

**REPORT**  
**OF THE FOURTH MEETING OF THE**  
**SECOND ROUND OF TRADE**  
**NEGOTIATIONS (TPS-OIC) and**  
**THE SECOND MEETING OF THE**  
**MINISTERS OF COMMERCE**  
**OF THE TNC MEMBER STATES**

**(Ankara, 10-12 September 2007)**

COMCEC Coordination Office  
State Planning Organization  
Ankara, September 2007

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REPORT  
OF THE FOURTH MEETING OF THE SECOND ROUND  
OF TRADE NEGOTIATIONS FOR ESTABLISHING  
THE TRADE PREFERENTIAL SYSTEM AMONG  
THE OIC MEMBER STATES (TPS-OIC)

(Ankara, 10 September 2007)



TPS-OIC/TNC-2R/04-07/Rep.

Original: English

**REPORT  
OF THE FOURTH MEETING OF THE SECOND ROUND OF TRADE  
NEGOTIATIONS FOR ESTABLISHING THE TRADE PREFERENTIAL  
SYSTEM AMONG THE OIC MEMBER STATES (TPS-OIC)**

**(Ankara, 10 September 2007)**

1. The Fourth Meeting of the Second Round of Trade Negotiations was held in Ankara from September 10<sup>th</sup> 2007.
2. The Fourth Meeting of the Second Round of Trade Negotiations was chaired by Mr. Yüksel AKÇA, Acting Director General of Agreements, Undersecretariat of Foreign Trade of the Republic of Turkey.
3. Delegations of the following Member States of the Trade Negotiating Committee (TNC) 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
  - The Great Socialist People's Libyan Arab Jamahiriya
  - Malaysia
  - Republic of Maldives
  - Kingdom of Morocco
  - Sultanate of Oman
  - Islamic Republic of Pakistan
  - State of Qatar
  - Syrian Arab Republic
  - Republic of Tunisia
  - Republic of Turkey
  - Republic of Uganda
  - The State of the United Arab Emirates

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4. Representatives of the following OIC Member States that have not yet signed or ratified the Framework Agreement on TPS-OIC also attended the meeting as observers:

- People's Democratic Republic of Algeria
- Kingdom of Bahrain (Signatory)
- Republic of Benin
- Republic of Iraq (Signatory)
- State of Kuwait (Signatory)
- Kingdom of Saudi Arabia (Signatory)
- Republic of Yemen

5. Representatives of the General Secretariat of OIC and the following Organizations also attended the meeting:

- COMCEC Coordination Office (as a member of the TNC Secretariat)
- Islamic Centre for Development of Trade (ICDT) (as a member of the TNC Secretariat)
- Islamic Development Bank (IDB)
- Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRTCIC)
- Islamic Chamber of Commerce and Industry (ICCI)
- D-8

(Copy of the List of Participants is attached as Annex I.)

### **Opening Session**

6. The message of H.E. Dr. Ahmet TIKTIK, Undersecretary of State Planning Organization of the Republic of Turkey was read out by H.E. Ferruh TIĞLI, Director General of Foreign Economic Relations, State Planning Organization of the Republic of Turkey.

7. In his message, H.E. Dr. TIKTIK stressed that throughout history, Islamic countries had been pioneers of many developments and inventions in trade



facilitation and enhancement of interactions among countries. In view of this historic heritage, he expressed his belief that Islamic countries could do better in the enhancement and facilitation of trade among themselves.

8. In his message, H.E. TIKTIK also expressed his expectation that the draft text on rules of origin would be finalized for signature in this fourth and last session. He also urged the TNC to expedite its work in order to meet the target date of 1 January 2009 for the establishment of TPSOIC, which requires the entry into force of two agreements, namely PRETAS and the Rules of Origin, by approximately summer 2008. In this regard, he advised the House to finalize the rules of origin in this session for its submission to the Second Meeting of the Ministers of Commerce for signature, following the TNC meeting.

(Copy of the text of the statement of H.E. TIKTIK is attached as Annex II.)

9. The message of H.E. Prof. Dr. Ekmeleddin İHSANOĞLU, Secretary General of OIC was read out by Mr. Cheikh Oumar T. SOW, Director of Economic Affairs at OIC General Secretariat. In his message, H.E. İHSANOĞLU, stressed the important role of trade in the development of intra-OIC cooperation. In this regard, he urged the Member States, which have not yet ratified PRETAS, to do so as soon as possible to increase trade in the OIC to strengthen connections and reinforce bonds of fraternity among OIC members states, thereby fostering sustainable development of Member States set forth in the Makkah Summit. He expressed his belief that the adoption of the Rules of Origin would constitute an important milestone in the history of TPS-OIC and PRETAS. H.E. İHSANOĞLU also expressed his hope for the adoption of a method, in the near future, for removal of Para-Tariff and Non-tariff Measures in the OIC member countries. Finally, in his message, H.E. İHSANOĞLU assured that the committee could count on his and General Secretariat's full support to make the Second Round Negotiations of TNC a success.

(Copy of the text of the message of H.E. Prof. Dr. Ekmeleddin İHSANOĞLU is attached as Annex III.)

10. The meeting was then addressed by the heads of delegation of the Islamic Republic of Iran, State of Kuwait, Malaysia, and The Great Socialist People's

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Libyan Arab Jamahiriya. The heads of delegation, pointing out certain aspects of the TPS-OIC Rules of Origin as well as the importance of reaching successful results in the second round of the negotiations, expressed their gratitude to the Republic of Turkey for hosting the meeting.

### **Working Session**

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

11. The TNC adopted the agenda and the work program of the Meeting.

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

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

12. The TNC Secretariat made a presentation on the background and the issues to be discussed during the Second Round of Trade Negotiations. The Secretariat, referring to the Ministerial Declaration adopted at the First Meeting of the Second Round of Trade Negotiations, stated that the TNC will have to finalize its work within the prescribed 12-month time-frame, i.e. before November 2007. if the target date of January 2009 for the establishment of the TPS-OIC is to be adequately met. The Secretariat underlined the necessity of finalizing the ratification of the PRETAS and the Rules of Origin by the mid-2008 to give room to the member states to make their final adjustments. For this reason, the rules of origin should be opened to signature of the TNC member states at the 2<sup>nd</sup> Meeting of the Ministers of Commerce of the Member Countries to be held following the TNC Meeting.

#### **TPS-OIC Rules of Origin**

13. The Trade Negotiating Committee considered the Draft TPS-OIC Rules of Origin.

14. Some Member Countries made observations regarding Articles 2, 5, 6, 12 and 33. The representative of Arab Republic of Egypt proposed reconsidering the definition of simple assembly; amending Article 17 to allow the issuance of the certificate of origin to be valid for no longer than one year; and prohibition of drawback that was not agreed due to the principle of not re-opening articles that were previously adopted. The representative of Malaysia raised his country's concern with regard to Article 33 and reserved the legal right regarding the adoption of the TPS-OIC Rules of Origin. The representatives of Islamic Republic of Iran and Syrian Arab Republic raised concerns regarding the voting applied in respect of Articles 5 and 6. The representative of Islamic Republic of Iran also referred to the ambiguity of Article 6 in relation to Article 7. The representatives of Kingdom of Morocco and Arab Republic of Egypt proposed, regarding Article 5, that the value of non-originating materials be 40 percent instead of 60 percent. The representative of Syrian Arab Republic proposed 50 percent regarding the same Article.

#### **Adoption of the TPS-OIC Rules of Origin**

15. The Trade Negotiating Committee adopted the TPS-OIC Rules of Origin and agreed to submit it to the Second Meeting of the Ministers of Commerce of the Member States of the TNC, to be held on September 12, 2007, for signature.

16. The Committee also decided to submit TPS-OIC Rules of Origin to the 23<sup>rd</sup> COMCEC Ministerial Session.

(TPS-OIC Rules of Origin is attached as Annex V.)

#### **Para-Tariff and Non-Tariff Measures in the Preferential Tariff Scheme (PRETAS)**

17. The Committee took note of the data submitted by the Republic of Maldives on its Para-Tariff and Non-Tariff Measures.

18. The Committee observed that the issue of Para-Tariff and Non-Tariff Measures should be considered after the entry into force of the PRETAS.

19. The Committee members agreed that the data on their Para Tariff and Non-Tariff Measures should be submitted to the TNC Secretariat at their earliest convenience.

**Issues Related to the Signing and Ratification of the PRETAS and TPS-OIC Rules of Origin**

20. The Committee considered the status of signature and ratification of the TPSOIC Agreements namely: Framework Agreement, PRETAS and TPS-OIC Rules of Origin. All the delegations informed the Committee on their final status regarding these agreements in order to bring about the establishment of TPSOIC by the target date of January 1<sup>st</sup>, 2009.

2 i. The Committee requested the OIC General Secretariat to circulate an information letter among the Member States and the TNC Secretariat regarding the signing and ratification status of the Framework Agreement, the PRE IAS and the TPS-OIC Rules of Origin.

22. The Committee welcomed the Sultanate of Oman as the new member of the TNC

23. The Committee called upon all the OIC Member States to join the TPS-OIC Agreements at their earliest convenience in order to realize the objective of establishing the TPS-OIC by January 1<sup>st</sup> 2009.

24. The representative of the Islamic Republic of Iran noted that his country is not ready to sign the PRETAS and the TPS-OIC Rules of Origin for the time being.

**Any Other Business**

25. There was no discussion under this agenda item.

**Closing Session**

26. The Committee adopted the Report and annexes of the Fourth Meeting of the Second Round of Trade Negotiations held by the TNC.

27. 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 Ankara.



# ANNEXES





**ANNEX  
I**



Original : English

**LIST OF PARTICIPANTS  
OF THE FOURTH MEETING OF THE SECOND ROUND  
OF TRADE NEGOTIATIONS (TPS-OIC) and  
THE SECOND MEETING OF THE MINISTERS  
OF COMMERCE OF THE TNC MEMBER STATES**

**(Ankara, 10 -12 September 2007)**

**A. MEMBER COUNTRIES OF TNC**

**PEOPLE'S REPUBLIC OF BANGLADESH**

Mr. MOHAMMAD ABDUL WAHAB MIAN  
Joint Secretary (FTA)  
Ministry of Commerce

Dr. MOSTAFA ABID KHAN  
Deputy Chief Bangladesh Tariff Commission

**REPUBLIC OF CAMEROON**

Mr. BOUBA AOUSSINE  
Sub-Director of Trade Exchange  
Ministry of Commerce

Mr. ABANCHIME LIMANGANA  
Head of Section,  
Ministry of Foreign Affairs

Ms. MARTHE CHANT AL MBAJON  
Senior Adviser, Presidency of the Republic

**ARAB REPUBLIC OF EGYPT**

Mr. YASSER ATEF  
Minister Plenipotentiary, Deputy Assistant  
Minister for International Economic Relations  
Ministry of Foreign Affairs

Ms. AMAL SALAMA  
Charge d'Affairs,  
Embassy of Egypt in Ankara

Mr. EHAB MOHAMED FATHY  
Head of Section,  
Ministry of Trade and Industry

Mr. MOHAMED ALI ABDELGHAFAR  
Economic Analyst,  
Ministry of Trade and Industry

**REPUBLIC OF GUINEA**

H.E. MAMADY TRAOE  
Minister of Commerce, Industry, Tourism and Handicrafts

Mr. ANSOUMANE BERETE  
Head of Division of Commercial Policies and Accords,  
Ministry of Commerce, Industry, Tourism and Handicrafts

Mr. ORHAN ARGUN  
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**ISLAMIC REPUBLIC OF IRAN**

Mr. MOSTAFA SARMADI  
In Charge of Undersecretariat of International Affairs  
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Mr. GHOLAMREZA BAGHERI MOGHADDAM  
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Ministry of Trade

Mrs. FATEMEH SAEB  
Senior Expert,  
Ministry of Trade

Mr. HAMIDREZA ANOUSHEH  
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Mr. MOHAMMAD KAZEM MALEKI  
Commercial Atache at the Embassy in Ankara

**HASHEMITE KINGDOM OF JORDAN**

H.E. PARIS MUFTI  
Ambassador of Jordan in Ankara

Mr. HASSAN AL-OMARI  
Industrial Development Directorate  
Ministry of Industry and Trade

Mr. NIDAL AL-ABBADI  
Foreign Trade Policy and Relations Department  
Ministry of Industry and Trade

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

Mr. AL-SADIQ M. AL-FITURI  
Director of Economic Affairs Department,  
Ministry of Foreign Affairs

Mr. OMRAN AHMED AL-GHALI  
Head of Section,  
Ministry of Economy, Commerce and Investment

**MALAYSIA**

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Director, Finance Division  
Ministry of International Trade and Industry

Mr. FIRDAUS MUHAMMAD JAMALUDDIN  
Legal Advisor, Attorney General's Chamber

**REPUBLIC OF MALDIVES**

Mr. ABDULLA THAWFEEQ  
Deputy Director of International Trade Policy,  
Ministry of Economic Development and Trade

**KINGDOM OF MOROCCO**

H.E. ABDULLAH ZAGOUR  
Ambassador of Morocco in Ankara

Mr. MOHAMED CKAKIB BENELMALIH  
Economic Counsellor, Embassy of Kingdom of Morocco, ~~Ankara~~

**SULTANATE OF OMAN**

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Economic Researcher,  
Ministry of National Economy

Mr. MOHAMMED AL-WOHAIBI  
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Mr. BADER SAIF AL-OUFI  
Director of Economic Research Dept.  
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Consulate General of Pakistan in Turkey

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Ambassador of Senegal in Ankara

#### **SYRIAN ARAB REPUBLIC**

H.E. Dr. KHALED RAAD  
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Director-Facilitation and Efficiency of Trade Directorate  
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H.E. GHAZIJOOMA  
Ambassador of Tunisia in Ankara

Mrs. BECHIRA LEJMI  
Head of Division

Mr. KHALED SALHI  
Chief of the Tunisian Commercial Office in Turkey (Ankara)

**REPUBLIC OF TURKEY**

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Minister of State in Charge of Foreign Trade

Ms. ÜLKER GÜZEL  
Deputy Undersecretary,  
Undersecretariat of Foreign Trade

Mr. ŞEVKET ILGAÇ  
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Mr. YÜKSEL AKÇA  
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Mr. BÜLENT ORHAN TÜREL  
Expert,  
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Mr. OĞUZHAN BERBER  
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Mr. CANER SANNAV  
Assistant Expert,  
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Mr. ERTUĞRUL DEMİRCİ  
Assistant Expert,  
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**STATE OF UNITED ARAB EMIRATES**

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Ambassador of United Arab Emirates in Ankara

Mr. ALI FA YEL MUBARAK HUBAIIS  
Ministry of Economy

**REPUBLIC OF UGANDA**

Mr. FRANCIS MUMBEY-WAFULA  
Head North Africa, Middle East and the Rest of Africa Dept.(NAMRA)  
Ministry of Foreign Affairs

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Ambassador of Iraq in Ankara

Mr. AHMAD HSAN  
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Director of International Economic Cooperation Department,  
Ministry of Finance

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Charge d'Affairs, Kuwait Embassy in Ankara

Mr. SAAD AL-RASHIDI  
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Ministry of Finance

Ms. SHEIKHA ALQANDI  
Head of the Section of Trade in Goods  
Ministry of Commerce and Industry

Ms. NOUF BADRAN  
Head of the Section of Commercial Organization,  
Ministry of Commerce and Industry



**FEDERAL REPUBLIC OF NIGERIA**

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**KINGDOM OF SAUDI ARABIA**

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Ministry of Commerce and Industry

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Ambassador of Saudi Arabia in Ankara

Mr. NASSER BIN MOHAMMED AL MUTLAQ  
Senior Specialist,  
Ministry of Finance

Mr. GASSAN BIN ABDULLAH EL BERIKAN  
Ministry of Finance

Mr. ALI BIN ABDULLAH EL MÜSNED  
Ministry of Finance

Mr. HOSSYEN ECD AL RASEED  
Ministry of Commerce and Industry

**REPUBLIC OF SUDAN**

H.E. MOHAMED AL HASSAN AHMAD ELHAJ  
Ambassador of Sudan in Ankara

C. **OTHER COUNTRIES**

**PEOPLE'S DEMOCRATIC REPUBLIC OF ALGERIA**

Mr. ABDELHAMID BELAHDA  
Sous-Director  
Ministry of Trade

**REPUBLIC OF YEMEN**

H.E. NOURNE ABDULLA HAMAMI  
Ambassador of Yemen in Ankara

Mr. IBRAHIM GHALEB AL-SHORIY  
Minister Counselor,  
Embassy of Yemen in Ankara

**D. THE OIC GENERAL SECRETARIAT**

Mr. CHEIKH OUMAR T. SOW  
Director-General,  
Economic Affairs at OIC General Secretariat

**E. SUBSIDIARY ORGANS OF THE OIC**

**THE STATISTICAL, ECONOMIC AND SOCIAL RESEARCH AND TRAINING  
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Research Assistant  
Department of Economic and Social Research

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

Mr. EL HASSANE HZAINI  
Director, Studies of Training Department

**F. SPECIALIZED INSTITUTIONS OF THE OIC**

**THE ISLAMIC DEVELOPMENT BANK (IDB)**

Mr. AHMED ABDULWAHAB ABDULWASIE  
Operation Officer, Cooperation Office

Mr. MAHMOUD YASSIN  
Trade Finance Officer, Trade Finance and Promotion Dept.

**G. AFFILIATED ORGANS OF THE OIC**

**ISLAMIC CHAMBER OF COMMERCE AND INDUSTRY (ICCI)**

Dr. SYED AZHAR IBNE HASAN  
Economic Researcher

**H. OTHER INTERNATIONAL INSTITUTIONS**

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Ms. AYŞE MUHTAROĞLU  
Economist

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

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

Mr. FERRUH TIĞLI  
Director General,  
Head of COMCEC Coordination Office

Mr. EBUBEKİR MEMİŞ  
Acting Head of Department

Mr. FATİH ÜNLÜ  
Acting Head of Department

Ms. ŞERİFE MENGİ  
Executive Secretary

Mr. BAŞAK KAYIRAN  
Expert, Press Relations

Mr. METİN EKER  
Expert

Mr. HÜSEYİN GÜZELER  
Legal Advisor

Mr. MURAT DELİÇAY  
Expert, Drafting

Mr. GÖKTEN DAMAR  
Expert, Drafting

Mr. ORHAN ÖZTAŞKIN  
Protocol Relations

Mr. NAZIM GÜMÜŞ  
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Assistant Coordinator of Documentation

Mr. KEMAL ARSLAN  
Coordinator of Meeting Rooms

Ms. BİLGE GÜLLÜ  
Social Program

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- Mr. YAŞAR GÜLSOY  
Head of Department,  
Undersecretariat of State Planning Organization
- Mr. MEVLÜT YAŞAR  
Coordinator for Transport Relations
- Mr. NURETTİN AYDIN  
Accommodation Officer
- Mr. CAFER ERDOĞAN  
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- Mr. TAYFUR YÜKSEL  
Protocol Relations
- Mr. SEYİT AMBARKÜTÜK  
Technician

**ANNEX  
II**



Original: English

**OPENING STATEMENT  
BY H.E. DR. AHMET TIKTIK  
UNDERSECRETARY OF THE STATE PLANNING ORGANIZATION  
OF THE REPUBLIC OF TURKEY**

**(Fourth Meeting of the Second Round of the TPS-OIC Trade Negotiations)**

**(Ankara, 10 September 2007)**

Honorable Delegates,  
Dear Brothers and Sisters,

I am happy to welcome you to the Fourth Meeting of the Trade Negotiating Committee for establishing the Trade Preferential System among the member countries of the OIC. It is also my pleasure to extend my best wishes to all the delegations. I sincerely hope that your deliberations will yield the results that will lead to the successful conclusion of the second round, especially the finalization of the TPS-OIC new rules of origin.

These rounds are unique opportunities for our countries to establish a real preferential system among ourselves. The coverage and deepness of the system may not yet be as desired but what is important is to realize such a system as soon as possible thus to complete the first attempt of its kind. I will not enumerate the advantages of a preferential system but I wish to stress that, if properly designed, a preferential system is a win-win scheme leaving everyone better off at the end.

The target date of January 2009 for establishing the system is quite relevant and feasible, but its realization requires further efforts and attention on our part. Our speed so far is not at par with our expectations. We only have 2 countries that ratified the PRETAS in almost two years which indicates a rather slow progress. When we look at history, Islamic countries have been pioneers of many developments and inventions in trade, facilitating interactions among countries. Especially honest and dedicated Muslim merchants who were also respectful to local traditions had been one of the main forces behind the enhancement of trade across continents and countries and also rapid spread of Islam throughout the world. In view of this historic heritage, I am sure we can do better in the enhancement and facilitation of trade among our brotherly countries.

Distinguished Delegates,

The world trade in goods and services increased by 7.4 % in 2005 and by 9.2 % in 2006. In developing countries, this rise has been faster, scoring a level of 10.6 % in exports and 15 % in imports. Meanwhile the trade volume of OIC member countries accounts for approximately 10 % of global trade and the volume of intra-OIC trade has increased from 14,5 % in 2004 to 15.5 % in 2005.

One of the important ways to enhance trade among country groups is concluding regional trade agreements. The number of regional trade agreements and their share in world trade is growing rapidly all over the world. The number of regional agreements registered by the World Trade Organization (WTO) is currently above 300 and their share in world trade today is approximately at the level of 40 %.

As you are all aware, one of the fundamental objectives of the COMCEC is to promote and expand intra-OIC trade. Freer trade among our nations will contribute to our economic growth and international competitiveness. In this respect, implementation of the TPS-OIC becomes more prominent as one of the most important projects of the COMCEC. As we all know, the OIC Ten Year Programme of Action, adopted by the Third Extraordinary Islamic Summit Conference, mandated the COMCEC to workout plans to increase the intra-OIC trade from the level of 14 percent in 2005, to 20 percent by 2015. The operationalization of TPSOIC system will facilitate the realization of this objective.

Distinguished Delegates,

We are now at the last meeting of the second round of trade negotiations. During the previous sessions of TNC, significant progress has been achieved on the main theme of this round, namely the new rules of origin of the TPS-OIC. On our table, there are only a few issues to be resolved. In this session, I am sure that with your common sense and spirit of cooperation, we will reach consensus on these issues easily and finalize the rules of origin of TPSOIC for submission to the signature of our Ministers.

In fact, to meet the target date of January 1<sup>st</sup>, 2009, for the establishment of the TPS-OIC, as announced by the Ministers of Commerce, we need to expedite our work on the rules of origin and other remaining issues. Making the TPS-OIC operational by the target date requires the entry into force of two agreements, namely PRETAS and the



Rules of Origin by approximately summer 2008. This is because additional time will be needed to finalize the preparations before the end of 2008, such as adjusting our customs procedures and exchanging and finalizing concession lists.

To expedite entry into force of both agreements, we, as the member countries of the Trade Negotiating Committee, should exert more effort to conclude ratification of the PRETAS on the one hand, and finalize our deliberations on the rules of origin on the other.

Once again, I appeal to the common sense of the house to finalize the text of rules of origin today and present it to our ministers for signature.

Distinguished Delegates,

Turkey is pleased to host the Second Round of Trade Negotiations among the OIC member countries. I would like to express my sincere thanks and appreciation to the member countries of the Trade Negotiating Committee for their cooperation and hard work in bringing the trade negotiations to this advanced stage. I am confident that we will complete this session with success.

Seizing this opportunity, I would also like to thank the Islamic Development Bank (IDB) and TNC Secretariat for their support and practical contributions to the success of these meetings.

I wish you all a pleasant stay in Ankara.

Thank you.



**ANNEX  
III**



Original: English

**MESSAGE OF  
H.E. PROF. EKMELEDDİN İHSANOĞLU  
SECRETARY GENERAL OF THE ORGANIZATION OF THE  
ISLAMIC CONFERENCE (OIC)  
TO THE FOURTH MEETING OF THE SECOND ROUND  
OF TRADE NEGOTIATIONS FOR THE ESTABLISHMENT OF THE  
TRADE PREFERENTIAL SYSTEM AMONG OIC MEMBER STATES,**

**(Ankara, 10 September 2007)**

H.E. Mr. Kürşat Tüzmen,  
Minister of State, In charge of Foreign Trade,

Excellencies the Ministers,  
Distinguished Delegates,  
Ladies and Gentlemen,

Assalamu Alaykum Wa Rahmatullahi Wa Barakatuh

First of all, I wish to thank H.E. Mr. Kürşat Tüzmen, State Minister, In Charge of Foreign Trade and the COMCEC Coordination Office for the kind invitation extended to me to attend the Fourth Meeting of the Second Round of Trade Negotiating Committee of the Protocol on the Preferential Tariffs Scheme (PRETAS) for the Framework Agreement on the Trade Preferential System of the Organization of the Islamic Conference (TPS-OIC) for which I am thankful and would like to express my sincere thanks to the esteemed Government of the Republic of Turkey for hosting this august meeting.

Trade has all along been the central feature in the development of intra-OIC cooperation. Trade is also the link that strengthens connections between States and reinforces the bonds of fraternity among Member States of the Organization of the Islamic Conference. Member States of the OIC welcome efforts towards increased trade so that we can compete internationally. The Framework Agreement on Trade Preferential System among OIC Member

States is the outcome of these efforts as well an expression of the OIC for more intensive trade cooperation.

The implementation of PRETAS will also pave the way for the realization of one of the most important objectives of the Ten-year Programme of Action adopted by the Makkah Summit; fostering sustainable development of Member States by increasing intra-OIC trade.

Therefore I appeal to those Member States which have not yet signed PRETAS to do so and to ratify it as soon as possible. I also call on all participating delegations and all relevant organs and institutions to support the OIC to bring this agreement into effect. It is notable that as of today, only ten OIC Member States have signed PRETAS and only two have ratified this Protocol.

This Fourth and last Meeting of the Second Round of the Trade Negotiations will witness the signing ceremony of the (TPS-OIC) Rules of Origin at the Second Meeting of the Ministers of Commerce of Member States of the TNC during the official closing of the Second Round. The adoption of these Rules of Origin will constitute an important milestone in the history of TPS-OIC and PRETAS.

I am also convinced that the data on Para-Tariff and Non-Tariff Measures to be submitted by Member States of TNC will contribute significantly to move forward the negotiations during this Fourth Session on the methods of eliminating Para-Tariff and Non-Tariff Measures. I look forward to the adoption, in the near future, of Para-Tariff and Non-Para-tariff Measures in OIC Member Countries.

Before concluding, I would like to assure you that the Committee could count on my full support and the one of the General Secretariat to make this Second Round of Negotiation of TNC a success.

Wassalamu Alaykum Wa Rahamatullahi Wa Barakatuh

**ANNEX  
IV**





Original: English

**AGENDA OF THE  
FOURTH MEETING OF THE SECOND ROUND  
OF TRADE NEGOTIATIONS  
FOR ESTABLISHING THE TRADE PREFERENTIAL SYSTEM  
AMONG THE OIC MEMBER STATES (TPS-OIC)**

**(Ankara, 10 September 2007)**

1. Opening Session
2. Adoption of the Agenda
3. Presentation by the Trade Negotiating Committee Secretariat
4. TPS-OIC Rules of Origin
5. Adoption of the TPS-OIC Rules of Origin
6. Para-Tariff and Non-Tariff Measures in the Preferential Tariff Scheme (PRETAS)
7. Issues related to the signing and ratification of the PRETAS and TPS-OIC Rules of Origin
8. Any other business
9. Closing Session
  - a. Adoption of the Report
  - b. Closing Remarks



**ANNEX  
V**



**TRADE PREFERENTIAL SYSTEM  
AMONG THE MEMBER STATES OF  
THE ORGANISATION OF THE ISLAMIC CONFERENCE (TPS-OIC)**

**TPS-OIC RULES OF ORIGIN**

**PREAMBLE**

The Member States of the Trade Negotiating Committee for Establishing the Trade Preferential System among the Member States of OIC (TPS-OIC);

*In compliance with* the objectives of the OIC's Charter;

*Recalling* the resolutions of the Islamic Conference of Foreign Ministers (ICFM) and the Standing Committee for Economic and Commercial Cooperation (COMCEC) recommending the establishment of the TPS-OIC;

*Re-affirming* the resolution of the 3<sup>rd</sup> Extraordinary Islamic Summit regarding raising the intra-OIC trade to the target level of 20 percent by the end of the 10-Year Programme of Action period, and recalling the 33<sup>rd</sup> ICFM resolution emphasizing the TPS-OIC as the basis for achieving this target;

*In pursuance* of the aims and principles of the Framework Agreement on Trade Preferential System Among the Member States of the Organization of the Islamic Conference (TPS-OIC) and the Protocol on Preferential Tariff Scheme (PRETAS);

Have agreed on the following:

**CHAPTER I  
GENERAL PROVISIONS**

**Article 1  
Scope**

1. This document is called "TPS-OIC Rules of Origin"
2. TPS-OIC Rules of Origin shall be applied for determining the origin of products eligible for preferential concessions under the Framework Agreement on Trade Preferential System Among the Member States of the Organisation of the Islamic Conference (Hereinafter referred to as Framework Agreement) and the Protocol on Preferential Tariff Scheme (Hereinafter referred to as PRETAS).

## **Article 2 Definitions**

For the purposes of this TPS-OIC Rules of Origin:

- a) "chapters" and "headings" means the chapters and tariff headings (four-digit codes) used in the nomenclature which makes up the Harmonized Commodity Description and Coding System, referred to in this TPS-OIC Rules of Origin as "the Harmonized System" or "HS";
- b) "classified" refers to the classification of a product or material under a particular heading;
- c) "consignment" means products which are either sent simultaneously from one exporter to one consignee or covered by a single transport document covering their shipment from the exporter to the consignee or, in the absence of such a document, by a single invoice;
- d) "customs value" means the transaction value of imported goods, which is the price actually paid or payable for the goods when sold for export to the country of importation, including other leviable charges and adjustment. In cases where the Customs value cannot be determined on the basis of transaction value, it will be determined using one of the following methods:
  - The transaction value of identical goods;
  - The transaction value of similar goods;
  - The deductive value method;
  - The computed value method;
  - The fall-back method;
- e) "goods" means both materials and the products;
- f) "manufacture" means any kind of working or processing including assembly or specific operations on both of industrial and agricultural products;
- g) "material" means any ingredient, raw material, component or part, etc., used in the manufacture of the product;
- h) "product" means the product being manufactured, even if it is intended for later use in another manufacturing operation;
- i) "territories" means territories of Participating States including territorial waters;
- j) "value of materials" means the customs value at the time of importation of the non-originating materials used, or, if this is not known and cannot be ascertained, the first ascertainable price paid for the non-originating materials in a Participating State;

- k) "value of originating materials" means the value of such materials as defined in subparagraph (j) applied *mutatis mutandis*;
- l) "value added" shall be taken to be the ex-works price minus the customs value of each of the materials incorporated which originate in the other Participating States or, where the customs value is not known or cannot be ascertained, the first ascertainable price paid for the materials in a Participating State;
- m) "ex-works price" means the price paid for the product ex-works to the manufacturer in the Participating State in whose undertaking the last working or processing is carried out, provided that the price includes the value of all the materials used, minus any internal taxes which are, or may be, repaid when the product obtained is exported.

## **CHAPTER II ORIGINATING PRODUCTS**

### **Article 3 General Requirements**

Products covered by preferential trading arrangements under the Framework Agreement imported into the territory of a Participating State from another Participating State which are consigned directly within the meaning of Article 13 hereof, shall be eligible for preferential concessions if they conform to the origin requirement under any one of the following conditions:

- a) products wholly produced or obtained in the exporting Participating State as defined in Article 4; or
- b) products obtained in a Participating State incorporating materials which have not been wholly obtained there, provided that such materials have undergone sufficient working or processing in that Participating State within the meaning of Article 5.

### **Article 4 Wholly Produced or Obtained Products**

1. Within the meaning of Article 3 (1), the following shall be considered as wholly produced or obtained in the exporting Participating State:
  - a) raw or mineral products extracted from its soil, its water or from its seabeds;
  - b) agricultural products harvested, picked or gathered there including forestry products;

- c) live animals born and raised there;
  - d) products obtained from animals born and/or raised there;
  - e) products obtained by hunting, fishing or aquaculture activities conducted there;
  - f) products of sea fishing and other marine products taken from the sea outside the territorial waters of the Participating States by their vessels;
  - g) products processed and/or made on board its factory ships exclusively from products referred to in sub-paragraphs (e, f) above;
  - h) used articles collected there, fit only for the recovery of raw materials;
  - i) waste and scrap resulting from manufacturing operations conducted there;
  - j) goods produced there exclusively from the products referred to in paragraph (a) to (i) above.
2. The terms "their vessels" and "their factory ships" in paragraph 1(f) shall apply only to vessels and factory ships:
- a) which are registered or recorded in the Participating States; or
  - b) which sail under the flag of the Participating States; or
  - c) which are owned to an extent of at least 60 percent by nationals of one Participating State, or 75 percent by nationals of Participating States or by a company with its head office in one of these States, of which the manager or managers, Chairman of the Board of Directors or the Supervisory Board, and the majority of the members of such boards are nationals of a Participating State and of which, in addition, in the case of partnerships or limited companies, at least half the capital belongs to those States or to public bodies or nationals of the said States.

### **Article 5** **Sufficiently Worked or Processed Products**

1. For the purposes of Article 3 (2), non-originating materials which are used in the manufacture of the products obtained in a Participating State shall be regarded as sufficiently worked or processed provided that the value of such materials does not exceed 60 percent of the ex-works price of the product. The Trade Negotiating Committee may revisit this rate five years after the entry into force of this TPS-OIC Rules of Origin.
2. In addition to the 60 percent mentioned in paragraph 1, least developed Participating States are allowed to use extra 10 percent non originating materials in the manufacture of the export products for five years after entry into force of this TPS-OIC Rules of Origin.



**Article 6**  
**Cumulation in the Participating States**

1. Without prejudice to the provisions of Article 3, products shall be considered as originating in a Participating State if such products are obtained there, incorporating materials originating in the other Participating States, provided that:
  - a) the working or processing carried out in that Participating State goes beyond the operations referred to in Article 7; and
  - b) the aggregate content originating in the territory of the Participating State is not less than 40 percent of its ex-works price;
  - c) the aggregate content originating in a least developed Participating State is not less than 30 percent of its ex-works price for five years after entry into force of this TPS-OIC Rules of Origin.
2. Where the working or processing carried out in the Participating State does not go beyond the operations referred to in Article 7, the product obtained shall be considered as originating in a Participating State only where the value added there is greater than the value of the materials used originating in any one of the other Participating States. If this is not so, the product obtained shall be considered as originating in the country which accounts for the highest value of originating materials used in the manufacture in the Participating State.
3. Products, originating in one of the Participating States, which do not undergo any working or processing in a Participating State, retain their origin if exported to one of the Participating States.

**Article 7**  
**Insufficient Working or Processing**

1. The following operations shall be considered as insufficient working or processing to confer the status of originating products, whether or not the requirements of Articles 5 and 6 are satisfied:
  - a) packing;
  - b) simple mixing<sup>(1)</sup>;
  - c) simple placing in bottles, cans, flasks, bags, cases, boxes, fixing on cards or boards and all other simple-packaging operations;
  - d) labelling, affixing or printing marks, labels, logos and other like distinguishing signs on products or their packaging;

(1) *Simple mixing: does not include chemical reaction.*

- e) splitting into lots;
  - f) sorting or grading;
  - g) marking;
  - h) putting up into sets;
  - i) simple assembly<sup>(1)</sup>;
  - j) preserving operations to ensure that the products remain in good condition during transport and storage;
  - k) breaking up and assembly of packages;
  - l) washing, cleaning; removal of dust, oxide, oil, paint or other coverings;
  - m) ironing or pressing of textiles;
  - n) simple painting and polishing operations, husking, partial or total bleaching, polishing, and glazing of cereals and rice;
  - o) operations to colour sugar or form sugar lumps;
  - p) peeling, stoning and shelling of fruits, nuts and vegetables;
  - q) sharpening, simple grinding or simple cutting;
  - r) sifting, screening, sorting, classifying, grading, matching; (including the making-up of sets of articles);
  - s) slaughter of animals.
2. All operations carried out either in a Participating State on a given product shall be considered together when determining whether the working or processing undergone by that product is to be regarded as insufficient within the meaning of paragraph 1.

### **Article 8 Unit of Qualification**

1. For the purposes of this TPS-OIC Rules of Origin, goods, materials and products shall be classified in accordance with Harmonized Commodity Description and Coding System (HS).
- a) If a product is composed of a group or assembly of articles but is classified in a single heading, it shall be regarded as a single item under the terms of the Harmonized System;
  - b) If a consignment consists of a number of identical products but is classified under the same heading of the Harmonized System, each product must be taken into account individually for classification purposes.

(1) *Simple assembly: describes activity which does not require the use of specially designed machines or apparatus or equipment and relevant training.*

2. Where, under General Rule 5 of the HS, packaging is included with the product for classification purposes, it shall be included for the purposes of determining origin.

**Article 9**  
**Accessories, Spare Parts and Tools**

Accessories, spare parts and tools dispatched with a piece of equipment, machine, apparatus or vehicle shall be regarded as one with the piece of equipment, machine, apparatus or vehicle in question provided that;

- a) they are the part of the normal equipment; and
- b) they are included in the price thereof; or
- c) they are not separately invoiced.

**Article 10**  
**Sets**

Sets, as defined in General Rule 3 of the Harmonized System, shall be regarded as originating when all component products are originating. Nevertheless, when a set is composed of originating and non-originating products, the set as a whole shall be regarded as originating in accordance with the requirements in Article 5 or 6.

**Article 11**  
**Neutral Elements**

In order to determine whether a product originates, it shall not be necessary to determine the origin of the following which might be used in its manufacture:

- a) energy and fuel;
- b) plant and equipment;
- c) machines and tools;
- d) goods which do not enter and which are not intended to enter into the final composition of the product.

**Article 12  
Prohibition**

Any Participating State may prohibit importation of products containing any inputs originating from non-Participating States with which it does not want to have economic and commercial relations.

**CHAPTER III  
TERRITORIAL REQUIREMENTS**

**Article 13  
Direct Consignment**

The following shall be considered as directly consigned from the exporting Participating State to the importing Participating State:

- a) If the products are transported without passing through the territory of any non-Participating State;
- b) The products whose transport involves transit through one or more intermediate non-Participating States with or without transshipment or temporary storage in such countries, provided that:
  - (i) the transit entry is justified for geographical reasons or by considerations related exclusively to transport requirements;
  - (ii) the products have not entered into trade or consumption there;
  - (iii) the products have not undergone any operation there other than unloading and reloading or any operation required to keep them in good condition; and
  - (iv) evidence that the conditions set out in (ii) and (iii) above has been complied with, such as Bill of Lading or a single transport document covering the passage from the exporting country through the country of transit; or failing these, any substantiating documents.

**Article 14  
Exhibitions**

1. Originating products, sent for exhibition outside the Participating States and sold after the exhibition for importation in a Participating State shall benefit on importation from the provisions of the Framework Agreement provided it is shown to the satisfaction of the customs authorities that:
  - a) an exporter has consigned these products from a Participating State to the country in which the exhibition is held and has exhibited them there;

- b) the products have been sold or otherwise disposed of by that exporter to a person in a Participating State;
  - c) the products have been consigned during the exhibition or immediately thereafter in the state in which they were sent for exhibition; and
  - d) the products have not, since they were consigned for exhibition, been used for any purpose other than demonstration at the exhibition.
2. A TPS-OIC Certificate of Origin must be issued or made out in accordance with the provisions of Chapter IV and submitted to the customs authorities of the importing country in the normal manner. The name and address of the exhibition must be indicated thereon. Where necessary, additional documentary evidence of the conditions under which they have been exhibited may be required.
  3. Paragraph 1 shall apply to any trade, industrial, agricultural or crafts exhibition, fair or similar public show or display which is not organized for private purposes in shops or business premises with a view to the sale of foreign products, and during which the products remain under customs control.

## **CHAPTER IV TPS-OIC CERTIFICATE OF ORIGIN**

### **Article IS General Requirements**

Products originating in a Participating State shall, on importation into the other Participating State benefit from the Framework Agreement upon submission of a TPS-OIC Certificate of Origin, a specimen of which is annexed herewith.

### **Article 16 Procedure for the Issue of a TPS-OIC Certificate of Origin**

1. A TPS-OIC Certificate of Origin shall be issued by the Customs or the relevant competent authorities designated by the government of the exporting country, herein after referred to as issuing authority, on application having been made in writing by the exporter or, under the exporter's responsibility, by his authorized representative.
2. For this purpose, the exporter or his authorized representative shall fill out both the TPS-OIC Certificate of Origin and the application forms, specimens of which are annexed herewith. The said forms shall be completed in one of the official languages of the OIC and in accordance with the provisions of the domestic law of the exporting country. If they are handwritten, they shall be completed in ink

in printed characters. The description of the products must be given in the Box. 7 of the attached forms, which is reserved for this purpose without leaving any blank lines. Where the said box is not completely filled, a horizontal line must be drawn below the last line of the description, the empty space being crossed through.

3. The exporter applying for the issuance of a TPS-OIC Certificate of Origin shall be prepared to submit at any time, at the request of the Customs or the competent authorities of the exporting country where the TPS-OIC Certificate of Origin is issued, all appropriate documents proving the originating status of the products concerned as well as the fulfilment of the other requirements of the Annex.
4. A TPS-OIC Certificate of Origin shall be issued by the Customs or the competent authorities of a Participating State if the products concerned can be considered as products originating in one of the Participating States and fulfil the other requirements of this TPS-OIC Rules of Origin. The origin state of the goods shall be indicated in Box. 3 of the certificate.
5. The authorities issuing the TPS-OIC Certificate of Origin shall take any steps necessary to verify the originating status of the products and the fulfilment of the other requirements of this TPS-OIC Rules of Origin. For this purpose, they shall have the right to call for any evidence and to carry out any inspection of the exporter's accounts or any other check considered appropriate. The issuing authorities shall also ensure that the forms referred to in paragraph 2 are duly completed. In particular, they shall check whether the space reserved for the description of the products in Box. 7 has been completed in such a manner as to exclude all possibility of fraudulent additions.
6. A TPS-OIC Certificate of Origin shall be issued and made available to the exporter as soon as actual exportation has been effected or ensured.

### **Article 17** **Certificates of Origin Issued Retrospectively**

1. A TPS-OIC Certificate of Origin may exceptionally be issued after exportation but no longer than six months from the date of shipment of the products to which it relates if:
  - a) it was not issued at the time of exportation because of errors or involuntary omissions or special circumstances; or
  - b) it is demonstrated to the satisfaction of the Customs or the competent authorities that a TPS-OIC Certificate of Origin was issued but was not accepted at importation for technical reasons.

2. For the implementation of paragraph 1, the exporter must indicate in his application the place and date of exportation of the products to which the TPS-OIC Certificate of Origin relates, and state the reasons for his request.
3. A TPS-OIC Certificate of Origin may be issued retrospectively only after verifying that the information supplied in the exporter's application agrees with that in the corresponding file.
4. Certificates of origin issued retrospectively must be endorsed with one of the following versions of phrases:  

*"ISSUED RETROSPECTIVELY"*  
*"Other versions" (The versions of above mentioned phrase in one of the official languages of the OIC shall be applied.)*
5. The endorsement referred to in paragraph 4 shall be inserted in the Box. 6 (Remarks) of the TPS-OIC Certificate of Origin.

#### **Article 18**

##### **Issue of a Duplicate TPS-OIC Certificate of Origin**

1. In the event of theft, loss or destruction of a TPS-OIC Certificate of Origin, the exporter may apply to the Customs or the competent authorities which issued it for a duplicate made out on the basis of the export documents in their possession.
2. The duplicate issued in this way must be endorsed with one of the following versions of words:  

*"DUPLICATE"*  
*"Other versions ( The versions of above mentioned phrase in one of the official languages of the OIC shall be applied.)*
3. The endorsement referred to in paragraph 2 shall be inserted in the Box. 6 (Remarks) of the duplicate TPS-OIC Certificate of Origin.
4. The duplicate, which must bear the date of issue of the original TPS-OIC Certificate of Origin, shall take effect as from that date.

#### **Article 19**

##### **Issue of Certificates of Origin on the Basis of a TPS-OIC Certificate of Origin Issued or Made out Previously**

1. When originating products are placed under the control of a customs office in a Participating State, it shall be possible to replace the original TPS-OIC Certificate of Origin by one or more TPS-OIC certificates of origin for the

purpose of sending all or some of these products elsewhere within that Participating State for the customs clearance of the products. In this case, the replacement TPS-OIC certificate(s) of origin shall be issued by the customs or the competent authorities under whose control the products are placed.

In case that all or part of the products originating in one of the Participating States which are imported or placed into the Customs Warehouses under the control of a customs office in a Participating State are sent to another Participating State, a new TPS-OIC Certificate of Origin must be issued by the customs or the competent authorities under whose control the products are placed. In this case, the origin state shall be indicated in Box. 3 of the TPS-OIC Certificate of Origin.

### **Article 20** **Validity of TPS-OIC Certificate of Origin**

1. A Certificate of Origin shall be valid for six months from the date of issue in the exporting country, and must be submitted within the said period to the customs authorities of the importing country.
2. Certificates of origin which are submitted to the customs authorities of the importing country after the final date for presentation specified in paragraph 1 may be accepted for the purpose of applying preferential treatment, where the failure to submit these documents by the final date set is due to exceptional circumstances which are beyond the control of the exporter.
3. In other cases of belated presentation, the customs authorities of the importing country may accept the certificates of origin where the products have been submitted before the said final date.

### **Article 21** **Submission of TPS-OIC Certificate of Origin**

Certificates of origin shall be submitted to the customs authorities of the importing country in accordance with the procedures applicable in that country. The said authorities may require a translation of a TPS-OIC Certificate of Origin and may also require the relevant document to be accompanied by a statement from the importer to the effect that the products meet the conditions required for the implementation of the Framework Agreement.



**Article 22**  
**Importation by Instalments**

Where, at the request of the importer and on the conditions laid down by the customs authorities of the importing country, dismantled or non-assembled products within the meaning of General Rule 2 (a) of the Harmonized System falling within Sections XVI and XVII or heading Nos. 7308 and 9406 of the Harmonized System are imported by instalments, a single TPS-OIC Certificate of Origin for such products shall be submitted to the customs authorities upon importation of the first instalment.

**Article 23**  
**Supporting Documents**

The documents referred to in Article 16 (3) used for the purpose of proving that products covered by a TPS-OIC Certificate of Origin can be considered as products originating in one of the Participating States and fulfil the other requirements of this TPS-OIC Rules of Origin may consist *inter alia* of the following:

- a) direct evidence of the processes carried out by the exporter or supplier to obtain the goods concerned, contained for example in his accounts or internal bookkeeping;
- b) documents proving the originating status of materials used, issued or made out in one of the Participating States where these documents are used in accordance with domestic law;
- c) documents proving the working or processing of materials in one of the Participating States, issued or made out in that Participating State, where these documents are used in accordance with domestic law;
- d) TPS-OIC Certificate of Origin proving the originating status of materials used, issued or made out in a Participating State in accordance with this TPS-OIC Rules of Origin.

**Article 24**  
**Preservation of TPS-OIC Certificate of Origin and Supporting Documents**

1. The exporter applying for the issue of a TPS-OIC Certificate of Origin shall keep for at least three years the documents referred to in Article 16 (3).
2. The customs or the competent authorities of the exporting country issuing a TPS-OIC Certificate of Origin shall keep for at least three years the application form referred to in Article 16 (2).

3. The customs authorities of the importing country shall keep for at least three years the TPS-OIC Certificate of Origin submitted to them.

**Article 25**  
**Discrepancies and Formal Errors**

- 1.. The discovery of slight discrepancies between the statements made in the TPS-OIC Certificate of Origin and those made in the documents submitted to the customs office for the purpose of carrying out the formalities for importing the products shall not *ipso facto* render the TPS-OIC Certificate of Origin null and void if it is duly established by the customs authority of the importing country that this document does correspond to the products submitted.
2. Obvious formal errors such as typing errors on a TPS-OIC Certificate of Origin should not cause this document to be rejected if these errors are not such as to create doubts concerning the correctness of the statements made in this document.
3. In case that products, which are not eligible for the preferential regime under the TPS-OIC, are listed in the TPS-OIC Certificate of Origin, it shall not affect or delay the products which fulfil the conditions of this TPS-OIC Rules of Origin for granting preferential treatment and are listed in the same TPS-OIC Certificate of Origin.

**CHAPTER V**  
**ARRANGEMENTS FOR ADMINISTRATIVE COOPERATION**

**Article 26**  
**Mutual assistance**

1. The Participating States shall provide each other with specimen impressions of stamps used in their Customs or the competent authorities for the issue of TPS-OIC Certificate of Origin and with the specimens of stamps and addresses of the customs authorities or competent authorities responsible for verifying those certificates.
2. In order to ensure the proper application of this TPS-OIC Rules of Origin, the Participating States shall assist each other, through the competent customs administrations and competent and duly authorized bodies, in checking the authenticity of the certificates of origin and the correctness of the information given in these documents.

**Article 27**  
**Verification of Certificates of Origin**

1. Subsequent verifications of the certificates of origin shall be carried out at random or whenever the customs authorities of the importing country have reasonable doubts as to the authenticity of such documents, the originating status of the products concerned or the fulfilment of the other requirements of this TPS-OIC Rules of Origin.
2. For the purposes of implementing the provisions of paragraph 3, the customs authorities of the importing country shall return the TPS-OIC Certificate of Origin and the invoice or a copy of these documents, to the customs authorities or the competent authorities of the exporting country giving, where appropriate, the reasons for the enquiry. Any documents and information obtained suggesting that the information given on the TPS-OIC Certificate of Origin is incorrect shall be forwarded in support of the request for verification.
3. The verification shall be carried out by the customs or the competent authorities of the exporting country. For this purpose, the customs or the competent authorities shall have the right to call for any evidence and to carry out any inspection of the exporter's accounts or any other check considered appropriate.
4. If the customs authorities of the importing country decided to suspend the granting of preferential treatment to the products concerned while awaiting the results of the verification, release of the products shall be offered to the importer subject to any precautionary measures judged necessary.
5. The customs authorities requesting the verification shall be informed of the results of this verification as soon as possible. These results must indicate clearly whether the documents are authentic and whether the products concerned can be considered as products originating in one of the Participating States and fulfil the other requirements of this TPS-OIC Rules of Origin.
6. Where the cumulation provisions in accordance with Article 6 of this TPS-OIC Rules of Origin were applied and in connection with Article 16 (4). the reply shall include a copy (copies) of the certificate(s) relied upon.
7. If, in cases of reasonable doubt, there is no reply within ten months of the date of the verification request or if the reply does not contain sufficient information to determine the authenticity of the document in question or the real origin of the products, the requesting customs authorities shall, except in exceptional circumstances, refuse entitlement to the preferences.

**Article 28**  
**Dispute Settlement**

1. Any dispute that may arise among the Participating States regarding the implementation or interpretation of the provisions of this TPS-OIC Rules of Origin, shall be settled amicably through consultations, as provided for in Article 15 of the Framework Agreement, between the Participating States party to the dispute. To this end, the Participating States shall appoint their national focal points.
2. The dispute may be referred to the Trade Negotiating Committee by the relevant national focal point, if a solution is not reached through consultation. The Trade Negotiating Committee may establish a sub-committee, on *ad-hoc* basis, for this purpose in accordance with Article 22 of its Rules of Procedure.
3. In all cases, the settlement of disputes between the importer and the customs authorities of the importing country shall be under the legislation of the said country.

**Article 29**  
**Penalties**

In accordance with national legislation, penalties shall be imposed on any person who draws up, or causes to be drawn up, a document which contains incorrect information for the purpose of obtaining a preferential treatment for products.

**Article 30**  
**Free Zones**

1. The Participating States shall take all necessary steps to ensure that products traded under cover of a TPS-OIC Certificate of Origin, which in the course of transport, use a free zone situated in their territory, are not substituted by other goods and do not undergo handling other than normal operations designed to prevent their deterioration.
2. By means of an exemption to the provisions contained in paragraph 1, when products originating in a Participating State are imported into a free zone under cover of a TPS-OIC Certificate of Origin and undergo treatment or processing, the authorities concerned shall issue a new TPS-OIC Certificate of Origin at the exporter's request, if the treatment or processing undergone is in conformity with the provisions of this TPS-OIC Rules of Origin.

**CHAPTER VI  
FINAL PROVISIONS**

**Article 31  
Goods in Transit and Storage**

Goods which conform to the provisions of Chapter II and which on the date of entry into force of the Framework Agreement are either being transported or are being held in a Participating State in temporary storage, in bonded warehouses or in free zones, may be accepted as originating products subject to the submission, within four months from the date of entry into force of the Agreement, to the customs authorities of the importing country of TPS-OIC Certificate of Origin, drawn up retrospectively, and of any documents that provide supporting evidence of the conditions of transport.

**Article 32  
Amendments**

1. The provisions of this TPS-OIC Rules of Origin may be reviewed, as and when necessary, upon request of one third of the Participating States. The Trade Negotiating Committee may decide to amend the provisions of this TPS-OIC Rules of Origin.
2. Any amendment under this provision shall be adopted by two thirds of the Participating States, if a consensus is not achieved during the related Trade Negotiating Committee session.

**Article 33  
Entry Into Force**

1. The Framework Agreement and the Protocol on Preferential Tariff Scheme (PRETAS) shall be the reference documents in terms of issues not included in the TPS-OIC Rules of Origin.
2. The TPS-OIC Rules of Origin shall enter into force on the thirtieth day of the date of receipt by the depository of instruments of ratification, acceptance or approval by at least ten Governments of the Participating States. Subsequent accession to this TPS-OIC Rules of Origin by any Participating State shall be effective one month after the date on which it has deposited its instrument of ratification.
3. The General Secretariat of the OIC shall be the depository of the TPS-OIC Rules of Origin. The General Secretariat shall notify all Participating or Contracting States that have signed the TPS-OIC Rules of Origin of the deposit of any

instrument of ratification, acceptance, or approval, the entry into force of the TPS-OIC Rules of Origin, any other act or notification relating to the TPS-OIC Rules of Origin or to its validity.

**Article 34**  
**Annex**

Annex to this TPS-OIC Rules of Origin shall form an integral part thereof.

This TPS-OIC Rules of Origin is done in the Arabic, English and French languages each text being equally authentic. In case of discrepancy in interpretation, the English version shall prevail.

Done in Ankara, on twelfth day of September in the year two thousand and seven.

## **ANNEX**

### **SPECIMENS OF TPS-OIC CERTIFICATE OF ORIGIN AND APPLICATION FOR A TPS-OIC CERTIFICATE OF ORIGIN**

#### Printing instructions

1. Each form shall measure 210 x 297 mm; a tolerance of up to minus 5 mm or plus 8 mm in length may be allowed. The paper used must be white, sized for writing, not containing mechanical pulp and weighing not less than 25 g/rrr it shall have a printed green guilloche pattern background making any falsification by mechanical or chemical means apparent to the eye.
2. The Customs or the competent authorities of the Participating States may reserve the right TO print the forms themselves or may have them printed by approved printers. In the latter case, each form must include a reference number bearing initials of name (e.g TR for Turkey) of Participating States to such approval. Each form must bear the name and address of the printer or a mark by which the printer can be identified. It shall also bear a serial number, either printed or not, by which it can be identified.





**VERIFICATION REGARDING TPS-OIC CERTIFICATE OF ORIGIN <sup>(1)</sup>**

Request for Verification, to	Result of Verification
	Verification carried out shows that this certificate <sup>(2)</sup>
	was issued by the customs or competent authorities indicated and that the information contained therein is accurate.
	does not meet the requirements as to authenticity and accuracy (see remarks appended).
Verification of the authenticity and accuracy of this certificate is requested.	
(Place and date)	(Place and date) Stamp
Stamp	(Signature)
(Signature)	(*) <i>Insert X in the appropriate box.</i>

(1) Verification in accordance with Article 27 of TPS-OIC Rules of Origin.

## NOTES

1. Certificate must not contain erasures or words written over one another. Any alterations must be made by deleting the incorrect particulars and adding any necessary corrections. Any such alteration must be initialed by the person who completed the certificate and endorsed by the Customs Administration or the competent authorities of the issuing Participating State.
2. No spaces must be left between the items entered on the certificate and each item must be preceded by an item number. A horizontal line must be drawn immediately below the last item. Any unused space must be struck through in such a manner as to make any later additions impossible.
3. Goods must be described in accordance with commercial practice and with sufficient details to enable them to be identified.

**APPLICATION FOR A TPS-OIC CERTIFICATE OF ORIGIN**

<b>1. Exporter</b> (Name, full address, country)		See notes overleaf before completing this form.	
<b>2. Consignee</b> (Name, full address, country)	<b>3. Participating State in which the products are considered as originating</b>		
<b>4. Participating State of destination</b>			
<b>5. Transport details</b>	<b>6. Remarks (*)</b>  Cumulation applied with..... <i>(name of the country/countries)</i>  No cumulation applied.  <i>(*) Insert X in the appropriate box.</i>		
<b>7. Item number HS code six-digits description of goods; Marks and numbers; Number and kind of packages (1)</b>	<b>8. Gross weight (kg) or other measure (litres, m<sup>3</sup>, etc.)</b>	<b>9. Invoices number and date</b>	

*(1) If goods are not packed, indicate number of articles or state " in bulk " as appropriate.*

DECLARATION BY THE EXPORTER

I, the undersigned, exporter of the goods described overleaf,

DECLARE that the goods meet the conditions required for the issue of the attached certificate;

SPECIFY as follows the circumstances which have enabled these goods to meet the above conditions:.....  
.....  
.....  
.....  
.....

SUBMIT the following supporting documents (1):.....  
.....  
.....  
.....  
.....

UNDERTAKE to submit, at the request of the appropriate authorities, any supporting evidence which these authorities may require for the purpose of issuing the attached certificate, and undertake, if required, to agree to any inspection of my accounts and to any check on the processes of manufacture of the above goods carried out by the said authorities;

REQUEST for the issuance of the TPS-OIC Certificate of Origin in respect of these goods.

(Place and date)

(Signature)

(1) For example : import documents, TPS-OIC certificates, invoices, manufacturer's declarations, etc., referring to the products used in manufacture or to the goods re-exported in the same state.

TPS-OIC RULES OF ORIGIN

	<b>DATE</b>	<b>SIGNATURE</b>
1. People's Republic of Bangladesh.....		
2. Republic of Cameroon.....		
3. Arab Republic of Egypt.....		
4. Republic of Guinea.....		
5. Islamic Republic of Iran.....		
6. Hashemite Kingdom of Jordan.....		
7. Republic of Lebanon.....		
8. The Great Socialist People's Libyan Arab Jamahiriya.....		
9. Malaysia.....		
10. Republic of Maldives.....		
11. Kingdom of Morocco.....		
12. Sultanate of Oman.....		
13. Islamic Republic of Pakistan.....		
14. State of Qatar.....		
15. Republic of Senegal.....		
16. Syrian Arab Republic.....		
17. Republic of Tunisia.....		
18. Republic of Turkey.....		
19. Republic of Uganda.....		
20. The State of United Arab Emirates.....		



REPORT OF THE SECOND MEETING OF THE MINISTERS  
OF COMMERCE OF THE MEMBER STATES  
OF TRADE NEGOTIATING COMMITTEE

(Ankara, 12 September 2007)





Original: English

**REPORT**  
**OF THE SECOND MEETING OF THE MINISTERS OF COMMERCE**  
**OF THE MEMBER STATES OF TRADE NEGOTIATING COMMITTEE**

**(Ankara, 12 September 2007)**

1. The Second Meeting of the Ministers of Commerce of the Member States of Trade Negotiating Committee was held in Ankara on September 12<sup>th</sup> 2007 following the 4<sup>th</sup> Meeting of the Second Round of Trade Negotiating Committee, with the participation of the following Member States;

- People's Republic of Bangladesh
- Republic of Cameroon
- Arab Republic of Egypt
- Republic of Guinea
- Islamic Republic of Iran
- Hashemite Kingdom of Jordan
- The Great Socialist People's Libyan Arab Jamahiriya
- Malaysia
- Republic of Maldives
- Kingdom of Morocco
- Sultanate of Oman
- Islamic Republic of Pakistan
- State of Qatar
- Syrian Arab Republic
- Republic of Senegal
- Republic of Tunisia
- Republic of Turkey
- Republic of Uganda
- The State of the United Arab Emirates

TPS-OIC/TNC-2R/04-07/Ms.Rep.

2. Representatives of the following OIC Member States that have not yet signed or ratified the Framework Agreement on TPS-OIC also attended the meeting as observers:

- People's Democratic Republic of Algeria
- Republic of Iraq (Signatory)
- State of Kuwait (Signatory)
- Federal Republic of Nigeria (Signatory)
- Kingdom of Saudi Arabia (Signatory)
- Republic of the Sudan (Signatory)
- Republic of Yemen

3. Representatives of the General Secretariat of OIC and the following Organizations also attended the meeting:

- COMCEC Coordination Office (as a member of the TNC Secretariat)
- Islamic Centre for Development of Trade (ICDT) (as a member of the TNC Secretariat)
- Islamic Development Bank (IDB)
- Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRTCIC)
- Islamic Chamber of Commerce and Industry (ICO)
- D-8

(Copy of the Agenda is attached as Annex VI.)

### **Speeches (Agenda Item 1)**

4. Second Ministerial Meeting was chaired by H.E. Kürşad TÜZMEN, Minister of State of Turkey in charge of Foreign Trade, and attended by the Ministers of Commerce and Heads of Delegation of the Member States of the TNC.

5. In his inaugural statement, H.E. TÜZMEN, while welcoming all the delegates, stated that in order to fully benefit from globalization and its opportunities, Islamic countries must come together and cooperate. For the sake of alleviating poverty and ensuring sustainable development in Islamic countries,

TPS-OIC/TNC-2R/04-07/Ms.Rep.

H.E. TÜZMEN stressed the importance of devising plans and strategies like the Preferential Trade System. H.E. TÜZMEN also pointed out that, with signing the TPS-OIC Rules of Origin Agreement, OIC Countries would wind up the legal infrastructure for the realization of COMCEC's pilot project that is establishing the trade preferential system. In his statement, H.E. TÜZMEN underlined the importance of signing and ratifying the legal documents as evidence of partnership and requested OIC Member States to speedily complete the signing and ratification of the texts of the agreements.

6. H.E. TÜZMEN also addressed the "Halal" standard issue. H.E. TÜZMEN referred to the current diverse standards applied to Halal products in different countries and indicated that OIC should deal with this issue, assure the credibility of standards and avoid multiplicity of perspectives. Finally, H.E. TÜZMEN suggested handling this issue at the 23<sup>rd</sup> Ministerial Session of the COMCEC to be held on November 14-17, 2007 in which Turkey would distribute a working paper.

(Copy of the text of the statement of H.E. Kürşad TÜZMEN is attached as Annex VII.)

7. Mr. Cheikh Oumar T. SOW, Director General for Economic Affairs at OIC, read out the message of the H.E. Ekmeleddin IHSANOGLU, the Secretary General of the OIC. In his message, H.E. IHSANOGLU expressed his profound gratitude to the Government of the Republic of Turkey for successfully organizing these trade-related talks. H.E. IHSANOGLU stressed the importance of signing TPS-OIC Rules of Origin in strengthening economic and commercial cooperation among the member states. H.E. the Secretary General also noted the importance of the Protocol on the Preferential Tariff Scheme for TPS-OIC (PRETAS) and invited Member States which have signed PRETAS and have not yet ratified, to do so at their earliest convenience.

(Copy of the text of the speech of H.E. Prof. Dr. Ekmeleddin IHSANOGLU, is attached as Annex VIII.)

8. The meeting was then addressed by the Ministers and the Heads of Delegation attending the meeting. The representatives of Republic of Guinea, Kingdom of Morocco, Islamic Republic of Iran and State of Kuwait made statements. The heads of delegation expressed their gratitude to the Republic of

TPS-OIC/TNC-2R/04-07/Ms.Rep.

Turkey and emphasized the importance of reaching successful results in these negotiations. H.E. Mamady TRAORE, Trade Minister of the Republic of Guinea stated that his country will proceed with the activities relevant to its participation in demarches designed to making the TPS-OIC operational by January 2009. H.E Abdullah ZAGOUR, Ambassador of Morocco in Ankara underpinned the role of Islamic Chamber of Commerce and Industry (ICO) in promoting intra-OIC trade. He also highlighted their willingness to sign PRETAS. H.E. Mostafa SARMADI, Deputy Minister of Commerce of Islamic Republic of Iran also stated that he expected the ground to be laid for the signing of the Protocol by the Islamic Republic of Iran .

#### **Signing Ceremony (Agenda Item 2)**

9. In the Signing Ceremony, Republic of Guinea, Hashemite Kingdom of Jordan, Republic of Tunisia, Republic of Turkey and State of United Arab Emirates signed the TPS-OIC Rules of Origin.

#### **Assessment of Progress towards Establishing the TPS-OIC by January 1<sup>st</sup>, 2009 (Agenda Item 3)**

10. The Ministers called upon the Member States that have not signed or ratified the TPS-OIC Agreements, to do so as soon as possible for the realization of the target date of January 1<sup>st</sup> 2009.

#### **Adoption of the Ankara Ministerial Declaration (Agenda Item 4)**

11. The Ministers of Commerce and the Heads of Delegation considered and adopted the Ankara Ministerial Declaration on Establishing the TPS-OIC.

(Copy of the text of the Ankara Ministerial Declaration on Establishing the TPS-OIC is attached as Annex IX.)

ANNEX  
VI



Original : English

**AGENDA OF THE  
SECOND MEETING OF THE MINISTERS OF COMMERCE OF THE  
MEMBER STATES OF TRADE NEGOTIATING COMMITTEE**

**(Ankara, 12 September 2007)**

Ministerial Session:

1. Speeches
2. Signing Ceremony of the TPS-OIC Rules of Origin
3. Assessment of the Progress towards establishing the TPS-OIC by January 1<sup>st</sup>. 2009.
4. Adoption of the Ankara Ministerial Declaration
5. Closing of the Ministerial Meeting





**ANNEX  
VII**



Original: Turkish

**OPENING STATEMENT OF H.E. KÜRŞAD TÜZMEN, MINISTER OF  
STATE IN CHARGE OF FOREIGN TRADE AT THE SECOND  
MEETING OF THE MINISTERS OF COMMERCE  
OF THE TNC MEMBER STATES**

**(Ankara, 12 September 2007)**

Honorable Ministers.  
Distinguished Meads of Delegation.  
Distinguished Delegates.

On the occasion of finalizing the establishment of the Trade Preferential System among Member Countries of the Organization of the Islamic Conference (OIC), I am very pleased to be with you once again.

As you all remember, at the meeting we held in Istanbul last year with the participation of Ministers of Commerce, we decided on the objective of proceeding with and completing negotiations on establishing a trade preferential system among Islamic countries till the end of the year and making it operational by the beginning of 2009.

We have reached our assertive objective before the end of the year. I know that this task was not easily accomplished and that the representatives of 25 countries who attended the last two TNC meetings have worked day and night to achieve this end, therefore I would like to thank everyone who contributed to this process.

Today, with the signing of the TPS-OIC Rules of Origin Agreement, we wound up the legal infrastructure for the realization of COMCFC's pilot project; that is establishing a trade preferential system.

This important project has paved the way for economic integration by means of liberalizing trade, investment and capital movement among Islamic

countries. We should not be oblivious of the fact that major regional economic integrations were launched and developed through such enterprises.

In the course of completing the project of Establishing a Trade Preferential System among Islamic countries, which started in 1988 however did not go far for many years, we gained a lot of experience. An obvious indication of this is that we managed to conclude two main Agreements over the last three years.

I would like to use the metaphor foundation for TPS-OIC Framework Agreement. Based on this foundation, we formed the body of the building with PRETAS and Rules of Origin Agreement. From this juncture, it is merely interior designing. All countries should adopt the legal regulations in their national legislation as soon as possible.

It is within this framework that we have the prime responsibility of owning our new building as "our common area of living" as well as expeditiously signing and ratifying the legal documents as evidence of partnership. My request to you is the rapid completion of the signing and ratification of the texts of agreements.

At this point, I would like to clearly emphasize that we will not back away but will rather continue with the ones who can keep pace with us and the ones who finalize ratification procedures.

Honorable Ministers,  
Distinguished Delegates,

Our forefathers had left us a bright heritage to boast of. Civilization of Islam had, for centuries, enlightened the entire world and brought peace and welfare to both Muslim and non-Muslim populations under Islamic rule. Nevertheless, unfortunately, economic power and prosperity it once controlled for some time had changed hands.

Today, poverty and disparity reign, to say the least of a serious shortage of capacity and investment in basic areas such as education, health and urban infrastructure in many OIC member countries.

27 OIC-member countries are categorized as countries with the lowest level of income, with even less than 1.000 USD per capita income. These countries are mostly indebted. 1.4 billion Muslims, constituting 20% of world population receive 5% only of aggregate world income.

Do poverty and underdevelopment account for the fate of Islamic countries? If we capitalized well on the high potential in our possession, this definitely will not be our fate. OIC member countries hold 70% energy reserves on earth, have young and dynamic peoples and are affluent in natural resources.

The average growth rate of OIC member countries in the last four years has been 5.9% . Today 10% of total world export, that is worth 1 trillion USD, and 7% of total world import, that is worth 735 billion USD, are handled by OIC member countries.

Although the above mentioned figures are yet below the desired level, they indicate that Islamic countries have started to increasingly adapt to the world economy.

Honorable Ministers,  
Distinguished Delegates,

The world economy is amazingly fastest-growing. Advancements made in terms of technology have tremendously facilitated manufacture and supply processes. Countries are becoming interdependent more than ever before at the level of sharing economic inputs and manufacture of final products.

Against such an atmosphere, we can attest to countries having common values or common interests in a broader sense, that are brought together to form economic unions and close ranks.

In order to benefit from globalization and to address its threats at maximum, Islamic countries must come together. It is only possible for Islamic countries to seize a bigger share of world economy by acting jointly and in harmony.

Accordingly, we have to immediately bring up plans and strategies that will enable us to alleviate poverty and ensure sustainable development in our countries that share the same religion and the same belief and are historically and culturally linked. It is thus to the credit of the Preferential Trade System that this can be made possible.

Honorable Ministers,  
Distinguished Delegates,

The Trade Preferential System provides a structure that furnishes a humble inception, but is believed to make significant contribution to the development of our economies and, most importantly, promote trade among brothers. If a brother does not trade with his brother, with whom then he shall trade? Who can embrace a brother more sincerely than his brother does?

Looking into our current situation, we see that we are not trading with each other as effectively. We, who in the past had connected our markets via the Silkway and Spiceway, traveling tens of thousand kilometers in caravans and trading innumerable goods, happened not to have trade among each other.

Today, intra-regional trade among Islamic countries accounts for 10 % of the total trade volume of these countries. Normally, the remaining part of trade is carried out with non-Muslim countries and revenue is transferred to them.

A similar situation is observed with regard to investment as well. Unfortunately, a substantial amount of wealth originating from some of the Islamic countries cannot be transferred to those Islamic countries in need of financial sources to achieve their economic and social development.

At this point, the Preferential Trade System we will give effect to, will provide us with the opportunity to promote trade primarily among us. In this regard, it will be possible for us to reach the 20 % level for intra-regional trade, set out in our Ten Year Program of Action.

Another advantage of the Preferential Trade System is that it will, for the first time, enhance trade relations among Islamic countries based on common rules. As soon as we embark on implementing our agreements, we

will simplify legal regulations on trade among us on one hand and will harmonize relevant legislation on the other hand.

The most common way of expressing this is can be put as follows: standard trade practices among Islamic countries will be in force and a common language of trading will be in use.

In addition, the Trade Preferential System will introduce into Islamic countries a similar system like the tariff-sensitive system applied in Western countries. Therefore, by means of bringing down soaring tariffs, a parallel development in the structure of production will be in place as well.

If further clarification is needed, it can be said that producers will be more competitive regarding industries where protectionist rates decrease and will use their resources more efficiently trying to produce on cost-benefit basis. This entire economic transformation will be for the benefit of consumers and producers alike in medium and long term.

Furthermore, the trade preferential system will make up for negative aspects of Islamic countries on the basis of production and export and help them initiate mutual welfare-promoting activities. No doubt, such a development will also foster friendly and brotherly relations among our countries.

In my opinion, the optimal benefit this System yields, in fact, will be to unify Islamic countries around a common economic denominator.

I believe that synergy and morale created by this unification will also lay the ground for a far more advanced economic integration of Islamic countries in the future. This important step that we take today will encourage us to put in place aggressive and giant projects for the future.

Honorable Ministers,  
Distinguished Guests,

I think there is a sign of wisdom about the fact that the signing ceremony of this Protocol is timely set for today when we are about to bask in the endowments of the Holy month of Ramadan. I also believe that this

Protocol and accordingly the Trade Preferential System, to be realized with the will of Allah Almighty, will bring good to all of us.

An issue I consider useful to recall is that we need to be the close observers of issues related to the agreements we signed when we go back to our countries in order not to have our efforts wasted. The Trade Negotiating Committee will also continue its work on a non-stop basis and will bring us together after a while to examine developments.

I would also like to briefly address an issue that gained importance in recent years. The market of the products in terms of rapidly growing "Halal" standard, is increasingly gaining importance in other countries as well as in Islamic countries.

We should bear in mind that there are multinational companies setting standards and certification procedures. The diverse standards applied to Halal products in different countries have reached a critical level which impedes development in halal market.

The OIC has an important role to play in overcoming the related problems. The OIC is the right umbrella under which we should deal with this issue and assure the credibility of standards and avoid multiplicity of perspectives..

Therefore, our recommendation is to handle this issue and, if possible, at the level of the Ministers of Commerce on the 23rd Session of the COMCEC to be held on November 14-17, 2007. As Turkey, we will distribute a "Working Paper" to the member countries during the meeting.

Distinguished guests,

In conclusion, the Trade Preferential System among the Islamic countries shall bring good to the OIC members countries and I felicitate on the holy month of Ramadan.



**ANNEX  
VIII**



Original: English

**STATEMENT OF  
H.E. PROF. EKMELEDDİN İHSANOĞLU  
SECRETARY GENERAL OF  
THE ORGANIZATION OF THE ISLAMIC CONFERENCE  
ON THE OCCASION OF  
THE SIGNING CEREMONY OF THE TPS-OIC RULES OF ORIGIN  
BY THE STATES, MEMBERS OF THE TNC**

**(12 September 2007)**

*Bismillahir Rahmanir Rahim*

His Excellency Kürşad TÜZMEN,  
Minister of State in Charge of Foreign Trade,

Distinguished Delegates,  
Ladies and Gentlemen,

*Assalamu Alaikum Wa Rahmatullahi Wa Barakatuh.*

I am pleased to welcome you and the distinguished delegates at this important gathering in the Republic of Turkey.

I would like to avail this opportunity to express my profound gratitude to the Republic of Turkey for successfully organizing this Fourth Meeting of the Second Round of the TNC which will be concluded today with the signing ceremony of the TPS-OIC Rules of Origin.

I would also like to express my deep appreciation and respect to the Governments of Your esteemed States for their unwavering support of the Organization of the Islamic Conference (OIC) and their proactive participation in OIC activities. Your presence today is a sign that the TPS-OIC Rules of Origin will constitute an important milestone in the history of TPS-OIC and PRETAS and

this document will be effective to strengthen economic and commercial cooperation among the Member States.

The signing of this important Document gives strong impetus to the realization of our aspirations to increase intra-OIC trade in conformity with the objectives outlined in the 10 Year Programme of Action, which decides to push up intra-OIC trade from 14% in 2005 to 20% by 2015.

I would also like to mention here that the Protocol on the Preferential Tariff Scheme for TPS-OIC (PRETAS) will come into force when it is signed and ratified by 10 participating Member States. As of today, PRETAS has been signed by ten Member States and ratified by two Member States, namely Malaysia and Jordan. I invite Member States which have signed PRETAS and have not yet ratified to do it at their earliest convenience so that this Agreement could enter into force.

I also urge other Member States which have participated in the negotiations on TPS-OIC Agreement to sign and ratify the PRETAS.

I would like to express my thanks and appreciation to Your Excellency for personally gracing this meeting with your presence to sign this important TPS-OIC Rules of Origin, which will, with the Almighty Allah's blessing, contribute to strengthening Joint Islamic Action to face the growing challenges of globalization and secure for the Islamic Ummah a better future with increased social welfare and economic prosperity.

*Wassalamu Alaykum Warahmatullahi Waharakatuh.*

**ANNEX  
IX**



Original: English

## **ANKARA MINISTERIAL DECLARATION**

As Ministers and Heads of Delegation of OIC member states attending the Second Session of the Ministers of Commerce for the Trade Preferential System of OIC (TPS-OIC) held on the occasion of the signing ceremony of the TPS-OIC Rules of Origin and the closing of the second round of trade negotiations in Ankara, on September 12<sup>th</sup>, 2007, we adopted the following Ministerial Declaration:

### **TPS-OIC as the OIC Project for Trade Liberalization**

The OIC community is on the edge of realizing the decade-long vision it has aspired to. The Trade Preferential System, which is the key project for trade liberalization among our brotherly countries, will be operational by January 1<sup>st</sup>, 2009.

Trade is the key economic activity for economic growth, prosperity, employment and poverty alleviation. Historically speaking, covering a wide span of geographic area and bringing together very diverse economic entities, the Islamic world has been favorably vivid in terms of international trade. It promises even more opportunities, given the intensified global dynamics conducive to commercial cooperation. In order to utilize these global dynamics, we need to remove barriers to the movement of goods among our brotherly countries. In real terms, the prospective Trade Preferential System we are aiming to operationalize by the beginning of 2009, will reduce tariff rates in trade among our members and pave the way for further liberalization in the near future.

We recall the resolutions of the COMCEC that recommend the establishment of a trade system among its members, including the Declaration of Intent on the Establishment of A Trade Preferential System adopted at the Fourth Session of the COMCEC. We welcome and appreciate COMCEC-led efforts towards the establishment of the Trade Preferential System and the organization of the first (Antalya) and second rounds (Ankara) of trade negotiations in particular.

We also recall the Ten-Year Programme of Action adopted by the Third Extraordinary Session of the Islamic Summit Conference, which appeals for an expansion of the intra-OIC trade to the level of 20 percent by 2015.

We confirm the resolutions of the 33<sup>rd</sup> and 34<sup>th</sup> Islamic Conference of Foreign Ministers (ICFM), held in 2006 (Baku) and in 2007 (Islamabad) consecutively that emphasize the TPS-OIC as the basis for substantiating the 20 percent intra-OIC trade target set by the Ten-Year Programme of Action.

We welcome the resolution of the 34<sup>th</sup> ICFM endorsing the target date of January 1<sup>st</sup>, 2009, for establishing the TPS-OIC.

We affirm and follow up the recommendations made by the 33<sup>rd</sup> and 34<sup>th</sup> ICFM that respective Ministers of Commerce of the Trade Negotiating Committee member states hold meetings in order to demonstrate their political will to make the TPS-OIC a reality, to evaluate the progress towards a fully operational TPS-OIC, and to sign the outcome of the second round.

#### **Work Programme prior to January 1<sup>st</sup>, 2009**

We strongly re-affirm our commitment to establish and make operational the TPS-OIC by January 1<sup>st</sup>, 2009. We shall mobilize our resources in order to make this objective a reality.

We welcome the successful conclusion of the second round of trade negotiations for establishing the TPS-OIC, and its outcome, the TPS-OIC Rules of Origin. We call upon all the member states to sign and ratify it at their earliest convenience.

We express our commitment to finalize the ratification procedures of the PRETAS and the TPS-OIC Rules of Origin before the end of March 2008. As respective Ministers of the TNC member countries, we strongly re-affirm the prime importance of these two agreements for the realization of the objective of January 1<sup>st</sup>, 2009.

We agree on the necessity of holding at least one meeting as the Ministers of Commerce of the TNC member countries and at least one meeting of the TNC during



2008. These meetings will help us review final preparations for the target date of January 1<sup>st</sup>, 2009.

We ask the OIC Secretary General to actively proceed with the completion of the ratification procedures by the member states, before the end of March 2008, of the PRETAS and the TPS-OIC Rules of Origin, with a view to allowing sufficient time for final preparations before the target date of January 1<sup>st</sup>, 2009.

We agree on the necessity of urgent and effective communication and cooperation among the customs administrations of the TNC member countries with a view to undertaking technical preparations for the movement of goods with a TPS-OIC Rules of Origin certificate by January 1<sup>st</sup>, 2009. We request the TNC to design its work programme accordingly.

We agree to submit our lists of concessions under the PRETAS to the TNC Secretariat before the end of April, 2008 for circulation among the member countries.

### **Promoting the TPS-OIC**

We thank the Government of Turkey for hosting the Second Round of Trade Negotiations, as well as for its commitment to economic and commercial cooperation within the OIC community. We also thank the IDB for financially contributing to the organization of the second round.

We ask the member states as well as relevant OIC institutions to promote the target date of January 1<sup>st</sup>, 2009, for the establishment of the TPS-OIC, as a significantly historic step towards commercial and economic cooperation.

We call upon all the OIC member states to join the TPS-OIC by acceding to the three agreements, Framework Agreement, the PRETAS and the TPS-OIC Rules of Origin constituting its legal framework.