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DECLARATION OF
INTENT ON THE ESTABLISHMENT
OF A TRADE PREFERENTIAL SYSTEM
AMONG THE OIC MEMBER STATES

The Member States of the Organization of the Islamic Conference:

Recognizing that liberalization of trade among the Member Countries of OIC constitute a driving force for the promotion and expansion of trade amongst themselves, an effective instrument for the enhancement of economic cooperation and attainment of collective self-reliance and a means of raising the standard of living of their peoples,

Recalling the objectives enshrined in the Mecca Declaration and the Plan of Action to Strengthen Economic Cooperation Among the Member States adopted at the Third Islamic Summit Conference and the General Agreement on Economic, Technical and Commercial Cooperation Among the Member States, in particular the provisions of chapter III on trade,

Determined to establish close linkage amongst various schemes within OIC in the areas of trade, investment and finance,

together with improvements in production of goods and services in the Member States in the framework of their overall development goals,

Taking into Consideration the Resolutions adopted by the Standing Committee for Economic and Commercial Cooperation (COMCEC) on the preparation of a Framework Agreement that would include, *inter alia*, a set of basic principles, guidelines, methodology and time-table for the setting up of a System of Trade Preferences Among the Member States,

1. DECLARE their intention to establish a multilateral Trade Preferential System (TPSOIC) on the basis of the following principles:

- i. 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;
- ii. The System shall be based and applied on the principle of mutuality of advantages in such a way as to ensure benefits to all participants on an equitable basis;
- iii. The System shall be implemented through multilateral trade negotiations among countries parties to the System, with a view to liberalizing trade amongst

themselves, in a phased manner allowing for a gradual development and expansion of the System;

iv. The System shall be subject to periodic reviews in the light of experience gained and results obtained;

v. The System shall not be conceived as a substitute to any of the existing and future trade preferential arrangements involving the Member States, but rather as a supplement to them;

vi. The System shall not prejudice any legal obligations of the Member States vis-a-vis third parties.

2. DECIDE that a Framework Agreement based on the above principles be prepared to determine the negotiating approaches, rules and methodology for the establishment and operation of the System.