

R E P O R T A N D R E S O L U T I O N

O F T H E T H I R D S E S S T O N O F T H E C O M C E C

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FOREWORD

The Third Session of the Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Conference (COMCEC) and the First Meeting of the Ministers of Transport of the OIC Member States have been successfully completed with a remarkably high level of participation on the part of the Member States.

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

This book, which I have the honour of presenting, contains the Report and Resolution of the Third Session of the COMCEC.

The book consists of two main parts.

The first section contains basic reference documents, namely, the Resolutions adopted at the Third, Fourth and Fifth Islamic Summit Conferences regarding the establishment and functioning of the Standing Committee.

The second part is devoted to the Report and Resolution of the Third Session of the COMCEC. The Resolution adopted at the Third Session is an integrated one comprising a set of decisions aimed at strengthening cooperation in the areas of trade, industry and food security and agricultural development which was the subject matter of the First and Second Sessions of the COMCEC, together with those having implications on economic cooperation in general and some decisions pertaining to organizational matters.

The List of Participants, the Report of the Senior Officials Meetings, the Report of the Meeting of the Sessional Committee and statements made at the opening and closing sessions which include ideas related to the strategy to be followed in the area of economic cooperation among the Member States of OIC are attached as annexes to this book.

The other documents considered at the Third Session of the COMCEC, which are shown in the list contained in Section TV of Part. Two of this Book, are available through the COMCEC Coordination Office.

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

Dr. Yusuf Bozkurt ÖZAL

Chief Executive
COMCEC Coordination Office

P A R T O N E

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

I

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

Resolution No. 13/3-P(IS)

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

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

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

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

DECIDES:

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

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

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

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

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

II

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

Resolution No. 1/3-E(IS)

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

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

RECALLING Resolution No. 1/13-E, 2/11-K, 3/11-E and 11/11-E pertaining to economic and trade cooperation among Member States and Resolution No. 8/11-K concerning the activities of the Islamic Bank adopted by the Eleventh

Islamic: Conference of Foreign Ministers held in Islamabad,
Islamic Republic of Pakistan;

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

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

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

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

RECOGNIZING that economic cooperation among developing
countries in general and the Member States in particular is
a key-element in the strategy of collective self-reliance

and an essential instrument to bring about structural changes resulting in a balanced and equitable process of global economic development in order to consolidate their unity in their endeavours to achieve the New International Economic Order;

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

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

CONVINCED that development of close commercial and trade ties between the Member States is an initial essential step towards achieving economic cooperation and self-reliance requiring formulation and adoption of policy proposals on the elimination of existing barriers to trade and adopting a coordinated programme of cooperation and priorities for the expansion of trade and commercial relations;

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

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

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

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

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

DECIDES:

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

**PLAN OF ACTION TO STRENGTHEN ECONOMIC
COOPERATION AMONG MEMBER STATES**

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

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

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

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

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

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

ENCOURAGED by the growing desire on the part of the Member States to cooperate among themselves in sharing experience and knowledge in the areas of industrialization and technology, development of human resources, promotion of direct trade, strengthening of institutions responsible for promotion of economic cooperation, and maximum utilization of the economic, human and technical energies and potentialities available in the Islamic World for the prosperity and welfare of their people through collective efforts;

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

I. FOOD AND AGRICULTURE

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

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

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

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

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

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

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

II. TRADE

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

2. To expand the present trade flows among Member States; identification of the real opportunities for expanding trade based on the use of existing idle or underutilized production capacities in the field of primary and processed agricultural goods. To create new capacity for production and trade in these goods including intermediate and capital goods;

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

processed goods and commodities within the Islamic Community ;

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

5. To apply equal and non-discriminatory commercial treatment towards one another in their foreign trade policies without prejudice to the obligations under other-agreements already concluded by the Member States, and special treatment should be given in favour of products of export interests to least developed Member States;

6. To strive to enlarge and develop trade exchanges among themselves through, INTER-ALIA, accelerating the establishment of the Islamic Centre for Development of Trade, strengthening the Islamic Chamber of Commerce, Industry and Commodity Exchange, promoting cooperation among the Member States' trading organizations, facilitating

joint-ventures in the area of trade promotion and gradually reducing the tariff and non-tariff barriers to such trade by means of multilateral trade arrangements, promoting the conclusion of bilateral and multilateral and general agreements, exchange of information relating to the prospects of trade, exchange of specialized trade delegations;

7. To make an inventory of the existing preferential schemes applied by groups of Member States with a view to strengthening and linking them so that the establishment of a system of trade preferences through a step-by-step approach on the part of all interested Member States (sic). It should be based on the principles of mutuality of advantages yielding benefits to all participants and taking into account the respective levels of economic and industrial development, trade regimes and international obligations of individual Member States with the ultimate aim of a free trade area and with that end in view to render support to the efforts towards trade liberalisation of global system of trade preferences and to recommend to Islamic countries participating in the G.S.T.P. negotiations to avail that opportunity for pursuing negotiations among themselves;

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

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

10. To facilitate effective cooperation between landlocked Member States and their transit neighbours involving the harmonization of transport planning and the promotion of joint ventures in the field of transport at regional, subregional and bilateral levels;

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

III. INDUSTRY

1. To develop appropriate policies and programmes at the national levels conducive to rapid industrialization, as an indispensable element and a dynamic instrument of self-

sustained growth, by strengthening, expanding and diversifying the industrial capacities of the Member States;

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

3. To consider giving priority to promotion of joint ventures among Member States in the following fields; food and agriculture, industry, trade, marketing, research services and infrastructure;

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

IV. TRANSPORT, COMMUNICATION AND TOURISM

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

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

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

V. FINANCIAL AND MONRTARY QUESTIONS

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

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

2. To strengthen direct cooperation between financial institutions in Member States in the area of direct

financing and other banking facilities in the area of trade of Member States and to support Islamic financial institutions particularly the Islamic Development Bank;

3. To strengthen the existing payments' arrangements participated in by the Member States and to explore the possibility of setting up a communal network of multilateral schemes in the light of the experiences gained in the operations of the existing ones;

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

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

6. Implementation of the penultimate and final operative paragraphs of the Resolution on the Cyprus Question adopted by the Eleventh Islamic Conference of Foreign Ministers held

in Islamabad, for the reactivation and development of the economy of the Muslim Turkish People of KIBRIS.

VI. ENERGY

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

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

VII. SCIENCE AND TECHNOLOGY

1. To give high priority to cooperation among Member States in the area of science and technology;
2. To consider Islamic community wide mechanism to enhance the overall financial inputs into the national science and technology systems, as well as programmes in the areas of research, education and training on a continuous basis;
3. To cooperate on transfer, acquisition, assimilation and adaptation of imported technologies and in their assessment compatible with national policies for development and use of science and technology;
4. To extend preferential treatment for technology from the Member States;
5. To consider the feasibility of setting up a network of scientific and technological agencies or institutions to organise and support research and development programmes, training programmes to promote technological institutions; to establish information systems, to undertake joint efforts to solve specific technological problems and to develop science and technology policies commensurate with their development aims;

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

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

VIII. MANPOWER AND SOCIAL AFFAIRS

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

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

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

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

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

5. To develop mechanisms and programmes for professional and technical undating (sic), systematically organized at all levels, so as to train specialized personnel required to

cover all the links in the chain that associates research and development with production and marketing;

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

IX. POPULATION AND HEALTH

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

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

3. To undertake research in the field of medicine;

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

X. TECHNICAL COOPERATION

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

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

3. To examine the feasibility of a legal and administrative framework for effective and equitable technical cooperation, taking into account practices already established on the basis of formal conventions, thus ensuring their widest possible applicability and acceptance.

Such framework should cover the administrative and legal arrangements concerning the entry, employment obligations and privileges of experts and consultants, arrangements concerning fellowships, the use of contractors and other specialized services, entry of equipment and supplies, fiscal and currency regimes favourable to Member States' technical co-operation together with financial arrangements aimed at an equitable sharing of costs;

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

5. To take the necessary steps to establish a joint mechanism for the pooling of information within the Community, on resources and opportunities for technical cooperation that are available within the Member States;

6. To identify and improve the effectiveness and potentials of national institutions that can contribute to technical cooperation efforts, and adopt concrete measures HO that such national organizations in the Member States could develop. Operational modes of collaboration which would strengthen their capabilities through joint efforts and sharing experiences with sister organizations working on

similar problems, and by contributing to common training activities (sic);

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

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

XI. SPECIAL PROVISIONS

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

XII. COORDINATION AND FOLLOW UP

The General Secretariat shall take all necessary steps to follow up the implementation of the Plan of Action and

may arrange meetings on periodic basis at ministerial level, as often as deemed necessary and in any case at least every two years on subjects covered by the Plan of Action and especially to:

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

III

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

Final Communique No. IS/4-84/F/DEC

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

IV

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

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

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

- Agricultural Development and Food Security
- Industry
- Science and Technology

Trade

Transport and Communications

Energy

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

V

RESOLUTIONS ADOPTED AT THE FIFTH ISLAMIC SUMMIT
CONFERENCE ON THE ACTIVITIES OF THE COMCEC

**1. CONDUCT OF ACTIVITIES OF THE STANDING COMMITTEE
FOR ECONOMIC AND COMMERCIAL COOPERATION**

Resolution No. 1/5-E (IS)

The Fifth Islamic Summit conference, the Session of Islamic Solidarity, held in Kuwait, the State of Kuwait from 26-29 Jumada Al-Oula, 1407 H corresponding to 26-29 January 1987;

RECALLING Resolution No. 13/3-P(IS) adopted by the Third Islamic Summit Conference held in Makkah Al Mukarramah, Kingdom of Saudi Arabia in 1981, establishing the Standing Committee for Economic and Commercial Cooperation (COMCEC) with the mandate of consolidating joint action in the field of economic and commercial cooperation among Member States;

NOTING WITH DEEP SATISFACTION the steps taken and progress achieved by the Standing Committee towards the implementation of the recommendations contained in the Plan of Action to Strengthen Economic Cooperation among Member States;

RECOGNIZING the need for streamlining economic cooperation activities at different levels within the Organization of the Islamic Conference;

1. APPROVES the enlargement of the membership of the Standing Committee for Economic and Commercial Cooperation (COMCEC) so as to enable all Member states of the OIC to participate in the work of the Standing Committee.
2. ENDORSES the representation of the Member States in COMCRC by Ministers responsible for the overall management of economic affairs in view of the functions entrusted to the Committee, and urges Member States to adhere to this practice to ensure the highest degree of effectiveness.
3. NOTES WITH APPRECIATION the establishment of the follow-up committee which will ensure effective coordination of the economic and commercial activities coming under the purview of COMCEC.
4. WELCOMES the decision of the Standing Committee to apprise the Islamic Conference of Foreign Ministers of its decisions for appropriate action.
5. ENDORSES the recommendations of COMCEC to reduce the frequency of ministerial level meetings which have overlapping implications with COMCEC and to incorporate the results of such meetings into the overall work of COMCEC.
6. APPROVES that the subsidiary and affiliated agencies and other bodies of the OIC in the economic field present

progress reports on their activities to COMCEC in order to enable it to coordinate and follow up the implementation of the OIC resolutions in these fields in cooperation with the General Secretariat of the Organization of the Islamic Conference.

7. COMMENDS the role played by the COMCEC Coordination Office to facilitate its activities.

8. SUPPORTS the decision of COMCEC urging Member States, who have not yet done so, to sign and/or ratify the statutes and agreements previously approved by the OIC with respect to economic and commercial cooperation, particularly, the "General Agreement for Economic, Technical and Commercial Cooperation among Member States of the Organization of the Islamic Conference" and the "Agreement on Promotion, Protection and Guarantee of investments in Member States".

**2. THE IMPLEMENTATION OF THE PLAN OF ACTION
TO STRENGTHEN ECONOMIC COOPERATION AMONG
THE MEMBER STATES OF THE OIC**

Resolution No. 3/5-K (IS)

The Fifth Islamic Summit Conference, the Session of Islamic Solidarity, held in Kuwait the State of Kuwait, from 26-29 Jumada Al Oula 1407H, corresponding to 26-29 January, 1987;

RECALLING Resolution No.1/3-E(JS) of the Third Islamic Summit Conference held in Makkah Al Mukarrawah, Kingdom of Saudi Arabia, in 1981, adopting the Plan of Action to Strengthen Economic Cooperation. Among Member States, which at the same time assigns the General Secretariat the task of taking all necessary steps to follow-up the implementation of its recommendations and arranging meetings on periodical basis at ministerial, level as often as deemed necessary, in order to;

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

RECALLING Resolution No. 13/3-P(IS) of the Third Islamic Summit Conference, establishing the Standing Committee for Economic and Commercial Cooperation and the Standing Committee on Scientific and Technological Cooperation with the mandate;

- i) to follow-up the implementation of the resolutions adopted, or to be adopted, by the OIC in relation to economic and commercial cooperation and scientific and technological cooperation;
- ii) to study all possible means of strengthening cooperation among Member States in the relevant fields;
- iii) to draw up programmes and to submit proposals designed to increase the capacity of the Member States in economic, commercial, scientific and technological fields.

RECALLING Resolution No.1/4-EF(IS) adopted by the Fourth Islamic Summit Conference held in Casablanca, Kingdom of Morocco in 1984, on the Plan of Action to Strengthen Economic Cooperation among Member States;

APPRECIATING the efforts exerted by the General Secretariat in following up the implementation of recommendations contained in the Plan of Action and the commendable progress achieved thereby;

ALSO APPRECIATING the efforts and assistance by the Statistical. Economic and Social Research and Training Centre (SESRTCIC), Islamic Centre for Development. of Trade (ICDT), Islamic Foundation for Science, Technology and Development (IFSTAD), Islamic Chamber of Commerce, Industry and Commodity Exchange (ICCICE), Islamic Centre for Vocational and Technical Training and Research (ICTVTR), Islamic Development Bank (IDB), in the implementation of the Plan of Action;

NOTING WITH SATISFACTION the activation of the Standing Committee on Economic and Commercial Cooperation under the Chairmanship of H.E. President Kenan Evren of the Republic of Turkey, and the Standing Committee on Science and Technology under the Chairmanship of His Excellency Mohammad Zia-Ul Haq, President of the Islamic Republic of Pakistan, in pursuance of the decision of the Fourth Islamic Summit Conference to promote and strengthen economic cooperation among Member States in implementation of the Plan of Action;

NOTING WITH APPRECIATION that the First and Second Meetings of the Standing Committee on Economic and Commercial Cooperation were convened in Istanbul, Republic of Turkey in November 1984 and, March 1.986, respectively;

NOTING ALSO WITH APPRECIATION that the Standing Committee on Science and Technology has, in its three meetings, elaborated a comprehensive Action Programme for fostering cooperation among Member States in the field of Science and Technology;

EXPRESSING thanks and appreciation to the Republic of Turkey for hosting the Ministerial Conferences on Trade, Industrial Cooperation and Food Security and Agricultural Development, which provided necessary guidelines for the implementation of the Plan of Action, in these three vital sectors;

TAKING NOTE of the report submitted by the General Secretariat highlighting the stages reached in the implementation of the Plan of Action;

FURTHER NOTING WITH SATISFACTION the programme of meetings and other activities, planned by the Standing Committee for Economic and Commercial Cooperation and the Standing Committee on Science and Technology up to 1990 in implementation of the Plan of Action which would require

full and constant material and technical support by the Member States to attain the objectives set out in the Plan of Action;

ALSO NOTING WITH CONCERN the constraints which have impeded the implementation of the Plan of Action in certain sector, due to financial limitations, lack of data and information, and the slow response of Member States;

NOTING that the Standing Committee on Economic and Commercial Cooperation and the Standing Committee on Scientific and Technological Cooperation have adopted as the basis of their activities the implementation of the Plan of Action to Strengthen Economic, Commercial, Scientific and Technological Cooperation among the Member States with special emphasis on the priority areas as designated by the Fourth Islamic Summit Conference;

3. REQUESTS the Member States to render necessary assistance to the Standing Committee on Economic and Commercial Cooperation and the Standing Committee on Scientific and Technological Cooperation to expedite the implementation of the Plan of Action in order to strengthen economic and technical cooperation among Member States.

2. WELCOMES the establishment of the Longer-Term Trade Financing Scheme under the Islamic Development Bank

and urges all Member States to participate in this scheme, as soon as possible, to facilitate its optimum utilization.

3. WELCOMES the offer of the Government of the Islamic Republic of Pakistan to host the Third Ministerial Conference on Food Security and Agricultural Development.

4. NOTKS with satisfaction the holding of the first meeting of the OIC Ministers of Transport and Communications in September 1987 simultaneously with COMCRC-TTI and decides to convene a meeting of the Group of Experts to consider the possibility of pooling the resources and capacities including maintenance, repair and training services among the aviation companies of Member States.

P A R T T W O

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

OIC/COMCEC/3-87/REP

Original : English

I

R E P O R T

OF THE THIRD SESSION OF THE STANDING
COMMITTEE FOR ECONOMIC AND COMMERCIAL,
COOPERATION

(Istanbul, 7-10 September 1987)

Original : English

R E P O R T

OF THE THIRD SESSION OF THE STANDING
COMMITTEE FOR ECONOMIC AND COMMERCIAL
COOPERATION

(Istanbul, 7-10 September 1987)

1. The Third Session of the Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Conference (COMCEC) was held in Istanbul, from 7 to 10 September, 1987 (13-16 Moharrara 1408 H). The session was preceded by a preparatory meeting at Senior Officials' level, on 6 September, 1987 (12 Moharrara 1408 H).

2. The Session was attended by the following Member States of the Organisation of the Islamic Conference (OIC):

- Democratic and Popular Republic of Algeria
- State of Bahrain
- People's Republic of Bangladesh
- Negara Brunei Darussalara
- Burkina Faso

- United Republic of Cameroon
- Federal Islamic Republic of the Comoros
- Arab Republic of Egypt
- Republic of the Gambia
- Republic of Guinea
- Republic of Guinea-Bissau
- Republic of Indonesia
- Islamic Republic of Iran
- Republic of Iraq
- Hashemite Kingdom of Jordan
- State of Kuwait
- Republic of Lebanon
- Socialist People's Libyan Arab Jamahiriya
- Malaysia
- Republic of Maldives
- Islamic Republic of Mauritania
- Kingdom of Morocco
- Sultanate of Oman
- Islamic Republic of Pakistan
- Palestine
- State of Qatar
- Kingdom of Saudi Arabia
- Republic of Senegal
- Democratic Republic of Somalia

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

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

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

- The Statistical, Economic and Social Research and Training Centre for Islamic Countries (SKSRTCTC)
- The Islamic Centre for Technical and Vocational Training and Research (ICTVTR)
- The Islamic Centre for Development of Trade (ICDT)
- Islamic Foundation for Science, Technology and Development (IFSTAD)
- The Islamic Development Bank (IDB)
- The Islamic Chamber of Commerce, Industry and Commodity Exchange (ICCI)
- The Association of National Development Financing Institutions (ADFIMI)
- International Association of Islamic Banks (IAIB)

Representatives of UNCTAD and the Arab Industrial Development Organisation (AIDO) also participated in the Meeting as observer.

The list of participants of the Third Session of the Standing Committee is attached as Annex I.

4. The opening ceremony of the Session, chaired by H.K. Kenan Evren, President of the Republic of Turkey and Chairman of the COMCEC, was held jointly with that of the First Meeting of the Ministers of Transport of the Member States of OIC.

5. In his inaugural speech, H.K. Kenan Evren pointed out that the COMCRC had established itself as an important forum of the Organization of the Islamic Conference, and that it had achieved a considerable progress in the field of economic cooperation among the Member Countries thanks to the effectiveness of its strategy and the pertinence of its decisions.

H.K. the President stated that, the positive results of the work carried out by the COMCEC was obtained in a short time and that the Longer Term Trade Financing Scheme established within the Islamic Development Bank was the most remarkable example of this progress. H.K. Kenan Evren

emphasized that the Fifth Islamic Summit Conference held in Kuwait fully endorsed the decisions adopted by the COMCEC and commended the progress achieved under its auspices. H.E. the President drew the attention of the delegates to a resolution adopted by the Fifth Islamic Summit which called for the gradual reduction of the level, and frequency of the ministerial meetings in various areas of economic cooperation which have overlapping implications with the COMCEC and for the incorporation of the inputs provided by such meetings into the overall work of the COMCEC. Finally, H.E. Kenan Evren expressed his belief that the attainment of a satisfactory level of economic cooperation among the Member Countries would lead, through concerted action, to their playing a significant role in the world economy and would increase their negotiating power in related international fora.

The text of the speech of H.E. Kenan Evren is attached as Annex 2.

6. H.E. Turgut Özal, Prime Minister of the Republic of Turkey and Alternate Chairman of the COMCEC, also addressed the opening ceremony. Expressing the pleasure of Turkish Government in hosting the meeting, H.E. Turgut Özal stressed the importance of strengthening economic

cooperation among the Muslim Countries, in the face of adverse world economic conditions which would bring into play forces of peace and mutual understanding. The Prime Minister went on to point out that strong economic cooperation among Member Countries would increase their bargaining power in Global Economic Negotiations, which was conducive to the establishment of an equitable world economic order. Referring to the rapid progress achieved by the COMCEC in the field of economic cooperation, Mr. Özal stated that the Longer Term Trade Financing Scheme established and became operational within the Islamic Development Bank, would be a helpful mechanism to increase intra-islamic trade which, in turn, would be a starting point of a wider range of cooperation. In concluding, the Prime Minister expressed his wishes of success to the delegates and a pleasant stay in Turkey.

Text of the speech of H.E. Turgut Özal is attached as Annex 3.

7. In his statement, H.E. S.S. Pirzada the Secretary General of the OTC, expressed his profound gratitude to H.E. Kenan Evren, President of the Republic of the Turkey and the Chairman of the COMCEC, and H.R. Turgut Özal, Prime Minister of the Republic of Turkey and the Alternate Chairman of the

COMCEC, for their continued personal support and abiding interest in the implementation of the OIC Plan of Action and for their commitment to the socio-economic progress of the Islamic States.

H.R. Pirzada pointed out that the Third Session of the COMCRC was taking place against the backdrop of the serious and continuing consequences of the unjust world economic order. Secretary General stressed the importance of undertaking concerted initiatives by the Member States towards self-sustained and self-generating economic growth with the ultimate aim of collective self-reliance.

H.R. Pirzada referred to the convening of the meeting of the Ministers of Transport concurrently with the Third Session of the COMCRC as a step forward in the efforts to strengthen economic cooperation among the Member States. Secretary General concluded his statement by expressing his confidence that the Meeting of the Ministers of Transport would initiate practical projects to promote cooperation among the Islamic States in the field of transport which had direct implications for other areas of economic cooperation» especially trade.

The text of the speech of H.E. S.S. Pirzada is attached as Annex 4.

8. The Heads of the Delegations of the Hashemite Kingdom of Jordan, Negara Brunei Darussalam and the Republic of Senegal made statements on behalf of the geographical groups they represent.

In their statements the Heads of Delegations praised the progress achieved by the COMCEC in the field of economic cooperation among the member countries, which would give them a stronger stand in international negotiations. Referring to the increasing difficulties of the member countries with respect to their balances of external payments, they underlined the need for closer cooperation among the Member States. They praised the concrete achievements by the COMCEC under the wise guidance of H.E. Kenan Evren, President of the Republic of Turkey and Chairman of the COMCEC.

9. The President of the Islamic Development Bank, H.E. Dr. Ahmad Muhammed Ali, in his statement delivered at the opening ceremony, expressed his gratitude to H.E. Kenan Evren, President of the Republic of Turkey and Chairman of the COMCEC for his keen interest and wise leadership in promoting economic cooperation among the Member Countries.

The President, gave a summary account, of the activities of the Islamic Development Bank, and of the progress

achieved by the Bank in terms of the studies assigned to it by the First Session of the COMCEC. Dr. Ahmed Muhammed Ali explained that, in pursuance of a decision adopted at the First Session of the COMCEC in November 1984, the Longer Term Trade Financing Scheme became operational within the Islamic Development Bank, with 10 Member Countries having paid the first instalment of their commitments.

10. Following the opening ceremony, H.E. Kenan Evren received the Heads of the Delegations of the participating Member States.

11. The Ministers of the COMCEC then held a meeting chaired by H.E. Kaya Erdem, Minister of State and Deputy Prime Minister of the Republic of Turkey, to consider, under agenda items 2 and 3, the issue of the election of the members of the Bureau and to adopt, the agenda reviewed by the preparatory meeting of Senior Officials the day before, respectively.

12. Before proceeding to the election of the members of the Bureau, under agenda item 2, the Ministers, after extensive discussions, reached the conclusion that the election of the members of the Bureau of the COMCEC had far reaching implications because the COMCEC Follow-up Committee was composed of the members of the said Bureau, which was an

essential body for the conduct of the coordination and follow-up activities within the framework of the COMCEC,

In order to have sufficient time to examine various aspects of this question and to provide continuity in the work of the Follow-up Committee before reaching a final decision on the issue, Ministers decided to keep the present members of the Bureau of the COMCEC unchanged until the Fourth Session of the COMCEC.

However, in view of its status as the current Chairman of the Fifth Islamic Summit Conference, the Ministers reached a consensus on the inclusion of the State of Kuwait in the Bureau of the COMCEC to serve as the fifth Vice-Chairman until the Sixth Summit.

Apart from the Republic of Turkey as its permanent chairman, the agreed composition of the Bureau of the COMCEC to serve until the Fourth Session of the COMCEC was as follows:

Vice-Chairman : Kingdom of Saudi Arabia
Vice-Chairman : Islamic Republic of Pakistan
Vice-Chairman : Republic of Guinea
Vice-Chairman : Palestine
Vice-Chairman : State of Kuwait
Rapporteur : Hashemite Kingdom of Jordan

13. The Ministers then adopted the Draft Agenda of the Third Session of the COMCEC as proposed by their Senior Officials.

14. After adoption of the Agenda by the Ministers, the sessions were held separately at ministerial and senior officials' levels. While the Ministers held a session of General Debate at which they made statements on the experiences of their respective countries in the field of economic development and on economic cooperation among the Member Countries in general, their senior officials discussed the items of the agenda to come up with a draft resolution.

The Report of the Senior Officials' Meeting is attached as Annex 5.

15. During the session held at the ministerial level in the morning of 10 September 1987, H.E. Taher H. Kanaan, Minister of Planning of the Hashemite Kingdom of Jordan and the Rapporteur of the COMCEC, presented the Draft Resolution No. OIC/COMCEC/3-87/D.RES.

16. The Standing Committee, approved with certain modifications, the Draft Resolution No. OIC/COMCEC/3-87/D.RES, and decided to submit it at the Closing Session for adoption.

17. The Closing Session of the Standing Committee was chaired by H.E. Kenan Evren, President of the Republic of Turkey and Chairman of the COMCEC.

18. At the Closing Session, H.E. Veysel Atasoy, Minister of Transport and Conununications of the Republic of Turkey, presented the Resolution adopted at the First Meeting of the Ministers of Transport of the Member Stales of OIC.

19. The Standing Committee approved the Resolution of the First Meeting of the Ministers of Transport.

20. H.E. Kaya Erdem, Minister of State and Deputy Prime Minister of the Republic of Turkey, and Chairman of the Ministerial level sessions of the COMCEC, presented a resume of the Resolution of the Third Session of the COMCEC as approved at the ministerial level working sessions.

21. The Resolution No. OIC/COMCEC/3-87/RES was adopted with the following reservations:

- i) The Delegation of the Islamic Republic of Iran put a reservation on the sub paragraph (a) of the paragraph 1 of Chapter G (Measures to Support Palestine), and on paragraph 2 of the same Chapter ;

- ii) The Delegation of the Socialist. People's Libyan Arab Jamahiriya put a reservation on Chapter G (Measures to Support Palestine).

The Resolution No. OIC/COMCEC/3-87/RES is in Section III of Part Two of this Book.

22. H.E. Tan Sri Abdul Rahman Jalal, Assistant Secretary General of the OIC, presented the statement of H.E. S.S. Pirzada, Secretary General of the OIC. Secretary General's Statement stressed the significance of the results achieved during the Third Session of the COMCEC, and praised the continued support, keen interest and wise guidance of H.K. Kenan Evren, President of the Republic of Turkey in promoting economic cooperation among the Member States.

The text of the closing statement of H.E. S.S. Pirzada as presented by H.E. Tan Sri Abdul Rahman Bin Jalal is attached as Annex 7.

23. H.K. Jassim M. Al-Khurafi, Minister of Finance and Economy of the State of Kuwait delivered a speech on behalf of all delegations in which he expressed his deep appreciation for the significant results achieved at the Session and for the effective approach adopted by the COMCRC

in dealing with the issues of economic and commercial cooperation.

24. In his closing speech, H.R. Turgut Özal, Prime Minister of the Republic of Turkey and Alternate Chairman of the COMCEC, made an assessment of the results achieved at the Third Session of the COMCEC. H.E. Turgut Özal underlined the necessity for increasing the intra-Islamic trade as the common goal of the Islamic countries. In this regard, he emphasized the significance of the Trade Preferential System decided to be established among the Member States.

The text of the closing speech of H.E. Turgut Özal is attached as Annex 8.

25. In his concluding address, H.E. Kenan Evren, President of the Republic of Turkey, Chairman of the Standing Committee, expressed his thanks and appreciation to the representatives of Member States, to the General Secretariat and to the subsidiary and affiliated organs of the OIC for their positive contributions to the work of the Standing Committee.

The text of the closing address of H.E. Kenan Evren is attached as Annex 9.

OIC/COMCEC/3-87/A

Original: English

II

AGENDA

OF THE THIRD SESSION OF THE STANDING COMMITTEE
FOR ECONOMIC AND COMMERCIAL COOPERATION OF THE
ORGANISATION OF THE ISLAMIC CONFERENCE

(Istanbul, 7-10 September 1987)

Original: English

AGENDA
OF THE THIRD SESSION OF THE STANDING COMMITTEE
FOR ECONOMIC AND COMMERCIAL COOPERATION OF THE
ORGANISATION OF THE ISLAMIC CONFERENCE

(Istanbul, 7-10 September 1987)

1. Opening of the Session

Inaugural Statement by H.K. Kenan EVREN, President of the Republic of Turkey, Chairman of the COMCEC.

Statement by H.K. Turgut ÖZAL, Prime Minister of the Republic of Turkey, Alternate Chairman of the COMCEC.

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

Statements by the Heads of the Delegations of the Hashemite Kingdom of Jordan, Negara Brunei Darussalam and the Republic of Senegal, on behalf of the Regional Groups of Member States.

Statement of H.E. Dr. Ahmed Mohammed Ali, President of the IDB.

2. Election of the Members of the Bureau

3. Adoption of the Agenda

4. Report of the OIC General Secretariat

5. Report of the Follow-up Committee

6. Report of the Senior Officials' Meeting

7. Report by the IDB on the Status and Operations of the Longer-Term Trade Financing Scheme
8. Report by the IDB on:
 - Multilateral Islamic Clearing Union
 - Regional Export Credit Guarantee Scheme
9. Presentation by ICDT of a Draft Declaration and General Agreement on a Trade Preferential System among the OIC Member States
10. Progress Report by the ICDT on Trade Information Network for Islamic Countries
11. Report by the SRSRTCIC on the OIC Economic Resolutions
12. Progress Report by the IAIB
13. Assistance to Drought Stricken African Countries
14. Measures in Support of Palestine
15. Measures in Support of Lebanon
16. Proposal for the Establishment of a Technical Assistance Fund
17. Report of the First Ministerial Meeting on Transport and Communications.
18. Any Other Business
19. Adoption of the Report and Resolutions
20. Date and Venue of the Fourth Session of the COMCEC
21. Closing of the Session

OIC/COMCEC/3 87/RES

Original : English

III

R E S O L U T I O N

OF THE THIRD SESSION OF THE STANDING COMMITTEE
FOR ECONOMIC AND COMMERCIAL COOPERATION
OF THE ORGANIZATION OF THE ISLAMIC CONFERENCE

(Istanbul, 7-10 September 1987)

OIC/COMCEC/3-87/RES

Original : English

RESOLUTION NO. OIC/COMCEC/3-87/RES
ON ECONOMIC AND COMMERCIAL COOPERATION
AMONG THE MEMBER COUNTRIES OF OIC

Third Session of the COMCEC
(Istanbul, 7-10 September 1987)

The Third Session of the Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Conference (COMCEC), held from 7 to 10 September 1987 in Istanbul;

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

RECALLING Resolution No. 1/3-E (IS) on the Plan of Action to Strengthen Economic Cooperation among the Member States of the Organisation of the Islamic Conference adopted at the Third Islamic Summit Conference;

RECALLING Resolution No. 1/4-EF (IS) adopted at the Fourth Islamic Summit Conference determining trade, industry, food security and agricultural development, transport and communications, science and technology and

energy as priority areas of economic cooperation contained in the Plan of Action;

BEARING IN MIND the provisions of Resolutions No. 1/5-E (IS), No. 3/5-R (IS) and No. 4/5-B (IS) adopted at the Fifth Islamic Summit Conference :

- a) endorsing the decisions of the COMCEC and the arrangements made regarding the organization of its work,
- b) stressing and appreciating the important role of the COMCEC in the implementation of the Plan of Action and urging Member Countries to give necessary support to the COMCEC in this regard,
- c) commending the rapid implementation of the decision taken at the First Session of the COMCEC to establish a Longer Term Trade Financing Scheme within the Islamic Development Bank (IDB) and inviting the Member States to participate in the scheme,

respectively;

TAKING INTO CONSIDERATION the decisions adopted at the First and Second Sessions of the COMCEC and recommendations made by its Follow-up Committee;

TAKING NOTE of the relevant resolutions of the Islamic Conferences of Foreign Ministers;

NOTING the decisions adopted at the Second Ministerial Conference on Food Security and Agricultural Development held on 14-16 March 1986 in Istanbul;

ALSO NOTING the decisions adopted at the Third Ministerial Consultation on Industrial Cooperation held on 27-28 June 1987 in Istanbul;

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

- a) the Longer-Term Trade Financing Scheme was established and became operational within the Islamic Development Bank, which would promote trade among the Member Countries, especially intra-OIC exports of non-traditional goods;
- b) the SESRTCIC has finalized its study on the OIC economic resolutions, in the form of a systematic compendium which will enable the COMCEC to monitor, better coordinate and follow up the implementation of the OIC Plan of Action, and to

- avoid duplication and develop guidelines for improved implementation,
- c) the Association of the National Development Finance Institutions of the Member Countries of IDB (ADFIMI) and the Federation of Consultants of Islamic Countries (FCIC) have been established with their headquarters in Istanbul;
 - d) the Task Force Meeting on the establishment of a Trade Information Network and the Task Force Meeting on the establishment of a Trade Preferential System among the Member Countries of the OTC were held in Izmir, upon invitation by ICDT, on 21-23 October 1986 and 25-27 October 1986, respectively;
 - e) the Governors of Central Banks and Monetary Authorities of the OIC Member States held their Seventh Meeting on 30-31 March 1987, in Istanbul and discussed monetary and financial issues related to the implementation of the Plan of Action;
 - f) ICDT organized the Second Meeting of Trade Promotion Organizations of the Member Countries from 8 to 10 June 1987, in Tangiers;

- g) An investment promotion forum, organized by the ICCICE jointly with the Turkish Union of Chambers of Commerce, Industry and Commodity Exchange and UNIDO, was held in Istanbul on 15-18 June 1987 with the participation of investors from Member-Countries;
- h) the Third Islamic Trade Fair was scheduled to take place in October 1988 in Cairo;

AGREED ON THE FOLLOWING:

A. ECONOMIC COOPERATION

1. In pursuance of Resolution No 1/5-F (IS) adopted at the Fifth Islamic Summit Conference asking the relevant bodies of the OIC working in the field of economy and trade to present regular progress reports to the COMCEC, SESRTCIC, ICDT and ICCICE were requested to do so at each Session of the COMCEC.
2. The study on the OIC economic resolutions prepared by the SKSRTCIC was noted with appreciation. This study should serve as a source in developing guidelines to monitor and follow-up the implementation of the resolutions passed or to be passed by the OIC in relation to economic and commercial cooperation.

3. The Member Countries who have not yet done so were urged to sign, and/or ratify at an early date, the various statutes and agreements in the field of economic cooperation drawn up or concluded within the framework of the OTC, and in particular, the "General Agreement for Economic, Commercial and Technical Cooperation", and the "Agreement on Promotion, Protection and Guarantee of Investments Among the Member States".

4. The existing Technical Assistance Programme provided by IDB was appreciated for its instrumentality in promoting cooperation among the Member Countries in this field. Member States are invited to make maximum possible use of this facility to further unfold the potential existing within the member countries of the OIC in this respect.

B. COMMERCIAL COOPERATION

1. The establishment and operation of a Longer-Term Trade Financing Scheme within IDB was noted with great satisfaction and Member Countries who have not yet done so were invited to participate in the Scheme. The efforts of IDB to enhance the financial resources of the Scheme and to publicise its procedures and operational principles were appreciated.

2. The COMCEC took note of the progress report submitted by the TCDT on the establishment of a Trade Preferential System Among the Member States of the OTC. In the light of this progress report, the TCDT was asked to expedite the finalization of the Draft Framework Agreement on the establishment of the System, in close cooperation with the Legal Department, of the OIC, SESRTCIC, ICCICE and IDB. ICDT was also asked to hold consultations with relevant international organizations, including GATT, in undertaking this task. The Draft Framework Agreement will be circulated by ICDT to the Member States with a view to incorporating their comments in the Draft to be submitted to the Fourth Meeting of the Follow-up Committee of the COMCRC.

ICDT presented a draft declaration expressing the intent of the Member States to participate in a Trade Preferential System to be established among the Member States of the OIC, containing basic principles and guidelines.

This Draft, will be revised by the ICDT in the light of the discussions at the Third Session of the COMCEC and will be forwarded to the COMCEC Coordination Office for circulation to the Member States.

The Member States were requested to communicate their views and comments on the Draft Declaration to the COMCEC Coordination Office for compilation and inclusion in the Agenda of the Fourth Meeting of the Follow-up Committee of the COMCEC.

The Follow-up Committee, after having examined the Draft Declaration and Draft Framework Agreement together with the views and comments of the Member States, would consider their submission to the Fourth Session of the COMCKC for approval.

3. The efforts exerted by ICDT to prepare a revised version of the feasibility study on the establishment of a Trade Information Network Among Islamic Countries in line with the agreed principles, and incorporating the responses received so far to the questionnaires circulated by the ICDT asking information on the existing computer capacities and facilities, telecommunication facilities and on trade information uses and needs, was appreciated. However, it was decided that the revised version of the feasibility study should first be examined by the Ad Hoc Experts Contact Group established at the Task Force Meeting held in Izmir, before its final consideration by the COMCEC,

The ICDT, after having incorporated the results of the examination of the Ad Hoc Experts' Contact Group into the revised feasibility study, should submit the revised version of the study to the Fourth Meeting of the Follow-up Committee of the COMCEC.

4. As regards the establishment of a Regional Export Credit Guarantee Scheme, IDB's detailed study which had earlier been reviewed by a group of experts and Shariah scholars was appreciated. The principles contained in this study for the establishment of a multilateral insurance scheme with the purpose of providing guarantees of repayment for export financing and associated operations, were received with general satisfaction. It was recommended that the study be further reviewed by a meeting of technical experts directly involved in the field of export credit guarantee, to be convened by the IDB. The meeting of the said experts will be entrusted with working out the mechanics of a scheme that is operationally feasible and consistent with Islamic Shariah. The IDB will submit its report to the Fourth Meeting of the Follow-up Committee of the COMCEC.

5. In relation to the establishment of a Multilateral Islamic Clearing Union, it was recommended that the IDB

would continue with its study in collaboration with Central Banks and Monetary authorities of the OIC Member Countries and submit their report to the Fourth Meeting of the Follow-up Committee of the COMCRC.

6. In pursuance of the resolution on the harmonization of standards adopted at the First Session of the COMCRC, a study prepared by the Coordinating Committee of the Islamic Countries' Standardization Experts' Group, titled "Methodology for the Harmonization of the Existing Standards of the Islamic Countries and for the Preparation of Common Standards", was noted and the Committee was asked to present this study to the Fourth Meeting of the Follow-up Committee.

C. INDUSTRIAL COOPERATION

1. Modalities and mechanism for the promotion of joint ventures among the Member Countries as agreed at the Third Ministerial Consultation on Industrial Cooperation were noted with satisfaction. In particular, the decision to involve such parties in the mechanism as the private sector, national development finance institutions, national unions of chambers and other relevant private or governmental institutions which are directly concerned with the

implementation of joint venture projects, was welcomed and found in conformity with the COMCEC's objectives.

Member States were requested to actively participate in the work of the "Task Force for the Promotion of Joint Ventures" established by the Ministers of Industry to discuss the relevant issues, to work out the details of effective arrangements, to overcome the shortcomings in the existing framework and to develop and implement the mechanism outlined by the Ministers.

2. The Member States were invited to cooperate with SESRTCIC in the finalization of its study on joint investment companies by supplying the necessary information.

3. It was noted with satisfaction that the Turkish National Productivity Centre presented a study to the Third Ministerial Consultation identifying possible areas of cooperation among the national productivity centers, or similar institutions, of the Member Countries.

4. The Member States who have not yet done so were urged to sign and/or ratify at an early date, various statutes and agreements in the field of industrial cooperation, drawn up within the framework of the OIC, namely the "Statute of the Islamic Cement Association", "Statute of the Islamic Civil

Aviation Council", "Statute of the Islamic States' Telecommunications Union" and the "Statute of the Islamic Shipowners' Association" .

D. AGRICULTURAL COOPERATION

1. It was noted that the Follow-up Committee established by the Second Ministerial Conference on Food Security and Agricultural Development was scheduled to be convened in Istanbul, on 6-12 December 1987.

2. The offer of the Government, of the Islamic Republic of Pakistan to host the Third Ministerial Conference on Food Security and Agricultural Development was welcomed.

3. The SESRTCIC was requested to expedite its studies, in close cooperation with the General Secretariat, on the identification of "Centres of Excellence" in Member States, and on the possibilities of establishing a network of "Agricultural Research Centres".

4. The initiative taken by Turkey to identify four "Centres of Excellence for short-term training and joint research for agricultural development in the Member States" and "Regional Research and Training Centre in Agro-Hydrology for Islamic Countries" was noted with satisfaction.

5. The training programme on seed industry which was completed with the participation of the experts from the Member States was welcomed.

6. It was noted that the Egyptian Ministry of Agriculture and Food Security had offered to host a meeting of group of experts on Food and Agriculture in Cairo, in early November .1987.

**E. PLIGHT OF MEMBER STATES STRICKEN BY
DROUGHT AND OTHER NATURAL CALAMITIES**

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

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

3. Activities in other international fora in the same vein, particularly those in the United Nations framework, should be followed closely and Member Countries should continue to highlight their views and contributions collectively in the relevant international fora on the critical situation in Africa.

4. In this context, the establishment, at the 20th Summit Meeting of the OAU in November 1984, of an Emergency Assistance Fund against the famine and drought in Africa was noted with satisfaction. Member States were invited to contribute to this cause either through this Fund or through other existing funds and programmes, or directly.

F. ASSISTANCE TO LEBANON

1. The Standing Committee reaffirmed its previous resolutions concerning the provision of financial and economic assistance to Lebanon, as well as providing markets for that country's products and commodities and granting it preferential treatment.

It called upon the Member States and relevant development and humanitarian institutions for emergency contribution to provide immediate and urgent assistance of a humanitarian character to Lebanon, and that such assistance

should be directed towards the provision of food, medical supplies, scholarships and other urgently needed basic items.

2. The Follow-up Committee was requested to report, on the implementation of this resolution to the Fourth Meeting of the Standing Committee.

G. MEASURES TO SUPPORT PALESTINE

The Third Session of the Standing Committee for Economic and Commercial Cooperation of the Organisation of the Islamic Conference.

RECALLING all the resolutions adopted by Islamic Summits on the question of Palestine,

RECALLING the resolutions adopted at the two previous Sessions of the COMCEC on the economic and social conditions of the Palestinian people,

DECIDED:

1. a) to condemn the Zionist settlement policies, the confiscation of Palestinian lands, the building of settlements thereon, the takeover of water

sources, as well as the laws and regulations, which brought about the deterioration of economic conditions, in general, and agricultural conditions, in particular;

- b) to condemn and denounce the Israeli policy and coercive practices towards al-Quds Electricity Company, by defining the areas that belong to the concession and subjecting it to Israeli laws as a first step towards expropriating this vital sector and annexing it to the institutions of the Zionist entity.

2. To provide all kinds of support and assistance to the Palestinian people in the occupied Palestinian territory to boost their resistance on their land and enable them to pursue their struggle, including:

- a) implementation of a Programme, for supporting the Palestinian people, in conjunction with the PLO with a view to:

providing job opportunities on a permanent basis for Palestinian workers and graduates in the occupied Palestinian territory through the initiation of productive

projects, especially in the agricultural and industrial fields,

establishing vocational and industrial training centres and institutes in the occupied Palestinian territory,

financing economic and technical feasibility studies for productive projects in the occupied territories through the social and economic development institutions of the OIC.

- b) supporting the initiation of important and vital projects for the Palestinian people,
- c) giving a preferential treatment, to Palestinian products on Islamic markets and providing assistance for the establishment of a marketing centre for these products.

3. That every Member State of the OIC is requested to decide the form and volume of assistance to be extended as a contribution to the implementation of the present resolution, in conjunction with the PLO.

4. Requests the Follow-up Committee to report to the COMCEC on the progress achieved on the implementation of the present resolution.

H. ORGANIZATIONAL MATTERS

In pursuance of the agreement reached at the Second Session of the COMCEC to keep the Members of the Bureau unchanged until the Fifth Islamic Summit Conference, it was agreed that the question of the election of the Bureau should not be tackled before various aspects of the question and its implications were carefully studied.

It was agreed to include the country whose Head of State assumes the sessional chairmanship of the Islamic Summit Conference as a regular member of the Bureau of the COMCEC. Accordingly, the State of Kuwait was included in the Bureau of the COMCEC, with consensus, to serve as the fifth Vice-Chairman until the Sixth Islamic Summit Conference.

The COMCEC assigned the Follow-up Committee with the task of studying the matter together with the role to be given to the Follow-up Committee in a longer perspective on the basis of a background paper to be prepared by the COMCRC Coordination Office. In carrying out this task, the Follow-up Committee was urged to bear in mind the importance of the

continuity of the follow-up activity. The Follow-up Committee was requested to examine various aspects of the issue and its implications for the follow-up mechanism established by the COMCEC, and to submit feasible alternatives for the renewal of the members of the Bureau to the Fourth Session of the COMCEC.

OIC/COMCEC/3-87/LD

Original : English

IV

LIST OF BASIC DOCUMENTS
CONSIDERED AT THE THIRD SESSION
OF THE COMCEC

(Istanbul, 7-10 September 1987)

Original : English

LIST OF BASIC DOCUMENTS

Considered at The Third Session
of The COMCEC

(Istanbul, 7-10 September 1987)

1. "Background Note by the General Secretariat of the Organization of the Islamic Conference."
(OIC/COMCEC/3-07/DI)
2. "Progress Report, in Relation to the Following Three Studies Assigned to the IDB by the COMCEC
(a) A Longer Term Financing Facility
(b) A Regional Export Credit Guarantee Scheme
(c) A Multilateral Islamic Clearing Union"
(OIC/COMCEC/3-87/R14)
3. "Background Note and Draft. Text of the Declaration on the Establishment of a Trade Preferential System Among the OIC Member States", Presented by the ICDT.
(OIC/COMCEC/3-87/D3)
4. "Progress Achieved in the Setting up of Trade Information Network for Islamic Countries", Presented by the ICDT.
(OIC/COMCEC/3-87/D2)
5. "A Compendium of Recommendations, Decisions and Resolutions of Various OIC Fora on Economic and Technical Cooperation Among Islamic Countries", Presented by the SKSRTCIC.
(PCF/ACC03/SMI)

6. "Progress and Achievements of International Association of Islamic Banks" Presented by the IAIB.
(OIC/COMCEC/3-87/D5)
7. "Report of the Islamic Chamber of Commerce Industry and Commodity Exchange to the Third Session of the Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Conference (COMCEC)"
(OIC/COMCEC/3-87/D13)
8. "Report of the Director of the SESRTCTC to the Third Meeting of the COMCEC"
(ADM/ACC03/DR)

A N N E X E S

Original : English

LIST OF PARTICIPANTS

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

(Istanbul, 7-10 September 1987)

Original : English

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Original : Turkish

II

INAUGURAL STATEMENT BY H.R. KENAN RVRN
PRESIDENT OF THE REPUBLIC OF TURERY
AND CHAIRMAN OF THE COMCEC
AT THR THIRD SRSSION OF THR COMCRC

(Istanbul, 7 September 1987)

Original : Turkish

**INAUGURAL, STATEMENT BY H.E. KENAN EVREN
PRESIDENT OF THE REPUBLIC OF TURKEY
CHAIRMAN OF THE COMCEC
AT THE THIRD SESSION OF THE COMCRC
(Istanbul, 7 September 1987)**

Excellencies,

Honourable Delegates,

Distinguished Guests,

It is a pleasure for me to inaugurate this Third Session of the COMCEC in my capacity as its Chairman.

I would like to express my pleasure in seeing you all in Turkey once again. I am confident that the work you will undertake during the next few days will constitute another significant contribution to the promotion of economic cooperation and solidarity among the Member States.

Distinguished Delegates,

Since its First Session in November 1984, the COMCEC has established itself as one of the important fora of the Organization of the Islamic Conference. During a period of less than three years, the COMCEC has achieved

considerable progress in the field of economic cooperation among the Member States, thanks to the effectiveness of the strategy and pertinence of the decisions you have adopted in this forum. Here, I would like to extend my appreciation and thanks to the Member States and to the subsidiary and affiliated organs of the Organization of the Islamic Conference for their most sincere willingness to cooperate and for the invaluable assistance that they are extending to the COMCEC in carrying out activities pertaining to economic cooperation.

Positive results of our work have begun to come out in a short time with the concrete progress achieved, especially in the field of commercial cooperation. The draft agenda of the present session contains items which reflect this progress.

The Longer Term Trade Financing Scheme established within the Islamic Development Bank is the most remarkable example of this progress.

It is a source of great satisfaction to see that the scheme is now fully operational with 10 countries having paid the first instalment of their commitments. I am confident that positive repercussions of the operation of

this scheme will soon be seen on the volume of trade among our countries.

I have no doubt that other projects of economic cooperation pertaining to areas indicated in the Plan of Action will be implemented with similar efficiency with your continued support.

Distinguished Delegates,

The Fifth Islamic Summit Conference held in Kuwait last January was the first occasion during which initiatives undertaken by the COMCEC were evaluated thoroughly by the highest decision-making body of the Organisation of the Islamic Conference.

A detailed Progress Report on the activities carried out by the COMCRC since its first session in November 1984, was presented to the Fifth Islamic Summit Conference. In addition to that, in the statement which I made during the Summit, I summarized the strategy of economic cooperation we have adopted and the measures we have taken regarding the organization of our work.

It is a pleasure for me to state that the Fifth Islamic Summit Conference has fully endorsed our decisions and

commended the rapid progress achieved in the field of economic cooperation under the auspices of the COMCEC.

However, we should not content ourselves with what we have already achieved, but. should constantly seek for improvements in the efficiency of our work.

Tn this connection, I would like to draw your attention to one of the three resolutions adopted at the Fifth Summit entitled "Resolution on the Conduct of Activities of the COMCEC". This resolution calls for, among others, the gradual reduction of the frequency and the level of the Ministerial meetings in various areas of economic cooperation which have overlapping implications with the COMCEC, and the incorporation of the inputs provided by such meetings into the overall work of the COMCEC.

The implementation of this resolution may require the reassessment of the present practice and procedures which we have agreed on regarding the coordination and follow up of economic cooperation activities going on within the OIC.

I am sure that you will adopt the necessary measures to properly accommodate the requirements of the Summit decision.

Honourable Delegates,

Distinguished Guests,

Transport is another priority area of the Plan of Action in which the first ministerial level meeting is being held concurrently with this session of the COMCEC. Initially, the present session of the COMCRC was scheduled to be held concurrently with the meeting of the Ministers of Transport and Communications. But, upon the suggestion of the Third Meeting of the Follow-up Committee of the COMCRC, I was led to the conclusion that these two subjects were too comprehensive for one single meeting and decided to confine the meeting to issues related to transportation only. This decision is also in conformity with the COMCEC's strategy to cover only as many areas as could be covered at a time.

Distinguished Delegates,

As you may have noticed, the work program of the present meeting varies substantially from the previous ones. During the meeting the Heads of Delegations will be provided with an opportunity to conduct general debate while their senior officials will be discussing agenda items. This new model was introduced in order to serve several purposes :

First of all, I thought that it would be useful to give the ministers an opportunity to conduct bilateral or multilateral talks on the sideline of the meeting without putting them under time pressure in relation to the agenda items.

Secondly, the Heads of delegations are invited to present in their general statements the experience of their respective countries in the fields covered by the agenda items. This measure is introduced in order to allow the member countries to benefit from the experience of the other brotherly member countries. I thought that member countries are likely to benefit, much more from the experience of brotherly member countries than from the experience of countries with whom they have very little in common. These valuable statements will be translated into 3 official languages, printed and circulated to the member countries shortly after the meeting.

Thirdly, the heads of delegations are invited to make suggestions for possible new areas of economic cooperation. After the meeting I will ask the Follow-up Committee to sort them out and try to translate these suggestions into concrete cooperation projects.

Priority will be given to those projects which may be implemented in a shorter span of time and with minimum additional cost.

I believe that the sessions of general debate may be transformed in future into an important forum where world economic and financial issues are discussed and where views and attitudes of the OIC member countries on these issues are harmonized.

I will assess the advantages and inconveniences of this model in the light of the experience of the present meeting and determine whether it should be maintained, abandoned or improved.

I am confident that the attainment of a satisfactory level of economic cooperation among the Member States would lead, through concerted action, to their playing a significant role in world economy and would increase their negotiating powers in related international fora.

In concluding, I would like to express my hope that this Session of the Standing Committee will lead to the achievement of further concrete results and give direction to our subsequent efforts. I wish you every success in your important work.

Original : English

III

SPEECH DELIVERED BY H.E. TURGUT ÖZAL,
PRIME MINISTER OF THE REPUBLIC OF TURKEY
AND ALTERNATE CHAIRMAN OF THE COMCEC
AT THE OPENING CEREMONY

(Istanbul, 7 September 1987)

Original : English

SPRECH DELIVERED BY H.E. TURGUT ÖZAL
PRIME MINISTER OF THE REPUBLIC OF TURKRY
AND ALTERNATE CHAIRMAN OF THE COMCEC
AT THE OPENING CEREMONY

(Istanbul, 7 September 1987)

Your Excellency the President of the Republic of Turkey,

Your Excellency the Secretary General of the Organization of
the Islamic Conference,

Honourable delegates,

Distinguished guests,

On behalf of the Turkish Government I welcome you to
the Third Session of the Standing Committee for Economic and
Commercial Cooperation of the Organization of the Islamic
Conference. The Government of Turkey is pleased to host,
here in Istanbul, this very important meeting. I hope that
the arrangements are satisfactory and that you will enjoy
your stay in Turkey.

Distinguished delegates,

We are aware that the international economic
environment has not sufficiently improved since the 1982
recession which was the deepest in the post-war era. What

is qualified as economic recovery in the western industrial world is in fact slow-growth as compared with the 70's and 60's.

Under these conditions, international trade has stagnated, protectionist measures have multiplied, terms-of-trade for the export commodities of developing countries have declined to the lowest level of the last half of the century. The markets of industrial countries have lost their growth potential. These developments have had adverse effects on the exports of developing countries.

It is therefore not surprising that the international debt problem has been further aggravated, despite the fact that a growth-oriented debt strategy has been initiated two years ago. Developing debtor countries not only suffer from the lack of adequate resources transfer within the strategy, but. at the same time their export earnings do not increase enough to meet their debt service requirements.

The international community has high hopes in the recently initiated multilateral trade negotiations at GATT, which is called 'the Uruguay Round'. It is obvious however that the outcome of these negotiations will take a long time.

One has to take into account, on the other hand, the growing imbalances in international trade, the fluctuating exchange rates and the high real interest rates.

This state of affairs creates major uncertainties concerning global economic prospects and, as such, is not conducive to the establishment of a stable world economic growth.

Under these circumstances, the strengthening of economic cooperation among Muslim countries is of the highest priority and utmost importance to all of us.

Fostering economic cooperation in the Muslim World should not be viewed as substituting our relations with the rest of the world or regarded even as weakening them, nor should it be considered merely as a supplementary contribution to our development efforts. In reality, increased cooperation among ourselves will greatly facilitate our economic relations with the rest of the world on a sounder and more equitable basis. It will enrich these relations by creating new opportunities for business between us, thus rendering them truly multi-dimensional.

As you may know, Turkey recently applied to the European Economic Community for full membership. This is the

ultimate objective of the Ankara Agreement signed in 1963. In our efforts to move towards this objective, we are deeply conscious of our national identity and history. Being a country which has strong ties both with Europe and the Muslim world, Turkey will be able to serve in the full sense of the word, as a bridge between the two sides and play a positive role to enhance mutual understanding. Its membership in the COMCEC will definitely facilitate this role.

Excellencies,

Honourable delegates,

I am happy to say that the economic cooperation activities which are being carried out within the framework of the COMCEC since the First Session of the Standing Committee have been quite successful. We are fully conscious of the slow but steady pace of multilateral cooperation. I am confident that the present successful performance will continue in the future, thanks to the cooperation of the member states, the General Secretariat of the Islamic Conference, the subsidiary and affiliated organs of the Organisation of the Islamic Conference and other international institutions, and produce tangible results to the benefit of the member states.

Our common history, cultural heritage and shared creed are invaluable assets for an ever-increasing cooperation. Our peoples inspired by the same faith and tradition have a deep dislike for political enmity among themselves. We can combine our cultural unity and our desire for economic cooperation to transcend our political differences. History shows that increased economic ties between nations ultimately reduce political conflicts by bringing into play forces of peace and mutual understanding. The Muslim Community surely deserves peace and prosperity. We hope and pray for this.

In this context, we propose what I call the peace pipeline or pipelines which will, carry water from the two rivers in the southern part of Turkey to the Arabian Peninsula. We believe that this project is feasible, it will not only add to the existing economic relations, but also create new and strong ties of common interest, the preservation of which will contribute to peace in the region.

Several complementarities do exist among the member states of the OIC for achieving closer economic cooperation, as this example amply demonstrates. In this context, let me cite among venues for wider cooperation; building new

gas and oil pipelines to enlarge the present network, perfecting a tele-communication system, using the benefits of modern technology, constructing inter-state motorways and railways, and most important, taking the necessary measures to boost tourism among our countries, which will create mutual understanding and knowledge to further intensify commercial and human relations. This potential needs to be tapped and channeled into a dynamic cooperation. We consider this as a primary target for the COMCEC.

The strategy for economic cooperation followed by the COMCRC has already begun to yield its fruits. The Longer Term Trade Financing Scheme which has now become operational within the Islamic Development Bank, with ten countries having paid the first instalment of their commitments, will be an effective mechanism to increase intra-islamic trade. I sincerely hope that other mechanisms will follow, and increasing trade among OIC countries will be a stepping stone for a wider range of cooperation. The fostering of cooperation will undoubtedly boost our economic growth, reduce our dependence and offset the adverse effects of global economic difficulties.

I am confident that with your valuable contributions this session of the COMCEC will be another success in economic cooperation, and will lead to positive results for the entire Islamic World.

Before concluding, I wish you all success in your important task and a very pleasant stay in Turkey.

Original : English

IV

SPEECH DELIVERED BY H.E. SYED SHARIFUDDIN PIRZADA
SECRETARY GENERAL OF THE ORGANIZATION OF THE ISLAMIC
CONFERENCE AT THE OPENING CEREMONY OF THE THERD SESSION
OF THE COMCEC

(Istanbul, 7 September 1987)

Original : English

**STATEMENT BY H.E. SYED SHARIFUDDIN PIRZADA,
SECRETARY GENERAL OF THE ORGANIZATION
OF THE ISLAMIC CONFERENCE,
AT THE THIRD SESSION OF THE STANDING COMMITTEE
FOR ECONOMIC AND COMMERCIAL COOPERATION**

(Istanbul, 7 September 1987)

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

It is indeed a great honour and privilege for me to be present at this joint opening of the Third Session of the Standing Committee for Economic and Commercial Cooperation and the First Meeting of the Ministers of Transport of the Organization of the Islamic Conference and to address this august gathering which has been designated as the main policy making forum for promoting economic and commercial cooperation and progress in the Islamic world.

I would like to express profound gratitude to H.E. President Kenan Evren, the Chairman of the Standing Committee, and H.E. Mr. Turgut Özal, the Prime Minister and Alternate Chairman, for their continued personal and abiding interest in the implementation of the OIC Plan of Action to

strengthen Economic Cooperation and for their commitment to the socio-economic progress of the Islamic States. The inaugural address by H.E. President Kenan Evren and the statement by H.E. Turgut Özal bear testimony to their resolve to further strengthen the economic and commercial ties amongst the OIC Member States. I am confident that their illuminating addresses will serve to guide the deliberations of the Standing Committee as well as the Ministerial meeting on Transport and Communications.

Mr. Chairman,

We are no strangers to this beautiful and historic city of Istanbul, which has already hosted many Important meetings, particularly the First and the Second Sessions of COMCEC. We are moved once again by the warm welcome and traditional hospitality so graciously extended to the delegates by the Government and the people of Turkey. I would like to express appreciation and thanks for the excellent arrangements made for these two important conferences.

Mr. Chairman,

The Third Session of the Standing Committee for Economic and Commercial Cooperation takes place against the

backdrop of the serious and continuing consequences of the unjust world economic system where the levers of power are firmly in the hands of a few industrialized countries and are often used to the detriment of the interests of the developing world, to which the Islamic countries belong. The developed countries continue to adopt retrogressive policies and practices which run counter to the goals and objectives of the New International Economic Order. The North-South dialogue has been stalemated for a number of years. The weak and the vulnerable economies of the developing countries have to operate under an international economic system which is intrinsically unjust and have also been exposed to the vagaries of the international economic climate. This has resulted in the stunting of their growth and in increasing the gap between the developed and the developing world. The international economic situation is marked by decreasing international cooperation, a crushing debt burden, adverse terms of trade, reduced aid flows and rising walls of protectionism. Global production has declined, commodity prices continue to fall while the cost of manufactured goods imported by the developing countries continues to rise. The problems in the field of money, finance, trade, and aid have assumed a gravity which demands urgent remedial measures. These measures must include the revival of the dialogue

between North and South on the one hand and increased economic cooperation between the countries of the South themselves, on the other.

Mr. Chairman,

There has been no major change in the problems faced by member countries of the OIC in achieving socio-economic development since the last session of the Standing Committee. The recovery in the global economy, which bypassed a large number of OIC Member countries, has remained more or less irrelevant to the development process within the Islamic States. There was a marked slowdown in global output and trade in 1986 and this trend is persisting in 1987. The Member States of the OIC are heavily dependent on market outlets in the western industrial economies for most of their exports and imports. Sharp declines in the prices of primary commodities, minerals and fuels have seriously reduced the export revenues of the member countries. These, coupled with the deterioration in terms of trade, rising debt burden and reduced flow of external resources have led to severe cutbacks in imports and shelving of many development programmes and projects in the members of the Organisation. The drastic fall in oil prices adversely affected the socio-economic progress among the

oil-producing members of the OIC and also diminished their capacity to assist their less fortunate brethren of the Ummah.

Mr. Chairman,

In these circumstances it is essential that, the member states of the OIC, while seeking to reinvigorate the negotiations with the North, should undertake concerted initiatives to direct their economies to the path of self-sustained and self-generating economic growth and self-sufficiency. This would enable them to achieve reasonable rates of growth, alleviate the conditions of their poor and toiling masses and provide them the countervailing strength for negotiations with the industrialized world from a position of relative equality.

Mr. Chairman,

The Standing Committee for Economic and Commercial Cooperation has, since its inception, in pursuance of the decision of the Third Islamic Summit, played an effective role in strengthening and expanding cooperation and collaboration among the Member States of the OIC in the economic and commercial fields. COMCEC has focused its activities on the implementation of the OIC Plan of Action

to strengthen economic cooperation among the Member States. The two sessions of the COMCEC held in November 1984 and March 1986 have achieved encouraging success in translating the broad outlines of the Plan of Action into concrete programmes and projects of mutual cooperation and have encouraged the Member States to adopt measures to boost their economic and commercial exchanges. It is essential that the Islamic countries, notwithstanding differences in their economic structures, financial means or manpower availability, continue to work with firm resolve to promote economic cooperation among themselves, increase their commercial exchanges and help each other economically in order to ultimately achieve a level of economic strength which would free their economies from being vulnerable to the vagaries of the international economic climate.

Mr. Chairman,

The OIC member countries are blessed by the Almighty Allah with a variety of resources, human and natural which still remain to be exploited to the benefit of the Islamic Ummah. The scope for cooperation among the member states both in economic and technical fields are enormous. Despite progress achieved during the recent past, intra-OIC trade is only 10 per cent of the total trade of the member states.

This calls for intensified efforts on the part of member states, including a firm political commitment, to increase economic, commercial and technical cooperation.

The Standing Committee on Economic and Commercial Cooperation has already approved a number of measures to promote these desired goals. I am confident that the Member States will continue to support, in full measure, the recommendations of the Standing Committee as well as other Islamic Organisations and Centres working under the umbrella of the OTC for the implementation of the Plan of Action.

Mr. Chairman,

The Fifth Islamic Summit held in Kuwait in January this year adopted several important decisions which are expected to lend impetus to the activities of the COMCEC. The Summit approved measures for increasing the volume and quantum of economic and commercial exchanges among Member States. The Fifth Islamic Summit had expressed particular satisfaction over the valuable efforts exerted by the Islamic Development Bank for the creation of the Longer Term Trade Financing Scheme aimed at the promotion of non-traditional exports among Member States of the OIC. The Summit had also called upon the Member States to complete the necessary formalities pertaining to their participation in the Scheme. I therefore

urge the Member States to contribute to the capital of the TOR so as to enable it to strengthen its role for the overall economic benefit of the Ummah. The multilateral Islamic Clearing Union and the Export Guarantee Scheme are also important in the context of efforts to expand commercial contacts. Similarly, the adoption of a Trade Preferential System among the member countries of the OIC is expected to facilitate a significant breakthrough in expanding commercial cooperation among the OIC Members. The establishment and effective functioning of a Trade Information Network will in a similar manner be very helpful in the realization of this objective.

Mr. Chairman,

The Third Session of the COMCEC is being held concurrently with the first meeting of the Ministers of Transport and Communications of the OIC Member States. The convening of the meeting of the Ministers of Transport and Communications constitutes a step forward in the efforts to augment cooperation among the OIC States in view of the crucial importance of the development of transport and communications for increasing the volume of trade as well as progress in other economic and information sectors.

The weakness of the transport and communications infrastructure within the member states has been an obstacle impeding the socio-economic development within the OTC countries. The Fifth Islamic Summit called for speedy implementation of measures to strengthen coordination and cooperation in the field of shipping, air transport» telecommunications, meteorology and postal services, thus underlining the need for urgent action to rectify the situation. Meanwhile the Ankara Centre, as a part of its regular programme of work, has undertaken three studies in the field of transport and communications, all of which are being submitted to the Ministerial Meeting on Transport and Communications.

Mr. Chairman,

We feel gratified that steady progress has been initiated in the areas of transport and communications since the second Session of the COMCEC. The Islamic Shipowners Association has become operational. The Executive Committee of the Association has just concluded its first meeting in Istanbul. Similarly, the Statute of the Islamic Civil Aviation Council which was approved in 1982 is now open for signature and ratification by the Member States. The Statute of the Islamic Telecommunications Union was approved by the

Fifteenth Islamic Conference of Foreign Ministers in 1984. These two Associations however cannot become operational unless their statutes are signed and ratified by the Member-States. I would urge upon the Honorable Ministers to impress upon their respective Governments the need for early signature and ratification in order to enable these important organs to commence their activities for the benefit of the Islamic Ummah.

I am confident that inspired by the spirit of the Islamic brotherhood and solidarity and in view of their maturity of thought and outlook and their ability, the Ministers will evolve practical measures to accelerate the pace of mutually beneficial cooperation and collaboration among the Islamic States, in the sector of transport and communication.

Mr. Chairman,

In conclusion, I would like to thank you once again for giving me this opportunity to address this august gathering. May Allah the Almighty bless our endeavours.

I thank you.

Original : English

**REPORT OF THE SENIOR OFFICIALS' MEETING
OF THE THIRD SESSION OF THE COMCEC**

(Istanbul, 7-10 September 1987)

Original : English

**REPORT OF THE SENIOR OFFICIALS' MEETING
OF THE THIRD SESSION OF THE COMCEC**

(Istanbul, 7-10 September 1987)

1. The Meeting of the Senior Officials of the Third Session of the Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Conference (COMCEC) was held in Istanbul, Republic of Turkey, from 7 to 9 September 1987 (13-15 Moharram 1408 H), following the election of the Members of the Bureau and adoption of the Agenda by the Ministers, to discuss the agenda items and prepare a draft resolution to be submitted to the COMCEC.

2. The Meeting was attended by representatives from the following Member Countries of the Organization of the Islamic Conference (OIC) :

- Democratic and Popular Republic of Algeria
- State of Bahrain
- People's Republic of Bangladesh
- Negara Brunei Darussalam
- Burkina Faso

- United Republic of Cameroun
- Federal Islamic Republic of the Comoros
- Arab Republic of Egypt
- Republic of the Gambia
- Republic of Guinea
- Republic of Guinea-Bissau
- Republic of Indonesia
- Islamic Republic of Iran
- Republic of Iraq
- Hashemite Kingdom of Jordan
- State of Kuwait
- Republic of Lebanon
- Socialist People's Libyan Arab Jamahiriya
- Malaysia
- Republic of Maldives
- Islamic Republic of Mauritania
- Kingdom of Morocco
- Sultanate of Oman
- Islamic Republic of Pakistan
- Palestine
- State of Qatar
- Kingdom of Saudi Arabia
- Republic of Senegal
- Democratic Republic of Somalia

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

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

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

- The Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRTCIC)
- The Islamic Centre for Development of Trade (ICDT)
- The Islamic Foundation for Science, Technology and Development (IFSTAD)
- The Islamic Development Bank (IDB)
- Islamic Research and Training Institute (IRTI)
- The Islamic Chamber of Commerce, Industry and Commodity Exchange (ICCICE)
- The Association of National Development Financing Institutions of the Member Countries of IDR (ADFIMI)
- International Association of Islamic Banks (IAIB)

Representatives of the Arab Industrial Development Organisation (AIDO) and UNCTAD were also participated in the Meeting as observers.

4. The Meeting, was chaired by Dr. Yusuf Bozkurt Özal, Undersecretary of State for the State Planning Organization of the Republic of Turkey and Chief Executive of the COMCEC Coordination Office.

5. Dr. Yusuf Bozkurt özal inaugurated the Meeting by welcoming the participants to Turkey and explained the programme of work which was approved by the Ministers.

6. The Meeting established an open-ended Drafting Committee under the Chairmanship of the Rapporteur.

7. In pursuance of the Resolution No. 1/5-E (IS) on the "Conduct of Activities of the COMCEC" adopted at the Fifth Islamic Summit Conference, the Meeting established an open-ended Sessional Committee to review the activities of the OTC subsidiary organs working in the field of economy and trade, and to report its results to the Meeting. Delegations representing the member states in the Bureau of the COMCEC, the OIC General Secretariat, the Ankara Center (SESRTCIC) and the Casablanca Center were decided to form the core of

the Sessional Committee. The report of the Sessional Committee was duly noted by the meeting.

The Report of the Sessional Committee is attached as Annex 6.

8. The Meeting then took up the items of the Agenda of the Third Session of the COMCRC as adopted by the Ministers.

9. Under Agenda item 4, H.E. Tan Sri Abdul Rahman Jalal, Assistant Secretary General of the OIC, presented a report on the developments in the field of economic cooperation among the Member Countries, which took place under the auspices of the COMCRC.

10. The Rapporteur of the Meeting then gave a summary of the proceedings and recommendations of the Second and Third Meetings of the Follow-up Committee of the COMCEC, which were held on 8-10 September 1986 and 20-21 April 1987, respectively, in Istanbul.

The Rapporteur pointed out that the last two meetings of the Follow-up Committee undertook, inter alia, the task of preparing for and evaluating the results of the Fifth Islamic Summit conference which was held on 26-29 January 1987 in Kuwait. He highlighted certain aspects of the detailed progress report presented to the Summit and those

of three resolutions adopted thereby on the activities of the COMCEC. Referring to the results of the Task Force Meetings on the establishment of a Trade Information Network among Islamic Countries (TINIC) and the establishment of a Trade Preferential System among the Member States of the OIC (TPSOIC), be emphasized the recommendation of the Follow-up Committee to issue a declaration on the establishment of a Trade Preferential System at the Third Session of the COMCEC before actually launching it.

11. Under Agenda Items 7 and 8, the representative of IDB presented progress reports on the Longer-Term Trade Financing Scheme, Regional Export Credit Guarantee Scheme and Multilateral Islamic Clearing Union.

With respect to the Longer Term Trade. Financing Scheme, the Meeting noted with satisfaction that so far 19 Member Countries pledged a total amount of ID 123.5 million to the Fund established within IDB for the operation of the Scheme. 10 of these 19 Member Countries have paid in their first instalments. The meeting also noted that the workshops on the operational procedures of the Scheme, various activities of publicity and the efforts to enhance the financial resources of the Scheme were being carried out successfully by IDB.

In relation to the establishment of a Regional Export Credit Guarantee Scheme, the meeting took note of the successful accomplishment in producing a detailed feasibility study that, was entrusted to the IDB by the First Session of the COMCEC.

In connection with the Multilateral Islamic Clearing Union, the meeting noted with satisfaction the progress achieved by the IDB and the steps the Bank is taking to present a final report to the Fourth Session of the COMCEC.

12. Under Agenda Item 9, the representative of TCDT presented a progress report on the establishment of a Trade Preferential System Among the OIC Member States (TPSOIC), and a draft text of Declaration for the establishment of such a System.

The representative of ICDT informed the Meeting that the legal Department of the OIC has completed the examination of the Draft Agreement on TPSOIC prepared by the Center in accordance with the agreement reached at the Task Force Meeting held on 25-27 October 1986 in Izmir, The Meeting was informed that the Draft Agreement would then be sent to the Member States for their examination and comments, and be, subsequently, submitted to the COMCEC, together with the comments of the Member States.

13. Under Agenda Item 10, a progress report on the establishment of a Trade Information Network Among the Member Countries (TINIC) was presented by ICDT.

In this connection, ICDT informed the Meeting that the Center had so far received responses from 36 member countries to the questionnaires it has circulated, which were considered adequate to prepare a revised version of the feasibility study on TINIC.

The Meeting noted that the Ad Hoc Experts' Contact Group established at the Task Force Meeting held in Izmir to examine the revised version of the feasibility study, could not be convened prior to the Third Session of the COMCRC.

14. Under Agenda Item 11, the representative of SESRTCIC presented a systematic compendium on the economic resolutions of OIC and their follow-up. The meeting noted that the study would serve as a valuable reference document for the future work of the COMCEC.

15. The Meeting decided to refer item 12 to the Sessional Committee, and items 13, 14, 15 and 16 to the Drafting Committee.

16. At the end of the discussions, the Meeting decided to submit, through the Rapporteur a Draft Resolution reflecting the consensus of the plenary, to the COMCEC.

17. At the conclusion of the deliberations, the delegates expressed their thanks and appreciation to the Chairman for his effective conduct of the Meeting, to the Turkish Government for excellent arrangements, and to the interpreters and all the supporting staff for their selfless efforts which ensured the success of the meeting.

Original : English

VI

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

(Istanbul, 8 September 1987)

Original:English

**REPORT OF THE MEETING OF THE SESSIONAL COMMITTEE OF
THE COMCEC ON THE ACTIVITIES OF THE OIC SUBSIDIARY AND
AFFILIATED ORGANS HELD DURING THE THIRD SESSION OF THE COMCEC**

(Istanbul, 8 September 1987)

1. In pursuance of the decision of the Senior Officials Meeting of the Third Session of the Standing Committee for Economic and Commercial Cooperation, the open-ended Sessional Committee of the COMCEC on the Activities of the OIC Subsidiary and Affiliated Organs met on September 8, 1987.

2. The Meeting of the Sessional Committee was attended by representatives from the following Member States: Iran, Jordan, Pakistan, Saudi Arabia and Turkey.

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

Statistical, Economic and Social Research and
Training Centre for Islamic Countries (SESRTCIC)

Islamic Centre for Development of Trade (ICDT)

Islamic Centre for Technical and Vocational
Training and Research (ICTVTR)

Islamic Foundation for Science, Technology and
Development (IFSTAD)

International Association of Islamic Banks (IAIB)

4. The Meeting was chaired by Dr. Fayez; Tarawneh of Jordan, the Rapporteur of the Senior Officials Meeting, and Mr. İhan Uğurel of SRSRTCIC served as Rapporteur.

5. The Director of the SESRTCIC Dr. Sadi Cindoruk, at the outset of his report, pointed out that the chronic problem of finance, which had been affecting all of the OIC organs and institutions including the General Secretariat, has reached crisis proportions during the past year so that salary payments to staff were delayed for months and committed programmes were postponed and even cancelled. He reported that, despite such difficulties, the collection, processing and dissemination of socio-economic information and statistics continued and expanded at the Centre, thanks to the full computerization of activities, through a set of data banks developed and maintained by the Centre, making it the store-house of information on and for the OIC Community. The Director mentioned that the Centre's wide-ranging research programme also continued to supply technical background documents to a large number of OIC fora, including the COMCEC, and provide the OIC community with several studies on a number of subjects related to

strengthening and expanding of economic cooperation. This programme also supported the Centre's ever-expanding publications, comprising several periodicals as well as basic reference volumes in the form of directories, legislation series, etc. The Director concluded his report by informing the Meeting that the Centre had been designated as the focal point for the OTC system in the area of technical cooperation within the framework of the UN-OIC Cooperation. He added that three training programmes, one of them a high-level seminar on coordination of regional monetary policy, was organized by the Centre during the past year, jointly with a view to facilitating an exchange of information and experiences among the muslim experts and officials, on the one hand, and imparting training *on* the relatively junior bureaucrats, technocrats and businessmen in selected technical subjects, on the other.

6. Dr. Driss Alawi M'daghri, the Director of ICDDT, in this report. to the Meeting, mentioned that detailed progress reports on their activities related to the establishment of a Trade Information Network and a Trade Preferential System within the OIC were already presented to the full Committee under separate agenda items. He reported that the Centre was collecting and analysing trade information at its Documentation Centre and was disseminating such information

through its bimonthly magazine. In the area of studies, the Director mentioned that they prepared an annual report on OTC foreign trade and two directories related to trade promotion organization and trade training institutions in the OTC Member Countries. He went on to say that they had organised the Second Islamic Trade Fair in Morocco in April 1986, jointly with the host country authorities, and that work was in progress to hold the Third and Fourth Fairs in Egypt and Tunisia, respectively. Dr. Alawi M'daghri also mentioned that in the area of training they organised a seminar on counter-trade and two training seminars. He closed by informing the Meeting that the Centre had been designated as the OTC focal point on matters related to trade, and requested that effective action should be taken by the COMCFC to solve the financial problems.

7. Dr. Ali Kettani, the Director General of IFSTAD in his report pointed out that their activities are complementary to those of the COMCEC, as the IFSTAD executes its programmes as well as the Action Plan of the COMSTECH in the area of Science and Technology. He informed the Meeting that they have published directories on research institutions, universities and muslim experts, on the one hand, while started to establish a Science and Technology Network, on the other. He mentioned that their data base of muslim

experts in and outside of the OIC Member Countries was made available to help meet the needs in the latter in the field of consultancy, but that financing was needed to make an effective use of this facility. Dr. Kettani also reported that IFSTAD has established the Islamic Academy of Sciences, was in the process of establishing a series of Inter-Islamic Networks and have organised the first meeting of the Federation of Research Institutions of Muslim Countries, all of which aim to promote and expand cooperation in the field of research within the Islamic World. He added that their scholarship programme presently supported 250 scholars in different fields of science and technology, while they continued also to organize short training courses of their own.

8. The report on the activities of the ICTVTR was presented to the Meeting by its Director Dr. A.M. Patwari, who gave an account of the Centre's short training courses, regular courses, instructor training courses and trade certificate courses in several areas that had been held from 1.985 and announced for the current academic year. He mentioned that, the short country and international courses were successfully completed in collaboration with several firms from various Member Countries which were operating in these particular areas. The Director informed the Meeting

that the Centre would hold three short courses in different subjects during the next three months as a part of the Centre's programme on technical cooperation and industrial training. He went on to report that the Centre had been carrying out research projects on four different subjects, and has scheduled an international seminar on technical and vocational education in early 1988. The Director, in closing, urged for an appeal to be made to the Member States to clear the accumulated arrears in their contributions to the Centre's budget.

9. Dr. Ashraf-uz-Zaman, the representative of the I.A.I.B, in his report to the Meeting, said that the Association was coordinating the activities of the Islamic banks and financial institutions in the private sector number 50 in over 20 countries. He said that the Association provided technical assistance to Islamic banks, organised and took part in Seminars, symposia and conferences on Islamic economics and banking, organised training programmes in Islamic banking, assisted in the establishment of new Islamic banks, and undertook studies and research in Islamic banking and related fields. Dr. Zaman mentioned that the Association collaborated closely with the Central Banks and Monetary Authorities of the Islamic countries, as well as with the Ankara Centre and the IDB. It continued to collect

fatwas from different Islamic banks and helped with the exchange of information among Member banks on various subjects of common interest.

10. In the report, of the ICCICE studied by the Meeting, information was given on the recently held Meeting for the Promotion of Investment Among Islamic Countries, which was organised by the Islamic Chamber, INIDO and the Union of Chambers of Commerce of Turkey. It was pointed out. that the meeting aimed to mobilize the resources available within Selected Advanced Developed Islamic Countries for a better channelling of investment in Selected Less Developed Islamic Countries. 110 project. proposals from 8 Less Developed Islamic Countries amounting US \$ 720 million was presented to the Meeting. It was reported that the sponsors of the Meeting were asked to undertake the necessary follow-up action.

11. The Sessional Committee deliberated upon the reports presented above and,

1. Appreciated the activities of the various OIC subsidiary organs and affiliated institutions in the area of economic, commercial and technical cooperation which were in conjunction with and complementary to the COMCEC activities.

Recommended that: the Member States be urged to respond to the announcements on the activities of the OIC bodies sent to them, and participate in these activities,

3. Recommended that the Member States be urged to take all the necessary measures so that the budgetary contributions to the OIC institution be promptly paid and arrears cleared as soon as possible, so that the commendable work done by these institutions could continue uninterrupted.

Original : English

VII

TEXT OF THE SPREECH OF H.E. SYED SHARIFUDDIN PIRZADA
SECRETARY GENERAL OF THE ORGANIZATION
OF THE ISLAMIC CONFERENCE, PRESENTED
BY H.E. ABDUL RAHMAN JALAL, ASSISTANT SECRETARY GENERAL
AT THE CLOSING SESSION OF THE THIRD SESSION
OF THE COMCEC

(Istanbul, 10 September 1987)

Original : English

TEXT OF THE SPEECH OF H.E. S. SHARIFUDDIN PIRZADA
SECRETARY GENERAL OF OIC AT THE CLOSING SESSION
OF THE THIRD MEETING OF THE STANDING COMMITTEE
FOR ECONOMIC AND COMMERCIAL COOPERATION
PRESENTED BY H.E. TAN SRI ABDUL RAHMAN JALAL

(Istanbul, 10 September 1987)

In the Name of Allah, the Merciful, the Compassionate

Mr, Chairman,

It is again an honour for me to address the concluding session of the Third Meeting of the Standing Committee for Economic and Commercial Cooperation and the First Ministerial Conference on Transport.

2. At the very outset I would like to express our deep gratitude and thanks to His Excellency President Kenan Evren, the Chairman of the COMCEC for his personal attention and keen interest in the work of the Standing Committee, which has under his able guidance and wise leadership become the guiding force for the economic activities of our Organization.

3. President Kenan Evren's inaugural address contained candid analysis of the positive results achieved since the formation of the COMCEC and its various activities pertaining to the economic and commercial cooperation within the Islamic World. At the same time, Prime Minister Turgut özal's speech summarised the depressing global economic situation and its adverse effect on the economies of the Member States and emphasized the utmost importance of closer economic cooperation among the OIC Member States.

Mr. Chairman,

I wholeheartedly share and uphold the views expressed by President Kenan Evren and Prime Minister Turgut özal on the necessity to forge mutually beneficial collaboration and cooperation in economic fields among the OIC Member States. We have had very fruitful and satisfying discussions during the past several days both at the level of Senior Officials and Ministers. The deliberations during these meetings were characterized by a high degree of pragmatism, seriousness of purpose, a positive outlook as well as a genuine and sincere desire to evolve practical and feasible measures to carry forward the process of joint action in key areas of economic activities such as investment, trade information and preferential system, multilateral clearing union and export

credit guarantee scheme and also in spheres of transport and communications .

Mr. Chairman,

The results of these meetings are due to the valuable contributions by the delegations, the guidance provided by the members of the Bureau, the studies and documents presented by the Member States, the OIC specialised agencies and the Islamic Development Bank. I would like to express our gratitude to these organisations for their valuable contributions to the success of our meetings.

Mr. Chairman,

A review of the deliberations during the past few days indicates significant progress in the implementation of the Plan of Action to strengthen economic cooperation in a number of sectors which include among others, Export Credit Guarantee Scheme, Multilateral Clearing Union, Trade Preferential System, Trade Information Network etc. Together with these, the creation of the Longer Term Trade Financing Scheme, makes us optimistic about the eventual realisation of our ultimate goal regarding the establishment of an Islamic Common Market .

Mr. Chairman,

I am also happy to note that this Session of the COMCEC was concurrently held with the first ever Meeting of the Ministers of Transport of the OIC Member States. The Report, and Recommendations of the Transport Ministers clearly set out the practical measures which are intended to be pursued in this vitally important sector of economic activity. I am sure, the measures of cooperation in the fields of Maritime, road transportation and railway which have been considered by the Ministers of Transport will produce far reaching results as far as our economic collaboration and solidarity is concerned.

Mr. Chairman,

I would like to assure you, on behalf of the General Secretariat of the Organisation of the Islamic Conference and on my own behalf, of our full cooperation in the implementation of the recommendations adopted by the Third Session of the COMCEC. The General Secretariat shall also exert its utmost efforts to help implement the recommendations approved by the First Ministerial Conference on Transport and Communications. I may add here that the deliberation during the Meetings have enriched our experience, and the suggestions made and the reactions of

the distinguished delegates will be borne in mind for future course of action and in the method of working in subsequent sessions.

Mr. Chairman,

In conclusion, I would once again like to express, on behalf of the General Secretariat of the Organization of Islamic Conference and OIC institutions, our profound gratitude and appreciation to President Kenan Evren and Prime Minister Turgut Özal for their valuable contributions to the success of these meetings and to the Government and the people of Turkey for their brotherly welcome and generous hospitality extended to us all. May Allah bless us in our efforts to serve the Islamic Ummah.

I thank you.

Original ; English

VIII

SPEECH DELIVERED BY H.E. TURGUT ÖZAL
PRIME MINISTER OF THE REPUBLIC OF TURKEY
AND ALTERNATE CHAIRMAN OF THE COMCEC
AT THE CLOSING SESSION OF THE THTRD SESSION
OF THE COMCEC

(Istanbul, 10 September 1987)

Original : English

**SPEECH DELIVERED BY H.E. TURGUT ÖZAL
PRIME MINISTER OF THE REPUBLIC OF TURKEY
AND ALTERNATE CHAIRMAN OF THE COMCEC
AT THE CLOSING SESSION OF THE THIRD SESSION
OF THE COMCEC**

(Istanbul, 10 September 1987)

Your Excellency the President of the Republic,
Excellencies,
Distinguished Guests,

At the closing of this important meeting I wish to congratulate all of you for the tireless efforts and valuable contributions you made for the success of this gathering.

I would also like to express how satisfied I am to see the steady progress in the cooperation among the Member Countries of the Organization of the Islamic Conference.

I would be fair to say that without the support of the General Secretariat this meeting would not have accomplished the task set for it. Financial constraints did not prevent the Secretariat from making every effort to fulfil its important responsibilities.

I assure you that my Government will, continue to lend to the Secretariat financial, material and moral support. We consider a strong and efficient Secretariat as an essential, precondition to the success of our endeavors towards enhancing the solidarity of the Islamic community.

Your Excellency Mr. President,
Excellencies,
Distinguished Delegates,

During this session of COMCEC which comes to an end today, we covered another important area of economic cooperation, namely transport. Without adequate transport, links, relations between our countries will continue to remain at a low level. The cooperation projects which will be implemented as a result, of the decisions adopted during the present meeting of the Ministers of Transport cannot of course bear fruit immediately. What was achieved during the meeting is only a beginning. The Ministers of Transport began to broadly define the areas of cooperation. Projects will take shape at Expert Meetings and through the hard work of the General Secretariat and related organs of the OIC.

The Meeting of the Ministers of Transport will hopefully initiate and facilitate contacts between the business circles of our countries and our peoples.

Distinguished Guests,

In view of the fierce competition and protectionism prevailing in international economic relations on the one hand and the relatively weak position of most of the Member Countries of the Organisation of the Islamic Conference on the other, a concerted action may help them to achieve much more than what they can achieve by acting individually.

COMCEC took a big step forward in the field of commercial cooperation among Member Countries. It deliberated on a Declaration on the establishment of a Preferential Trade System. Once realized, it will constitute a major breakthrough in promoting trade among the Member Countries. Tariff preferences is a continuous process the concrete results of which may begin to come about few years after first concessions are exchanged.

The fairly rapid progress achieved so far in the field of economic cooperation makes me optimistic as to what may be achieved in the future if potentialities in this area are fully mobilized.

Within a period of less than three years an important scheme on Longer Terra Trade Financing Facility was conceived, designed, programmed and implemented. Such a rapid progress may be considered quite exceptional in the history of international economic cooperation involving as many as 45 countries with different economic and social characteristics.

The progress achieved in the establishment of a multilateral Islamic Clearing Union and a Regional Export Credit Guarantee Scheme is also promising.

In the future we will, try to focus our efforts on areas where potentials exist for cooperation beneficial to parties.

Your Excellency Mr. President.,
Distinguished Delegates,

During the present meeting we wanted to allocate more time to the distinguished ministers to explain their respective experiences in the field of economic development. They also had the opportunity to conduct bilateral contacts with their counterparts. We believe that such contacts will lend to positive results that can foster their relations.

It is obvious that dialogue among the members of the organization of Islamic Conference is of outstanding importance. The forums where such dialogues may be carried out are not so numerous.

I hope that this meeting has been useful both for what we have achieved within the framework of our agenda and bilateral contacts carried out at the margin of the meetings.

Distinguished Delegates,

I would like to thank once more all Ministers, Head of Delegations and Members of Delegations for the valuable work they have done. I would also like to reiterate most sincere and brotherly greetings of my Government to your Governments. I hope that your stay in Turkey was pleasant and I wish all of you a happy journey back to your countries.

Original : Turkish

IX

SPEECH DELIVERED BY H.E. KENAN EVREN
PRESIDENT OF THE REPUBLIC OF TURKEY
AND CHAIRMAN OF THE COMCEC
AT THE CLOSING SESSION OF THE THIRD SESSION
OF THE COMCEC

(Istanbul, 10 September 1987)

Original : Turkish

**CLOSING SPRCH BY H.E. KENAN EVREN
PRESIDENT OF THE REPUBLIC OF TURKEY,
CHAIRMAN OF THE COMCEC**

(Istanbul, 10 September 1987)

Distinguished Delegates,

Esteemed Guests,

We have come to the end of another important Session of the COMCEC. I would like to begin my closing speech by expressing my thanks to all distinguished delegates for their valuable contributions to the success of this meeting.

I would also like to thank the General Secretariat for its valuable and indispensable support to the work of the present meeting both at preparatory and final stages. Without the valuable support of the General Secretariat this meeting could not have achieved what it has now achieved.

I would like to thank in your presence the subsidiary organs of the Organization of the Islamic Conference most directly related with the work of the COMCEC, namely the Ankara and Casablanca Centres, for their very concrete contribution to the achievements of the COMCEC. They

provided this contribution despite extreme financial constraints that, they are faced with.

This is an indication of how better performance we may expect from them if they are given more appropriate means to function more efficiently.

The Islamic Development Bank deserves special praise and thanks for the concrete results that it has achieved in the implementation of projects initiated by the COMCEC.

Distinguished Delegates,

You have noticed that the rules which you introduced during two previous meetings of the COMCEC and which were fully endorsed by the Fifth Islamic Summit Conference are functioning smoothly. We will continue to improve our rules and procedures by benefiting from our own experience and in order to accommodate changing needs of our community.

Distinguished Delegates,

Now, I would like to say a few words regarding the future strategy of the cooperation activities to be conducted under the COMCEC umbrella.

The expansion of the scope of activity of the COMCEC by the inclusion, each passing year-, of the inputs provided by

the ministerial level meetings in various areas of economic cooperation transforms the COMCEC into a body with more substance in it, but demands at the same time more careful study for the coordination of the activities and selection of priorities.

The task you have assigned during the present meeting to the Follow-up Committee in order to study all aspects of the follow-up mechanisms of the COMCEC framework becomes all the more important for this reason. I am confident that the Follow-up Committee, with its customary wisdom, will develop and suggest to our next meeting mechanisms which will suit best, the continuously developing requirements of our community.

Distinguished Delegates,

I believe that it will not be proper to ask ministers to conduct discussions on highly technical questions. Such questions cannot be discussed in meetings which last only a few days and which are held once or twice a year. They need to have the discussions to be held in a more permanent manner. They may require either prolonged meetings or the establishment of forums which hold meetings in permanent sessions. The Follow-up Committee, while looking into the question of follow-up mechanism, may also

look into the question of further institutionalization of the COMCEC.

On the other hand, meetings held at the level of senior officials should not be regarded as a substitute to the ministerial level meetings. There is no doubt that they both have their important roles in the strategy of cooperation activities.

Distinguished Delegates,

Regarding the results of the efforts you have made in various areas of economic cooperation, I would like to point out my conviction that the results so far obtained are consistent with our expectations.

The progress achieved in the establishment of a Longer Term Trade Financing Scheme has given all of us an immense source of satisfaction. The time it took from conception to actual operation is less than three years. This is an unprecedented progress for a multi-national cooperation project involving as many as 45 countries. Especially when we take into consideration the relatively low cost of this project to the member countries as compared to the advantages it will provide to them, one may conclude that

with political will, imagination and dedicated efforts there is always room for further improvement.

The question of the establishment of a system of trade preferences among the member countries of the Organization of Islamic Conference is another project in which we are making considerable progress. The Declaration that you have decided to consider is an important step forward. It took much longer time for other international fora to arrive at the same stage we reached in two years' time. This cannot solely be explained by the fact that we have of course benefited from the experience of other international fora. An equally, if not more, important factor is the dedication of the member countries of the Organization of the Islamic Conference to positively respond to the need for cooperation.

The other projects on which you considered progress reports namely the Multilateral Islamic Clearing Union, Regional Export Credit Guarantee Scheme, Trade Information Network are all progressing satisfactorily.

I would like to underline an important feature of our cooperation. The Member Countries are free to decide whether they wish to join any project chosen. In other words, if certain projects do not offer any advantage or interest to

some Member Countries they may simply decline to participate in it. This common characteristic of the projects has most probably contributed a lot to their success.

Distinguished Delegates,

The present, meeting of the COMCEC was held concurrently with another important ministerial meeting, namely the meeting of the Ministers of Transport. Concrete projects will be worked out in due course by the Follow-up Committee or expert level meetings in areas pertaining to the cooperation in the field of transport that distinguished Ministers of Transport have given emphasis during the present meeting.

Steady progress achieved in agricultural and industrial cooperation and recorded in the report of the Follow-up Committee was also noted during the present, meeting.

Distinguished Delegates,

Before concluding I would like to thank you once more for your efforts and contributions to the success of the meeting.

I would like to ask you to convey to the brotherly Heads of State and peoples of your respective countries the

most sincere greetings of myself and the Turkish people and I wish you all a very happy and safe journey back to your countries.

