

**REPORT**  
**OF THE FIRST MEETING OF TRADE**  
**NEGOTIATING COMMITTEE FOR**  
**ESTABLISHING THE TRADE**  
**PREFERENTIAL SYSTEM AMONG**  
**THE MEMBER COUNTRIES OF THE OIC**  
**(TPS-OIC)**

**Antalya, Turkey, 6-9 April 2004**

COMCEC Coordination Office  
Ankara, April 2004

ADDRESS:

COMCEC COORDINATION OFFICE

Necatibey Cad. 108

Ankara-TURKEY

Phone : 90-312-294 55 10

90-312-294 55 03

Fax : 90-312-294 55 77

Website : <http://www.dpt.gov.tr>

e-mail : [mgenckol @ dpt.gov.tr](mailto:mgenckol@dpt.gov.tr)

[ykaraca @ dpt.gov.tr](mailto:ykaraca@dpt.gov.tr)

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**R E P O R T**  
**OF THE FIRST MEETING OF TRADE NEGOTIATING**  
**COMMITTEE FOR ESTABLISHING THE TRADE**  
**PREFERENTIAL SYSTEM AMONG THE MEMBER**  
**COUNTRIES OF THE OIC (TPS-OIC)**

(Antalya, Turkey, 6-9 April 2004)



Original: English

REPORT  
OF THE FIRST MEETING OF TRADE NEGOTIATING COMMITTEE FOR  
ESTABLISHING THE TRADE PREFERENTIAL SYSTEM AMONG  
THE MEMBER COUNTRIES OF THE OIC (TPS-OIC)

(Antalya, Turkey, 6-9 April 2004)

1. The First Meeting of the Trade Negotiating Committee set up under the Framework Agreement on Trade Preferential System among the Member Countries of the OIC (TPSOIC) hosted by the Republic of Turkey, was held in Antalya on April 06-09, 2004.

2. Representatives of the following Member States that have ratified the Framework Agreement on Trade Preferential System among the Member Countries of the OIC attended the meeting:

- People's Republic of Bangladesh,
- Republic of Cameroon,
- Arab Republic of Egypt,
- Republic of Guinea,
- Islamic Republic of Iran,
- Hashemite Kingdom of Jordan,
- Republic of Lebanon,
- The Great Socialist People's Libyan Arab Jamahiriya,
- Islamic Republic of Pakistan,
- Republic of Senegal,
- Republic of Tunisia,
- Republic of Turkey,
- Republic of Uganda,

3. Representatives of the following OIC Member States that have not yet ratified the Framework Agreement on TPSOIC attended the meeting as observers:

- Transitional Islamic State of Afghanistan,
- Republic of Albania,
- Brunei Darussalam,
- Burkina Faso (Signatory),
- Republic of Indonesia (Signatory),
- Republic of Iraq (Signatory),
- State of Kuwait,
- Malaysia,
- State of Qatar,
- Kingdom of Saudi Arabia (Signatory),
- Republic of Sudan (Signatory),
- Syrian Arab Republic,
- United Arab Emirates

4. Representatives of the General Secretariat and the following OIC subsidiary organs, specialized and affiliated institutions also attended the Meeting:

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

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

### **Opening Session**

5. The Meeting was inaugurated by H.E. Lütfi ELVAN, Deputy Undersecretary of State Planning Organization of the Republic of Turkey.

6. Following the recitation of the Holy Qur'an, H.E. Lütfi ELVAN pointed out in his statement that in the aftermath of the Cancun Conference the optimism surrounding the multilateral trade negotiations has been lost, and the disparity between the positions of the developed and developing countries has grown wider. The failure in obtaining a positive outcome in the global trade forums, he stated, has increased the interest in regional trade arrangements. In this respect, the trade



negotiations launched in Antalya for establishing a Trade Preferential System among the OIC countries constituted a golden opportunity to enhance cooperation and liberalize trade among the Islamic countries. Mr. ELVAN also touched upon the most recent regional trade groupings among the OIC members, and emphasized that the existence of a multitude of regional trade arrangements within the OIC family did not cause an impediment but is an asset to establish a wider preferential system among these brotherly countries. He further stated that with better coordination among these regional groupings, and creative work on the side of the member countries the difficulties arising out of overlapping commitments towards different regional arrangements can be overcome. He suggested that the regional groups within the OIC must start dialogue for networking so as to learn from each other's experiences. He added that the sessions of the Trade Negotiating Committee will not only help lower the trade barriers but also serve as a forum for learning from each other, and encouraging coordination between sub-regional arrangements. Finally, Mr. ELVAN stressed the importance of dealing with trade-related issues, particularly the removal of barriers to trade through meaningful trade negotiations. He advised that trade-related issues such as improving the investment environment have become very integral to efficient implementation of trade agreements.

(Copy of the text of the statement of Lütfi ELVAN is attached as Annex II.)

7. The message of H.E. Dr. Abdelouahed BELKEZIZ, Secretary General of OIC, was read out by H.E. Ambassador Nabika DIALLO, Assistant Secretary General of OIC for Economic Affairs. In his message, the Secretary General expressed his thanks and appreciation to the Government of Turkey, COMCEC Coordination Office and ICDDT which made important contribution to the launching of the first round of trade negotiations under the TPSOIC. He pointed out the fact that expansion of trade among the Islamic countries is of utmost importance to their economic development and the welfare of their people. Secretary General of OIC recalled the principles adopted at the Fourth Session of COMCEC that were included in the Declaration of intent to Establish Trade Preferential System. He said that, with the holding of the First Round, the development of intra-OIC trade as envisaged under the OIC Plan of Action to

TPS-OIC/TNC/01 -04/REP

Strengthen Economic and Commercial Cooperation Among the Member States would receive a significant thrust.

(Copy of the text of the message of H.E. Dr. Abdelouahed BELKEZIZ, is attached as Annex III.)

8. The meeting was then addressed by heads of the delegations of Hashemite Kingdom of Jordan, Republic of Cameroon and Islamic Republic of Pakistan on behalf of three geographical groups of OIC. The Heads of delegations of the Islamic Republic of Iran and the State of Kuwait also addressed the meeting at the opening session. Heads of delegations emphasized the need for closer cooperation within the regional and inter-regional trade arrangement. In this regard they stressed the importance of launching the First Round of trade negotiations among the OIC Member States, and thanked the Government of Turkey for hosting the first meeting of Trade Negotiating Committee (TNC).

#### **Election of the Chairman and Three Vice-chairmen**

9. In pursuance of the Rules of Procedure of the TNC, participants in the meeting elected the members of the Bureau for the first round of trade negotiations as follows:

Chairman : Republic of Turkey  
Vice Chairman: Islamic Republic of Iran  
Vice Chairman: Republic of Tunisia  
Vice Chairman: Republic of Senegal

Mr. Tefvik MENGÜ, Director General at the Undersecretariat of Foreign Trade of the Republic of Turkey, was elected as Chairman.

#### **Adoption of the Agenda**

10. The meeting adopted the agenda and the work program of the meeting proposed by the Secretariat.

(Copy of the agenda is attached as Annex IV.)

### **Presentation by the Secretariat of the TNC**

11. The TNC Secretariat made a presentation on the trade negotiations for establishing the Trade Preferential System. The presentation gave an overview of the Framework Agreement and the modalities of negotiations provided for in the Agreement. The main negotiation modalities, including product by product approach, linear approach, and cocktail approach were outlined.

### **Consideration of the trade negotiating modalities**

12. The TNC considered a number of proposals, including a written one by the delegation of the Hashemite Kingdom of Jordan, on possible modalities for the first round of trade negotiations. Following a lengthy deliberation, the TNC adopted the "Negotiation Strategy for TPSOIC". The said document proposes guidelines and plan of action for market access and schedule of trade liberalization under TPS-OIC.

13. The TNC urged participating countries to consider this strategy at their capitals and communicate their views on the Negotiation Strategy for TPS-OIC at their earliest convenience before September 2004.

(Negotiation Strategy for TPSOIC is attached as Annex V.)

### **Work Program of TNC for the period April 2004-March 2005**

14. Work Program of TNC for the first round (April 2004-March 2005) was adopted by the Meeting.

(Work Program of TNC for the first round (April 2004-March 2005) is attached as Annex VI.)

**Any other business**

15. Some participating countries expressed the need for clarifying some provisions of the TPS-OIC, particularly the rules of origin and safeguard measures.

**Date and venue of the next meeting of TNC**

16. TNC decided to convene the second session of the First Round in the first half of September 2004 in Turkey. TNC also requested the host country, the Republic of Turkey, to specify the date and venue of the meeting and communicate this information to the Secretariat of the TNC.

**Closing Remarks**

17. The participating delegations wholeheartedly thanked the Government of the Republic of Turkey and the Secretariat of the TNC for the excellent arrangements made for this important meeting and the warm hospitality extended to them during their stay in Antalya.

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LIST OF PARTICIPANTS  
OF THE FIRST MEETING OF THE TRADE  
NEGOTIATING COMMITTEE FOR ESTABLISHING THE  
TRADE PREFERENTIAL SYSTEM AMONG THE MEMBER  
COUNTRIES OF THE OIC (TPS-OIC)  
(Antalya, Turkey, 6-9 April 2004)



Original: English

**LIST OF PARTICIPANTS  
OF THE FIRST MEETING OF THE TRADE NEGOTIATING COMMITTEE  
FOR ESTABLISHING THE TRADE PREFERENTIAL SYSTEM  
AMONG THE MEMBER COUNTRIES OF THE OIC (TPS-OIC)**

**(Antalya, Turkey, 6-9 April 2004)**

**A. MEMBER COUNTRIES OF TRADE NEGOTIATING COMMITTEE**

**PEOPLE'S REPUBLIC OF BANGLADESH**

- Professor, MOHAMMAD ALI TASLIM  
Chairman, Tariff Commission
- Mr. ZULFIQUR RAHMAN  
Director, International Organization,  
Ministry of Foreign Affairs

**REPUBLIC OF CAMEROON**

- Mr. MOHAMADOU TALBA  
General Inspector,  
Ministry of Trade and Industry Development
- Mr. ANTOINE MARIE MANGA MASSINA  
Representative, President's Office
- Mr. ABANCHIME LIMANGANA  
Head of Section,  
Ministry of External Relations
- Mr. MOHAMADOU LAWAL  
Head of Section,  
Ministry of Economic Affairs
- Mr. OSMAN MERZECI  
Honorary Consul of Cameroon in Istanbul

**ARAB REPUBLIC OF EGYPT**

- Mr. MOHAMED SALAMA  
Minister Plenipotentiary,  
Head of Commercial Office, Istanbul
- Mr. MAHMUD OMAR EL-SAYED  
Second Secretary, Embassy of Egypt, Ankara
- Mr. WALEED EL-ZOMOR  
Second Secretary of the Commercial Representative Office,  
Ministry Foreign Trade

**REPUBLIC OF GUINEA**

- Mr. SENY CAMARA  
Head of Competition Department,  
Ministry of Trade
- Mr. ANSOUMANE BERETE  
Head of Commercial and Political Agreements Department,  
Ministry of Trade
- Mr. ORHAN ARGÜN  
Honorary Consul, Istanbul

**ISLAMIC REPUBLIC OF IRAN**

- Mr. MOSTAFA SARMADI  
Advisor to the Minister of Commerce,  
Director General of International Affairs
- Mr. KAZEM YAVARI  
Research Vice President of the Institute for Trade Studies & Research,  
Ministry of Commerce
- Mr. ALI ZAHEDTALABAN  
Senior Expert of Trade Representation Department,  
Ministry of Commerce

**HASHEMITE KINGDOM OF JORDAN**

- Mr. LU'AY JADOUN  
Head of Foreign Trade Policy Review Division,  
Foreign Trade Policy and Relation Department,  
Ministry of Industry and Trade
- Mr. OMAR ABANDEH  
Head of Agreements and Rules of Origin Section,  
Customs Department

**REPUBLIC OF LEBANON**

- Mr. ALI MAWLA  
First Secretary, Embassy of Lebanon, Ankara

**THE GREAT SOCIALIST PEOPLE'S LIBYAN ARAB JAMAHIRIYA**

- Mr. MOHAMED EL-MARGANI RHUMA  
Director of General Department for Islamic Affairs,  
General People's Committee
- Mr. EL-MADANI ABDUSSALAM ALI RHUMA  
Employee, for Foreign Liaison and International Cooperation



- Mr. JALAL BERAH  
Political Attache

**ISLAMIC REPUBLIC OF PAKISTAN**

- Mr. ZAFAR IQBAL QADIR  
Joint Secretary (Foreign Trade),  
Ministry of Commerce
- Mr. MUHAMMAD IQBAL MUNEEB  
Secretary (Customs),  
Central Board of Revenue
- Mr. ZAHID HAFEEZ CHAUDHRI  
Deputy Director,  
Ministry of Foreign Affairs
- Ms. HUMAIRA ZIA MUFTI  
Section Officer (FT-V),  
Ministry of Commerce

**REPUBLIC OF SENEGAL**

- Mr. MAMADOU KANE  
Counsellor, Embassy of Senegal in Riyadh
- Mr. MAME NENE NDONGO  
International Organization Department,  
Ministry of Foreign Affairs

**REPUBLIC OF TUNISIA**

- Ms. KHADIJA CHAHLOUL  
Director General of Economic and Commercial Cooperation,  
Ministry of Commerce
- Mr. MOHAMED BELMUFTI  
Head of Commercial Representation Office, Istanbul
- Mr. MOHAMED AGREBI  
Director, Ministry of Finance

**REPUBLIC OF TURKEY**

- Mr. LÜTFİ ELVAN  
Deputy Undersecretary of State Planning Organization
- Mr. TEVFİK MENGÜ  
Director General of Agreements,  
Undersecretariat of Foreign Trade

- Mr. HÜSNÜ DİLEMRE  
Deputy Director General of Agreement,  
Undersecretariat of Foreign Trade
- Mr. MUSTAFA ATEŞ  
Adviser to Undersecretary of State Planning Organization
- Mr. FAİK KURAL  
Head of Department,  
Undersecretariat of Foreign Trade
- Mr. ASIM AKSOY  
Expert, General Directorate of Agreement,  
Undersecretariat of Foreign Trade
- Ms. AYŞE KESKİNKILIÇ  
Expert, General Directorate of Importation,  
Undersecretariat of Foreign Trade
- Mr. ALPER BOSUTER,  
Attache, Ministry of Foreign Affairs

**REPUBLIC OF UGANDA**

- Mr. EMMANUEL ORINZI  
Head of Africa and Middle East Department,  
Ministry of Foreign Affairs
- Mr. CYPRIAN BATALA  
Assistant Commissioner/Expert  
Ministry of Trade, Tourism and Industry

**B. OBSERVERS**

**TRANSITIONAL ISLAMIC STATE OF AFGHANISTAN**

- Mr. ABDUL SALAM MUNIR  
President of Export Promotion,  
Ministry of Commerce
- Mr. GHULAM DASTGEER  
General Director of Foreign Trade  
Ministry of Commerce

**REPUBLIC OF ALBANIA**

- Mr. ANDI SULO  
Adviser to Minister of Economy
  
- Mr. ILIR KODRA  
Senior Expert in Trade Policies,  
Ministry of Economy

**BRUNEI DARUSSALAM**

- Mr. HAJI ERYWAN MOHD YUSOF  
Deputy Director General,  
Ministry of Industry and Primary Resources
- Mr. MOHD HAKASHAH HAJI ABD SAMAD  
Special Duties Officer,  
Ministry of Industry and Primary Resources,

**BURKINA FASO (Signatory)**

- Mr. AUGUSTE ZINGUE OUATTARA  
International Institutions Department,  
Ministry of Foreign Affairs

**REPUBLIC OF INDONESIA (Signatory)**

- Mr. RAMELAN SUBAGYO  
Deputy Director for Non-UN Bodies and Other International Organizations,  
Directorate General for International Industrial and Trade Cooperation,  
Ministry of Industry and Trade
- Mr. Haryono SARPINI,  
Head of Section, Directorate for Bilateral Affairs n,  
Directorate General International Industrial and Trade Cooperation,  
Ministry of Industry and Trade

**REPUBLIC OF IRAQ (Signatory)**

- Mr. ABDUL SALAM A.H. SALMAN  
Director General of International Organization,  
Ministry of Trade
- Mr. MUNTHIR ABDULLA  
Charge d' Affairs, Embassy of Iraq, Ankara

**STATE OF KUWAIT**

- Mr. ISSAQ ABDELGANI ABDELKAREEM  
Director of International Economic Cooperation Department  
Ministry of Finance
- Mr. MISHAL MENWER AL-ARDHI  
Head of the OIC Affairs Department
- Mr. NEMUR FAHAD AL-SABAH  
Head of the Commercial Organization,  
Ministry of Commerce and Industry

- Ms. HIND HALİL BU HAMRA  
Economic Researcher

**MALAYSIA**

- Mr. N. VASUDEVAN  
Principal Assistant Director  
Ministry of International Trade and Industry

**STATE OF QATAR**

- Mr. AHMED SALEH AL-MOHANNADI  
Head of the International Relations Section,  
Ministry of Economy and Commerce
- Mr. AHMED KHALIFA AL-BINALI  
Economy Researcher at International Relations Section,  
Ministry of Economy and Commerce

**KINGDOM OF SAUDI ARABIA (Signatory)**

- Mr. ABDULLAH AL-NAFISAH  
Director General of Arabic and Islamic Affairs Department,  
Ministry of Commerce and Industry
- Mr. SAHEL M. ERGESOUS  
Second Secretary, Embassy of Saudi Arabia, Ankara
- Mr. ABDULLAH ALLAHIM  
Economist, Ministry of Finance

**REPUBLIC OF SUDAN (Signatory)**

- Mr. ABDULAZIZ HASSAN SALIH  
Deputy Undersecretary of the Ministry of Foreign Trade

**SYRIAN ARAB REPUBLIC**

- Mr. MOHAMMED BADER KOUJAN  
Deputy Director of International Relations,  
Ministry of Economy and Trade

**STATE OF THE UNITED ARAB EMIRATES**

- Mr. OMAR AL-MOHARRAMI  
Director General of International Organization Department,  
Ministry of Economy and Commerce

**C. THE OIC GENERAL SECRETARIAT**

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

- Ambassador, A.H.M. MONIRUZZAMAN  
Director of Economic Affairs

**D. SUBSIDIARY ORGANS OF THE OIC**

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

- Mr. HAKAN HAKTANIR  
Research Assistant

**THE ISLAMIC CENTRE FOR DEVELOPMENT OF TRADE (ICDT)**

- Mr. ALLAL RACHDI  
Director General
- Mr. EL HASSANE HZAINÉ  
Director of Studies and Training Department
- Mr. SALL MAMOUDOU BOCAR  
In Charge of Studies

**E. SPECIALIZED INSTITUTIONS OF THE OIC**

**THE ISLAMIC DEVELOPMENT BANK (IDB)**

- Mr. ERSHAID AL-RESHAID  
Head, Trade Cooperation and Promotion Programme (TCPP)  
Trade Finance & Promotion Department (TF&PD)
- Mr. SALEH JELASSI  
WTO Officer,  
Cooperation Office

**F. COMCEC COORDINATION OFFICE & THE TRADE NEGOTIATING  
COMMITTEE SECRETARIAT**

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

- Dr. ADNAN TEKŞEN  
Deputy Director General,  
Acting Head of the COMCEC Coordination Office
- Mr. FERRUHTIĞLI  
Head of Department
- Mr. METİN EKER  
Expert, Drafting
- Mr. METİN GENÇKOL  
Expert, Drafting

- Mr. ORHAN ÖZTAŞKIN  
Expert, Protocol & Press Relations
- Ms. SEMA HİMA  
Coordinator of Documentation
- Mr. SELÇUK KOÇ  
Deputy Expert, Protocol Relations
- Mr. ALİ İŞLER  
Deputy Expert
- Ms. BİLGE GÜLLÜ  
List of Participants and Social Programme

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

- Mr. YAŞAR GÜLSOY  
Head of Department,  
Undersecretariat of State Planning Organization
- Mr. MEVLÜT YAŞAR  
Expert
- Mr. NURETTİN AYDIN  
Expert
- Mr. CAFER ERDOĞAN  
Treasurer
- Mr. SEYİT AMBARKÜTÜK  
Technician

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**OPENING STATEMENT BY MR. LÜTFİ ELVAN,  
DEPUTY UNDERSECRETARY OF STATE PLANNING  
ORGANIZATION OF THE REPUBLIC OF TURKEY**

**(Antalya, Turkey, 6 April 2004)**





Original: English

**OPENING STATEMENT BY MR LÜTFİ ELVAN,  
DEPUTY UNDERSECRETARY OF STATE PLANNING ORGANIZATION  
OF THE REPUBLIC OF TURKEY  
AT THE OPENING CEREMONY**

**(Antalya, Turkey, 6 April 2004)**

Honourable Delegates,  
Distinguished Assistant Secretary General OIC,  
Dear Brothers and Sisters,

I am happy to welcome you to the first session of the Trade Negotiating Committee for establishing the Trade Preferential System among the members of the OIC. I extend my best wishes to all the delegations and hope that your efforts will yield beneficial results.

The rapidly changing world conditions increase the need to further develop the existing cooperation among our countries sharing common historical, moral and cultural values. COMCEC is an important forum established for the purpose of advancing economic and commercial cooperation among our countries. Under the aegis of this platform, a multitude of views have been offered and plans have been devised for nearly twenty years in many areas from measures to encourage and facilitate commerce to create the environment for the private sector cooperation. The trade negotiations we are launching today is one such project coming to the implementation stage.

Distinguished Delegates,

We are initiating the first round of trade negotiations among our brotherly countries at a time when global trade arrangements are going through a bottleneck. Negotiations within the World Trade Organization (WTO) have reached an important turning point. The optimistic outlook, which emerged from the Doha Process several years ago for providing a fair structure to the world trade system for both developed and developing countries has not been maintained. Unfortunately, the steps expected

to be taken by the developed countries in favour of the less developed countries have not been materialized and the impetus acquired in Doha has been largely lost.

Trade is an essential activity for the developing countries aspiring to wealthier economies. The inability of the developing countries in getting their deserved share of the growing and diversifying world trade is one of the most serious structural problems of the global economic system. At the root of this structural problem lie, besides the problems these countries are facing in efficiently exploiting the human and natural resources they have, the ways in which the institutions and rules determining the mechanisms of international commerce and economic relations have been constructed. For this reason, decreasing the income disparity, alleviating poverty and ensuring global welfare require a revision of the rules and institutions governing international trade to make them more sensitive to the problems of the developing countries. The hopes of the developing countries to have their deserved share of the world commerce and wealth will wane as the efforts for the re-construction of the global trade order are delayed.

The majority of the COMCEC Member States are developing countries. More significantly, 22 COMCEC member states have the status of least developed countries. The fact that 17 of the 22 Least Developed COMCEC members are also WTO members demonstrates the extent and complexity of the problems these Islamic countries are facing. While endeavouring to cope with development problems, these countries are also trying to harmonize with the global rules of trade. Participation of the COMCEC Member States in world trade will materialize on a more equitable basis when developed countries revise their trade policies, taking into account the predicament of the developing countries, and the institutions and rules regulating global trade are restructured.

Distinguished Delegates,

The failure in obtaining a favourable result in the Cancun Conference as well as the slow nature of global trade arrangements demonstrate that regional trade arrangements are a better option to yield quicker results. In this respect, the trade negotiations we are launching here today for a preferential system constitutes an important development. Oriented towards the objective of establishing a deepening and comprehensive trade system through a series of rounds, the trade negotiations ahead of us is a golden opportunity to enhance cooperation and liberalize trade among our countries.

As members of the COMCEC, we have the necessary potential and experience to successfully conclude the trade negotiations we are just starting. The COMCEC Member States, through their membership in the World Trade Organization have taken steps towards adopting the rules of international trade. 47 of the COMCEC Member States, including 17 least developed countries, are either full members of the WTO or have the observer status.

The COMCEC Member States have also succeeded in establishing regional arrangements with great economic and commercial potential. Among the recently established and promising regional arrangements are the ECO Trade Agreement signed by the members of the Economic Cooperation Organization, the customs union established by the Gulf Cooperation Council members, and Agadir Free Trade Agreement signed by some Middle Eastern and North African members of the COMCEC.

In addition to some arrangements among themselves, the COMCEC Member States are working towards important initiatives with non-OIC member countries. The efforts for establishing a Euro-Mediterranean Free Trade Area between the EU and the Mediterranean countries, most of which are the OIC members, has matured to a considerable extent. Similarly, the establishment and operation of the ASEAN Free Trade Area under the leadership of some OIC countries is a very fruitful and promising regional arrangement.

The experiences of the OIC member States in adapting to international rules of trade and the well-recorded performance in the regional arrangements create a substantial potential to increase trade among our countries. Such experience and potential will certainly constitute a great asset for the success of the negotiations to be held in the first round of the trade preferential system.

Distinguished Delegates,

At this point, I would like to emphasize that the existence of a multitude of regional trade arrangements within the OIC family is not an impediment but an asset for us to establish a wider preferential system. We should exert all the necessary effort to materialize the long-standing objective of liberalizing trade among our brotherly countries while paying due regard to other multilateral obligations. Obviously there will be overlapping commitments towards different groupings of trade

arrangements. With better coordination and creative work we can overcome the difficulties that may arise out of the overlapping regional arrangements.

In this respect, regional groupings within the OIC family must start talking to each other to exchange their experience and coordinate their work. This meeting is a good occasion for these groupings to start dialogue and networking so as to make our gatherings resourceful. Thereby, the sessions of the Trade Negotiating Committee will not only help lower the trade barriers among its members, but also serve as a forum for learning from each other, and coordination among sub-regional arrangements.

Finally, I believe the Trade Negotiating Committee should consider, besides the elimination of trade barriers, other trade-related issues such as improving the investment environment, safeguard measures, and dispute settlement procedure. As the distinguished audience is well aware, trade-related issues have become as integral as the lowering of tariffs to trade negotiations and efficient implementation of trade agreements.

Distinguished Delegates,

By launching the first round of trade negotiations among its members, the COMCEC has now reached a significant phase of its mission of strengthening economic and commercial cooperation. I am fully confident that the distinguished representatives of the COMCEC Member States that participate in the Trade Negotiating Committee will engage in an efficient and fruitful negotiation process.

I wish you all a pleasant stay in Antalya.

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MESSAGE OF H.E. DR. ABDELOUAHED BELKEZIZ,  
SECRETARY GENERAL OF THE ORGANIZATION  
OF THE ISLAMIC CONFERENCE

(Antalya, Turkey, 6 April 2004)



**MESSAGE OF H.E. DR. ABDELOUAHED BELKEZIZ,**  
**SECRETARY GENERAL OF THE OIC AT THE**  
**OPENING OF THE FIRST ROUND OF TRADE**  
**NEGOTIATION UNDER THE FRAMEWORK ON**  
**TRADE PREFERENTIAL SYSTEM AMONG**  
**OIC MEMBER STATES**

**ANTALYA, REPUBLIC OF TURKEY**  
**6-9 APRIL 2004**

Mr. Chairman,  
Distinguished delegates  
Ladies and Gentlemen,

Assalamu Alaikum Wa Rahmatullahi Wa Barakatuh

It is well known that a robust foreign trade sector indeed acts as the lead sector in any economy due to its strong backward and forward linkage effects on other related sectors and particularly for its role in generating employment and income. It is, therefore, quite natural that the OIC Plan of Action to Strengthen Economic and Commercial Cooperation among the Member States recognizes promotion of intra-OIC Trade as one of the priority sectors. It is a matter of great satisfaction that development of intra-OIC trade envisaged in the OIC Plan of Action receives a significant thrust with the holding of this First Round of the Trade Negotiating Committee consisting, under the Framework Agreement on Trade Preferential System among the Member States, of the thirteen ratifying OIC Member States.

I take this opportunity to extend my thanks and appreciation to the Government of the Republic of Turkey for hosting this important meeting. I also thank the Islamic Centre for Development of Trade and the COMCEC Coordination Office, serving jointly as the Secretariat for the Trade Negotiating Committee, for the excellent working paper they have prepared for this meeting.

Development of intra-OIC trade assumes particular significance in the emerging world economic order, which presents a somewhat paradoxical situation characterized, on the one hand, by the trend towards globalization and liberalization and by the emergence of regional economic groupings on the other with all their restrictive effects on liberalization of world trade.

Against this backdrop, expansion of intra-OIC trade has become a matter of urgency. It is discouraging-however, to note that despite the existence of certain inherent complementariness in the economies of the 57 Member States having more than one-fifth of global population dispersed over a large area of the four continents, the percentage of the trade among Member States remains as low as barely 11% of their total global trade.

Boosting trade within the Ummah is also significant as it will help building up the Islamic world as a credible and cohesive economic bloc capable of absorbing bulk of the goods and services produced within the Member States. This will also have salutary effect on diversification of foreign trade of the Member States in terms of tradable products as well as markets for them.

Given the centrality of trade in the development of intra-OIC cooperation, the first ministerial meeting that the COMCEC was held concurrently with its first session in 1984 was on trade, which decided to establish, through a step-by-step approach, a system of trade preferences and to consider removing non-trade barriers. We have come a long way since then with the entry into force of the Framework Agreement on Trade Preferential System among the OIC Member States last year following its ratification by more than ten Member States as required under the Agreement.

As the First Round gets into the business of finalizing the methodology of negotiation, as stipulated in the Ministerial Declaration adopted at last COMCEC Session held in October last year, I would consider it worthwhile to recall the principles that were adopted at the Fourth Session of COMCEC and included in the Declaration of Intent to Establish a Trade Preferential System. These were as follows:



a) The System shall be reserved for the exclusive participation of the OIC Member States and inter-regional, regional and sub-regional groupings composed only of OIC Member States;

b) The System shall be based and applied on the principles of mutuality of advantages in such a way as to ensure benefits to all participating states on equitable basis;

c) The System shall be implemented through multilateral trade negotiations among participating countries, with a view to liberalizing trade amongst themselves, in a phased manner allowing for a gradual development and expansion of the System.

d) The System shall not be conceived as a substitute to any existing and future trade preferential arrangements involving OIC Member States but rather as a supplement to them.

I am confident that the participating delegates will engage in their work bearing in mind that the fruitful results will effectively lead us to the next phase of the trade negotiation with speed and effectiveness. It needs to be borne in mind also that our achievement in creating a trade preferential system will constitute an encouragement for the rest of the Member States, some of whom are attending this meeting as observers, to come into the fold of this system for the common benefit of the Ummah.

I wish the Trade Negotiating Committee all success in their critically important work.

Wassalamu Alaikum Wa Rahmatullahi Wa Barakatuh.



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AGENDA OF THE FIRST MEETING OF THE TRADE  
NEGOTIATING COMMITTEE FOR ESTABLISHING  
THE TRADE PREFERENTIAL SYSTEM AMONG  
THE MEMBER COUNTRIES OF THE OIC (TPS-OIC)

(Antalya, Turkey, 6-9 April 2004)



Original: English

**A G E N D A**  
**THE FIRST MEETING OF THE TRADE NEGOTIATING**  
**COMMITTEE FOR ESTABLISHING THE TRADE**  
**PREFERENTIAL SYSTEM AMONG**  
**THE MEMBER COUNTRIES OF THE OIC (TPS-OIC)**

**(Antalya, Turkey, 6-9 April 2004)**

1. Opening Session
  - Inaugural Statement by the Deputy Undersecretary of the State Planning Organization of the Republic of Turkey
  - Statement by the Assistant Secretary General of OIC
  - Statements by the Heads of Delegations
2. Election of the Chairman and Vice Chairmen
3. Adoption of the Agenda and Programme
4. Presentation by the Secretariat of Trade Negotiating Committee (TNC)
5. Consideration of the trade negotiation modalities
6. Work Programme of TNC for the period April 2004/April 2005
7. Any other business
8. Date and venue of the next meeting of TNC
9. Adoption of the Report
10. Closing Session



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**NEGOTIATION STRATEGY FOR TPS-OIC**

**(Antalya, Turkey, 6-9 April 2004)**





Original : English

## **NEGOTIATION STRATEGY FOR TPS-OIC**

With a view to achieving solidarity among the members of OIC through economic integration; and keeping in view the provisions of Article 6 of the Framework Agreement on TPS-OIC, the participating states propose product-by-product scheme for trade negotiations.

The TNC proposed the following guidelines for negotiations and implementing preferential tariff concessions:

<b>Implementation</b>	<b>HS coverage</b>	<b>Period</b>	
		Developing countries	LDCs
Phase I	(6 digits level) 20% of all HS tariff lines	Upon entry into force of the Agreement	Upon entry into force of the Agreement
Phase II	50% of all HS tariff lines	3 years	5 years
Phase III	90% of all HS tariff lines	3 years	5 years

The tariff reductions under the Trade Preferential System shall be implemented as follows:

### **PRODUCT COVERAGE**

#### Phase I:

The participating states shall reduce their tariff rates on [20] % of the total tariff lines at the 6 digits level HS code at the time of coming into force of this Agreement. The tariff rates applicable as of October 1<sup>st</sup> 2003 should be taken as base rates.

The tariff concessions shall be offered by each participating state unilaterally and unconditionally at the time of coming into force of this Agreement.

#### Phase II:

The participating states undertake to expand the coverage of products for tariff reduction to [50] % at the end of [3] years by developing countries and [5] years by the LDCs, upon the implementation of phase I.

The list of products and rates of tariff reduction shall be negotiated on product by product basis, which should include, as far as possible, the goods actually traded during the implementation of phase I and / or the goods of export interest to other participating states.

Phase III:

The participating states undertake to expand the coverage of products for tariff reduction to [90] % at the end of [3] years by developing countries and [5] years by the LDCs, upon implementation of phase II.

The rate of tariff reduction should be negotiated with a view to take into account at least [95] % of the value of goods actually traded during the second phase.

Exclusion List

The remaining [10] % of tariff lines not covered above will be left to the participating states for exclusion if they so desire i.e. sensitive and strategic goods.

**TARIFF REDUCTION**

With regard to tariff reductions it is suggested that:

- A) [minimum [-] % reduction in the MFN applied tariff rates as of October 1<sup>st</sup> 2003 be realized in the first phase of implementation by the participating states. Phase II and III may include deepening of concessions on products given earlier, if so desired]; or
- B) [maximum [-] % tariff slab be reached at the end of each phase of implementation period for the products covered in the corresponding phase.]

LDCs will be allowed to offer less reduction in option A, and higher tariff slabs in option B above.

**NON -TARIFF BARRIERS**

Non-tariff measures (NTM) shall be indicated by each participating state to the TNC Secretariat in respect of other participating states for compilation and consideration.

TNC shall examine the NTMs and segregate the trade-distorting measures, classify them as NTBs, and work out an elimination plan.

The TNC Secretariat shall notify the NTBs and their elimination plan to the participating states within a period of 3 months after the adoption of the elimination plan.

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WORK PROGRAMME  
OF THE TRADE NEGOTIATING COMMITTEE  
(Antalya, Turkey, 6-9 April 2004)



Original: English

**WORK PROGRAMME  
OF THE TRADE NEGOTIATING COMMITTEE**

**1) 6-9 April 2004: 1<sup>st</sup> Meeting of the Trade Negotiating Committee, Antalya-Turkey**

Agenda:

- Setting up of the TNC s structures (election of the chairman, of the bureau and formation of technical committees)
- Consideration of the negotiations modalities
- Adoption of the work programme of the TNC

**2) 15<sup>th</sup> April - 15<sup>th</sup> May 2004:**

2.1 Notification of the TNC secretariat of the following documents:

- The list of the Laws and regulations governing foreign trade in force on October 1<sup>st</sup> 2003;
- The customs tariff in force on October 1<sup>st</sup> 2003, at least on the basis of the six digits HS classification;
- The preferential tariffs granted at bilateral, regional and multilateral levels;
- The list of non-tariff measures in force on October 1<sup>st</sup> 2003;
- The list of para-tariff measures in force on October 1<sup>st</sup> 2003;
- The list of technical standards and sanitary and phytosanitary measures in force on October 1<sup>st</sup> 2003;
- Statistics on foreign trade for the last three years on the basis of the six digits HS classification per country and per product.

2.2 Dissemination by the secretariat of the TNC of the above mentioned documents to participating countries:

**3) September 2004- 2<sup>nd</sup> session of the TNC**

**4) November 2004- 20<sup>th</sup> Session of the COMCEC**

- Mid-term review of the TNC activities by the COMCEC.

**5) December 2004: 3<sup>rd</sup> Session of the TNC**

- Continuation of negotiations

**6) March 2005 : 4<sup>th</sup> Session of the TNC**

- Synthesis of the results of negotiations.
- End of the first round of trade negotiations

**7) May 2005**

- Presentation to the 21<sup>st</sup> Session of the COMCEC Follow up Committee of the results of negotiations.

**8) Ratification of the concessions by the participating countries**

**9) 21<sup>st</sup> session of the COMCEC**

**10) Entry into force of the concessions three months after their ratification by 10 countries**

- Evaluation and publication of the results of negotiations by the COMCEC.