



**Standing Committee  
for Economic and Commercial Cooperation  
of the Organization of Islamic Cooperation (COMCEC)**

## **Proceedings of the 10<sup>th</sup> Meeting of the COMCEC Trade Working Group**

### **“Special Economic Zones in OIC Member Countires”**



**COMCEC COORDINATION OFFICE  
November 2017**



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for Economic and Commercial Cooperation  
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**PROCEEDINGS OF THE 10<sup>TH</sup> MEETING OF THE  
COMCEC TRADE WORKING GROUP  
ON**

**“Special Economic Zones in OIC Member Countries”**

(November 2nd, 2017, Ankara, Turkey)

**COMCEC COORDINATION OFFICE**

**November 2017**

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## Introduction

The 10<sup>th</sup> Meeting of the COMCEC Trade Working Group was held on November 10<sup>th</sup>, 2017 in Ankara, Turkey with the theme of “Special Economic Zones in OIC Member Countries.” The Meeting was attended by the representatives of 23 Member States, which have notified their focal points for the Trade Working Group. Representatives of the COMCEC Coordination Office, SESRIC, ICCIA, ITFC, World Free Zone Organization and MESBAŞ have also attended the Meeting.<sup>1</sup>

At the outset, the representative of the COMCEC Coordination Office informed the participants about the trade outlook of the Member Countries. Then the participants considered Special Economic Zones through focusing on the research report titled “Special Economic Zones in the OIC Member Countries” commissioned by the COMCEC Coordination Office specifically for the Meeting with a view to enriching the discussions.

The Representatives of the Member States have shared their experiences, achievements and challenges regarding Special Economic Zones in their respective countries. The participants had the chance to discuss the policy options for enhancing the cooperation in this important field. The Room Document based on the findings of the research report submitted to the Trade Working Group Meeting and the answers of the Member Countries to the policy questions were the main inputs for the discussions during policy debate session.

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<sup>1</sup> The list of participants is attached as Annex 4.



## **1. Opening Session**

In line with the tradition of the Organization of the Islamic Cooperation (OIC), the Meeting started with the recitation from the Holy Quran. At the outset, Mr. Selçuk KOÇ, Director of the COMCEC Coordination Office introduced the COMCEC and its activities briefly.

His Excellency Feroz Khan MASJIDI, Deputy Minister of Private Sector Development and Industries, Ministry of Commerce and Industries of Afghanistan was elected as the Chairman of the Meeting. H.E. MASJIDI introduced himself and thanked all the participants for electing him as the Chairman of the Meeting.

## 2. The COMCEC Trade Outlook

Ms. Vildan BARAN, expert in the COMCEC Coordination Office has presented some of the key findings of the COMCEC Trade Outlook 2017.

In her presentation, Ms. BARAN focused on the recent trends and main characteristics of the trade between OIC Member States and the world, recent trends in intra-OIC trade and trade facilitation in the OIC Member States.

Concerning the trade between OIC Member states and the world, Ms. BARAN stated that total OIC trade decreased to 3.0 trillion \$ in 2016 down from 3.2 trillion \$ in 2015. Ms. BARAN stated that total OIC exports decreased by 9.2 per cent to 1.4 trillion dollars while total OIC imports declined by 6.6 per cent to 1.6 trillion dollars in 2016.

Ms. BARAN stated that due to increased supply especially in fuels, the total OIC exports in volume terms (i.e. eliminating the effects of prices and exchange rates) increased by 6.2 per cent in 2016.

Ms. BARAN pointed out main factors accounted for the weakness of exports in 2016 including the continuing weakness in world economic activity, falling commodity prices in particular oil prices, US dollars appreciation and ongoing political instability in the Middle East. Ms. BARAN also shared some figures about total OIC trade, share of OIC trade in global trade and the breakdown of total OIC exports and imports by countries and sectors.

Ms. BARAN also said that in the commodity composition of total OIC exports, the share of mineral fuels, oils and related products was 43.6 percent in 2016. She stated that high country and product concentration in total OIC exports makes OIC member states vulnerable to external shocks.

Ms. BARAN also elaborated on the intra-OIC trade. She shared some figures about intra-OIC trade and commodity composition of intra-OIC exports. She expressed that although intra-OIC trade peaked at 366 billion dollars in 2014, it has been declining since then. She said that share of intra-OIC trade to total trade peaked at 18.4 per cent in 2016 however there was great diversity among the Member States with regards to the share of intra-OIC trade to their total trade.

Ms. BARAN also shared some figures on border compliance costs and times for exports and imports in the OIC Member States. She stated that border and documentary compliance costs and times are above world averages and these costs and times vary substantially across members. She also stated that there is a gap between the OIC countries according to Logistics Performance Indicators. She also expressed that trade costs constitute a major hurdle for OIC's trade growth.

### 3. International Trends in SEZ Development

Prof. Jim COLEMAN, from BuroHappold Engineering delivered a presentation on key international trends in Special Economic Zone (SEZ) development.

This presentation focused on five key items; introduction of the SEZ research report and objectives, identification of global economic trends which drive SEZ development, introduction to SEZ definitions and concepts, global trends in SEZ development, and identification of key considerations and challenges when implementing SEZ programmes.

In broad terms, SEZs can be defined as demarcated geographic areas contained within a country's national boundaries, where the rules of business are different from those that prevail in the national territory.

Prof. COLEMAN outlined that the economic rationale for implementing SEZ programmes is varied but he identified a number of common themes including: attraction of foreign direct investment (FDI), facilitating economic diversification, creating new employment and facilitating skills upgrade, deepening and extending industry value chains, implementing wider economic reform and experimentation, accumulation of foreign currency and the creation of economic clusters.

It is broadly accepted there are seven primary SEZ typologies including; Free Trade Zones (FTZs), Export Processing Zones (EPZs), Hybrid EPZs, Enterprise Zones (EZs), Freeports, Single Factory EPZs and Specialised Zones.

Prof. COLEMAN shared information on the differential conditions which are principally dealt with by SEZ programmes; including investment conditions, international trade and customs, taxation and the regulatory environment. He further elaborated on the key organisational structures of SEZ programmes and the relationship between regulators, developers and operators of SEZs. It was also noted that SEZ programmes are clearly defined by the implementation of incentives to attract investment; both fiscal and non-fiscal.

A broad overview of global SEZ trends was presented next, and it was acknowledged that since the 1980s there has been rapid growth in SEZ programmes globally. In the mid-2000s it was estimated that there were over 3,500 SEZs globally, supporting over 66 million jobs and generating over \$850 billion (USD) in annual exports.

Prof. COLEMAN elaborated on a number of key emerging global trends in SEZ development. A particular focus was afforded to the increasing involvement of the private sector in SEZ development and operation, increasing cooperation between countries in developing SEZ programmes, such as the involvement of Chinese investment within Africa, and the emerging importance of environmental and sustainability credentials including the emergence of 'eco-industrial' parks.

The presentation concluded with a number of key considerations and challenges which have been identified from international best practice in the development of SEZ programmes.

Prof. COLEMAN identified that in the first instance, the selection of an SEZ as a policy intervention needs to be based on a robust understanding of identified national and regional economic objectives and analysis of key constraints to growth and investment. Where barriers include considerations such as land and infrastructure, business environment, trade and investment policy and fiscal regime, then SEZs may be appropriate policy tools. However, where barriers include skills, wages and productivity or structural issues such as geography or scale of the economy, then SEZs may not be the most appropriate form of intervention.

Should SEZs be selected as a form of policy intervention, it was identified that there are a number of key considerations when developing associated programmes. This includes the zone typology, location and sectoral focus. Further challenges with regard to establishment of the legal and regulatory framework were also identified, namely; determination of governance structure, regulatory framework and legal framework.

Prof. COLEMAN reflected on his previous assertion that incentives are a key component of SEZ programmes. It was stated that non-fiscal incentives are becoming increasingly important as factors of differentiation between SEZs. This point was particularly pertinent in the context of an increasingly competitive global landscape of SEZ implementation. The importance of non-fiscal incentives to improving the wider investment climate was emphasized.

Key challenges in developing efficient and effective incentive frameworks were outlined, including identification of potential conflicts with existing Free Trade Agreements (FTAs), Regional Trade Agreements (RTAs) and Customs Unions. The economic effectiveness of fiscal incentive frameworks was also discussed, and the importance of avoiding the use of fiscal incentives to compensate for overall lack of competitiveness was emphasized.

Prof. COLEMAN outlined a number of criticisms and challenges observed in global SEZ implementation. This included criticisms of SEZ programmes creating ‘economic enclaves’ as opposed to national economic reform, issues concerning labour rights, wages and working conditions within SEZ programmes and the environmental impacts of zone development.

Finally, Prof. COLEMAN elaborated on the importance of SEZ programmes being fully integrated and balanced with national and regional economic strategies, and identified a number of complementary policy points which should be considered to maximize the economic benefits realized from zone development.

## Questions and Remarks

**Question:** Can a complete and overarching definition be provided for each SEZ typology? There appear to be competing definitions for each type of zone.

**Answer:** As SEZ development has accelerated over time, within many different countries and contexts globally, it has become increasingly difficult to provide fully definitive classifications for each zone typology. Whilst there are generally accepted broad definitions of zone typologies, there is increasingly less focus on the definition of zone typologies and greater emphasis on what

individual zones do and how they function and operate. These latter factors should be fully articulated in zone strategies.

**Question:** In the presentation, the importance of time limited incentives was discussed. Could this be elaborated on further?

**Answer:** The economic effectiveness of incentives programmes is key to the long-term success of zone development and their ability to achieve identified economic objectives in line with national and regional strategies. 'Race to the bottom' fiscal incentive programmes are detrimental to promoting economic efficiencies between competing zone programmes and should be avoided. Sunset clauses inserted into specific incentive agreements are a key mechanism for avoiding unsustainable fiscal guarantees. Overall, the SEZ should promote an improved business environment that hosts high quality businesses that are successful in their own right and become embedded into their host economies. Fiscal incentives should be seen as a time-limited mechanism for facilitating this process, rather than necessarily an ongoing form of support in perpetuity.

**Question:** The presentation covered the relationship between regulator, operator and developer. Could you elaborate on whether a public regulator could also develop and operate SEZs?

**Answer:** Within the global context of SEZ development it is observed that the regulatory role is typically held by the public sector, with increasing private sector involvement in the development and operation of zone programmes. The increasing involvement of the private sector has been fundamental to some of the major success stories in SEZ development in recent years. It should be noted, however, that it is also possible for the public sector to assume the role of developer or operator. In some instances, for example in conflict states or fragile regions, there may be a need for the public sector to take on a greater role due to the political and social context of those member countries. Afghanistan would be one such example where greater public sector involvement may be required to deliver SEZ programmes in their initial stages.

**Question:** Our understanding of SEZ performance globally is that knowledge transfer between zones and the domestic economy is difficult to achieve and there are limited successful examples of this happening. Could you elaborate on how a greater degree of knowledge transfer could be achieved in zone development?

**Answer:** Strategies for backward and forward linkages with the domestic economy need to be integrated into the overall SEZ strategy, and specific consideration given to strategic and policy decisions such as trade policy and complementary support programmes. It is also important to place requirements or obligations upon investors to help facilitate these strategies and consideration needs to be given to the particular barriers and weaknesses undermining greater integration between the economic zones and the wider domestic economy.

#### **4. Special Economic Zone Performance within OIC Member Countries**

Professor COLEMAN and colleague Mr. Simon THURLEY made a second presentation which focused on SEZ performance within OIC member countries. The presentation focused on the following agenda items: to provide an overview of SEZ development within OIC member countries, to identify key successful OIC SEZ programmes, to explore key challenges within OIC SEZ programmes, to present four detailed OIC SEZ case studies and two detailed non-OIC SEZ case studies and to finally conclude with policy recommendations.

The presentation commenced by identifying that there are approximately 242 SEZs operating within 33 OIC member countries within each of the three OIC regions: Arab, Africa and Asia. It was noted that in particular, SEZ development has been a key focus within the Middle East region, which represents nearly 50% of zones within OIC member countries. The dominance of EPZ and FTZ typologies within OIC member countries was also noted.

Professor COLEMAN outlined that a number of zones within OIC member countries were selected for further detailed benchmarking analysis. The analysis found that the zones focus on a wide range of industry sectors and activities and are typically located within close proximity to both port and airport infrastructure with capacity for facilitating substantial movement of goods and people. Significant differences were also observed amongst OIC member countries in terms of economic performance of zones, particularly with regard to attraction of firms and employment creation.

The presentation continued with a broad overview of a number of successful SEZ programmes within OIC member countries, including case examples from the UAE, Malaysia, Bangladesh and Egypt. These case studies highlighted the achievement of a broad range of economic objectives including industrial diversification, links between zone programmes and the domestic economy, increase in export volumes and partnership approaches to SEZ development.

A number of challenges identified within OIC member countries with regard to SEZ programme development were also highlighted. These included commentary on key constraints such as existing governance and regulatory environments, inefficient zone management arrangements, unreliable utilities infrastructure and wider political and social environment.

Mr. THURLEY proceeded to elaborate on the findings of the detailed case studies undertaken as part of the research report. This included the following case studies: Tanger Med Zones, Morocco; Aqaba Free Zone, Jordan; Lekki Free Zone, Nigeria; and Penang Free Industrial Zone, Malaysia. Two non-OIC case studies were also presented, namely: Bole Lemi Industrial Zone, Ethiopia; and Jurong Island Free Zone, Singapore.

The Penang FIZ programme in Malaysia was established in 1972 to align job creation policy objectives with emerging opportunities for international specialisation. The programme has attracted significant investment within the E&E (electrical and electronics) sector and has been very successful in upgrading value added manufacturing activities from basic assembly to R&D and regional and global headquarter functions. This has been underpinned by a very successful masterplanning approach to industrial development, a dedicated focus on investor requirements and a strong focus on training and skills. The development of a special development corporation was also identified as a key success factor.

The Tanger Med Zones in Morocco have been developed as a unique ecosystem of industrial activities supported by the Tanger Port complex and associated infrastructure. The success of the zone is attributed to a strong royal vision from the outset, its comparative geographical advantages, including access to global markets as well as an effective and efficient administrative, legal and regulatory environment facilitated by a central entity. The SEZ authority has also developed strong public-private-partnership (PPP) arrangements to develop infrastructure and provide services to the zones.

Aqaba Free Zone in Jordan was developed as a Freeport and has achieved great success as a mixed-use SEZ, developed with strong private sector participation. Feasibility studies were undertaken to define the most effective legal, regulatory and institutional frameworks for the zone and this resulted in the creation of an overarching authority and 'one-stop-shop' facility. This has helped to achieve national decentralisation objectives and stimulate new foreign direct investment flows.

The Lekki Free Zone in Nigeria was designated in 2008 and has been developed and operated in partnership with Chinese investors. Despite numerous successes with regards to effective cooperation between different levels of government and increasing investment, the zone has faced a number of challenges. Most pertinent being financing constraints and partnership disputes which resulted in delays to the construction of infrastructure. Local community disputes regarding settlement agreements also resulted in project delays.

The Bole Lemi Industrial Park in Ethiopia was recently developed by a dedicated public sector entity tasked with administering and developing Ethiopia's industrial parks. The success of the zone is considered to have been underpinned by strong, targeted investment promotion activities and effective regulatory and legal frameworks. However, there have been a number of key challenges including delays in infrastructure provision and skills and labour shortages.

Jurong Island SEZ in Singapore was established as an industrial port and has now emerged as a global hub for petrochemical activities. The success of Jurong Island is driven by a strong infrastructure offer and continued support from the Singapore government. This includes initiatives such as Jurong Island Version 2.0 and development of high quality research and development institutions.

The presentation concluded with policy recommendations grouped under three key themes; organisational recommendations, economic recommendations and physical and spatial recommendations.

In terms of organisational recommendations, Professor COLEMAN identified the following items for discussion:

**Vision and strategy** – emphasising the importance of developing SEZ programmes based on a robust economic rationale and, critically, aligning the SEZ programme with national and regional economic strategies.

**Political capital** – fostering political capital is a strong determinant of success within SEZ implementation. The use of SEZ working groups can be a key tool in helping to develop this capital.

**Legal and regulatory framework** – identifying the importance of the design of the legal and administrative framework, as well as consideration of its alignment with the domestic environment. It is recommended that this is based on a detailed understanding of investor requirements.

**Institutional framework** – the establishment of a dedicated SEZ entity should be considered to provide oversight to SEZ development within member countries.

**Incentives framework** – it is recommended that targeted incentives frameworks are developed in line with sectoral strategies. The importance of non-fiscal incentives was emphasised.

**Zone Development / Operation** – involvement of the private sector within zone development and operation can help bridge gaps and weaknesses in institutional capacity.

With regard to economic recommendations, Professor COLEMAN identified the following items for discussion:

**Links to national and domestic economy** – a need to incorporate strategies to foster forward and backward linkages between zone programmes and the domestic economy to avoid economic enclaves.

**Sector selection** – a requirement to consider comparative advantages and national economic policy objectives when developing sectoral strategies for zone development.

**Investment promotion** – importance of marketing strategies and inward investment promotional activities. Clear roles and responsibilities should be defined in this regard between institutional partners in SEZ development.

**Economic impact performance indicators** – importance of monitoring economic performance based on indicators and metrics relevant to the economic objectives defined within the overarching SEZ strategy.

With regard to physical and spatial recommendations, Professor COLEMAN identified the following items for discussion:

**Site selection** – this is of critical importance to the success of SEZ programmes. Site selection should be based on the principles of economic concentration or dispersion (as appropriate) and should be supported by careful consideration of investor requirements and demand.

**Infrastructure investment** – consideration of infrastructure provision is critical to economic performance of zones and can include the provision of bespoke infrastructure to incentivize investment. Digital infrastructure is also becoming increasingly important.

### Questions and Remarks

**Question:** It is observed that a total of 24 OIC member countries do not have zones? Could you elaborate on the key reasons why these member countries may not have developed zone programmes? Are the primary reasons likely to be with regard to infrastructure, finance or policy constraints?

**Answer:** It is likely that a key barrier to SEZ development has been the establishment of a dedicated legal framework in many countries. It is important to note however that alternatives to a dedicated SEZ law are available (e.g. developing dedicated industrial zones via concession arrangements with the private sector) and this can reduce the time, costs and complexity involved in establishing dedicated legal arrangements. As we have noted earlier in our presentations, key barriers to development of SEZ programmes may also include financing constraints, particularly with regard to the financing of new infrastructure.

**Remark:** The authority that controls the implementation of SEZ programmes is very important. The authority needs to respond quickly to market conditions and national policy needs to be able to adapt very quickly to investor requirements.

**Question:** One of the key limitations of developing countries is their reliance on donor support and in the long term they should be able to support themselves. Can SEZs help member countries in this regard?

**Answer:** The support of international donors can be a very important, and positive, contributing factor to the successful development of SEZs. However, the long term aim should always be a sustainable and resilient improvement in the host economy's inherent ability to generate new economic activity. This means that, over time, reliance on external

donors should be reduced, as the local and regional economy of the host country strengthens and becomes more specialised in value-adding industrial activity. If possible, countries should avoid long-term over-dependence on specific donors and should aim for a high degree of economic self-sufficiency wherever possible.

**Question:** Is it necessary for an SEZ authority to develop a close relationship with the domestic customs authority? If so, could you please elaborate on this matter?

**Answer:** Given that SEZ programmes can result in significant amendments to member countries' international trade and customs environments, as well as taxation and regulatory conditions, it is very important to develop an appropriate relationship between the SEZ authority and the domestic customs authority. In some instances, such as when one-stop-shops are established, there will be a need to devolve significant powers from the customs authority to the SEZ entity. This relationship is therefore critical to the development of incentive frameworks, as well as the legal and regulatory arrangements.

**Question:** Can the implementation of SEZ programmes lead to spikes in export volumes?

**Answer:** It is important for the sectoral strategies supporting SEZ development to be suitably diverse to ensure that SEZ programmes do not result in member countries becoming dependent on one particular export product. This can be problematic in circumstances where changes to foreign exchange rates result in damage to the competitiveness of other exported goods or commodities from member countries. As discussed earlier, SEZ programmes can be very effective tools to drive economic diversification within member countries.

**Question:** In the presentation it was observed that SEZs now operate within a highly competitive investment landscape. Could you elaborate on how member countries can avoid internal competition between SEZs?

**Answer:** National SEZ programmes need to be developed within the context of a well-considered strategy which reflects national and regional economic priorities and objectives. Member countries need to base their SEZ programmes on a robust economic rationale which carefully considers the choice of target sectors and industries and best reflects the comparative advantages of the country, region or site. SEZs within member countries should be carefully designed to complement and reinforce one another and should not compete with one another for investment. As previously discussed this can lead to unsustainable incentives being deployed to compensate for an overall lack of competitiveness.



## 5. Policy Options for Special Economic Zones in the OIC Member Countries

The session was moderated by Mr. Yousaf JUNAID, Consul General from the Consulate General of Pakistan in İstanbul. At the outset, Mr. JUNAID stated that “the Room Document for the Moderation Session of the 10<sup>th</sup> Meeting of the Trade Working Group”, prepared by the COMCEC Coordination Office in light of the findings of the research report prepared specifically for the Meeting and the answers of the Member Countries to the policy questions which have already been sent by the CCO.

At the beginning of the session, Mr. Selçuk KOÇ, Director from the COMCEC Coordination Office, made a brief presentation on the responses of the Member Countries to the policy questions on special economic zones sent to the Trade Working Group focal points by the CCO. After presenting the questions and responses of the Member Countries, he introduced the draft policy advices included in the Room Document.

Afterwards, based on intensive deliberations, the participants agreed on the policy advices given in the attached room document to be submitted to the 33<sup>rd</sup> Session of the COMCEC as an outcome of the 10<sup>th</sup> Meeting of the Trade Working Group.

The policy recommendations highlighted by the participants are as follows:

- Designing and programming Special Economic Zones in line with national economic strategies for ensuring their complementarity with national economic growth targets and industry sector priorities
- Improving economic performance of SEZ programmes through developing unique incentives frameworks – fiscal and non-fiscal - which attract investments and foster effective and efficient business environments
- Improving the competitive advantage of SEZ programmes through effective site and sector targeting based on a robust understanding of national economic priorities and competitive advantages
- Designing an efficient legal and regulatory framework to create a ‘special’ economic operating environment which considers and complements the existing legal and regulatory environment
- Assigning/Establishing a single SEZ authority to regulate all SEZs within the country and supporting SEZ programmes through active involvement of key stakeholders and development of SEZ working groups

## 6. Utilizing the COMCEC Project Funding

Mr. Deniz GÖLE, Director at the COMCEC Coordination Office made a presentation on the COMCEC Project Funding introduced by the COMCEC Strategy. At the outset, Mr. GÖLE informed the participants about where the COMCEC Project Funding stands in the COMCEC Strategy. Mr. GÖLE underlined the basic qualifications of the COMCEC Project Funding as “simple and clearly defined procedures and financial framework”, and mentioned that CCO provided continuous support to the Member Countries during the all stages of the COMCEC Project Funding Mechanism. With respect to the financial framework, Mr. GÖLE emphasized that the funds are grant in nature and would be provided by the CCO.

After briefly explaining the COMCEC Project Funding, Mr. GÖLE highlighted the potential project owners. It was emphasized that relevant ministries and other public institutions of the Member Countries and the OIC Institutions operating in the field of economic and commercial cooperation could submit projects. He also underlined that Member Countries have to be registered to respective working group in order to submit their project proposals.

During the presentation, three key actors and their responsibilities under the COMCEC Project Funding were identified; Project Owner (Project Submission and Implementation); the CCO (Program Management) and the Development Bank of Turkey (Project Monitoring and Financing). Moreover, steps and roles of these key actors throughout the project application process were defined.

He continued his presentation by explaining the “Project Selection Criteria” namely, compliance with Strategy’s Principles, and targeting strategic objectives of the Strategy, focusing on output areas and pursuing multilateral cooperation among the OIC Member Countries. Mr. GÖLE also emphasized that project proposals submitted by the Member Countries should be compliant with the sectoral themes for the fourth call stated in the Program Implementation Guidelines. Mr. GÖLE pointed out the importance of the multilateralism for project appraisal and stated that project proposals should focus on common problems of at least two Member Countries and also should offer joint solutions for these problems.

Mr. GÖLE also gave information on 2014, 2015 and 2016 Projects. He stated that Member Countries and OIC institutions had shown great interest and 209 project proposals were submitted by Member Countries and OIC institutions in three-year period (2013-2015). He also stated that totally six trade projects were implemented under the COMCEC Project Funding in 2014 and 2017. They were titled “SMEs in the Borderless Era, Shaping Opportunity in the Global Value Chain”, “International Seminar on Developing National& Regional Approaches to Enhancing Innovation Support Commercialization of R&D Results and Patents Among the Organization of Islamic Cooperation Member States”, “Capacity Building in Trade Institutions of the Central Asian Countries of COMCEC”, “Access to Finance for SME and entrepreneurs in the OIC region; Opportunities and Challenges for the Entrepreneurs”, “Capacity-building and Institutional Strengthening of The Gambia Standards Bureau for the Adoption and Implementation of OIC/SMIIC Halal Standards and related Conformity Assessment”, “Improving

Delivery of Trade Facilitation Services (IDFTS)", "Strengthening SME Support Services in Suriname and Guyana to Enhance Participation in Global Value Chains", "", "Facilitating Trade Relations between Palestine and Islamic Countries", "Facilitating Trade: Identifying Non-Tariff Barriers (NTBs) among the OIC Member States" proposed by Indonesia, ICDT, Afghanistan, Qatar, the Gambia, Uganda, Suriname, Palestine and ICDT respectively.

Mr. GÖLE shared brief information with participants regarding common characteristics of successful project proposals and stated that "sufficient and informative project summary", "sound project activities and relevant details about them", "qualified human resources in line with Program Implementation Guidelines requirements", "detailed and well-designed work plan", "realistic cost estimations in the budget and sufficient explanations for them", "Project Owner's cooperation and communication with CCO" and "active participation to the relevant Working Group" are key success factors.

## **7. Success Stories of the Member States**

### **7.1. Bangladesh**

Mr. Mohammed Chowdhury, Manager of Bangladesh Economic Zones Authority, Prime Minister's Office, delivered a presentation on development of economic zones in Bangladesh.

At the beginning of his presentation, he started with giving some general information about Bangladesh, its GDP, total exports, total imports, etc. Then, he informed the participants about Bangladesh Economic Zones Authority (BEZA). He mentioned that BEZA was established in 2010 for attracting FDI, developing and diversifying exports, promoting skills development, knowledge sharing and employment generation. He mentioned about their mission, which is to develop 100 economic zones in the next 15 years, to create 10 million employment opportunities and to foster industrialization by increasing additional export of USD 40 billion.

Mr. Chowdhury continued his presentation by giving some indicators about economic zones. According to the presentation, there are 79 economic zones in Bangladesh, 20 of which are private economic zones. The total land area of these economic zones are 36,000 hectares. He stated that these zones are focused on private sector in Bangladesh as the private sector is believed to be the engine of growth. He also gave some information about Bangladesh's regulatory framework about economic zones. He informed participants about acts, policies, rules, guidelines, statutory regulatory orders for incentives.

He also mentioned about the reasons why Bangladesh is a good example. In this regard, he emphasized Bangladesh's easy access to markets, good macro-economic parameters, strong political support on economic zones, strategic location, young workforce and low cost of doing business in the country. He continued with introducing the incentives in Bangladesh which are income tax exemption (100% for the first 10 years, 70% for the 11th, 30% for 12th year), exemption from import, regulatory, supplementary duties, exemption of stamp duties and registration fees, exemption from dividend tax, duty exemption on export, tax exemption on capital gains from transfer of shares.

In conclusion, he briefly stated the potential sectors for investment in economic zones in Bangladesh. These are ship building and ship repairing, light engineering, leather goods, power, large-scale export oriented RMG, LNG technical and petro-chemical plants and telecommunication IT-enabled services.

### **7.2. The Gambia**

The Gambian delegation which comprised of Mr. Hassan Gaye, Director, Industry & Investment at Ministry of Trade, Industry, Regional Integration and Employment (MOTIE) and Mr. Basainey E. Jammeh, Manager, Business Development at Gambia Investment and Export Promotion Agency (GIEPA) delivered a presentation on the country's efforts towards promoting the establishment and growth of special economic zones (also referred to as "Export Processing Zones") with a view to enhance employment creation and wealth generation. The presentation

provided other participants the opportunity to understand that the Gambia has recognized the economic and social importance of EPZs and put in place strategy and policy frameworks to support their sustainable development and growth. The strategic priorities for encouraging the development of Export Processing Zones (EPZs) are defined in the Gambia National Trade Policy and recently concluded National Development Plan 2018-2022 developed by the new political dispensation.

Furthermore, the presentation has highlighted that legal and regulatory frameworks for the development and operation of Export Processing Zones (EPZs) which are included in Customs and Excise Act 2010 as well as the GIEPA Act 2015 respectively. The Gambia Revenue Authority and Gambia Investment and Export Promotion Agency have been mandated by law to facilitate the effective functioning of EPZs in the Gambia. As part of mechanisms put in place, participants were informed that a Multi-Stakeholder Committee for the Award of Special Investment Certificates and Export Processing Zone Licenses have been established and operating as per the guidelines stipulated in their terms of references.

In addition, the presentation provided documentary requirements for applying an EPZ license. It revealed that a standard application form is available at GIEPA which must be completed and submitted with business registration certificate; certificate of incorporation if the business is a limited liability company; tax identification certificate; business plan or proposal; and memorandum & articles of association respectively. The country's priority sectors for promoting investment includes agriculture, tourism, manufacturing, fisheries, mining & mineral exploration, forestry, services and energy. The GIEPA ACT 2015 provides export promotion incentives to EPZL holders exporting at least 80% of outputs. This incentive package comprises of corporate or turnover tax, value-added tax waiver on imported direct inputs, import duty waiver on capital equipments, excise duty on imported direct inputs, and Waiver on Municipal Tax.

The presentation finally highlighted the challenges facing the development of EPZs in the Gambia and indicated government's resolve for addressing them. The challenges were categorized as follows:

Category	Description of Challenge
<b>Political Support</b>	In the past, GIEPA has suffered some setbacks from Government interferences. However, with the new dispensation, Government has shown political commitment.
<b>Legal and Regulatory Framework</b>	The legal and regulatory environment is fairly conducive and enabling especially with the establishment of Single Window Business Registration Office.
<b>Institutional Framework</b>	Lack of an autonomous, centralized management and coordination office.
<b>Links to International and Domestic Economic</b>	1. Limited knowledge on zone management. 2. Limited knowledge about technical regulations and standards in international markets.
<b>Infrastructure</b>	1. The GIEPA Business Park's 168 ha is hugely underdeveloped with only 2 factory cells occupying 4.4 ha of the developed area of 8.8 ha;

	2. Low infrastructural development: sea port facilities, electricity, roads, etc.
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### 7.3. Malaysia

Mr. Idzham Abdul Hamid, Director from Malaysia External Trade Development Corporation (MATRADE) made a presentation on Special Economic Zones in Malaysia.

In the beginning of his presentation he gave some information about major industries in Malaysia. He stated that there are over 200 industrial estates or parks, 18 Free Industrial Zones, many specialized parks like Kulim Hi-Tech Park, Technology Park Malaysia etc. and also 23 Halal Parks in Malaysia. Next, he mentioned about Economic Zones in Malaysia, namely Northern Corridor Economic Region, Sabah Development Corridor, East Coast Economic Region, Sarawak Corridor of Renewable Energy, Iskandar Malaysia. Moreover, he continued his presentation with informing participants about Pengerang Integrated Petroleum Complex. He stated that total potential of this complex for investment is more than USD 35 billion. There are 22.000 acres of industrial area in this complex.

He concluded his presentation with a short video which is about new Malaysian initiative: Digital Free Zone.

### 7.4. Morocco

Ms. FATIMA ZAHRA KHAI, Engineer from Ministry of Industry, Investment, Trade and Digital Economy delivered a presentation on behalf of Morocco. She shared Morocco's strategies regarding Industrial Zones & Export Processing Zones.

Ms. KHAI firstly mentioned about evolution of the strategies of industrial infrastructure in Morocco. She stated that before 1996, there was National Plan for the Development of Industrial Zones and there were old generation industrial zones. Then between 1996 and 2009 there was Public Private Partnership implementations in which industrial parks were established. The next was National Pact for Industrial Emergence among the years of 2009-2014. In these years Integrated Industrial Platforms were developed.

Moreover, she stated that Industrial Acceleration Plan have been applied since 2014,. This plan aims to create 500.000 employment and to increase the share of industry to 23 % in the total GDP. This plan also aims that rebalancing of the external accounts by promoting export and substitution of the imports. Ms. KHAI stated that this plan will be implemented until 2020. She gave some information about the projects which is implemented in this plan.

Ms. KHAI continued her presentation by explaining Export Processing Zones in Morocco. She firstly started with its definition as the areas dedicated to export activities for industrial or

commercial purposes. Then Ms. KHAI mentioned about legal and regulatory framework of these zones. She stated that each zone is created and delimited by a decree that sets the nature and the activities of the companies that can be established. Next, she explained developing and operating conditions of the EPZs.

Ms. KHAI also mentioned about the concessions of Export Processing Zones (EPZ). She stated that the development and management of the EPZs is granted on the basis of the statement of work specifying the rights and obligations of the concessionaire and goes through the following steps:

- Request for the agreement in principle of the Head of Government for the decree approving the concession of the development, and the management of the EPZ to company X
- Drafting of the concession decree and the statement of work
- Validation of the concession decree and the statement of work:
- Signature of the concession decree by MIICEN and MEF
- Signature of the concession decree by the Head of Government;
- Sending the concession order and the statement of work to the General Secretariat of the Government for publication to the OB.

In her closing remarks, Ms. KHAI mentioned regarding key success factors and challenges on economic zones. She firstly pointed out success factors. According to presentation, these success factors are establishment of committees to ensure the creation and monitoring of the EPZs, involvement of the private sector in the planning, management and promotion of EPZs, establishment of one-stop shops to facilitate all administration procedures. Challenges are difficulties on mobilizing land especially in the most attractive region and high costs of offsite equipment.

## **7.5. Turkey**

Ms. Ayşe KURU, the Foreign Trade Specialist from Directorate General of Free Zones, Overseas Investment and Services, Ministry of Economy, delivered a presentation about Free Zones in Turkey.

In the beginning of her presentation Ms. KURU gave brief information regarding Turkish Free Zones. Accordingly, she informed participants regarding basic objectives of the Free Zones which are:

- Promoting export oriented investment and production,
- Accelerating foreign direct investment and technology access,
- Directing enterprises towards export,

- Developing international trade.

Ms. KURU pointed out that there are 18 Free Zones in Turkey which includes 2,091 companies, 527 of them are foreign companies. There are also 2,884 licenses 941 of which are manufacturing, 1,287 of them are general trading licenses and 656 of them are other licenses. She mentioned that all of these zones in Turkey provides 66,095 employment. She also explained that total trade volume in 2016 was USD 19 Billion.

Ms. KURU mentioned about governance of Turkish Free Zones. She explained the procedure for setting up a Free Zone phase by phase. According to her presentation first phase is application. If accepted, then second phase is legislation which is the issuance of Council of Ministers Decision. Phase 3 is about contracts which is signed between General Directorate and Developer. She told phase 4 is inaugurations which are fences, the administrative buildings, the official inauguration of the zone. She briefly explained the history of public and private balance in Free Zones. According to presentation, in 1980's there were public land and public infrastructure investments. In early 1990's there were public land for free zones and private infrastructure investments. The latest model is private land and private investments for Free Zones.

In her closing remarks Mr. KURU mentioned about advantages of Free Zones in Turkey. Firstly she explained incentives which are cooperate, income, stamp, duty and property tax exemptions. Then she briefly pointed out the advantages as trade free from Customs Duty Procedures, easy access to EU Countries, opportunity to transfer profits, no time limitation, reduced bureaucratic procedures. In conclusion, Mr. KURU informed participants about possible outcomes for investing in Free Zones.

## **8. The Efforts of the International Institutions / Private Sector**

### **8.1. World Free Zone Organization**

#### ***“World FZD’S Perspective on Special Economic Zones”***

Mr. Jorge Diaz, Membership Manager from World Free Zone Organization, made a presentation about World FZO’s Perspective on Free Zones. He firstly showed a brief video to introduce World Free Zone Organization and gave some information about World FZO. The Organization is a non-profit entity operating as an association for all free zones around the world and their communities. It is established in Geneva, Switzerland and headquartered in the Dubai Airport Free Zone in United Arab Emirates.

First objective of the World FZO is to bring together free zones; regional, national, sub-national, free zone associations, consultants and advisors to free zones. The other is to gather, create, expand and disseminate the knowledge of, and about, free zones internationally. Advocating before international organizations and governments on behalf of free zones and the collective interests of their members is another objective.

Mr. Diaz mentioned that there are 3,500 Free Trade Zones in 135 countries and these zones provides 70.000.000 employment which is 1% of world population. Then he gave information about membership to the Organization. He explained that there are three types of membership which are voting members, associate members and partners and observers.

In conclusion Mr. Diaz informed the participants about the World FZO’s services, which are categorized these services into three. These are knowledge, network and support services.

### **8.2. Mersin Free Zone (MESBAŞ)**

#### ***“Private Sector Perspective on SEZ: the Case of MESBAŞ”***

Mr. Bora Gedik, Assistant to General Management from Mersin Free Zone Founder and Operator Inc., made a presentation titled “MESBAŞ’s Perspective on Special Economic Zones”.

At the beginning of his presentation, Mr. Gedik informed participants about MESBAŞ’s organizational structure briefly. He gave some information about the zone’s history. It was emphasized that the institution is the first established and operated free zone in Turkey. Next, Mr. Gedik explained that why the free zone established in Mersin, a maritime city of Turkey. It’s due to geographical location, the presence of advanced agricultural potential, foreign trade experience, strong transport links of the city.

Mr. Gedik continued with benefits and advantages of Mersin Free Zone. It’s stated that there’s 100% exemption from cooperate and income taxes for manufacturing firms. Also 100% exemption from cooperate and income taxes for those companies who served abroad-centered firms. The zone is deemed to be outside of customs border. Therefore there’s no customs tax, fees, VAT., etc. within the zone. Besides Mr. Gedik gave some statistical information about the

zone. He mentioned about the zone's area and its capacity. In the Mersin Free Zone, 682 different goods are traded with 112 different countries. According to him, directly 8294, indirectly 9000 person are working in the zone. There's 57,8 billion USD transaction volume realized in 29 years.

Mr. Gedik also mentioned future targets of the zone briefly. One of them is effective coordination with sectoral institutions. The other one is developing the existing logistical services. The most emphasized one is to create new investment areas and attract foreign investors. Then he explained the new investments and projects on the zone.

He also pointed out trade challenges that the zone have faced as follows:

- Overall decline in world trade restrict trading volumes
- Exchange rate fluctuations
- High transport costs
- Slow-moving procedures on border Gates
- Solution tables should be set up to make effective and quick decisions btw countries to solve problems

In conclusion of his presentation, Mr. Gedik mentioned trade volumes between OIC Member Countries and Mersin Free Zone. He showed some figures and emphasized that there are 32 OIC Member Countries who have trade activities with the zone. Top three OIC Member Countries having with the zone are: Iraq, Iran and Egypt.

## 9. Closing Remarks

The Meeting ended with closing remarks of H.E. Feroz Khan MASJIDI, Deputy Minister of Private Sector Development and Industries of Afghanistan and Chairperson of the Meeting and Mr. Selçuk KOÇ, Director of the COMCEC Coordination Office.

In his remarks, Mr. MASJIDI thanked all the Member Countries for giving him the opportunity to chair this session. He also thanked all the participants, presenters for their valuable contributions, comments and ideas presented during the discussions.

Mr. KOÇ also thanked all the participants for their valuable contributions. He underlined that the observations, comments and critiques of the participants on the research report prepared specifically for the Trade Working Group Meetings would be welcomed in order to improve its quality. He also stated feedbacks about the main output of the meeting, the draft policy recommendations which will be presented to the 33rd Session of the COMCEC, are very valuable. Mr. KOÇ also highlighted the importance of COMCEC Project Funding and invited the Member Countries as well as the relevant OIC Institutions to submit project proposals to benefit from this important facility.

Mr. KOÇ informed the participants that the next (11th) Meeting of the Trade Working Group will be held on March 8th, 2018 in Ankara with the theme of “Improving Customs Risk Management in OIC Countries.”

Before concluding, Mr. KOÇ thanked again all the participants and wished them a safe trip back home.

## Annex 1: Agenda of the Meeting



### 10<sup>th</sup> MEETING OF THE COMCEC TRADE WORKING GROUP (November 2<sup>nd</sup>, 2017 Ankara)

#### *“Special Economic Zones in the OIC Member States”*

#### AGENDA

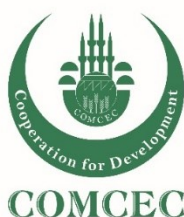
##### Opening Remarks

1. The COMCEC Trade Outlook
2. Special Economic Zones: Conceptual Framework and Global Trends and Practices
3. Special Economic Zones in the OIC: Current Situation, Selected Case Studies and Recommendations
4. Policy Options for Developing Special Economic Zones in the OIC Member Countries
5. Member State Presentations
6. The Efforts of the International Institutions/Private Sector
7. Utilizing the COMCEC Project Funding

##### Closing Remarks

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## Annex 2: Program of the Meeting



### 10<sup>th</sup> MEETING OF THE COMCEC TRADE WORKING GROUP

November 2<sup>nd</sup>, 2017  
Crowne Plaza Hotel, Ankara

*“Special Economic Zones in the OIC Member States”*

#### PROGRAMME

08.30-09.00 **Registration**

09.00-09.05 **Recitation from the Holy Quran**

09.05-09.15 **Opening Remarks**

#### **COMCEC Trade Outlook**

09.15-09.40 - *Presentation: Ms. Vildan BARAN*  
*Expert*  
*COMCEC Coordination Office*

09.40-09.50 - *Discussion*

#### **Special Economic Zones: Conceptual Framework and Global Trends and Practices**

09.50-10.20 - *Presentation: Prof. Dr. Jim COLEMAN*  
*Head of Economics*  
*Burohappold Engineering*

10.20-10.45 - *Discussion*

10.45-11.00 *Coffee Break*

#### **Special Economic Zones in the OIC: Current Situation, Selected Case Studies and Recommendations**

11.00-11.45 - *Presentation: Prof. Dr. Jim COLEMAN*  
*Head of Economics*  
*Burohappold Engineering*

11.45-12.30 - *Discussion*

12.30-14.00 *Lunch*

## Policy Options for Developing Special Economic Zones in the OIC Member Countries

There was a moderation session under this agenda item. Participants deliberated on the policy options/advices for developing special economic zones in the OIC Member Countries. At the beginning of the session, the CCO made a short presentation on the responses of the Member Countries to the policy questions as well as the Room Document.

- 14.00-14.15 - Presentation: *“Responses of the Member Countries to the Policy Questions on Developing Special Economic Zones in the OIC Member States”*  
Mr. Selçuk KOÇ  
Director  
COMCEC Coordination Office

- 14.15-15.30 - *Discussion*

## Utilizing the COMCEC Project Funding

- 15.30-15.45 - Presentation: *Mr. Deniz GÖLE*  
*Expert*  
*COMCEC Coordination Office*

- 15.45-16.00 - *Discussion*

- 16.00-16.15      *Coffee Break*

16.15-17.15 **Member Country Presentations**

- *Presentation(s)*
- *Discussion*

### **The Efforts of the International Institutions / Private Sector**

- |             |  |
|-------------|--|
| 17.15-17.30 | - <i>Presentation: “World FZO’s Perspective on Special Economic Zones”</i><br><i>Mr. Jorge DIAZ</i><br><i>Membership Manager</i><br><i>World Free Zone Organization (World FZO)</i>                          |
| 17.30-17.45 | - <i>Presentation: “Private Sector Perspective on SEZ: the Case of MESBAŞ”</i><br><i>Mr. Bora GEDİK</i><br><i>Assistant to Director General</i><br><i>Mersin Free Zone Founder and Operator Inc (MESBAŞ)</i> |
|             | - <i>Discussion</i>  |

- 17.45-18.00
- Closing Remarks*

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## **Annex 3: The Policy Recommendations**

### **POLICY RECOMMENDATIONS HIGHLIGHTED BY THE 10<sup>TH</sup> MEETING OF THE TRADE WORKING GROUP**

The COMCEC Trade Working Group (TWG) has successfully held its 10<sup>th</sup> Meeting on November 2<sup>nd</sup>, 2017 in Ankara, Turkey with the theme of “*Special Economic Zones in the OIC Member States.*” During the Meeting, Trade Working Group, made deliberations for policy approximation among the Member Countries regarding developing special economic zones. The Room Document, prepared in accordance with the main findings of the research report conducted specifically for the 10<sup>th</sup> Meeting of the COMCEC Trade Working Group titled “*Special Economic Zones in the OIC Member States*” and the answers of the Member Countries to the policy questions sent to the COMCEC Trade Working Group focal points by the COMCEC Coordination Office. During the Meeting, the participants agreed on the policy recommendations included in the Room Document. The existing document includes these policy recommendations highlighted during the Meeting.

#### ***Policy Advice 1: Designing and programming Special Economic Zones in line with national economic strategies for ensuring their complementarity with national economic growth targets and industry sector priorities***

Special economic zones are important tools for improving national and regional economic growth and increasing the national income. Whilst SEZs have been pursued by many countries in recent years to drive economic development objectives and to facilitate investment opportunities, the economic rationale supporting the implementation of a proposed SEZ programme needs to be fully grounded in an appreciation of the existing factors constraining economic growth and performance.

Observation of the performance and success of SEZs within OIC Member Countries and internationally, also suggests that SEZs tend to be more successful where they are programmed and designed as logical components of national and regional economic strategies. This requires a clear indication and quantification of the specific economic strategy priorities that are best served nationally and regionally by SEZs, with an evidence-based case as to why SEZs constitute an appropriate form of policy intervention.

#### ***Policy Advice 2: Improving economic performance of SEZ programmes through developing unique incentives frameworks – fiscal and non-fiscal - which attract investments and foster effective and efficient business environments***

##### **Rationale:**

The reduction of administrative burdens is critical to a successful SEZ programme. Non-fiscal incentives, which facilitate the ease of doing business within SEZs, are now often cited as more important to investors than the implementation of fiscal benefits. In particular, non-fiscal incentives can be very successful instruments in improving the overall business and investment environment and increasing the ‘ease-of-doing-business’.

With regards to fiscal incentives, they should be focused on the sectors and strategies which are being targeted by the proposed zone programme and should not be used as the main differentiator between competing zones. There should ideally be a clear link between national economic priorities and target industry-sectors suitable for the SEZ programme.

Where possible, incentive frameworks can be standardised at the national level to ensure that competition between zones within a country does not result in the adoption of unsustainable packages of incentives. The use of ‘sunset clauses’ can be effective mechanisms to ensure that SEZ programmes avoid unsustainable guarantees of fiscal incentives over long time periods.

#### ***Policy Advice 3: Improving the competitive advantage of SEZ programmes through effective site and sector targeting based on a robust understanding of national economic priorities and competitive advantages***

### **Rationale:**

The correct choice of site(s) and sectoral focus for SEZ programmes are identified as critical success factors in ensuring that the comparative advantages of the country, region or site are fully utilised.

Sectoral selection should include consideration of advantages such as labour force, skills and training levels, proximity and capacity of input suppliers and preferential market access. A key component of this is the identification and selection of the most appropriate sectors based on a robust economic understanding of economic policy objectives, existing competitive advantages and activities which would add most value in the context of the vision and rationale for SEZ development.

Forward strategies should also be developed to identify clear pathways to progress up industry value chains with strategies formulated for fostering both backward and forward linkages within the domestic economy. It is also important for SEZ programmes to facilitate complementary policies such as skills development and regional supply chain management to promote these linkages and attract increased investments.

One of the most common factors characterising poor performance within SEZ programmes is poor site location, sometimes determined without economic/technical considerations. It is acknowledged that zones are more successful when they exploit pre-existing advantages that are the products of concentration, such as the presence of existing infrastructure such as ports or airports which offer international connectivity or economic considerations such as access to markets, feedstocks and supply chains.

***Policy Advice 4: Designing an efficient legal and regulatory framework to create a ‘special’ economic operating environment which considers and complements the existing legal and regulatory environment***

### **Rationale:**

The legal and regulatory framework will typically differentiate the SEZ from the domestic economy and it is therefore important for the framework and associated regulations to outline how the SEZ programme will be governed and how investors will be attracted and serviced. The institutional and administrative framework should be clearly defined in terms of the role of different government departments or agencies and consideration should be given as to whether a unique SEZ law should be established, or whether regulations, legislative amendments or contract law or concessions could offer similar benefits.

The creation of a ‘special’ operating environment should not mean compensating for weaknesses in the wider economy, but should involve establishment of an extra-territorial area that provides truly beneficial investment and trading conditions and is fully complementary to the country’s forward strategy for economic growth.

Consideration should also be given as to how investor requirements are best met through the legal and regulatory framework, particularly within the specific target sectors and any regulatory challenges which need to be overcome to attract further inward investment. This could include the creation of a ‘One-Stop-Shop’.

Analysis of the existing legal and regulatory environment should also be carefully considered, to ensure that the proposed SEZ framework does not result in administrative conflict, tension or increased complexity. The purpose of creating a dedicated SEZ framework is to improve the general ‘ease of doing business’ and therefore increased complexity can be a deterrent to inward investment.

***Policy Advice 5: Assigning/Establishing a single SEZ authority to regulate all SEZs within the country and supporting SEZ programmes through active involvement of key stakeholders and development of SEZ working groups***

### **Rationale:**

There is a need for establishing a single SEZ authority, where countries have multiple SEZs to regulate all SEZs. Therefore, an overarching authority should be established in the member countries for leveraging existing expertise and avoiding the potential pitfalls of multiple authorities competing with one another and

creating investor confusion. Single SEZ authorities help to promote policy continuation and consistency across SEZ programmes, as well as managing the relationship between regulators, operators and developers of SEZ programmes. Careful consideration should be given, however, to the degree of flexibility that must be exercised by the single authority across different zones, this being partly dependent upon the zones' sectoral focus. Regulators must be able to differentiate in terms of treatment for zones focusing on financial and business services for example, in comparison to those focusing on other activities such as manufacturing or logistics. The possibility of including a legal arbitration function across or within SEZs should also be considered.

Furthermore, it is key for a SEZ programme to be supported by a range of government departments and agencies in order for it to be successful. Executive support for an SEZ programme helps ensure that all those in government understand that the programme is an executive priority and that effective administration of the programme is a priority. Additionally, various government departments and/or agencies may need to contribute or devolve operational responsibilities.

The formulation of SEZ working groups can be a key tool in ensuring that the full range of issues and opportunities that an SEZ programme generates is captured and to ensure lateral support from relevant stakeholders. Effective working groups can be composed of highly experienced government technicians who have a deep knowledge of the country's economic challenges, policies, legislation and economic development projects. Working groups can also provide a useful mechanism for managing the relationship between key public and private stakeholders through the direct involvement of private sector interests.

***Instruments to Realize the Policy Advices:***

- ***COMCEC Trade Working Group:*** In its subsequent meetings, the Working Group may elaborate on the above mentioned policy areas in a more detailed manner.
- ***COMCEC Project Funding:*** Under the COMCEC Project Funding, the COMCEC Coordination Office calls for project proposals each year. With the COMCEC Project Funding, the Member Countries participating in the Working Groups can submit multilateral cooperation projects to be financed through grants by the COMCEC Coordination Office. For the above-mentioned policy areas and their sub-areas, the Member Countries can utilize the COMCEC Project Funding and the COMCEC Coordination Office may finance the successful projects. The projects may include seminars, training programs, study visits, exchange of experts, workshops and preparing analytical studies, needs assessments and training materials/documents, etc.

## **Annex 4: List of Participants**

### **DRAFT LIST OF PARTICIPANTS 10<sup>th</sup> MEETING OF THE TRADE WORKING GROUP 02 November 2017, Ankara**

#### **A. MEMBER COUNTRIES OF THE OIC**

##### **ISLAMIC REPUBLIC OF AFGHANISTAN**

- Mr. FERAZ KHAN MASJIDI  
Deputy Minister of Private Sector Development and Industries, Ministry of Commerce and Industries
- Mr. ABDUL HAKIM HASSANY  
Director, Ministry of Commerce and Industries

##### **PEOPLE'S DEMOCRATIC REPUBLIC OF ALGERIA**

- Mr. TAREK ALLOUNE  
Office Manager, Ministry of Trade

##### **PEOPLE'S REPUBLIC OF BANGLADESH**

- Mr. BADRUL HASSAN BABUL  
Joint Secretary, Ministry of Commerce
- Mr. MOHAMMED CHOWDHURY  
Manager, Bangladesh Economic Zones Authority, Prime Minister's Office
- Mr. SABUJ AHMED  
Second Secretary, Embassy of Bangladesh in Ankara

##### **REPUBLIC OF DJIBOUTI**

- Mr. MOUMIN ISMAIL ABDILLAH  
Technical Counsellor, Ministry of Economy and Finance
- Mr. SAMIR CHEIKH  
Technical Counsellor, COMCEC Focal Point, Ministry of Economy and Finance

##### **REPUBLIC OF GAMBIA**

- Mr. HASSAN GAYE  
Director of Industry and Investment, Ministry of Trade, Industry, Regional Integration and Employment
- Mr. BASAINEY E. JAMMEH  
Manager, Gambia Investment and Export Promotion Agency (GIEPA)

##### **REPUBLIC OF INDONESIA**

- Ms. AYU WULAN SAGITA  
Deputy Director for UN and Non-UN Bodies, Ministry of Trade

##### **ISLAMIC REPUBLIC OF IRAN**

- Mr. HAMID ZADBOOM  
Commercial Counsellor, Iran Trade Promotion Organization
- Mr. MIRSOHEIL HOSSEINI

##### **REPUBLIC OF IRAQ**

- Mr. THARWAT SALMAN  
Commercial Attache, Embassy of Iraq in Ankara

**THE STATE OF KUWAIT**

- Mr. SAQER ALFADHLI  
First Foreign Affairs Researcher, Ministry of Finance

**KYRGYZ REPUBLIC**

- Mr. EDILBEK UBYSHEV  
Head of Internal Security, Free Economic Zone, Bishkek
- Mr. MIRADIL BAKASHOV  
Executive Director, Free Economic Zone, Bishkek

**LIBYA**

- Mr. ABUBAKER BENSAUD  
Diplomat, Embassy of State of Libya in Ankara

**MALAYSIA**

- Mr. IDZHAM ABDUL HAMID  
Director, Malaysia External Trade Development Corporation (MATRADE)

**KINGDOM OF MOROCCO**

- Ms. FATIMA ZAHRA KHAI  
Engineer, Ministry of Industry, Investment, Trade and Digital Economy

**REPUBLIC OF NIGER**

- Mr. IRO ABOUBACAR  
Head of the Monetary and Banking Division, Ministry of Finance

**FEDERAL REPUBLIC OF NIGERIA**

- Mr. OYESOLA OYEKUNLE  
General Manager, Nigeria Export Processing Zones Authority
- Mr. IBRAHIM AKOPARI AHMED  
Deputy Director, Federal Ministry Industry, Trade and Investment

**SULTANATE OF OMAN**

- Ms. WIDAD AL RAHBI  
Specialist of Economic Agreements at the Supreme Council of Planning, Specialist IAG

**ISLAMIC REPUBLIC OF PAKISTAN**

- Mr. YOUSAF JUNAID  
Consul General, Trade Attache, Consulate General of Pakistan in İstanbul
- Mr. MUHAMMAD ADIL  
Second Secretary, Embassy of Pakistan in Ankara

**THE STATE OF PALESTINE**

- Mr. HAYTHAM WAHIDI  
PIPA CEO, Palestinian Investment Promotion Agency
- Ms. SHIFA ABU YAQOUB  
Director General, Ministry of National Economy
- Mr. AZMI ABU-GHAZALEH  
Counsellor, Embassy of the State of Palestine in Ankara

**STATE OF QATAR**

- Mr. AHMED SALEH ALMOHANNADI  
Economic Consultant, Ministry of Economy and Trade

- Mr. MOHAMED ALMALKI  
Chief Planning and Business Development, Manateq Economic Zone

#### **KINGDOM OF SAUDI ARABIA**

- Mr. FAWAZ SAAD ALGHAMDI  
Commercial Attache, Ministry of Commerce and Investment
- Mr. FIRAS MAAD  
Vice Sector Head, Transportation and Logistics, Ministry of Economy and Planning

#### **REPUBLIC OF SUDAN**

- Mr. IBRAHIM DIRAR  
General Secretary, Ministry of Investment
- Ms. MANAL ABDELWHAB  
Deputy Director, Ministry of Trade

#### **REPUBLIC OF TUNISIA**

- Mr. ANIS HAJRI  
Counsellor, Embassy of Republic of Tunisia in Ankara

#### **REPUBLIC OF TURKEY**

- Ms. MUKADDES NUR YILMAZ  
Deputy Director General, Ministry of Economy
- Ms. ZÜBEYDE SOLAK  
Head of Department, Ministry of Economy
- Mr. ALİ BAYRAKTAR  
Foreign Trade Specialist, Ministry Of Economy
- Ms. AYŞE KURU  
Foreign Trade Specialist, Ministry Of Economy
- Mr. NURULLAH ASIM AKBULUT  
Assistant Foreign Trade Specialist, Ministry of Economy
- Ms. YEŞİM BAYAM PAKBEŞE  
Foreign Trade Specialist, Ministry of Economy
- Ms. GÜLSÜM AKTAŞ  
Head of Department, Ministry of Economy

#### **B. OIC INSTITUTIONS**

##### **INTERNATIONAL ISLAMIC TRADE FINANCE CORPORATION (ITFC)**

- Mr. AYHAN KARACA  
Manager

##### **STATISTICAL, ECONOMIC, SOCIAL RESEARCH AND TRAINING CENTER FOR ISLAMIC COUNTRIES (SESRIC)**

- Mr. KENAN BAĞCI  
Senior Researcher

##### **ISLAMIC CHAMBER OF COMMERCE, INDUSTRY AND AGRICULTURE (ICCIA)**

- Mr. MUHAMMAD IDRIS  
Manager

#### **C. OTHER INVITED INSTITUTIONS**

##### **MESBAŞ**

- Mr. BORA GEDİK  
Assistant to Director General

**WORLD FREE ZONES ORGANIZATION**

- Mr. JORGE DIAZ  
Membership Manager

**BUROHAPPOLD ENG.**

- Mr. JIM COLEMAN  
Head of Economics
- Mr. SIMON THURLEY  
Senior Economics Consultant

**D. COMCEC COORDINATION OFFICE**

- Mr. SELÇUK KOÇ  
Director
- Mr. BURAK KARAGÖL  
Director
- DENİZ GÖLE  
Expert
- VİLDAN BARAN  
Expert
- MUSTAFA ADİL SAYAR  
Expert
- Mr. FATİH ARSLAN  
Expert