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**REPORT
OF THE THIRTY SECOND SESSION
OF THE STANDING COMMITTEE FOR ECONOMIC
AND COMMERCIAL COOPERATION OF THE OIC
(İstanbul, 21-24 November 2016)**

1. The Thirty-Second Session of the Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Cooperation (COMCEC) was held on 21-24 November 2016 in İstanbul.

2. The Session was attended by representatives of the following Member States of the Organization of the Islamic Cooperation (OIC):

- 1- Islamic Republic of Afghanistan
- 2- Republic of Albania
- 3- People's Democratic Republic of Algeria
- 4- Republic of Azerbaijan
- 5- Kingdom of Bahrain
- 6- People's Republic of Bangladesh
- 7- Republic of Benin
- 8- Brunei Darussalam
- 9- Republic of Cameroon
- 10-Republic of Chad
- 11-Republic of Cote D'ivoire
- 12-Republic of Djibouti
- 13-Arab Republic of Egypt
- 14-Republic of Gabon
- 15-Republic of Gambia
- 16-Republic of Guinea
- 17-Republic of Indonesia
- 18-Islamic Republic of Iran
- 19-Republic of Iraq
- 20-Hashemite Kingdom Of Jordan
- 21-Republic of Kazakhstan
- 22-The State of Kuwait
- 23-Kyrgyz Republic
- 24-Republic of Lebanon
- 25-Libya
- 26-Malaysia

- 27-Islamic Republic of Mauritania
- 28-Kingdom of Morocco
- 29-Republic of Niger
- 30-Federal Republic of Nigeria
- 31-Sultanate of Oman
- 32-Islamic Republic of Pakistan
- 33-The State of Palestine
- 34-State of Qatar
- 35-Kingdom of Saudi Arabia
- 36-Republic of Senegal
- 37-Republic of Sierra Leone
- 38-Republic of Somalia
- 39-Republic of Sudan
- 40-Republic of Tajikistan
- 41-Republic of Tunisia
- 42-Republic of Turkey
- 43-Turkmenistan
- 44-Republic of Uganda
- 45-State of the United Arab Emirates
- 46-Republic of Uzbekistan
- 47-Republic of Yemen

3. Bosnia-Herzegovina, The Russian Federation, Kingdom of Thailand and Turkish Republic of Northern Cyprus participated in the Session as observers.

4. In addition to the OIC General Secretariat and the COMCEC Coordination Office the following subsidiary, specialized and affiliated OIC institutions attended the Session:

- 1- Statistical, Economic and Social Research and Training Center for Islamic Countries (SESRIC)
- 2- Islamic Center for the Development of Trade (ICDT)
- 3- Islamic Research Center for Islamic History, Art and Culture (IRCICA)
- 4- Standards and Metrology Institute of Islamic Countries (SMIIC)
- 5- Islamic Development Bank (IDB) Group
- 6- Islamic Chamber of Commerce, Industry and Agriculture (ICCIA)
- 7- Organization of the Islamic Ship-owners Association (OISA)
- 8- Federation of Consultants from Islamic Countries (FCIC)
- 9- Federation of Contractors from Islamic Countries (FOCIC)
- 10- Islamic University of Technology (IUT)

11- Association of National Development Finance Institutions in Member Countries of the Islamic Development Bank (ADFIMI)

5. Representatives of the following international organizations attended the Ministerial Session and Special Sessions:

- 1- Organization of the Black Sea Economic Cooperation (BSEC)
- 2- Developing Eight (D-8)
- 3- Economic Cooperation Organization (ECO)
- 4- Economic Cooperation Organization Trade and Development Bank (ECOBANK)
- 5- Gulf Cooperation Council (GCC)
- 6- United Nations Development Programme (UNDP)

(A copy of the List of Participants of the Thirty-Second Session of the COMCEC is attached as Annex I.)

6. The Meeting of Senior Officials of COMCEC that preceded the Ministerial Session was held on 21st and 22nd November 2016 under the Chairmanship of H.E. Ambassador Salih Mutlu ŞEN, Permanent Representative of the Republic of Turkey to the OIC. The Senior Officials deliberated on the agenda items and prepared the Draft Resolutions for consideration by the Ministerial Session.

Opening Session

7. The Opening Ceremony of the Thirty-Second Session of the COMCEC was held on November 23rd, 2016 under the Chairmanship of H.E. Recep Tayyip ERDOĞAN, President of the Republic of Turkey and the Chairman of the COMCEC.

8. Welcoming the delegates, H.E. ERDOĞAN, congratulated the new Secretary-General of the OIC H.E Yusuf bin Ahmad Al-Othaimeen and the new President of the Islamic Development Bank H.E. Bandar Al Hajjar and wish them success in their endeavors.

9. H.E ERDOĞAN highlighted that the world has been struggling with political, social and economic turmoils for decades, particularly across the region where OIC countries are located. H.E. ERDOĞAN pointed out that Islamic countries have been the centers of disastrous events. On the other hand, H.E.ERDOĞAN mentioned that we, as the representatives of the Islamic world, have convened to reach more equitable prosperous and peaceful world is possible.

10. H.E. ERDOĞAN reiterated the emphasis made on the COMCEC Strategy during the 13th Islamic Summit and pointed out that the successful implementation of the strategy is carried out by virtue of the thriving operation of the Working Groups and the COMCEC Project funding. Stressing the significance of the policy recommendations of the Working Groups, H.E. ERDOĞAN invited the Member States to effectively utilize the Working Groups and COMCEC Project Funding.

11. H.E. ERDOĞAN referred to the gradual increase of intra-OIC trade and pointed out the potential of our member states in trade. H.E. ERDOĞAN underlined that intra-OIC trade volume can be increased to 25 percent. In order to realize this target, the Trade Preferential System, which serves as a very important COMCEC project, needs to be put into effect. Thus, he invited the member states to submit their updated concession lists to the COMCEC immediately for the operationalization of the system.

12. As he addressed the global financial challenges, H.E. ERDOĞAN pointed out that Islamic finance presents a substantial potential for the Muslim Countries. With regards to the financial instruments which can widen the scope of economic cooperation among OIC Member States, H.E. ERDOĞAN invited the Member States to support and facilitate the process of establishing a Gold Exchange, which will offer an enormous cooperation and benefit avenue for the Islamic World. H.E. ERDOĞAN also reiterated his proposal made during the 13th Islamic Summit in Istanbul on the establishment of OIC Arbitration Center in İstanbul. H.E. ERDOĞAN implored that the efforts and the works should be finalized to this end.

13. H.E. ERDOĞAN expressed that we should make sure that our countries are resilient to global crises. Within this context, Islamic finance with its real asset-based approach and importance attached to ethical principles, offers solutions as a remedy for such crises. In this respect, H.E. ERDOĞAN emphasized that 31st Ministerial Exchange of Views Session theme, “Development of Islamic Finance Strategies in OIC Member Countries” is quite meaningful.

(A copy of the text of the Inaugural Statement of H.E. Recep Tayyip ERDOĞAN is attached as Annex II.)

14. Following the Inaugural Statement made by H.E. ERDOĞAN, representative of OIC General Secretariat made a statement at the Opening Session.

15. His Excellency Dr. Yousef Al-OTHAIMEEN the Secretary General of the OIC thanked the Government of the Republic of Turkey for the hospitality extended to the delegates and highlighted the adoption of the OIC-2025 Strategic Programme of Action by the 13th Islamic Summit held in Istanbul, Republic of Turkey on 14-15 April 2016, which endorsed several targets and goals in the area of socio-economic cooperation

including the new intra-OIC trade target of 25% by 2025 among others. While emphasizing his commitment to the speedy implementation of OIC-2025 Programme of Action and the various initiatives and multilateral instruments already agreed upon at the OIC meetings in the area of trade and investment promotion, he reiterated that the Trade Preferential System of the OIC (TPS-OIC) would need to remain at the center of our trade facilitation agenda. He therefore urged member states to commence the implementation of this tariff reduction mechanism to ensure access to OIC markets and the consequent increase in intra-OIC trade.

16. The Secretary General also enumerated on the various flagship programmes initiated during the year in the domain of trade and investment promotion, tourism and Halal food development, and the Special Programme for Central Asia and expressed his satisfaction at the progress realized in these projects.

(The text of the Statement of the Secretary General of the OIC is attached as Annex III.)

17. The Heads of Delegations of the Kingdom of Saudi Arabia, Niger and Indonesia made statements on behalf of the Arab, African, and Asian regional groups, respectively. They expressed their thanks and appreciation to the Republic of Turkey for the warm hospitality and excellent organization of the Meeting. They also expressed their gratitude to H.E. ERDOĞAN for his wise guidance and leadership in enhancing economic and commercial cooperation among the OIC Member States. Highlighting the challenges emerging from economic stagnation in the globe, they emphasized the importance of projects/programs initiated under the umbrella of COMCEC. They also underlined the role of COMCEC to further enhance solidarity and cooperation among the Member Countries.

18. The Heads of Delegations also expressed their support and commitment to the COMCEC and emphasized the need for improving cooperation under the auspices of the COMCEC.

19. H.E. Dr. Bandar M. H. HAJJAR, President of the Islamic Development Bank (IDB) Group also delivered a statement at the Opening Session. H.E. Dr. HAJJAR congratulated COMCEC for the selection of the theme of Exchange of Views session and underlined the role of the IDB in reviving, rehabilitating, modernizing the Islamic Finance and paving the ways for the contemporary Islamic Finance Transactions.

(The text of the Statement of the IDB Group President is attached as Annex IV.)

20. Following the Opening Ceremony, H.E. Recep Tayyip ERDOĞAN received the Heads of Delegation.

Ministerial Working Session

21. The Ministerial Working Session of the Thirty-Second Session of the COMCEC was held on November 23rd, 2016 under the Chairmanship of H.E. Lütfi ELVAN, Minister of Development of the Republic of Turkey.

22. The Session adopted the Agenda of the Thirty-Second Session of the COMCEC.

23. Following the adoption of the agenda, H.E. Ambassador Salih Mutlu ŞEN, as the Chairman of the Senior Officials Meeting (SOM), informed the Session on the outcomes of the Senior Officials Meeting as well as the recommendations of the 6th Meeting of COMCEC Financial Working Group on “Developing Islamic Finance Strategies in the OIC Member Countries” considered by the SOM for submission to Ministerial Session.

24. Following the presentation of H.E. Ambassador Salih Mutlu ŞEN, the Exchange of Views Session of the 32nd Session of the COMCEC was held with the theme of “Developing Islamic Finance Strategies in the OIC Member Countries”.

25. H.E. Dr. Bandar M. H. HAJJAR, President of the Islamic Development Bank (IDB) Group, made a statement on the importance of Islamic finance for the development endeavors of the Member Countries. In this sense, H.E. HAJJAR mentioned the significance of developing Islamic finance strategies in the Member Countries. H.E. HAJJAR stated that enhancing the visibility of and financial literacy about Islamic finance is crucial for extending the usage of Islamic financial instruments. In this framework, H.E. HAJJAR pointed out that the IDB will enhance cooperation with the Member Countries and OIC institutions and other multilateral development Banks.

26. Afterwards, the Ministers and heads of delegations of Member Countries made presentations on their country experiences with regards to Islamic finance industry/sector in the Member Countries as well as the potential role of the COMCEC in this regard.

Side Events/Special Sessions

27. The 29th Meeting of the Sessional Committee was held on November 20th, 2016 as a sideline event with the participation of the relevant OIC Institutions.

(A copy of the report of the 29th Meeting of the Sessional Committee is attached as Annex V.)

28. A special signing ceremony was held at the Closing Session of the Senior Officials Meeting. During this ceremony, OIC General Secretariat and TURKIC

Council signed a Memorandum of Understanding (MoU) on “Strengthening the cooperation between OIC General Secretariat and TURKIC Council”.

29. The special session on the “Panel on COMCEC Project Funding” was made on November 22nd, 2016. During the panel, the owners of the successful projects funded under the third project call of the COMCEC Project Funding made presentations with respect to the implementation of their projects.

30. The special session on “Governors’ Perspective on Designing National Strategies to Develop Islamic Finance” was held on November 24th, 2016. The session was moderated by Dr. Hamed Hassan MERAH, Secretary General of Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). The speakers of this special session were as follows: Mr. M.Alper BATUR, Acting Deputy Director General of Financing Sector Relations and Exchange; Mr. Saeed AHMAD, Deputy Governor of State Bank of Pakistan; and Mr. Yousuf Mohamed AL-JAIDA, Chief Executive Officer (CEO) and Board Member of Qatar Financial Center.

31. The special session on “Private Sector Perspective on Designing National Strategies to Develop Islamic Finance” was held on November 24th, 2016. The session was moderated by Mr. Rafiuddin SHIKOH, CEO and Managing Director of Dinar Standard. Mr. Hani Salem SONBOL, Chief Executive Officer of International Islamic Trade Finance Corporation (ITFC), IDB Group; Mr. Haluk DORTLUOĞLU, Chief Financial Officer (CFO) of BİM A.Ş.; Ms. Siti Rosina ATTAULLAH, Principal Consultant of Sphere Consulting Services and Former Head of Islamic Capital Market Unit of KFH Research; and Mr. Fawaz Al ISSA, Vice-Chairman and CEO Turkapital Holding were the speakers of this special session.

32. The special session on “Essentials of Islamic Finance” was held on November 24th, 2016. The session was moderated by Prof. Mehmet ASUTAY, Director of Durham Centre for Islamic Economics and Finance. The speakers of this special session were as follows: Dr. Mohamad HAMMOUR, Chairman and Managing Director of Guidance Financial Group; Prof. Habib AHMED, Sharjah Chair in Islamic Law and Finance at Durham University and Former Economist at Islamic Research and Training Institute; and Prof. Monzer KAHF, Professor of Islamic Economics and Banking at Hamad Bin Khalifa University.

33. The special session on “Utilizing Islamic Finance in Financing Infrastructure Projects” was held on November 24th, 2016. The session was moderated by Prof. Mohamed Azmi OMAR, Director General of IRTI-IDB Group. Mr. Khalid Sulaiman ALSAEED, Senior Financial Sector Specialist at International Monetary Fund (IMF); Mr. Aykut Zafer TAŞEL, Investments Planning Director at Turk Telekom Group; Mrs. Dato’Noorizah Hj ABD HAMID, CEO of Plus Malaysia Berhad; and Dr. Vahdettin

ERTAŞ, Chairman of Capital Markets Board of Turkey were the speakers of this special session.

34. As a sideline event of the 32nd Session of COMCEC, COMCEC Project Funding Exhibition (November 21st – 24th) took place on 21-24 November 2016.

Closing Session:

35. The Closing Session of the Thirty-Second Session of the COMCEC was held on November 24th, 2016 under the Chairmanship of H.E. Lütfi ELVAN, Minister of Development of the Republic of Turkey.

36. H.E. Yousef JUNAID, Rapporteur of the Senior Officials Meeting, summarized the outcomes of the Senior Officials Meeting and highlighted some salient points in the Resolutions.

37. The Session adopted Resolution OIC/COMCEC/32-16/RES.

38. Two special signing ceremonies were held at the Closing Session. Firstly, Kuwait International Fair Company and Islamic Centre for Development of Trade (ICDT) signed a Memorandum of Understanding (MoU) on organization the special OIC trade fair on 6-10 February, 2018 in Kuwait City, Kuwait. Secondly, the Ministry of National Entrepreneurship, Handicraft and SMEs Promotion of the Republic of Côte D'ivoire and ICDT signed the Memorandum of Understanding (MOU) for organization of the 3rd African Forum on Halal Business in 2017.

39. H.E. Ambassador Hameed OPELOYERU, Assistant Secretary General delivered the message of H.E. Dr. Yousef Al-OTHAIMEEN, Secretary General of the OIC. H.E. Ambassador Hameed OPELOYERU thanked H.E Recep Tayyip ERDOĞAN for his wise leadership and support for the COMCEC activities. H.E. Ambassador OPELAYERU also mentioned that OIC Member Countries are benefiting from the COMCEC activities and wished for the continuation of such beneficial activities.

40. H.E. Dr. Abdusalam OMER, Minister of Foreign Affairs and Investment Promotion of Somalia, made a statement on behalf of all participating Member Countries. His Excellency the Minister expressed his gratitude towards the Republic of Turkey, OIC General Secretariat, COMCEC Coordination Office, and all OIC and other institutions for their efforts in the successful finalization of the 32nd Session of the COMCEC. The heads of delegations of Cameroon and Gabon also expressed their thanks and appreciations to the peoples of the Republic of Turkey for the warm hospitality extended to all delegations.

41. H.E. Lütfi ELVAN, Minister of Development of the Republic of Turkey, made a closing statement at the Session. H.E. ELVAN expressed that uncertainty and stress within the financial markets cause the growth of the world trade to remain low. H.E highlighted that in such a stagnant environment, the member countries, should have more competitive economies in order to reach higher trade volumes; the member countries should also take necessary procedures to promote investment and value added production in the real economy rather than depend on the export of raw materials. To that end, our member countries, should diversify their trade partners and strengthen ties among each other. In this respect, H.E. underlined the importance of the operationalization of the TPS-OIC to boost our intra-OIC trade, should be operationalized urgently.

42. H.E. ELVAN also stressed that the current size of Islamic finance is around 2 trillion US Dollars, which represents nearly 1 percent of the global financial market; with its strong ethical principles and asset-based approach, Islamic finance instruments can play an important role in promoting asset -based banking and infrastructure investments. In that sense, the member countries should pave the way for the establishment of a strong Islamic finance industry upon well designed strategies and national legislations. The private sector should also be encouraged to be engaged in both producing and benefiting from Islamic finance instruments. H.E. ELVAN also underlined the successful implementation of the COMCEC Strategy through COMCEC Working Groups and COMCEC Project Funding mechanisms.

43. H.E. Lütfi ELVAN concluded his statement by expressing the significance for the Member Countries to actively participate in various cooperation programs and projects conducted under the COMCEC.

(The text of the Closing Statement of Lütfi ELVAN is attached as Annex VI.)

44. All documents submitted to the 32nd Session of COMCEC will be available on the COMCEC web site (www.comcec.org).

