

**TPS-OIC/TNC/08/REP**

## **COMCEC**

**Standing Committee for Economic and  
Commercial Cooperation of the Organization  
of the Islamic Conference**

# **R E P O R T**

**REVIEW MEETING OF THE TRADE  
NEGOTIATING COMMITTEE (TNC) OF THE  
TRADE NEGOTIATIONS FOR ESTABLISHING  
THE TRADE PREFERENTIAL SYSTEM AMONG  
THE OIC MEMBER STATES (TPS-OIC)**

**(Ankara, 17-19 June 2008)**

**COMCEC Coordination Office  
State Planning Organization  
Ankara, June 2008**

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**THE OIC MEMBER STATES (TPS-OIC)**

**(Ankara, 17-19 June 2008)**

**COMCEC Coordination Office**  
**State Planning Organization**  
**Ankara, June 2008**

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## **REPORT**

# **REVIEW MEETING OF THE TRADE NEGOTIATING COMMITTEE (TNC) OF THE TRADE NEGOTIATIONS FOR ESTABLISHING THE TRADE PREFERENTIAL SYSTEM AMONG THE OIC MEMBER STATES (TPS-OIC)**

**(Ankara, 17-19 June 2008)**

Original: English

## **REPORT**

### **REVIEW MEETING OF THE TRADE NEGOTIATING COMMITTEE (TNC) OF TPS-OIC**

**(Ankara, 17-19 June 2008)**

1. The Review Meeting of TNC was held in Ankara from 17 to 19 June 2008.
2. The Review Meeting of TNC was chaired by H.E. Ülker GÜZEL, Deputy Undersecretary 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
  - 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
  - Kingdom of Saudi Arabia
  - Sultanate of Oman
  - Islamic Republic of Pakistan
  - State of Qatar
  - Republic of Tunisia
  - Republic of Turkey
  - The State of the United Arab Emirates

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
- Chad (Signatory)
- Republic of Iraq (Signatory)
- State of Kuwait (Signatory)
- Palestine (Signatory)
- Sudan (Signatory)
- Tajikistan

5. SESRIC represented the OIC General Secretariat in the meeting. The following OIC Institutions and International Organizations also attended the meeting:

- COMCEC Coordination Office (as a member of the TNC Secretariat)
- The Islamic Centre for Development of Trade (ICDT) (as a member of the TNC Secretariat)
- The Islamic Development Bank (IDB)
- Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC)
- West African Monetary Union (WAEMU)

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

### **Opening Session**

6. The message of H.E. Kürşad TÜZMEN, Minister of State, in charge of Foreign Trade of the Republic of Turkey was read out by Mr. Attila KIZILARSLAN, Head of Department, Directorate General of Agreements, Undersecretariat of Foreign Trade of the Republic of Turkey.

7. In his message, H.E. Kürşad TÜZMEN stressed that, with the common understanding of the TNC Member States, two rounds of trade negotiations have successfully been completed which produced the PRETAS and TPS-OIC Rules of Origin successively.

8. In his message, H.E. TÜZMEN also expressed the importance of the finalization of the signing and ratification procedures of the PRETAS and TPS-OIC Rules of Origin by at least ten member states before the target date of January 1<sup>st</sup> 2009 for the operationalization of TPS-OIC. H.E. TÜZMEN urged the TNC Member States to expedite their ratification process to meet the target date.

9. In his message, H.E. TÜZMEN pointed out that, in May 2008 Turkey had ratified the PRETAS. H.E. TÜZMEN also underlined the recent increase in the share of the OIC Member States within the world trade.

(Copy of the message of H.E. Kürşad TÜZMEN is attached as Annex II.)

10. In his inaugural statement, H.E. Halil İbrahim AKÇA, Acting Undersecretary of The State Planning Organization of Turkey, drew attention to the fact that one of COMCEC's main objectives is to enhance the intra-OIC trade. In this context, H.E. AKÇA recalled that the establishment of a trade preferential system among the member countries was on COMCEC's agenda since its inception and highlighted the significance of the early implementation of PRETAS and TPS-OIC Rules of Origin to reach the 20 percent intra-OIC trade target by 2015 as envisaged in OIC 10 year Programme of Action. H.E. AKÇA also mentioned that COMCEC has initiated several projects and programmes to enhance economic and commercial cooperation among the OIC member countries.

(Copy of the text of the statement of H.E. Halil İbrahim AKÇA is attached as Annex III.)

11. The message of H.E. Prof. Dr. Ekmeleddin İHSANOĞLU, Secretary General of The OIC was read out by Mr. Nabil DABOUR, Senior Expert at SESRIC. 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 and TPS-OIC Rules of Origin, to do so. 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 among the OIC member countries. Finally, in his message, H.E. İHSANOĞLU assured the committee to count on his and the General Secretariat's full support to realize the TPS-OIC.

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

12. The meeting was then addressed by the heads of delegation of the Kingdom of Morocco, Hashemite Kingdom of Jordan and Kingdom of Saudi Arabia. The heads of delegations stressed the importance of operationalising the TPS-OIC system by the target date of 1<sup>st</sup> January 2009, set by the Ministers of Commerce of the TNC Member States, and expressed their gratitude to the Republic of Turkey for hosting the meeting.

### **Working Session**

13. The working session started with the opening speech by H.E. Ülker GÜZEL, Deputy Undersecretary of Foreign Trade in the Republic of Turkey. In her speech, H.E. GÜZEL stressed that, by 1 January 2009, the TPS-OIC, as a new system, will ensure the liberalization of trade among Islamic countries and the establishment of a rule-based and transparent trade infrastructure. In this regard, H.E. GÜZEL underlined the importance of the completion of the ratification process of the Trade Preferential Protocol and the Rules of Origin by at least 10 countries by the end of 2008.

(Copy of the text of the statement of H.E. Ülker GÜZEL is attached as Annex V.)

### **Adoption of the Agenda**

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

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

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

15. The TNC Secretariat made a presentation on the background and the working programme of the TNC prior to January 1<sup>st</sup> 2009 set by the Ministers of Commerce. The Secretariat, referring to Ankara Ministerial Declaration adopted at the Second Meeting of the Ministers of Commerce, underlined the necessity of finalizing the ratification of the PRETAS and the Rules of Origin in 2008, so that the target date of January 2009 for the establishment of the TPS-OIC be adequately met.

### **Final preparations by the Member States before the operationalization of TPS-OIC particularly implementation of Rules of Origin and Exchange of Concession Lists**

16. Under this agenda item, the Undersecretariat of Customs of the Republic of Turkey made a presentation on the actions needed for the implementation of TPS-OIC Rules of Origin. The Committee requested that the text of this presentation be circulated to the TNC Member States in OIC official languages.

(Text of presentation is attached as Annex VII.)

17. The Committee underlined the necessity of unified interpretation of TPS-OIC Agreements. In this respect, the Committee requested ICDT, in collaboration with the COMCEC Coordination Office, to prepare explanatory notes on this issue, circulate them among OIC member states and submit it to COMCEC for consideration/required action. The Committee also requested the ICDT to continue organizing seminars and workshops on TPS-OIC, in collaboration with IDB Group and ICCI.

18. Regarding the minor typing mistakes in the original text of the TPS-OIC Rules of Origin as raised by Bangladesh, the Committee was informed by the TNC Secretariat that the issue had been referred to the OIC General Secretariat for counsel and appropriate action. The OIC General Secretariat was requested to circulate their reply to TNC Member States and TNC Secretariat at the earliest convenience.

19. The Committee pointed out that the concession lists should be sent to the Secretariat, to be ready for their circulation when the TPSOIC System enters into force. The Committee stressed the importance of the circulation of the lists of concessions to the member countries by the Secretariat at the same time.

20. The Committee requested its member states to make necessary arrangements in their customs offices in accordance with their internal procedures to ensure the smooth and speedy movement of the goods when the TPS-OIC System becomes operational.

21. Regarding the determination of the product coverage that will be subject to tariff reduction as stated in Article 3 of PRETAS, the majority of the TNC member countries expressed their decision on 8 digit level HS codes. Some member countries, namely Bangladesh, Jordan and Libya stated that they would convey their final reply in this regard to the TNC Secretariat. If there is no response from those three countries within two months, the 8 digit level will be deemed as accepted.

22. Regarding the circulation of information related to the TPS-OIC agreements, member states are requested to exploit the Trade Information Network Among OIC Member Countries TINIC for that purpose.

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

23. The Committee considered the status of signature and ratification of the TPS-OIC Agreements namely: Framework Agreement, PRETAS and TPS-OIC Rules of Origin. All delegations informed the Committee on their final status regarding these agreements.

24. The Committee requested the OIC General Secretariat to circulate a Note among the Member States and the TNC Secretariat regarding the signing and ratification status of the Framework Agreement, the PRETAS and the TPS-OIC Rules of Origin.

25. The Committee welcomed the Kingdom of Saudi Arabia as the new member of the TNC. The Committee also welcomed the signing of the PRETAS by the Kingdom of Saudi Arabia and the ratification of it by the Republic of Turkey. The Committee also appreciated the intention of several member countries to sign PRETAS and TPS-OIC Rules of Origin before or during 24<sup>th</sup> COMCEC.

26. The Committee expressed its gratitude to H.E. Abdullah GÜL, President of the Republic of Turkey and Chairman of the COMCEC, and H.E. Prof. Ekmeleddin İHSANOĞLU, Secretary General of OIC for their initiatives and leadership for the early implementation of the TPS-OIC.

27. The Committee called upon the concerned 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.

### **Any Other Business**

28. Under this agenda item, there was no discussion.

### **Closing Session**

29. The Committee adopted the Report and annexes of the Review Meeting of the Trade Negotiating Committee held by the TNC.

30. 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 TRADE NEGOTIATING COMMITTEE MEETING FOR  
ESTABLISHING THE TRADE PREFERENTIAL SYSTEM AMONG  
THE MEMBER COUNTRIES THE OIC  
(TPS-OIC)**

**(Ankara, 17–19 June 2008)**

**A. MEMBER COUNTRIES OF TNC**

**PEOPLE’S REPUBLIC OF BANGLADESH**

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

**ARAB REPUBLIC OF EGYPT**

- Mr. MAMDOUH MOSTAFA  
First Undersecretary,  
Ministry of Trade and Industry Head of Egyptian Commercial Service
- Mr. YASSER ATEF  
Minister Plenipotentiary,  
Ministry of Foreign Affairs
- Mr. MONGY ALY BADR  
Commercial Counsellor Head of Commercial Office in İstanbul
- Mr. IHAB FATHI  
Researcher in Trade Agreement Sector Ministry of Trade and Industry

**REPUBLIC OF GUINEA**

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

**ISLAMIC REPUBLIC OF IRAN**

- Mr. MOOSA MOOSAVI ZONOOZ  
Director of the Legal and Commercial Affairs, Ministry of Commerce
- Mr. MOHSEN CHITSAZ  
Deputy Director of the International Economic Affairs Bureau,  
Ministry of Foreign Affairs
- Mr. HAMID REZA ANOUSHEH  
Political Counselor, Iran Embassy in Ankara

**HASHEMITE KINGDOM OF JORDAN**

- Mr. NIDAL AL-ABBADI  
Economist,  
Foreign Trade Policy and Relations Department, Ministry of Industry and Trade
- Mr. HASIB SALAMEH  
Engineer, Industrial Development Directorate,  
Ministry of Industry and Trade

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

- Mr. HESHAN GHANDI  
Embassy of Libyan Arab Jamahiriya in Ankara

**MALAYSIA**

- Mr. DATO SAIPUL ANUAR ABD MUIN  
Ambassador of Malaysia in Ankara, Turkey

**REPUBLIC OF MALDIVES**

- Mr. ABDULLA THAWFEEQ  
Director of International Trade Policy,  
Ministry of Economic Development and Trade
- Mr. MOHAMED ANWAR  
Director General, Maldives Customs Service



**KINGDOM OF MOROCCO**

- Mr. ZAHREDDINE BELBACHIR  
Head of Arab and Islamic Economic Affairs,  
Ministry of Foreign Trade
- Mr. MOHAMED CHAKIB BENELMALIH  
Economic Counsellor, Embassy of Kingdom of Morocco, Ankara

**SULTANATE OF OMAN**

- Mr. ABDALLAH BIN JUMA AL-SHIBLI  
Director of the Cooperation Council Affairs,  
Ministry of Industry and Trade
- Mr. ALMOATASIM BIN HILAL AL-HOSNI  
Economic Researcher,  
Ministry of National Economy

**ISLAMIC REPUBLIC OF PAKISTAN**

- Mr. JAMSHID KHAN  
Joint Secretary, Ministry of Commerce, Islamabad

**STATE OF QATAR**

- Mr. SAOUD JASSIM AL –JUAFARI  
Director of Economic Affairs Department, Ministry of Economy and Commerce
- Mr. AHMED SALEH AL-MUHANNADI  
Head of Arab and Islamic Economic Affairs, Ministry of Economy and  
Commerce
- Mr. RACHID MOHAMAD AL-BREIDI  
Economic Expert, Ministry of Economy and Commerce

**KINGDOM OF SAUDI ARABIA**

- Mr. HAMID BIN ABDULHAMID AL-AWFY  
Deputy Minister for Internal Trade, Ministry of Commerce
- Mr. AL ESHAIWI MUSSAID  
Director General of International Organization Department  
Ministry of Commerce and Industry

- Mr. ALI ABDULLAH ALMUSNED  
Customs Specialist

#### **REPUBLIC OF TUNISIA**

- Mrs. LEJMI BECHHIRA  
Head of Section, Ministry of Commerce and Handicrafts
- Mr. DHOUAIFI MONGI  
Customs Colonel
- Mr. SALHI KHALED  
Chief of Tunisian Commercial Office, Embassy of the Tunisian Republic

#### **REPUBLIC OF TURKEY**

- Mr. HALİL İBRAHİM AKÇA  
Deputy Undersecretary,  
Undersecretariat of State Planning Organization
- Ms. ÜLKER GÜZEL  
Deputy Undersecretary, Undersecretariat of Foreign Trade
- Mr. YÜKSEL AKÇA  
Deputy Director General, Undersecretariat of Foreign Trade
- Mr. ATTİLA GÖKHAN KIZILARSLAN  
Head of Department, Undersecretariat of Foreign Trade
- Mr. BORA ERDENGİ  
Head of Department, Undersecretariat of Customs
- Mr. OĞUZHAN BERBER  
Senior Associate, Undersecretariat of Foreign Trade
- Mr. BÜLENT ORHAN TÜREL  
Expert, Undersecretariat of Customs
- Mr. CANER SANNAV  
Assistant Expert, Undersecretariat of Foreign Trade

#### **STATE OF UNITED ARAB EMIRATES**

- Mr. ALI FAYEL MUBAREK  
Economy Expert, Director of Origin Department Ministry of Economy

**B. SIGNATORY COUNTRIES**

**REPUBLIC OF CHAD**

- Mr. OMAR ADOUM SINI  
General Secretary of Ministry of Economy and Planning
- Mr. MBAGUEDEM MBAIRO  
Director of Investments, Programmes and Projects,  
Ministry of Economy and Planning

**REPUBLIC OF IRAQ**

- Mr. ADIB FETTAH KHLIL  
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Economic Researcher, Ministry of Finance

**STATE OF PALESTINE**

- Mr. ABDLNASSER R.A. ALSARRAJ  
Assistant Deputy

**REPUBLIC OF SUDAN**

- Mr. ABDALGADER ABDALLA MOHAMED DAFFALLA  
Counsellor, Sudan Embassy in Ankara

**C. OTHER COUNTRIES**

**PEOPLE'S DEMOCRATIC REPUBLIC OF ALGERIA**

- Mr. ABDELHAMID BELAHDA  
Deputy General Director Ministry of Trade

**REPUBLIC OF TAJIKISTAN**

- Mr. SAFAR SAFAROV  
Counsellor, Tajikistan Embassy of Ankara

**D. SUBSIDIARY ORGANS OF THE OIC**

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

- Mr. NABIL DABOUR  
Senior Researcher,  
Acting Director of Department of Economic and Social Research
- Mr. HAYTHAM ZEINELABDIN  
Research Assistant

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

- Mr. HOUCINE RAHMOUNI  
Adviser of the Director General of ICDT

**E. SPECIALIZED INSTITUTIONS OF THE OIC**

**THE ISLAMIC DEVELOPMENT BANK (IDB)**

- Mr. AHMED ABDULWASEI  
Operation Officer, Cooperation Office

**F. OTHER INTERNATIONAL INSTITUTIONS**

**WEST AFRICA ECONOMIC AND MONETARY UNION (WAEMU)**

- KOFFI GNAKADJA  
In Charge of Commercial Questions

**G. 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,  
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Acting Head of Department
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- Mr. ALP TOLGA ŞİMŞEK  
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- Ms. SEMA HİMA  
Coordinator of Documentation

- Ms. SEHER KURUGÜL  
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- Mr. KEMAL ARSLAN  
Coordinator of Meeting Rooms
- Ms. BİLGE GÜLLÜ  
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- Ms. ŞERİFE MENĞİ  
Executive Secretary

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

**ANNEX  
II**

Original: Turkish

**MESSAGE BY H.E. KÜRŞAD TÜZMEN  
MINISTER OF STATE**

**REVIEW MEETING OF THE  
TRADE NEGOTIATING COMMITTEE OF TPS-OIC**

**(Ankara, 17<sup>th</sup> June 2008)**

Distinguished Guests,

On the occasion of the Review Meeting which is organized under the Trade Negotiations, I am very happy to host you in our country again.

These days, we are closer to our objectives concerning the establishment of a Trade Preferential System in January 2009 among the member countries of the OIC.

In order to reach our objectives we have taken many important steps together until now. In the First Round of the Trade Negotiations we have finalized the Preferential Tariff Scheme Protocol (PRETAS) which identifies how the Framework Agreement will be implemented. In the second round we have also completed the TPS-OIC Rules of Origin Regulations which brings the Rules of Origin in line with today's conditions.

The effort exerted by our countries under the roof of the Trade Negotiating Committee during the preparation of the TPS-OIC Agreements is worth appreciation. As you know, PRETAS has to be ratified by at least 10 Member States in order to receive the necessary approval which will make it possible for the agreements to enter into force.



Of course it will take time to complete the internal procedures concerning the ratification of the International Agreements. However, we should bear in mind that here we are concerned with the interests of the Islamic World, not the interests of only a few countries.

We, as Turkey, because of the importance we attribute to the future of the Islamic World, ratified the PRETAS on 29<sup>th</sup> May 2008. Hence the number of the countries that have ratified the PRETAS increased to five.

Distinguished Delegates,

The increase in world trade has gained a significant impetus. In the last ten years world trade has increased by approximately 6 %. Another striking development is that in international trade new regions and countries have come to the fore. Developing countries have started to have a bigger share in world trade when compared to the past.

Within this framework, the share which OIC countries have in world trade has also entered into an observable increase trend. It will be possible to sustain and speed up this trend with the realization of the Trade Preferential Regulations and the harmonization of the rules regulating the trade.

We should bear in mind that otherwise it will not be possible for us to play an active role and reach the common objectives we have determined.

We all have a heavy burden in operationalizing the Trade Preferential System on the target date. I sincerely believe that in order to carry this burden you will exert all your efforts.

**ANNEX  
III**

Original: English

**STATEMENT OF H.E. HALİL İBRAHİM AKÇA,  
ACTING UNDERSECRETARY OF THE  
STATE PLANNING ORGANIZATION  
OF THE REPUBLIC OF TURKEY  
AT THE OPENING SESSION OF THE REVIEW MEETING OF  
TRADE NEGOTIATING COMMITTEE OF TPSOIC**

**(17th June, 2008)**

Distinguished Delegates,  
Dear Brothers and Sisters,

I would like to express my pleasure for meeting with you in Ankara to review the preparations for the implementation of Trade Preferential System among OIC Member Countries by 2009. I believe that this meeting will be an important step towards reaching our target.

Distinguished Delegates,

International trade is gaining more and more importance every single year as both exports and imports have a significant role in our economic and social development. Since the end of the Second World War, the rate of increase in international trade exceeded the rate of economic growth.

Apart from multilateral trade negotiations, countries have been using the option of bilateral or regional trade negotiations since the 1950's. These kinds of agreements liberalize trade in smaller groupings rather than global liberalization. Because of its practicality and attractiveness, the number of regional trade agreements reached 300.

Distinguished Delegates,

Regional trade agreements have gained additional momentum since 1980's. As you are all aware, COMCEC was also established at that time. One of COMCEC's main objectives is to enhance the intra-OIC trade. Over 23 years, COMCEC launched and finalized several projects and programmes to that end.

In this context, establishment of a trade preferential system among the member countries was on COMCEC's agenda since its first meeting. After negotiations, we adopted our framework agreement TPSOIC which entered into force in 2002. After 2002, we realized two successful rounds and finalized Preferential Tariff Scheme (PRETAS) and TPSOIC Rules of Origin. This is the first time in COMCEC's history to reach such an agreement that will reduce tariffs on some goods in intra-OIC trade. As you are all aware, the coverage of the TPSOIC is not at par with some other regional trade agreements, but still it is an important initial step for more liberalized intra-OIC Trade.

Our Trade Ministers set out the target date of 1 January 2009 for the implementation of the TPSOIC which was endorsed by the 11th OIC Summit Conference held in Senegal this year. 10 countries should sign and ratify both agreements before this date to reach our target. I am happy to declare that Turkey has already ratified the PRETAS and will ratify Rules of Origin at the earliest.

Distinguished Delegates,

Reducing tariffs is an important step towards reaching 20% intra-OIC trade target by 2015 which is set out by the Third Extra-ordinary OIC Summit held in Makka in 2005. But reducing tariffs which is the main objective of TPSOIC, is not enough alone. In this regard, COMCEC adopted some other resolutions to increase intra-OIC trade. The 23rd Session of the COMCEC established a task force composed of relevant OIC institutions to work on ways and means for reaching the 20 percent intra OIC target. This task force held its first meeting on 12th May 2008 in Antalya prior to the 24th Follow-up Committee Meeting of the COMCEC. One of the conclusions of this meeting is that political will of the member states is very very important for increasing trade. As member states, we need to participate more actively in this process and implement the decisions taken by relevant OIC Fora.

I would also like to give you some information about the Expert Group Meeting which will be held in Ankara next month. The new entity of the Islamic Development Bank namely, International Islamic Trade Finance Corporation will organize an expert group meeting in Ankara on 5-6 July 2008 in cooperation with Turkish Union of Chambers and Commodity Exchanges, COMCEC Coordination Office and SESRIC. The main target of this meeting will be to prepare a roadmap to reach 20% intra-OIC target. The themes to be covered in the meeting will be divided into four main categories namely, trade/export promotion and facilitation; capacity building, trade financing and product development of trade. In addition to some member countries that are experienced in this field, international organizations, OIC institutions and eminent people are invited to this meeting to discuss these issues. The report of the meeting will be submitted to the upcoming COMCEC Session.

Distinguished Delegates,  
Dear Brothers and Sisters,

We are happy to observe that in every meeting, new member states join us. Currently 21 OIC Member states ratified the TPSOIC and become a member of Trade Negotiating Committee (TNC). 11 member countries signed the PRETAS and 5 of them ratified it. Regarding the Rules of Origin, 7 member countries signed it. To reach our target, 10 member countries need to ratify PRETAS and Rules of Origin expeditiously. Here, I would like to strongly call upon the relevant OIC member states to sign and ratify PRETAS and Rules of Origin at the earliest. In this context, it is encouraging to see that several member countries have already announced their intention to sign PRETAS before or during the 24th COMCEC.

Distinguished Delegates,

Before concluding my remarks, I would like to thank all the participating member countries, TNC Secretariat and OIC Institutions for their efforts and valuable contributions to our works. As for the Republic of Turkey, we will continue to extend all support required for the implementation of TPSOIC in 2009.

I greet you all and wish you a successful meeting.

Thank you.

**ANNEX  
IV**

Original: English

**MESSAGE OF H.E. PROFESSOR EKMELEDDİN İHSANOĞLU  
OIC SECRETARY GENERAL TO  
THE TRADE NEGOTIATING COMMITTEE ON THE  
REVIEW OF THE 2009 IMPLEMENTATION OBJECTIVE OF THE OIC  
TRADE PREFERENTIAL SYSTEM (TPS-OIC)**

**(17-19 June 2008)**

Mr. Chairman,  
Excellencies,  
Ladies and Gentleman,  
Honorable Delegates,

Assalamo Alaikum Warahmatullahi Wa Barakhatau,

It gives me pleasure, to address your august gathering and express at the outset and on behalf of your Organization, the OIC, my profound thanks and gratitude to the Government and people of the Republic of Turkey for the warm hospitality and excellent arrangements made in order to ensure a proper working environment for the participants and contribute to the success of this meeting.

We cannot in any way forget the constant and unwavering support extended by the Republic of Turkey to the OIC Standing Committee for Economic and Trade Cooperation (COMCEC), which makes us all proud. I am all the more delighted to note that your meeting has taken a fresh turn with a set of larger-scale emergency plans for the implementation of the protocol for the Tariffs Scheme and for the

deployment of dedicated efforts to have this protocol crystallized on the ground and to ensure its entry into force as of January 1<sup>st</sup>, 2009, as set up in the declaration of the 2<sup>nd</sup> meeting of the OIC Trade Ministers.

As you all know, the trade preferential scheme is the first broad-scale project aimed at the liberalization of trade. And in order to achieve that objective, it is of particular importance that the Member States sign and ratify the protocol on Preferential Tariff Scheme (PRETAS) as well as the agreement and the standards of origin. This is why we need to intensify our efforts in the months ahead, and to put in every possible effort to encourage the maximum number of Member States to sign and ratify the protocol before 2009. My hopes are great that the Member States will accord this issue the interest it deserves.

I would also like to draw your attention to the fact that the number of Member States that have already signed the PRETAS agreement stands now at 12, of whom only four (Jordan, Malaysia, Pakistan and Syria) have ratified it. It gives me pleasure to inform you that the representatives of the Islamic Republic of Iran and the State of Qatar have announced that their respective governments are now ready to sign the protocol of the Preferential Tariffs Scheme (PRETAS) either before or during the 24<sup>th</sup> session of the COMCEC. It is for us a matter of great satisfaction to note their coming on board and I wish to call upon them to sign and ratify the agreement already signed by Saudi Arabia on 2<sup>nd</sup> June 2008. Thus we shall be in a position to achieve some noticeable progress during this year, in the trade negotiations relevant to the Framework Agreement of the Trade Preferential Scheme and the Protocol on the Preferential Tariffs Scheme (PRETAS) as well as in that of the standards of origin whose relevant agreement has been adopted by the 2<sup>nd</sup> session of the trade negotiations and signed by 7 states.



The 34<sup>th</sup> session of the Islamic Conference of Foreign Ministers and the 23<sup>rd</sup> session of COMCEC, as well as the 11<sup>th</sup> Summit of the OIC have all acknowledged and affirmed that the Framework Agreement on the OIC Member States Trade Preferential Scheme and Protocol of the Preferential Tariffs Scheme (PRETAS) constitute a proper foundation for the attainment of the targeted rate of 20 % in terms of trade exchanges among the OIC Member States, a target which we are striving to achieve by the year 2015 at the latest, in conformity with the provisions of the OIC Ten-year Plan of Action. We are happy to note the notable progress achieved in the intra- OIC trade whose share in the Member States overall trade exchanges has grown from 14. 5 % in 2004 to 15. 5 % in 2005, and reached 16. 3 % in 2006, which represents increases of 6. 9 % and 5. 1 % respectively. This growth will, no doubt, be further confirmed for the year 2007 and 2008.

At present, we need to offer greater support to the least developed countries so as to enable them to enter to the markets of the Member States and benefit from larger business transactions. This matter has been discussed at the first meeting of the Working Group on the enhancement of intra-OIC trade which was held on May 12<sup>th</sup>, on the sidelines of the 24<sup>th</sup> Session of the COMCEC.

From this forum, I should like to affirm solemnly that we shall spare no effort in supporting your activities for the prosperity and wellbeing of the Islamic Ummah. And I hereby launch an appeal to all for a better concertation of our efforts and for a greater exchange of experience within the OIC framework, such as to advance the economic, political and social interests of our peoples and face up to the challenges of globalization and international competition. I have great hopes and a deep conviction that all necessary efforts will be made to achieve these noble aspirations.

Lastly, I have the full confidence that the Member States will respond with concrete steps towards the implementation of the resolutions and recommendations that will be evolved by your gathering. On our part, we wish to assure you here that the OIC will definitely take your proposals and opinions into consideration, and strive hard, hand in hand with all its specialized, subsidiary and affiliated institutions, to support the joint Islamic action's forward progress to ensure further development and prosperity for the Ummah.

In conclusion, I wish to address, once again, my most profound gratitude and appreciation to the Republic of Turkey, and more particularly to the State Planning Organization for the excellent management of this meeting and for the warm welcome and generous hospitality extended to all the delegates. My thanks are also due in particular to the President of the Republic of Turkey and Chairman of COMCEC, H.E. Abdullah Gül, as well as to the participating delegations and to all those who have contributed to the organization and success of this meeting. May Allah crown your efforts with full success.

Wassalamu Alaikum Warahmatullahi Wabarakatuh,

**ANNEX**  
**V**

Original: Turkish

**STATEMENT  
BY H.E. ÜLKER GÜZEL  
DEPUTY UNDERSECRETARY OF FOREIGN TRADE  
OF THE REPUBLIC OF TURKEY  
AT THE REVIEW MEETING OF THE  
TPS-OIC TRADE NEGOTIATING COMMITTEE**

**(17 June 2008, Ankara)**

Honorable Members of the Trade Negotiating Committee,

Welcome to the Review Meeting of the TPS- OIC Trade Negotiating Committee for establishing the Trade Preferential System among the member countries of the OIC. I believe that this meeting, which brings the distinguished representatives of the Great Islamic world together, will be fruitful like our previous ones.

Together, we have made significant achievements in the meetings of the Trade Negotiating Committee up to date. As you will remember, we have completed the Preferential Tariff Scheme Protocol (PRETAS) in the first round of negotiations and in the second round, we have completed the TPS-OIC Rules of Origin which will endorse the implementation of the Preferential Tariff System.

At this particular point, there is little time left to attain our objective of operationalizing the Trade Preferential System. Only six months later, i.e. as of 1<sup>st</sup> January 2009, we will put into practice a system which will ensure the liberalization of trade among Islamic countries and the establishment of a rule- based and transparent trade infrastructure.

In order to implement the system, we only need to take a few more steps. As our esteemed Minister has stressed, we must ensure that the Trade Preferential Protocol and the Rules of Origin will have been ratified by at least 10 countries by the end of the year.

Through the meetings we have organized, we have developed close relations with you. Based on the relation of mutual trust between us, I kindly request that when you return to your home countries, you under take all means necessary for the completion of the signing and ratification processes.

Seizing this opportunity, I wish you, esteemed members of the committee, success in your work and thank each and every one of you for your contributions.

**ANNEX  
VI**

Original: English

**AGENDA  
OF THE REVIEW MEETING OF THE TRADE  
NEGOTIATING COMMITTEE OF  
TPS-OIC**

**(Ankara, 17-19 June 2008)**

1. Opening Session
2. Adoption of the Agenda
3. Presentation by the Trade Negotiating Committee Secretariat
4. Final preparations by the Member States before the operationalization of TPS-OIC particularly implementation of Rules of Origin and Exchange of Concession Lists
  - Introduction by the Undersecretariat of Customs of the Republic of Turkey on the actions needed for the implementation of TPS Rules of Origin
  - Briefing by the Member States and Exchange of views
5. Issues related to the signing and ratification of the PRETAS and TPS-OIC Rules of Origin
6. Any other business
7. Closing Session

**ANNEX  
VII**



Original: English

**TEXT OF PRESENTATION OF THE UNDERSECRETARIAT OF CUSTOMS  
OF THE REPUBLIC OF TURKEY ON  
PREPARATORY WORKS FOR THE IMPLEMENTATION OF  
TPS-OIC RULES OF ORIGIN**

**(17-19 June 2008, Ankara)**

Dear Distinguished Delegates,

On behalf of Turkish Customs Administration, I would like to welcome you all to our Country on the occasion of the meeting of the Trade Negotiating Committee of the Trade Preferential System among the Member States of the Organization of the Islamic Conference (OIC).

As it is known, rules of origin are an integral part of the preferential trade agreements and they play important role in the preferential trade relations among the Partner States. Rules of origin are still a matter of discussion since there are not rules of origin which are universally applied around the world.

Taking today's global economic relations, increasing trade volume, kinds of goods and also modern production methods into account, rules of origin have been changing since they must satisfy the economic needs of trade relations of the new century.

In order to establish the rules of origin of the "*Framework Agreement on the Trade Preferential System among the Member States of the OIC*", Annex 3 of the Framework Agreement was drawn up and agreed by the Members in 1991.

However, the Trade Negotiating Committee has decided to negotiate the new rules of origin since Annex 3 does not have sufficient and detailed provisions which satisfy the requirements of modern day trade.

Article 5 of TPS-OIC Preferential Tariff Scheme (PRETAS) which was accepted in 2005 in İstanbul, states that the rules of origin of Framework Agreement shall be valid until the new rules of origin are adopted by the Trade Negotiating Committee (TNC).

Negotiations of rules of origin have been started in the first meeting of the second round of TNC in November 2006 in İstanbul on the basis of the draft which was prepared by our side.

After hard but successful negotiations, TPS-OIC Rules of origin was finalised with the contributions of the Participating States in the fourth meeting of the second round of TNC in September 2007 and it was signed by United Arab Emirates, Jordan, Guinea, Tunisia and Turkey at that meeting. After that, we have been informed that Malaysia and Cameroon had also signed TPS-OIC Rules of Origin.

We believe that the new rules of origin will meet the needs of Customs Administrations for the proper implementation of PRETAS.

We are also in opinion of that Participating States may take some measures and cooperate each other for the unique and proper implementation the TPS-OIC Rules of Origin.

So, what kinds of measures must be taken by the Participating States? We have some proposals and suggestions for this.

Since the preferential trade system among OIC Members was planned to be initiated as from 2009, **the internal ratification process of the TPS-OIC Rules of Origin must be finished and the governments of the Participating States must send the**

**instruments of ratification**, acceptance or approval to the depository before the PRETAS enters into force.

As you know, in parallel to the Article 12 of PRETAS, Article 33 of the TPS-OIC Rules of Origin covers the provisions relating to the entry into force of the TPSOIC Rules of Origin.

In this regard, Turkey has been working on internal procedure for the approval of TPSOIC Rules of Origin and we hope that we will finish this procedure as soon as possible.

Second point is related to the *TPSOIC Certificate of Origin*. According to the printing instructions of this certificate, the Customs Administration or the competent authorities of the Participating States may have right to print the forms themselves or may have them printed by approved printers.

Our proposal is that **Participating States can instruct their relevant authorities to print the certificates before the system enter into force.**

The technical standards of the TPS-OIC Certificate of Origin is available on the Agreement. In order to avoid the refusal of the TPS-OIC Certificate of Origin which are not compatible with the technical standards of the Rules of Origin by the importing states, Participating states may send a sample certificate to the OIC Secretariat for its approval before mass printing.

The other important point is concerning with the *administrative cooperation between the customs or the relevant authorities of the Participating States.*

Article 26 of the Rules of Origin stipulates that the Participating States provide each other with specimen impressions of stamps used in their Customs or the competent authorities for the issue and the verification of TPS-OIC Certificate of Origin.

As you appreciate, it would not be easy to collect the specimen of stamps of the Participating states' customs or relevant authorities which have power to issue and verify the certificates of origin on the date of which the TPSOIC Rules of Origin enters into force.

**Our suggestion is that Participating states may collect the necessary specimen of stamps from local authorities which issue certificates and send them to the OIC Secretariat with the contact information of the verification authorities.**

**The OIC secretariat may deposit this information and send them to the Participating States which finish the approval and ratification process of PRETAS and TPSOIC Rules of Origin.**

The other point is related to the *training seminars for the bodies dealing with the TPS-OIC Rules of Origin.*

TPS-OIC Rules of Origin has some particular characteristics. For example, there is a single criteria to be applied on the non-originating materials to be used in the manufacture.

Such materials must not exceed 60 percent of the ex-works price of the final product provided that the working or processing carried out in that Participating State goes beyond the insufficient working and processing operations.

In case of cumulation with the Participating States, the non-originating materials must be limited with the 40 percent of the ex-works price of the final product. TPSOIC Rules of Origin has also provisions concerning direct transport, exhibitions and detailed procedure for issuing certificate of origin. Generally, rules of origin are very complicated. Therefore the issuing authorities must be very careful on whether the declarants meet the origin criteria.

As Turkish Customs Administration, for the proper implementation of our current rules of origin, we periodically organize seminars for the the local customs administrations, chambers of commerce, export unions and economic operators.

**Hence, we suggest that your administrations also give seminars for the relevant bodies on the TPS-OIC Rules of Origin.**

On the other hand, in Turkey we also publish internal regulations which covers detailed explanations of the provisions of origin protocols of the Agreements since they are very general and complicated.

**Our view is that apart from the main text of TPS-OIC Rules of Origin, preparation of guidelines and handbooks or any directives will be useful for economic operators, customs or other competent authorities for better understanding of the TPS-OIC Rules of Origin.**

The other important issue is the *authorization of the competent bodies* for the issue of TPS-OIC Certificate of Origin. According to the TPS-OIC Rules of Origin, the Customs Authorities of the Participating States can issue the TPS-OIC Certificate of Origin by themselves or the bodies other than Customs can be authorized.

For example, in Turkey, we have a double checking system. Let me explain this.

The companies apply first the chambers of commerce with the application form for the issue of preferential proofs of origin. After the certificates of origin are issued by the chambers of commerce, the local customs administrations endorse the preferential proofs of origin.

The customs authorities have right to ask the exporter all the documents which support the originating status of the product.

In our country, the preferential proofs of origin such as EUR.1, EUR-MED Certificates of Origin are printed five copies. Green original copy is given to the importer to be submitted to the importing State. One copy is for exporter. One copy is for exporting customs administration, one copy is for issuing chamber of commerce and one last copy is sent by endorsing customs administration to the issuing chamber of commerce in order to control whether this certificate is issued by that chamber of commerce or not.

In this regard, we are of the opinion that **if your relevant administrations consider to authorize any body or institution to issue TPS-OIC Certificate of Origin, you can start the necessary procedure for authorization and give them information about the principles of TPS-OIC Rules of Origin.**

Dear Distinguished Delegates,

As Turkish side, we believe that the TPSOIC Rules of origin will constitute an important part of PRETAS. We wanted to share our opinions and suggestions with you. We will also be glad to hear your suggestions and contributions for the better implementation of TPS-OIC Rules of Origin. And finally I would like to welcome the successful conclusion of this meeting of Trade Negotiating Committee.

Thank you for your attention.