

R E P O R T

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

Istanbul, 8-10 September 1986

Coordination Office for the COMCEC
Ankara, September 1986

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Original : English

R E P O R T

**OF THE SECOND MEETING OF THE
FOLLOW-UP COMMITTEE OF THE COMCEC**

1. The Second Meeting of the Follow-up Committee of the Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Conference (COMCEC) was held in Istanbul on 8-10 September 1986 (4-6 Moharrem 1407H).

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

- Republic of Turkey
- Islamic Republic of Pakistan
- Kingdom of Saudi Arabia
- Palestine
- Hashemite Kingdom of Jordan

The representative of the State of Kuwait also attended the meeting as an observer.

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

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

4. The representative of the International Association of Islamic Banks (IAIB) was also present as an observer.

(The list of participants is attached as Annex I.)

5. The meeting was inaugurated by H.E. Kaya ERDEM, Minister of State, Deputy Prime Minister of the Republic of Turkey, in his capacity as the Chairman of the Follow-up Committee of the COMCEC.

6. H.E. Kenan EVREN, President of the Republic of Turkey and Chairman of the COMCEC sent a message to the meeting. In his message, H.E. Kenan EVREN praised the assistance provided to the COMCEC by the Follow-up Committee and emphasized the importance of its recommendations, not only in expediting the implementation of the resolutions adopted by the COMCEC, but also in laying down the principles of an efficient strategy of economic cooperation. He expressed his best wishes for the success of the meeting.

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

7. H.E. Turgut ÖZAL, Prime Minister of the Republic of Turkey and Alternate Chairman of the COMCEC, also sent a message to the meeting. In his message, H.E. Turgut ÖZAL congratulated the Committee for the pertinence of the recommendation it had adopted in its First Meeting regarding the involvement of the private sector in the COMCEC activities, and expressed his satisfaction with the establishment of the follow-up process as an important mechanism for the implementation of resolutions pertaining to economic cooperation among the Member States.

Referring to the progress achieved in the field of economic cooperation, H.E. Özal drew attention to the need for further institutionalization within the framework of the COMCEC, and requested that various aspects of this question be examined. He wished every success to the Committee.

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

8. In his inaugural speech, H.E. Kaya ERDEM, Chairman of the Committee, stated that the Follow-up Committee was fulfilling successfully its mission of assisting the COMCEC in pursuing the implementation of its resolutions and in determining the strategy for the activation of the immense potential of cooperation among the Islamic countries. H.E. Erdem pointed out that there were important tasks in front of the Committee such as the formulation of necessary recommendations for the finalization of preparations for the establishment of a longer term trade financing facility within the IDB, the preparation of the draft agenda for the Fifth Islamic Summit Conference regarding its items pertaining to economic and commercial cooperation and the draft agenda for the

Seventh Meeting of the Governors of the Central Banks and Monetary Authorities of the Member States of the OIC and a decision about whether the meeting should take place, and if so, to decide the place and date.

He drew the attention of the Committee to the inventory being prepared on OIC economic resolutions as an important step towards the development of a strategy of economic cooperation. He wished success to the Committee in its tasks.

(The text of the inaugural speech by H.E. Kaya ERDEM is attached as Annex IV.)

9. The message of H.E. S.S. PIRZADA, the Secretary General of the OIC, was read to the Committee by Mr. A.H.G MOHIUDDIN, Director of Economic Affairs of the General Secretariat of the OIC.

In his message H.E. S.S. PIRZADA expressed his profound gratitude to H.E. Kenan EVREN, the President of the Republic of Turkey for his keen interest in promoting the economic and commercial cooperation among the Member States. Referring to the overall deterioration in the world economic conditions facing

the developing nations, he stressed the importance of revived cooperation between developed and developing countries and pointed out that the adverse world economic conditions served to underline the importance of economic cooperation among the OIC Member States. H.E. Pirzada stated that he found the progress achieved by the COMCEC in the field of economic cooperation encouraging and inspiring. He expressed his confidence that the Follow-up Committee would agree upon specific measures for the timely implementation of the resolutions adopted by the COMCEC. Finally, he conveyed his deep appreciation to the government of the Republic of Turkey for hosting the meeting.

(The text of the message of H.E. S.S. PIRZADA is attached as Annex V.)

10 . Following these speeches, statements were made by the heads of the delegations of the Hashemite Kingdom of Jordan, the Kingdom of Saudi Arabia, the Islamic Republic of Pakistan and Palestine.

In their statements, the heads of the delegations thanked the President, the government and the people of Turkey for their genuine and timely interest in

fostering economic cooperation among the OIC Member countries. They pointed to the significance of the directives and principles contained in the messages of the Chairman and the Alternate Chairman of the COMCEC and in the statement made by the Chairman of the Committee and stated that they should be adhered to in the deliberations. They stressed the vital necessity of consolidating the efforts to strengthen economic cooperation among the Member countries in the face of adverse world economic conditions. They further emphasized the significance of focusing on specific and priority areas to achieve tangible results under present economic conditions in the field of economic cooperation among the developing countries in which all OIC Member countries are included.

11. After having adopted its agenda, the Follow-up Committee established an open-ended Drafting Committee.

(The text of the agenda as adopted is attached as Annex VI.)

12. Under agenda item 3, the representative of the General Secretariat of the OIC presented a report containing a list of sector-wise enumeration of the decisions adopted during the previous two Sessions of

the COMCEC and the steps taken towards the implementation of these decisions.

He also referred to the serious financial circumstances confronting the OIC and its affiliated and subsidiary organs threatening their ability to undertake their responsibilities and he strongly appealed to Member countries to ensure the timely and expedient payment of their budgetary contributions to the Organization in accordance with the relevant decision of the Second Session of the COMCEC.

(The text of the report is attached as Annex VII.)

13. Under agenda items 4 and 5, the Committee was presented with progress reports by the IDB.

- a) Under agenda item 4, the IDB reported to the committee that the preparations in the IDB for the creation of a Longer Term Trade Financing Facility to be established within the IDB, were approaching their final stage.

The IDB had already taken the issue to its Board of Governors at its Tenth Annual Meeting held in Amman, in March 1986. The Board had decided that the scheme be established as a Special Fund within the IDB, with the participation of the IDB and the interested OIC Member States, in accordance with Article 22 of the Bank's Articles of Agreement. The Fund will amount to 600 million Islamic Dinars (1 ID = 1 SDR). 150 million ID will be paid through subscriptions of the participating Member States who wish to benefit from the scheme. 150 million ID will be provided by the IDB. The remaining 300 million ID will be raised from financial markets by issuing financial instruments in conformity with Islamic principles.

There was general agreement on the need for the early implementation of the scheme. Member countries have therefore been invited to speed up the necessary formalities in their respective countries so that they may participate in the scheme as early as possible.

To enable the Member countries to have a better understanding of the various aspects of the scheme, however, the IDB was requested to prepare a more comprehensive explanatory memorandum to accompany the other operational documents of the scheme to be sent to all the Member countries as soon as possible. The comprehensive information would help the authorities in the Member countries to speed up decision-making for eventual participation in the scheme. Member countries were urged to send their responses to the IDB in time so that all the necessary preparations may be completed before December 1986. The Committee emphasized the importance of the completion of these formalities before the Fifth Islamic Summit so as to enable the Chairman of the COMCEC to report on the occasion of the Summit that this important scheme has become operational.

- b) Under agenda item 5 (a), the IDB reported to the Committee that studies were still under way on the feasibility of establishing an export credit guarantee scheme.

In this respect, the Committee underlined the important link between such a scheme and the coming into force of the Agreement for the Promotion, Protection and Guarantee of Investments Among Member States of the OIC and recommended the early signature and ratification of this Agreement by the Member States who have not yet done so.

c) Finally, under agenda item 5 (b) the IDB reported that studies were also under way on the feasibility of establishing a multilateral Islamic Clearing Union.

d) Progress reports on the two foregoing studies will be transmitted to the Third Meeting of the Follow-up Committee.

14. Under agenda item 6, the Committee was presented with progress reports by the ICDT on the establishment of a "Trade Information Network (TINIC)" and "Trade Preferential Schemes". The Committee noted with satisfaction that :

- a) The Turkish Government had offered to host the Task Force meetings on TINIC and a trade preferential scheme which the ICDT had been assigned to organize. The said meetings are to be convened on 21-23 and 25-27 October 1986, respectively, in Izmir with the participation of trade experts of Member States, representatives of national export and trade promotion institutions, the OIC General Secretariat, the COMCEC Coordination Office, the ICCICE, the IDB and the SESRTCIC.
- b) In relation to both studies, the ICDT had circulated Participation Forms and survey questionnaires to the Member States. The Committee urged the Member States to respond to the ICDT as rapidly as possible and provide it with the most up to date information available.
- c) Regarding the TINIC project, the Committee noted that the group of experts at the afore-mentioned meeting would also examine and revise the feasibility study previously prepared by the ICDT on the subject, in

accordance with the relevant instructions of the COMCEC given at its Second Session.

d) In relation to the expert group meeting to take place on trade preferences, the Committee recommended that the group of experts should draw up an outline of basic principles, the framework and methodology for launching an Islamic Trade Preferential Scheme, taking into consideration the participation of Member countries in similar arrangements and in the light of the experience gained by the Group 77 in this respect. The Committee also recommended that efforts should be made to complement the GSTP stipulations in drawing up this scheme by providing additional incentives for the Member countries.

e) The findings of both Meetings are to be reported to the Third Meeting of the Follow-up Committee of the COMCEC in April 1987.

(The text of the progress report submitted by the ICDT is attached as Annex VIII.)

15. Under agenda item 7, the SESRTCIC presented a progress report on the compilation of OIC economic resolutions. The Committee noted that the results of the survey being undertaken by the SESRTCIC, which will cover resolutions in greater detail, including those adopted at expert level meetings, will be submitted to the Third Session of the COMCEC in September 1987.

The SESRTCIC also reported that it had completed the screening of those resolutions pertaining to transportation and communication sectors, with a view to making the relevant information available at an early date so that it can be used in the preparations for the forthcoming Ministerial level meeting in that sector.

(The text of the progress report submitted by the SESRTCIC is attached as Annex IX.)

16. Under agenda item 8, a progress report was submitted to the Committee on the implementation of the resolution adopted during the First Session of the COMCEC concerning the harmonization of standards. The Committee was informed of the meeting of the Coordinating Committee on the Harmonization of

Standards held in Ankara on 27-28 August 1986. The Committee noted in this connection that the Coordinating Committee on the Harmonization of Standards had not yet finalized the study on the development of a methodology for the harmonization of standards applied by the Member countries giving special emphasis to those impeding intra-OIC trade. The Committee, stressing the importance of such a methodology for the initiation of the harmonization exercise, urged the Coordinating Committee to expedite its studies accordingly and complete it before the Third Session of the COMCEC.

17. Under agenda item 9, a report was presented to the Committee on the developments pertaining to cooperation in the field of industry. In that context, the Committee, while noting the convening of the Second Meeting of the Follow-up Committee of the Ministers of Industry on 23-25 June 1986 in Istanbul, was informed that :

- a) The establishment of the Association of National Development Financing Institutions (ADFIMI), with headquarters in Jeddah had been finalized;

- b) The Federation of Consultants from the Member countries of the IDB had been established with headquarters in Istanbul and that its First General Assembly had convened on 2-3 May 1986;

- c) The Islamic Cement Association having attained the Statutory membership requirement had become operational and its General Assembly was to hold its first meeting on 6-7 November 1986, in Istanbul. Pakistan, Qatar, Indonesia, Egypt, Gambia, Somalia, Turkey and the Arab Union for Cement and Building Materials with its 15 Member States had communicated their willingness to become members of the Association;

- d) In accordance with the relevant resolution adopted at the Second Session of the COMCEC, the National Productivity Centre (MPM) of Turkey had sent questionnaires to 30 counterpart organisations in the Member countries on August 25, 1986, with the purpose of identifying feasible areas of cooperation in this field among the productivity centres and

relevant bodies of the Member States. An evaluation of responses to these questionnaires will be included in the "background paper" which will be prepared for the Third Ministerial Consultation;

- e) The SESRTCIC had published directories on Free Zones, Foreign Investment Legislation and Banking Laws with a view to providing the potential investors with basic information on the existing legislative environment and various potentialities in the Member countries;
- f) The UNIDO and the SESRTCIC had completed the first draft of the research study on Turkey's experience in promoting small and medium scale industries; the findings would be submitted to the Third Ministerial Consultation;
- g) The SESRTCIC had reported that it was continuing to carry out a comprehensive survey on existing joint ventures and joint investment companies established among the OIC countries;

- h) Out of 19 projects transmitted by the ICCICE to the IDB, 4 were considered to be eligible for financing. The Member States were requested to improve the quality of projects to be presented for financing.

In this connection, the Follow-up Committee of the COMCEC recommended that the SESRTCIC, the ADFIMI and the Federation of Consultants come together to re-examine the present procedure for the identification and submission of projects and elaborate a more efficient procedure and that the experience accumulated by the IDB in this field should be made use of to the maximum extent possible;

- i) The IFSTAD had convened a working group of experts on 24-25 July 1986 in Bursa, Turkey, to study the feasibility of an intra-OIC program in advanced science and technology that would bring together both the private and public sectors (ICRA).

j) The Third Ministerial Consultation on Industrial Cooperation had been scheduled to be held on 21-28 June, 1987, in Istanbul.

k) With respect to the private sector activities the following had been reported :

i) The Investment Promotion Forum, which is to be organized by the ICCICB jointly with the Turkish Union of Chambers of Commerce, the Industry and Commodity Exchange and the UNIDO would be held in Istanbul on 8-11 December 1986 with the participation of investors from Member countries.

ii) An investors' forum organized by Bangladesh with the help of UNIDO would be held in Dhaka in November 1986.

(The text of the report of the Second Meeting of the Follow-up Committee on Industrial Cooperation of the OIC Member States as presented to the Committee is attached, as Annex X.)

18. Under agenda item 10, the Turkish Delegation reported the following developments regarding cooperation in the field of Food Security and Agricultural Development :

- a) The Follow-up Committee set. up by the Second Conference of the Ministers of Agriculture had been tentatively scheduled to meet in Istanbul in the second half of 1987.
- b) Two studies, the first being undertaken by the SESRTCIC and the General Secretariat on the identification of "Centers of Excellence" for short-term training and joint research; and the second by the SESRTCIC on the establishment of a "Network of Agricultural Research Centres" for determining strategies and programmes for agricultural development in the Member States, were expected to be completed by March 1987.
- c) Preparations regarding the implementation of the project on the establishment in Turkey of a "Regional Research and Training Centre in Agro-Hydrology for Islamic Countries" had

already been started. The Menemen Research Institute in Izmir was selected as the prospective site.

d) Expert Group meetings in three new areas of cooperation, namely, fisheries, the seed industry and irrigation were yet to take place.

e) Turkey had sent out questionnaires to Member countries as to their animal production and fishery activities; and, had prepared a training programme in the field of livestock breeding and forestry in the Near East Region. Turkey had also decided to make a donation of two million doses of Bovine-Plague vaccine to the Sahel Countries with the details of the programme to be crystallized after a study mission to the region.

19. Under agenda item 11, the Committee agreed on the opportunity of inviting the Governors of the Central Banks and Monetary Authorities of the Member States of the OIC to hold their Seventh Meeting on

30-31 March 1987, following the Eleventh Annual Meeting of the Board of Governors of the IDB which was scheduled to take place in Istanbul on 28-29 March 1987, in the light of the pertinence of the following items which would be included in its Agenda :

- a) Monetary and financial developments in the world with special reference to Member countries (on the basis of a report to be prepared by the SESRTCIC).
- b) Promotion of financial markets in Member countries and development of financial instruments and mechanisms conforming to the Islamic principles (on the basis of a report to be prepared by the IDB).
- c) Progress of the feasibility studies on the establishment of;
 - i) An Export Credit Guarantee Scheme, and,
 - ii) A Multilateral Islamic Clearing Union (on the basis of reports to be prepared by the IDB).

- d) Review of the private Islamic Banking activities (on the basis of a report to be prepared by the IDB, drawing on the experience of the IAIB).
- e) Promotion of closer cooperation among the Central Banks and Monetary Authorities of the Member Countries.

(The text of the working paper prepared by the COMCEC Coordination Office on the issue is attached as Annex XI.)

20. Under agenda item 12, as delegated by the COMCEC at its Second Session, the Follow-up Committee discussed the items on economic and commercial cooperation for the draft agenda of the Fifth Islamic Summit and agreed that the following may be included in the draft agenda :

"Economic and Commercial Cooperation :

1. Progress Achieved :

The progress achieved in three of the priority areas of the Plan of Action, namely, 'trade', 'industry' and 'food security and

agricultural development', covered during the first two Sessions of the COMCEC, giving special emphasis to those activities with promising prospects of early achievements.

2. Future Activities :

'Transport, communication and tourism', 'energy' and 'monetary and financial questions' to be considered by the COMCEC in its subsequent annual sessions."

The Committee decided that the background documents for the foregoing items would be prepared by the COMCEC Coordination Office in collaboration with the OIC General Secretariat.

The Committee also decided that the Islamic Conference of Foreign Ministers would be duly apprised of these agenda items in its preparatory meeting to be held prior to the Fifth Summit.

(The text of the working paper prepared by the COMCEC Coordination Office on the issue is attached as Annex XII.)

21. The Committee was informed that the COMCEC Coordination Office, in close collaboration with the OIC General Secretariat and in consultation with the Member countries, had started the preparations for a draft agenda for the First Ministerial Consultation on Transport, Communications and Tourism which will take place concurrently with the Third Session of the COMCEC, to be held in Istanbul in September 1987.

The Draft Agenda will be submitted for approval to the Third Meeting of the Follow-up Committee of the COMCEC in April 1987.

22. Under the agenda item "any other business", the Committee discussed the subject of technical assistance and cooperation activities within the OIC. The ongoing IDB programme in this field was noted with satisfaction.

In this connection, the Committee agreed that the COMCEC Coordination Office should prepare a background paper, in cooperation with the IDB, with a view to maximising the benefits of these activities.

The Third Meeting of the Follow-up Committee will consider the inclusion of this subject in the agenda of the Third Session of the COMCEC.

23. In his closing statement, H.B. Kaya ERDEM expressed his happiness in observing that important steps had been taken towards strengthening economic cooperation among the Islamic countries, which he considered as one of the most significant indicators of their solidarity. He stressed his satisfaction on the substantial progress made towards the establishment of the Longer Term Trade Financing Facility and expressed his hope that similar progress may be achieved in the field of the creation of a Trade Information Network, a System of Trade Preferences and Harmonization of Standards. He went on to emphasize the importance of convening of the Seventh Meeting of the Governors of the Central Banks to discuss monetary and financial issues of cooperation. He concluded by reiterating his wish that the Member countries would benefit from the recommendations adopted by the Committee.

(The text of the closing speech by H.E. Kaya ERDEM is attached as Annex XIII.)

24. At the conclusion of the deliberations of the Committee, the heads of the delegations of the Member countries of the Committee expressed their deep gratitude to the Government and the people of the Republic of Turkey for hosting the Second Meeting of the Follow-up Committee of the COMCEC and for the generous hospitality accorded to the delegates. They congratulated the Chairman for the effective manner in which he had presided over the Meeting. They also thanked the Coordination Office for the COMCEC for the excellent arrangements and preparations made for the success of the Meeting.

25. The Committee requested the Chairman to send messages on its behalf to H.E. Kenan EVREN, President of the Republic of Turkey and Chairman of the COMCEC, and to H.E. Turgut ÖZAL, Prime Minister of the Republic of Turkey and Alternate Chairman of the COMCEC. In these messages the Committee expressed its feelings of gratitude to H.E. Kenan EVREN and to H.E. Turgut ÖZAL for their support and guidance which had ensured the success of the Meeting and for the sincere welcome and most generous hospitality accorded to the delegates during their stay in Turkey.

26. The Committee was informed that the Third Meeting of the Follow-up Committee was scheduled to be held on 20-22 April 1987 in Istanbul.

27. Finally, the Committee adopted its report together with its annexes.

ANNEXES

IS/COMCEC-FC/2-86/LP

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LIST OF PARTICIPANTS

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

Istanbul, 8-10 September 1986

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Original : Turkish

II

MESSAGE BY H.E. KENAN EVREN,
President of the Republic of Turkey,
Chairman of the COMCEC

Mr. Chairman,

Esteemed Members of the Follow-up Committee,

It is a great pleasure for me to observe that the follow-up activities have gradually proven themselves as an effective mechanism. The Follow-up Committee is an important forum in which the implementation of the COMCEC decisions is monitored, new areas of economic cooperation are sought and new initiatives are launched.

In fact, the recommendations that you have made in your First Meeting not only helped to expedite the process of implementation of the resolutions adopted at the First Session of the COMCEC but, at the same time,

laid down principles and initiated important studies for an efficient strategy of economic cooperation.

The COMCEC in its two previous sessions has been able to initiate new projects and reactivate the existing ones. The fact that some of these projects have already reached the final stages of implementation, in a relatively short span of time, should be regarded a considerable achievement.

I would like to express my best wishes for the success of your meeting which will no doubt constitute another important step towards strengthening economic cooperation among the Member States of the OIC.

Kenan EVREN
President of the
Republic of Turkey
Chairman of the COMCEC

Original : Turkish

III

MESSAGE BY H.E. Turgut ÖZAL,
Prime Minister of the Republic of Turkey,
Alternate Chairman of the COMCEC

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

I am pleased to welcome you in Turkey and to extend my sincere congratulations to you for the excellent work that you are performing. The recommendations that you have adopted in your First Meeting guided the proceedings of the Second Session of the COMCEC. In that context, I would like to emphasize the relevance of your recommendation, among others, concerning the involvement of the private sector in the process of economic cooperation. This recommendation, when implemented, will no doubt provide a fresh impetus to activities pertaining to economic cooperation.

I am happy to observe that the Follow-up Committee has now established itself as an important mechanism for the implementation of the resolutions concerning the economic cooperation among the Member States of the OIC.

However, the progress achieved in the field of economic cooperation brings about the need for further institutionalization within the COMCEC framework. Various aspects of this question of institutionalization will have to be looked into and discussed in due course.

My government will continue to provide every possible support for this important work.

I wish you every success in your deliberations and happy sojourn in Turkey.

Turgut ÖZAL,
Prime Minister of the
Republic of Turkey,
Alternate Chairman
of the COMCEC

Original : Turkish

IV

INAUGURAL STATEMENT BY H.E. Kaya ERDEM,
Minister of State, Deputy Prime Minister of the
Republic of Turkey, Chairman of the Follow up
Committee of the COMCEC

Esteemed Ministers,
Honourable Guests,

In opening the Second Meeting of the Follow-up Committee of the COMCEC, I would like to state that it is a great honour and pleasure for me to welcome your Excellencies and the honourable delegates in Turkey.

As it is known, the Follow-up Committee does not content itself only with a review of the developments and problems related to the implementation of the decisions adopted by the COMCEC, but, at the same time, it formulates all kinds of recommendations for the mobilization of the vast potential of cooperation, which I sincerely believe to exist among the Islamic Countries, and assists COMCEC in working out the framework of the strategy of cooperation to be pursued.

In fact, having started its institutional activities with our first meeting held in September last year, the COMCEC Follow-up Committee has proven itself to be on the way of realizing successfully the achievements expected from it.

The recommendations adopted during the first meeting of the Follow-up Committee, have been approved by all Member States at the Second Session of the COMCEC held in Istanbul on 14-16 March 1986. The agenda of this Second Meeting of the Follow-up Committee that we are starting today, has been prepared in the light of the resolutions adopted by the Second Session of the COMCEC.

Apart from the assessment of the developments related to the implementation of the decisions adopted by the First Session of the COMCEC. our agenda includes two important tasks assigned to our Committee by the Second Session of the COMCEC. The first of these tasks is to evaluate the information submitted to us by the Islamic Development Bank, concerning the recent developments related to the establishment of a longer-term trade financing mechanism, and to recommend solutions for the elimination of the remaining obstacles, in order to ensure the functioning of this

important facility within the immediate future. The second task is to prepare the agenda items pertaining to economic and commercial issues for the Fifth Islamic Summit Conference, to be held in January 1987.

A further subject to be dealt with during our present meeting is to decide, in the light of the proposed draft agenda for the Seventh Meeting of the Governors of the Central Banks and Monetary Authorities, whether this meeting should take place and, if so, to determine its date and venue.

During the First Session of the COMCEC, the problems regarding commercial, technical and industrial cooperation within the framework of the OIC have been discussed in great detail. During the Second Session of the COMCEC the problems regarding agricultural cooperation have been examined. We are planning to hold the Third Session of the COMCEC in 1987, concurrently with the First Ministerial Consultation on Transportation, Communications and Tourism, and at the same time, to deal with monetary and financial issues.

The basic condition for attaining a satisfactory development in the way of multi-lateral economic

cooperation is to take measures for ensuring a cooperation in all priority areas in due course, and to orient ourselves towards specific priorities, by means of a rational and realistic planning. The study related to the "Inventory of Economic Resolutions", initiated in accordance with the resolution adopted during the First Meeting of the Follow-up Committee, will provide a crucial starting point towards the formation of such a strategy.

Assisted by the General Secretariat and the relevant specialized institutions, both the Standing Committee, and the Follow-up Committee are important forums where the problems regarding economic cooperation are handled and elaborated at the highest level, and where their coordination and orientation are ensured. However, the realization of a multi-lateral economic cooperation among Islamic Countries will be directly proportionate to the care and diligence displayed by all Member countries in the implementation of the adopted resolutions.

There is no doubt that by means of the valuable works and the positive results to be reached during this Meeting as well, the Follow-up Committee will

prepare the necessary grounds for a productive and efficient functioning of the Standing Committee during its future sessions.

I wish your Excellencies and the honourable delegates all the success in the accomplishment of these important tasks.

Original : English

V

STATEMENT OF HIS EXCELLENCY SYED SHARIFUDDIN PIRZADA,
SECRETARY GENERAL OF THE ORGANIZATION OF ISLAMIC
CONFERENCE ON THE OCCASION OF THE SECOND MEETING
OF THE FOLLOW-UP COMMITTEE
FOR ECONOMIC AND COMMERCIAL COOPERATION

ISTANBUL, REPUBLIC OF TURKEY,

SEPTEMBER 8-10, 1986

Excellency
Mr. Kaya ERDEM,
Chairman of the Follow-up Committee,

Excellencies,

Dear Brothers,

Assalam Alaikum wa Rahmatullahi wa Barakatuh.

It is an honour and privilege for me to convey my fraternal greetings to you all participating in this Second Meeting of the Follow-up Committee established by the First Session of the Standing Committee for Economic and Commercial Cooperation of the Organization of Islamic Conference.

2. I should like to begin by expressing profound gratitude to His Excellency President Kenan EVREN for his keen personal interest in promoting economic and commercial cooperation among the Member States of the Organization of the Islamic Conference towards the attainment of their collective wellbeing and prosperity. This meeting is yet another manifestation of the invaluable contribution made by the Government of the Republic of Turkey in achieving one of the foremost objectives of the Organization of the Islamic Conference. I would also like to convey our thanks and appreciation to the Government of the Republic of Turkey for convening this meeting, for the excellent arrangements made for it and for the traditional warm hospitality extended to the participants.

Mr. Chairman,

3. The Second Session of the Standing Committee for Economic and Commercial Cooperation had taken place in this beautiful historic city in March this year concurrently with the Second Ministerial Conference on Food Security and Agricultural Development. The present meeting is meant to review the progress realized in the implementation of the decisions adopted during the

First and Second Sessions of the Standing Committee for Economic and Commercial Cooperation and to formulate appropriate recommendations to the Third Session of the Standing Committee to be held in 1987. The achievements of the Standing Committee shall also be reported to the Heads of State and Government of the Islamic States at their forthcoming Fifth Summit scheduled to be held in January 1987 in the fraternal State of Kuwait.

4. Developments on the world economic scene since the First Session of the Standing Committee in November 1984 have confirmed the fears expressed by the representatives of the Islamic States regarding the continuation of the unequal, unjust and chaotic conditions characterising the global economic situation. The overall deterioration in the state of world economy has persisted to the disadvantage and detriment of the developing nations which include the Islamic States. Efforts to carry out the urgently needed structural reforms in the conduct of international economic relations with a view to ensuring that the pressing and legitimate rights and interests of the Third World States are protected through revived cooperation between the developed and the developing states are stalemated. Difficulties

encountered by the developing nations on account of burgeoning debts, curtailment of financial aid on favourable terms, inability to increase their export earnings in the face of ever-rising protectionist walls erected by the developed nations, and the drop in income from sale of primary commodities have become more accentuated and complicated.

5. The adverse global economic factors only serve to underline and emphasize the importance of the efforts exerted by the Member States of the OIC to increase and expand economic contacts and cooperation amongst themselves with a view to promoting their socio-economic development as well as to protect their economies from the vicissitudes and vagaries of the international economic climate and the decisions of policy makers in the industrialized world.

6. The decisions of the Third Islamic Summit to constitute the Standing Committee for Economic and Commercial Cooperation was predicated on the conviction that the Member States of the OIC could exploit their vast and varied potential for economic growth through increased cooperation and collaboration in the economic sphere, especially in the fields of investments, joint

ventures, commercial exchanges, and pooling of information, expertise and know-how. The remarkable progress achieved so far by the Standing Committee in preparing the ground for meaningful collaboration among the Islamic States is indeed encouraging and inspiring.

7. In its efforts to augment economic cooperation among the OIC Member States the Standing Committee has focused attention on the priority subjects identified by the Fourth Islamic Summit Conference. These include Agricultural Development and Food Security; Industry; Trade; Transport and Communications; Science and Technology and Energy.

8. The comprehensive progress report submitted by the General Secretariat of the OIC at this meeting contains a summary of the achievements of the Standing Committee in the attainment of the tasks entrusted to it by the Third Islamic Summit and reiterated by the Fourth Islamic Summit. We can indeed feel gratified over the progress achieved in the fields of Food and Agriculture and Trade and Industry. I am also pleased to note that the Standing Committee for Economic and Commercial Cooperation has decided to convene the Ministerial Conference on Transport and Communications in 1987

concurrently with the Third Session of the Standing Committee. This meeting of the Follow-up Committee is expected to approve the draft agenda for the First Ministerial Conference on Transport and Communications. I am confident this Committee will stress the importance of cooperation among Member States in this vital sector as an essential corollary of cooperation in the other fields.

Mr. Chairman,
Excellencies,

9. I would like to mention that the Governor of the Central Bank of Turkey has graciously offered to hold the Seventh Meeting of Governors of Central Banks and Monetary Authorities in Istanbul in March 1987 along with the Eleventh Meeting of Board of Governors of Islamic Development Bank to discuss the monetary and financial issues of the Member States. The General Secretariat has transmitted the draft agenda of this meeting to the Member States. A copy of the draft agenda has also been circulated among you along with the General Secretariat's document for your endorsement.

10. I would like to inform you that the Government of the Republic of Turkey has also offered to host the Third Ministerial Conference on Industrial Cooperation in Turkey from June 21 to 28, 1987. During this meeting, among other things, the joint ventures projects of the Member States will be discussed.

Mr. Chairman,
Excellencies, and
Dear Brothers,

11. I need to emphasize the importance of our present meeting which will discuss and review the progress achieved on the important recommendations and decisions of the First and Second Sessions of the Standing Committee. I am confident that the meeting will be able to agree upon specific measures to expedite the implementation of the decisions adopted earlier within a practical time frame. In this regard I might mention that the growing financial difficulties faced by the General Secretariat of the OIC and OIC Institutions, especially the Ankara Centre, the Casablanca Centre and the Islamic Chamber of Commerce, Industry and Commodity Exchange as a result of non-payment of contributions by the Member States are

liable to adversely affect their activities relating to economic and commercial cooperation among the OIC Member States. The institutional structure of the OIC cannot be expected to discharge the responsibilities entrusted to them in the absence of funds. I would urge the Follow-up Committee to devote attention towards resolving this serious problem and to ensure that the OIC General Secretariat and Subsidiary Bodies receive adequate financial support.

12. May I once again thank you for your gracious presence and express our deep appreciation to the Government of the Republic of Turkey for having hosted the Second Meeting of the Follow-up Committee for Economic and Commercial Cooperation. I pray to Allah the Almighty to guide our steps and bless our efforts to serve the Islamic Ummah. Amen.

Original : English

VI

AGENDA OF THE SECOND MEETING OF THE FOLLOW-UP COMMITTEE
OF THE COMCEC

Istanbul, 8-10 September 1986

1. Opening Session.

Inaugural Statement by H.E. Kaya ERDEM,
Chairman of the Follow-up Committee of the
COMCEC.

Statement on behalf of the Secretary General
of the OIC.

Statements by the Heads of Delegations.

2. Adoption of the Agenda.

3. Background Report by the General Secretariat.

4. Progress Report by the IDB on the Establishment of
a Longer-term Trade Financing Facility.

5. Progress Report by the IDB on the Feasibility of
Establishing :

a) A Regional Export Credit Guarantee Scheme.

b) A Multilateral Islamic Clearing Union.

6. Progress Report by the ICDT on :
 - a) The Feasibility of Establishing a Trade Information Network.
 - b) Trade Preferential Schemes.
7. Progress Report by the SBSRTCIC on the OIC Economic Resolutions.
8. Progress Report by the Coordinating Committee on the Harmonization of the Standards.
9. Progress Report on the Developments in the Field of Industrial Cooperation.
10. Progress Report on Cooperation in the Field of Food Security and Agricultural Development.
11. Draft Agenda for the Seventh Meeting of the Governors of Central Banks and Monetary Authorities of the Member States of the OIC.
12. Draft Agenda, Pertaining to Economic and Commercial Cooperation, for the Fifth Islamic Summit Conference.
13. Draft Agenda for the First Meeting of the Ministers of Transport, Communications and Tourism.
14. Any Other Business.
15. Adoption of the Report.
16. End of Meeting.

IS/COMCEC-FC/2-86/D.1

Original : English

VII

REPORT OF THE GENERAL SECRETARIAT ON THE
PROGRESS ACHIEVED IN RESPECT OF IMPLEMENTATION OF THE
DECISIONS OF THE SECOND MEETING OF THE STANDING
COMMITTEE FOR ECONOMIC AND COMMERCIAL COOPERATION

Istanbul, Republic of Turkey

September 8-10, 1986

REPORT OF THE GENERAL SECRETARIAT ON THE
PROGRESS ACHIEVED IN RESPECT OF IMPLEMENTATION OF THE
DECISIONS OF THE SECOND MEETING OF THE STANDING
COMMITTEE FOR ECONOMIC AND COMMERCIAL COOPERATION

Istanbul, Republic of Turkey

September 8-10, 1986

The Second Session of the Standing Committee for Economic and Commercial Cooperation of the OIC Member States was held in Istanbul, Republic of Turkey from Rajab 4-6, 1406H, corresponding to March 14-16, 1986, preceded by a preparatory meeting of Senior Officials from Rajab 1-3, 1406H, (March 11-13, 1986).

The Second Ministerial Conference on Food Security and Agricultural Development was also held concurrently with the Second Session of the Standing Committee.

2. The Turkish Government has circulated the reports of the above two meetings to the Member States and to all other concerned agencies.

3. The General Secretariat has already requested the concerned Member States and agencies to implement the decisions of the Second Session of the Standing Committee.

4. The progress achieved in respect of implementation of the decisions of the Standing Committee is summarized below:

DECISIONS

STEPS TAKEN

A. ECONOMIC COOPERATION

i) The Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRTCIC) was requested to further elaborate its study on the OIC Economic resolutions, developing a system and summarized compendium and preparing a working paper that would enable the COMCEC to monitor, better coordinate and follow up the implementation of the OIC Plan of Action, with a view to avoiding guidelines for improved implementation.

Ankara Centre has been requested to take necessary actions on this and keep the General Secretariat informed on the progress. The SESRTCIC will submit a report separately to the Follow-up Committee Meeting on this.

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

The General Secretariat sent out Note Verbales to Member States with the request to communicate the decision to their respective Governors of Central Banks and Monetary Authorities and communicate their comments on it to the General Secretariat. Replies from them are awaited.

The Governors were invited to consider the possibility of preparing, in consultation among themselves and with the General Secretariat, a draft agenda for their seventh meeting and

The Central Bank of Turkey has offered to host the 7th Meeting of Governors of Central Bank and Monetary

DECISIONS

report their findings to the Follow-up Committee of the COMCEC. The Follow-up Committee would review the progress in its meeting in September 1986, and decide on the opportunity of inviting the Governors to convene at an appropriate date.

iv) The activities of the International Association of Islamic Banks (IAIB) and meetings organized by it, particularly the expert meeting on Islamic banking to be held in Dhaka in April 1986, and the first meeting of Islamic Banks, scheduled to take place in Istanbul, in October 1986, were noted with satisfaction.

B. COMMERCIAL COOPERATION

i) The idea of the establishment of a Longer Term Trade Financing Scheme as a new facility within the IDB received general consensus. The IDB was requested to take the necessary steps to submit such a scheme for approval to the forthcoming Tenth Annual Meeting of its Board of Governors with the hope that it becomes operational as soon as possible. Member States were urged to give full support

STEPS TAKEN

Authorities in Turkey in March 1987, immediately after the 11th Annual Meeting of the IDB Provisional Agenda of the meeting has been circulated to the Member States. Copy of the Agenda is annexed.

The expert meeting on Islamic Banking took place in Dhaka, Bangladesh from May 10-12, 1986 under the auspices of the Bangladesh Bank. The General Secretariat participated in this meeting. The report of the meeting will be submitted to the Follow-up Committee by the IAIB.

The first meeting of the Islamic Banks is scheduled to be held in Istanbul from October 18-21, 1986. The OIC General Secretariat has been invited to attend this meeting,

Islamic Development Bank at its Tenth Annual Meeting has approved the scheme. Islamic Development Bank will submit a report to the Follow-up Committee on it.

DECISIONS

STEPS TAKEN

and to participate in the said scheme which was expected to reflect maximum flexibility.

ii) Recommendations of the Expert Group Meeting on the feasibility of establishing :

a) Regional Export Credit Guarantee Scheme, and,

b) a Multilateral Islamic Clearing Union, were noted.

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

iv) The OIC Secretariat, the COMCEC Coordination Office, the ICDT, the SESRTCIC, the ICCICE, the IDB and national export and trade promotion institutes of interested Member States should form an open-ended Task Force within 1986, upon invitation of the ICDT. This Task Force should revise the feasibility study of the ICDT on the creation of a Trade Information Network for the Islamic Countries.

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

Islamic Development. Bank will present a Progress Report on it to the Follow-up Committee.

The Casablanca Centre has been advised to convene the meeting on priority basis. The Task Force meeting is scheduled to be held in Izmir on October 21-23, 1986.

Member States have been requested to implement the decision on this subject.

DECISIONS

vi) An open-ended group composed of the General Secretariat, the ICDT, the Islamic Chamber of Commerce, Industry and Commodity Exchange (ICCICE), the IDB, the SESRTCIC and trade experts of the Member States should be convened in 1986, upon invitation by the ICDT, to make the necessary revisions in the said inventory, together with recommendations on overcoming weaknesses of existing data sources and to report to the second meeting of the Follow-up Committee of the COMCEC.

C. INDUSTRIAL COOPERATION

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

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

STEPS TAKEN

The Casablanca Centre has been advised to follow-up the matter so that proposed Expert Level Meeting can be held before the meeting of the Follow-up Committee.

The Expert Level meeting will take place in Izmir from October 25-27, 1986.

Islamic Chamber and the Islamic Development Bank are taking appropriate actions on this subject. They may inform the Follow-up Committee about the progress in this respect.

Islamic Chamber has been requested to take necessary action on this subject and keep the General Secretariat informed of the progress. ICCICE will submit a report on it.

DECISIONS

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

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

STEPS TAKEN

This meeting will take place in Istanbul on December 8-11, 1986.

The General Secretariat has exerted efforts in compliance with this decision. The latest information is as follows :

1. The General Agreement for Economic, Technical and Commercial Cooperation :

Bahrain, Bangladesh, Comoro Islands, Egypt, Guinea, Indonesia, Iraq, Jordan, Kuwait, Malaysia, Mauritania, Morocco, Niger, Oman, Pakistan, Palestine, Qatar, Saudi Arabia, Senegal, Syria, Tunisia, U.A.E., Libya, Mali, Cameroun and Turkey have signed and ratified while Algeria, Chad, Djibouti, Gabon, Gambia, Maldives, Somalia, Sudan, Uganda, Yemen Arab Republic and Burkina Faso have only signed the above Agreement.

DECISIONS

STEPS TAKEN

2. The Agreement on Promotion, and Guarantee of Investments :

- Seven Member States namely, Kuwait, Pakistan, Palestine, Mali, Tunisia, Indonesia and Somalia have ratified and Morocco, Sudan, Yemen Arab Republic, Djibouti and Saudi Arabia only signed the Agreement. Three more ratifications are required for its operation.

3. Islamic Civil Aviation Council :

Tunisia and Palestine have ratified while Bangladesh and Niger have signed the Statute.

4. Islamic Shipowners Association :

Sudan, Iraq, Kuwait, Tunisia, Pakistan, Palestine, Saudi Arabia, Bangladesh, Mauritania, Turkey, Jordan and Libya have signed the Statute.

5. Islamic States Telecommunication Union :

- Pakistan has ratified while Morocco has signed the Statute.

6. Islamic Cement Associations

No Member State has signed the Statute of the Association till-date.

DECISIONS

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

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

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

iii) Activities on other international fora in the same vein, particularly those in the United Nations framework, should be followed closely and Member Countries should highlight their views and contributions collectively in the forthcoming Special Session of the UN General Assembly on the Critical Situation in Africa.

STEPS TAKEN

Member States have been requested to take appropriate action on this and keep the General Secretariat informed.

The Ministry of Trade and Industries, Government of Malaysia has designated its focal points and communicated the same to the General Secretariat.

The Second Follow-up Committee meeting on Industrial Cooperation was held in Istanbul, Turkey from June 23-25, 1986. Progress achieved on this subject will be reviewed under agenda item 9.

The Government of Turkey has informed the General Secretariat that the Third Ministerial Consultation on Industrial Cooperation will be held in Istanbul from June 21 to 28, 1987.

Member States have been requested to implement the decision.

H.E. the Secretary-General of the OIG attended the UN General Assembly Special Session on the Critical Situation in Africa held in New York from May 27-31, 1986.

FOOD SECURITY AND AGRICULTURAL DEVELOPMENT

5. As mentioned earlier, the Second Ministerial Conference on Food Security and Agricultural Development was held concurrently with the Second Meeting of the Standing Committee in Istanbul, Turkey from March 14-16, 1986.

The decisions of the above meeting, alongwith the steps taken by the General Secretariat, is summarised below :

DECISIONS

1. The Ministers decided to proceed with cooperation in the agricultural sector. With this end in mind, they adopted by the "Working Group on Agricultural Cooperation" which met at the FAO Headquarters in Rome on April 17-19, 1984.

2. Having decided to concentrate on selected studies, the Conference deleted the following studies from the list prepared by the Working Group :

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

ii) Measures to Control Drought, Desertification, Deforestation, Water Logging and Salinity in Member States

STEPS TAKEN

Priority Programme approved by the Conference has been forwarded to the Member States with the request to implement it.

Concerned Member States have been informed of the decision of the Conference regarding the deletion of the studies.

Concerned Member States have been informed of the decision of the Conference regarding the deletion of the studies.

Concerned Member States have been informed of the decision of the Conference regarding the deletion of the studies.

DECISIONS

STEPS TAKEN

(Drought : Mali; desertification : Saudi Arabia; Deforestation, Water Logging, Salinity : Pakistan.

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

Concerned Member States have been informed of the decision of the Conference regarding the deletion of the studies.

iv) Requirements and Mechanisms for the Establishment of Agro-Based and Agro-Related Industries in particular, Production of Tractors, Fertilizers, Water-Pumps, Seed Industry, Pesticides, and Processing of Agricultural Raw Materials (Turkey).

Concerned Member States have been informed of the decision of the Conference regarding the deletion of the studies.

3. The Ministers urged the Member States to complete the remaining studies with close coordination with the General Secretariat, the SESRTCIC and the FAO. The deadline for the completion of the studies was fixed for two years maximum. The Ministers underlined the great importance of carrying out the projects to be prepared as a result of these studies. They agreed that measures needed to be taken in this regard should be studied and placed, if possible before the next Follow-up meeting.

Concerned Member States have been requested to complete their respective studies as early as possible, preferably before the next Follow-up meeting.

DECISIONS

STEPS TAKEN

4. The Member States who have been assigned different studies have been requested to make maximum use of the data available with the FAO and SESRTCIC and to organise fact finding missions. The Member States may in this connection request assistance from FAO under the Technical Cooperation Programme (TCP) for the completion of these studies. Assistance from other Member countries for providing the unavailable data may also be sought.

Concerned Member States have been requested to take note of this in the completion of their studies.

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

Member States have been urged to implement the decision.

- Public expenditure on agriculture need to be increased;

Member States have been urged to implement the decision.

- Opportunities needed to be improved for technological and commercial cooperation among the Islamic countries;

Member States have been urged to implement the decision.

- Joint action and joint investments should be developed in order to ensure maximum use of comparative advantages;

Member States have been urged to implement the decision.

- The adoption of specific and integrated agricultural policies by the Member States.

Member States have been urged to implement the decision.

DECISIONS

6. A meeting of experts should collect the required data from the relevant international organizations and the Member Countries. They should also look into the studies already completed by the Member States.

7. The establishment of early warning system on plant and livestock pest and diseases within the OIC Member States need to be studied. An expert group established for this purpose should examine the ways and means of establishing such an early warning system.

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

10. The Ministers decided that the possibilities of establishing a network of "Agricultural Research Centers" should be studied by SESRTCIC. These centers should be responsible for determining strategies and programmes for agricultural development in the Member States with specific emphasis on

STEPS TAKEN

Member States have been requested to furnish data and information to the General Secretariat.

Member States have been requested to send to the General Secretariat comments/suggestions on the ways and means of establishing such an early warning system for consideration of the Expert Level Meeting. Replies are awaited.

Ankara Centre has been requested to establish contact with the Member States in this regard and inform the General Secretariat from time to time about the progress made on it.

Ankara Centre has been advised to initiate the working paper for submission to the Expert Level Meeting to be convened in 1987.

DECISIONS

STEPS TAKEN

technology generation for target groups and applied research and provide coordination and cooperation in research and manpower training, transfer of technology, collection, conservation and exchange of plant and animal germplasm and exchange of information among the Member States. These centers would have sub-stations at regional and sub-regional levels. The SESRTCIC is requested to prepare a working paper on this question and submit it to an expert group which would be convened by the General Secretariat of OIC by March 1987 to examine this matter. The same group would examine the paper to be prepared by SESRTCIC on "Centers of Excellence" mentioned in paragraph 9. These institutions should be based on the existing national institutions; creation of new institutions should be avoided. The Follow-up Committee will finalize the report on the expert group and take the necessary steps for its immediate implementation.

DECISIONS

STEPS TAKEN

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

Turkish authorities may wish to enlighten the Follow-up Committee the implementation of this decision and the General Secretariat be kept informed of the progress.

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

Ankara Centre has been advised to implement the decision

15. The Conference, agreed on the need for cooperation in the fisheries and the aquaculture sector. They decided that in the initial phase studies should be undertaken to cooperate in establishing a production and training center on fisheries (fresh water and off-shore) and another one on gear and equipment aspects and catch technologies. The QIC General

Member States have been informed of this decision and requested to furnish their comments/suggestions on this to the General Secretariat and to consider holding a meeting of experts.

DECISIONS

STEPS TAKEN

Secretariat is requested to convene a meeting of experts of the Member countries for this purpose.

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

17. The Ministers agreed that special attention and priority needed to be given to measures for cooperation on irrigation, especially ground-water exploitation. They decided to establish an expert group to study possibilities for cooperation in this field. The Ministers agreed that the expert groups mentioned in paragraphs 15, 16, and 17 above should be convened in

Turkish Government may be requested to implement the decision and to inform the General Secretariat about the developments made on this.

Member states have been requested to implement the decision and to convene the Expert Group meeting in early 1987. For the expert group meetings indicated in paragraphs 15, 16 and 17 Member States have also been requested to host the same within the stipulated time.

DECISIONS

STEPS TAKEN

the very near future, if possible within the next three months by the OIC General Secretariat.

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

Member States have been informed that the Follow-up Meeting will be held in early 1987. They have been further requested to keep the General Secretariat informed of the progress of implementation of various Resolutions.

Besides the above developments, all the subsidiary and affiliated bodies of the O.I.C. shall submit their respective progress reports to the meeting of the Follow-up Committee separately.

PROVISIONAL AGENDA

SEVENTH MEETING OF GOVERNORS OF CENTRAL BANKS
AND MONETARY AUTHORITIES OF OIC MEMBER STATES
REPUBLIC OF TURKEY
MARCH 1987

1. Inaugural Session.
2. Election of Office Bearers.
3. Adoption of the Agenda.
4. Status Report on implementation of the Resolutions of the Sixth Meeting of Governors of Central Banks and Monetary Authorities.
5. Review of the World Economic and Financial Situation with special reference to Member Countries.
6. Common problems of the Member Countries vis-a-vis the current World Monetary and Financial issues and recommendations for their solutions and to strengthen their solidarity and bargaining power in related international fora.
7. Rules, procedures and operating principles of the Longer-term Trade Financing facilities to be established within the IDB.
8. Progress report on the feasibility study by the Islamic Development Bank on the establishment of:
 - i) Regional Export Credit Guarantee Scheme, and
 - ii) Multilateral Islamic Clearing Union.
9. Measures to promote Capital Markets and to develop appropriate financial instruments for the procurement of funds from national and international sources to be used for the common goods of the Member Countries, such as, Promotion of the Intra-Islamic Trade and Joint Ventures among the Member Countries.

10. Consideration of the report and recommendations of the Expert Level Meeting on Islamic Banking Studies.
11. Preparation of the Report, to be submitted to the COMCEC, on the implementation of the monetary and financial recommendations contained in the Plan of Action.
12. Any other business.
13. Date and Venue of next meeting.
14. Adoption of the Report.

IS/COMCEC-FC/2-86/D.5

Original : English

VIII

PROGRESS REPORT OF THE ICDT
ON THE IMPLEMENTATION OF THE DECISIONS
TAKEN BY THE SECOND SESSION OF THE COMCEC
HELD IN ISTANBUL FROM 14TH TO 16TH MARCH 1986

This document takes stock of the actions undertaken by the Islamic Centre for Development of Trade in implementation of the decisions taken during the Second Session of the COMCEC.

I / PROMOTION

1) Second Islamic Fair (Casablanca, 5th -14th April 1986) :

In compliance with the relevant decisions of the Conferences of Foreign Ministers held in Sanaa and Fes, the Kingdom of Morocco hosted the Second Islamic Fair from 5th to 14th April 1986.

An important preparatory work has been achieved by the ICDT in connection with the competent authorities of the host country.

Thus, internal regulations of the fair were drawn up and exhibition areas defined.

The ICDT has led a great promotional campaign and took advantage of different inter-islamic meetings to disseminate information urging the Member States to actively and massively participate in this event.

Likewise, the ICDT has published in collaboration with the host country, a brochure in three languages which was distributed to all Member States. This brochure includes the Fair's internal regulations and provides to the participants a number of practical information on the host country and Casablanca, in which the second edition of the Islamic Fair was held, as well as on different services offered by the organisers. Besides, the ICDT has also disseminated two leaflets in three languages,

the first outlines the services offered to the participants by the ICDT and the second gives information on the objectives and ends of the Second Islamic Fair and the required conditions of participation, the infrastructure and advantages provided to each exhibitor.

The Second Islamic Fair, coming seven years after the first, which was held in Istanbul in 1979, resulted in a certain number of achievements, and at the same time several undeniably encouraging prospects were revealed.

When one considers that it polarized the attention of Moroccan and Islamic media for several days, that it welcomed tens and tens of thousands of visitors, grouped together eighteen states represented by several hundred firms, companies and enterprises from both the public and private sectors, there is no doubt that it constituted a really privileged moment in inter-islamic cooperation.

The exhibitors, who came from all the geographical zones of the Ummah, presented a variety of products, equipment and goods which prove that inter-islamic trade possesses real means for considerable development.

The political volition of the Member States of the OIC having been manifested by this important and diversified participation, it only remained to facilitate contacts, and set up meetings between businessmen, to start the process of interrelationships, and to show the various parties concerned, the potential and opportunities harboured within the Islamic Community in the economico-trade field.

As proved by the celebration of its national day by each exhibiting State as well as the marginal activities directly concerning Islamic Trade, such as the round table on "Alimentary security in Islamic

Countries" of the seminar on "The Islamic World and current stakes in international trade", organised under the aegis of the Islamic Centre for Development of Trade (ICDT), a vast movement of reflection and concerted dynamics was set in motion for a thorough theoretical and practical investigation of ways and means to ensure the promotion of trade.

This second edition was thus not only a centre of specific and diversified exhibitions of goods and products originating from several Member Countries, but a vast permanent forum devoted, on the one hand, to making direct contacts between the various Islamic Trade operators and, on the other hand, to outlining a common strategy whose first objective is to make concrete progress on the road to economic complementarity and inter-islamic cooperation.

The Kingdom of Morocco, whose authorities spared no effort to make sure of the success of this fair, can therefore be rightly proud of hosting the Second Islamic Fair.

In view of the results recorded and the concrete advantages offered by this trade event, it appears imperative to organise periodical Islamic Fairs.

The Islamic Centre for Development of Trade, a subsidiary body statutorily entrusted by the OIC with the preparation and follow-up of Islamic Fairs, cooperating with the Islamic Chamber of Commerce, Industry and Trade, and in close collaboration with the Moroccan authorities and departments concerned, made a great contribution to the presentation, popularisation and promotion of this second edition.

The ICDT therefore feels that a first step has been taken on the road to the concrete development of

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inter-islamic trade. In this perspective, only the long term should be taken into account : so far as the short term is concerned, the Second Edition of the Islamic Fair has already proved itself to be a good beginning.

2) Third Islamic Fair :

As far as the organisation of the Third Edition of the Islamic Fair is concerned and which has been scheduled for 1987/88, two Member States have informed to be candidates for it : the People's Republic of Bangladesh and the Arab Republic of Egypt.

By the means of a telex dated January 24th, 1986, the Bangladesh Embassy in Ryad has informed the Centre of the wish of its country to host the Third Edition of the Islamic Fair and has invited the Director of the Islamic Centre for Development of Trade to visit Dhaka in order to discuss with the relevant authorities of the Government of Bangladesh details regarding the organisation of the Fair.

The Director of the Islamic Centre for Development of Trade participating at the meeting of the Islamic Commission for Economic Affairs which will be held in Dhaka in November 1986, will get in touch, alongside with this meeting, with the Bangladesh Competent Authorities.

On the other hand, the delegate of the Arab Republic of Egypt, and during the 3rd Session of ICEDT's Board of Directors held in Casablanca in April 1986, has informed the participants of the wish of his country to organise the next edition of the Islamic Fair.

By **the** means of a diplomatic note addressed to ICEDT in July 1986, the Embassy of the Arab Republic of Egypt in Rabat has confirmed the wish of his Government to host the **next** Islamic Fair in October 1988 in Cairo.

II / SETTING-UP OF A TRADE INFORMATION NETWORK FOR ISLAMIC COUNTRIES (TINIC)

The Standing Committee for Economic and Commercial Cooperation during its 2nd Session held in Istanbul from 14th to 16th March 1986, has adopted a resolution requesting, inter alia, the Islamic Centre for Development of Trade to organise the meeting of an open-ended study group, including notably the General Secretariat of the Organisation of the Islamic Conference, the COMCEC's Coordination Bureau, the Ankara Centre, the Islamic Chamber of Commerce, the Islamic Development Bank and the nation-wide centres for the promotion of exports and other trade organisations of the concerned Member States.

The Study Group has been assigned to reexamine the ICDT feasibility study regarding the creation of a Trade Information Network for Islamic Countries (called TINIC) in order to set-up a system of data banks the goal of which is to collect and disseminate trade information to OIC's Member States.

The COMCEC's Resolution recommends the necessity and within the framework of this project, to avoid work duplication and to make the best possible use of the existing capacities in order to achieve the setting-up of the TINIC Network without supplementary fees.

In implementation of this resolution, the ICDT is convening the meeting of this group of study on October 22nd and 23rd, 1986, in Izmir, following the invitation of the Republic of Turkey.

In this way, invitations have been extended to all Member States, notably also to Trade and Exports Promotion Organisations. A questionnaire on the possibilities to use this data-processing means has been sent to the Member Countries in order to prepare themselves

to this meeting (copy annexed).

The report of this meeting will be submitted to the 3rd Meeting of the Follow-up Committee which is scheduled for April 1987.

III / INVENTORY OF THE EXISTING PREFERENTIAL SCHEMES APPLIED BY OIC MEMBER STATES

During its second session held in Istanbul from 14th to 16th March 1986, the Standing Committee for Economic and Commercial Cooperation (COMCEC) adopted a resolution requesting, among other things, the holding of an Expert Group Meeting, upon invitation by the ICDT, in order to review and finalize the inventory of the existing trade preferential schemes applied by OIC Member States.

To this effect, the ICDT has extended invitations to all Member States as well as to the OIC subsidiary organs concerned in order to participate to the meeting to be held at Izmir (Turkey) from 25th to 27th October 1986, upon the invitation of the Government of the Republic of Turkey.

The goal of the meeting being the completion and the updating of the inventory of trade preferential arrangements and of trade control measures applied by Member States, these were kindly requested to provide ICDT with relevant information before August 31 in order to allow the finalization of this work in due time.

Some information in this regard collected by ICDT through international sources have been sent to the Member Countries so as to be reexamined, or if necessary, to be connected and updated (annexed copy of the inventory of Trade Control Measures sent to Member States).

The report of meeting of the Group of Experts will be submitted to the Third Session of the COMCEC's

Follow-up Committee in April 1987.

IV / PUBLICATIONS

T I J A R I S :

A year after the launching of its bimonthly magazine "TIJARIS" specialised in the field of international and inter-islamic trade, ICDT can pride itself on concrete and non-negligeable results.

Thus, six issues have been published in French and English which bears witness of the regularity of the publication.

On the other hand, and on the occasion of the 2nd Islamic Fair of Casablanca, TIJARIS has drafted the project of issuing a special supplement in collaboration with the moroccan daily newspaper "Le Matin du Sahara", the most widely issued daily in Morocco. This supplement published in the three official languages of the Organisation of the Islamic Conference and issued at 80,000 copies bear witness of the Centre's clear will to celebrate the holding of this 2nd Islamic Fair. In an efficient and outspoken way "TIJARIS" through its "Business Opportunities" heading serves also as a means for businessmen wishing to make offers of commercial transactions or to set up joint ventures.

On the other hand, "TIJARIS" magazine has been keen to present within each issue a diversified summary translating the double preoccupation to meet the expectations of the Ummah commercial and economic operators and to proceed to the analysis and follow-up of the great international trade and economic issues.

Casablanca, August 1986.

ANNEX 1

SURVEY ON DATA PROCESSING IN

THE OIC ORGANISATIONS

/- IDENTIFICATION

1- NAME OF THE ORGANISATION :.....

2-ADDRESS :.....

3- CITY:.....

4- COUNTRY:.....

5- TELEPHONE:.....

6- TELEX :.....

7- NAME OF THE RESPONSIBLE (FOR DATA PROCESSING) :.....

II - CHARACTERISTICS OF THE INSTALLED SYSTEMS :

A. UNIVERSAL SYSTEM

A.1 IDENTIFICATION OF THE COMPUTER

DESIGNER (OR SUPPLIER) :..... PATTERN :.....
TYPE :.....

DATE OF INSTALLATION :.....

A.2 NUMBER OF COMPUTERS OF THIS MAKE :.....

A.3 NUMBER OF IN-LIVE POSTS AND TERMINALS :

A.4 NUMBER OF OFF-LINE WORKING POSTS AND TERMINALS :

A.5 CENTRAL MEMORY CAPACITY' OF THE SYSTEM (IN MEGA BYTES) :

A.6 TOTAL CAPACITY OF DISK STORAGE (IN MILLION OCTETS) :

A.7 NUMBER OF MAGNETIC TAPE UNITS :.....

A.8 NUMBER OF PRINTERS :.....

A.9 GIVE SPECIFICATIONS ON YOUR OPERATING SYSTEM :

A. 10 CHARACTER SET OF YOUR SYSTEM :

III - DATA PROCESSING :

- 3.1 NUMBER OF COMPUTER EXPERTS :.....
- OPERATORS ALL CATEGORIES INCLUDED :.....
(DATA ACQUISITION)
PROGRAMMERS :.....
- MAIN PROGRAMMERS :.....
- ANALYSTS :.....
- ANALYSTS AND DESIGNERS :.....

- 3.2 NATURE OF THE MAIN COMPUTERIZED APPLICATIONS RELATED
OR NOT TO YOUR FIELD OF ACTIVITIES
(FILL IN THE CORRESPONDING SPACE X).

1. ACCOUNTING, INVOICING.
2. CONTROL OF ORDERS, STOCK CONTROL.
3. STAFF MANAGEMENT AND PAYMENT.
4. BIBLIOGRAPHIC DATA BASES AND DATA BANK
 - 1- RECORD COUNT :.....
 - 2- FIELDS:.....
- 5- FACTURAL DATA BASES AND BANKS (NON-BIBLIO-
GRAPHIC) PLEASE MAIL BACK A DETAILED SLIP FOR
EACH DATA BASE OR BANK.
 - 1- TOTAL RECORD COUNT :.....
 - 2- FIELDS :.....
- 6- OTHERS (TO BE SPECIFIED) :.....

- 3.3 HOW HAVE YOU IMPLEMENTED YOU APPLICATION PROGRAMMES

1. INTERNAL DEVELOPMENTS
2. PACKAGES SUPPLIED BY THE DESIGNER
(PLEASE QUOTE THEM) :.....
3. OTHER PACKAGES (NOT SUPPLIED BY THE DESIGNER)

4. ASSISTANCE BY THE DESIGNER
5. OTHERS (TO BE PRECISED) :.....

IV - PROSPECTS

WHAT ARE YOUR PROJECTS FROM NOW TO 1990 ?

NO YES NUMBER

TO ACQUIRE OTHER DATA PROCESSING SYST.

TO REPLACE THE PRESENT SYSTEM

TO EXPAND YOUR PRESENT SYSTEM

TO PURCHASE NEW TERMINALS

TO BUY OTHER MICRO-COMPUTERS

V- *PLEASE SEND BACK ALONG WJTH YOUR ANSWER, THE DIAGRAM
OF EACH DATA BASE AND BANK*

TRADE CONTROL MEASURES (inventory)

10. Customs and fiscal duties
 - 10.1 Custom duties
 - 10.11 Applied rate
 - 10.12 Rate bound under GATT
 - 10.13 Rate bound under other agreements
 - 10.2 Fiscal duties
11. Additional fiscal charges
 - 11.1 Customs surcharge and surtax
 - 11.2 Special tax *on* beverages, tobacco and matches
 - 11.3 Special tax on petroleum products
 - 11.4 Stamp tax
 - 11.5 Excise duties levied on products other than those specified under 11.2 and 11.3
 - 11.6 Countervailing duties
 - 11.7 Consular invoice fee
 - 11.8 Licence fee
 - 11.9 Fiscal charges n.e.s.
12. Service charges with equivalent effect
 - 12.1 Statistical tax
 - 12.2 Tax on transport facilities
 - 12.9 Service charges n.e.s.
13. Sales tax levied at importation
 - 13.1 Value added tax
 - 13.2 Turnover tax
 - 13.3 Production tax
 - 13.4 Consumption tax
 - 13.9 Sales tax n.e.s.
14. Restrictive licensing, quotas, prohibition
 - 14.1 Restrictive licensing
 - 14.11 Exceptional licence for goods normally prohibited
 - 14.12 Licence covering specified commodities and granted if administrative requirements met
 - 14.13 Licence covering specified commodities and granted on the case-by-case basis
 - 14.14 Licence conditioned by purchase of local goods
 - 14.15 Licence for imports from specified partner countries
 - 14.16 Licence conditioned by the availability of external financing
 - 14.2 Quotas
 - 14.21 Product quotas
 - 14.22 Country quotas
 - 14.23 Tariff quotas
 - 14.24 Quotas linked with export performance
 - 14.25 Seasonal quotas
 - 14.26 Currency quotas
 - 14.29 Quotas n.e.s.
 - 14.3 Prohibition
 - 14.31 Total prohibition
 - 14.32 Seasonal prohibition (agricultural products)
 - 14.33 Temporary prohibition
 - 14.34 Prohibition with exception for selected countries
 - 14.35 Prohibition for commercial purposes
 - 14.36 Prohibition for certain areas of the importing country
 - 14.37 Prohibition of imports from specific countries

- 15 Money and finance measures
 - 15.1 Advanced import deposit
 - 15.2 Multiple exchange rates
 - 15.3 Restrictive foreign exchange allocation
 - 15.5 Tax on foreign exchange transactions
 - 15.9 Honey and finance measures n.e.s.
- 16 Customs valuation in form of fixed unit values
- 17. State trading monopoly
 - 17.1 Single channel for imports
 - 17.2 Compulsory national insurance
 - 17.3 Compulsory national transport
 - 17.9 State trading monopoly n.e.s.
- 18. Preferential trading arrangements
 - 18.1 Multilateral preferential tariff arrangements
 - 18.11 Single scheme regional, sub-regional tariff preferences
 - 18.12 Dual scheme regional, sub-regional tariff preferences
 - 18.14 Inter-regional tariff preferences
 - 18.2 Bilateral preferential tariff arrangements
 - 18.3 Preferential arrangements n.e.s.
- 19 Specjal entry procedures
- 20 Export charges
 - 20.1 Customs duties levied on exported goods
 - 20.2 Export charges with equivalent effect
- 21 Kan-tariff export control measures
 - 21.1 Restrictive export licensing
 - 21.2 Export quotas
 - 21.3 Export prohibition
 - 21.4 Customs valuation at exportation in form of fixed unit values established
 - 21.5 Single channel for exports
 - 21.9 Export restrictions n.e.s
- 22 Export promotion measures
 - 22.1 Subsidier
 - 22.9 Export promotion measures n.e.s

TRADE COOPERATION AMONG OIC MEMBER STATES

PREFERENTIAL AGREEMENT

CONCLUDED BY

WITH

Date :

Duration :

Denunciation clause :

Extension rules of the agreement to other partners :

Safeguard clause :

Rules of origin :

Nature and rate of the preferences :

-tariff preferences (customs duties, indicate the rate of reduction) :

-paratariff preferences (domestic taxes and other, indicate the rate of reduction) :

-Quantitative restrictions :

. total freeing

. release within the framework of the quotas
(indicate the quota amount)

IS/COMCEC-FC/2-86/D.6

Original: English

IX

THE ANKARA CENTRE STUDY ON THE COMPENDIUM OF OIC
ECONOMIC RESOLUTIONS: A NOTE ON PROGRESS ACHIEVED SINCE
COMCEC II

THE ANKARA CENTRE STUDY ON THE COMPENDIUM OF OIC
ECONOMIC RESOLUTIONS: A NOTE ON PROGRESS ACHIEVED SINCE
COMCEC II

Background

For the Second Meeting of the Standing Committee for Economic and Commercial Cooperation, which had met from March 11 to 16, 1986 in Istanbul, the Ankara Centre had prepared a paper entitled "A Resume of Economic and Technical Cooperation Activities as Contained in the OIC Resolutions: 1969-1986". The study was based on an exhaustive survey that was undertaken on the economic and technical resolutions adopted by the highest OIC fora held so far, namely Four Islamic Summit Conferences, 16 Islamic Conferences of Foreign Ministers and the First Meeting of the Standing Committee itself, and the subject-wise contents of all of these resolutions and recommendations were classified under certain broad categories and fields. Ten of these fields constituted the sectors which had been referred to in the OIC Plan of Action to Strengthen Economic Cooperation Among Member States,

with an emphasis on the six which had been designated as the priority sectors until 1990 in the context of the implementation of the Plan of Action.

In the ensuing analysis made, on basically the operative paragraphs of the resolutions and recommendations brought together in this exhaustive compilation, an attempt was made to trace the individual subjects and ideas of cooperation over time to (a) see the full compendium of ideas put forth on each subject from the beginning, (b) follow the implementation of individual items included in the specific resolutions taken on particular subjects, and (c) get an overall idea about the progress achieved in following up and bringing to a successful conclusion the individual items dealt with by the OIC over the time period in question.

The study was received with great interest by the Standing Committee and found to be of great potential usefulness as a basic reference for the work of the Committee, in the face of the latter's wide-ranging mandate to facilitate the implementation and follow-up of all OIC resolutions in the economic field. Nevertheless, as had been pointed out in the study

itself, the Committee felt that there was a need to expand the said study to include the work done by all the OIC fora at various levels, including the reports of expert groups and other meetings so that the ultimate inventory will become the most exhaustive compendium of the OIC economic activities presented in a systematic and summarised manner.

Work Completed in the Period April-August, 1986

In the light of the new direction received from the Standing Committee, the Centre embarked upon a rejuvenated activity of compilation, whereby the OIC meetings list for the period 1969-1986 was put through a new scrutiny. Certain entries as to names, venues and dates of meetings were rechecked, corrected in one or two instances, and the list was made more complete, exhaustive, up-to-date and error-free to the extent full information on them could be obtained. Then the meetings were classified into various sub-sections to coincide with the sectors mentioned in the OIC Plan of Action plus certain more general areas, and the process of compiling final reports of all of the meetings in these sub-sections was started.

In the area of Transportation and Communications, this phase of compilation has been completed to the extent of having secured the missing documents from the General Secretariat. Furthermore, in this field, exhaustive content analyses for all of the sub-sectors have already been undertaken. In the area of Industry the whole and in Agriculture the largest part, of the initial compilations have been completed, while in other areas the process is going on. In the light of the Centre's experiences so far, compilation of the actual meeting reports, of especially the earlier meetings, comprises the most difficult and time-consuming part of the study.

Time Frame for Completion

As the Standing Committee has taken the decision that the Meeting of the Ministers of Transportation, Communications and Tourism would be the first ministerial meeting to be held concurrently with the Standing Committee during its third meeting scheduled for September 1987, the part of the study pertaining to the OIC activities in this sector would definitely be finished several months before the next meeting of the Follow-up Committee so that the findings of the study

can be made use of in the preparation of the said ministerial meeting. The Centre will make every effort so that the whole study will have been completed by the time the Follow-up Committee meets in May 1987, but it is rather early at this point to make a definite pronouncement in this vein.

August 1986

Ankara, Turkey

IS/COMCEC-FC/2-86/D.9

Original : English

X

REPORT OF THE SECOND MEETING
OF THE FOLLOW-UP COMMITTEE ON
INDUSTRIAL COOPERATION OF THE
OIC MEMBER STATES

**PRESENTATION OF REPORT OF
THE SECOND MEETING OF THE
FOLLOW-UP COMMITTEE ON INDUSTRIAL
COOPERATION OF THE OIC MEMBER STATES**

The. Second Meeting of the Follow-up Committee on Industrial Cooperation of the OIC Member States was held between 23-25 June 1986 in Istanbul.

The Meeting was attended by the representatives of Bangladesh, Gambia, Morocco and Pakistan.

The representatives of the General Secretariat of the OIC and the OIC subsidiary and affiliated organs also attended the meeting. UNIDO was represented by an observer at the meeting.

The detailed progress reports were presented by the General Secretariat of the OIC, SESRTCIC, IFSTAD, ICTVTR, ICDT, ICCICE, IDB and UNIDO.

The Meeting took note of the developments regarding the implementation of the decisions of the Second Ministerial Consultation on Industrial Cooperation of the OIC Member States.

I would like to outline some of the main questions taken up during the meeting.

Joint Ventures_and_Promotion_of_Investments

a) The IDB completed the technical evaluation of 19 joint-venture projects and found four of these projects submitted by ICCICE eligible for financing.

b) The ICCICE and the UNIDO, in collaboration with the Union of Turkish Chambers, will organise an investment promotion meeting for the projects of selected least developed OIC countries from 8 to 11 December 1986 in Istanbul.

c) The establishment of the "Association of National Development Financing Institutions in Member Countries" (ADFIMI) which would contribute to the development and improvement of the operational mechanisms in joint investment activities has been finalised.

d) The SESRTCIC continued with its comprehensive research project on existing joint-ventures and joint investment companies established by the OIC countries.

e) The SESHTCIC published directories on Free Zones, Foreign Investment Legislation, Banking Laws with a view to providing the potential investors with basic information on the existing legislative environment in the OTC countries.

Small_and_medium_scale_industries

The UNIDO and the SESRTCIC, in line with the recommendation adopted in the First Meeting of the Committee, have been conducting a research project on the development of small and medium scale industries in Turkey. The project, which will be completed in July 1986, focuses on the experience of Turkey in promoting small and medium scale industries.

Consultancy,

a) With the IDB as the prime mover, the recent formation of the "Federation of Consultants from Islamic Countries", marks an important step in the utilization of contracting, design, engineering and consultancy services in the Member Countries of the OIC.

b) The IFSTAD has further developed its data base on consultancy services by augmenting its computerized roster of experts.

c) The SESRTCIC published a directory on consultancy services in the OIC Member States.

Technical Cooperation and Training

a) The IDB has continued to expand its operations under its "Programme for Technical Cooperation" (TCP). Within this framework, the Bank is collaborating with other OIC agencies.

b) The ICTVTR has been offering industrial training programmes with effect from October 1985 and has completed necessary arrangements for long term courses on Mechanical Engineering, Electrical Engineering and Instructor Training commencing with the 1986-87 Academic Year.

c) The SESTRCIC has started the publication of an annual information bulletin on training opportunities in OIC Countries for Participants from the other member countries.

d) The IFSTAD completed the arrangements to place candidates from several OIC countries to training programmes and courses in Malaysia, Pakistan, Tunisia and Cameroon. In this connection, the SESTRCIC continued with similar placement activity in the areas of "investment analysis" and "Project Administration" in well-established national training institutions in the Member Countries.

e) The IFSTAD continued with its extensive scholarship and selected 54 scholars for the 1986-87 academic year. The total number of students benefiting from the program has thus exceeded 250.

Science and Technology

a) The IFSTAD organized the First Coordinating Conference on Technology in Istanbul on 21-25 October 1985, and published the proceedings of this Conference.

b) The IFSTAD will convene a working group of experts to study the feasibility of an intra-OIC science and technology program similar to European EUREKA.

c) The IFSTAD will organize the First Meeting of Research Centres in OIC Member Countries in Riyadh, Saudi Arabia between September 27-29, 1986.

d) Within the framework of its efforts towards the establishment of a science and technology network for OIC countries, the IFSTAD linked its own computer to that of King Abdelaziz City for Science and Technology (KACST), in Riyadh, thereby gaining access to the GULFNET and other regional and international networks.

Trade

a) In compliance with the relevant decisions of the Conferences of Foreign Ministers held in Sanaa and Fes, the ICDT organized, in collaboration with the competent authorities in Morocco, the Second Islamic Fair in Casablanca from 5th to 14th April, 1986, in the Kingdom of Morocco.

b) The ICDT also organized, on this occasion, a round table on "Trade Cooperation and Food Self-Sufficiency in the Islamic World" and a symposium on "The Islamic World and the Present Stakes of International Trade".

c) The ICDT, in collaboration with the Middle East Trade and Export Centre (OTIM), organized the First Meeting of Trade Promotion Organizations of the OIC Member States in Istanbul from 24-27 October 1985. The Meeting then adopted following recommendations:

(i) Considering that the issues related to industrial cooperation and promotion of joint ventures among the Member States of OIC have been taken up in detail for some time and in various fora, the Member States are urged to take effective action for realisation of a set of concrete projects addressed to quick implementation.

(ii) The OIC General Secretariat, the ICCICE, and the IDB are requested to continue with the tripartite meetings with a view to finalising the proposed joint-venture projects.

(iii) The UNIDO is requested to inform the OIC Member States and the OIC subsidiary and affiliated organs through the OIC General Secretariat about the investment promotion meetings, it helps to organise in the OIC Member Countries. In this connection, the information on the investment promotion meeting which

will be organised in Bangladesh in November 1986 should be disseminated to secure the extensive participation of investors from OIC Member Countries.

(iv) The IDB, the ICCICE, and the ADFIMI are urged to undertake joint efforts, in the light of the views expressed at the meeting to help develop a mechanism for the identification and implementation of joint-ventures.

(v) The Member States are requested to provide all the necessary support to the ICCICE so that the private sector in the OIC community could be associated more substantially with the industrial cooperation process.

(vi) Cognizant of the importance of information for the enhancement of industrial cooperation, the Member States are urged to supply basic information in this area to the relevant OIC institutions so that such information can be collected and disseminated for the benefit of the whole community.

(vii) The Member States, who have not yet done so, are requested to designate focal points within their Ministries of Industry to coordinate with the Follow-up Committee, and its member agencies in the follow-up activities, and communicate the addresses of these focal points until the Third Ministerial Consultation to the Chairman of the Committee.

(viii) The Member States are urged to give due consideration to cooperate in the development of small and medium-scale industries in the OIC community as a means of industrial cooperation. In this connection, special consideration could be given to the development of such enterprises in the rural sector with a view to helping solve the problems related to rural development and urban migration. In this respect, the UNIDO and the SESRTCIC are requested to complete the research projects on small and medium scale industries and report their findings to the Third Ministerial Consultation.

(ix) In order to make an optimal use of the indigenous resources of the OIC community in an important area, the Member States are urged to facilitate the exchange of information among the

engineering and consultancy firms within the OIC community to facilitate the development and transfer of technology in the Islamic World.

(x) Recognising the immediate needs in the area of training on the one hand and the existence of training opportunities in the Islamic community on the other, the Member States are urged to cooperate in this important area to help build up the necessary technical know-how and skills in a spirit of full fledged cooperation. In this connection, the Member States are urged to make use of the facilities that exist in the ICTVTR by providing full support to this OIC institution and responding promptly to her announcements.

(xi) The ICDT is asked to concentrate its activities on promotion of the trade in the OIC community more towards the trade in manufactured commodities so that additional impetus would be given to the production of such commodities in the Islamic Countries.

(xii) The Member States, who have not done so, are urged to sign and ratify the Agreement on Promotion, Protection and Guarantee of Investments so that the said Agreement could go into effect at an early date.

(xiii) The Member States are requested to encourage the relevant bodies in their countries to join the "Islamic Cement Association", the "Association of National Development Financing Institutions in Member Countries" (ADFIMI), and the Federation of Consultants from the IDB Countries.

Now, I would like to report the progress achieved since The Second Meeting of the Follow-up Committee on Industrial Cooperation of the OIC Member States:

Based upon the Resolution number 7 in Section C named Industrial Cooperation of the "Report and Resolution" document of the Second Session of COMCEC, National Productivity Centre (MPM) of Turkey, to initiate the cooperation among the productivity centres and relevant bodies of the Member States, has sent questionnaires to the said 30 organizations on August 25, 1986 with a cover letter explaining the outlines of

its structure and wish to take first steps for such cooperation. An evaluation of responses to these questionnaires will be included in the "background paper" which will be prepared for the Third Ministerial Consultation.

As will be recalled, the Resolution of the Second Ministerial Consultation on Industrial Cooperation among the OIC Member States held in Istanbul, Turkey, 14-15 November 1984, the Meeting had adopted the Statute of the Islamic Cement Association, and the Fifteenth Islamic Conference of Foreign Ministers, held in Sanaa, Yemen Arab Republic, December 1984, approved the establishment of the said Association.

Since the number of the organisations who have expressed their willingness to join the Association have now reached the Statutory minimum, Chairman of the Working Group has invited the relevant bodies to participate the General Assembly of ICA to be held in Istanbul, Turkey, between 6-7 November 1986.

The States who have notified their willingness to become a member are as follows:

Pakistan, Qatar, Indonesia, Egypt, Gambia, Somalia, Turkey and Arab Union for Cement and Building Materials with its 15 member States.

Finally, Mr. Chairman, if you allow me I would like to announce the communicated date of the III. Ministerial Meeting on Industrial Cooperation.

Although the date for the said Meeting was announced during the Second Meeting of the Follow-up Committee as 8-11 December of 1986, considering the heavy duty of the Secretariat for the preparations of 5th Summit we have agreed to hold the III. Ministerial Consultation on Industrial Cooperation between 21-28 June, 1987.

IS/COMCEC-FC/2-86/D.13

Original : English

XI

WORKING PAPER ON DRAFT AGENDA FOR THE
SEVENTH MEETING OF THE GOVERNORS OF THE
CENTRAL BANKS AND MONETARY AUTHORITIES
OF THE MEMBER STATES OF THE OIC

Istanbul, 8-10 September 1986

Coordination Office for the COMCEC

WORKING PAPER ON DRAFT AGENDA FOR THE SEVENTH
MEETING OF THE GOVERNORS OF THE CENTRAL BANKS
AND MONETARY AUTHORITIES OF THE MEMBER STATES
OF THE OIC

BACKGROUND

The Plan of Action includes a separate chapter on "Monetary and Financial Questions". In the said chapter, the Governors of the Central Banks and Monetary Authorities, in collaboration with the Member States and the Islamic Development Bank, are urged to study and take appropriate action on the following issues:

" - 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 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 members.

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.

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 experience gained in the operations of the existing ones.

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.

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" (Report and Related Documents, Second Session of the COMCEC, 14-16 March 1986, Istanbul; IS/COMCEC/2-B6/R-16, Coordination Office for the COMCEC, Ankara 1986, pp: 29-30).

A closer examination of various chapters of the Plan of Action reveals that monetary and financial issues of cooperation have strong and far reaching implications for the achievement of a satisfactory level of cooperation.

Taking into consideration these implications of monetary and financial issues for the priority areas

of economic cooperation, and in view of the establishment of the COMCEC, the Governors of the Central Banks decided in their Sixth Meeting in Dhaka in February 1985, that their next meeting would be convened under the auspices of the COMCEC.

With the same consideration, the Follow-up Committee of the COMCEC, in its First Meeting in September 1985, has recommended that the Governors of the Central Banks and Monetary Authorities of the Member States should come together to consider the monetary and financial implications of the decisions of the COMCEC.

During the Second Session of the COMCEC, held in Istanbul in March 1986, the recommendations of the Follow-up Committee were approved and the following resolution was adopted on the issue;

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

The Governors were invited to consider the possibility of preparing, in consultation among themselves and with the General Secretariat, a draft agenda for their Seventh meeting and report their findings to the Follow-up Committee of the COMCEC. The Follow-up Committee would review the progress in its meeting in

September 1986 and decide on the opportunity of inviting the Governors to convene at an appropriate date".(Report and Related Documents, Second Session of the COMCEC, p.63).

OUTLINE OF THE DRAFT AGENDA

In accordance with the above resolution of the COMCEC, the Coordination Office for the COMCEC has contacted the Central Bank of the Republic of Turkey and a preliminary list of "Items Suggested for the Agenda of the 7th Meeting of the Governors of Central Banks and Monetary Authorities of the Member States of the OIC" has been circulated by the Central Bank to the relevant authorities of the Member States for their examination and comments.

Some brief background information on the proposed draft agenda items is given below:

1. Monetary and financial developments in the world with special reference to the Member countries;

Until the Sixth Meeting of Governors held in Dhaka in February 1985, it was an established practice for the Central Bank of the host country to prepare a report on the world economic and financial situation.

However, the majority of these reports have turned out to be inadequate in reflecting the problems of Member countries in relation to the current world monetary and financial developments at the time. Thus, starting with the Dhaka meeting, the preparation of such a report has been assigned to SESRTCIC. It has also been recommended that SESRTCIC should prepare the report for this item of the agenda.

2. Common problems of the Member countries in relation to the current world monetary and financial issues and recommendations for their solutions

The majority of the Member countries, being developing countries, are faced with financial and monetary difficulties which in most cases result from adverse development in the world monetary and financial conditions. Among the reasons for these difficulties are the erratic movement of interest and exchange rates in international money and capital markets, growing protectionist tendencies in major export markets of the Member States, which lead to balance of payments deficits, foreign indebtedness of unbearable proportions and deteriorating terms-of-trade.

There are, however, various proposals and schemes which have been formulated by developed and developing countries, seeking solutions to these difficulties, such as: the Baker Plan; a project to establish a link between SDR allocation and development financing needs of developing countries; the Multilateral Investment Guarantee Agency designed by the World Bank and various proposals and common attitudes taken by the developing countries within such groupings as Group 77 and the group of the most indebted countries of Latin America.

The Governors may consider the common problems of OIC Member countries in relation to the world monetary and financial developments and determine the guidelines for a common attitude which they might take with respect to these problems in international fora.

Such an attempt would also be in accordance with the following desire expressed by His Excellency the Chairman of the COMCEC in his closing speech at the Second Session:

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

our external economic problems..." (Report and Related Documents, Second Session of the COMCEC, p.255).

3. Rules procedures and operating principles of the longer term trade financing facility to be established within the IDBi

The IDB was requested by its Board of Governors to prepare the regulations and operational guidelines for the trade financing facility, the establishment of which within the Bank, has been approved by the COMCEC. The IDB may wish to explain to the Governors of the Central Banks how this scheme will function when it becomes operational.

4. Measures to promote capital markets and develop appropriate financial mechanisms for the procurement of funds from national and international sources to be used for the common benefit of the Member countries such as promotion of the Intra Islamic trade and joint ventures among the Member countries].

The establishment of joint ventures among the Member countries has been recognized by the COMCEC as one of the most promising grounds for cooperation which would boost activity in almost every sector of the economy. However, difficulties arise when a problem emerges on the question of providing funds necessary

for the establishment and successful operation of such ventures. Governors of the Central Banks may assess the existing national and international capital markets, and the opportunity of issuing of appropriate financial instruments, among others, to obtain financial resources for financing joint ventures. The recently established Association of National Development Financing Institutions of the Islamic Countries (ADFIMI) should be mentioned in this context as the relevant body with which to cooperate.

On the other hand, Governors may also consider alternative ways of securing funds through national and international money and capital markets to increase the financial resources of the longer term trade financing facility which is in the final stages of being established by the IDB.

Various studies prepared and alternative solutions recommended by the IDB on the above may be used in formulating realistic measures in this area.

Furthermore, the International Association of Islamic Banks (IAIB) offers cooperation in the field of promotion of joint ventures since several members of the Association have already expressed their interest in the establishment of joint industrial ventures.

5. Progress Report on the Activities of the
International Association of Islamic Banks;

The IAIB has submitted a report to the Second Session of the COMCEC under the title of the "Report on the Achievements and Activities of the IAIB, 1984-1985"

The Association, established in 1977, consists of 33 Islamic Banks and financial companies located in more than 14 OIC Member States.

The Association is deeply engaged in the propagation of the concept of Islamic banks and Islamic economic thought, and provides technical and professional counsel to member banks and financial institutions. It participated in the Sixth Meeting of the Governors of Central Banks and Monetary Authorities held in Dhaka, Bangladesh, in 1985, and in accordance with the recommendations taken there it has assumed the responsibility of preparing studies on:

- i) A comprehensive analysis of Islamic banks;
- ii) Inter-relation among Islamic banks; relation between Islamic banks and International banks and between local Islamic banks and Central banks;
- iii) The drafting of a model legislation for Islamic banks.

The recommendations of the Experts' Group Meeting on Islamic Banking Studies held in Dhaka in March 1986, under the auspices of the IAIB, are expected to be reported to the Seventh Meeting of the Governors of the Central Banks and Monetary Authorities.

Another event to take place is the convention of the First Meeting of Islamic Banks scheduled to take place in Istanbul, in October 1986.

6. Preparation of the reports to be submitted to the COMCEC on the implementation of the Monetary and financial recommendations contained in the Plan of Actions

It was decided during the Second Session of the COMCEC that monetary and financial issues of cooperation, as indicated in the Plan of Action, should constitute one of the priority areas to be considered under the auspices of the COMCEC. In view of this decision, the Governors, as the most competent technical authorities in this area, may review the developments in this field of cooperation and formulate their recommendations, and report to a subsequent session of the COMCEC.

7. Regional export credit guarantee schemes

The Governors of the Central Banks may wish to examine various recommendations and studies concerning the establishment of such a scheme. In fact, the proposal to establish an export credit guarantee mechanism for the benefit of the Member countries was originally developed by the Governors during their previous meetings, in their endeavour to implement the related recommendation stated in the Plan of Action.

8. Multilateral Islamic Clearing Union;

This is another proposal which was originally developed by the Governors with a view to facilitating the settlement of financial transactions on trade exchanges among the Member countries.

The Governors may reconsider the proposal in the light of the studies undertaken by the IDB on the subject and may evaluate, among other possibilities, that of linking such a mechanism with the longer term trade financing facility to be established within the IDB.

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Original : English

XII

WORKING PAPER ON DRAFT AGENDA,
PERTAINING TO ECONOMIC AND COMMERCIAL
COOPERATION, FOR THE FIFTH ISLAMIC
SUMMIT CONFERENCE

Istanbul, 8-10 September 1986

Coordination Office for the COMCEC

WORKING PAPER ON DRAFT AGENDA PERTAINING TO
ECONOMIC AND COMMERCIAL COOPERATION, FOR THE FIFTH
ISLAMIC SUMMIT CONFERENCE

BACKGROUND

The Fifth Islamic Summit Conference is to take place in January 1987 in Kuwait. Such a high level meeting cannot be expected to enter into the details of each question, regardless of its importance. For this reason, economic issues to be included in the agenda of the Summit will have to be grouped under as few headlines as possible and the text of these headlines should be on the one hand of a sufficiently general nature to encompass as many important issues as possible; but, on the other hand, should not be so general as to cause misunderstandings.

The purpose of the present paper is to propose a suitable compromise, taking these points into consideration.

According to resolution no:13/3-P(IS) adopted at the Third Islamic Summit, the mandate of the COMCEC is:

"... to follow-up implementation of the resolutions passed, or about to be passed, by the Islamic Conference in economic and trade sphere; 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...." (Report and Related Documents, Second Session of the COMCEC, pp. 13-14)

The COMCEC has mandated its Follow-up Committee, composed of the members of its Bureau, to coordinate economic cooperation activities carried out at different levels and in different areas within the OIC, and to follow-up the implementation of the resolutions passed by other ministerial fora in the field of economy and to report the progress back to the COMCEC. The Follow-up Committee of the COMCEC is therefore a body to which the latest developments in the field of economic cooperation are reported and it is the most appropriate body to make suggestions to the Summit on economic issues.

OUTLINE OF THE DRAFT AGENDA

With these considerations in mind, the items for the section of the agenda of the Fifth Summit

pertaining to economic cooperation may be formulated as follows:

1. Progress Achieved in the Implementation of the Plan of Action

The progress achieved in three of the priority areas, namely, "trade", "industry" and "food security and agricultural development", covered during the first two sessions of the COMCEC, may be reported under this item, giving special emphasis to those projects with promising prospects of early implementation. In that context, various multilateral agreements which have been signed and ratified and professional associations which have been established within the OIC may be mentioned.

2. Planned Activities Pertaining to the Remaining Priority Areas of Economic Cooperation.

"Transport, Communication, and Tourism" and "Energy" are the two remaining areas to be considered by the COMCEC in its subsequent annual sessions up to 1990. However, as recommended at the Second Session, the Monetary and Financial Questions will be included among the priority areas as they gain importance in the

face of current world economic developments and due to their strong and far reaching implications in almost every area of economic cooperation indicated in the Plan of Action.

Planned activities of the COMCEC in these areas may be reported under this item.

3. Organizational Matters and Issues Esquiring Guidance and Endorsement from the Summit.

In addition to what may normally be included in an agenda item pertaining to organizational matters, a new subject may also be considered. This is the question of the possibilities of cooperation between three Standing Committees established by the Summit, and especially, between COMCEC and the Standing Committee for Scientific and Technical Cooperation.

_ The Chairmen of these two Standing Committees agreed that their respective Committees should cooperate especially within the context of a scientific research initiative called "Islamic Eureka". This important development should be reflected in the records of the Summit in an appropriate form.

The Follow-up Committee may wish to discuss the possibilities of cooperation between the two Standing Committees to be considered during the preparations for this item.

Original : Turkish

XIII

CLOSING STATEMENT BY H.E. Kaya ERDEM,
Minister of State, Deputy Prime Minister of the
Republic of Turkey, Chairman of the Follow-up
Committee of the COMCEC

Honourable Ministers,
Esteemed Guests,

We have concluded the Second Meeting of the Follow-up Committee of the COMCEC. I would like to express my thanks to the Committee members and to all others concerned, for their valuable contributions and productive work.

On this occasion, I would like to re-emphasize my pleasure in observing that important steps have been taken in regard to economic and commercial cooperation, which is one of the most significant indicators of solidarity among Islamic countries. The fact that the activities regarding the economic and commercial cooperation among Islamic countries, inspite of having only a short history, have reached an advanced stage,

gives us great hopes for the future. Taking into consideration the potential of Islamic Countries in this domain, I am convinced that the results to be obtained from an economic and commercial cooperation will render great contributions to the welfare and development of the Member States of the OIC.

We are proud of the progress achieved in the subject of activating the medium-term trade financing facility launched within the framework of the resolutions adopted during the First and Second Sessions of the COMCEC. It is our greatest wish to observe the same successful development also in the fields of trade information network, trade preferences and the harmonization of standards, and the conversion of each of these projects into a productive mechanism, whereby the cooperation among our countries will become concrete.

One of the most important issues that will ensure the welfare and development of the Member States of the OIC and the cooperation among the Member States, is the cooperation in the field of industry. I believe that especially the works related to the realization of joint investment projects, which bear great importance

due to its relevance with all the sectors of the economy should be encouraged. A wide-spread and efficient implementation to be realized in this respect in the immediate future, will bear great benefits. I am convinced that all Member States and the related institutions will continue their contributions on this issue.

We take great pleasure in observing the progress in the works regarding the creation of "Centers of Excellence" and the establishment of a Research Institute and Training Center on "Agro-Hydrology", with the purpose of expanding the research and training activities, which are implemented within the framework of the cooperation in the field of food security and agricultural development. I believe that these institutions will play an important role in meeting the requirements in the field of food security and agricultural development.

We carried out fruitful discussions on the subjects that can be taken up during the Fifth Islamic Summit in relation to economic and commercial cooperation, and those that can be discussed during the

Seventh Meeting of the Governors of the Central Banks and Monetary Authorities of the Member States of the OIC.

The Ministerial Consultation on Transportation to be held in Istanbul in September 1987, will activate the works in another field which is also closely related to all fields of economic cooperation. These works will support the previous efforts of cooperation, and will create new cooperation possibilities among the Member States, in the field of transportation, communications and tourism.

I wish that the resolutions adopted and the results obtained at the Second Meeting of the Follow-up Committee of the COMCEC will be to the benefit of our Countries and of the World.

Before concluding my speech, I would like to thank the interpreters and all other supporting staff, for the selfless efforts and excellent services they have rendered for the success of this meeting.

In the hope of meeting you again on the occasion of the next Follow-up Committee Meeting in April 1987, I wish you all a safe journey home, and present you my best wishes.