

POLICY RECOMMENDATIONS OF THE 13TH MEETING OF THE AGRICULTURE WORKING GROUP

The COMCEC Agriculture Working Group (AWG) has successfully held its 13th Meeting on February 21st, 2019, in Ankara, Turkey with the theme of “*Reviewing Agricultural Trade Policies to Promote Intra-OIC Agricultural Trade.*”

During the Meeting, AWG made deliberations on sound agricultural trade policies to promote intra-OIC agricultural trade. Room Document, prepared in accordance with the main findings of the research report conducted specifically for the 13th Meeting of AWG and the answers of the Member Countries to the policy questions were the main input for the discussions. 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 Recommendations I: Promotion of Niche Agricultural Products and Halal Certification through product diversification, trademarking, marketing strategies and advertising campaigns.

Rationale:

The OIC Member Countries face competition from each other in certain agricultural products and in certain markets around the globe. This makes the promotion of intra-OIC agricultural trade a particularly challenging issue. Trade facilitation policies, which range from product diversification and trademarking to marketing strategies and advertising campaigns, need to be designed and implemented in the member countries. More specifically, the OIC Member Countries need to promote the niche agricultural products of their fellow OIC countries under a reciprocal understanding of benefits.

There exist key product groups that can be critical in promoting intra-OIC agricultural trade, but are not subject to high tariff protection. For these products, standardization and certification issues are of prime importance for the policy makers. As such, the process of establishing Halal certification for meat products, across the OIC region is a critical policy dimension that could be used effectively to promote intra-OIC agricultural trade in meat products. Halal certification issue also needs to be tackled within a broader perspective of labelling, advertisement and standardization. In this respect, OIC Member Countries need to think of efficient marketing and promotion strategies for niche and halal agricultural products since producing these products requires special effort.

Policy Recommendations II: Promotion of Commercial Cooperation (e.g. enhancing agricultural investments, removal of business visas, etc) and Non-Commercial Cooperation (e.g. sharing best practices and technical expertise, developing safety standards, etc.) among the OIC Member Countries in the areas related to agricultural trade.

Rationale:

The OIC member countries differ in relative abundance of land and natural resources and of financial resources. This type of diversity is a source of complementarity and opens a window of opportunity in commercial cooperation. There already exist some joint ventures among the OIC countries. Policies should be designed and implemented to incentivize commercial cooperation among the OIC member countries in the field of agricultural investment as it directly increases trade among at least two OIC member countries. Removal of business visas, for instance, may be a concrete policy action that could contribute to commercial cooperation.

Non-commercial cooperation among the OIC member countries in terms of technical expertise, skills, and safety standards would also facilitate intra-OIC trade in agricultural products. Naturally, the OIC member countries have a diverse set of safety standards, market information systems, market institutions and human capital stocks. For this reason, the OIC member countries should pay particular attention to policies that would support the effective sharing of best-practice cases in agriculture and agricultural trade.

Moreover, this topic is in line with the rules in the WTO Agreement on Agriculture (AoA-WTO). Therefore, all OIC member countries who are also members of the WTO need to pay attention to the aspects of Commercial and Non Commercial Cooperation.

Policy Recommendations III: Promotion of Tariff Reductions and Bilateral Arrangements in key products (e.g. sugar, meat, feeding stuff for animals, oil-seeds, live animals)

Rationale:

In accordance with the WTO agreement, tariff reduction is a necessity for multilateral, regional and bilateral trade. With a view to achieving a more conducive trading system, OIC member countries need to comply with the global rules of trade.

High tariff protection is observed within the OIC for the key product divisions and products (identified in the research report as sugar, meat, feeding stuff for animals, oil-seeds, live animals) that would otherwise be highly effective in boosting intra-OIC agricultural trade. The OIC member countries would benefit from tariff reductions, particularly in key product divisions and products identified based on both the growth of the intra-regional demand and the existing low intra-regional trade share.

In the research report, it is pointed out that a large fraction of exporter-importer country pairs matched as potential partners for mutually beneficial trade does not have trade agreements with each other yet. There is therefore significant room for improvement in trade performance of, and associated benefits for member countries through bilateral agreements to be initiated to cover the products (live animals, meat, sugars, feeding stuff for animals and oil-seeds) identified in the analysis.

Policy Recommendations IV: Developing and implementing multilateral trade arrangements (e.g. TPS-OIC - Trade Preferential System among the Member States of the OIC)) with a view to contributing to collaborative and sustainable agricultural trade development.

Rationale:

Developing and implementing preferential market access schemes, as well as to concluding more intra- and cross-regional trade agreements/arrangements can help member countries benefit from the strong intra-regional dynamics of agricultural trade by collaborating with regional partners to liberalize agricultural trade on a preferential basis while reducing the potential for trade diversion costs that can arise from the use of preferences or regional agreements. In this regard, Trade Preferential System among the Member States of the OIC (TPS-OIC) gives an important opportunity to initiate such a basis for liberalizing agricultural trade among the OIC Member States.

Policy Recommendations V: Enhancing the capacity of the Member Countries in collection, management and dissemination of agricultural trade data with a view to designing sound and evidence-based agricultural trade policies.

Rationale:

Limited availability of timely, reliable and consistent data on agricultural trade hampers evidence-based decision making by both public and private sector actors in the Member Countries. There are some important initiatives under the OIC umbrella such as the OIC Statistical Commission (OIC-StatCom) and ICDT's web portal called "OIC Trade Map." Besides utilizing more effectively from the existing instruments, new projects may be designed and conducted to identify the data availability and reliability problems in agricultural trade policy measures all across the OIC.

Instruments to Realize the Policy Advices:

COMCEC Agriculture Working Group: In its subsequent meetings, the Working Group may elaborate on the above-mentioned policy areas in a more detailed manner. COMCEC Agriculture and Trade Working Groups may conduct joint meetings/research on agricultural trade policies.

COMCEC Project Funding: Under the COMCEC Project Funding, the COMCEC Coordination Office calls for projects 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, the member countries can utilize the COMCEC Project Funding and the COMCEC Coordination Office may finance the successful projects in this regard. These projects may include organization of seminars, training programs, study visits, exchange of experts, workshops and preparing of analytical studies, needs assessments and training materials/documents, etc.

SMIIC and SESRIC: The facilities of SMIIC and SESRIC (e.g. OIC Statistical Commission, Technical Committees of the SMIIC, etc.) can be utilized.

