeria to Turkey
ISLAMIC REPUBLIC OF PAKISTAN

- Mr. MUHAMMAD RIAZ
  Consul General.
  Consulate General of Pakistan, Istanbul

- Mr. MURADJANJUA
  Consul,
  Consulate General of Pakistan, Istanbul

STATE OF PALESTINE

- Mr. ABDEL KERIM ALKHATIP
  Representative of the Embassy of Palestine in Istanbul

STATE OF QATAR

- Mr. AHMED SALEH AL-MOHANADI
  Head International Relations Section

- Mr. AHMED MOHAMED EL-MARZOKI
  Researcher at the Ministry of Economy and Commerce

KINGDOM OF SAUDI ARABIA

- Mr. ABDULLAH BIN ABDELWAHAB AL-NAFISAH
  Director General of Arab and Islamic Relation Department,
  Ministry of Industry and Commerce

- Mr. ALI BIN MOHAMMED AL-MASAOUD
  First Secretary, Ministry of Foreign Trade

- Mr. ABDULLAH BIN MOHAMED AL-LAHEM
  Economist Researcher, Ministry of Finance

- Mr. HUSSAIN BIN EYD AL-RASHEED
  Expert of Economy, Ministry of Commerce and Industry

REPUBLIC OF SIERRA LEONE

- Mr. SUMALIA A.S KOROMA
  Minister Counsellor and Head of Chancery,
  Sierra Leone Embassy in Riyadh

REPUBLIC OF TURKEY

- H.E. Dr. AHMET TIKTIK
  Undersecretary of State Planning Organization
Annex I to OIC/COMCEC-FC/21-05/REP

- Mr. LÜTFİ ELVAN
  Deputy Undersecretary of State Planning Organization

- Mr. VEHBİ ESGEL ETENSEL
  Advisor of Foreign Affairs, President's Office

- Mr. DENİZ ÖZMEN
  Deputy Director General, Ministry of Foreign Affairs

- Mr. ZEYNETTİN KASIMOĞLU
  Deputy Secretary General of State Planning Organization

- Mr. EREN KILIÇLIOĞLU
  Director of Foreign Affairs, Istanbul Stock Exchange

- Dr. ERALP POLAT
  Deputy Director of Foreign Affairs, Istanbul Stock Exchange

- Mr. ALİ ÇEVİK
  Head of Section, Undersecretariat of Treasury

- Mr. Ş. KORAY DEMİRÇAN
  Expert, Ministry of Foreign Trade

- Ms. NURSEN COŞAR
  Deputy Director, Export Credit Bank of Turkey

- Mr. ÖMER FARUK KUBİLAY
  Expert, Union of Chambers of Commerce Industry and Exchanges of Turkey

B. GUEST COUNTRIES

KINGDOM OF BAHRAIN
- Mr. ABDUL SALEH AL-GHARTAM

REPUBLIC OF IRAQ
- H.E. SABAH J. ORMAN
  Ambassador of Iraq to Turkey

- Mr. MUNTHIR N. ABDULLA
  Minister Plenipotentiary, Iraq Embassy, Ankara
C. THE QIC GENERAL SECRETARIAT

- H.E. Ambassador, THIERNO NABIKA DIALLO
  Assistant Secretary General for Economic Affairs

- Mr. ALBARAA TRABZOUNI
  Professional Officer in Economic Affairs Department

D. SUBSIDARY ORGS OF THE QIC

THE STATISTICAL, ECONOMIC AND SOCIAL RESEARCH AND TRAINING CENTRE FOR ISLAMIC COUNTRIES (SESRTCIC)

- H.E. Ambassador, ERDİNÇ ERDÜN
  Director General

- Mr. KAMURAN MALATYALI
  Acting Director of Economic and Social Research Department

THE ISLAMIC CENTRE FOR DEVELOPMENT OF TRADE (ICDT)

- Mr. EL HASSANE HZAINE
  Director of Studies and Training Department

ISLAMIC RESEARCH FOR HISTORY ART AND CULTURE (IRCICA)

- Mr. MOHAMMED TAMIMI
  High Cultural Heritage

E. SPECIALIZED INSTITUTIONS OF THE QIC

THE ISLAMIC DEVELOPMENT BANK (IDB)

- Mr. AHMED ABDUL WASIE
  Cooperation Office

- Mr. SALEH JELASSI
  WTO Officer,
  Cooperation Office

- Mr. ABOU M. S. JALLOW
  Trade Finance Officer,
  Trade Finance and Promotion Department
F. AFFILIATED INSTITUTIONS OF THE QIC

THE ISLAMIC CHAMBER OF COMMERCE AND INDUSTRY (ICCI)

- Ms. ATTIYA NAWAZISH ALI
  Assistant Secretary General

ORGANIZATION OF THE ISLAMIC SHIPOWNERS ASSOCIATION (OISA)

- H.E. Dr. ABDULLATIF A. SULTAN
  Secretary General

G. OTHER INTERNATIONAL INSTITUTIONS

UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION (UNIDO)

- Mr. CELAL ARMANGİL
  Director, UNIDO Centre for Regional Cooperation in Ankara

F. COMCEC COORDINATION OFFICE

General Directorate of Foreign Economic Relations,
State Planning Organization of the Republic of Turkey

- Mr. FERRUH TIĞLI
  Head of Department

- Mr. EBUBEKİR MEMİŞ
  Expert, Organization Coordinator

- Mr. METİN EKER
  Expert, Drafting Coordinator

- Mr. METİN GENÇKOL
  Expert, Drafting

- Mr. Hüseyin Avni METİN
  Protocol Relations

- Mr. ORHAN ÖZTAŞKIN
  Protocol and Press Relations

- Mr. MURAT DELİÇAY
  Assistant Expert, Drafting

- Mr. GÖKTEN DAMAR
  Assistant Expert, Drafting
- Mr. ALt İŞLER
  Assistant Expert Drafting

- Mr. SELÇUK KOÇ
  Assistant Expert, Drafting

- Ms. SEMA HİMA
  Coordinator of Documentation

- Ms. BİLGE GÜLLÜ
  Coordinator of Registration Office

- Ms. İLKNUR ARABACI
  Executive Secretary

G. DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL AFFAIRS OF THE STATE PLANNING ORGANIZATION

- Mr. YAŞAR GÜLSOY
  Head of Department

- Mr. MEVLÜT YAŞAR
  Financial Officer

- Mr. NURETTİN AYDIN
  Accommodation Relations

- Mr. TAYFUR YÜKSEL
  Office Preparations

- Mr. CAFER ERDOĞAN
  Treasurer

- Mr. ÖMER BIYIK
  Technician
MESSAGE OF
H.E. AHMET NECDET SEZER
PRESIDENT OF THE REPUBLIC OF TURKEY,
CHAIRMAN OF THE COMCEC

Twenty First Meeting of the
Follow-up Committee of the COMCEC

(Istanbul, 10 May 2005)
MESSAGE OF H.E. AHMET NECDET SEZER, 
PRESIDENT OF THE REPUBLIC OF TURKEY

Twenty First Meeting of the 
Follow-up Committee of the COMCEC 

(Istanbul, 10 May 2005)

Distinguished Chairman,
Distinguished Members of the Follow-Up Committee,
Distinguished Delegates,

I would like to welcome you to the 21st Meeting of the Follow-Up Committee of the COMCEC. The OIC (Organisation of the Islamic Conference) has once more undertaken a new initiative and elected its Secretary General through elections. The fact that an extremely experienced Turkish scientist who has long been contributing to the OIC family has been elected to this honorable post is a happy development not only for Turkey but also for the OIC.

The decisions taken at the OIC Summit and the Conference of Council of Ministers, underscored that the Organisation is in need of a reform and renewal process in order to undertake the works to meet in a more efficient manner the needs and requirements of our members. Throughout this reform process to be experienced by the OIC during the period ahead, the Secretary General’s success will surely rely upon the support of all the Member Countries. I wish success to Secretary General Prof. Ekmeleddin İhsanoğlu in his works.

The changing conditions in international economy and the economic difficulties that our countries face make it necessary to go into a more efficient cooperation within the framework of OIC. COMCEC is an international platform with increasing importance in today’s world as regards the strengthening of our cooperation in the areas of economy and commerce as well as the evaluation of world economic developments.

As it has been the case in the past, I do believe that COMCEC will continue contributing significantly to deepen the economic and commercial cooperation that has been existing among our countries that share a common set of historical and cultural values. In this framework, it is of utmost importance to develop and diversify the
activities of COMCEC and to ensure active participation of member countries and OIC institutions to COMCEC activities and the implementation of its cooperation projects.

As I examine the last 20 years of COMCEC, I am delighted to observe that it has fulfilled many valuable functions, finalized various concrete projects in areas like commercial financing, cooperation among private sectors, organization of fairs, exchange of opinions sessions and trade preferential system so that it has earned significant know how and experience in areas of cooperation.

However, it is also unfortunately true that COMCEC is not as fast and efficient as desired in order to fulfill its economic and commercial objectives.

Increasing the efficiency and productivity of COMCEC works is extremely important in order to reach the objectives we have foreseen in areas of economy and commerce. Once COMCEC is leveraged to a level where it may meet all the requirements of its work and answer the expectations, it will contribute to increase the welfare level of our countries and to reinforce peace and stability in the region.

Distinguished Chairman,
Esteemed Representatives,

In today's developed economies, public sector's position and weight has decreased and that of the private sector has increased. In order to contribute to increase the welfare levels of our countries, it is extremely important to support the private sector and reinforce a productive and comprehensive cooperation among private sectors. Private sector's participation to our activities is extremely important to ensure our efforts' success.

In this context, it should be our objective to ensure a more active private sector participation to COMCEC activities. The OIC Economic Conference organized in parallel to the 20th COMCEC Conference, has gathered our businessmen together and provided the ground for discussing the problems and sharing the solution proposals with COMCEC Ministers. I do hope that you distinguished experts shall prepare COMCEC's working program in an appropriate manner so that outcomes of OIC Economic Conference may be followed up.
In order for our countries to be successful in their development efforts and to receive an adequate share from world trade, it is necessary to improve cooperation among our countries with some commercial arrangements within the OIC.

In this sense, within the context of The Framework Agreement on the Establishment of Trade Preferential System Among OIC Countries which is a COMCEC project, the First Round of Trade Negotiations has been hosted by Turkey and successfully carried out in Antalya.

We expect that work related to the draft protocol of tariff discounts that has emerged as a result of these negotiations shall be completed expeditiously and be ready for signature by the COMCEC Ministers’ session to be organized in November 2005. In order to achieve that, I believe that the 14 Member Countries that have participated in the negotiations will further increase their efforts.

As for countries who have not signed or ratified The Preferential Trade System Framework Agreement, I would like to extend a call for their participation in the negotiation process and ratification of the mentioned agreement in the near future.

Works conducted in order to increase cooperation among stock exchanges of OIC member states have reached a significant level. I would like to express my happiness regarding the establishment of the "Islamic Countries Stock Exchanges Forum" during the meeting that took place last March in Istanbul, with the participation of high level representatives of OIC Member Countries' Stock Exchanges and related OIC institutions. I would like to call for the participation of COMCEC member Countries to these works.

The fact that at the Exchange of Opinions Sessions to be organized during the 21st COMCEC Meeting which will be held next November "The Role of Tourism in Promotion of Economic Cooperation Among OIC Member Countries" will be discussed is meaningful and appropriate. I strongly believe that tourism not only contributes to the welfare of our countries but also allows our people to get to know
better each other. Furthermore, I look forward for the intensification of private sector's cooperation in this field.

Distinguished Chairman.
Esteemed Delegates,

Although it has been more than a year since the solution within the framework of United Nations has been approved by the Turkish Cypriot people and many promises have been given, Turkish Cypriots are still trying to live under numerous restrictions and economic embargoes. Within the framework of the decisions taken by OIC Foreign Ministers last June and confirmed once again in September, we expect the Islamic world to take concrete steps in order to ensure Turkish Republic of Northern Cyprus' integration with the rest of the world.

I would like also to say a few words regarding some developments in the Middle East.

Regarding the Israeli-Palestinian conflict, we believe that the ceasefire declared as a result of the Sharm el Sheikh Summit and the progress achieved by both parties since then constitute an important beginning in order to activate the peace process. We encourage both parties to take further steps on this path.

We expect that the implementation in coordination with the Palestinian side of Israeli Prime Minister Sharon's plan to unilaterally withdraw from the entire Gaza Strip and part of the West Bank will form a new peace dynamic that will trigger negotiations on the basis of the Road Map adopted by both parties and as supported by the international community through the United Nations Security Council resolution 1515.

In order to reinforce the existing security environment and facilitate the formation of such a dynamic, the international community should not withhold its attention and support to the region. In this respect, Turkey has initiated a multilateral economic assistance program to Palestine with the intention of mitigating the hardships endured by the people as well as contributing to the Palestinian reforms and development process.

As peace may be permanent only when it is comprehensive, we believe that the Syrian and Lebanese channels should be activated at an appropriate stage.
As she has done it in the past, Turkey will continue to preserve her commitment to provide support and to contribute to the establishment of peace that has long been awaited in the Middle East.

The announcement by Syria that she has completed as of April 26th 2005 the withdrawal of her military and security forces from Lebanon within the framework of UN Security Council resolution 1559 is a source of happiness.

Turkey wishes that the democratic process in Lebanon develops in accordance with the expectations of the international community and that the elections in the country can ensure an environment in which the Lebanese people may freely express their political will.

Distinguished Chairman,
Esteemed Delegates,

Iraq, one of the important countries in our region and a COMCEC member, is at a historical crossroads. We sadly see that Iraqi people are going through difficult times. During the period following the military campaign, it has still not been possible to establish stability and security at the desired level. Unfortunately, difficulties are still encountered regarding the fulfillment of people’s daily requirements.

Ongoing sabotage and violence acts are on the one hand damaging the country’s economic infrastructure and on the other hand preventing Iraq’s oil income from reaching the level it could attain. As a result of this, efforts carried out for the reconstruction of Iraq and the implementation of the political process are still inadequate. Furthermore, group interests and tendencies dangerous for the unity of the country may also emerge.

In order to overcome as soon as possible these difficulties, it is of utmost importance to ensure progress in drafting the Constitution and in the implementation of the political transition process in Iraq. Within this process, the emergence of an Iraq in peaceful harmony with her nation, neighbors and international community, which preserves its territorial integrity and political unity, where all sections of the society can freely express themselves and take part in an equal manner on the restructuring of the country and the political process activities should actually constitute the basic starting points in our approach to this country.

When we evaluate this matter from this perspective, we see that in spite of all the difficult conditions prevailing in Iraq, more than half of the population has cast their votes, elections have been completed, a new interim Iraqi Parliament has been formed,
parties have reached a consensus regarding the composition of the elected political leadership and an interim government has been established. These are the new steps in the endeavors for stability and democracy in this important country of the Middle East.

We sincerely wish that our Iraqi friends and brothers will be able to develop a culture of democracy and consensus and establish a sustainable, just and representative regime which will mobilize the rich resources of the country for the benefit of the people. Turkey believes that it is her duty to assist and support Iraq in this difficult period.

Distinguished Chairman,
Esteemed Delegates,

In concluding my remarks, I would like to extend my best regards to all the participants, congratulate all those who have contributed to this meeting and express my best wishes for your success.
OPENING STATEMENT BY
H.E. DR. AHMET TIKTIK,
UNDERSECRETARY OF THE STATE PLANNING
ORGANIZATION OF THE REPUBLIC OF TURKEY

Twenty First Meeting of the
Follow-up Committee of the COMCEC

(Istanbul, 10 May 2005)
OPENING STATEMENT
BY H.E. DR. AHMET TIKTIK
UNDERSECRETARY OF STATE PLANNING ORGANIZATION
Twenty First Meeting of the
Follow-up Committee of the COMCEC
(Istanbul, May 10th, 2005)

Distinguished Members of the Follow-up Committee,
Distinguished Assistant Secretary General
Honorable Delegates,

I would like to express my pleasure at hosting this elite gathering in
Istanbul on the occasion of the Twenty First Meeting of the Follow-up
Committee of the COMCEC.

In recent years, promotion of multilateral cooperation has gained great
importance especially in developing countries' reaching higher levels of welfare
and promoting economic and commercial relations. The COMCEC, in this
context, has played an important role in improving economic and commercial
relations of our countries, in more than twenty years.

The Follow-up Committee fulfills an essential function in the preparation
of COMCEC Sessions. I am fully confident that this Follow-up Committee
Meeting will bring new dimensions to our cooperation efforts, by determining
COMCEC's agenda items and monitoring the progress related to the
implementation of the decisions taken at the previous Sessions.

The world economy realized significant momentum in growth since 2002.
In this framework, high levels of growth in 2003 have also continued in 2004.
The growth rate in 2004 is estimated to be 4%. Global economic growth has first
been initiated by USA and then China and other Asian countries playing a
significant role in the fast growth of world economy. However, economic growth
in Euro zone has been below the average of other industrialized countries.
The economic flourishing in the developing countries in 2003 also continued increasingly in 2004. The growth rate in these countries estimated at 6.1% is above the world average. Global economic revival and unexpected growth rates, especially in the economies of Asian countries, have certainly led to this result. However, there is also the fact that even if we exclude countries like China, India and Russia with quite fast increasing growth rates, we see that average growth rate of developing countries for 2004 is well above 5 percent.

Distinguished Members of the Follow-Up Committee,
Honorable Delegates,

In parallel with the trend of growth in the world economy, world trade volume is estimated to have grown approximately by 10.2% in 2004. As we take a look at the country groups, we see that developed countries’ export volume has increased by 8.1% and imports by 7.6%.

Trade volumes of developing countries seem to be fastly increasing, too. Figures show an increase of 10.8 percent for exports and 12.8 percent for imports in 2004 in these mentioned countries.

We also see some positive developments in the economies of OIC member countries. Intra-OIC trade has reached USD 75 billion in 2003 with an increase of approximately 32% as compared with the previous year. As for the share of OIC member countries in the world trade, the figures have gone up to USD 610.billion with an 8% increase.

Total amount of foreign direct investments in 2004 has supposedly increased by 5.5 percent as compared with the previous year. In 2004 the foreign direct investment oriented towards the developing countries is estimated to increase by 47%. An important reason for this is the increase in the level of foreign direct investment conducted in Asian Countries. In order to reach higher figures of foreign direct investment in developing countries, they need to have more attractive infrastructures, qualified work force and stable economies. In this framework, I believe that rather than short term capital movements, these countries should be taking the necessary precautions in order to promote foreign direct investment.
I hope that OIC institutions undertaking valuable work in these areas will enlighten us so that our countries may reach more beneficial results.

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

As you all know, the first round of Negotiations regarding the Establishment of a Trade Preferential System with the intention of promoting trade among OIC Member Countries has started last year in April in Antalya.

In this regard, the Fourth Meeting of Trade Negotiating Committee and the First Round of Trade Negotiations hosted by our country have both been completed between the dates March 30th-April 2nd, 2005.

The Draft Protocol on Trade Preferential System, prepared by the Trade Negotiating Committee, has been opened for discussions and signatures of member countries. I do hope that our member countries shall exhibit the necessary interest in finalizing this document for signing during the COMCEC’s 21st Ministerial Session. Thus, once these negotiations are finalized successfully, commercial and economic relation among our countries will gain tremendous momentum.

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

As your distinguished delegations will recall, the OIC Action Plan, one of the fundamental documents of COMCEC including areas and objectives of economic and commercial cooperation, has to be actively implemented so that cooperation among our countries is more strengthened.

Until now, within the framework of the Action Plan, many cooperation projects have been presented to COMCEC but from different aspects various problems have been encountered in the implementation stage of these projects. In order to accelerate the Implementation Mechanism of the mentioned projects, it is necessary to make a technical evaluation, to provide financial support in the feasibility studies and to establish a structure capable of monitoring the implementation of these projects.
In this regard, profiles of some cooperation projects within the context of COMCEC have been prepared and I suppose that with the support of related coordinator OIC institutions, we will gain more momentum in implementing the mentioned projects.

Increasing the participation of the private sector in COMCEC activities is another important issue. As you all recall, this very issue has been discussed during the Business Forum held on November 22-23, 2004 on the occasion of COMCEC's twentieth anniversary: and certain decisions have been taken regarding a more active participation of the private sector in COMCEC activities. In order to implement these decisions, I strongly believe that the esteemed members of COMCEC and related institutions of OIC shall undertake the necessary work.

I would like to extend my thanks to OIC General Secretariat and related institutions as well as to the Islamic Development Bank for all the contributions they have made until now and I do hope that their support shall continue in future as well.

Distinguished Members of the Follow-Up Committee,
Honorable Delegates,

In today's world, international tourism and touristic movements are of significant importance regarding particularly sustainable development, reducing poverty and establishing international peace and security. They also play an important role in countries' economic, social and cultural interaction. Tourism has long become an indispensable sector for many countries around the world. We know that it not only enables the entrance of foreign currency into the related country but also enhances its employment capacity by providing new job opportunities.

We all know for sure that tourism is one of the areas of priority in our Action Plan regarding the reinforcement of economic and commercial cooperation among OIC Member Countries. It is very important that touristic activities are to be developed among our countries that have many natural, cultural and historical resources. In this respect, I am sure that the workshop with the title of "The Role of Tourism in the Promotion of Economic Cooperation among the OIC Member States" to be organized in Morocco on June 14-15, 2005 will be realized in a successful and productive manner.
The outcomes of the above mentioned workshop will contribute significantly to the special meetings of the twenty first session of COMCEC under the title: "The Role of Tourism in the Promotion of Economic Cooperation among the OIC Member States". I hope that new horizons will be opened at this session for our economic cooperation and development efforts. I look forward to seeing active participation and contribution from COMCEC Member Countries, General Secretariat of OIC and all related and affiliated institutions.

Distinguished Members of the Follow-Up Committee,
Honorable Delegates,

Peace and stability may only be achieved by sustainable economic development and by raising the standards of individuals' welfare in the geography where our countries lie. On behalf of the Turkish government, I would like to openly state that all efforts that contribute to our countries' development and welfare and increase cooperation are to be continuously supported on our part.

In conclusion, I would like to extend my greetings to you all and wish you all success in your work.
MESSAGE OF
H.E. PROF. EKMELEDDIN IHSANOGLU,
SECRETARY GENERAL OF THE ORGANIZATION
OF THE ISLAMIC CONFERENCE

Twenty First Meeting of the
Follow-up Committee of the COMCEC

(Istanbul, 10 May 2005)
MESSAGE OF H.E. PROFESSOR EKMELEDDIN IHSANOGLU.
SECRETARY GENERAL OF THE
ORGANIZATION OF THE ISLAMIC CONFERENCE AT THE 21ST
MEETING OF THE FOLLOW-UP COMMITTEE OF THE COMCEC

Istanbul, Republic of Turkey
(10-12 May 2005)

Excellency Mr. …………………
Distinguished delegates and
Honourable Guests,

Assalamu Alaikum Wa Rahmatullahi Wa Barakatuh.

I would like first of all, to pay a special tribute to H.E. Mr. Ahmet Necdet Sezer, President of the Republic of Turkey and the Chairman of COMCEC for guiding the work of COMCEC with wisdom and sagacity. I would like also to thank the Government of Turkey for hosting this meeting.

COMCEC has been playing a laudable role in promoting economic cooperation among the Member States. This assumed added significance in the backdrop of onslaught on numerous fronts against the Islamic Ummah, in recent years. What the OIC Member States need is to enhance their mutual cooperation and linkages. Nowhere these are more enduring than in the economic sphere. Since my taking over as the Secretary General in January this year, the feeling that strengthening economic cooperation should receive high priority has been gaining in strength. My contacts with the leaders, particularly during my recent visits to some Arab and Asian OIC Member States and my tour in Sub-Saharan Africa further strengthened this conviction of the need to strengthen economic cooperation among the OIC Member States.

It is a matter of great satisfaction that the trade negotiation under Framework Agreement on Trade Preferential System among the OIC Member States has been initiated. I express my deep appreciation to the Government of the Republic of Turkey for hosting the four meetings in Antalya under the first round of trade negotiation. I also thank the Islamic Centre for Development of Trade and COMCEC Coordination Office for jointly acting as the Secretariat.
for the Trade Negotiating Committee and for preparing the ground work for this important negotiation. Let me also express my thanks to the Islamic Development Bank for its contribution to the financing of the trade negotiations. I believe the membership of this critically important agreement needs to be as broad based as possible. I would, therefore, strongly urge upon the Member States that have not yet signed or ratified this Agreement to do so at an early date. I must also remind the Member States at the same time that a number of other agreements and statutes on economic matters were also finalized under the auspices of QIC, which are meant to provide the necessary building blocks for greater integration of the economies of the Member states. I would like to stress once again on the importance of these agreements and statutes, which also should be acceded to by all Member States.

On the issue of implementation of the OIC Plan of Action to Strengthen Economic and Commercial Cooperation, COMCEC at its last session endorsed the supplementary mechanism as developed by the COMCEC Coordination Office in cooperation with the General Secretariat, Islamic Development Bank, Statistical Economic and Social Research and Training Centre for Islamic Countries, Islamic Centre for Development of Trade, Islamic Chamber of Commerce and Industry and Islamic Shipowners' Association. I hope with the new role for the OIC institutions active in the economic field under the supplementary mechanism will open up a new ways of dealing with implementation of the Plan so that the process can be expedited.

I would like to recall in this connection the initiative of Malaysia, as the current chairman of the OIC Summit, to adopt a set of action-oriented programmes on poverty alleviation in OIC countries. A steering committee has been set up which has already met a number of times in Kuala Lumpur in recent months. The formal launching of the three approved projects under this programme, one each in Bangladesh, Sierra Leone and Mauritania, was held at a ceremony attended by the Prime Minister of Malaysia in Kuala Lumpur on 29 March 2005. I would like to appeal for support for these laudable activities promoting intra-OIC cooperation.
I would also like to recall here that in the backdrop of failure of the Cancun Meeting of World Trade Organization, OIC has taken an initiative to assist the cotton producing Sub-Saharan African countries. A meeting on cotton was held in Ouagadougou on 18-19 April 2005 bringing together the producer countries and OIC countries having expertise in cotton industries development together with international financial institutions. I hope the proposals emerging from the meeting will be followed up effectively by all concerned.

In the priority sector of tourism, we have made good progress with four ministerial meetings having been held so far in regular succession. I would like to avail of this opportunity to thank the Government of the Republic of Senegal for hosting the 4’ Islamic Conference of Tourism Ministers held in Dakar on 28-30 March, 2005. COMCEC will take up tourism as the subject of exchange of views at this year's session. ICDT in cooperation with the Government of Turkey will also organize the first ever tourism fair in Istanbul at the same time.

I would like to take this opportunity to express our appreciation for the commendable role played by the Islamic Development Bank (IDB) in the economic development of the Member States. I would also like to express our appreciation to other OIC institutions active in the economic field for their contribution in promoting economic and commercial cooperation among the Member States. I would appeal to the Member States for support in this respect so that IDB may expand its appreciable activities in the days to come.

"Let me express my firm conviction that the meeting of the Follow-up Committee will bear effective and fruitful results. I wish the meeting all success.

Wassalamu Alaikum Wa Rahmatullahi Wa Barakatuh.
AGENDA
OF THE TWENTY FIRST MEETING
OF THE FOLLOW-UP COMMITTEE

(Istanbul, 10-12 May 2005)
AGENDA
TWENTY FIRST MEETING
OF THE FOLLOW-UP COMMITTEE
OF THE COMCEC
(Istanbul, 10-12 May 2005)

1. Opening Session
   - Inaugural Statement by the Chairman of the Follow-up Committee
   - Statement by the Secretary General of OIC
   - Statements by the Heads of Delegations

2. Adoption of the Agenda

3. Background Report by the OIC General Secretariat

4. Review of the Implementation of the Plan of Action to Strengthen Economic and Commercial Cooperation among the OIC Member States
   - Report of the OIC General Secretariat
   - Report of the Sessional Committee

5. Report by the IDB and the ICDT on the Expansion of Intra-OIC Trade

6. Report of the Trade Negotiating Committee for Establishing Trade Preferential System among the OIC Member States

7. Matters Related to the World Trade Organization Activities

8. Report by the ICCI on Private Sector Meetings Among the OIC Member Countries

9. Report by the ICDT on Trade Fairs of Islamic Countries

10. Cooperation among the Stock Exchanges of the OIC Countries

11. Preparation for the Exchange of Views on "Role of Tourism in the promotion of Economic Cooperation Among the OIC Member Countries" to be organized during the Twenty First Session of the COMCEC

12. Draft Agenda of the Twenty First Session of the COMCEC

13. Any Other Business

14. Adoption of the Report
BACKGROUND REPORT
BY THE OIC GENERAL SECRETARIAT

Twenty First Meeting of the
Follow-up Committee of the COMCEC

(Istanbul, 10-12 May 2005)
BACKGROUND REPORT BY THE QIC GENERAL SECRETARIAT
TO THE TWENTY-FIRST MEETING OF THE FOLLOW-UP
COMMITTEE OF COMCEC

(ISTANBUL, REPUBLIC OF TURKEY, 10-12 MAY, 2005)

I. INTRODUCTION

Since the addition of economic dimension to the activities of the Organization of the Islamic Conference at the 2nd Islamic Summit held in Lahore, in 1974, several initiatives were undertaken to boost economic cooperation among Member States. A number of Ministerial Meetings on different sectors were held. Several legal instruments were developed to provide a framework of economic and trade cooperation among OIC Member States. The Standing Committee for Economic and Commercial Cooperation (COMCEC) was established in 1981 by the Third Islamic Summit Conference held in Makkah Al-Mukarramah/Taif with the task of following up the implementation of all resolutions adopted by OIC in economic and commercial fields. A series of subsidiary, affiliated and specialised bodies were brought into being with a view to furthering economic cooperation among Member States.

The object of this Report is to provide updated background information on these initiatives under the following two headings, namely Development of Economic and Trade Cooperation and Status of the Signing and Ratification of Statutes and Agreements.

II. DEVELOPMENT OF ECONOMIC AND TRADE COOPERATION

a) Cooperation for the Promotion of Trade Among OIC Member States

During the first COMCEC Session held in November 1984, the Trade Ministers of OIC Member States met for the purpose of exploring ways and means of strengthening cooperation in the field of trade. The Ministers identified a number of priorities in the field of trade and adopted a resolution on the “Implementation of the Short Term Programme for the Promotion of Trade Among OIC Member States”, which included recommendations of a number of projects/schemes.

At its first Session, COMCEC discussed and approved the proposals to draw up three multilateral financial schemes aimed at enhancing trade among Member States, namely, a Longer-term Trade Financing Scheme, an Islamic Corporation for the Insurance of Investment and Export Credit, and a Multilateral Islamic Clearing Union. The progress achieved in the establishment and operation of each of these schemes as well as the other efforts in the field of enhancement of intra-OIC trade is summarized below:
(i) **Export Financing Scheme (EFS)**

Following approval by COMCEC, the Longer-Term Trade Financing Scheme was approved by the Tenth IDB Annual Meeting, held in Amman, Jordan, in March 1986. The title of the Scheme has recently been changed to Export Financing Scheme (EFS).

This Scheme, which became operational in 1408H, aims at promoting exports of non-conventional commodities among OIC Member States as well as to non-member countries by providing the necessary short and long term funds. The repayment periods under the Scheme were originally between 6 and 60 months for exports from the Member States of the Scheme to any other OIC Member State. This period has now been extended to ten years for capital goods such as ship, machinery etc. The Scheme comprise of 26 Member States. In each Member State which participates in EFS there are one or more national agencies for the Scheme. The role of the national agencies is to coordinate the promotion of the EFS export financing in their countries.

The total subscribed capital by the member countries of the Scheme up to the end of 1424 H was ID 320 million, out of which ID 170 million was subscribed by the member countries. The IDB has contributed to the Scheme a sum of ID 150 million, half of which has already been paid up. The paid up capital stands at ID 134 million, of which ID 75 million was paid up by IDB.

Originally the scheme was conceived to finance exports from one Member State to another. However, in order to expand its scope and promote exports of Member States, in 1417H, the Board of Executive Directors amended the scheme to allow for export to OECD member states. By widening the scope of the scheme, it is expected that the market for exports from Member States will be much larger than previously.

Since its inception till the end of 1424H, the net approvals under the scheme amounted to US$1233.16 million for operations in favour of 19 exporting member countries, the approval in 1424H being US$224.80 million for 11 operations.

Member States are encouraged by COMCEC to adhere to this scheme in order to benefit from its financing and ensure more earnings from their exports.

(ii) **Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC)**

The Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC) is a subsidiary of the IDB established in 1994 with a authorized capital of ID 100 million (about US$127 million) and commenced operations in 1995. Members of the Corporation are the IDB and the Organization of the Islamic Conference (OIC) Member States that have signed and ratified the Articles of Agreement of the Corporation and have paid their respective subscription to the capital stock of the Corporation. The IDB subscribed to 50 per cent of the capital and the majority of the Member States of the OIC
have signed the Articles of Agreement and are at various stages of completing membership requirements. (So far 34 countries have joined the Corporation).

The objective of the ICIEC is to enlarge the scope of trade transactions and the flow of investment among Member Countries of the OIC. ICIEC provides: (i) export credit insurance and reinsurance to cover non-payment of export receivables resulting from commercial (buyer) or non-commercial (country) risks and (ii) investment insurance and reinsurance against country risk mainly the risk of exchange transfer restrictions, expropriation, war and civil disturbance and breach of contract.

As at the end of 1424H, the total number of policies in force stood at 76. During the year 1422H, it issued 23 new export credit policies and renewed 55 export credit policies and 1 investment insurance policy. The current commitments of the corporation during 1424H is expected to reached US$300 million. As at the end of 1424H, the total exposure of the Corporation is expected to be around US$ 119 million.

ICIEC has been continuing to implement its marketing strategies through national and international promotional seminars, presentation seminars, follow-up visits to member countries and meetings with exporters and banks.

(iii) Islamic Multilateral Clearing Union

The IDB undertook a study of the project at the request of COMCEC. The 8th COMCEC Session, held in 1992, noted with appreciation the finalisation by the IDB of the "Agreement on the Multilateral Islamic Clearing Union" and approved, in principle, the proposed Agreement and endorsed the recommendations of the Governors of the Central Banks and Monetary Authorities of Member States held in Cairo in 1990.

The Tenth COMCEC Session held in Istanbul, October 22-25, 1994, inter alia, invited Member States to consider working out clearing arrangements among themselves, provided that these agreements be flexible in the goods covered and that joining them be on a voluntary basis, provided also that clearing agreements be concluded among sub-groups of Member States willing to join, with the ultimate goal of setting up a multilateral Islamic Clearing Union.

iv) Establishment of a Trade Information Network (TINIO)

The First COMCEC Session, held in 1984, adopted a resolution recommending the setting up of a Trade Information Network for Islamic Countries to facilitate the collection, treatment, analysis and propagation of trade information for the benefit of users. The Islamic Centre for the Development of Trade (ICDT) was requested to prepare a feasibility study on the modality of such a network, which was submitted to the second COMCEC session. A study group was set up to revise that study with a view to developing a "database system" on trade information relating to OIC Member States, ensuring an optimal utilization of means already existing in Member States.
The conception of ICDT's data bases is finalized, all the modules are completed and operational. It is practically identical to the OICIS-NET basic model accepted by the Islamic Development Bank. Information dissemination is carried out through the usual means (mail, fax, Tijaris). It is also possible on CD-ROM as well as by remote inquiries through Internet or the communication system of the OICIS-NET to be used as soon as it is operational. It is worth mentioning that I.C.D.T. is already provided with an internet site on the following address: www.icdt.org.

The 20th COMCEC recommended to the Member States to make full use of the facility.

(v) Islamic Trade Fairs

The Islamic Trade Fairs are playing very important roles in boosting intra-OIC trade by bringing together business firms, entrepreneurs and their products. The Islamic Trade Fairs are being organised regularly by the Islamic Centre for Development of Trade (ICDT) in collaboration with the relevant Ministry of the host governments and with the support of the Islamic Chamber of Commerce and Industry (ICCI). The implementation of the rules and regulations governing Islamic Trade Fair, which were prepared by ICDT and adopted by the 18th Session of the COMCEC, will streamline the holding of the Islamic Trade Fair.

So far ten Islamic Trade fairs have been successfully organised. The 10th Islamic Trade Fair was held in Manama, Kingdom of Bahrain, on 5-9 February 2005. The 11th Islamic Trade Fair will be held in Senegal in 2006.

(vi) Cooperation Among the Private Sectors of the OIC Member Countries.

Development of private sector in the Islamic world is one of the major preoccupations of the COMCEC. The Ninth session of the COMCEC, agreed that a flexible approach be followed regarding the possible role of the private sector in the overall activities of the COMCEC. Decision to hold Private sector Meetings regularly on an annual basis prior to the COMCEC sessions is an important measure in support of the private sector. These meetings bring together entrepreneurs and business firms of Member States with a view to developing joint investment projects and ideas for implementation within the OIC countries.

So far eleven Private Sector Meetings have been held successfully. The 11th Private Sector Meeting was held in Manama, Kingdom of Bahrain on 5-7 February 2005 concurrently with the 10th Islamic Trade Fair.

During these private sector meetings, numerous agreements and contracts were negotiated and signed between the businessmen from OIC Member States. However, despite efforts made by the ICCI, the implementation of the recommendations made by the
private sector meetings as well as the agreements and the contracts signed during these meetings are not satisfactory. COMCEC has decided to establish a committee to monitor effective implementation of the recommendations of the private sector meetings. ICCI has been designated as the focal point in respect of the work of this committee.

(vii) Exchange of Views Sessions during the annual sessions of the COMCEC

The Tenth Session of COMCEC agreed that a separate item allowing delegates to exchange views on current world economic issues of interest to Member States be put on the COMCEC agenda in its subsequent sessions. Since then Exchange of Views Sessions have been held on the following topics:

1. Implications of Uruguay Round of Trade Negotiations and the Establishment of the World Trade Organization on the external trade of the OIC Member Countries (11th COMCEC);
2. Privatisation Experiences of the OIC Member Countries (12th COMCEC);
3. Implications of Regional Economic Groupings, especially the European Union for the Economies of Member Countries (13th COMCEC);
4. Intra-OIC Trade, Investments, Economic Stabilisation and Structural Reforms in Member Countries (14th COMCEC);
5. Human Resources Development for Sustained Economic Growth and Progress in Member Countries (15th COMCEC);
6. Strengthening Small and Medium-sized Enterprises Facing Globalization and Liberalization (16th COMCEC);
7. Effects of Non-Tariff Barriers on the Foreign Trade of Member States (17th COMCEC);
8. Private Sector Investment in the Member Countries and the Role of IDB (18th COMCEC);
9. Impact of Electronic Commerce and Use of Information Technology in the Promotion and Development of intra-OIC Trade (19th COMCEC); and Trade and Transportation Facilitation Among the OIC Member States (20th COMCEC).

"Role of Tourism in the Promotion of Economic Cooperation among OIC Member States" was chosen at the 20th Session of COMCEC as the topic for Exchange of Views at the 21st Session of COMCEC. As requested by the COMCEC, ICDT, SESRTCIC and ICCI in cooperation with IDB and other international organizations will organize a workshop on the topic, which will be hosted by Morocco in 2005. The outcome of the workshop will be presented to the 21st Session of COMCEC as an input for the exchange of views.

The recent entry into force of the Framework Agreement on Trade Preferential System among the OIC Member States has been significant development in the efforts of OIC to expand intra-OIC trade. Upon its ratification by more than ten Member States, the COMCEC at its 18th Session resolved to set up the Trade Negotiation Committee (TNC) consisting of the participating countries that have ratified the Agreement and declared trade concessions to be negotiated. The 19th session of COMCEC adopted the Ministerial Declaration launching the first round of trade negotiations among the Member States that have ratified the Framework Agreement. ICDT organized an experts group meeting under the auspices of COMCEC on 24-26 June 2003 in Casablanca to prepare the ground work for the first round.
The first meeting of the First Round of the TNC constituted under the Agreement was held in Antalya on 6-9 April 2004. The TNC adopted at the meeting a negotiation strategy, which proposes product-by-product scheme for trade negotiation, guidelines and plan of action for market access as well as schedule of trade liberalization under the Agreement. This was followed up by two more meetings in Antalya (7-10 September, 2004 and 5-8 January, 2005). During these meetings the negotiation focused on setting up a modality for the trade negotiation within a specific time-frame and product coverage. The first round was wrapped up with the adoption of a "Draft Protocol on Tariff Reduction" at its last meeting held in Antalya on 30 March - 1 April, 2005.

With the initiation of the trade negotiation a significant phase has been reached in the efforts at the level of OIC to strengthen economic and commercial cooperation. The process of negotiation will hopefully be expanded ultimately to include all the OIC Member States through their ratification of the Agreement.

b) Cooperation in the area of Food Security and Agricultural Development

The problem of food security remains unresolved in a number of OIC Member States, particularly in Africa. The General Secretariat, in cooperation with the IDB, the African Development Bank and the Government of Senegal, organised a symposium on Food Security in the Islamic countries in December 1991, in Dakar, Republic of Senegal, in conjunction with the Sixth Islamic Summit Conference. The Sixth Islamic Summit Conference, having considered the report of the Dakar Symposium, adopted a declaration on "the Food Security Decade" in OIC Member States, which, inter alia, made an appeal to Member States to extend additional resources to the relevant financial institutions so that they may increase their assistance to OIC African Member States for the speedy and effective implementation of their national strategy for food security. An Ad-hoc Follow-up Committee established during the Symposium and chaired by the Minister for Rural Development and Hydrology of Senegal, is doing its best to implement the recommendations of the Dakar Symposium. Two meetings at expert level and two at senior official level have already been held. A mission comprising the Government of Senegal, the Islamic Development Bank and the African Development Bank, has already visited a number of states to evaluate their respective programmes in the area of food security.

The Government of the Islamic Republic of Iran hosted the Fourth OIC Ministerial Conference on Food Security and Agricultural Development in Tehran from 14 to 16 January 1995. The Declaration issued by this Conference emphasised the need to explore ways and means to increase agricultural production and decided to periodically review the situation of food security in all OIC Member States.

Government of the Arab Republic of Egypt offered to host an Expert Group Meeting on Food, Agriculture and Rural Development. The OIC General Secretariat is in contact with the host Government to fix a date for the meeting.
It is worth mentioning that the OIC General Secretariat participated actively in the World Food Summit Five Year Later which was held in FAO Headquarters in Rome in June 2002. Furthermore, during the UN/OIC/ General Meeting held in Vienna in OIC/FAO agreed to strengthen their cooperation.

c) **Cooperation in the area of Industry**

In pursuance of the decisions of the Third Ministerial Consultation on Industrial Cooperation held in 1987, a meeting of the "Task Force for the Promotion of joint Ventures" was convened by the IDB in Jeddah in November 1987, which considered in detail the mechanism for the promotion of joint ventures among Member countries as outlined by the Ministers.

The Ninth COMCEC Session held in Istanbul on 01 to 04 September 1993 invited Member States that had not yet done so, to examine recommendations of the Task Force on the proposed mechanism and communicate their views and comments thereon to the OIC General Secretariat so as to facilitate their consideration by the Fourth Ministerial Consultation, and appealed once more to member states to host the Fourth Ministerial Consultation in order to finalize the scheme.

d) **Cooperation in the area of Transport**

The First OIC Ministerial Meeting on Transport was held in Istanbul, September 7-10, 1987, concurrently with the Third COMCEC Session. The Ministers, expressing their conviction in transport as an important element of the development of commercial and economic cooperation among Islamic states, decided to cooperate in the development of road and maritime transport, railway and training in the field of transport.

The Eleventh Session of the COMCEC, held in Istanbul, from 5-8 November 1995 urged Member States and the OIC organs concerned to take measures needed for the implementation of the resolutions of the First Meeting of the Ministers of Transport and appealed to member states to host the Second Meeting of Ministers of Transport.

The Government of the Arab Republic of Egypt offered to host the Expert Group Meeting on Transportation which was earlier scheduled on 7-9 January 2003 in Cairo and it is now postponed. The OIC General Secretariat is in contact with the host Government to fix a new date for the meeting.

e) **Cooperation in the field of Telecommunications**

The First Ministerial Meeting on Telecommunications was held concurrently with the Fourth COMCEC Session in Istanbul, Turkey, in September, 1988 and the Second Ministerial Meeting on Telecommunications was held in Bandung, Indonesia, from November 5-8, 1991. Reduction of telecommunication tariffs applicable to information organs was an important recommendation of the First Ministerial Meeting. An experts
group meeting on ways and means of reducing telecommunication tariffs applicable to information organs was held in Cairo on 28-29 September, 1993.

The Tenth COMCEC Session, held in Istanbul, from 22 to 25 October 1994 called upon Member States and the relevant OIC organs to take the measures needed for the implementation of the resolutions of the First and Second Ministerial Meetings on Telecommunications.

The Government of the Islamic Republic of Iran hosted the Third OIC Ministerial Meeting on Post and Telecommunication in Tehran from July 8-11, 1996. A 25-point resolution was adopted by the meeting identifying areas of cooperation and made specific recommendations on cooperation among the Member States in the field of posts and telecommunications. Some of the important actions suggested by the meeting include, setting up of a Data Bank for Post and Telecommunication Experts within the OIC-ISNET member countries; defining a mechanism enabling Member States to benefit from the studies and researches already undertaken by other Member States in the field of PTT; preparing an updated list of experts in technical field of PTT; preparing an updated list of technical cooperation and training activities available in the Member States and compilation of Member States' specific needs and capabilities with implementable project ideas and proposals or activities and encouraging joint investments for development and manufacture of telecommunication equipments.

The meeting decided to establish a Follow-up Committee to monitor the implementation of the Third OIC Ministerial Meeting on Post and Telecommunications. It also decided that expert group meetings, seminars and symposiums be held annually even if at regional level, including the private sector. It was also decided to hold the ministerial meeting on posts and telecommunications more frequently, once in every three years.

The Twelfth COMCEC adopted the report of the Third OIC Ministerial Meeting on Posts and Telecommunications held in Tehran. The Government of the Republic of Sudan has offered to host the 4th OIC Ministerial Meeting on Posts and Telecommunication and the government of Sudan is expected to announce a date for the meeting.

**f) Cooperation in the field of Energy**

The First Ministerial Meeting of the OIC Member States on Energy was held in Istanbul, Turkey, from 3 to 6 September, 1989 concurrently with the Fifth COMCEC Session. The Ministers recognising that energy issues are important elements of cooperation among Member States, adopted a comprehensive resolution, recommending, inter alia, that Member States improve the performance of energy installations, speed up technology transfer among themselves in the energy sector, encourage research in new and renewable energy resources and establish inter-linked regional networks in the field of electricity.
The Tenth COMCEC Session held in Istanbul on 24 and 25 October, 1994 called upon Member States and the OIC organs concerned to take the measures needed for the implementation of the Resolutions of the First OIC Ministerial Meeting and appealed to Member States to host the Second Ministerial Meeting on Energy. Government of Sudan has offered to host a sectoral experts group meeting on Energy and Mining, the dates of which are expected to be announced.

**g) Cooperation in the field of Infrastructure and Public Works**

The First OIC Ministers of Infrastructure and Public Works Meeting was held from 6 to 9 October, 1991 in Istanbul, Republic of Turkey, concurrently with the Seventh COMCEC Session. The Ministerial Meeting, inter alia, urged Member States to enhance cooperation in this field and requested that a separate section of the budget be devoted to public works and infrastructure among the priority sectors of the "Plan of Action to Strengthen Economic Cooperation among Member States". It also recommended the development of existing potentialities and projects within the OIC System in this field.

The Tenth COMCEC Session, held in Istanbul, Turkey, from 22 to 25 October 1994 having taken note of the Resolutions adopted at the First Ministerial Meeting on Infrastructure and Public Works, held in Istanbul from 6 to 9 October, 1991 called upon all concerned to take the measures needed for the implementation of the resolutions of the First Meeting of the Ministers of Infrastructure and Public Works. It also took note of the proposals made by Indonesia pertaining to cooperation in the area of urban infrastructure and rural development.

**h) Cooperation in the field of Labour and Social Security**

The Second Experts Group Meeting on Labour and Social Security, held in Kuala Lumpur, Malaysia in October, 1984 set up two Working Groups - one for finalising the "Draft Bilateral Agreement on Social Security" and the other for the "Draft Model Bilateral Agreement on Labour and Manpower Exchange". The Working Group on Social Security met in Amman, Jordan, in 1985 and finalised the Draft Agreement. The Meeting of the Second Working Group on Labour and Manpower Exchange was held in Istanbul, Turkey from 27 to 29 May 1989. It also finalized the Draft Agreement.

The General Secretariat, in forwarding the Reports of the Working Group on Labour and Manpower Exchange along with the Draft Agreement to Member States informed them that the two Draft Agreements would be submitted to the Third Expert Group Meeting on Labour and Social Security for their consideration.

The Government of Indonesia has offered to host an international workshop on Employment and Manpower Exchange. The Government of Sudan has offered to host a sectoral expert group meeting on human resources development. Dates of the two meetings are expected of be announced.
i) Cooperation in the Field of Tourism

The Seventh Islamic Summit Conference held in Casablanca in 1994 stressed on the importance of intra-OIC cooperation in tourism and adopted, for the first time, a separate resolution on cooperation in the field of tourism. The Twenty-third ICFM held in Conakry in 1995, reiterated the earlier resolution and expressing the conviction that tourism formed a main pivot in the economic development, cultural exchange and rapprochement between nations, invited the Member States to cooperate in number of areas, including exchange of information, cooperation in tourism events and investment in tourism industry. The subsequent Islamic Summit Conferences and Islamic Conferences of Foreign Ministers adopted similar resolutions on cooperation in the field of tourism.

The Government of the Islamic Republic of Iran hosed the First Islamic Conference of Ministers of Tourism which was held on 2-4 October, 2000 in Isfahan. The Conference recognized the importance of tourism as an area of cooperation among OIC Member States and the need to have strategy for collaborative action for enlarging their share in the global tourism market. It agreed on a number of areas of cooperation assigning priority to the development of tourism infrastructure. It also decided to set up a follow-up committee, which met in Tehran on 27-28 August, 2001.

The report of the Follow-up Committee along with the Tehran Communiqué on Tourism was submitted to the Second Islamic Conference of Ministers of Tourism which was held on 10-13 October 2001 in Kuala Lumpur. The Conference adopted a resolution on tourism development along with the Kuala Lumpur Programme of Action for the Development and Promotion of Tourism in the OIC Member States and calling for an experts group meeting to elaborate on the means and modalities of implementation of the Programme of Action. The Conference thanked the Islamic Republic of Iran, Malaysia and the Republic of Indonesia for offering to act as the focal points for activities in research and training in tourism, marketing, and tourism facilitation respectively. The meeting of the Follow-up Committee of the Second Islamic Conference of Ministers of Tourism was held in Kuala Lumpur on 5-6 September, 2002. The Follow-up Committee examined the means and modalities of implementation of the Kuala Lumpur Programme of Action and enlisted in a Matrix an elaborate list of practical action to be undertaken by the Member States, both individually and collectively.

The Government of the Kingdom of Saudi Arabia hosted the Third Islamic Conference of Ministers of Tourism on 6-9 October, 2002 in Riyadh. The Conference adopted a resolution of tourism development and the Riyadh Declaration. The Fourth Islamic Conference of Ministers of Tourism was held on 28-30 March 2005 in Dakar, Senegal.

The Government of the Islamic Republic of Iran offered to host the first experts group meeting on tourism on 11-14 July 2005 in Tehran.
i) Technical Cooperation among QIC Member States

The First Ministerial Meeting on Technical Cooperation was held concurrently with the Sixth Session of COMCEC in Istanbul, Turkey, October 7-10, 1990. Five National Focal Points Meetings for Technical Cooperation among Member States were subsequently held in Istanbul between 1990 and 1994. The above meetings reviewed the state of technical cooperation among OIC Member States and adopted recommendations aimed at strengthening this cooperation. The meetings stressed the need to promote the administrative and financial capabilities of national focal points on technical cooperation. During bilateral contacts, cooperation programmes were updated and new ones drawn up.

The Twenty-First ICFM and Ninth COMCEC recommended that member states strengthen their technical cooperation with special emphasis on training in the economic, cultural and social fields as well as on the training of instructors.

The Tenth COMCEC held in Istanbul from 22 to 25 October 1994, inter alia, noted that the Meetings of Focal Points for Technical Cooperation were being held annually on a regular basis in Istanbul and appreciated the support extended by Turkey and OIC institutions such as the IDB, SESRTCIC, ICDT and IIT. It also called upon Member States and the OIC organs to implement the resolutions of the First Ministerial Meeting on Technical Cooperation held in Istanbul from 7 to 10 October 1990.

The Republic of Turkey hosted the Expert Group Meeting on Technological and Technical Cooperation in Istanbul from May 6-8, 1998. The project proposals emerging from the Expert Group Meeting as well as those subsequently submitted by the Islamic Republic of Iran have been transmitted to all Member States for necessary action. The responses received from some interested Member States have been transmitted to the government of the Republic of Turkey with a view to setting up the project committee in accordance with the Follow-up and Implementation Mechanism of the Plan of Action.
III. STATUS OF THE SIGNING AND RATIFICATION OF STATUTES AND AGREEMENTS

The 10th Islamic Summit Conference, the 31st Islamic Conference of Foreign Ministers and the 20th Session of COMCEC urged the Member States that have not yet done so to sign or ratify at an early date the various OIC agreements and statutes in the field of economic and trade cooperation, which are aimed at creating an enabling conditions in which such cooperation could flourish. An updated summary of the situation regarding the signing and ratification of the following six OIC Agreements and Statutes is given below as well as in tabular form in Annex.


The General Agreement on Economic, Technical and Commercial Cooperation was approved by the Eighteenth ICFM in 1397H (1977). The Agreement aims at encouraging capital transfer and investment, exchange of data, experience, technical and technological skills among Member States and at facilitating the implementation of a fair and non-discriminatory treatment among these countries while giving special attention to the least developed Member States. Up to now the agreement has been signed by 41 countries and ratified by 29. It became effective from 28 April 1981.

ii) Agreement on the Promotion, Protection and Guarantee of Investments.

The Agreement on Promotion, Protection and Guarantee of Investments among Member States was adopted by the Twelfth ICFM in 1401H (1981). The Agreement lays down the basic principles for the promotion of capital transfer among Member States and protects their investments against commercial risks while guaranteeing the transfer of capital and its proceeds abroad. Up to now, the agreement has been signed by 30 Member States and ratified by 23. After having been ratified by more than 10 countries, the agreement came into force in February 1988.

iii) Framework Agreement on Trade Preferential System.

The Framework Agreement on Trade Preferential System was approved by the Sixth COMCEC in October 1990. 28 Member States have so far signed the Framework Agreement. 14 Member States have ratified the Agreement. The Agreement, having the required number of ratifications, has now entered into force.

iv) Statute of the Islamic Civil Aviation Council.

The Statute of the Islamic Civil Aviation Council has been signed by 16 Member States and ratified by 10 only.
v) Statute of the Islamic States Telecommunications Union (ISTU)

The Statute of the Islamic States Telecommunications Union (ISTU) was approved by the Fifteenth ICFM in 1405H (1984). The Statute has been signed by 13 and ratified by 11 Member States. The Statute has not yet entered into force for lack of required number of ratification.

vi) Statute of the Standards and Metrology Institute for the Islamic Countries (SMIIC)

The 14th COMCEC adopted the Statute and invited Member States that are willing to participate in the activities of the Standards and Metrology Institute for Islamic Countries (SMIIC) to sign and ratify it. 6 Member States have so far signed the SMIIC and ratified by 3 Member States.
IV. ACTIVITIES OF THE OIC SUBSIDIARY ORGANS, SPECIALISED AND AFFILIATED INSTITUTIONS ACTING FOR THE STRENGTHENING OF ECONOMIC AND COMMERCIAL COOPERATION AMONG MEMBER STATES:

The following six OIC Subsidiary Organs, Specialised and Affiliated Institutions working in the field of economic and commercial cooperation among Member States: Statistical Economic and Social Research and Training Centre for Islamic Countries; Islamic Centre for Development of Trade; Islamic University of Technology; Islamic Development Bank, Islamic Chamber of Commerce and Industry and Organization of the Islamic Shipowners’ Association. These OIC institutions are expected to submit their individual reports to the 21st Meeting of the COMCEC, which will provide detailed information on their activities.
GENERAL OBSERVATIONS

The details as elaborated above show that progress in the various priority areas have been uneven. While ministerial meetings have been held in nine out of ten priority areas, there have been a series of more than one such meetings in some areas (food, industry, telecommunication and tourism). There are also several offers of holding ministerial meetings and concerned Member States are urged to hold these meetings at an early date. Experts group meetings have so far been held only in three priority areas. Although no ministerial meeting has been held in the priority area of labour and manpower, several meetings at the experts level have already taken place. Thus, the Member States have in fact made a beginning in all priority areas. What is required is the holding of experts group meetings in all these priority areas as envisaged in the strategy of implementation elaborated in the Plan of Action.

The 17th COMCEC Session stressed the importance of the recommendations of the Experts Group Meeting for Accelerating the Implementation of the Plan of Action (Document: OIC/COMCEC/EGM-PA/01/REP.) and called for their implementation. The Review of the Implementation of the Plan of Action to Strengthen Economic and Commercial Cooperation Among the OIC Member States (COMCEC/21-2005/FC/PLAN) submitted to this meeting of the Follow-up Committee of COMCEC gives details on progress made in the process of implementation of the Plan of Action and draws particular attention to a number of key recommendations of the aforesaid Experts Group Meeting.
### LIST OF MEMBER STATES HVO SIGNED ASP RATIFIED

#### THE DIFFERENT AGREEMENTS AND STATUTES ON ECONOMIC, COMMERCIAL AND TECHNICAL COOPERATION AMONG OIC MEMBER STATES

<table>
<thead>
<tr>
<th>NAME OF MEMBER STATES</th>
<th>General Agreement on Economic, Technical and Commercial Cooperation</th>
<th>Agreement on Promotion, Protection and Guarantee of Investments</th>
<th>Framework Agreement on Trade Preferential System</th>
<th>Statute of Islamic Civil Aviation Council</th>
<th>Statute of the Islamic States Telecommunications Union</th>
<th>Statute of the Standards and Metrology Institute for the Islamic Countries (S.M.B.C)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Afghanistan</td>
<td>Adopted as per Res. No 1/97-Edythe 5* ICFM Tripoli/Libya 16/22/8/97</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Algeria</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Albania*</td>
<td>Adopted as per Res. No 7/12-Edythe 12° ICFM Baghdad/Iraq 15/6/98</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Azerbaijan</td>
<td>Adopted as per Res. No 1/63-Edythe 13° ICFM Istanbul/Turkey 11/10/99</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Bahrain</td>
<td>Adopted as per Res. No 11/12-Edythe 15° ICFM San'a/Amman 15/22/1/984</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>05/12/77 8.04/77 04/11 4/1/97 17-0-0.04 109.35 5-12-01 - 16/5/95</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Benin</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Brunei Darussalam</td>
<td>*</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Burkina Faso</td>
<td>23/11/93 19.5/92 14.9/94 21/10/91 - 21-10-91</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cameroon</td>
<td>23/01/95 11/0/33 35/10/94 26-09-95 25,10/94 26-09-95</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Comoros</td>
<td>28/04/78 16/01,31 - - - -</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Côte d'Ivoire</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Kyrgyz Republic</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Kazakhstan</td>
<td>23/01/99 06/06-3 14/1°75 14/1/95 31/0/29</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Djibouti</td>
<td>23/01/97 04/11 04/93 - 18/1 185 - 87.1 185</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Egypt</td>
<td>06/17/77 06/06-3 14/17/78 15/1/1 31/2/99</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>United Arab Emirates</td>
<td>29/12/77 199 12/0/289 14/0/189 27-11-0</td>
<td>305,89 21-3-89 305,89 21-3-89</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Gabon</td>
<td>23/01/78 21/06/90 - - 04/09/93</td>
<td>18/1 185 - 87.1 185</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Gambia</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Guinea</td>
<td>23/01/77 1/01 08/11 95 20.6/03 50/99 93 29/0/03 - 32/0/95</td>
<td>26/0/95 26/0/95 20/0/95 20/0/95</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Guinea-Bissau</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Indonesia</td>
<td>30/04/79 08/01 30 01/05 32 3/12 32</td>
<td>06/06 32 32 32</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Iran</td>
<td>09/01/97 1978 29/01/111 - 27.10.02</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Iran</td>
<td>09/10/95 09/10/95 06/11 95 15.7/94</td>
<td>31/0/35 12/5/93 32/1/93 32/1/93</td>
<td>21/18/93 21/18/93</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Kuwait</td>
<td>09/12/77 04/08/30 04/07/40 81/10/18 00/3/31 24/03/94</td>
<td>24/03/94 12/3/94</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Lebanon</td>
<td>15/11/95 15/11-96 23/11-04 15/11-96 1,70/3</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Libya</td>
<td>02/12/75 02/09/12 12/03 12/03 12/03</td>
<td>01/01 12/01 12/01</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Malaysia</td>
<td>16/05 8 14/11 31 30/09 30-04 23-8-04</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Maldives</td>
<td>12/01 12/01</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Mali</td>
<td>23/01/78 10/04/78 20/11 95 01/05 95 29/09/93</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

*Adopted as per Resolution No.1 of the U" COMCEC Istanbul/Turkey 1-4/1/1998.
<table>
<thead>
<tr>
<th>NAME OF MEMBER STATES</th>
<th>General Agreement on Economic, Technical and Commercial Cooperation</th>
<th>Agreement on Promotion, Protection and Guarantee of Investments</th>
<th>Framework Agreement on Trade Preferential System</th>
<th>Statute of the Islamic Civil Aviation Council (ICAC)</th>
<th>Statute of the Islamic States Telecommunications Union (ISTI)</th>
<th>Statute of the Standards and Metrology Institute for the Islamic Countries (SMIin)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mauritania</td>
<td>Adopted as per Res. No I/6 of the 5th ICFM Tripoli/Libya 16-23/5/1977</td>
<td>Adopted as per Res. No I/7 of the 12th ICFM Baghdad/Iraq 15-6/1981</td>
<td>Adopted as per Res. No I of the 6th Session of the COMCEC Istanbul/Turkey 7-10/10/1990</td>
<td>Adopted as per Res. No 16/I3 of the 13th ICFM Niamey/TiGer 22-26/12/1982</td>
<td>Adopted as per Res. No 7/15 of the 15th ICFM Sanaa/Yemen 18-22/12/1984</td>
<td>Adopted as per Resolution No 1 of the 14th COMCEC Istanbul/Turkey 9-11/11/1999</td>
</tr>
<tr>
<td>Mozambique</td>
<td>15/05/76</td>
<td>07/08/76</td>
<td>14/01/81</td>
<td>04/06/82</td>
<td>10/09/92</td>
<td>15/09/99</td>
</tr>
<tr>
<td>Uganda</td>
<td>06/06/76</td>
<td>14/11/01</td>
<td>26/11/76</td>
<td>10/27/87</td>
<td>05/07/93</td>
<td>14-11/01</td>
</tr>
<tr>
<td>Pakistan</td>
<td>14/07/76</td>
<td>19/76</td>
<td>20/12/81</td>
<td>10/27/82</td>
<td>25/10/94</td>
<td>11/10/00</td>
</tr>
<tr>
<td>Palestine</td>
<td>28/04/76</td>
<td>18/03/21</td>
<td>15/03/22</td>
<td>15/22/82</td>
<td>10/03/92</td>
<td>22/5/93</td>
</tr>
<tr>
<td>Qatar</td>
<td>24/02/76</td>
<td>20/10/00</td>
<td>5/11/02</td>
<td>27/11/04</td>
<td>21/10/01</td>
<td>5/11/02</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>14/07/76</td>
<td>27/06/76</td>
<td>23/9/75</td>
<td>17/12/84</td>
<td>10/08/92</td>
<td>-</td>
</tr>
<tr>
<td>Senegal</td>
<td>25/12/77</td>
<td>26/02/79</td>
<td>17/07/78</td>
<td>30/07/94</td>
<td>01/08/91</td>
<td>30/08/94</td>
</tr>
<tr>
<td>Somalia</td>
<td>24/12/78</td>
<td>19/12/88</td>
<td>25/11/84</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Sudan</td>
<td>14/01/76</td>
<td>20/12/81</td>
<td>135/92</td>
<td>44/93</td>
<td>49/93</td>
<td>-</td>
</tr>
<tr>
<td>Syria</td>
<td>04/05/76</td>
<td>15/07/83</td>
<td>21/10/01</td>
<td>-</td>
<td>27/11/04</td>
<td>-</td>
</tr>
<tr>
<td>Tajikistan</td>
<td>04/11/97</td>
<td>04/11/98</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Tchad</td>
<td>27/04/76</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Tunisia</td>
<td>27/01/79</td>
<td>130490</td>
<td>10/05/92</td>
<td>11/11/83</td>
<td>21/3/3</td>
<td>31/7/00</td>
</tr>
<tr>
<td>Turkey</td>
<td>29/12/77</td>
<td>02/07/82</td>
<td>16/07</td>
<td>09/21</td>
<td>23/9</td>
<td>28/11/91</td>
</tr>
<tr>
<td>Turkmenistan</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Uzbekistan</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Yemen</td>
<td>29/12/77</td>
<td>120582</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL</td>
<td>41</td>
<td>29</td>
<td>30</td>
<td>23</td>
<td>14</td>
<td>16</td>
</tr>
</tbody>
</table>
REPORT BY
THE OIC GENERAL SECRETARIAT
ON THE REVIEW OF THE IMPLEMENTATION
OF THE PLAN OF ACTION

Twenty First Meeting of the
Follow-up Committee of the COMCEC

(Istanbul, 10-12 May 2005)
Annex VII to OIC/COMCEC-FC/21-05/REP

REVIEW OF THE IMPLEMENTATION OF THE PLAN OF ACTION TO STRENGTHEN ECONOMIC AND COMMERCIAL COOPERATION AMONG QIC MEMBER STATES.
21st MEETING OF THE FOLLOW-UP COMMITTEE OF COMCEC

ISTANBUL, 10-12 MAY, 2005.

I. Introduction:

The 20th COMCEC requested the General Secretariat (at paragraph 15 of resolution I) to continue to submit to the annual sessions of the COMCEC a periodical review of the implementation of the Plan of Action. This review is submitted in pursuance of the resolution.

II. Background Information on the Plan of Action:

The Sixth Islamic Summit entrusted the COMCEC to draw up a new strategy for the Plan of Action to Strengthen Economic and Commercial Cooperation Among OIC Member States, taking into consideration the changes that took place in the world since the adoption of the Plan of Action in 1981. Accordingly, a revised Plan was approved by the Tenth Session of the COMCEC (November 1994). This document together with the Strategy approved earlier by the COMCEC was endorsed by the Seventh Islamic Summit Conference (Casablanca, December 1994) in its Resolution 8/7-E(IS).

The Seventh Islamic Summit noted, inter alia, that the strategy for economic cooperation adopted by the COMCEC allowed for cooperation among sub-groups of Member States and was based on the principles of economic liberalization, promotion of the private sector, and integration with the world economy and on respect for the economic, political, legal and constitutional structures of the Member States and their international obligations. It also noted that the Plan of Action was open to further improvement during its implementation. The Summit stressed on the urgency of implementing the Plan and called upon the Member States to host the inter-sectoral expert group meetings as envisaged in the chapter on Follow-up and Implementation of the Plan.

The COMCEC Follow-up Committee at its eleventh meeting considered the technical and organisational issues of holding an inter-sectoral meeting and recommended that, instead of holding one inter-sectoral meeting to initiate the implementation of the Plan of Action, a more practical approach would be to hold more than one meeting to deal either with one area or a number of inter-related areas at a time. The Eleventh COMCEC accepted the recommendation and invited the member states to host both sectoral and inter-sectoral meetings.

III. Mechanism for the Implementation of the Plan:

As per the provision of the Follow-up and Implementation Mechanism which forms integral part of the Plan of Action, the process of implementation of specific cooperation projects in each of the ten priority sectors is to commence through holding of sectoral Expert Group Meetings. The mandate given to the Expert Group Meetings in each sector/area of the
Plan is to review the requirements for action and make proposals. The Expert Group Meetings are to be held to identify specific cooperation projects. Subsequently, "project committees" are to be formed with interested Member States under the chairmanship of the country originally proposing the project(s). The responsibility of implementing any project remain with the concerned project committee(s).

IV. Expert Group Meetings:

Since adoption of the revised Plan all meetings of the COMCEC, Islamic Summit Conferences and the Islamic Conferences of Foreign Ministers appealed to the Member States to host sectoral Expert Group Meetings.


A number of cooperation projects and project ideas emerged from these meetings. The report of the Expert Group Meetings, along with the project proposals, were transmitted to all Member States with the request to indicate their interest in writing to the General Secretariat. Those Member States which submitted project ideas, have been requested to provide idea of the complete project in the prescribed Projects Profile Form. Member States that have indicated interest in the project ideas proposed by the OIC institutions have been requested to submit these as their proposals so that the same can be circulated to all Member States. The responses to the project proposals/ideas received from Member States till the end of December, 2003 are shown in tabular form as an annexure.

The Government of the Islamic Republic of Iran will host the experts group meeting on tourism on 11-14 July 2005 in Tehran. The Government of the Arab Republic of Egypt offered to host experts group meetings on food, agriculture and rural development; and also on transportation. The General Secretariat is in contact with the concerned Governments on the holding of these meetings.

V. Recent Related Activities in Areas within the Plan of Action:

The government of the Islamic Republic of Iran hosted the Fourth OIC Ministerial Conference on Food Security and Agricultural Development in Tehran from 14 to 16 January 1995. The Declaration issued by the Conference emphasised on the need to explore ways and means to increase agricultural production in potential areas and decided to periodically review the situation of food security in all OIC Member States.
The Third OIC Ministerial Meeting on Posts and Telecommunications was held in Tehran, Islamic Republic of Iran from July 8-11, 1996. A 25-point resolution was adopted by the meeting identifying areas of cooperation and specific recommendations for action by the Member States. The meeting decided that expert group meetings, seminars and symposiums in the field of cooperation in Posts and Telecommunications be held annually even at regional level and including the private sector. It was also decided to hold the Ministerial Meeting on Posts and Telecommunications more frequently, at least once in every three years.

The First OIC Ministerial Meeting on Tourism was held in Isfahan from 2-4 October, 2000. The meeting adopted a resolution on tourism and the Isfahan Declaration. The resolution decided, inter alia, to set up a follow-up committee, which met in Tehran on 27-28 August, 2001. The Second Islamic Conference of Ministers of Tourism was held on 10-13 October, 2001 in Kuala Lumpur, which adopted a resolution on tourism development along with the Kuala Lumpur Programme of Action. The Meeting of the Follow-up Committee of the aforesaid Conference was held on 5-6 September, 2002 in Kuala Lumpur. The Third Islamic Conference of Ministers of Tourism was held on 6-9 October, 2002 in Riyadh, which adopted a resolution on tourism development along with the Riyadh Declaration. The Fourth Islamic Conference of Ministers of Tourism was held on 28-30 March, 2005 in Dakar, Senegal, which adopted a resolution on tourism development along with the Dakar Declaration.

The Tenth Islamic Trade Fair was held in Manama, Bahrain from 05 to 09 February 2005 concurrently with the 11th Private Sector Meeting (05-07 February 2005).

VI. Follow-up on the Decisions of the 20th Session of COMCEC:

The appeal addressed by the 20th COMCEC to Member States who have not yet done so to sign and ratify the various Agreements and Statutes prepared under the auspices of the OIC to help intensify economic cooperation among Member States has been transmitted to all concerned by the General Secretariat. Besides, the General Secretariat had earlier requested the Islamic Chamber of Commerce and Industry to advise all its constituent national chambers to make whatever contribution they can in expediting early action by their respective governments with respect to early signature and ratification of OIC Agreements and Statutes as per the appeal of the COMCEC.

The 20th COMCEC welcomed the offers of the Governments of the Arab Republic of Egypt, Republic of Gabon, Islamic Republic of Iran, Republic of Indonesia, Malaysia, Republic of Sudan and the Republic of Turkey to host various Ministerial meetings, sectoral experts group meetings, regional seminars and workshops. The General Secretariat is in contact with these Member States with a view to making necessary arrangements for holding these meetings and seminars/workshops.

It may also be mentioned that earlier the 15th COMCEC requested the OIC General Secretariat to closely pursue the follow-up actions and the results of the three sectoral expert group meetings held so far. It also urged the Member States to forward to the General Secretariat their responses to the project proposals put forward at the sectoral expert group meetings for the formation of the above-mentioned project committees at the earliest possible date. The General
Secretariat circulated the aforementioned project proposals to all member states with the request to indicate their interest at an early date. A few responses received so far have been transmitted to the country(s) which proposed the project(s) so that the task of establishing specific Project Committees can be taken up. As responses of vast majority of Member States are still awaited, a reminder has been sent out by the General Secretariat to all Member States on 20 January 2004 urging them to expedite their responses. In the interest of avoiding any further delay in making progress in the implementation of the Plan of Action, Member States sponsoring projects were requested to communicate their response by 15 May 2004 with the stipulation (as directed by COMCEC) that, should there be no response from a sponsor within the deadline, it would be assumed that the sponsor was no longer interested in the project and it will be struck off the list of projects. This was followed up by a reminder (addressed to the Permanent Representatives of the Member States sponsoring projects) on 30 August 2004.

VII. Consideration of the Overall Situation of Implementation of the Plan:

The 15th Session of the COMCEC adopted a resolution expressing concern over the "slow progress of the implementation of the Plan of Action" and recommended to the Follow-up Committee at its next meeting to "suggest best possible remedies to alleviate the situation". Accordingly, the Follow-up Committee at its 16th Meeting held in Istanbul on 9-11 May, 2000 deliberated on the possible ways and means to accelerate the implementation of the Plan and forwarded a number of recommendations to the 16th Session of COMCEC.

The 16th COMCEC resolved that an open-ended experts group meeting be convened "to explore all possible ways and means of accelerating the implementation of the Plan of Action". Accordingly, an Expert Group Meeting for Accelerating the Implementation of the OIC Plan of Action to Strengthen Economic and Commercial Cooperation among Member States was held in Istanbul on 6-7 May, 2001, the recommendations of which were submit to the 17th Session of COMCEC through the 17th Meeting of the Follow-up Committee of COMCEC. The 17th COMCEC approved the recommendations of the experts group meeting.

Recommendation 13 of the Experts Group Meeting for Accelerating the Implementation of the OIC Plan of Action to Strengthen Economic and Commercial Cooperation among Member States calls for giving mandate to the relevant OIC institutions to study, apprise and provide the necessary financial and technical support to the proposed cooperation projects. The COMCEC Coordination Office at the request of COMCEC undertook a study and presented it to the 18th Session of COMCEC, which welcomed, in principle, the supplementary mechanism presented in the study. However, it requested that the proposed supplementary mechanism be further elaborated "... So as to define the scope and content of the possible tasks to be assigned to the relevant OIC institutions ....". It also requested the COMCEC Coordination Office to finalise the study for submission to the 19th Meeting of the Follow-up Committee of COMCEC. The COMCEC Coordination Office carried out the necessary consultation with the relevant OIC institutions including discussion during the consultative meetings of OIC institutions active in the economic and commercial fields.
The COMCEC Coordination Office made a presentation on the supplementary mechanism during the 19th Meeting of the Follow-up Committee of COMCEC informing that the study had already been circulated to the Member States for their views. The 19th Meeting of the Follow-up Committee took note of the study which was reviewed earlier in the meeting of the Working Group held in Ankara on 25-27 March 2003. The Follow-up Committee called upon the Member States to communicate their views by 15 July 2003, where upon the COMCEC Coordination Office was to finalise the study in consultation with the OIC General Secretariat and the relevant OIC institutions. Accordingly, the COMCEC Coordination Office presented the final outcome of its study to the 19th session of COMCEC, which endorsed the supplementary mechanisms as developed by the COMCEC Coordination Office in cooperation with the OIC General Secretariat and the relevant OIC institutions.

While so endorsing the supplementary mechanism, the COMCEC agreed that the Sessional Committee of the COMCEC was the appropriate body to supervise the activities of the concerned OIC institutions and to coordinate their activities in fulfilling their mandate regarding the implementation of the Plan of Action. Accordingly, it adopted the necessary modification in the Statute and the Rules of Procedure of COMCEC.

The Sessional Committee with its new responsibility under the modified Statute and the Rules of Procedure (as approved by the 19th COMCEC) already initiated its work having held so far four meetings, reports of which had been submitted to COMCEC as well as circulated to the Member states.

VIII. Conclusion and Recommendations:

While reviewing the progress achieved so far in the implementation of Plan of Action the General Secretariat wishes to draw particular attention of the COMCEC to the need to ensure effective and speedy implementation of the recommendations of the Experts Group Meeting for Accelerating the Implementation of the OIC Plan of Action for Economic and Commercial Cooperation, held in Istanbul on 6-7 May, 2001, which were endorsed by the 17th Session of COMCEC. Following recommendations deserve particular attention without prejudice to the other recommendations:

"The meeting viewed that promotion of political commitment was the primary requirement to achieve progress in the implementation of the Plan of Action and recommended that closer collaborative efforts be intensified among the Chairman of the Islamic Summit, the Chairman of the COMCEC and the Secretary General of the OIC with a view to obtaining the required political commitment among member countries. In this connection, the meeting also highlighted the importance of intensifying efforts on the political front with a view to having the OIC Agreements signed and ratified expeditiously."

"Focal Points may be set up for each priority area of the Plan of Action one in each Member State and one consisting of a relevant OIC institution. The two Focal Points would work jointly to implement the projects which were identified in consultation with Member States fully involved both public and private sectors). A Focal Point Unit may also be set up within the COMCEC Coordination Office to coordinate all Focal Points activities for the various Experts Group Meetings."

85
"From the initial stage of pre-feasibility/feasibility study of any cooperation project in any sector/area, particularly under technology and technical cooperation, OIC organ(s)/institution(s) having appropriate expertise and physical facilities should be involved as focal point(s) so that this organ(s)/institution(s) can provide, among others, the required technological inputs to facilitate smooth implementation of the project."

"There is a need to have a financial framework, detailing the ways and means and the institutional set up through which project proposals are to be financed within their existing mandate, policy and procedure. To this end, the relevant OIC institutions could be mandated to study, apprise and provide the necessary financial and technical support to the proposed cooperation projects."

"The OIC institutions should enhance their efforts to further cooperation with Regional Organizations. The concerned OIC family of institutions need to reinforce their cooperative efforts with the relevant regional organizations in the form of research, meetings, workshops and seminars on topics related to reinforcing economic cooperation among member countries."

"Efforts should be made to speed up the signing and ratification of the Framework Agreement for Trade Preferential System (TPS-OIC) to enable ICDT to organize trade negotiations among the Member States for exchange of preferences and consider removal of non-tariff barriers which would contribute significantly to developing intra-OIC trade."

In anticipation of the holding of the experts group meetings, the General Secretariat re-circulated the report of the experts group meeting on accelerating the implementation of the Plan of Action to Strengthen Economic and Commercial Cooperation Among Member States stressing the urgency of consultations among the Member States with a view to developing projects on cooperation for consideration by these experts group meetings.

In this connection, emphasis is laid on the need to develop regionally-based projects or projects supported by a group of Member states in a particular region, which may have the prospect of support from regional institutions. Accordingly, it is stressed that the active involvement may be sought of such regional institutions as ECO, GCC, Arab Maghreb Union, ECOWAS. These institutions may, therefore, be invited to attend future experts group meetings. There is also a need to establish linkage with such regional programme as the New Partnership for Development of Africa.

Furthermore, there is a need to involve the private sector in developing cooperation projects for consideration by the experts group meeting. It is, therefore, also envisaged that representatives of the private sector should also take part in the experts group meeting.

There is also a need to harmonise the OIC Plan of Action to Strengthen Economic and Commercial Cooperation among the Member States and the various programmes of Islamic Development Bank (IDB), particularly those dealing with the implementation of IDB's concept paper on the preparation of the Ummah for the 21st century. In this respect the fields of development of science and technology as well as communication and information technology deserves particular attention.
There is further the need to accelerate the process of signing and ratification of the various agreements and statutes finalized under the aegis of OIC in the economic and Commercial fields as these would provide the necessary framework for economic and commercial cooperation among the Member States.
<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Project Proposals/Ideas</th>
<th>Proposing State/Institution</th>
<th>Interested Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Technical cooperation in the area of Software Engineering Among OIC Member States.</td>
<td>Jordan</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Production of pulp and paper in Sudan.</td>
<td>Sudan</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Strengthening the Innovation, Design and Prototype Manufacturing Centre.</td>
<td>Sudan</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Shelter and Habitat in Sudan.</td>
<td>Sudan</td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>Photovoltaic Cells Production.</td>
<td>Sudan</td>
<td></td>
</tr>
<tr>
<td>7.</td>
<td>Technical Cooperation Among Patent Offices in the OIC Member States.</td>
<td>Turkey</td>
<td>Kazakhstan</td>
</tr>
<tr>
<td>8.</td>
<td>Technical Cooperation in the area of Business Incubators Among OIC Member States.</td>
<td>Turkey</td>
<td></td>
</tr>
<tr>
<td>9.</td>
<td>Cooperation in the area of Technical Development: Medium Range Regional Turbopfan Airliner.</td>
<td>Turkey</td>
<td>Kazakhstan</td>
</tr>
<tr>
<td>10.</td>
<td>Provision of Technical Assistance for Establishment of Technology Development Foundation in the OIC Member States.</td>
<td>Turkey</td>
<td></td>
</tr>
<tr>
<td>11.</td>
<td>Energy Research and Technology Development Centre For Islamic Countries.</td>
<td>Turkey</td>
<td>Saudi Arabia, Kazakhstan</td>
</tr>
<tr>
<td>12.</td>
<td>Space Agency for Islamic Countries.</td>
<td>Turkey</td>
<td>Kazakhstan</td>
</tr>
<tr>
<td>13.</td>
<td>Distance Educational Project.</td>
<td>Turkey</td>
<td></td>
</tr>
<tr>
<td>14.</td>
<td>Technical Cooperation in the area of Environmental Protection: Proper use of coastal zone to prevent Accelerated beach/coast erosion.</td>
<td>Turkey</td>
<td></td>
</tr>
<tr>
<td>15.</td>
<td>Metametronone and Metribuzine Process development for production of the 1,3,4 triazine 6 one deriv, which are used as fungicide in Iran.</td>
<td>Iran</td>
<td>Saudi Arabia</td>
</tr>
<tr>
<td>16.</td>
<td>Ionoxyail (totril) Process development for this valuable fungicide and its Dibromo analogue.</td>
<td>Iran</td>
<td>Saudi Arabia</td>
</tr>
<tr>
<td>19.</td>
<td>Field-Test establishment.</td>
<td>Iran</td>
<td>Saudi Arabia</td>
</tr>
</tbody>
</table>
### MONEY, FINANCE AND CAPITAL FLOWS

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>20</td>
<td>Establishment of an Islamic Insurance-Reinsurance Corporation.</td>
<td>Turkey</td>
</tr>
<tr>
<td>21</td>
<td>Islamic Finance Corporation under the Auspices of the IDB.</td>
<td>Turkey</td>
</tr>
<tr>
<td>22</td>
<td>Multilateral Islamic Clearing Agency (Union).</td>
<td>Turkey</td>
</tr>
<tr>
<td>23</td>
<td>Development of a cohesive multi-year programme for Training and Seminars to be conducted in Financial and Monetary Fields.</td>
<td>Turkey</td>
</tr>
<tr>
<td>24</td>
<td>Compilation by SESRTCIC, in collaboration with IDB/IRTI Of a Directory of Muslim Experts in the field of money, Banking and finance.</td>
<td>Turkey</td>
</tr>
<tr>
<td>25</td>
<td>Regular and Systematic Collection and dissemination of detailed data and information on the money, banking and finance activities in the member countries. Establishment by SESRTCIC, in collaboration with the IDB, of a set of database on the relevant activities comprising such data and information.</td>
<td>Turkey</td>
</tr>
<tr>
<td>26</td>
<td>Compilation by SESRTCIC, in collaboration with the IDB/IRTI of a Directory on Banks and Financial Institutions in the member countries.</td>
<td>Turkey</td>
</tr>
</tbody>
</table>

### FOREIGN TRADE

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>27</td>
<td>A Mechanism for Systematic Collection and Dissemination Of Detailed Information on Tariff and Non-tariff Trade Barriers of the Member countries.</td>
<td>Turkey</td>
</tr>
<tr>
<td>28</td>
<td>Establishment of Islamic Trading House(s).</td>
<td>Turkey</td>
</tr>
<tr>
<td>29</td>
<td>A Mechanism for Integration of the OIC Member Countries to the World Trade System.</td>
<td>Turkey</td>
</tr>
<tr>
<td>30</td>
<td>A Study on the Determination of the Economic Comparative Advantages of the OIC Member countries.</td>
<td>Sultanate of Oman, Tunisia.</td>
</tr>
<tr>
<td>31</td>
<td>Creation of an Islamic Export Market Development Fund.</td>
<td>SESRTCIC</td>
</tr>
<tr>
<td>32</td>
<td>Collection and Collation of Statistical Information Regarding the Import Needs and Export Potentials of Member Countries.</td>
<td>SESRTCIC</td>
</tr>
<tr>
<td></td>
<td>Development of a Joint Transportation Scheme for The Land-locked Member States.</td>
<td>SESRTCIC</td>
</tr>
<tr>
<td></td>
<td>Description</td>
<td>Organisation(s)</td>
</tr>
<tr>
<td>---</td>
<td>-----------------------------------------------------------------------------</td>
<td>-------------------</td>
</tr>
<tr>
<td>34.</td>
<td>Preparation of a Detailed Study of Trade Regulations and Procedures of Member States.</td>
<td>SESRTCIC</td>
</tr>
<tr>
<td>35.</td>
<td>Trade Facilitation Services to be Provided by the National Chambers of the Member Countries.</td>
<td>ICCI</td>
</tr>
<tr>
<td>36.</td>
<td>Import Management Facilities to be Provided by the National Chambers of the Member Countries.</td>
<td>ICC I</td>
</tr>
<tr>
<td>37.</td>
<td>Programme for Training of Trainers in the Area of International Trade.</td>
<td>ICDT Burkina Faso</td>
</tr>
<tr>
<td>38.</td>
<td>Setting up of Regional Companies Specialised in Organisation of Trade Fairs and Exhibitions.</td>
<td>ICDT Burkina Faso</td>
</tr>
<tr>
<td>39.</td>
<td>Setting up of Permanent Exhibition Halls.</td>
<td>ICDT</td>
</tr>
<tr>
<td>40.</td>
<td>Organising a Permanent Virtual Goods Exhibition on The INTERNET Web site of the ICDT.</td>
<td>ICDT</td>
</tr>
</tbody>
</table>
REPORT OF
THE SESSIONAL COMMITTEE

Twenty First Meeting of the
Follow-up Committee of the COMCEC

(Istanbul, 10-12 May 2005)
REPORT
OF THE SESSIONAL COMMITTEE
(Jeddah, 4 May 2005)

1. On the sidelines of the 28th Annual Session of the Islamic Commission Economic, Cultural and Social Affairs (Jeddah, 3-5 May, 2005), the 6th Meeting of the Sessional Committee was held in Jeddah, Kingdom of Saudi Arabia, at the Headquarter of the Islamic Development Bank (IDB) on 4th May 2005, prior to the 21st Meeting of the Follow-up Committee of COMCEC.

2. The Meeting was co-chaired by H.E. Ambassador Nabika Diallo, Assistant Secretary General for Economic Affairs, Organization of the Islamic Conference (OIC) and H.E. Dato Dr. Sayed Jaafar Aznan, Vice-President (Trade and Policy), IDB Group.

3. Representatives of the following OIC Institutions attended the Meeting:
   - General Secretariat of the OIC.
   - Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRTCIC),
   - Islamic Centre for Development of Trade (ICDT)
   - Islamic Development Bank (IDB),
   - Islamic University of Technology (IUT),
   - Islamic Chamber of Commerce and Industry (ICCI).

Representative from the Government of Malaysia, in its capacity as Chairman of the Tenth Session of the Islamic Summit Conference (Putrajaya, Malaysia, 16-18 June 2003), also attended the Meeting.

4. The Meeting Adopted the following Agenda Items for consideration;
   i) First Round of Trade Negotiations within the Framework Agreement on Trade Preferential System Among the OIC Member States (TPSOIC),
   ii) Review of the Progress made concerning the Proposed Cooperation Projects within the OIC Plan of Action- including Six Projects Proposed by Turkey,
Under Agenda Item 1:

5. Representatives of the Islamic Centre for Development of Trade and COMCEC Coordination Office informed the Meeting on the developments and positive results achieved on the First Round of Trade Negotiations within the framework of TPSOIC, including Draft Protocol on the Preferential Tariff Scheme for TPSOIC (PRESTAS) prepared by the 4th Meeting of Trade Negotiating Committee (TNC) held in Antalya, Republic of Turkey on 30th March-2nd April 2005, which contains a mechanism for reducing the custom tariffs.

6. The 6th Meeting of the Sessional Committee recommended TNC Secretariat to make necessary preparations for submission of the Draft Protocol on PRETAS to the forthcoming Ministerial Session of the COMCEC to be held in November in Istanbul for signing.

7. The Meeting also recommended OIC General Secretariat and IDB to exert all efforts to convince the OIC Member Countries who have not done so, to sign and ratify the TPSOIC Agreement and to take part in the Trade Negotiations.

Under Agenda Item 2:

8. The representative of the COMCEC Coordination Office made a presentation on the six projects proposed by the concerned Turkish Institutions, together with suggestions to designate one OIC Institution that will take part as coordinator in the implementation of each Project proposal.

9. After lengthy discussions, the Sessional Committee decided to designate the following OIC Institutions to coordinate the work needed for the implementation of the Project proposals given below;
LIST OF THE PROJECT PROPOSALS

<table>
<thead>
<tr>
<th>Serial No</th>
<th>Project Proposals</th>
<th>Proposing States/Institutions</th>
<th>Coordinator OIC Institution</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Technical Cooperation Among Patent Offices in the OIC Member States</td>
<td>Turkey/ Turkish Patent Office</td>
<td>ICDT</td>
</tr>
<tr>
<td>2.</td>
<td>Technical Cooperation in the area of Business Incubators Among OIC Member States</td>
<td>Turkey/ KOSGEB</td>
<td>ICCI</td>
</tr>
<tr>
<td>3.</td>
<td>Cooperation in the area of Technical Development: Medium Range Regional Turbofan Airliner</td>
<td>Turkey/ TAI</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Provision of Technical Assistance for Establishment of Technology Development Foundation in the OIC Member States</td>
<td>Turkey/ TTGV</td>
<td>IUT</td>
</tr>
<tr>
<td>5.</td>
<td>Technical Cooperation in the area of Environmental Protection: Proper use of coastal zone to prevent Accelerated beach/coast erosion</td>
<td>Turkey/ TÜBİTAK</td>
<td>IUT</td>
</tr>
<tr>
<td>6.</td>
<td>World Gold Markets and Cooperation Possibilities among Islamic countries</td>
<td>Turkey/ Istanbul Gold Exchange</td>
<td>SESRTCIC</td>
</tr>
</tbody>
</table>

10. Islamic Development Bank (IDB) has expressed its desire to provide financial support for the projects number 1, 3, 5. IDB also stressed that it was not possible for them to coordinate the work needed for the implementation of one of these projects, because of its structure, its scope of work and expertise available in this regard.

11. The Sessional Committee requested Coordinator OIC Institutions to get in touch with the owners of the Project Proposals in order to cooperate and start to work for the implementation of the said Project Proposals.

12. The Coordinator OIC Institutions will be informed by the COMCEC Coordination Office on their role and work to be done in this context.
Under Agenda Item 3:

13. The Sessional Committee Meeting was informed by the representative of the COMCEC Coordination Office on the outcomes of the OIC Economic Conference held in Istanbul on 23-27 November 2004.

14. While elaborating the outcomes of the OIC Economic Conference, the Meeting decided that the recommendations given by the businessmen who participated in the OIC Economic Conference have to be considered by the concerned OIC Institutions for necessary measures and actions to be taken.

Under Agenda Item 4:

15. The representatives of the IDB briefed the meeting on the memorandum of understanding (MOU) signed between IDB and Government of Malaysia in order to boost cooperation for Intra-OIC Trade and Intra-OIC Investment, as well as enhancing Information and Communication Technology.

Under Agenda Item 5:

16. Representative from IUT made a brief presentation on the role of the IUT regarding the Development of Personnels in the Field of SMEs and E-Commerce for the Member Countries.

17. The 6th Meeting of the Sessional Committee concluded its work with expressing deep thanks to the chair and to the participants.
REPORT BY IDB
ON THE EXPANSION OF INTRA-OIC TRADE

Twenty First Meeting of the
Follow-up Committee of the COMCEC

(Istanbul, 10-12 May 2005)
REPORT BY IDB ON THE EXPANSION OF INTRA-TRADE
(For the 21st Follow-up Meeting of the COMCEC to be held on 10-12 May 2005 in Istanbul, Turkey)

BACKGROUND

1. Following the 1997, Tehran Eight Islamic Summit, IDB was requested to formulate and develop qualitative and quantitative ways and means to increase intra trade cooperation with other OIC institutions. At the 2nd Preparatory Meeting of the OIC (Tehran in June 1998), it was resolved that intra trade among member countries should be increased from 10% to 13% of their total trade beginning from 1420H.

2. An Inter OIC Task Force, which was set up by IDB, met in Jeddah in August 1998 and came up with specific recommendations on trade, which include the creation of new trade financing instruments by IDB under new terms and conditions,

   • enhancement of co-financing;
   • appointment of focal points in member countries;
   • use of technology to provide intra trade information;
   • formation of Eximbanks, promotion of bilateral payment arrangement mechanisms and;
   • capacity building in trade through technical assistance

3. The recommendations of the OIC Task Force was endorsed by the IDB Board of Executive Directors at its meeting in Cotonou, Benin in November 1998.

TRADE FINANCING OPERATIONS OF IDB

4. IDB is one of the few multilateral financial institutions in the world that are engaged in promoting and financing of intra trade among its member countries. Its financing programme, dedicated to assist 55 member countries that are all developing countries, has both the developmental and commercial objectives.

5. The programme is implemented in line with Article 2 of its Articles of Agreement, which empowers the Bank to promote foreign trade, especially in capital goods, among member countries. It was launched as a mode of placement of liquid funds, with the fundamental objective of assisting member countries’ development efforts in areas of export and import trade. As a mode of fund placement, it has to generate reasonable returns and at the same time, it has to meet the developmental objectives of assisting member countries in external trade and promoting increased intra trade among them.

6. The Eighth Islamic Summit (Tehran 1997), particularly in its endeavour to help the Islamic Ummah face the challenge of the 21st Century, mandated IDB to increase its trade financing activities in order to support intra-trade among OIC member countries.

7. The financing programme, which commenced operations in 1397H (1977) consists of four schemes or windows namely the Import Trade Financing Operations
Annex IX to OIC/COMCEC-FC/21-05/REP

(ITFO), Export Financing Scheme (EFS), Islamic Banks Portfolio (IBP) and Unit Investment Fund (UIF). The latter two (IBP and UIF) are business windows of the Bank, which also focus on import financing.

8. In addition, IDB also manages an export financing programme, on behalf of the Khartoum-based Arab Bank for the Economic Development in Africa, which is especially dedicated to finance exports of Arab goods to non-Arab League member countries of the African Union.

ACHIEVEMENTS TO DATE

Resources for trade financing and promotion

9. In support of the Resolution on Intra trade of the Tehran Summit, IDB has made available an amount of US$7.14 billion from its ordinary capital resources for financing under ITFO since 1420H. Additional resources of US$1.48 billion have been set aside under EFS. Its breakdown is as follows:

<table>
<thead>
<tr>
<th>YEAR</th>
<th>ITFO</th>
<th>EFS</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1420H</td>
<td>1,000</td>
<td>200</td>
<td>1,200</td>
</tr>
<tr>
<td>1421H</td>
<td>1,030</td>
<td>200</td>
<td>1,230</td>
</tr>
<tr>
<td>1422H</td>
<td>1,060</td>
<td>270</td>
<td>1,330</td>
</tr>
<tr>
<td>1423H</td>
<td>1,200</td>
<td>270</td>
<td>1,470</td>
</tr>
<tr>
<td>1424H</td>
<td>1,356</td>
<td>270</td>
<td>1,626</td>
</tr>
<tr>
<td>1425H</td>
<td>1,492</td>
<td>270</td>
<td>1,762</td>
</tr>
<tr>
<td>TOTAL</td>
<td>7,138</td>
<td>1,480,000</td>
<td>8,618</td>
</tr>
</tbody>
</table>

10. In addition to the above, the Bank has also allocated a total amount of US$3.46 million during the period 1420H to 1425H under its Trade Cooperation and Promotion Programme (TCPP). The fund is used to finance market studies, organizing trade fairs, training, seminars, and technical assistance for capacity building of the Lease Developed Member Countries (LDMCs).

Approval

11. Between 1397H and 1425H, IDB approved an aggregate amount of US$23.02 billion under the four financing schemes (See Attachment 1), with the following breakdown:
   i. ITFO US$ 18.42 billion
   ii. EFS US$ 1.41 billion
   iii. IBP US$ 2.50 billion
   iv. UIF US$ 694 million
12. The net amount approved between 1420H and 1425H was US$7.72 billion. Details are as follows:

<table>
<thead>
<tr>
<th>YEAR</th>
<th>ITFO</th>
<th>EFS</th>
<th>IBP</th>
<th>U1F</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1420H</td>
<td>649.84</td>
<td>69.05</td>
<td>106.56</td>
<td>19.00</td>
<td>844.45</td>
</tr>
<tr>
<td>1421H</td>
<td>986.98</td>
<td>188.22</td>
<td>190.00</td>
<td>95.00</td>
<td>1,460.20</td>
</tr>
<tr>
<td>1422H</td>
<td>1,223.50</td>
<td>178.95</td>
<td>83.00</td>
<td>44.50</td>
<td>1,529.95</td>
</tr>
<tr>
<td>1423H</td>
<td>1,301.00</td>
<td>198.36</td>
<td>260.25</td>
<td>97.00</td>
<td>1,856.61</td>
</tr>
<tr>
<td>1424H</td>
<td>1,649.83</td>
<td>124.80</td>
<td>161.25</td>
<td>91.50</td>
<td>2,027.38</td>
</tr>
<tr>
<td>1425H</td>
<td>1,974.80</td>
<td>270.00</td>
<td>308.00</td>
<td>166.00</td>
<td>2,718.80</td>
</tr>
<tr>
<td>TOTAL</td>
<td>7,785.95</td>
<td>1,029.38</td>
<td>1,109.06</td>
<td>513.00</td>
<td>10,437.39</td>
</tr>
</tbody>
</table>

13. The approved amount in 1425H under the four schemes was US$2.72 billion, which was an increase of 33% over the US$1.96 billion approved in the previous year. The bulk of this approval (US$2.25 billion or 83%) was made under the ITFO and EFS schemes.

Intra trade financing

14. It has been the strategic objective of IDB to improve and enhance the level of intra trade among its member countries from the developing world. By and large, this objective has been met. Of the total ITFO approvals to date, US$18.42 billion or 76% has been dedicated to financing of imports from member countries. As for EFS, all approvals are towards financing of intra exports of member countries. Performance of Intra trade financing under ITFO is shown in Attachment 2.

15. For the period 1420H to 1425H, the amount approved for financing of intra trade under ITFO and EFS was US$5.6 billion or 76% of their combined approval of US$7.4 billion.

Fund Mobilization for trade financing

16. Another initiative undertaken by IDB is in area of fund mobilization. This was introduced in 1420H, in response to the higher business target as a result of increased intra trade mandate of the 1997 Tehran Islamic Summit.

17. The ITFO programme is partly funded from the Bank's capital and in order to overcome the expected resource constraint, mobilization of external funds through the Two Step Murabaha (2SMF) and syndication mechanisms has been adopted as one of the key funding strategies. Leveraging on IDB's position as a multilateral development bank, a total amount of US$1,575 million has been raised through the
two mechanisms since 1420H. In 1425H alone, about US$545 million was approved under Syndications/Two Step Murabaha Financing.

18. It is to be noted that IDB’s endeavour in this field has been possible due to the strong support that it has received from Islamic banks particularly those from the financial centers of member countries.

**Trade promotion activities**

19. IDB also promotes intra trade through its Trade Cooperation and Promotion Programme (TCPP). The thrust of the programme is strengthening of trade relationships, exploring possible trade cooperation and facilitating opportunities for intra trade and export development among member countries. The programme also provides technical assistance for capacity building to the LDMCs.

20. Between 1420H and 1425H, IDB organized eight Seminars/Workshops, twenty one trade fairs, two meetings of the Focal Points and financed eleven studies/training courses [in collaboration with member Governments and organizations such as the Islamic Centre for Development of Trade (ICDT) and the Arab Industrial Development and Mining Organization (AIDMO)] under the programme.

21. Four seminars/workshops/meetings, five trade-fairs, and two training courses/studies were financed in 1425H. (See Attachment 3 for details on TCPP activities during the year.)

**CONCLUSION**

22. IDB has made significant contribution towards financing of trade among member countries as evidenced by the size of approval under the four schemes to date. It has doubled its efforts since 1420H in response to the Resolution on Intra trade of the 1997 Tehran Eighth Islamic Summit. The Bank made more funds available from its own internal resources and raised additional funds from the market through the Two-Step Murabaha and syndication mechanisms for trade financing. Additional funds were also allocated to support activities under its Trade Cooperation and Promotion Programme.

23. The result of these efforts has been very encouraging. The average annual approval for the four financing schemes between 1420H to 1425H was US$1.8 billion, which is significantly higher that the average approval of US$567 million that was achieved between 1397H to 1419H. The approval figure reached at US$1.97 billion in 1425H.

24. The thrust of IDB’s trade financing programme is to support intra trade. Between 1397H and 1425H, about US$13.78 billion or 76% of the total amount of US$18.04 billion approved under ITFO and EFS was used to finance intra trade.
25. The Bank launched a new Five Year Strategic Plan at the beginning of 1426H which aims at increasing the trade portfolio by 20% annually. In an effort to realize this ambitious vision, some key initiatives have been undertaken:

   a) There would be an increase focus on the mobilization of funds from the market through Two-Step Murabaha Financing and Syndications;

   b) The Bank will be developing new trade financing mechanisms such as structured commodity financing in an effort to undertake more private sector oriented business.

26 In another development, IDB is considering the setting-up of an autonomous trade finance entity which will bring together all trade financing windows of the Bank. This new entity will be more commercially oriented and will also be tasked to enhance intra-trade among member countries.

Trade Finance and Promotion Department,
Islamic Development Bank
Attachment 2

Intra-Trade Performance Under ITFO from 1397H-1425H

<table>
<thead>
<tr>
<th>Year (H)</th>
<th>No. of Countries</th>
<th>No. of Operations</th>
<th>Amount* (USD)</th>
<th>Member Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Till 1414</td>
<td>17</td>
<td>709</td>
<td>6,776.2</td>
<td>6,579.3</td>
</tr>
<tr>
<td>1415</td>
<td>8</td>
<td>50</td>
<td>318.8</td>
<td>348.3</td>
</tr>
<tr>
<td>1416</td>
<td>7</td>
<td>44</td>
<td>333.9</td>
<td>330.5</td>
</tr>
<tr>
<td>1417</td>
<td>7</td>
<td>46</td>
<td>357.9</td>
<td>315.4</td>
</tr>
<tr>
<td>1418</td>
<td>8</td>
<td>32</td>
<td>351.9</td>
<td>389.4</td>
</tr>
<tr>
<td>1419</td>
<td>10</td>
<td>31</td>
<td>581.5</td>
<td>321.0</td>
</tr>
<tr>
<td>1420</td>
<td>11</td>
<td>33</td>
<td>478.1</td>
<td>479.8</td>
</tr>
<tr>
<td>1421</td>
<td>11</td>
<td>57</td>
<td>750.7</td>
<td>792.7</td>
</tr>
<tr>
<td>1422</td>
<td>14</td>
<td>58</td>
<td>943.5</td>
<td>945.3</td>
</tr>
<tr>
<td>1423</td>
<td>14</td>
<td>65</td>
<td>810.2</td>
<td>922.0</td>
</tr>
<tr>
<td>1424</td>
<td>16</td>
<td>81</td>
<td>1,101.3</td>
<td>1,132.1</td>
</tr>
<tr>
<td>1425</td>
<td>20</td>
<td>83</td>
<td>1,336.0</td>
<td>1,388.7</td>
</tr>
<tr>
<td>TOTAL</td>
<td>1,289</td>
<td>14,140.2</td>
<td>18,422.9</td>
<td>13,944.5</td>
</tr>
</tbody>
</table>

* Net of Cancellations
ATTACHMENT 3

Activities implemented/committed up to
29 D.Hajjah 1425H (09/02/2005)

**Trade Fair**

- Jeddah International Trade Fair Jeddah-KSA 23-27/05/04.
- MUSIAD International Trade Istanbul - Turkey 16-19/09/04.
- 1\(^{st}\) Transsaharan Fair of Niamey Niamey-Niger. 24-30/09/04
- 10\(^{th}\) International Trade Fair for Islamic countries. **Manama** Bahrain 5-9/02/05.
- 1\(^{st}\) Foodstuff industries Exhibition for OIC Member Countries- Algiers, 17-20/4/2005

**Seminars/Workshop & Meetings**

- Seminar on Export Promotion, experience of Turkey & Malaysia. Rabat-Morocco. 01-02/04.
- 2\(^{nd}\) Conference on Industrial productivity in Arab Countries. Tunis 05-07/10/04.
- 1\(^{st}\) Negotiation of TPS among OIC Members. Antalya- Turkey 2004/2005

- Seminar on Trade & Counter Trade between CIS and Other Member Countries of OIC

**Committed/postponed to be implemented in the first quarter of 1426H**

**Training course & Studies**

- Familiarization with Policies of IDB (Bangladesh-Pakistan)
- Study on Arab Industry integration.(in collaboration with AIDMO-Rabat)
ATTACHMENT 4

SYNDICATION/2SMF FROM 1420HTO 1425H

<table>
<thead>
<tr>
<th>Year</th>
<th>Syndication</th>
<th>2SMF</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1420H</td>
<td>100</td>
<td>109</td>
<td>209</td>
</tr>
<tr>
<td>1421H</td>
<td>0</td>
<td>274</td>
<td>274</td>
</tr>
<tr>
<td>1422H</td>
<td>140</td>
<td>155</td>
<td>295</td>
</tr>
<tr>
<td>1423H</td>
<td>50</td>
<td>170</td>
<td>220</td>
</tr>
<tr>
<td>1424H</td>
<td>364</td>
<td>63</td>
<td>427</td>
</tr>
<tr>
<td>1425H</td>
<td>397</td>
<td>100</td>
<td>497</td>
</tr>
<tr>
<td>Total:</td>
<td>1,051</td>
<td>871</td>
<td>1,922</td>
</tr>
</tbody>
</table>
REPORT BY ICDT
ON THE EXPANSION
OF INTRA-OIC TRADE

Twenty First Meeting of the
Follow-up Committee of the COMCEC

(Istanbul, 10-12 May 2005)
ABSTRACT ON
TRADE AMONG THE OIC MEMBER STATES

GENERAL TRENDS

This abstract takes stock of the general trends of the world trade from 2002 to 2003 and 2004, as well as of the prospects of 2005 in the first part, and analyses in the second part the state of inter-Islamic trade, either at the level of regions or within the regional groupings of the OIC Member States. It also studies the evolution of intra-OIC trade per product and per service and per country between 2001 and 2003.

1/ MAIN TRENDS OF THE FOREIGN TRADE OF THE OIC MEMBER STATES:

1. COMMODITY TRADE:

In 2003, commodity trade increased by 16% reaching 7.3 trillion US dollars due to the variation of prices in dollars and traded products (mineral fuels, agricultural and manufactured products) in the international market.

The growth of trade rose in 2003, mainly thanks to the increase of demand in the United States in 2003 and in East Asia. The improvement by 4.5% of real exports of goods on an annual basis does not reflect the strong expansion recorded during this year. Even though foreign direct investments diminished at world level, the capital flows to emerging economies enhanced in 2003.

In 2003, production increased in the manufacturing and mining sectors and the high growth of agricultural products carried on. Commodity trade has once more increased more quickly than production.

The evolution of the world imbalances are essentially resulting from the difference between the dissaving in the United States and the importance of saving in Eastern Asia, such a situation has not changed in 2003. The dollar's depreciation has not so far succeeded to stop the increase in the current deficit in the United States. The recent increase in oil prices has worsened their trade deficit.

The high level of commodities' prices, in particular of fuels has contributed to a large extent to the enhancement of the goods exports of the Middle East and Africa as well as those of transition oil exporting countries.

Contrarily to the previous trends, the prices of agricultural and mining products have increased more rapidly than those of manufactured products.

In 2003, the value of commodities world exports increased more rapidly than those of the exports of business services. The increase in commodities' prices has boosted the value of commodity trade, while the conflict in the Middle East, the security concerns in North America and the spreading of the SRAS epidemics in East Asia had negative effects on travel expenditures and as a result they hampered the growth of trade in services.
Changes in comparison with the previous trends were noticed in the products structure of the world commodity trade in 2003 and during the 2000-2003 period. Such changes were characterised by two significant aspects:

- Firstly, after the advent of the information technologies, the world trade in office and telecommunication equipment has not followed the global growth pace of commodity trade, while it was the most dynamic category in the world exports in the whole 90’s. In 2003, it was the only group of products that did not catch up with or exceeded its previous record of 2000.

- Secondly, the growth of chemicals exports started its upward tendency after 2000 in comparison with the overall growth of commodity trade, as a result of a very high increase in demand for pharmaceuticals.

Among the main features of the world commodity trade per region, three trends were noticed in 2003:

- Firstly, the continuous increase of the trade deficit of the United States has allowed supporting production in other areas, even though this deficit was cause of concern, because it keeps on worsening in comparison with the GDP of the United States (3%) and in comparison with the world trade (55% of the total trade in goods and services). A sudden reduction of this deficit resulting from a reduction in imports could have important effects worldwide, in so much as, in the six areas, North America excluded, the trade balance showed a surplus in 2003. In Asia, particularly, in Eastern Asia, such a surplus has allowed to stock up foreign currency reserves (60 billion US dollars in China).

- Secondly, the ascendancy of China as a big exporting and importing country has attracted the attention of several businessmen. The high increase in China of demand for oil and other commodities such as copper and soya has chiefly contributed to the rise in prices. The increasing purchases of capital goods, semi-manufactured goods and machinery parts by China have backed up production and exports in several economies of Eastern Asia. China has supplanted Japan, first Asian market for Asian and EU exporters as well. Even though China's imports have increased more rapidly than exports in 2003, this country has all the same recorded an important trade deficit.

- Thirdly, as China is on the way of becoming one of the main trading nations, the regional trade flows have deeply changed in view of the new labour division in Asia. Several Japanese producers as well as those of other high income countries do not export directly their finished products to North America or to Western Europe, but they send their high value added components to China for assembly and send their finished products to western markets, from China and through their subsidiary companies. These high income countries have also delocalised in China a large part of their high labour intensive industries, such as clothing. In view of such delocalisation, the share of Asia in commodity imports from the United States and the EU has not changed during the 1990-2003 period, because the increasing supplies from China have replaced the decreasing supplies from other Asian suppliers.
2. TRADE IN SERVICES:

The exports of trade in services were estimated at 1,800 billion US dollars in 2003, i.e. a 13% increase in comparison with 2002. Thus, Western Europe and the transition economies recorded an annual increase in their trade in services, respectively by 16 and 21%, while in Asia and Latin America this growth reached about 6%.

Trade in services in Western Europe and in the transition economies was particularly boosted by the strength of the region's currencies compared to the dollar. In the whole regions, the lowest exports growth was recorded in North America and in Latin America respectively with 4% and 3%. The partial data for Africa show a rise in the exports and imports of trade in services in 2003.

In spite of the prevailing tensions in the Middle East, it has been noted that the exports and imports of trade in services have shown recovery after a decrease in 2002.

In Asia, the growth of trade in services was low in comparison with the previous year.

North America and Western Europe are the only net services exporters at world level. As the surplus of North America has decreased and that of Western Europe has increased, the two regions showed a surplus of about 55 billion dollars in 2003. After more than a decade, the share of Western Europe has once again exceeded half of the exports of trade in services.

The travel services have still suffered in view of the worsening of the security problems, (the most affected zones were the Middle East and the United States) and the threat of the SRAS, especially in Eastern Asia. Even though part of tourist flows was diverted to other regions, the world receipts yielded by travel services dropped again in 2003. The share of these services in the total amount of trade in services has therefore kept on reducing and reached 29% in 2003.

The outstanding growth of the world exports of services recorded in 2003 is mainly attributable to Western Europe. Yet, in trade in services the price of the volume is not usually deducted. It is therefore, very difficult to deduct the monetary variations. The growth recorded in Europe in 2003 results to a large extent from the appreciation of the EURO and to a lesser degree to that of other currencies of Eastern Europe in comparison with the US dollar. Accordingly, in terms of price-adjusted rate of exchange, Eastern Europe, is supposed to have recorded a slight decrease in the services exports in 2004 in comparison with 2003.

In 2003 and 2004, Asia has exceeded the rest of the world as far as the growth of services exports is concerned, thanks especially to the fact that it has become a chief destination for the subcontracting of North American and British services and that it attracts more tourists.

3. WORLD ECONOMY IN 2004:

The world growth experienced a high increase in 2004; with a growth rate of the GDP by 4%. The present economic boom of China was an essential factor, as well the intensification of activity in Japan and the United States.
The economic recovery was slower in high income countries; it accordingly contributed to a less important increase in the rates of growth in this area.

Besides, a strong demand for imports due to the frantic pace of Chinese expansion and to the fact that the domestic demand of the United States has always a tendency to exceed by far production has contributed to an outstanding increase by 10.2% of the trade volume at world level.

A number of big developing countries have recorded a more sustained growth, particularly China (8.8%), Russia (8.0%) and India (6%). Their performance has contributed to raising the whole developing countries to a growth rate of 6% in 2004.

The world trade has experienced an impressive expansion in 2004, enhancing by 10.3%. The integration of China in the world markets has continued coupled with increasing imports and exports by about 30%.

- Commodity trade:

A net slow down in the sector of advanced technology has particularly undermined Eastern Asia and the Pacific where this product category accounts for up to the two thirds of the exports of some countries.

On the whole, the prices of energy have increased by about 30% in 2004. The prices of metals and minerals have for their part progressed by 3.7% and so far they have not shown any sign of slackening.

On the other hand, the prices of most of agricultural products recorded afterwards a rise by 10.5% on an annual basis.

In 2004, the world mining industry benefited from a stronger and more synchronised economic growth at world level. Furthermore, it has kept on benefiting from the strength of the Chinese economy.

The annual prices of base metals (copper, nickel and zinc) have increased in a perceptible manner. For a third consecutive year, the gold prices have shown a very significant growth. The iron ore, which was boosted by the strong growth of the world production of steel and by the imports of ores from China, has also experienced considerable prices increases.

- Trade in Services:

The strong economic growth in 2004 gave impetus to the world exports of trade in services, increasing it by 16%, i.e. a value of 1,900 US billion dollars.

On the whole, the prospects of the world trade in 2004 have improved since the beginning of the year. It is very likely that the high increase in oil will have repercussions on production and trade, but during the ongoing year, this evolution is to a large extent compensated by a more vigorous recovery than it was forecasted in Japan and in some big West European countries. It is therefore, expected that the strong growth of trade noted in the first semester will give a sufficiently strong impetus that would raise the average growth to 8.5% in 2004.
Like, the sustained world economic expansion, services are showing a strong growth in most of the sub sectors. In view of the diversity in a similar way of the economic activities covered by services, it is difficult to make general forecasts. Yet, some trends are noted in three main sub sectors of trade in services, namely, trade in services, transports and travels (tourism).

The most important are financial services (banks, insurances,) whose performance was very high in 2004; advanced technologies have shown for the first time in four years a world growth; and other sectors such as the intellectual property rights, the radio broadcasting and cultural exports, which have also recovered thanks to the economic revival.

The data of the World Tourism Organisation (WTO) show that after a growth of less than 1%, the world tourism increased by 12% between January and August 2004 in comparison with the same period in 2003. The WTO estimates that on this basis, a growth by 10% over the whole year is very probable. Almost half of the growth recorded concerns Asia-Pacific, Europe holding the second position, thanks to its widest base. The remaining growth will concern the Americas, the Middle East and Africa. In volume, the tourist arrivals are expected to end in 2004 by a growth of 9%, going up thus to 780 million.

Demand for transportation of cargo by air and passengers has perceptibly increased in 2004. According to the figures of the International Air Transport Association (IATA), in October 2004, passengers traffic increased by 10.8%, while cargo traffic increased by 12.4%. Air cargo accounts for about 42% of the world trade in value, but only for 2% in volume. Therefore, air cargo gives a good idea about overall demand for transport.

4. FORECASTS FOR THE YEAR 2005:

After a good impetus in 2004, the world economic activity comes back to a more normal pace and its growth is expected to reach 3.9% in 2005 compared to about 4% in 2004. Asia, Japan excluded is expected to continue to lead the economic growth in 2005, with a regional growth estimated at 6.5%, against about 7.2% in 2004. International trade and national consumption both explain the development of the area. The Asian economic activity will to a large extent, continue to concentrate on the highly expanding Chinese market.

After a growth lower than 2%, the main European countries will continue to be lagging behind in comparison with other big economies. Central Europe and Russia became two key growth poles in 2004 and will continue to be as such in 2005, thanks to important investment expenditures associated to the accession to the EU of 10 countries (Baltic States, Poland, Czech Republic, Hungary, Slovenia, Malta and Cyprus), of which a part will be made at the expense of expenditures in the major European countries. The region as a whole is expected to show a growth ranging from about 4.5% to 5% in 2005. After several difficult years, the major part of Latin America satisfactorily recovered in 2004 and improvements will very likely continue in 2005. On the whole, the region is expected to record an economic growth by about 4% in 2005, in comparison with 5.6% last year.

In the Middle East area and in North Africa, growth will be sustained but well below the record levels shown in 2003, which were generated by very high increases in oil production.

All the countries, but especially, those of the Maghreb are expected to profit by the recovery of export demand from Western Europe, but demand for consumption, which reflects the
continuous high level of oil receipts, will remain the main factor of growth for the whole area.

Sub Saharan Africa will also profit by recovery in Europe, its main trading partner, but several oil importing countries of the continent will remain vulnerable in view of the high oil prices. In spite of a perceptible improvement in the performances of this continent, growth in the area will continue to be lower in quite large proportions than that of the rest of the world, which implies more income gaps.

According to forecasts, the world exports of services will record a growth by 6% in 2005 and reaching thus the value of 2 trillion US dollars.

The world economic recovery and the emergence of Asia as Economic pole give impetus to trade in services. The services exports growth is general in the main three sub-sectors of tourism, transports and trade in services.

The world technological progress, especially in information and telecommunications technology (ITT) are at the core of the deep changes of trade in services. Such development explains the increase of subcontracting and delocalisation.

11/ EVOLUTION OF THE OIC MEMBER STATES' TRADE:

The Member States of the Organisation of the Islamic Conference accounted for a GDP in 2003 of about 4.5% of the world GDP against 3.1 % in 2002.

The average growth rate of the real GDP of the OIC member States in 2003 accounted for 5.3% against 4.6% in 2002, but which varies according to each Member State. The evolution of oil price control partly depends on the capacity of the OPEC to impose a discipline taking into account the new geopolitical order.

The OIC Member States totalled in 2003 a GDP that represented more than 4.5% of the world GDP; the total exports of the OIC Member States reached 609.2 billion US dollars, accounting for 8.4% of the world exports, i.e. an increase by 7.7% in comparison with 2002 and the imports were estimated at 530.2 billion US dollars, i.e. 7% of world imports accounting for an increase by 4.6% in comparison with 2002. This increase in the share of the foreign trade of Member States in the world trade shows a strengthening in the trade position of Member States in the sphere of markets globalisation. The increase in fuels prices partly explains the increase of this share between 2002 and 2003.

1. COMMODITY TRADE:

The growth of foreign trade is closely linked to the world prices of fuels and metals, and also to primary agricultural products, which account for the major share of the foreign trade of the OIC Member States.

The exports value of the OIC Member States between 2001 and 2003 recorded a perceptible growth by 22.3% going up from 498.2 billion US dollars in 2001 to 609 billion US dollars in 2003. This upward tendency results from the growth of the total exports of the following countries between 2001 and 2003: Malaysia (16767 million US dollars whose world total exports increased by 19% between 2001 and 2003), Turkey (15913 million US dollars whose world exports increased by 19% between 2001 and 2003, Saudi Arabia (15766 million US
dollars whose world exports increased by 22.4% between 2001 and 2003, the United Arab Emirates (9504 million US dollars, whose world exports increased by 23.7% between 2001 and 2003), Kazakhstan (4280 million US dollars whose world exports increased by 49.5% between 2001 and 2003), Egypt (4161 million US dollars whose world exports increased by 100% between 2001 and 2003); Libya (4039 million US dollars whose world exports increased by 41.4% between 2001 and 2003) and Nigeria (3457 million US dollars whose world exports increased by 16.8% between 2001 and 2003).

Imports followed the same trend according to the country, recording an increase by about 23.4% going up from 429.6 billion US dollars in 2001 to 530.2 billion US dollars in 2003 thanks to an increase in the world imports in the following Member States: Turkey (28059 million US dollars whose world imports increased by 67.8% between 2001 and 2003), Saudi Arabia (14007 million US dollars whose world imports increased by 35.5% between 2001 and 2003), the United Arab Emirates (12669 million US dollars whose world imports rose by 29.5% between 2001 and 2003, Iran (12518 million US dollars whose world imports increased by 71% between 12% between 2001 and 2003), Egypt (6718 million US dollars whose world imports went up from 68.5% between 2001 and 2003, Kuwait (3397.6 million US dollars) whose world imports increased by 43.2 between 2001 and 2003), Nigeria (3367 million US dollars whose world imports increased by 29.3% between 2001 and 2003) and Kazakhstan (2046 million US dollars whose world imports increased by 32.2% between 2001 and 2003).

1.1 The geographical distribution of the global commodity trade:

The distribution of the OIC Member States' world trade in 2003 was as follows:

Exports: Asian countries accounted for 39.8% of the Member States world exports; followed by the GCC countries with 31.1%, Middle East countries with 13%, the AMU countries with 8.9% and finally sub-Saharan Africa with 7.1% of the world exports of the OIC Members States.

Imports: the same tendency rules Imports: Asian countries imports represented 35.7% of world imports of Member States, followed by the GCC and the Middle East States with respectively 25.8% and 22.7% for each region. AMU countries are in the fourth position with 8.3%, and finally, sub-Saharan Africa with 7.5% of the world imports of Members States.

1.2. Product structure of the global commodity trade:

Data compiling on the foreign trade of some OIC countries, which have kindly answered the questionnaire of ICDT and the databases from COMTRADE, ITC and the UNCTAD and Internet sites have enabled us to broaden our sample that covers this year 50 countries out of the 57 OIC Member States and this will allow us to give quite accurate statistics close to the product structure of trade among the OIC Member States. Thus, we can make the following conclusions:

Exports:

- An increase by more than 37% in the exports share of miscellaneous manufactured products, which went up from 20.4% in 2002 to 27.9% in 2003. This increase results
from a rise in the exports of these products of the following countries: Turkey, Indonesia, Pakistan, Malaysia, Bangladesh and Tunisia.

- An increase by 30.8% in the exports share of food products, which went up from 6.13% in 2002 to 8.2% in 2003 following an increase in the exports of Malaysia, Turkey, Indonesia, Morocco and Cote d'Ivoire;

- Decrease by 31.8% in the OIC exports share of non edible raw materials, which declined from 5.6% in 2002 to 3.45% in 2003, following a reduction in their international prices during this period;

- Drop in the exports share of fuels by 15%, which went down from 47.9% in 2002 to 40.73% in 2003 following the breaking down of the prices of fuels and cartels imposed by the OPEC countries;

- Reduction in the exports share of transport machinery and equipment between 2002 and 2003, which went down from 20.5% in 2002 to 19.86% in 2003.

Imports:

- An increase in the OIC imports share of food products by more than 12.6%, which went up from 9.5% in 2002 to 10.7% in 2003; upon an increase in the OIC imports of these products; these are Saudi Arabia, Malaysia, Indonesia, Egypt, and Nigeria.

- An increase by 10.3% in the OIC import share of miscellaneous manufactured goods, which went up from 32% in 2002 to 35.3% in 2003. Upon an increase in the OIC imports of these products in some countries such as Turkey, Malaysia, Iran, Indonesia and Saudi Arabia.

- An increase by 6.8% in the OIC fuels imports share, which went up from 10.3% in 2002 to 11% in 2003 due to the growth of oil imports in Turkey, Indonesia, Malaysia, Pakistan and Morocco but also owing to the rise of the energy invoice due to an increase in international prices of fuels during this period;

- A decline by 36.7% in the OIC import share of the other raw materials, which decreased from 7% in 2002 to 4.43% in 2003 due to a drop in the prices of these products, in view of their market value in international markets. The main importing countries are: Malaysia, Turkey, Saudi Arabia, Iran and Indonesia.

- Drop by 6.4% in the imports share of the OIC countries of transport machinery and equipment, which declined from 41.2% in 2002 to 38.6% in 2003; whose the main importers are the following countries: Malaysia, Turkey, Saudi Arabia, Iran and Indonesia.

2. TRADE IN SERVICES:

In 2003, the total services exports of the OIC Member States reached 83 billion US dollars, i.e. an increase by 9% in comparison with 2002. These exports represent 4.6% of the world services exports. Besides, imports amount to 115 billion US dollars, i.e. a rise by 8.2% in comparison with 2002 and the global deficit reached 32 billion US dollars. The services imports of the OIC Members States accounted for 6.4% of the world services imports in 2003.
Exports: Among the main OIC Member States, services exporters, we may quote Turkey totalling 19.08 billion US dollars, i.e. 23% of Member States' total exports, Malaysia 13.5 billion US dollars, i.e. 16.36% of Member States' total exports, those of the other countries Egypt 11.07 billion US dollars, i.e. 13.34% of Member States' total exports, Indonesia 3.5 billion US dollars, i.e. 7.45% of Member States' total exports, Morocco 5.47 billion US dollars, i.e. 6.60% of Member States' total exports, Saudi Arabia 5.34 billion US dollars, i.e. 6.44% of Member States' total exports, Indonesia 5.29 billion US dollars, i.e. 6.38% of Member States' total exports and Tunisia with 2.93 billion US dollars, i.e. 3.54% of Member States' exports. These eight countries totalled 79.24% of total services exports of Member States in 2003.

Imports: The main services importers are: Saudi Arabia, which totalled 20.79 billion US dollars of services imports, i.e. 17.95% of Member States' total imports, Malaysia, 17.53 billion US dollars, i.e. 15.13% of Member States' total imports, Indonesia 17.4 billion US dollars, i.e. 15.02% of Member States' total imports, Turkey, 8.58 billion US dollars, i.e. 7.41%, Kuwait with 6.55 billion US dollars, i.e.5.66 billion US dollars Egypt 6.47 billion US dollars, i.e. 5.59%, Kazakhstan, 4.06 billion US dollars, i.e. 3.51% and Nigeria 3.47 billion US dollars, i.e. 3%. These eight countries have accounted for 73.26% of total Member States' imports in 2003.

2.1. The geographical distribution of services exports of the OIC Member States in 2003:

Exports: The geographical distribution of services exports of the OIC Member States is generally concentrated in the Middle East and Asia.

The geographical distribution is as follows:

> The first services exporting region is the Middle East, accounting for 41.26% of total services supply of the OIC Member States, i.e. 34.24 billion US dollars;
> The second exporting region is Asia, with 33.17% of the total services supply of the OIC Member States, i.e. 27.53 billion US dollars;
> The third exporting region is the GCC, with 10.83% of the total services supply of the OIC Member States, i.e. 9 billion US dollars;
> The Maghreb with 10.25% of the OIC Member States' total exports of services, i.e. 8.5 billion US dollars;
> And finally Sub Saharan Africa holds the fifth position with 4.73% of total services supply of OIC Member States, i.e. 3.92 billion US dollars.

Imports: The geographical distribution of services imports of the OIC Member States is generally concentrated in Asia and the Gulf Cooperation Council.

The geographical distribution is as follows:

> The first services exporter area is Asia, which imported 49.8 billion US dollars, i.e. 42.98% of Member States' imports;
> The second importing area is the GCC, which imported 30.28 billion US dollars, i.e.26.14% of Member States' imports;
> The third importing area is the Middle East, which imported 20.5 billion US dollars, i.e. 17.70% of Member States' imports;
> Sub Saharan Africa holds the fourth position accounting for 9.65 billion US dollars, i.e. 8.33% of Member States' imports;
And finally, the Maghreb with 5.61 billion US dollars, i.e. 4.85% of Member States' imports.

2.2. Product structure of trade in services:

On the basis of the breakdown of the services balance of the OIC Member States in 2003, we can make the following observations:

Exports: tourism holds a privileged position in the total services exports of Member States, with a 37.61% share, i.e. 39.61 billion US dollars. The second most important position in services exports is held by private transfers, which account for 24.26% of services total exports, i.e. 25.18 billion US dollars. The third position is held by the transport sector with 16.18% of the OIC Member States' total exports accounting for 16.76 US billion dollars.

Imports: except for "other services", we notice that the transport sector accounts for an important share, with 28.74% of the total services imports of Members States, i.e. 35.27 billion US dollars, followed by the private transfers with 20.79% of the total services imports of Member States, corresponding to 25.52 billion US dollars, and the third position is held by travels with 16.64% of Member States total services imports, i.e.20.42 billion US dollars.

III/ THE MAIN TRENDS OF INTRA-OIC TRADE EVOLUTION IN 2003:

The new countries included in our sample (50 OIC Countries out of 57 Member States), the increase in fuel and metal prices, the fall in some commodities’ prices, fuels excluded, combined with the fluctuations of the exchange rates in 2003 between the main currencies, which account for the major part of trade flows, namely the dollar, the EURO and the YEN, were determinant factors; which had a great impact on the evolution of intra-OIC trade in 2003.

Intra-OIC trade (intra-OIC exports+intra-OIC imports) recorded an increase in 2003 by 33% going up from 113 billion US dollars in 2001 to 151 billion US dollars in 2003. Besides, a noticeable increase has also been noted in the share of intra-OIC imports in global imports increasing from 12.8% in 2001 to 13.5% in 2003, i.e. an increase by 5.4%.

The share of intra-OIC trade in the overall trade of the OIC Member States has recorded a positive evolution by 15% rising from 10.60% in 2001 to 12.19% in 2003. On the other hand, we have noted a slight increase in the share of intra-OIC imports share in overall imports by 2.56% going up from 14.08% in 2001 to 14.44% in 2003.

The value of intra-OIC exports has recorded an upward trend; in so much as they went up from 52.8 billion US dollars in 2001 to 74.2 billion US dollars in 2003, i.e. an increase by 40.58%, while intra-OIC imports increased from 60.5 billion US dollars in 2001 to 76.6 billion US dollars in 2003, i.e. a 26.6% rise.

3.1/ Product structure of intra-OIC Trade:

According to available data, intra-OIC trade structure shows that primary products accounted for more than 50% in 2003.

- Intra-OIC exports structure:

The exports of intra-OIC are mainly composed of 53.8% of primary products, i.e. 40 billion US dollars in 2003 against 62.02% in 2002, in view of a decrease in the fuels share in intra-OIC fuels exports by 12.5% for the benefit of manufactured goods exports, which account
for the remainder of intra-OIC exports with a value of 34.3 billion dollars in 2003, whose growth rate rose between 2002 and 2003.

Intra-OIC exports trends are as follows:

- Increase by 31.4% in intra-OIC exports share of miscellaneous manufactured goods, which went up from 19.68% in 2002 to 25.85% in 2003. This increase can be explained by the increase in the exports of these products in Turkey, Indonesia, Pakistan, Malaysia, Iran and in the United Arab Emirates;
- Increase by 12.6% in the intra-OIC export share of transport machinery and equipment between 2002 and 2003, which went up from 9.7% in 2002 to 10.9% in 2003 thanks to intra-OIC exports of the following countries: Malaysia, Indonesia, Oman, Turkey and Saudi Arabia;
- Increase in the intra-OIC exports of chemicals by 9.3%, which went up from 8.6% in 2002 to 9.4% in 2003 due to an increase in intra-OIC exports of Kuwait, Saudi Arabia, Malaysia, Iran and Indonesia;
- Drop in intra-OIC export share of non-edible raw materials by 40.5% decreasing from 6.7% in 2002 to 3.9% in 2003, upon a drop in their prices in international market;
- Fall by 12.5% in the intra-OIC exports share of fuels, which went down from 39.9% in 2002 to 34.9% in 2003;
- Reduction by 3.4% in intra-OIC export share of food products, which fell from 15.5% in 2002 to 15% in 2003; upon a decrease in their international prices during this period.

- Intra-OIC imports structure:

Intra-OIC imports were essentially composed of primary products that represented 51.2% of intra-OIC total imports in 2003, (i.e. 39.3 billion US dollars) compared to 58% in 2001, i.e. a decrease caused by a reduction in intra-OIC imports share of fuels by 16.5% following an increase in their prices in international markets. Yet, intra-OIC imports of manufactured goods rose by about 31.6% on an average so as to back up domestic industries reaching a value of 37.4 billion US dollars in 2003.

The same trend can be noticed at the level of intra-OIC imports by an:

- Increase by 31.6% in intra-OIC imports share of miscellaneous manufactured goods, which went up from 19.71% in 2002 to 25.93% in 2003. This increase may be explained by an increase in the imports of these products of the United Arab Emirates, Saudi Arabia, Iran, Turkey and Bahrain;
- Increase by 7% in intra-OIC imports share of food products, which rose from 15.05% in 2002 to 16.1% in 2003; owing to an increase in Intra-OIC imports of the following countries: The United Arab Emirates, Saudi Arabia, Bahrain, Pakistan and Malaysia;
- Rise in intra-OIC imports share of chemicals by 3.7%, which increased from 10.5% in 2002 to 10.89% in 2003 due an increase in demand for these products in Iran, Pakistan, Kuwait, Indonesia and in Saudi Arabia;
- Increase in intra-OIC import share of transport machinery and equipment by 29% going up from 17% in 2002 to 11.9% in 2003 following the imports growth of spare parts of the engineering industry of Iran, Malaysia, the United Arab Emirates, Pakistan and Saudi Arabia.
- Decrease by 28% in intra-OIC import share of non-edible raw materials which rose from 6.9% in 2002 to 4.9% in 2003 in view of a drop in their market value and for lack of complementarity in intra-OIC imports;
Annex X to OIC/COMCEC-FC/21-05/REP

> Drop by 16.5% in the intra-OIC imports share of fuels, which went up from 36.2% in 2002 to 30.3% in 2003 due to the volatility of their international prices and to the interest of exporting countries to establish trade links with industrialised countries.

3.2/ Geographical distribution of intra-OIC trade:

Ten OIC Member States accounted for 70.5% of intra-OIC exports and for 63.4% of intra-OIC imports. These are by order of importance: Saudi Arabia, the United Arab Emirates, Turkey, Malaysia Indonesia, Iran, Pakistan, Oman, Kuwait and Egypt.

> The share of these ten countries in intra-OIC exports was estimated at 70.5% in 2003 against 72% in 2002; i.e. a slight decrease. The exports value of this country group reached more than 52.3 billion US dollars in 2003.

> The share of these ten countries in intra-OIC imports switched from 62% in 2002 to 63.4% in 2003, corresponding to a 2.3% increase. Besides, the imports value of this country group was estimated at 48.6 billion Dollars in 2003.

INTRA-REGIONAL TRADE:

The intra-regional trade value increased from 30.4 US billion dollars in 2003 against 24.6 US billion dollars in 2001, i.e. a 19% rise caused by the growth of intra-regional trade of Asian countries (8.8%), and those of the Middle East by 7.2% during this period. On the other hand, the share of intra-regional trade in total intra-OIC trade recorded a decline by about -12% falling from 46.64% in 2001 to 41% in 2003 for the same consecutive year, giving rise to a stagnation of intra-regional trade between 2001, 2002 and 2003 confirming thus that the OIC countries prefer to conquer new markets outside their respective areas.

This reduction can be explained by the fact that countries carry out more trade transactions with the OIC countries, not belonging to their sub regional groupings. The areas; which enhanced this drop in intra-regional trade are: the GCC countries with -29%, Sub Sahara African countries and the Maghreb with -9.2% each and Asian countries with -7.2% between 2001 and 2003.

INTER-REGIONAL TRADE:

At the level of trade between the OIC regions, a perceptible increase can be noted by more than 50% between, i.e. 51.4% going up from 28 billion US dollars in 2001 to 43.8 billion US dollars in 2003. This growth was strengthened by inter-regional trade of the GCC (+20.5%), Asia (+13.3%), and of the Middle East (+10.%).

Consequently, it should be noted that the share of intra-regional trade in total intra-OIC trade showed a perceptible increase by 10.6% going up from 53.36% in 2001 to 59.02% in 2003, showing that the OIC regions carry out their trade more with the other regions of the OIC than within their own regional grouping, it is the case of Sub Sahara African countries (+22%), the Maghreb (13.4%), the GCC (12%) and the Middle East (10.2%).
Annex X to OIC/COMCEC-FC/21-05/REP

INTER-ISLAMIC TRADE STRUCTURE
AND MAIN TRADING PARTNERS IN 2003

<table>
<thead>
<tr>
<th>Country of Origin</th>
<th>Exports to Islamic Countries in 2003 in %</th>
<th>Main Countries of Destination</th>
<th>Share in total intra-OIC exports of the country in % in 2003</th>
<th>Main Exported Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Afghanistan</td>
<td>21.65</td>
<td>Pakistan</td>
<td>61.93</td>
<td>- Inedible materials</td>
</tr>
<tr>
<td>Albania</td>
<td>1.04</td>
<td>Turkey</td>
<td>79.74</td>
<td>- Textiles</td>
</tr>
<tr>
<td>Algeria</td>
<td>8.31</td>
<td>Turkey</td>
<td>55.71</td>
<td>- Mineral fuels &amp; lubricants (oil, gas)</td>
</tr>
<tr>
<td>Bahrain</td>
<td>8.83</td>
<td>Saudi Arabia</td>
<td>21.25</td>
<td>- Manufactured goods, Mineral fuels &amp; lubricants</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>3.79</td>
<td>Pakistan</td>
<td>18.07</td>
<td>- Manufactured goods (jute articles, Textiles) and Food products</td>
</tr>
<tr>
<td>Benin</td>
<td>27.19</td>
<td>Niger Indonesia</td>
<td>6.02</td>
<td>- Cotton and Food products.</td>
</tr>
<tr>
<td>Brunei Darussalam</td>
<td>6.3</td>
<td>Malaysia</td>
<td>58.54</td>
<td>- Mineral fuels and lubricants.</td>
</tr>
<tr>
<td>Burkina Faso</td>
<td>17.16</td>
<td>Niger Bangladesh</td>
<td>22.68</td>
<td>- Cotton, leather articles and Textiles.</td>
</tr>
<tr>
<td>Cameroon</td>
<td>9.35</td>
<td>Chad</td>
<td>21.77</td>
<td>- Minerals fuels and lubricants, Cocoa, coffee and cotton.</td>
</tr>
<tr>
<td>Chad</td>
<td>6.97</td>
<td>Morocco</td>
<td>65.42</td>
<td>- Inedible raw materials.</td>
</tr>
<tr>
<td>Comoros</td>
<td>0.32</td>
<td>Nigeria</td>
<td>40.00</td>
<td>- Spices.</td>
</tr>
<tr>
<td>Côte d'Ivoire</td>
<td>20.37</td>
<td>Togo</td>
<td>14.7</td>
<td>- Coffee, Minerals fuels and lubricants, fruit and walnuts</td>
</tr>
<tr>
<td>Djibouti</td>
<td>89.2</td>
<td>Somalia</td>
<td>71.27</td>
<td>- Food products and live animals.</td>
</tr>
<tr>
<td>Egypt</td>
<td>15.76</td>
<td>Turkey</td>
<td>13.15</td>
<td>- Minerals fuels and lubricants, cotton, cement and aluminium</td>
</tr>
<tr>
<td>Gabon</td>
<td>1.95</td>
<td>Morocco</td>
<td>36.09</td>
<td>- Mineral fuels and lubricants and wood.</td>
</tr>
<tr>
<td>Gambia</td>
<td>15.53</td>
<td>Malaysia</td>
<td>37.71</td>
<td>- Oil seeds and detergent products</td>
</tr>
<tr>
<td>Guinea</td>
<td>8.19</td>
<td>Cameroon</td>
<td>36.33</td>
<td>- Chemicals, coffee, iron and steel.</td>
</tr>
<tr>
<td>Guinea Bissau</td>
<td>13.2</td>
<td>Nigeria</td>
<td>89.47</td>
<td>- Manufactured goods and non edible raw materials</td>
</tr>
<tr>
<td>Guyana</td>
<td>0.91</td>
<td>Surinam</td>
<td>76.06</td>
<td>- Wood articles, confectionery products, car accessories</td>
</tr>
<tr>
<td>Indonesia</td>
<td>9.36</td>
<td>Malaysia</td>
<td>41.39</td>
<td>- Edible oil, electric equipment</td>
</tr>
<tr>
<td></td>
<td></td>
<td>UAE</td>
<td>13.31</td>
<td>- Stationery</td>
</tr>
<tr>
<td>Iran</td>
<td>10.22</td>
<td>Turkey</td>
<td>53.24</td>
<td>- Fruit, Minerals fuels, lubricants and carpet.</td>
</tr>
<tr>
<td>Iraq</td>
<td>15.02</td>
<td>Jordan</td>
<td>35.93</td>
<td>- Minerals fuels, lubricants and cereals</td>
</tr>
<tr>
<td>Jordan</td>
<td>43.85</td>
<td>Iraq</td>
<td>40.16</td>
<td>- Pharmaceuticals, apparatus and equipment for textiles industry, salt sulphur, precious stones.</td>
</tr>
<tr>
<td>Kazakhstan</td>
<td>10.98</td>
<td>UAE</td>
<td>28.94</td>
<td>- Mineral fuels, lubricants, iron and steel, cereals, gold.</td>
</tr>
<tr>
<td>Kyrgyzstan</td>
<td>44.88</td>
<td>UAE</td>
<td>55.28</td>
<td>- Precious stones, mineral fuels and lubricants, electric and electronic equipment</td>
</tr>
<tr>
<td>Kuwait</td>
<td>11.29</td>
<td>Pakistan</td>
<td>34.00</td>
<td>- Minerals fuels and lubricants</td>
</tr>
<tr>
<td>Lebanon</td>
<td>53.00</td>
<td>UAE</td>
<td>18.78</td>
<td>- Electronic equipment and electric equipment, precious stones and machinery</td>
</tr>
</tbody>
</table>

121
<table>
<thead>
<tr>
<th>Country of Origin</th>
<th>Exports to Islamic Countries in 2003 in %</th>
<th>Main Countries of Destination</th>
<th>Share in total intra-OIC exports of the country in % in 2003</th>
<th>Main Exported Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Libya</td>
<td>11.74</td>
<td>Turkey</td>
<td>60.15 (Tunisia)</td>
<td>Minerals fuels and lubricants</td>
</tr>
<tr>
<td>Malaysia</td>
<td>6.88</td>
<td>Indonesia</td>
<td>29.49 (U.A.E)</td>
<td>Edible oil, palm oil, car spare parts, and electric and electronic equipment.</td>
</tr>
<tr>
<td>Maldives</td>
<td>5.20</td>
<td>Indonesia</td>
<td>82.05 (Malaysia)</td>
<td>Fisheries</td>
</tr>
<tr>
<td>Mal</td>
<td>15.90</td>
<td>Bangladesh</td>
<td>38.53 (Tunisia)</td>
<td>Cotton, machinery and car spare parts</td>
</tr>
<tr>
<td>Mauritania</td>
<td>14.47</td>
<td>Côte d'Ivoire</td>
<td>28.94 (Cameroon)</td>
<td>Fisheries</td>
</tr>
<tr>
<td>Morocco</td>
<td>6.32</td>
<td>S. Arabia</td>
<td>10.19 (Turkey)</td>
<td>Foods preparations, fertilisers</td>
</tr>
<tr>
<td>Mozambique</td>
<td>0.74</td>
<td>Indonesia</td>
<td>61.12 (Pakistan)</td>
<td>Electric and electronic equipment, fisheries, cotton</td>
</tr>
<tr>
<td>Niger</td>
<td>33.00</td>
<td>Nigeria</td>
<td>87.06 (Nigeria)</td>
<td>Live animals, vegetables, fisheries, oleaginous fruit.</td>
</tr>
<tr>
<td>Nigeria</td>
<td>7.21</td>
<td>Indonesia</td>
<td>44.35 (Côte d'Ivoire)</td>
<td>Fishes and lubricants, textile yarn, building material.</td>
</tr>
<tr>
<td>Oman</td>
<td>22.47</td>
<td>U.A.E</td>
<td>34.68 (Iran)</td>
<td>Car spare parts, food meals and food preparations, electric and electronic apparatus and equipment.</td>
</tr>
<tr>
<td>Pakistan</td>
<td>26.58</td>
<td>U.A.E</td>
<td>35.35 (Saudi Arabia)</td>
<td>Textiles and clothing articles, food products (Basmati rice and etc.).</td>
</tr>
<tr>
<td>Palestine</td>
<td>-</td>
<td>U.A.E</td>
<td>14.79 (U.A.E)</td>
<td>Minerals fuels and lubricants, iron and steel and its sub products, plastic articles</td>
</tr>
<tr>
<td>Qatar</td>
<td>6.04</td>
<td>U.A.E</td>
<td>45.67 (Saudi Arabia)</td>
<td>Minerals fuels and lubricants, iron and steel and its sub products, plastic articles</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>13.5</td>
<td>Bahrain</td>
<td>17.21 (Pakistan)</td>
<td>Minerals fuels and lubricants.</td>
</tr>
<tr>
<td>Senegal</td>
<td>35.63</td>
<td>Mali</td>
<td>26.58 (Côte d'Ivoire)</td>
<td>Minerals fuels and lubricants, fertilisers, salt, plastic articles</td>
</tr>
<tr>
<td>Sierra Leone</td>
<td>2.02</td>
<td>Morocco</td>
<td>38.89 (Malaysia)</td>
<td>Electric equipment and beverages</td>
</tr>
<tr>
<td>Somalia</td>
<td>85.71</td>
<td>U.A.E</td>
<td>43.35 (Yemen)</td>
<td>Food products, live animals, woodenware, hides and skins</td>
</tr>
<tr>
<td>Sudan</td>
<td>33.49</td>
<td>Saudi Arabia</td>
<td>57.25 (U.A.E)</td>
<td>Minerals fuels and lubricants, oleaginous fruit, cotton, precious stones, meat.</td>
</tr>
<tr>
<td>Surinam</td>
<td>1.66</td>
<td>Guyana</td>
<td>90.08 (Guyana)</td>
<td>Chemicals, fisheries, precious stones.</td>
</tr>
<tr>
<td>Syria</td>
<td>30.38</td>
<td>Turkey</td>
<td>24.74 (Saudi Arabia)</td>
<td>Minerals fuels and lubricants, live animals and cotton.</td>
</tr>
<tr>
<td>Tajikistan</td>
<td>41.72</td>
<td>Turkmenistan</td>
<td>58.56 (Uzbekistan)</td>
<td>Aluminium and sub products, cotton, fruit.</td>
</tr>
<tr>
<td>Togo</td>
<td>47.75</td>
<td>Burkina Faso</td>
<td>34.80 (Benin)</td>
<td>Salt, cotton, mineral fuels and lubricants, iron and steel.</td>
</tr>
<tr>
<td>Tunisia</td>
<td>10.44</td>
<td>Libya</td>
<td>42.03 (Algeria)</td>
<td>Minerals fuels and lubricants, fertilisers, car spare parts.</td>
</tr>
<tr>
<td>Turkey</td>
<td>15.23</td>
<td>Saudi Arabia</td>
<td>10.30 (U.A.E)</td>
<td>Iron and steel, car spare parts, electric and electronic articles.</td>
</tr>
<tr>
<td>Turkmenistan</td>
<td>27.58</td>
<td>Iran</td>
<td>33.40 (Turkey)</td>
<td>Cotton, textiles, aluminium and products thereof, hides and skins.</td>
</tr>
<tr>
<td>Uganda</td>
<td>6.00</td>
<td>Sudan</td>
<td>43.13 (U.A.E)</td>
<td>Fisheries, coffee, tea and leather articles.</td>
</tr>
<tr>
<td>UAE</td>
<td>16.88</td>
<td>Iran</td>
<td>22.31 (Oman)</td>
<td>Minerals fuels and lubricants.</td>
</tr>
<tr>
<td>Uzbekistan</td>
<td>26.44</td>
<td>Tajikistan</td>
<td>23.36 (Bangladesh)</td>
<td>Cotton, mineral fuels, and lubricants, copper, car spare parts, fruit and vegetables.</td>
</tr>
<tr>
<td>Yemen</td>
<td>14.21</td>
<td>Malaysia</td>
<td>30.58 (Kuwait)</td>
<td>Minerals fuels and lubricants, fisheries, fruit, hides and skins</td>
</tr>
</tbody>
</table>

122
REPORT BY IDB
ON ISSUES RELATING TO ACTIVITIES
OF THE WORLD TRADE ORGANIZATION

Twenty First Meeting of the
Follow-up Committee of the COMCEC

(Istanbul, 10-12 May 2005)
COOPERATION OFFICE

REPORT ON
THE ISLAMIC DEVELOPMENT BANK GROUP’S (IDB Group)
WTO-RELATED TECHNICAL ASSISTANCE
TO THE "OIC" MEMBER COUNTRIES

I. Introduction

The conclusion of the Uruguay Round in April 1994 and the establishment of the WTO in its wake, constitutes one of the most important milestones in the history of the world trading system. The new trade body, WTO came into being in January 1995 with the following key objectives:

- to set rules for international trade and trade related activities,
- to provide a forum to negotiate trade liberalization multilaterally,
- to settle disputes between contracting parties,
- to provide information on trade and trade policies; and
- to cooperate with other multilateral institutions.

The WTO's mandate includes not only the original GATT-1947 as amended and added to but also the new General Agreement on Trade in Services, the Agreement on Trade-related Intellectual Property Rights and various plurilateral trade agreements. In short, WTO is a permanent institution which covers all trade in goods, services and ideas (Intellectual Property Rights) and provides a more automatic and comprehensive dispute settlement system compared to the one under GATT.

While the new multilateral trading system has contributed to liberalization of the world trade, yet it has placed onerous demands on the limited human and technical resources of the developing countries. As a result, many developing countries including some IDB member states have not been able to integrate their economies into the world trading system.

Keeping in view these developments on the international trade scene, the Islamic Development Bank embarked upon an intensive Technical Assistance Programme in 1997 to help OIC member countries to upgrade their institutional and manpower resources relating to WTO activities. The resolutions adopted at the 11th, 12th and 13th sessions of the COMCEC provided further guidance to the IDB's efforts in that direction.
II. Activities of the IDB WTO-Related Technical Assistance Program

With the objective of enhancing both the institutional and human capacity of OIC member countries, the IDB established a special WTO Unit in January 1998 dealing specifically with issues concerning the World Trade Organization (WTO). Out of the 57 OIC Member Countries, 39 are members of the WTO and 12 have observer status. The IDB’s WTO-related Technical Assistance Program covers numerous activities such as courses, seminars, workshops, studies, consultative meetings for the OIC member countries in preparation for the WTO Ministerial Meetings as well as providing specific technical assistance to the OIC member countries. The following itemized progress report has been prepared specifically keeping in view the above referred COMCEC resolutions and the IDB’s WTO-related Technical Assistance Program conceived in 1997 with the objective of improving the institutional and manpower capability of the member countries.

(1) Consultative Meetings

The IDB organized 19 consultative meetings prior to and after the WTO Ministerial Meetings in favor of the OIC member countries in preparation for the last five WTO Ministerial Conferences held in Singapore, Geneva, Seattle, Doha and Cancun. These consultative meetings provide a forum for member countries to exchange views and, where possible, coordinate their positions on matters related to the WTO.

• Consultative meeting held in preparation for the 1st WTO Ministerial Conference held at Singapore in December 1996

Three consultative meetings were held at the level of senior trade officials. In these meetings, the major recommendations emerged were that the IDB would provide the following assistance to member countries:

Technical assistance to member countries in the process of negotiating their membership in the WTO.

Technical assistance on request, and on a case-by-case basis, to enable member countries that are already members of the WTO to derive maximum benefits from the Organization.
Organize a seminar to assess the outcome of the first Ministerial Conference of the WTO and to evaluate the likely impact of the decision reached during the conference on present and future IDB members of the WTO.

Assist member countries to keep abreast of developments in the WTO and help them in coordinating their positions in the various bodies of the WTO. In particular, help member countries to make early and effective preparatory arrangements for the Second WTO Ministerial Conference.

- **Consultative Meetings held in preparation for the 2nd WTO Ministerial Conference at Geneva in May 1998**

  Four consultative meetings were held (Brainstorming meeting of experts, senior officials, commerce ministers during the Conference, and commerce ministers after the closing session of the Ministerial Conference).

  The following papers dealing with issues of interest to the OIC member countries were presented and discussed (a) Implementation of the Uruguay agreements: agriculture, textile and clothing, anti-dumping, special and differential treatment for developing countries, (b) dispute settlement mechanism, (c) accession to the WTO (d) Built-in agenda.

  The meetings concluded that OIC member countries should have their own comprehensive agenda whereas their own interests are highlighted and responses to other issues in the agenda impacting their interests are covered e.g. environment, labor standards, consumer interests, NGOs, transparency etc. It was suggested that IDB should consider developing a key department in order to provide technical assistance to member countries on WTO-related issues. (In response, the IDB Management established the Cooperation Office to undertake this task along with other tasks as well).

- **Consultative Meetings held in preparation for the 3rd WTO Ministerial Conference at Seattle in November 1999.**

  Two consultative meetings were held at Jeddah and Seattle (senior trade officials at Jeddah and delegates attending the Ministerial Conference at Seattle). The meetings covered wide spectrum of issues ranging from implementation of the existing WTO agreements, Built-in agenda,
multilateral negotiations, Singapore issues and possible new issues likely to be taken in Seattle. The meetings also discussed the three studies on agriculture, investment and services undertaken by the IDB and the participants appreciated the IDB's efforts. The meeting stressed on certain points:

- Called for full and faithful implementation of the WTO agreements.
- Inclusion of interests of developing countries in the built-in agenda.
- On-going work on Singapore issues (trade & investment - trade, competition policy, transparency, government procurement and trade facilitation) should be combined.
- Labor and environmental standards should not be used as protection measures.
- The meeting underscored the need for further work on Electronic-Commerce.
- Addressed the need to enhance further the technical assistance to the LDCs.
- Emphasized on fair and accelerated terms regarding the accession process.
- Need of a positive agenda for developing countries.

- **Consultative meetings held in preparation for the 4th WTO Ministerial Conference at Doha in November 2001.**

  Four consultative meetings were held (experts group at Geneva, senior officials at Jeddah, coordination at Doha, and a follow-up at Doha). The main aim of these meetings was to exchange views among OIC member countries and coordinate their position on the major issues in the agenda for the WTO Ministerial Conference on implementation issues, Singapore issues (trade and investment, trade and competition policy, transparency, government procurement and trade facilitation, negotiations on agriculture & services and expected new issues). Detailed discussions were carried out during these meetings and it was agreed by the OIC member countries to adopt a unified stand whenever feasible. In addition, the final draft of the IDB's two studies on Trade-related aspects of Intellectual Property Rights (TRIPs) and Electronic-Commerce were discussed and reviewed in the
Geneva meeting. In order to keep abreast of the on-going negotiations in the Committee of Heads of Delegation during the Doha Ministerial Conference, the IDB organized a follow-up meeting in favor of OIC member countries where responses to queries about the on-going negotiations were given and review of the final draft Declaration was conducted before it is being adopted in the closing session of the WTO Ministerial Conference.

- **Consultative meeting for the OIC member countries to evaluate the results of the Doha Conference and their effects on them, and to prepare for the forthcoming trade negotiations. 28-30 October 2002, Jeddah - Kingdom of Saudi Arabia.**

  This meeting provided a forum for the OIC member countries to discuss and evaluate the results of the Doha Conference and their effects on them, as well as to prepare for the forthcoming multilateral trade negotiations and other subjects of common interest to the OIC member countries.

- **Brainstorming Meeting of the Geneva-Based OIC Member Countries' Permanent Missions, in Preparation for the 5th WTO Ministerial Conference, 29 Safar-01 Rabi'I 1424H/01-02 May 2003, Geneva.**

  This two-day brainstorming meeting was held in Geneva, Switzerland, from 29 Safar to 01 Rabi'I 1424H (1-2 May 2003) in preparation for the 5th WTO Ministerial Conference that was scheduled to be held in Cancun, Mexico from 10 to 14 September 2003.

  Two sessions were held on the first day of the meeting in which three presentations were made on the state of play in the negotiations in non-agricultural products, agriculture and the implementation and special and differential treatment issues. The second day of the meeting was devoted to presentatations on the declaration on TRIPS and public health and the issues of concern to the least developed countries in the current negotiations.

  The meeting reached the following major resolutions:

  - Participants expressed their disappointment over the WTO missed negotiating deadlines, especially on access to essential medicines and agriculture, urging the developed countries to demonstrate more political will in the period leading up to the Cancun Ministerial Conference.
• The meeting stressed the importance of unity and solidarity among the developing countries and the need to resist the attempts by the developed countries to divide them by creating sub-categorizations with diverging interests.

• In the area of non-agricultural products, developing countries should not take the same level of obligations and commitments that were taken in the area of agricultural products.

• While recognizing the divergent interests within the group in agriculture negotiations, participants felt the need to identify common areas of concern in which developing countries could co-ordinate their positions.

IDB was called on to assist the OIC business community in playing a more active role in the negotiations through awareness seminars and workshops. Reference was made to the Business for Cancun Initiative of the ITC, and the IDB has been requested to assist in this regard.

Participants expressed their fears and concerns regarding the pressures likely to be exercised on the ministers in Cancun to accept expansion of the Doha agenda emphasizing the importance of preparing the ministers well before the conference.

• **Consultative Meeting for the OIC Member Countries in Preparation for the 5th WTO Ministerial Conference. 27-28 July 2003, Jeddah.**

This two-day meeting was held in Jeddah, from 27-28 Jumada'I 1424H (27-28 July 2003) with the intention of providing a forum for trade officials in the OIC member countries to exchange views and discuss the state of play in the Doha Round and the issues likely to feature during 5th WTO Ministerial Conference in Cancun, Mexico.

The meeting was addressed in the inaugural session by H.E. Dr. Ahmad Mohamed Ali, President, IDB group, who emphasized the importance of such preparatory meetings and the readiness of the Bank to address the needs of the OIC member countries in the WTO-related matters, expressing the hope that the meeting would provide an opportunity for OIC member countries to exchange views vis-à-vis the issues currently negotiated in the WTO and to prepare well for the 5th WTO Ministerial Conference. He stressed that coordination of efforts among the OIC member countries would boost their position in the forthcoming WTO Ministerial Conference.
The following issues of interest to the OIC member countries were highlighted in the two-day meeting:

- Special and differential treatment & Implementation.
- Singapore issues.
- Services negotiations.
- Accession.

During the meeting, the development dimensions of the current negotiations and how the developing countries placed high hopes on the Doha Development Agenda were highlighted. However, it was noted that all deadlines for reaching agreement on the Doha Development issues had been missed causing frustration to the developing countries. In this context, it was felt that the IDB's role in raising the awareness among the OIC member countries on the WTO issues should continue. The timely initiative to convene such consultative meetings in preparation for the crucial WTO conference in Cancun was appreciated. It was mentioned that for Cancun to be successful, progress should be made in agriculture, development related issues such as special and differential treatment and the declaration on Trade Related Intellectual Property Rights (TRIPS) and public health.

- **Consultative Meeting for the OIC Member Countries in Preparation for the 5th WTO Ministerial Conference. 9 September 2003. Cancun.**

  The objective of this meeting was to provide a forum for exchanging views and coordinate decisions, as much as possible, between the OIC member countries on issues presented in the Cancun Ministerial Meeting agenda. This included an evaluation of the progress of the multilateral trade negotiations and formulating a unified strategy regarding the cotton initiative brought by the four West-African countries: Chad, Burkina Faso, Benin and Mali.

  The meeting witnessed deep discussions on the topics postulating on the Cancun Ministerial Meeting agenda with special emphasis on the importance of coordination among member countries, as much as possible, during the deliberations of the Ministerial Meeting.

  The meeting was attended by 130 participants representing 24 OIC Member Countries, in addition to representatives from ESCWA, OEC and GCC.
• Post-Cancun Dialogue for the Geneva-Based OIC Member Country Permanent Missions, 02 - 03 December 2003, Geneva.

Within the framework of the Islamic Development Bank’s Technical Assistance Program on WTO-related matters, a Post-Cancun Dialogue for the Geneva-based OIC member country permanent missions was held in Geneva, Switzerland, from 8 to 9 Shawwal 1424H / 2-3 December 2003.

The meeting had two objectives: First, to discuss the implications of the failure of the Fifth WTO Ministerial Conference that was held in Cancún on issues of great interest to the OIC-member countries and to provide these countries with a platform to analyze and discuss the reasons that led to this failure and its repercussions on the multilateral trading system. Second, the meeting provided the OIC-member countries permanent missions in Geneva with an opportunity to prepare for the General Council Meeting scheduled for December 15, 2003 as stipulated by the Cancun statement.

During the meeting, the following six presentations were made:
2. Agriculture Negotiations and Singapore Issues: Possible Approach in light of the Cancun Outcome.
4. Proliferation of Bilateral & Regional Trade Agreements: Does it Weaken or Reinforce the WTO Multilateral Trading System?.
5. The Way forward for Completion of the Doha Round.
6. Reforming the WTO: Is There a Case?.

The meeting witnessed extremely constructive discussions among the participants and the following are some of the major recommendations:

Participants praised the IDB role in providing OIC Member Countries with technical assistance on WTO-related matters, stressing the need to sustain this role in the future.

The need for more regular and close co-ordination and co-operation among the OIC Member Countries representatives in Geneva was highlighted and the Bank’s role in this regard was welcomed.

Discussions emphasized the necessity to resume Cancun negotiations and show some flexibility in the issue of agriculture. Furthermore, accepting negotiations on trade facilitations would be considered as a sign of good will in the Singapore issues.
IDB was called on to assist the member countries on the Singapore issues, and especially the competition issue, by organizing seminars in this topic, in view of its implications on member countries. It is worth mentioning that the IDB is in the process of consulting with the UNCTAD to organize a joint workshop on this issue.

The issue raised by Mr. Rashid S. Kaukab of the South Center regarding restructuring the WTO and its decision-making mechanism, and the attempt by developed countries and especially the EU to introduce reforms that may harm the developing countries' interests was appreciated. It was emphasized that this issue should be handled with extreme caution.

The IDB role in developing the negotiating capacity of member countries was emphasized. In this context, IDB was called on to assist the four West African OIC member countries (Chad, Burkina Faso, Mali and Benin) involved in the cotton initiative through awareness seminars and workshops.

The organization by the IDB of a consultative meeting in the first quarter of 2004 to evaluate Cancún negotiations was deemed necessary.

• **Brainstorming Meeting of the Geneva-Based OIC Member Countries' Permanent Missions, in Preparation for the "Modalities" Phase of Negotiations after the "July Package". 29 Sha'ban 1424H/13 October 2004. Geneva.**

This meeting was held in response to the framework agreement entitled "July Package" which was reached in late July 2004 at the WTO. The meeting aimed at preparing the OIC member countries' permanent missions for the next stage of the negotiations and to take stock of the negative and positive aspects of this Framework Agreement. The meeting also discussed the possible future action developing countries, including OIC member countries', may take in "the modalities" phase of negotiations, where a number of important issues and key parameters will need to be resolved with a view to achieving a balanced outcome that takes into account the legitimate development needs of developing countries.

The one-day meeting comprised the following 6 presentations:
2. Major Features of the Framework Agreement on Agriculture: what has been achieved and what needs to be done for the modalities stage?, by Dr. Magdi Farahat.
3. Major Features of Modalities on Trade Facilitation, by H.E. Dr. Manzoor Ahmad.

4. Importance of Services Negotiations for Developing Countries: Opportunities and Risks, by Mr. Abu Bakar Aliyu Mohamed.


6. According Due Importance to Development Issues (S&D, Implementation) in Future Negotiations, by Mr. Rashid S. KAUKAB.

2) Courses, Seminars and Workshops

In order to enhance the capacity of the OIC member countries, IDB organized 40 courses, seminars and workshops covering a wide range of WTO issues with the aim of familiarizing the member countries with contents and provisions of the Uruguay Round Agreements and the activities of the WTO so they could be in a better position to defend their interests. Furthermore, IDB signed two Memoranda of Understanding (MOU) with the World Trade Organization (WTO) and International Trade Center (ITC) in order to provide best services in this endeavor.

Trade Policy Courses

The IDB organized three-week Trade Policy Courses in the IDB working languages, (Arabic, English and French), in collaboration with the World Trade Organization (WTO). These courses are short versions of the regular Trade Policy Courses organized by the WTO in Geneva for a period of three months and cover a wide range of topics: market access, customs and trade administration, agriculture, textile and clothing, sanitary and phytosanitary measures, technical barriers to trade, government procurement, general agreements on trade in services, intellectual property rights, antidumping, subsidies and countervailing measures, safeguards and state trading, dispute settlement, agreement on trade-related investment measures, trade and competition policy, trade and environment, regionalism, and future work. The trade policy courses held are as follows:

1. The first trade policy course was in Arabic language for the Arabic speaking member countries of the Bank. It was held at IDB Headquarters in Jeddah from 23 Jumad Awwal to 14 Jumad Thani 1419H (14 September - 4 October 1998).
2. The second trade policy course was in English language for the English-speaking member countries of the Bank. It was held at Rawalpindi, Pakistan, from 19 Dhul Hijjah 1419H to 8 Muharram 1420H (5-24 April 1999).

3. The third trade policy course was in French language for the French-speaking member countries of the Bank. It was held in Ouagadougou, Burkina Faso from 14 February to 3 March 2000.

4. The fourth trade policy course in Arabic was held in Doha, State of Qatar on 10-28 Rajab 1421H(7-25 October 2000).

5. The fifth trade policy course in English was held in Istanbul, Republic of Turkey, 1-19 Rabi Awwal 1423H /13-31 May 2002.

6. The sixth trade policy course was in three languages (Arabic-English and French). It was held at IDB Headquarters in Jeddah, Kingdom of Saudi Arabia, 28 Rabi 11-16 Jumada I 1424H / 28 June - 16 July 2003.

7. The seventh trade policy course was in French language for the French-speaking member countries of the Bank. It was held in Cotonou, Benin from 21 June to 09 July 2004.

8. The eighth trade policy course was in English language and was held in Jakarta, Republic of Indonesia, 27 September- 15 October 2004.

Seminars

1. Seminar on the Impact of the GATT Agreement on Trade in Services on OIC Member Countries (organized by the Islamic Centre for Development of Trade in cooperation with IDB). Casablanca, Morocco, Jumad Thani 1416H (November 1995).

2. Regional Seminar on the International Trade Agreement related to the Technical Barriers to Trade among Arab Maghreb Countries (organized by the Tunisian Ministry of Trade in cooperation with the IDB). Tunis, Tunisia, Jumad Thani 1416H (November 1996).
3. Seminar on WTO for the Muslim Countries in Central Asia and some Middle East Countries. Ashgabat, Republic of Turkmenistan, December 1996.
12. Regional seminar on Technical Barriers to Trade (TBT) and Sanitary and Phyto-Sanitary Measures (SPS), in collaboration with the International Trade Centre (ITC), Geneva was held in Conakry, Guinea, 2-5 August, 1999.

Workshops

5. Regional symposium on Trade and Environment (organized in collaboration with United Nations Environment Programme, Regional Office for West Asia. Cairo, 6-8 September 1999.

8. Regional study and a workshop on the impact of trade liberalization on the environment in the Arab region, Manama, Bahrain, 7-11 July 2001. (Project submitted by the Centre for Environment and Development in the Arab Region (CEDARE)).


(3) Studies

The IDB has so far undertaken 5 major sectoral studies on Agriculture, Investment, Services, Trade-related Aspects of Intellectual Property Rights (TRIPs), and Electronic-Commerce. In that regard, the IDB hired the services of some world renowned experts in such fields and collaborated with UNCTAD in supervising some of these studies. Each study included a selected set of case studies on OIC member countries and contained valuable technical tips and negotiation strategies on the various issues concerning the OIC member countries.

As an added measure to ensure that these studies are fully adapted to the needs of the OIC member countries, the IDB consulted with the OIC member countries on the outlines of preparing the Terms of Reference (TORs) of these studies and held brainstorming sessions where the drafts of these studies were discussed and reviewed by a pool of experts from the OIC member countries and other specialized institutions (WTO/UNCTAD/ESCWA/ICDT etc). In addition, IDB (Cooperation Office -WTO Unit) produces, on a regular basis, technical WTO notes where current WTO issues of concern to the OIC member countries are assessed and analyzed. Both the studies and the technical notes are circulated to the OIC member countries and related institutions.

(4) IDB Participation in WTO Committees
The **IDB** currently attends meetings of two WTO Committees, namely the committee on Trade and Environment and the committee on Trade and Development, as an observer.

(5) **WTO Specific Technical Assistance to OIC Member Countries**

The IDB, in line within its WTO-related Technical Assistance Programme provides specific technical assistance to the OIC member countries on request through hiring consultancy services or fielding in-house WTO experts on vital WTO issues such as accession, drafting of national laws, establishing WTO Units and providing capacity building in general. They include the following:

<table>
<thead>
<tr>
<th>Country</th>
<th>Activity</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chad</td>
<td>Seminar on selected WTO Agreements (Agriculture, rules of origin, services, investment, environment ..etc)</td>
<td></td>
</tr>
</tbody>
</table>
| Kyrgyz Republic | - Study visit of officials for acquiring skills and experience in WTO operations.  
                  - Technical assistance to Kyrgyz Republic on capacity building in the current negotiations. | 2000       |
|                 |                                                                          | 2002 / 2003|
| Kazakhstan      | Support to Kazakhstan for Accession to WTO.                               | 2002 / 2003|
| Lebanon         | Support to Lebanon for Accession to WTO.                                  | 2000       |
| Niger           | Workshop on the impact of Uruguay Round Agreements on the economy of Niger.| 2000       |
| Saudi Arabia    | Six Seminars/workshops on WTO-related topics.                             | 1999/2000  |
| Sudan           | - Financing a trade official to attend 3-month trade policy course, Geneva  
                  - Financing of two studies on services sector.  
                  - Financing of 4 strategic studies for | 1998       |
<p>|                 |                                                                          | 2000       |</p>
<table>
<thead>
<tr>
<th>Country</th>
<th>Activity</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suriname</td>
<td>Assistance to Suriname for drafting laws related to &quot;professional and financial services&quot; and &quot;safeguards&quot;.</td>
<td>1999</td>
</tr>
<tr>
<td>Syria</td>
<td>Visit of an expert to assist in Accession Issues.</td>
<td>2004</td>
</tr>
<tr>
<td>Tajikistan</td>
<td>Support to Tajikistan for Accession to WTO.</td>
<td>2002</td>
</tr>
<tr>
<td>UAE</td>
<td>Support for establishing of WTO Unit in the Ministry of Trade.</td>
<td>2000</td>
</tr>
<tr>
<td>Yemen</td>
<td>Support for Accession to WTO.</td>
<td>2001</td>
</tr>
</tbody>
</table>
## STATUS OF THE OIC MEMBER COUNTRIES IN THE WTO

<table>
<thead>
<tr>
<th>WTO Members</th>
<th>Date of Accession</th>
<th>Observers</th>
<th>No Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>8. Chad*</td>
<td>19 October 1996</td>
<td>8. Saudi Arabia</td>
<td></td>
</tr>
<tr>
<td>9. Cote d'Ivoire</td>
<td>1 January 1995</td>
<td>9. Sudan*</td>
<td></td>
</tr>
<tr>
<td>12. Gabon</td>
<td>1 January 1995</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15. Guinea-Bissau*</td>
<td>31 May 1995</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16. Guyana #</td>
<td>1 January 1995</td>
<td></td>
<td></td>
</tr>
<tr>
<td>17. Indonesia</td>
<td>1 January 1995</td>
<td></td>
<td></td>
</tr>
<tr>
<td>18. Jordan</td>
<td>1 January 1995</td>
<td></td>
<td></td>
</tr>
<tr>
<td>19. Kuwait</td>
<td>1 January 1995</td>
<td></td>
<td></td>
</tr>
<tr>
<td>21. Malaysia</td>
<td>1 January 1995</td>
<td></td>
<td></td>
</tr>
<tr>
<td>22. Maldives*</td>
<td>31 May 1995</td>
<td></td>
<td></td>
</tr>
<tr>
<td>23. Mali*</td>
<td>31 May 1995</td>
<td></td>
<td></td>
</tr>
<tr>
<td>24. Mauritania*</td>
<td>31 May 1995</td>
<td></td>
<td></td>
</tr>
<tr>
<td>25. Morocco</td>
<td>1 January 1995</td>
<td></td>
<td></td>
</tr>
<tr>
<td>26. Mozambique*</td>
<td>26 August 1995</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

—TOT—
<table>
<thead>
<tr>
<th>WTO Members</th>
<th>Date of Accession</th>
<th>Observers</th>
<th>No Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>27. Niger*</td>
<td>13 December 1996</td>
<td></td>
<td></td>
</tr>
<tr>
<td>28. Nigeria #</td>
<td>1 January 1995</td>
<td></td>
<td></td>
</tr>
<tr>
<td>29. Oman</td>
<td>9 November 2000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>30. Pakistan</td>
<td>1 January 1995</td>
<td></td>
<td></td>
</tr>
<tr>
<td>31. Qatar</td>
<td>13 January 1996</td>
<td></td>
<td></td>
</tr>
<tr>
<td>32. Senegal*</td>
<td>1 January 1995</td>
<td></td>
<td></td>
</tr>
<tr>
<td>33. Sierra Leone*</td>
<td>23 July 1995</td>
<td></td>
<td></td>
</tr>
<tr>
<td>34. Suriname</td>
<td>1 January 1995</td>
<td></td>
<td></td>
</tr>
<tr>
<td>35. Togo*</td>
<td>31 May 1995</td>
<td></td>
<td></td>
</tr>
<tr>
<td>36. Tunisia</td>
<td>29 March 1995</td>
<td></td>
<td></td>
</tr>
<tr>
<td>37. Turkey</td>
<td>26 March 1995</td>
<td></td>
<td></td>
</tr>
<tr>
<td>38. UAE</td>
<td>10 April 1996</td>
<td></td>
<td></td>
</tr>
<tr>
<td>39. Uganda*</td>
<td>1 January 1995</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

# Countries in yellow are not yet Members of the IDB.

* Least Developed Member Countries

REPORT ON
THE ISLAMIC DEVELOPMENT BANK (IDB) GROUP'S
WTO-RELATED TECHNICAL ASSISTANCE
TO THE " QIC " MEMBER COUNTRIES

Executive Summary

Following the creation of the World Trade Organization (WTO) in 1995 and in response to the challenges posed by the new multilateral trade agreements to the developing countries, the IDB embarked on a wide Technical Assistance Programme for the benefit of the Organization of Islamic Conference member countries in 1997. The programme aims at strengthening and enhancing both the institutional and human capacity of the member countries in WTO-related issues through the delivery of a
number of activities such as trade policy courses, seminars, workshops, sectoral studies, consultative meetings and specific assistance to acceding countries. The objectives underlying this programme include:

- Enhancing the knowledge and understanding of the WTO agreements.
- Building the negotiating capacity.
- Understanding the obligations and rights as stipulated in the WTO agreements.
- Providing fora to the member countries to consult and exchange views on WTO issues and coordinate positions.
- Assisting acceding member countries.

The WTO-related Technical Assistance activities provided by the IDB for the period 1995-2003 are as follows:

2. 8 trade policy courses:
   - Jeddah 1998
   - Rawalpindi 1999
   - Ouagadougou 2000
   - Doha 2001
   - Istanbul 2002
   - Jeddah 2003
   - Cotonou 2004
   - Jakarta 2004
3. 21 seminars on different WTO-related topics.
4. 11 workshops on the impact of some WTO agreements on member countries.
5. 5 sectoral studies.
6. Subject-specific Technical Assistance to 12 member countries.
REPORT BY ICDT
ON ISSUES RELATING TO ACTIVITIES
OF THE WORLD TRADE ORGANIZATION

Twenty First Meeting of the
Follow-up Committee of the COMCEC

(Istanbul, 10-12 May 2005)
BACKGROUND

The Islamic Centre for Development of Trade (I.C.D.T) is a subsidiary organ of the Organisation of the Islamic Conference (O.I.C) in charge of Trade Promotion between Islamic Countries, was mandated by the Secretary General of the O.I.C and the Standing Committee for Economic and Commercial Cooperation for Islamic Countries (COMCEC) to follow up in collaboration with the Group of the Islamic Development Bank, the multilateral trade negotiations organised by the World Trade Organisation (W.T.O).

Within this framework, I.C.D.T submits on a regular basis, progress reports on these negotiations to the COMCEC's annual meetings, the Islamic Commission for Economic, Cultural and Social Affairs of the O.I.C and the annual Islamic Conference of the Foreign Affairs Ministers (ICFM).

Likewise, the Centre works out reports and studies in preparation of the WTO Ministerial Meetings in order to shed light on the positions of Islamic Countries at this meetings and identify a common platform to coordinate their stances.

Besides, the Centre organizes seminars and workshops on the Multilateral Trade Negotiations for the benefit of the representatives of Member States from the both the public and private sectors.
WTO's
MULTILATERAL TRADE NEGOTIATIONS:

1/ RESULTS OF JULY CONFERENCE 2004 WITHIN THE WTO:

At the conclusion of the 5th Ministerial Conference at Cancun, Ministers instructed their officials to continue working on outstanding issues, taking into account all the views that were expressed at the conference. Furthermore, Ministers asked the Chairman of the General Council, working in close co-operation with the Director-General, to coordinate this work and to convene a meeting of the General Council at senior officials level no later than 15 December 2003 to take the action necessary at that stage to enable movement towards a successful and timely conclusion of the negotiations. Since Cancun therefore, intense negotiations have been taking place both at Geneva and outside Geneva to fulfil this mandate.

These processes culminated into intense work that led to the adoption of a decision Framework Agreement at the General Council meeting of 27-30 July 2004.

The framework text identifies six areas for further negotiations, namely, agriculture, non-agricultural market access (NAMA), development issue, trade facilitation and services. The rest of the Doha Mandate, including intellectual property, dispute settlement, WTO rules relating to anti-dumping, environment etc., have not been given any specific guidance.

There were two significant gains from the Geneva meeting for developing countries in general: a commitment to eliminate export subsidies, and the placing of three "Singapore issues" outside the negotiating agenda of the Doha work programme.

- THE SINGAPORE ISSUES:

Three of the "Singapore issues" (investment, competition, and transparency in government procurement) have now been dropped from the WTO's negotiating agenda, at least during the period of the Doha programme. Developing countries had opposed these issues which they believed would interfere with their national policies and hinder their economic development.

The decision says "no work towards negotiations on any of these issues will take place within the WTO during the Doha Round."

But it is not clear whether the committees on investment and competition policy will still continue their study process. Further trade facilitation has been introduced, but with two caveats. One, the extent and timing of entering into commitments shall be related to the implementation capacities of developing countries and, two, developing countries will not be required to implement the final agreement in cases where support and assistance for required infrastructure is missing.

During negotiations, developing countries should make sure they use the flexibility provided to them, but at the same time have a hand in shaping the agreement.
- NON-AGRICULTURAL MARKET ACCESS (NAMA)

The flexibility introduced by the framework points to the fact that the specifics of the Derbez text form an initial negotiating position.

Tariff reduction formula

The most difficult issue is the structuring of tariff reductions. Before Cancun and July 2004, several other developing countries had struggled fiercely for the adoption of a linear approach that would commit Member States to undertake a minimal percentage reduction for the various tariff lines, while industrialised countries insisted for the implementation of a formula that would reduce the high duties in a more radical manner man for the low duties. One of the key arguments that developing countries put forward was that - in view of their duties which are in general higher on industrial products-they would be accordingly affected in a disproportionate manner by non linear reductions.

Annex B of the July Package, which deals with NAMA, specifies that the WTO Members should continue to work for the application of the line -by -line implementation of a non-linear formula. Yet, stress was laid on the annex relating to the importance of taking account the special needs and interests of developing countries, especially through a reciprocity that would not be total in the reductions commitments and which would leave a margin to insist on the application of exclusively linear reduction for some tariff lines and perhaps no reduction at all for others.

Other issues concerning the formula deal with the fact that the reduction/removal of customs duties should be based on tariff binding; a credit should be granted for the autonomous liberalisation in developing countries and that non ad valorem duties should be converted on the basis of a methodology to be agreed upon.

Regarding unbound tariff, the text admits the possibility that bound levels can be more than "twice" the applied level. The flexibilities for developing countries' needs to be specifically defined. The sector-based tariff elimination admits the possibility of voluntary tariff reductions.

According to some observers, the text remained in annex form because real negotiations had never taken off on industrial market access, with Members waiting for an outcome in agriculture first.

Non Tariff obstacles:

All participants were encouraged to present notifications on the non-tariff obstacles they meet before 31st October 2004 and to identify, review and classify per category such obstacles. Negotiations should fully take into account the principle of special and differential treatment in favour of developing countries and least developed countries as well.

- AGRICULTURE:

The developed countries agreed in principle to eliminate agricultural export subsidies. Export credits, export credit guarantees or insurance programmes with repayment periods beyond 180 days will also be eliminated and those of 180 days and below will be disciplined. Thus, for the first time, elimination of export subsidies has been committed. When it takes place, this will get rid of some of the most trade distorting of the Developed countries’ subsidies that have enabled the dumping of Developed countries agriculture exports (including to the South) and unfairly kept out the developing
countries’ farm products. However, the July package has not fixed an end date or a roadmap for this elimination, so what will really happen here (and when) remains to be seen.

- **Cotton**

Another development was the poor outcome on the cotton issue at the meeting. Cotton-producing West African countries, backed by the Africa Group and ACP Group, have highlighted their plight, on how billions of dollars of cotton subsidies (mainly in the US) have hampered their own cotton production and trade, affecting the incomes and lives of many thousands of African farmers.

The countries had been persuaded to give up their original demand that cotton be treated as a stand-alone issue and agreed that it could be treated within the agriculture negotiations. However they had maintained their key positions, that within the agriculture negotiations, cotton be given a special status, with its own measures and timetable so that it would not merely be subjected to what happens generally in agriculture.

- **Services**

In the services sector, annex C of the July Package reiterates the commitments and objectives set during Doha Work programme and in the guidelines of the GATS. It underscores the need for making significant offers in fields of interest to developing countries.

In fact, annex C of the July Package urges Member States to:

"Ensure the good quality of offers, particularly with respect to the sectors and the supply mode of interest to developing countries in terms of exports, with special attention to the Least Developed Countries”.

"Members note the interest of developing countries, as wells as that of other members for mode 4”.

The decision stipulates also that efforts made to conclude negotiations with a view to working out rules should be intensified and a target technical assistance should be provided to developing countries to enable them to participate in an effective manner in negotiations on services.

It is also stipulated that revised offers should be submitted in May 2005 at the latest, while initial offers should be made as soon as possible. The importance for developing countries of the movement of physical persons (mode IV) is outstanding and underscored, since within this framework, the intensification and conclusion of negotiations on some rules such as the safeguards emergency has been called for.

Despite such instructions, negotiations since July have not shown any sign of progress in so much as the liberal process of the submission of requests and offers of market access is still showing a delay.

During the Special Session of the Council on Trade in Services, held on 21st and 22nd February 2005, Members discussed 15 separate proposals on a wide range of issues including internal regulations to postal services. They have also discussed mode 4 of the General Agreement on Trade in services (GATS), which deals with cross-border movement of services suppliers.
"Development issues"

On the "development issues" (special and differential treatment for developing countries and issues relating to implementation of WTO agreements), the Geneva meeting again failed to agree on concrete measures to strengthen existing SDT measures or to provide new measures; or to take decisions on resolving specific problems of implementation of the existing WTO rules. The Geneva decision only sets new deadlines (since the old deadlines have long past) for the issues to be considered and for reports on these issues to be submitted.

A new development under "special and differential treatment" has been the removal of references to different sub-categories of developing countries which could have led to differentiation and graduation. However, the extension of technical assistance to low-income economies in transition leaves the possibility of extending such assistance to the newly acceded EU member states.

The Committee on Trade and Development is asked to complete its review of all outstanding agreement-specific proposals and report by July 2005; all other outstanding work will be reported "as appropriate"; and all WTO bodies dealing with Category II proposals are to report to the Council by July 2005. On implementation, the Director General is requested to continue with his consultative process and report to the Trade Negotiating Committee and General Council by May 2005 for a Council decision by July 2005.

II/ THE OIC MEMBER STATES AND THE WTO:

In October 2004, the total number of the WTO Member was estimated at 148 countries with the accession of Cambodia (which has become on October 13th, 2004, the 148th Member) of which 38 are OIC Members.

- The OIC Member States whose accession to the WTO is underway:

The number of the OIC Member States that have applied for accession to the WTO is estimated at thirteen: these are: Afghanistan, Algeria, Azerbaijan, Iraq, Kazakhstan, Lebanon, Libya, Uzbekistan, Saudi Arabia, Sudan, Syria, Tajikistan and Yemen.

The General Council adopted the accession application of Iraq (WT/ACC/IRQ/1) and Afghanistan and set up working groups so as to examine their accession applications at its meeting held on 13th December 2004.

Likewise, Iran submitted its accession application to the WTO to the General Council held its session held on 8th and 9th July 2004 in Geneva (WT/ACC/IRN/1).

It should be noted that the access conditions of the new applicants have become excessive and inconsistent with the economic Developmental level of the applicant country. In fact, the candidates are subject to more restraining obligations than those to which the WTO Members are subject (called the WTO-plus obligations) and the special and differential treatment is not accorded to developing countries during their accession to the WTO.

The transition periods accorded to the first WTO Members were not automatically offered to acceding countries under Article XII, whatever their economic development level may be. Some transition periods were allowed in limited sectors and for short periods after the transmission of a comprehensive implementation schedule and in return of which the
conformity to the WTO was guaranteed (promulgation of the required legislation, training of the staff in charge of implementation etc... in all sectors.

It is therefore, important for the OIC countries to defend the idea of according appropriate transition periods to acceding countries. Likewise, market access should be adapted to the economic development to the candidate applying for accession. The adhesion to multilateral agreements, such as the Agreement on government procurement and the Agreement on Civil aviation should not be considered as a pre-requisite for accession to the WTO. It is also important to simplify and to speed up the accession procedures applicable to the LDCs.

1. Algeria:

With an observer status since 1987, Algeria officially submitted to the WTO a report on its foreign trade regime in June 1996. The submission of this report will represent the first step in the membership procedure in this organisation.

Since then, some WTO Member States, such as the United States, the EU, Switzerland, Japan and Australia, sent a series of questions to Algeria. The answers were sent to the WTO secretariat and a first meeting of the working group on the accession of Algeria to the WTO was held in Geneva in April 1998.

Algeria held five rounds of multilateral negotiations (April 1998, February 2002, May 2002 then November 2002 and May 2003) and two rounds of bilateral negotiations in the agricultural, industrial and services sectors (April 2002 and November 2002). The examined subjects are: agriculture, customs system, State trade, transparency and legal system reform and TRIPS.

Algeria submitted initial offers concerning goods and services in March 2002 and revised offers were distributed on 18th January 2005. The revised elements of a draft report of the working group and the latest new facts concerning the legislation were also examined during the meeting of the working group on February 25th 2005.

With respect to bilateral meetings, Algeria has met about ten countries; these are the United States, Japan, Switzerland, Australia, Canada, the European Union, Cuba, Uruguay, Turkey and the Republic of Korea.

The working group on the accession of Algeria, which is chaired by M.C Perez del Castillo (Uruguay) numbers 43 countries.

2. Saudi Arabia:

The multilateral negotiations on the accession of Saudi Arabia to the WTO, started in July 1993, and the bilateral negotiations on the markets access, a short time later.

The working group on the accession of Saudi Arabia to the WTO, chaired by Canada, made considerable progress in the examining of this country's foreign trade system.

At present, negotiations deal with: agriculture, inspection before shipment, sanitary and phytosanitary standards, technical obstacles to trade, TRIPS and services. The working group of focusing on the drafting of the accession protocol.

About thirty WTO members have asked to discuss on bilateral basis on the access conditions of Saudi Arabia to the WTO. Saudi Arabia has already concluded 14 bilateral agreements with several of these countries, of which European Union, Australia, Pakistan,
Uruguay, South Korea, Mexico, Brazil, Venezuela, Argentina and since February 2003, with Turkey. The discussions with the United States are underway.

The working group on the accession of Saudi Arabia, which is chaired by Canada, gathers 51 countries in addition to the European Union and its Member States.

3. Azerbaijan:
Azerbaijan's Working Party was established on 16 July 1997. Azerbaijan submitted a Memorandum on its Foreign Trade Regime in April 1999. Replies to a first set of questions concerning the aide-memoir were circulated in July 2000 then a second series in December 2001. The first meeting of the working group was held on June 7, 2002.

4. Kazakhstan:
Kazakhstan's Working Party was established on 6 February 1996. Bilateral market access negotiations in goods and services commenced in October 1997, and are continuing based on a revised goods offer and the existing services offer. Topics under discussion in the Working Party include: agriculture, the customs system (and customs union arrangements), price controls, import licensing, industrial subsidies, SPS and TBT, transparency of the legal system and legislative reform, services and TRIPS. The Working Party last met in December 2002 and the next meeting might take place in the first half of 2003.

5. Lebanon:
Lebanon's Working Party was established on 14 April 1999. The aide-memoir on the Foreign Trade Regime was circulated in June 2001 and the answers to issues concerning the aide-memoir were circulated in June 2002. The working group met for the first time on October 14, 2002 and the next meeting might take place in the second half of 2003.

6. Libya:
Libya deposited an official application for accession to the WTO on December 21, 2001 (Doc.WTO/ACC/2ii). WTO Members agreed on 27 July 2004 to start talks with Libya on its membership.

7. Sudan:
The Working Party on the accession of Sudan was established on 25 October 1994. Sudan's Memorandum on its Foreign Trade Regime was circulated in January 1999. Replies to a first set of questions concerning the Memorandum were circulated in November 2000 and a second set of questions were put in January 2003. The Working Party has not met yet.

8. Tajikistan:
On 29 May 2001, a formal request for accession under Article XII was sent to the Director-General by the Government of Tajikistan. A Working Party was established at the General Council meeting on 18 July 2001.

Tajikistan has submitted the aide-memoir on its foreign trade system in February 2003 and the working group has not met yet.

9. Uzbekistan:
The Working Party on the accession of Uzbekistan to the WTO was established on 21 December 1994. Uzbekistan submitted its aide-memoir on the Foreign Trade Regime in
September 1998 and replies to questions on his aide-memoir were circulated in October 1999. Bilateral market access contacts have been initiated. The Working Party met for the first time on July 17th 2002.

10. Syria:

Syria’s request for accession was notified to the Director General of the WTO on October 2001. (WT/ACC/SYR/1)

11. Yemen:

Yemen’s request for accession was circulated on 14th April 2000. The General Council established a Working Party on 17th July 2000. The aide memoir on the Foreign Trade Regime was circulated in November 2002. The Working group has not met yet.

<table>
<thead>
<tr>
<th>Country</th>
<th>Date of the setting up of a working group</th>
<th>Chairman of the working group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Algeria</td>
<td>17 June 1987</td>
<td>Uruguay</td>
</tr>
<tr>
<td>Azerbaijan</td>
<td>16 July 1997</td>
<td>Germany</td>
</tr>
<tr>
<td>Kazakhstan</td>
<td>6 February 1996</td>
<td>Finland</td>
</tr>
<tr>
<td>Lebanon</td>
<td>14 April 1999</td>
<td>France</td>
</tr>
<tr>
<td>Libya</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>21 July 1993</td>
<td>Canada</td>
</tr>
<tr>
<td>Sudan</td>
<td>25 October 1994</td>
<td>Morocco</td>
</tr>
<tr>
<td>Syria</td>
<td>30 October 2001*</td>
<td>-</td>
</tr>
<tr>
<td>Tajikistan</td>
<td>18 July 2001</td>
<td>-</td>
</tr>
<tr>
<td>Uzbekistan</td>
<td>21 December 1994</td>
<td>Mexico</td>
</tr>
<tr>
<td>Yemen</td>
<td>17 July 2000*</td>
<td>-</td>
</tr>
</tbody>
</table>

* The working group was not established yet.

Source: WTO

V/ ACTIONS THAT ICDT IS PLANNING TO CARRY OUT AFTER DOHA CONFERENCE:

With regard to the WTO multilateral trade negotiations, ICDT will continue its coordination work between the OIC Countries during the next negotiations in Geneva. Technical assistance will also be ensured for the benefit of Member States, particularly the Least Developed among them in order to assist them in negotiations through consultancy and expertise services.

Besides, ICDT is planning to organise several seminars and meetings between the OIC countries so as to make an assessment of the negotiations stakes, and even their impact on the trade policies and economies of Member States. Popularisation actions will be carried out for new themes in negotiations such as competition policy, trade facilitation, electronic commerce etc...

These activities will involve the participation of not only the representatives of concerned administrations but also those of the private sector in the OIC countries.
<table>
<thead>
<tr>
<th>Country</th>
<th>Request</th>
<th>Setting up of a working group</th>
<th>Aide-memoire</th>
<th>1st Meeting of the working group</th>
<th>Number of the working groups' meeting</th>
<th>Offers for goods</th>
<th>Offers for services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Afghanistan</td>
<td>13 December 2004</td>
<td>13 December 2004</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ira</td>
<td>13 December 2004</td>
<td>13 December 2004</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Libya</td>
<td>June 2004</td>
<td>July 2004</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Uzbekistan</td>
<td>December 1994</td>
<td>December 1994</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yemen</td>
<td>April 2000</td>
<td>July 2000</td>
<td>Nov 2002</td>
<td>Nov 2004</td>
<td>1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Annex XII to OIC/COMCEC-FC/21-05/REP

THE FIFTH MINISTERIAL CONFERENCE OF THE WTO
CANCUN, 10-14 SEPTEMBER 2003

His Excellency Dr. Abdelouahed BELKEZIZ, Secretary General of the Organisation of the Islamic Conference has appointed the Islamic Centre for Development of Trade to represent the OIC at the 5th Ministerial Conference of the WTO that was held in Cancun from 10 to 14 September 2003.

The Cancun conference is actually a mid-term meeting that was held to take stock of the progress achieved by the negotiations launched within the framework of Doha Development Agenda and to agree on the principles and modalities to complete negotiations within the date limit agreed on in Doha, that is to say, by the year 2005, particularly for sectors where important disagreements are persisting: agriculture, market access to industrial products, Singapore issues etc... This Conference was meant to give political impetus to a clear-cut policy in order to boost up negotiations in Geneva.

In actual fact, this conference has constituted the main event of the WTO proceedings since one year in so much as its preparation started in November 2002 by a series of formal meetings (of the general council) and informal (meetings of the Ministers of some countries) like in Sydney in November 2002, in Sharm Echeikh and in Montreal in 2003. During this meeting, the delegates put forward their point of views on the issues included in Doha Development Agenda.

First, proceedings focused on the ways and means to ease tensions on some issues that hold back negotiations, then on the working out of a draft Ministerial Declaration that was going to be submitted to Ministers in Cancun in September 2003.

The only noticeable asset of this mid-term meeting concerns the agreement on the Trade Related Intellectual Property Rights (TRIPS) and to Public Health. It is in fact a historical and important agreement. Notwithstanding all these facts, the results that have so far been obtained are not very promising.

It is absolutely essential for all the WTO members that this round be achieved in due course. It is the only way to add 400 to 500 Us Dollars to the world income and increase by 150 billion Us dollars that of Developing countries according to the report of the World Bank.

1/ AGENDA ITEMS OF THE FIFTH MINISTERIAL CONFERENCE:

The Ministers of 146 Member Countries of the Organisation, in addition to Nepal ad Cambodia that have recently acceded to the WTO, should manage to agree within five days on a Common Declaration, particularly, on two tracks:

1. The revision of the existing agreements, included in the Built-in Agenda that are provided for in the Marrakech Agreements, namely,
   - Agriculture;
   - Services, through the revision of the General Agreement on Trade in services (GATS) for a greater liberalisation of trade in services;
• The Agreement on Intellectual Property (TRIPS), implementation of Doha agreement, which consists in allowing the import of generic medicine without patent in the event of widespread diseases (AIDS, Malaria, Tuberculosis).

2. Singapore issues, in this instance they are as follows:

• Agreement on investment, which is in fact a disguised come back of the Multilateral Agreement on Investment (MAI) negotiated within the OECD but it was withdrawn in 1998;
• Agreement on competition policies;
• Agreement on transparency and public procurements;
• Agreement on Trade facilitation.

A Draft Ministerial Declaration was the legal basis of negotiations, the General Council of the WTO issued a revised draft declaration on August 24th 2003, which contained several non consensual passages put in square brackets. Obstructions caused by some countries and a large number of new proposals have delayed the publication of the Draft Declaration.

This text of 25 pages covered the key issues of the trade negotiations of Doha Round, it includes in particular proposals of decisions in the areas of agriculture and market access of industrial products. The revised project includes objectives which are in most cases not expressed in figures and which were submitted for approval to the Ministers of 148 member countries of the WTO during the Cancun Conference.

The new draft ministerial declaration that is submitted to Ministers in Cancun under the supervision of the Chairman of the General Council, Mr Carlos Perez del Castillo and the Director General of the WTO Mr Supachai Panitchpakdi on August 31st 2003, does not include several proposals made by member governments. On the whole, this project rather reflected the point of view of the United States and of the European Union.

The Draft Declaration of Cancun has failed to come up to the expectations relating to the implementation issues of the Marrakech agreements and does not actually reflect the developmental dimension that was so much stressed in Doha. This draft is expected to be highly prejudicial to the interests of the OIC Member States in the fields of agriculture, customs tariffs on industrial products and Singapore issues. It should also be admitted that it does not meet the legitimate aspirations of our countries and it is rather seeking to push forward some developed countries and back up their views.

11/ THE PROCEEDINGS OF THE FIFTH MINISTERIAL CONFERENCE:

His Excellency, Mr VINCENTE FOX President of Mexico opened the proceedings of the Conference which were chaired by Mr Luis Ernesto DERBEZ, Minister of foreign Affairs of Mexico. Two OIC Member States were elected Vice-Chairmen of the conference: EGYPT and BANGLADESH.

The Conference started with the general declarations of the Ministers who have on the whole insisted on:
• The need for concluding negotiations within the time limit that was agreed on in Doha;
• The consolidation and strengthening of the Multilateral Trading System;
The importance of taking into account the needs of Developing countries and particularly those of the LDCs in negotiations.

Thirty seven (37) OIC Member States were represented by Ministers, the following Member States delivered speeches at the plenary session:

Albania, Saudi Arabia; Bahrain, Bangladesh, Benin, Brunei, Darussalam, Burkina Faso, Cameroon, Cote d’Ivoire, Egypt, United Arab Emirates, Gabon, Guinea, Guyana, Indonesia, Jordan, Kazakhstan, Kuwait, Lebanon, Malaysia, Mali, Morocco, Mauritania, Mozambique, Nigeria, Oman, Uganda, Pakistan, Qatar, Kirghizistan, Senegal, Sudan, Chad, Togo, Tunisia, Turkey and Yemen.

For the most part, there was a big discrepancy between the real negotiations that were held in committees and the political declarations, particularly those of industrialised countries whose positions in negotiations committees were very different from the intentions that were declared in plenary sessions.

Ministers started negotiations on September 11th 2003 at an informal meeting of heads of delegations followed by the discussions of the different groups on key issues. In order to help negotiators reach a compromise, five chairmen called facilitators, chosen among Ministers were appointed so as to try to ease positions by gathering in private meetings members’ complaints.

The following chairmen were designated:

- **Working group on agriculture:** Mr. George YEO, Minister of commerce and industry of Singapore;
- **Working group on market access to non agricultural products (industrial):** Mr Henry Tang Ying-yen, Minister of Finance of China (Honk Kong);
- **Working group on Singapore issues** (transparency of government procurements, investment and trade, competition policy, trade facilitation): Mr. Pierre S.PETTIGREW Minister of International Commerce of Canada.
- **Working group on development:** Mr. Mukhisa Kitutyi, Minister of Commerce and Industry of Kenya;
- **Miscellaneous issues:** (which includes Trade Related Intellectual Property Rights (TRIPS): Mr. Clement Rohee, Minister of Foreign Trade and Cooperation of Guyana.

Besides, upon the intransigence of cotton exporting African countries, it was decided to set up a special working group on this issue that was chaired by the Director General of the WTO, Mr. Supachai Panitchpadki.

The chairmen of the working groups submitted a report to the Chairman of the General Council and provided texts intended to amend the draft declaration that was subjected to keen debates.

Formally, negotiations were held at meetings called "Meetings of the heads of delegations", but they were actually held at informal meetings "in Camera" in the famous "green room meetings" where the main protagonists chosen at the discretion of Europe and the United States were summoned.

**III/ OUTCOMES OF THE CANCUN MINISTERIAL MEETING:**

The Cancun Ministerial conference ended on 14th September. At the closing session, the Chairman Luis Ernesto DERBEZ concluded that in spite of the important progress noticed
at the level of consultations, Members stuck to their own stances, particularly with respect to "Singapore issues". Five days were not sufficient for the delegates of the 148 countries to reach an agreement on a common draft declaration.

The draft ministerial declaration prepared by the Mexican chairmanship has strongly disappointed developing countries who have considered that with respect to the agricultural subsidies' issue, the text has remained very close to the common proposal that was made by the EU and the United States before Cancun. They have especially regretted the absence of a precise date for the removal of export subsidies on some priority products whose list has not been drawn up yet.

They have also expressed their disapproval of the answer made at the "cotton initiative" launched by Mali, Chad, Benin and Burkina Faso. These four countries supported by other Developing Countries and by NGOs massively represented in Cancun, requested the prohibition of cotton subsidies to the Countries of the North, especially those supplied by the United to their producers. In fact the text did not mention any short term commitment of this kind. And it has also provided for measures favouring "diversification programmes" of African countries' economies, which according to the words of an African delegate felt themselves "very humiliated and even their interests dragged through the mud".

Through the representative of Kofi Annan, the UN has even declared that it was an "alarming text", which does not even come up with Doha Declaration. Consequently, the continuation of Doha Round of negotiations might probably be very difficult. Developing countries and industrialised countries are more than ever adopting divergent positions.

**STUMBLING BLOCKS OF THE CONFERENCE:**

- **Agriculture:**

It is around this file, which is the subject of all disputes that the different camps were formed. On the one hand, the group of 21 (G21)
\(^1\), alliance of developing countries and the CAIRNS group, which gathers agricultural products big exporters. On the other hand, the United States and the European Union, big suppliers of export subsidies or of any kind of support to export transactions.

The draft text tackled the three tracks of political policies that were considered as contrary to competition rules: domestic support, market access and export subsidies.

The developing countries of the G21 and the big agricultural exporters of the CAIRNS group required the full abolition of export subsidies to agricultural products of industrialised countries and a high reduction of domestic support.

Yet, the EU and the United States insisted on the elimination of these subsidies only for products of great interest to developing countries. It also provides for the removal of subsidies included in a list of agricultural products and representing a special interest for Developing countries but several points are still to be negotiated.

---

\(^1\) These countries account for more than half of the world population: these are South Africa, Argentina, Bolivia, Brazil, Chile, Columbia, Costa Rica, Cuba, Ecuador, **Egypt**, El Salvador, Guatemala, India, Mexico, **Pakistan**, Paraguay, Peru, Philippines, Thailand and Venezuela.
Besides, the draft text introduces the idea of a commitment of Developed countries to grant free access to the products from the Least Developed Countries without quotas or tariff barriers but without providing for a precise date.

With respect to the improvement of market access for agricultural products, the Draft Declaration takes up the combined formula of customs tariffs reduction suggested by the European Union and the United States in their common initiative of last August 13*. But the text proposes two addenda: To fix from now on a minimal objective for average reduction on the whole agricultural products; to grant the possibility of keeping high tariffs but only on a limited number of products". Finally the text proposes to renew for a duration to be determined subsequently "the peace clause", through which member states undertake not to lodge any complaint to the WTO on disputes relating to agriculture.

Considering the efforts of the countries of the North, the G-21 rejected the final draft declaration; 21 countries led by Brazil, India, China and South Africa require from the Europeans, Americans and Japanese to put an end to their extremely substantial subsidies (1 billion Us dollars per day, which destabilize the farmers of the South).

- SINGAPORE ISSUES:

In fact, it is not agriculture, which caused, failure of Cancun Conference, the breaking off was caused by developing countries, which refused to discuss new rules aiming at reviewing national procedures that hamper trade and investment.

The Doha declaration, adopted in 2001, provided for measures to facilitate negotiations : "We agree to hold negotiations after the fifth session of the Ministerial Conference on the basis of a decision that will be taken by explicit consensus, during this session on negotiations modalities". The ambiguity of this sentence has further increased the divergences between Member States. Industrialised countries considered that negotiations should start straight away Cancun.

Developed countries, particularly the European Union and Japan wish the opening of negotiations on four subjects, so called Singapore issues, which include investments, competition, government procurements and trade facilitation. South Korea, Taiwan and Switzerland have joined the European Union to claim discussions on Singapore issues.

Upon a concession made by the EU, the new draft ministerial declaration of the WTO, while recording the delays in the WTO members' negotiations, provides for the launching of negotiations on only two out of the so called new Singapore issues: transparency of governments procurements and trade facilitation. With respect to investments, the draft declaration proposes to continue the clarification work. As to the competition issue, the text is even less ambitious; it requires the working group to prepare a new report for the general council.

The proposal of the EU to limit negotiations to two themes was rejected by Developing countries, particularly by India, Malaysia and the LDCs. Developing countries relied on the necessary "explicit consensus" to refuse the inclusion of these issues in the
negotiations agenda. The G-77, which represents developing countries held a press conference showing their refusal to launch negotiations on Singapore issues.

- AFRICAN COTTON ISSUE:

The initiative of four African countries, cotton producers (Benin, Burkina Faso, Mali and Chad) aimed at obtaining the total abolition of subsidies granted by the countries of the North, particularly those of the United States, along with a financial compensation for the losses that were incurred by these countries. Its rejection in the final declaration gives rise to the anger of the LDCs and of the ACP countries (Africa, Caribbean and Pacific).

Since a few months, the African leaders launched a campaign aiming at making industrialised countries see reason. Acting on behalf of the whole West African countries and Central African countries, the President of Burkina Faso, His Excellency Balise Compaore, launched in Geneva a vigorous appeal in favour of the abolition of subsidies granted to the producers of the North.

- On August 15th, four African countries: Benin, Burkina Faso, Mali and Chad submitted in the name of twenty other African countries with the support of Brazil, a proposal requesting the removal of cotton subsidies over a period of three years (-33%) per year as well as the payment of compensations "for the "financial loss" incurred by African producers.

The paragraph on cotton of the Ministerial Declaration constitutes an offence against developing countries. The text proposes that the issue be tackled from the point of view of market access for non-agricultural products. This does not totally solve in the short term, the problem of African cotton producers, which do not own a competitive textile industry, open up to the external world. The fact of suggesting to those African countries which were affected by dumping to resolve this problem by the diversification of their economies was considered as unacceptable in so far as the draft ministerial declaration puts on again the American stance, which proposes to examine the issue within the broader framework of textiles and clothing. Such a proposal was considered as a blind refusal to settle this issue.

MARKET ACCESS FOR INDUSTRIAL PRODUCTS:

Negotiations started on a text proposed by Canada, the United States and the European Union. This text requires from Developing countries to undertake to 'consolidate" their customs tariffs, in other words to fix for each product a customs duty without any modification.

Once again, Developing countries have deemed that industrialised countries require big efforts from them, while the latter have made insufficient concessions in the field of agriculture. Besides, they have declared that a reduction of customs tariffs and tariff ceilings prevent them from undertaking industrialisation policies.

TV/ CONSULTATIONS AMONG THE OIC MEMBER STATES:

In compliance with the resolutions of the 13th session of the COMCEC on this issue, ICDT and IDB have represented the OIC at this important conference.
A coordination meeting between the OIC countries was organised on September 9th 2003 at Hotel Meridien and was chaired by the Egyptian Minister of Foreign Trade, His Excellency Dr. Youssef BOUTROS GHALI.

The Agenda items of this meeting essentially dealt with the examination of the draft declaration and on the presentation of the conclusions to the consultative meeting held in Jeddah on 27th and 28th July 2003.

At this meeting, participants have also discussed the ways and means to enhance coordination between the different positions of the OIC delegations, especially in Geneva. ICDT presented to the OIC Member States, a working paper on negotiations along with proposals and recommendations that could serve as a platform for a common position of the OIC countries; it also distributed a special issue of "Tijaris" devoted to Cancun Conference.

V/ CONCLUSIONS:

The failure of Cancun Conference is due to a plurality of factors, particularly the intransigence of industrialised countries, which have required concessions on some issues of vital interest for Developing Countries; the WTO also shares some of the responsibility for this failure. The Chairman of the Conference was also criticized, for having presented a text which does not reflect the concerns of all parries. The Indian Minister of commerce condemned such a practice by vehemently addressing the meeting, he said: "You have deliberately neglected the concerns of a large number of developing countries. It is an attempt to impose the views of few countries on the largest number of participating countries".

Of course, the Cancun Meeting sounds the death-knell for the American-European condominium over the WTO and announces a stronger rising tide of Developing countries through the G-21, but the failure of this conference postpones the completion of Doha round indefinitely, since the year 2004 will be that of the USA presidential elections and of the renewal of the Members of the European commission. The latest developments, suggest the return of commercial unilateralism of the big trading nations that might rush for the conclusion of bilateral and regional agreements with their major partners as they did before during the trials and tribulations of the Uruguay Round.

Ministers have asked the Chairman of the General Council to and the Director General of the WTO to coordinate these works and convene a meeting of the General Council at the level at-the level of the senior officials on December 15th, 2003 at the latest, in order to take the necessary measures to launch the negotiations process.

Finally, the strengthening of the influence of the NGOs on the evolution of negotiations should also be stressed, actually they have managed to make themselves heard by backing the positions of Developing countries, especially on agriculture, cotton and Singapore issues.
REPORTS BY ICCI ON PRIVATE SECTOR MEETINGS AMONG THE OIC MEMBER COUNTRIES

Twenty First Meeting of the Follow-up Committee of the COMCEC

(Istanbul, 10-12 May 2005)
Report
of the 11th Private Sector Meeting for the Promotion of
Trade and Joint Venture Investment among Islamic Countries
Manama, Kingdom of Bahrain. February 5-7, 2005

Under the kind patronage of H.H. Shaikh Khalifa Bin Salman Al-Khalifa, Prime
Minister of the Kingdom of Bahrain, and in response to the kind invitation of Bahrain
chamber of Commerce & Industry, the 11th Private Sector Meeting for the Promotion of
Trade and Joint Venture Investment among Islamic Countries was jointly organized by
the Ministry of Industry and Commerce of the Kingdom of Bahrain, Islamic Chamber of
Commerce & Industry and the Bahrain Chamber of Commerce & Industry in Manama,
Capital of the Kingdom of Bahrain from February 5th to 7th, 2005.

The Private Sector Meeting was attended by more than 400 delegates,
representing 30 Islamic Countries including the General Secretariat of the Organization
of the Islamic Conference, the Islamic Development Bank (IDB), the Islamic Corporation
for the Development of the Private Sector (ICD), Islamic Corporation for the Insurance
of Investment and Export Credit (ICIEC), Islamic Center for Development of Trade (ICDT),
UNIDO and other financial institutions operating in some Islamic Countries, in addition
to Ministers of Commerce of a number of Islamic Countries.

Inaugural Session:

The Meeting was inaugurated at 9:00 a.m. on Saturday, 5th February 2005 in
Bahrain Convention Center for Exhibition by recitation from the Holy Quran.

In his inaugural speech H.E. Dr. Hassan Abduallh Fakhro, Minister of Industry &
Commerce of the Kingdom of Bahrain expressed his deep gratitude to H.H. The Prime
Minister of the Kingdom of Bahrain for his kind acceptance to inaugurate the Private
Sector Meeting and the Trade Fair. He underlined the significance of the two events, that
are being held at a time when Islamic Ummah is undergoing extremely difficult
circumstances. He referred to the fact that the Islamic economies are facing numerous
challenges that are related to their ability to survive and compete. He put emphases on the
significance of strengthening integration of Islamic economies, so as to establish a strong
Islamic economic block.

On behalf of the President of the Bahrain Chamber of Commerce & Industry,
H.E. Jehad Hassan Bu-Kamal, Board Member and Deputy Treasurer, delivered speech, in
which he said that this economic demonstration is a strong evidence of the interest of the
private sector of the Islamic World to play its important and pivotal role in the socio
economic process. He further stated that Bahrain by hosting this economic event is
reaffirming its unique status that achieved by it in the global commercial circles. It also
shows the advanced level of development achieved by Bahrain at various spheres, he
added.
Thereafter H.E. Rafik Al-Hariri, the former Prime Minister of Lebanon underscored the significance of strengthening relations of various Arab and Islamic countries. He called for removing all tariff and administrative restrictions. He stated that the efforts of Lebanon are focused at forming cooperation network among the different Arab and Islamic Countries. Mr. Hariri said that the Arab Common Market is the best way to support commerce and investment at the level of Arab and Islamic states.

H.E. Rafidha Aziz, the Minister of External Trade of Malaysia, delivered speech, in which she appreciated the efforts of the organizers of the both the Private Sector Meeting and the Islamic Trade Fair. She expressed her confidence that these two events would contribute in strengthening the intra-Islamic trade and investment ties of the Member States. She said that the traditional ties between the Islamic countries has contributed in preserving their unique bonds and that many of that has managed to achieve by the grace of Allah a high standard in producing numerous goods and services. Therefore, the Islamic Countries should opt to meet their demands of import from brotherly Islamic Countries. She called upon Member States to facilitate movement of goods and businessmen by way of removing impediments and restrictions and to coordinate customs procedures as well as to agree upon certain standards for goods and products. She announced that Malaysia will host the OIC Trade Forum as well as the OIC Trade Fair in Putrajaya in June 2005.

The Secretary General of the Islamic Chamber H.E. Aqeel A. Al-Jassem in his speech thanked the King, Government and the people of Bahrain for hosting this meeting. He called upon Member States to unify their efforts and mobilize their resources, so as to overcome the challenges of current era and achieve self reliance which gives these countries the needful resolution to face all the forthcoming challenges. This can be achieved only by strengthening intra-Islamic Trade and enhancing economic cooperation through devising a comprehensive programme that is based on integration and cooperation in all sectors.

On behalf of the H.E. Ekmaleddine Oglu, The Secretary General of the OIC. H.E. Ambassador Nabika Diallo, Assistant Secretary General for Economic Affairs delivered a speech. He thanked the Prime Minister for hosting both the events. He said that the 10th Islamic Summit and the 21st Session of COMCEC invited all the member countries to build their cooperation so as to accelerate the development process and avoid marginalization in the face of the great global economic bloc. He said in view of the continued deterioration of commercial exchange among developing countries, we are duty bound to enhance our solidarity as well as to enhance our economic and commercial exchanges, so as to make the new millennium an era of peace, prosperity and growth for Member States and entire Islamic Ummah.

The Director General and Chief Executive Officer of Islamic Corporation for Development of Private Sector (ICD), Dr. Ali A. Soliman made his speech in which he said that since its inception the IDB has been financing private sector projects and working for developing financing modalities and setting up new entities that are capable
to respond to the changing condition and with complete compliance to the Shariah Law. He emphasized on the fact that the concept of Islamic financing that is provided by the Bank makes it necessary that the role of the Bank shall not be restricted to providing financing but goes beyond that to include, consultancy and play effective role in all investment regardless of the size of financing and its modalities.

After inaugurating the meeting and the trade fair H.E. The Prime Minister proceeded to Al-Seef Hall, were he met with the heads of delegation and other dignitaries participating in the event. Before leaving the venue H.E. The Prime Minister told the journalists that Bahrain welcome its guests from other Islamic Countries. H.E. said that this meeting would open a wider horizons before the joint Islamic economic work. He appreciated the speech of Mr. Rafik Hariri and the other participants saying that this event would contribute in providing greater opportunities in the Islamic economic thought and provide job opportunities for the trained national labor through this investment. H.E. The Prime Minister added that the investment opportunities in the Kingdom of Bahrain are very much available due to the stability and development.

H.E. The Prime Minister commended the role of private sector in the Islamic Countries and called for increasing the size of investment and creating strong economies based on services, industry and production sectors. He appreciated the role that could be played by these sectors in enhancing the development of intra-OIC trade and investment and up loading at the same time the role of private sector, ICCI and the IDB in promoting such closeness.

Inauguration of the 10th Islamic Trade Fair:

On the sideline of the 11th Private Sector Meeting, the 10th Islamic Trade Fair was opened by H.E. Dr. Hassan Abdullah Fakhro, Minister of Industry and Trade.

H.E. Ali bin Salah Al-Saleh, Minister of Municipalities and Agriculture and H.E. Khalid Mohammad Kanoo, Chairman of Bahrain Chamber of Commerce & Industry and the Heads of the delegations made tour over the various sections of the Exhibition, during which they saw the products that reflected the actual potentials of the Islamic Countries. Forty One Islamic Countries displayed their national products in industry, services and agricultural sectors.

Election of Office Bearers:

The following were elected as office bearers:

H.E. Khalid Mohammad Kanoo - Chairman
Chairman of the Bahrain Chamber

Mr. Mahmoud Hamza Ramdhani - Rapporteur
Kuwait Chamber of Commerce & Industry
First Working Session:

After the inauguration, the first working session was held under the chairmanship of H.E. Aqeel A. Al-Jassem, Secretary General of Islamic Chamber of Commerce and Industry and the following presentations were made:

- "Promotion of Investment in the Kingdom of Bahrain", by Mr. Haitham Al-Qhatani, Deputy CEO of Economic Development Board, Kingdom of Bahrain.
- "Role of the Arab Fund in Supporting the Arab Development and the Private Sector" by Mr. Abdul Hameed Zghlai’ on behalf of Mr. Abdullah Yousuf Al-Hamad, Director General and the Chairman of the Board of Directors of Arab Fund for Social & Economic Development.
- "Role of ICD in providing financial and technical support to the Private Sector in Member Countries" by Dr. Ali Abdulaziz Soliman, CEO/General Manager, Islamic Corporation for Development of Private Sector (ICD).
- "Presentation on the concept of "Sukuk" by Dr. Walid Abdulwahab, representative of the Islamic Development Bank (IDB).

The presentations were followed by general discussions that covered the various issues addressed by the papers.

Second Working Session:

The Second working session was held under the chairmanship of Dr. Ali Abdulaziz Soliman, CEO/General Manager, Islamic Corporation for Development of Private Sector, during which the following presentations were made, followed by general discussions:

- "Efforts of ICIEC in the expansion of trade transactions and investment flows among Member Countries" by Mr. Lutfi Zairi, Marketing Officer of the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC).
- "Opportunities of Investment in Bangladesh" by Mr. Dewan Sultan Ahmed, Director of the Federation of Bangladesh Chambers of Commerce & Industry.

Third Working Session:

The Third Working Session was held at 9:00 a.m. on Sunday, 6th February 2005 and chaired by H.E. Mamdou DIPO, Minister of Commerce of Senegal. The following presentations were made in this session, followed by exchange of views and discussions:
• Lecture by H.E. Mustafa Mashhoori, Minister of External Trade of Morocco - Declaring the meeting of the Moroccan businessmen by Mr. Muir Mohammed bin Saeed, Director General of the Moroccan Center for Export Promotion.

• Speech by H.E. Ali Coşkun. Minister of Industry and Commerce of Turkey. Presentation regarding Turkish Economy and Investment Opportunities.

• "Areas of Investment in Senegal" by H.E. Mamdou DIPO, Minister of Commerce of Senegal.

• Lecture by Mr. Haji Mohammed Tali Bin Haji Abdul Rahman, Chairman of Tourism, Brunei, Darussalam.

• Speech by Mr. Danial Mah Bin Abdulla, Senior Director of Labuan Offshore Finances & Services Authority (LOFSA).

• "Investment Opportunities in Tunisia" by Mr. Alhabib Dawood, Manager Foreign Investment Promotion Agency.

• "Bahrain as an international investment location" by Mr. Ruaidhri Mullen, Marketing Manager, Hidd Industrial Park, Kingdom of Bahrain.

• "Role and Services of the Bank" by Mr. Mahmoud Jinahi, Incharge, Projects Financing, Bahrain Development Bank.

• "Opportunities and Areas of Investment" by H.E. The Minister of Industry and Trade of Niger.

• "Investment Climate and available opportunities in Sudan" by Mr. Almahi Khalafalla.

Bilateral Session:

The bilateral and multilateral meetings were held on Sunday, 6th February 2005 among the businessmen, Banks, Financial Institutions, Project Sponsors and Investors as well as Traders. The meeting provided them the opportunities to discuss the possibilities of cooperation with each other in common areas of interests, such as finding new markets for their products, financing new projects and setting up joint ventures.

Visits to Industrial and Tourism Sites:

The delegates were divided into two groups according to their interests for visiting industrial and tourism sites. One group visited Awalco and Blcaco industrial areas and the other group visited the heritage village and Baitul-Quran. They were taken around and shown the factories in the two industrial areas and publications and documentations related to Islamic Culture and civilization and architectural heritage of Kingdom of Bahrain were shown in the tourism sites.
Adoption of Report and Closing Session:

The closing session was held on February 7th 2005 at 11:00 a.m. under the Chairmanship of H.E. Khalid Mohammad Kanoo, President. Bahrain Chamber of Commerce & Industry. Before the start of the Closing Session, ICCI mementoes were presented to H.E. Dr. Hassan Bin Abdulla Fakhro, Minister of Industry & Commerce: H.E. Khalid Mohammad Kanoo. President, Bahrain Chamber of Commerce & Industry: H.E. Jehad Bu Kamal, Vice Treasurer & Board Member and Mr. Abdul Rahim Naqi. Deputy Chief Executive Officer. Thereafter, certificates and mementoes were presented to the sponsoring companies and institutions of the event.

The Raporteur, Mr. Mahmoud Hamza Ramadan, Director. Labour and Industry Department, Kuwait Chamber of Commerce & Industry read the final report and Bahrain Economic Declaration, which were unanimously adopted.

Mr. Abdul Rahim Naqi, in his closing remarks thanked all the delegates for responding positively to Bahrain Chamber and Islamic Chamber's invitation by not only attending the Meeting in such a large number but also by actively participating in discussions and bi-lateral meeting. He assured the delegates that Bahrain Chamber will send cable of thanks to all the dignitaries.

In his closing remarks, Mr. Jehad Hassan Bu Kamal thanked all the participants for coming to attend this Meeting and wished that they through this meeting would have achieved some considerable results. He recalled that Bahrain Chamber of Commerce & Industry and Islamic Chamber of Commerce and Industry exerted considerable efforts over the last three years for making this dream of holding the 11th Private Sector Meeting in Bahrain, a reality. In the end, he hoped that all the participants had very pleasant stay in Bahrain.

Thereafter, H.E. Aqeel A. Al-Jassem, Secretary General. Islamic Chamber of Commerce and Industry addressed the closing session. He thanked H.H. The King, H.E. The Prime Minister and all the Honorable Ministers. Bahrain Chamber and the people of kingdom of Bahrain for their warm hospitality and welcome extended to all the delegates since their arrival and throughout their stay in the Kingdom. He highlighted that the papers presented during the working sessions covered various aspects of trade and development and inter-related issues in the areas of finance, technology, investment and sustainable economic development. He further stated that the bilateral meetings among the participants provided them the opportunities to discuss the possibilities of cooperation with each other in common areas of interests and a large number of MOUs were signed among various entrepreneurs for trade exchange and joint venture projects. He concluded by expressing best wishes to all the delegates for a safe journey back home and thanked the media personnel for the coverage of the Meeting.
BAHRAIN ECONOMIC DECLARATION

As a result of deliberations of the 11th Private Sector Meeting, puts forward the following recommendations emanating from the meeting within the framework of the BAHRAIN ECONOMIC DECLARATION.

1) To call upon the OIC Member States through the Standing Committee of Commercial and Economic Cooperation (COMCEC) to take practical measures to integrate the Islamic economies, and establish Islamic Common Market as economic bloc capable of creating complemented economies and not similar and to divide the work among Islamic countries in accordance to the comparative advantage of each member countries.

2) To call upon the OIC Member countries through the COMCEC to put up new development vision and formulate joint economic strategies capable of facing the challenges and fast global developments.

3) To grand the private sector its natural and pioneering role in development plans and programmes and to provide necessary legislative and institutional support to exploit the potential of this sector as fundamental basis for liberating economic activity in Islamic countries and to develop the performance of the various economic and services sectors.

4) To engage the private sector through the national chambers of commerce & industry in formulating policies and programmes so as to face the challenges of the globalization and trade liberalization through its representation in concerned councils and organization in each of the member countries.

5) To give due importance to the role of IDE- for enhancing an investment instrument Sukuk (Islamic Bonds), which allows potential investors to raise funds for investment in development projects in IDB member countries as well as represent a perpetual source of Islamic funds for investment in Shariah-compliant projects through a cycle of mobilization and utilization.

6) To call upon the exports, banks and investors to utilize from the programme of Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC), so as to develop exports and investment at the individual and collective level of Islamic countries economies.

7) The Meeting appreciated the signing of a number of agreements of joint venture investments and trade exchanges among the participants including the agreement that has been signed between Iran Chamber of Commerce, Industries & Mines and Tajikistan Chamber of Commerce & Industry for establishing an Exhibition and Conference Center in Tajikistan and the other agreement related to construction of 2000 housing hunts in Bangladesh, noting that the total cost of both projects amounts to USS 65 million.

8) The participants recognized that enhancement of investment will not be realized only by the trade liberalization, but also by coherence between investment related policy areas such as infrastructure development, human resources development.
9) The participants observed that acceleration of exports depend on significant increases of productive capacity through injecting more investment, which could be encouraged by more open trade policies.

10) The 11th Private Sector Meeting as it has closely noticed what has been achieved on ground reality of impressive steps within the framework of national scheme for comprehensive development in the Kingdom of Bahrain and by creating an open economy before both internal and external economies, looks forward that these attractive incentives and conducive climate in the Kingdom would find an appropriate response on the part of investors and businessmen who are seeking actual investment opportunities.

11) The participants recognized that legitimate free competition that is based on principle of fairness and equal opportunities is considered an essential element for creating an investment friendly environment. They underlined the significance of supporting and encouraging competition as the means for enhancing economic performance and particularly the efficiency of investment in view of the limitation of available resources.

12) The participants expressed their profound appreciation for the efforts of Islamic Development Bank (IDB) and the Islamic Corporation for the Development of the Private Sector (ICD) in strengthening the capability of private sector and its organization. They anticipated further enhancement of financing terms, and development of credit extended to SMEs and promoting capacity building for member countries by expansion of educational missions and financing scientific researches.

13) The Meeting expressed its thanks to Member States, who have signed and ratified, the various OIC Agreements and Statutes for economic development, especially the Agreement on Trade Preferential System, the General Agreement on Economic, Technical and Commercial Cooperation and the Agreement on the Promotion, Protection and Guarantee of Investments, and called upon those Member States who have not yet signed and ratified to kindly do so, which would be an important step in the increase of intra Islamic trade and investment.

14) Regarding the role of the Islamic Chamber Research and Information Center (ICRIC) in strengthening economic cooperation among member countries which is realized by bridging the economic and trade information gaps among Islamic Countries, all national member chambers of ICCI as well as OIC organs shall do their best to cooperate with this Center through assignment of focal point(s) as well as relevant contact persons.

15) In view of the important role played by the Small and Medium Sized Enterprises in accelerating the economic development process of the Member Countries and the positive role expected by governments and people of Islamic countries. The meeting called upon member countries to support this sector and to cooperate with the Islamic Chamber of Commerce & industry and support its programmes & activities aimed at promoting the SMEs sector.
16) To call upon relevant financial institutions / banks and other sources, through the ICCI to strengthen and promote the economies of less developed Islamic countries through micro financing, in agro-based and cottage industries.

17) To call upon member countries to benefit from the Infrastructure Fund of IDB and undertake projects which would lead to the development of trade infrastructure such as highways, railway system, transport companies, which can facilitate smooth flow of goods among Member States at cheaper rate and shorter time.

18) The 11th Private Sector Meeting expressed its deep regret and sorrow for the horrifying tragic human disaster that hit the people of a number of countries in South and South East Asia, which is known as Tsunami, and called upon Member Institutions to contribute to volunteer efforts and welfare works that take place in their countries so as to extend relief to the victims from those countries.

19) The 11th Private Sector Meeting called upon businessmen and investors from various Islamic Countries to give an appropriate consideration for the promising investment opportunities that are available in the Northern Turkish Cyprus.

20) To allocate part of the private sector meetings' activity for exchange of experiences and expertise among Islamic countries particularly with regard to programmes of economic reform and privatization as well as attraction of investment in such a manner that serves the common benefit from positive and negative experiences of others.

21) To activate and galvanize the sectoral councils of ICCI and not to confine its establishment to commodity classification only, but to expand its concept to include activities that support strengthening of cooperation, commercial exchange and investment among Islamic Countries such as marketing, development of exports, finance, insurance and quality assurance etc.

22) The participants expressed their deep appreciation and profound gratitude for the warm reception and hospitality given to them by both the officials and people of the Kingdom of Bahrain, under the wise leadership of H.R.M. King Hamad Bin Isa Bin Salman Al-Khalifa, King of the Kingdom of Bahrain. They also thanked H.E. Shaikh Khalifa bin Salman Al-Khalifa, The Honorable Prime Minister for his kind patronage and presence in the Inauguration and also thanked H.E. Dr. Hasan Abdullah Fakhro, Minister of Industry and Commerce, Kingdom of Bahrain and the officials of the Ministry and to all officials and staffs of Bahrain Chamber of Commerce & Industry for all their efforts in preparing this Meeting and providing all possible facilities to make it a success and for the kind hospitality throughout their stay in Kingdom of Bahrain.
Final Report of the First Forum for Businesswomen in Islamic Countries
Sharjah -United Arab Emirates, 1-3 March, 2005

In pursuance of Resolution No. (9) of the 18th General Assembly Meeting, held in Amman, Hashemite Kingdom of Jordan on 7th January 2002, which adopted the following resolution:

**Quote:** The General Assembly reviewed the report of the 8th Private Sector Meeting and the Conakry Economic Declaration and commended on the successful outcome of the meeting and the positive decisions of the COMCEC on this matter and emphasized the importance of holding sectoral meetings for the businesswomen of the Islamic Countries.

Under the kind patronage of Her Highness Shaikha Jawaher Al-Qasimi wife of the Ruler of the Emirate of Sharjah and represented in the inauguration by H.H. Shaikh Tariq Bin Faisal Al-Qasimi, Chairman of Economic Development Authority of Sharjah Emirate and on the kind invitation of the Federation of U.A.E. Chambers of Commerce and Industry, the Islamic Chamber held the First Forum for Businesswomen in Islamic countries, was held in Sharjah - U.A.E. from 1st to 3rd March 2005 corresponding to 20-22 Muharram 1426h. in collaboration with the Federation of U.A.E. Chambers of Commerce and Industry, Sharjah Chamber of Commerce and Industry. UAE Businesswomen Council and Sharjah Businesswomen Council. The Forum was held under the theme of "Partners in Economic and Social Development"

Alongwith the Business Forum, a trade fair was also held for the businesswomen from 1 -4 March 2005 in Sharjah - U.A.E. at Expo Centre.

The Forum was attended by around 250 delegates representing 32 OIC Member Countries (Lists attached) and International Organizations: Islamic Development Bank (IDB). High Consultative Committee for Islamic Laws - Kuwait. Femmes Africa Solidarite, Womens Solidarity Associations of Iran. Arab Business Women Council of Kuwait, Bahrain and Egypt. Small and Medium Enterprises Authority of Pakistan. Arab Women Investors Union. Women Chamber of Commerce and Industry of Pakistan.

**INAUGURAL SESSION:**

The Forum was inaugurated at 09:00 a.m. on Tuesday, March 01, 2005. at S AS Radisson..Hotel, in Sharjah, by the recitation from the Holy Quran. The following dignitaries delivered their speeches:

- Address of Her Highness Shaikha Jawaher Al-Qasimi. Patron In-Chief and Chief Guest, delivered by H.H. Shaikh Tariq Bin Faisal Al-Qasimi. Chairman of Economic Development Authority of Sharjah Emirate.
Annex XIII to OIC/COMCEC-FC/21-05/REP


- Speech by Federation of U.A.E. Chambers of Commerce and Industry delivered by H.E. Abdullah Rashid Al-Kharji. Vice President of Federation of U.A.E. Chambers of Commerce & Industry and President of Umm Al Quwain Chamber of Commerce and Industry.

- Speech by H.E. Aqeel A. Al-Jassem. Secretary General of Islamic Chamber of Commerce and Industry


- Speech by Madam Hoda Galal Yassa. Chairperson, Association of Arab Women Investor

- Speech by Madam Laila Sahlab Karamy'. Lebanese Businesswomen Association

Office Bearers

The Forum nominated the following office bearers:

- Chairperson - H.E.Raja Easa Al Gurg from U.A.E
- Vice Chairperson - Madam Akoa Angelliene from Cameroon
- Rapporteur - Ms. Attiya Nawazish Ali from Islamic Chamber

Drafting Committee

A Drafting Committee was set up covering of the following:

- Mr. Jawad Abdul Karim. Federation of U.A.E. Chambers of Commerce & Industry
- Mr. Saidou Roufaou. Chamber of Commerce. Industries. Mines & Crafts of Cameroon

Exhibition:

The Exhibition was opened at Sharjah Expo Center in the presence of H.H. Shaikh Tariq Bin Faisal Al-Qasimi. Chairman of Economic Development Authority of Sharjah Emirate. Heads of Delegations, other dignitaries and delegates. The stalls displayed various items being produced by the Businesswomen of the Islamic countries.

Speech was added during the Inaugural Session
PRESENTATION OF PAPERS:

Five sessions were held for the presentation of papers, covering various aspects concerning the role and issues of the businesswomen, with possible proposals to overcome these issues. These sessions were followed by discussions and question answers.

• "Status of Women in Islam and her role in socio-economic development" Keynote by: Dr. Shaikh Khalid Al-Mazkoo Chairman of the High Consultative Committee for Completion of Implementation of Islamic Laws. State of Kuwait

• "Cultural Understanding for Progress and Growth" by Madam Fatemeh Hashemi Rafasanjani. Secretary General Women Solidarity Association (WSA). Islamic Republic of Iran

• Status of Businesswomen in Cameroon by Madam Akoa Metugu Abena Angeline. Board Member of Chamber of Commerce. Industries. Mines and Crafts of Cameroon

• "Challenges and Opportunities for Businesswomen in South East Asia" by Dato Dr. Norraesah Mohamed. Chairperson of Businesswomen Association of Malaysia.

• "Challenges and Opportunities for Businesswomen in the African region" by Madam Bineta Diop, Executive Director, Femmes Africa Solidarity, from Republic of Senegal.

• "Investment in voluntary work aimed at human benefit" by Madam Fatemah Al-Bustaki. of the Union of Kuwaiti Woman Associations


• "Promoting interests of Businesswomen in the Kingdom of Saudi Arabia" by Aziza Al-Khateeb. Saiydah Khadija Bint Khwali Center. Kingdom of Saudi Arabia

• "Scope of empowering Women's Network for Business Ventures in Islamic Countries" by Madam Laila Karamy, President of Lebanese Businesswomen Association. Republic of Lebanon.

• "Women Entrepreneurs in SMEs: Realizing the benefits of Globalization and the knowledge-based economy" by Begum Salma Ahmed. National President & CEO. Women Chamber of Commerce and Industry. Pakistan
Annex XIII to 0IC/C0MCEC-FC/21 -05/REP

- Service of Small and Medium Enterprises of SMEDA (Small and Medium Enterprises Development Authority of Pakistan) by Mrs. Tazeen Arsalan

- Women Entrepreneurship in Turkey by Ms. Zeynep Bodur Okyay. Vice President of Kale Group

- "Experience sharing of Women Entrepreneurs" by Ms. Nasreen Awal Mintoo. President - Women Entrepreneurs Association of Bangladesh (WEAB) and Chairperson - SAARC Chamber Women Entrepreneurs Council (SCWEC)

Experiences and success story of Businesswomen

- Eng. Widad Yaqoob Ibrahim (Sudan)
- Mrs. Tatyana Zhadnova (Kazakhstan)
- Mrs. Thurayya Al-Orayyid. Aramco Company (Saudi Arabia)
- Mrs. Nadia Al- Sayigh - U.A.E.
- Mrs. Hind Abdul Jabir - Hashemite Kingdom of Jordan
- Dr. Shehla Javed Akram (Pakistan)
- Mrs. Afitimath Bint Sayed Ahmed (Mauritania)
- Mrs. Maha Lotfi Mahmoud Elessawi (Egypt)

The detailed papers have already been circulated and will also be published.

Mr. Farooq-uz Zaman, IDB representative highlighted the "Role of Islamic Development Bank in Women entrepreneurship Development." He emphasized that for IDB to intervene in SMEs there must be the existence of an IDB Line of financing in the country concerned, while for micro-finance operations the office of the IDB governor of the country concerned shall request IDB for a micro-finance loan. Such micro-finance loans are extended by IDB to governments which then provides them the financing at the grass roots level to micro-finance operators under the aegis of micro-finance financial intermediaries, which are responsible for implementing and monitoring the facility.

Bilateral Contacts Meeting:

A number of bilateral and multilateral meetings were held on 2\textsuperscript{nd} March 2005. Businesswomen from all the participating countries met with each other and the representative of the Islamic Development Bank. SMEDA, and interacted to discuss possibilities of further expanding trade ties.
Annex XIII to OIC/COMCEC-FC/21-05/REP

Mr. Farooq-uz-Zaman, IDB representative during the bilateral meetings with businesswomen delegations from Benin, Cameroon, Ivory Coast, Togo, Yemen, Mauritania, Sudan explained the facilities of IDB for SMEs and Micro-finance, modalities of operations through NDFIs and micro-finance financial intermediaries, terms and conditions of financing and requirements under Lines and direct financing for large projects.

The representative commented that majority of the projects submitted during the Forum, were SME projects and as such needed to be considered under an IDB Line of Financing and microfinance loan for micro-enterprises. Since there are no lines of financing facilities to the concerned countries, the IDB representative suggested the sponsors to contact the office of IDB Governors for requesting IDB to extend line of SMEs financing. Where micro-financing is envisaged, the sponsors may also contact the office of IDB Governors to request IDB for micro-finance loans to the Government.

The Bank representative after reviewing the projects, gave his views on the viability of each project and informs- that the Bank will revert to the sponsor for clarifications on the requirements to be met as specified in the circulated document by the Bank.

The IDB representative was of the opinion that the project sponsors are interested not only in finance but also joint venture partners, technology suppliers, markets and marketing etc. In this respect, ICCI is requested to post the project proposals in existing portals of SMEs like that of SMEDA, Pakistan and others. More importantly, ICCI may request the UAE Chamber of Commerce and Industry and Sharjah Chamber of Commerce and Industry in particular and invite all the members of ICCI to identify joint venture partners for the projects submitted by the Businesswomen from Islamic Countries.

Final Report and Declaration

The two day deliberations led to in depth discussions between the representatives of the businesswomen community from 32 Islamic countries. Based on the recommendations put forward through the papers and also the recommendations received from the businesswomen themselves, the Declaration of the First Forum for Businesswomen was issued:

The representatives of the First Forum for Businesswomen in Islamic Countries, gathered in Sharjah from 1st to 3rd March 2005 agreed:

1. To welcome the initiative taken by the Islamic Chamber, the Federation of U.A.E. Chambers of Commerce and Industries for holding the First Forum.
2. Noted that till date that there was no common platform for the businesswomen of the Islamic countries to meet:

3. Realizing the urgent need for the businesswomen to come together and establish a network among themselves.

4. Expressed hope that the initiative taken by the Islamic Chamber for the businesswomen of the Islamic countries would get the attention of the financial institutions and banks.

5. Emphasized the need for holding of such Forums on a regular basis;

6. In view of the important and active role being played by the Businesswomen, the Forum called upon the OIC member countries to ensure a greater representation of women entrepreneurs in the activities of the Organization and its affiliated institutions, such as the OIC Standing Committee for Economic and Commercial Cooperation (COMCEC).

7. The Forum highlights the need for providing technical assistance to the women entrepreneurs in order to upgrade their management, marketing and packaging skills to compete in the international market. Therefore, it is called upon the Small and Medium Enterprises Development Authorities to organize training programs and workshops.

8. The Forum called upon the National Chambers of Commerce and Industry in the OIC countries to provide due consideration to businesswomen associations and grant them suitable representation in the Board of Directors and provide them more opportunities and exposure through their involvement in trade fairs and trade delegations.

9. The Forum noted that lack of financing, communication and information are some of the hurdles being faced by the businesswomen to expand their business ties and hence called upon the Islamic Chamber to devise a strategy to overcome these hurdles, through the assistance of ICRIC, Islamic Development Bank and other International Organizations with which it has signed MoUs.

10. The Forum calls upon the Islamic Development Bank and the other Islamic Banks and Financial Institutions to allocate a special window for providing services for the projects of women entrepreneurs in the IDB countries.

11. It is called upon the existing businesswomen organizations in Islamic countries in the various regions, to strengthen and enhance their relations through greater connectivity and networking with the objective of benefiting from each other experiences and expertise, by ways of setting up information network.
12. The Forum also called upon the Islamic Chamber Research and Information Center (ICRIC) established within the Iran Chamber of Commerce. Industries and Mines, to contribute in preparing studies in the field of information technology for the development of business community.

13. The Forum appreciates initiatives that have been taken by a number of businesswomen institutions in the sphere of voluntary welfare services and philanthropic work and calls upon the Financial Institution to support this cause.

14. The Forum emphasizes that extra efforts need to be taken by these institutions and other NGOs in the Islamic countries to further develop such initiatives and intensify their efforts in the areas of education, health care, specially reaching out to the children and needy women of the remote rural areas by sending voluntary missions comprised of doctors as well as ladies health workers.

15. The Forum calls upon the Council, Federations, Chambers of Commerce and other business organizations as well as educational and provisional institutions in Islamic countries to involve businesswomen in training and skill development courses in order to enhance their expertise and know how in practicing economic activities.

16. The Forum took note of the success stories presented by some of the Businesswomen and proposed to learn through their experiences, in order to upgrade their businesses.

17. The Forum called upon the need to host these Forum on annual basis and in this respect, appreciated the offers received from a number of member countries and in this context, requested the Islamic Chamber to formulate a mechanism, which sets a criteria, which the member countries could meet for holding these Forums on an annual basis.

18. It called upon the Executive Committee of the Islamic Chamber to look into the possibility of establishing a body under the umbrella of the Islamic Chamber for the Businesswomen.

19. The Forum emphasizes the necessity of extending support and encouraging the setting up of SMEs for businesswomen in Islamic countries and grant them appropriate opportunities to carry out their various economic activities and coordination would be made among businesswomen organizations and women associations in the member countries to support handicrafts, traditional goods and to enhance their competitiveness in order to access foreign markets.
20. The Forum called upon on the setting up of follow-up committee based on representation of the three major regions of the OIC Group, namely Arab, African and Asian Regions, with the Islamic Chamber as its Focal Point.

21. The Forum called upon the Islamic Chamber to look into the possibility of nominating a representative for the Forum in each of the member countries to act as coordinator with the follow up committee.

22. The Forum recommended sending cable of thanks and appreciations to the following dignitaries:

- H.H. Dr. Sultan bin Mohamed Al-Qasimi. Member of the Ruling Council. Ruler of Sharjah.
- Her Highness Shaikha Jawaher Al-Qasimi, Patron of the Forum.
- His Excellency Tariq bin Faisal Al-Qasimi, Chairman Economic Development Department of Sharjah

For hosting of this Forum the participants extended their gratitude and appreciation to the Federation of U.A.E. Chambers of Commerce and Industry. Sharjah Chamber of Commerce and Industry, U.A.E. Businesswomen Council, Sharjah Businesswomen Council for their hospitality and thanks to the media for their coverage for the said Forum.

Afterwards, Secretary General Islamic Chamber of Commerce and Industry awarded shields to the speakers for their valuable input to the Forum.

During the Forum two MoUs were also signed between the Lebanese Businesswomen Association and the UAE Businesswomen Council, and the second between the Sudanese Businesswomen Union and UAE Businesswomen Council for strengthening cooperation in the areas of mutual interests.

The Heads of the delegations paid a courtesy visit on Her Highness Shaikha Jawaher Al-Qasimi's. During the meeting Her Highness was briefed about the purpose and the outcome of the meeting and was presented with the shield by the representative of the Islamic Chamber of Commerce and Industry.

\[\text{Final report/ana/azhar}\]

\[\text{A number of participants came forth to be members of the follow-up Committee. The Secretary General of Islamic Chamber clarified that all members would bear their own expenses while attending the follow up meetings. The General Secretariat of Islamic Chamber will contact with a number of institutions to activate this Committee.}\]
REPORT BY ICDT
ON TRADE FAIRS OF ISLAMIC COUNTRIES

Twenty First Meeting of the
Follow-up Committee of the COMCEC

(Istanbul, 10-12 May 2005)
REPORT ON THE 10TH TRADE FAIR OF ISLAMIC COUNTRIES (TFOIC)

The Islamic Centre for Development of Trade organised under the auspices of the Ministry of Commerce and Industry of the Kingdom of Bahrain and in collaboration with Bahrain Chamber of Commerce and Industry the 10th Trade Fair of the OIC Countries, from 26th to 30th Zul Hejjah 1425 H, (February 5th to 9th 2005) at Bahrain Exhibition Centre in Manama. This event was held under the High Patronage of H.H. Shaikh Khalifa Bin Salman Al Khalifa, the Prime Minister of the Kingdom of Bahrain, under the theme: "Role of the Private Sector in the Economic Integration between the Islamic Countries".

The fair was held at Bahrain Exhibitions Centre, which extends over 16,000 sqm. The latter is divided into two exhibition halls of 8,000 sqm each. Bahrain Exhibition Center is one of the most modern equipped exhibition centres of the region. The Centre has conference rooms provided with the most modern audiovisual equipment intended to meet the needs of to press services as well as those of the conferences, seminars and forums, technical services and exhibitors.

The fair lasted for 6 days from 9.00 a.m. to 1.00 p.m. and then from 4.00 p.m. to 9.00 p.m.; the three first days were devoted to official delegations and businessmen. Then the fair was open to the general public.

The following thirty three countries attended the 10th Trade Fair of Islamic Countries:

- People's Democratic Republic of Algeria
- Republic of Azerbaijan
- People's Republic of Bangladesh
- Republic of Cameroon
- Arab Republic of Egypt
- Syrian Arab Republic
- Republic of Indonesia
- Republic of Iraq
- Islamic Republic of Iran
- Kingdom of Morocco
- Hashemite Kingdom of Jordan
- Kingdom of Bahrain
- Kingdom of Saudi Arabia
- Malaysia
- State of Kuwait
- Islamic Republic of Mauritania
- Republic of Mozambique
- Republic of Niger
- Republic of Chad
- State of Palestine
- Sultanate of Oman
- Brunei Darussalam
• Republic of Senegal
• State of Qatar
• Republic of Tunisia
• Republic of Turkey
• State of the United Arab Emirates
• Republic of Yemen
• Republic of Sudan
• Turkmenistan
• Republic of Uganda
• Muslim Community of the United Kingdom
• Thai'lande (Muslim Community)

The Islamic Development Bank participated in this event by sponsoring the participation of some LDCs, OIC Members, above mentioned.

1. Inauguration of the Fair:

The 10th Trade Fair of Islamic Countries was inaugurated by His Royal Highness Sheikh Khalifa Bin Salman Al Khalifa, Prime Minister of the Kingdom of Bahrain in the presence of the late previous Prime Minister of Lebanon, Mr. Rafik El'Hariri as well as of Ministers and hundreds of VIPs and businessmen from the various OIC Member States and particularly, in the presence of the Ministers of Commerce of the following countries: Morocco, Bahrain, Turkey, Qatar, Senegal, Malaysia, Brunei, Sudan, Somalia, Djibouti.

2. Activities on the sidelines of the Fair:

- Seminar on "The Free Trade Area of the OIC as a First Step for the Establishment of an Islamic Common Market".

ICDT and Bahrain Chamber of Commerce and Industry organised a seminar on the "Free Trade area of the OIC as a first step for the establishment of an Islamic Common market" on 8th February 2005 in Manama.

This seminar was attended by about 80 participants representing about 20 Member States of the OIC.

The presentations of experts dealt with the following topics:
  > General presentation of the main provisions of the TPS/OIC Agreement;
  > Methodology and structure of negotiations;
  > The TPS/OIC and the Regional Trade Preferential Agreements
  > The TPS/OIC Agreement and the WTO Agreements;
  > Outcomes of Negotiations started in April 2004;
  > The probable impact of the Agreement.
- 11th Private Sector Meeting for trade promotion and joint trade and investment ventures within Islamic Countries:

This event was organised by the Kingdom of Bahrain, the Islamic Chamber of Commerce and Industry and Bahrain Chamber of Commerce and Industry from February 5th to 7th 2005.

It was attended by about 175 delegates coming from 31 Member States. This meeting was also attended by the Islamic Development Bank, ICDT, the GCC, the FADES and representatives from the Muslim communities in some non-OIC Member States.

3. Evaluation of the Trade Fair of Islamic Countries (TFOIC):

According to a preliminary evaluation of the fair, the number of deals that were made is estimated at about 50 million Bahraini Dinars (about 130 million US $), of which a contract amounting to 65 million US dollars, signed with a company of Bangladesh for the construction of a great residential complex in Dhaka, capital of Bangladesh, and another one was signed between Iran and Kazakhstan whose amount was estimated at several million US dollars.

If the number of the visitors (general public) did not meet the expectations, that of businessmen was more than satisfactory, which led to the total sale of the products exhibited in several stands and to the strengthening of business links between a significant number of exhibitors and businessmen who were seeking trade opportunities.

About 500 companies filled the buildings of Bahrain International Exhibition Centre. Some Member States' pavilions enthralled visitors who were very satisfied thanks to the design and the originality of these stands.

The advertising billboards of the 10th Trade Fair and those of the 11th Private Sector Meeting filled the main thoroughfares of the Capital Al-Manama.

4. Distribution of trophies and merit prizes:

By virtue of Article 15 of the Fair's regulations, the Trophy Committee composed of the Representatives of Bahrain Chamber of Commerce and industry and representatives of the Islamic Centre of Development of Trade (ICDT) held a meeting to choose the most excellent stands. Trophies were awarded to the following countries on the basis of the following criteria, namely:

- Area,
- Quality of exhibited products
- Number of exhibiting companies,
- Number and level of the official commercial representation
- Frequency in the fair to date.
Trophies were awarded to the following countries:

- Malaysia 1st Prize
- State of Kuwait 2nd Prize
- Brunei Darussalam 3rd Prize

Taking into account the selection criteria of the Trophy Committee here above specified, and the efforts made by the Kingdom of Bahrain to ensure the success of this event, a special merit prize was awarded to this country.

It was established at official level as well by the press that this event was crowned with a great success, whether with regard to the number of participating countries and companies or the number of businessmen and the importance of the exhibition area, which was indeed estimated at 14,000 sqm and accounting for 90% of the available space. Likewise, this event provided an excellent opportunity to make trade transactions.
THE FIRST TOURISM FAIR OF ISLAMIC COUNTRIES

1. BACKGROUND:

The 2nd Islamic Conference of the Ministers of Tourism of the OIC Member States held in Kuala Lumpur (Malaysia) from 12 to 13 October 2001 made a recommendation "requesting the Islamic Centre for Development of Trade (ICDT) to organise, in collaboration with the Islamic Development Bank (IDB), the Islamic Chamber of Commerce and Industry (ICO) and the other concerned institutions of the Private Sector, a tourism fair in the OIC Member States once in two years as in the case of the Islamic Trade Fair".

Such a recommendation is invested with a central importance in view of the role played by tourism in the economies of several OIC Member States, and of its increasing role in many other countries.

More than ever, this event is also invested with a great importance for Islamic Countries since it will give them the opportunity to highlight Islamic culture and bring out the human principles and tolerance which characterise the true religion of Islam in order to counteract the unfavourable propaganda against Islam at the level of Western countries.

In this respect, it should be underlined that according to the latest report of the International Tourism organisation, the OIC Member Countries are among the most attractive areas for tourists. Several OIC Member States have recorded a noticeable increase in their tourism activities such as Turkey, Malaysia, the United Arab Emirates, Indonesia and Member States of the Mediterranean area especially, Morocco, Tunisia, Egypt and Lebanon etc...

Immediately after, the Centre has taken necessary steps to prepare this event. It has established preliminary contacts with some Member States of which: Tunisia, the United Arab Emirates, Malaysia, Turkey, Syria, Lebanon, Morocco, Egypt and the Sultanate of Oman, considering the tremendous potentials and experience of these countries in the tourism field with a view to giving rise to applications to host the next three editions of this Fair that have been scheduled to be held in the years 2003, 2005 and 2007.

The Centre has received offers to host this event from Egypt and Lebanon and Turkey. Syria has also shown a special interest to host one of the future editions of the Tourism Fair.

Besides, the Centre has submitted these proposals to the 3rd Conference of the Ministers of Tourism of the OIC Member States, which was held in Riyadh, Kingdom of Saudi Arabia from 6th to 9th October 2002 and to the 18th session of the Standing Committee for Economic and Commercial Cooperation of the Organisation of the Islamic Conference (COMCEC) held in Istanbul from October 22nd to 25th 2002, which
designated Turkey, Lebanon, and Egypt to host successively the first edition in 2003, the second in 2005 and the third one in 2007.

2. AIMS OF THE FAIR:

The organisation of the first Tourism Fair of Islamic Countries aims among others at achieving several objectives, namely to:

- Promote tourism investments in Islamic countries and to identify partnership fields in this sector;
- Develop and boost tourist flows between the OIC Member States;
- To highlight the rich historical and cultural heritage of Islamic countries;
- To bring out the advantages and attractive features of each country so as to present it as a privileged tourist destination;
- To present the true image of Islam as a religion of peace and tolerance.

This fair also aims at making known the means of Islamic countries while laying stress on these countries as privileged tourist destinations provided with the required cultural, artistic, sports, and entertainment activities to meet the requirements and needs of a large number of tourists.

3. PARTICIPANTS:

In addition to the public authorities that have been designated to take part in this event, the following tourist operators will also participate:

- Tours Operators;
- Travelling agencies and tourist agents;
- Transport companies, Hotels and restaurants;
- Tourism promotion organisations;
- Tourist services providers;
- Operators in the field of arts and crafts;
- Investors in tourism sector.

The importance which the centre gives to the tourism field results from its awareness of the central role which this sector plays in the economies of the Member States in general. On these grounds, the Islamic Centre for Development of Trade will do its utmost in cooperation with the host country to provide the best conditions for the success of this event so as to ensure the participation of the largest number of Member States and concerned operators.

The Centre is steadily working on the preparation of this event in coordination with the countries, which have expressed their readiness to host this Fair, as well as with the Islamic Development Bank (IDB) and the Islamic Chamber of Commerce and Industry (ICCI).

It should be underlined that at the informal meeting held with the COMCEC in Ankara from 25\textsuperscript{th} to 27 March 2003, a meeting was held between ICDT and the Turkish Ministry of Tourism. At the end of this meeting, the Turkish party has requested the deferment of the Fair for the 2004 Spring.
Besides, the concerned Ministry has appointed the Association of Turkish Travel Agencies (TURSAB) as the executive agent of this event.

Yet, the first edition of this Fair that was initially scheduled for 2003 in Turkey has been deferred in view of the exceptional political conjuncture linked to the most recent events in the Middle East.

4. DEFERMENT OF THE DATE OF THE DIFFERENT EDITIONS OF THE FAIR:

Since it is impossible to organise the 1st edition of the Tourism Fair of OIC Member Countries within the time limit prescribed in the COMCEC resolutions for the reasons here above mentioned, ICDT held consultations with the competent authorities of the Republic of Lebanon and the Arab Republic of Egypt to postpone for two years each of the 2nd and 3rd edition of this Fair that were scheduled to be held respectively in 2005 and 2007 and allow thus, Turkey to organise the first edition in 2005.

The Republic of Lebanon and the Arab Republic of Egypt have agreed to put off the 2nd and 3rd editions until 2007 and 2009 respectively.

A 2nd preparatory meeting with the competent authorities was held in the Republic of Turkey in Antalya on April 8th 2004. At this meeting, both parties discussed the agenda items relating to the different aspects of the organisation of the 1st edition of the Tourism Fair to be held in Istanbul from 22nd to 25th September 2005.

Upon this meeting, the Turkish party has designated the CNR exhibition space to host the fair and submitted to ICDT several proposals relating to the Logo of the Fair. Among these proposals, a logo representing the cultural heritage and tolerance of Islam has been officially adopted and a Memorandum of Understanding on the distribution of tasks between ICDT and the Ministry of Culture and Tourism of the Republic of Turkey and TURSAB as well, was prepared by ICDT and submitted to TUSRAB for approval. The signing of an agreement will allow the launching of a promotional campaign to the different concerned private and public bodies and authorities in the OIC Member States.

A third meeting between ICDT, TURSAB, CNR Company and the Turkish Ministry of Culture and Tourism was held at TURSAB headquarter in Istanbul on the fringe of the 20th Session of the COMCEC held in Istanbul from 23rd to 27th of November 2004. During this meeting, the concerned parties agreed on the fair's theme: "OIC TOURISM: A meeting point of peace and tolerance".

Besides, the Turkish Ministry of Culture and Tourism had conveyed the request expressed by the COMCEC to hold its 21st Session in the same period of the fair. Taking into account this request and some big events scheduled to be held in Turkey in the same period, the parties accordingly agreed to organise the First Tourism Fair of Islamic Countries from 15th to 18th September 2005 at CNR Expo (instead of 22 - 25 September 2005).
REPORT ON THE FIRST AGRIBUSINESS EXHIBITION
OF THE OIC MEMBER COUNTRIES

Algiers, from 17th to 20th April 2005

Presentation:

Upon the request made by its Board of Directors, the Islamic Centre for Development of Trade (ICDT) organised in collaboration with "the Algerian Company of Fairs and Exhibitions" (SAFEX), the First Agribusiness Exhibition of the OIC Countries from 17th to 20th April 2005 at the "Palais des Expositions Pins Maritimes" in Algiers under the theme "The Agribusiness sector: partnership model among the Member States of the Organisation of the Islamic Conference".

This event was held at the right time in view of what is at stake for the Islamic world either at present or in the future, and of all the challenges of globalisation that are facing the Islamic world imposing full scale levelling up of the agribusiness sector for several countries. The latter mainly aim at increasing and further strengthening their competitiveness so as to uphold and develop their market shares. For most of the OIC Countries, the agribusiness sector provides in fact, considerable potentialities of integrated development and huge opportunities to develop the agricultural and sea resources. Yet at the moment when some Member States are recording production surpluses, which they sell to foreign markets, others are net importers of the same products.

Therefore, in order to create synergies and draw closer the operators of this sector, by intensifying trade opportunities among them and allowing them to pinpoint partnership projects that ICDT is organising this event.

Participants and aims of the exhibition:

This event is open to the OIC 57 Member States, to national trade promotion organs and institutions, to Muslim economic operators of non-member countries and of course to the OIC Institutions, notably the Islamic Development Bank.

In view- of the fact that the Organisation of the Islamic Conference numbers 57 Member States and that more than one billion of consumers, this exhibition mainly aims at:

- Promoting trade
- Identifying intra-OIC partnership and investment possibilities;
- Strengthening dialogue among consumers and producers.

Mission of ICDT in Algeria (26-28 May 2004):

In this context, a delegation from ICDT, led by its Director General Mr. Allal RACHDI, went to Algeria from 26th to 28th May 2004, in order to prepare the organisation of the 1rst Agribusiness exhibition of the OIC Countries (AGRI-EXPO-OIC-2004).
This event constituted the main topic of the meetings that were held between ICDT's delegation and the following Algerian officials:

- Mr. K. CHELGHAM, Secretary General of the Algerian Ministry of Commerce;
- Mr. Rachid GASMI, Chairman and Managing Director of SAFEX;
- Mr. Mohamed CHAMI, Director General of the Algerian Chamber of Commerce and Industry;
- Mr. Mohamed BENİNİ, Director General of the Algerian Office of foreign trade promotion (ALGEX).

The outcomes of the talks held with Mr. Rachid GASMI, Chairman and General Manager of SAFEX- partner appointed by the Algerian Ministry of Commerce are as follows:

- Organisation of the exhibition from 17th to 20th April 2005 in "Palais des Expositions Pins Maritimes" in Algiers;
- An exhibition surface extending over 5,000 square meters;
- SAFEX provided all facilities so as to support and ensure the success of this event;
- A convention defining the responsibilities of each party was signed.

This convention between ICDT, SAFEX and CarthaCom Company (Agency in Charge of the material organisation and advertising of this event) was signed on 23rd June 2004, from this date onwards an intensive promotional campaign was led by ICDT in order to ensure the widest dissemination of information concerning this event to the concerned operators in the OIC Member States.

Towards this end, ICDT has conveyed to the Embassies of Member States accredited to Rabat, to the Ministries of Commerce and Industry in the OIC Member States, to the Trade Promotion Organs (TPOs) as well as to concerned professional associations, comprehensive and practical information on the 1st Agribusiness Exhibition of the OIC Member States.

The promotional efforts made by ICDT have not been limited to institutions only. In fact, it has contacted more than 250 companies operating in the Agribusiness field during the International Food industries Exhibition (SIAL 2004) that has been recently held in France, in order to give them information and promote the Agribusiness exhibition /2004 so as to incite them to participate in this event.

**Holding of This Event:**

This Exhibition was inaugurated on April 17th 2005 at 1.00 pm at "Palais des Exposition Pins Maritimes", it was attended by the representatives of the Ministry of Commerce of the People's Democratic Republic of Algeria, the Chamber of Commerce and Industry and the National Agency for the Promotion of Foreign Trade (ALGEX). More than ten Member States participated in this event (Algeria, Morocco, Tunisia, Iran, Syria, Egypt, Senegal, Burkina Faso etc... in addition to 100 companies if this sector.)
Annex XIV to OIC/COMCEC-FC/21-05/REP

It should be noted that IDB participated actively in this exhibition; it arranged a stand in this exhibition in which it displayed information and it has also borne the expenses of the participation of four Member States of the OIC (Sudan, Syria, Senegal, Burkina Faso).

Concomitantly with this exhibition, ICDT organised on 18th April, a seminar coupled with a buyers/sellers workshop on "trade in agribusiness products in the OIC Member States".

This event was attended by the Ministry of Commerce of the People's Democratic Republic of Algeria, ALGEX, IDB and ICDT, which made presentations on topics related to the agribusiness sector in the OIC Countries.

Likewise, a meeting between buyers and sellers was also organised within the framework of this event.
JOINT REPORT BY SESRTCIC AND ICDT ON THE DEVELOPMENTS RELATED TO THE PROMOTION OF COOPERATION AMONG THE STOCK EXCHANGES OF THE OIC MEMBER STATES

Twenty First Meeting of the Follow-up Committee of the COMCEC

(Istanbul, 10-12 May 2005)
PROGRESS REPORT ON THE DEVELOPMENTS RELATED TO THE PROMOTION OF COOPERATION AMONG THE STOCK EXCHANGES OF THE OIC MEMBER STATES

As the international trade and financial flows accelerated, the global economy has become more integrated. This process of globalisation is most evidently observed in the capital and financial markets. Technological advancement in information and telecommunications sector played an important role in this development. When this process resulted in an increased competition among the financial markets, securities exchanges in particular, they responded, on the one hand, by improving their technologies as well as adopting international standards, rules and procedures. On the other hand, they increased cooperation with other exchanges so as to benefit from their experiences, harmonise their physical, institutional and legal frameworks as well as their policies and procedures, and share their investor base on mutual grounds. Thus, they formed coalitions, common trading platforms, mergers, associations, federations and unions. These alliances vary from loose representative bodies to fully-integrated ones. Between those two extremes lies a series of other combinations with varying degrees of cohesion and rigour. They are also formed at international and regional levels.

The OIC countries being aware of such developments, they also intensified their efforts to promote cooperation among the stock exchanges with a view to developing and consolidating economic relations among themselves, in general, and in particular, attracting and stabilising investments.

Especially, starting with the adoption of a separate Resolution (39/9-E) on OIC stock exchanges by the Ninth Session of the Islamic Summit Conference (Doha, 12-13 November 2000), the efforts were concentrated first on a possible establishment of a Union of Islamic Stock Exchanges and Clearing Houses. In line with this resolution, the Ankara and the Casablanca Centres undertook studies on a mechanism for a possible establishment of such a Union. Additionally, the 28th ICFM (Bamako, 25-27 June 2001) also requested that the subject be one of the permanent agenda items of the COMCEC.

Therefore, in the following year, the matter has been taken up by the 18th COMCEC (Istanbul, 22-25 October 2002). However, the 19th COMCEC (Istanbul, 20-23 October 2003) emphasised the criterion that the studies on the matter should not lead to the creation of any new bodies but activate the existing mechanisms in such fields.

Under this new guidance, the SESRTCIC and the ICDT revised their earlier study and prepared a new joint report focusing on the issue of how to create a mechanism for cooperation among the OIC Member States in the areas of financial markets and clearing of stocks and bonds.

The said study was submitted to 20th Session of the COMCEC. While appreciating the joint report, the COMCEC underlined the importance of this project for the OIC economic cooperation, in general, and for enhancing investment opportunities in the OIC countries, in particular. Furthermore, it requested Istanbul Stock Exchange (ISE), upon the offer of the representative of Turkey, to hold a meeting of representatives of the stock exchanges from member countries to prepare the ground for launching a
framework of cooperation among the stock exchanges in close cooperation with the IDB, SESRTCIC, ICDT and ICCI. In this connection, it also entrusted SESRTCIC and ICDT to continue to follow-up and study developments on the subject and their implications for the Member States and report to the next Session of the COMCEC.

In line with this COMCEC request, the new study will be prepared so as to review, follow-up and monitor the developments on the matter and to discuss their implications for the OIC member countries. In this connection, the study will be structured as follows: after introducing the matter, it will review shortly the experiences of various stock exchange alliances established at regional and international levels to draw some lessons to be observed by the OIC stock exchanges. Another section will be discussing the cooperation modalities among securities markets in order to familiarise the reader about possible forms of fruitful cooperation activities, including cross-listing, cross membership, common trading platform, construction of indices, cooperation with existing federations and training and technical cooperation.

Following this theoretical background information, developments regarding cooperation among the OIC stock exchanges will be taken up along the guidelines of the mandate given by the COMCEC. In this section, first, some data and information about the OIC stock exchanges will be given to introduce them to the reader. In this sub-section, the stock exchanges operating in the OIC member countries will be studied by making use of statistical information about them, including the number of listed companies, market capitalisation, value traded, etc. In the following sub-section, cooperation efforts of the OIC member countries in the field of investment and financial markets will be reviewed in a chronological perspective. The next sub-section will be discussing the proposed goals and objectives of a cooperation platform to be formed among the OIC stock exchanges. The last sub-section will summarise the recommendations of the Round-Table Meeting convened recently in Istanbul. The last section will be designed to discuss the implications of further cooperation among the OIC stock exchanges and propose some recommendations to this end. Information on some of the individual OIC stock exchanges will also be provided to the reader as annex.

As it will be taken up in the Report, convening of a Round-Table Meeting on Promotion of Cooperation among the stock exchanges of the OIC Member States in Istanbul on 28-29 March 2005 will be cited here as a major development since the last COMCEC session. The said meeting made very pertinent recommendations to promote cooperation among the stock exchanges of the OIC member countries. It also discussed matters such as

1. Establishment of a Data Centre which will include the data of the respective stock exchanges
2. Creating a common index for Islamic countries' stock exchanges
3. Creating Islamic Depository Receipts
4. Cross-listing and cross-membership
5. Creating a Common Trading Platform
6. Promoting the harmonisation of market rules and procedures; best practices for stock exchanges, and
7. Training programmes for staff of the exchanges.
After discussing on those points as possible areas of cooperation the Meeting agreed to establish two working Committees, namely, a Technical Committee and an Information Technology (IT) Committee. Another success of the Meeting can be mentioned as its decision of becoming the "Islamic Stock Exchanges Forum" (ISEF) and convening twice a year.

Establishment of the ISEF might be regarded as a milestone in the course of efforts aiming to promote the cooperation among the entities of the OIC community as well as a step in full compliance with the spirit of the Plan of Action in its aim of giving the private sector a pivotal role in enhancing cooperation. Upon formation of the ISEF hopes moving toward higher forms of integration are rekindled through a possible implementation of

- Joint training programmes among the member stock exchanges,
- Establishing a common data base which is open to investors from the OIC countries,
- Experience sharing between the stock exchanges,
- Constructing financial instruments or indices using the potential of the individual OIC stock exchanges to attract foreign investors' interests,
- Realising cooperation among supervisory and regulatory authorities.
PRESENTATION BY
ISTANBUL STOCK EXCHANGE ON THE RESULTS
OF THE ROUND-TABLE MEETING ON PROMOTION
OF COOPERATION AMONG THE STOCK EXCHANGES
OF THE OIC MEMBER STATES

Twenty First Meeting of the
Follow-up Committee of the COMCEC

(Istanbul, 10-12 May 2005)
Esteemed Chairman,
Esteemed Secretary General,
Distinguished Delegates,

On behalf of the Istanbul Stock Exchange, I would like to welcome you all at the Twenty-first Session of the Standing Committee for COMCEC. Today, I would like to talk about the issue of cooperation among the stock exchanges of Organization of Islamic Conference (OIC) member states.

In line with the decision taken at the former meeting of the Standing Committee for COMCEC, the Istanbul Stock Exchange organized a round-table meeting between March 28-29, 2005 in Istanbul to prepare the ground for launching a framework of cooperation among the stock exchanges in the OIC countries.

The presidents, CEOs and/or senior executives of 35 stock exchanges in OIC countries as well as representatives of Ministry of Foreign Affairs of Turkey, COMCEC Coordination Office (State Planning Organization of Turkey), Federation of Euro-Asian Stock Exchanges (FEAS) The Islamic Chamber of Commerce and Industry (ICCI) The Islamic Center for Development of Trade (ICDT), Islamic Development Bank (IDB), Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRTCIC) have been invited to the meeting.

The meeting was attended by the executives of 11 stock exchanges namely;

- Amman Stock Exchange
- Bursa Malaysia Berhad
- Dhaka Stock Exchange
- Dubai Financial Market
- Istanbul Stock Exchange
- Karachi Stock Exchange
- Khartoum Stock Exchange
- Muscat Securities Market
- Palestine Securities Exchange
- Tadawul-Saudi Stock Market
- Tehran Stock Exchange
and the representatives of the other OIC institutions.

At the end of two-day deliberations, in line with the various proposals made by the participants with regards to the action plan that may be followed in terms of cooperation, the following was agreed upon;

- The cooperation among the stock exchanges of the COMCEC countries shall continue under that platform, which shall henceforth be referred to as "Islamic Stock Exchanges Forum". The Forum shall be led by the Istanbul Stock Exchange and shall seek the financial support of the OIC/COMCEC and the Islamic Development Bank (IDB) for research projects, and so forth.

- The group shall hold two meetings annually; One of these meetings shall be hosted by the Istanbul Stock Exchange, and the other by one of the other participating exchanges.

- Two working committees, namely, a Technical Committee, and an Information Technology (IT) Committee, have been established.

The Technical Committee consist of;

- Amman Stock Exchange
- Muscat Stock Exchange
- Istanbul Stock Exchange
- Tadawul-Saudi Stock Market
- Palestine Stock Exchange
- Dubai Financial Market

and shall work on;

- Creation of indices
- Islamic Depository Receipts (IDR)
- Cross listing opportunities
- Bridging to other Islamic exchanges and institutions
- Exchanging staff and training
- Questionnaire-surveys for the assessment of the stock exchanges
- Defining areas of cooperation.

The IT Committee consist of;

- Istanbul Stock Exchange
- Tehran Stock Exchange
• Dubai Financial Market
• Bursa Malaysia Berhad

and shall work on:
• Assessment of technological levels of the participating stock exchanges
• Creation of a Data Center.

• Finally, the next meeting shall convene in Casablanca, at a date to be determined later and the decisions of the meeting shall be submitted to OIC and COMCEC.

Additionally, we would like all the OIC states to inform their stock exchanges about this platform, promote the Forum and invite them to join the Forum.

On behalf of the Istanbul Stock Exchange, I would like to once again thank the representatives of all institutions who attended the first "Roundtable Meeting on Promotion of Cooperation Among the OIC Member States" for their support which I believe is of great value to a stronger cooperation among our stock exchanges.

Thank you,
Istanbul Stock Exchange
May, 2005
DRAFT AGENDA
OF THE TWENTY FIRST SESSION OF THE COMCEC

as recommended
by the Twenty First Meeting of the
Follow-up Committee of the COMCEC

(Istanbul, 10-12 May 2005)
DRAFT AGENDA
OF THE TWENTY FIRST SESSION
OF THE COMCEC
(Istanbul, 22-25 November 2005)

1. Opening Session
2. Adoption of the Agenda
3. Background Reports
   i. Background Report by the OIC General Secretariat
   ii. World Economic Developments with Special Reference to OIC Member Countries by SESRTCIC
   iii. Supporting the Reform of the International Financial Architecture by SESRTCIC
   iv. Report of the Follow-up Committee by the COMCEC Coordination Office
   v. Review of the Implementation of the Plan of Action
      a) Report of OIC General Secretariat
      b) Report of the Sessional Committee
   vi. Cooperation among the Stock Exchanges of the OIC Countries
4. Reports by IDB and ICDT on the Expansion of Intra-OIC Trade
5. Report of the Trade Negotiating Committee for Establishing Trade Preferential System among the OIC Member States
6. Matters related to World Trade Organization Activities
7. Report by ICCI on Private Sector Meetings among OIC Member Countries
8. Report by ICDT on Trade Fairs of Islamic Countries
9. Exchange of Views on the "Role of Tourism in the Promotion of Economic Cooperation Among OIC Member Countries".
10. Evaluation and Follow-Up of the Outcomes of the OIC Economic Conference held on the sideline of the 20th COMCEC
11. Capacity Building Program for Poverty Alleviation in OIC Member States
12. Matters Related to Economic Assistance to Some Islamic Countries
13. Date of the Twenty Second Session of the COMCEC
14. Any Other Business
15. Adoption of the Resolutions of the Twenty First Session of the COMCEC
16. Closing Session
CLOSING STATEMENT BY
H.E. DR. AHMET TIKTIK,
CHAIRMAN OF THE CLOSING SESSION
OF THE TWENTY FIRST MEETING
OF THE FOLLOW-UP COMMITTEE OF THE COMCEC

(Istanbul, 11 May 2004)
CLOSING STATEMENT BY
H.E. DR. AHMET TIKTIK, CHAIRMAN OF
THE CLOSING SESSION OF THE TWENTY FIRST MEETING
OF THE FOLLOW-UP COMMITTEE OF THE COMCEC

(Istanbul, 11 May 2005)

Distinguished Delegates,
Distinguished Assistant Secretary General,
Honorable Guests,

I would like to express my satisfaction for the successful conclusion of another Meeting of the Follow-up Committee of the COMCEC.

During this Meeting, we have deliberated on important issues related to economic and commercial cooperation among OIC countries. I do believe that this Follow-up Committee will contribute to the future works of the COMCEC.

In this meeting, we evaluated the recent important developments regarding the Trade Preferential System. I would like to express my special thanks to the member countries which participated, and institutions that organized the First Round of the Trade Negotiations in Antalya from April 2004 to April 2005. I am happy to see the fruitful results of the meetings of the Trade Negotiating Committee (TNC).

In addition, I hope that the participating countries will do necessary works with regard to the finalization of the Draft Protocol on Trade Preferential Scheme for signature, during the 21st Session of COMCEC. I also want to remind the member countries who have not done so, to sign and ratify the TPSOIC Agreement, so as to enable them to participate in the trade negotiations.

I also would like to note that Turkey expressed readiness to host another TNC meeting on the sidelines of the 21st Session of COMCEC.
Distinguished Delegates,
Esteemed Guests,

The Follow-up Committee has reviewed the implementation of the OIC Plan of Action to Strengthen Economic and Commercial Cooperation among OIC Member Countries and the progress made in this regard. I am happy to see that for some COMCEC projects the 6th Sessional Committee assigned coordinator OIC Institutions. I am sure that with the cooperation of the project owners and the coordinator OIC Institutions, we will take further step in the realization of these projects.

The Follow-Up Committee has also considered another important agenda item namely "Promotion of Cooperation among the Stock Exchanges of the OIC Member States". I would like to thank the Istanbul Stock Exchange for organising the Round Table Meeting in collaboration with SESRTCIC, ICDT and IDB during 28-29 March 2005 in Istanbul which resulted in the creation of an informal platform for cooperation among the stock exchanges called "Islamic Stock Exchange Forum."

Distinguished Delegates,
Honorable Guests,

During this meeting, we have also discussed the preparations for the exchange of views session on "The Role of Tourism in the Promotion of Economic Cooperation among the OIC Member States" to be held during the Twenty-first Session of the COMCEC. I hope that all the Member Countries will attend the workshop to be held prior to the COMCEC on the subject in Morocco. In addition, there is no doubt that the Member Countries and the concerned OIC Institutions will provide the necessary support for the success of the exchange of views session.

Distinguished Delegates,
Honorable Guests,

I would like to express my thanks and appreciation to all delegations, to the General Secretariat of the Organization of the Islamic Conference and its Subsidiary and Affiliated Institutions for their valuable contributions to the success of this Meeting. I also thank the COMCEC Coordination Office, supporting staff, the interpreters and translators for their devoted endeavors.
Hoping to see you at the Twenty First Session of the COMCEC to be held from 22 to 25 November 2005, in Istanbul. I wish you all a safe journey back.

I announce the closure of Twenty First Meeting of the Follow-up Committee of the COMCEC.