

OIC/COMCEC-FC/18-02/REP

REPORT
OF THE EIGHTEENTH MEETING
OF THE FOLLOW-UP COMMITTEE
OF THE COMCEC

Istanbul, 10-11 May 2002

COMCEC Coordination Office
Ankara, May 2002

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REPORT
OF THE EIGHTEENTH MEETING OF THE
FOLLOW-UP COMMITTEE OF THE STANDING COMMITTEE
FOR ECONOMIC AND COMMERCIAL COOPERATION OF THE
ORGANIZATION OF THE ISLAMIC CONFERENCE

(Istanbul, 10-11 May 2002)

Original: English

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(Istanbul, 10-11 May 2002)

1. The Eighteenth Meeting of the Follow-up Committee of the Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Conference (COMCEC) was held in Istanbul, on 10 - 11 May 2002.

2. The representatives of the following Member States of the Committee attended the Meeting:

Republic of Turkey	: Chairman (Permanent)
Kingdom of Saudi Arabia	: Vice Chairman (Permanent)
State of Palestine	: Vice Chairman (Permanent)
State of Qatar	: Vice Chairman (the Current Chairman of the Summit)
State of Kuwait	: Vice Chairman (Representing the Arab Region)
Islamic Republic of Iran	: Vice Chairman (Representing the Asian Region)
Federal Republic of Nigeria	: Vice Chairman (Representing the African Region)
Islamic Republic of Pakistan	: Rapporteur
Syrian Arab Republic	: Member of the Previous Bureau
Burkina Faso	: Member of the Previous Bureau

The Republic of Indonesia attended the Meeting as guest.

3. The representatives of the General Secretariat and the following OIC subsidiary organs and specialized and affiliated institutions also attended the Meeting:

Statistical, Economic and Social Research and Training Centre for
Islamic Countries (SESRTCIC)
Islamic Center for Development of Trade (ICDT)
Islamic University of Technology (IUT)
Islamic Development Bank (IDB)
Islamic Chamber of Commerce and Industry (ICO)
Organization of the Islamic Shipowners Association (OISA)

4. The representatives of the following institutions also attended the Meeting:

- Federation of Consultants from Islamic Countries (FCIC)
- UNIDO Center for Regional Cooperation in Ankara

(A copy of the list of participants is attached as Annex I.)

Opening Session

5. The Meeting was inaugurated by H.E. Dr. Devlet BAHÇELİ, Minister of State and Deputy Prime Minister of the Republic of Turkey.

6. In his message addressed to the Meeting, H.E. Ahmet Necdet SEZER, President of the Republic of Turkey and Chairman of COMCEC, highlighted the role played by the COMCEC whereby member countries enjoy the opportunity to explore ways and means of enhancing cooperation among themselves. It is also a forum to discuss the various developments unfolding in the world economic arena. He also mentioned the negative impact of the economic slow down on the economies of developing countries and reiterated the role that could be played by the international institutions to avert them. Touching upon the emergence and different dimensions of the regional economic cooperation initiatives among the developing countries as an opportunity for development and trade creation purposes, H.E. President SEZER emphasized the vital importance for the developing countries to set up the basic infrastructure for the information age to meet the challenges posed and secure benefits accrued with a view to advancing regional cooperation initiatives among themselves in this new era. In this

context, he called attention to a more effective recourse to the COMCEC by the member countries as common ground for collective action in the face of the global challenges. Referring to the recent events in the Middle East that caused deep grief and concern in the Islamic world, H.E. President SEZER pointed out that a just and permanent peace in the Middle East could be achieved only through negotiations based on resolution 242 and 338 of the UN Security Council and on the principle of land for peace adding that Turkey would maintain her past determination to contribute to the establishment of an enduring peace in the Middle East. H.E. President SEZER conveyed his thanks to all participants, and expressed his wish for the successful completion of the Follow-up Committee Meeting.

(A copy of the text of the message of H.E. President Ahmet Necdet SEZER is attached as Annex II.)

7. The Meeting was then addressed by H.E. Dr. Devlet BAHÇELİ, Minister of State and Deputy Prime Minister of the Republic of Turkey. H.E. BAHÇELİ, welcoming the delegates, underlined the importance of the experiences accumulated over the years by the OIC family in the face of challenges, especially those posed by the recent sweeping political and economic occurrences. H.E. BAHÇELİ underscored that relying on these experiences, the COMCEC was now in a better position to dwell on the cooperation projects besides the present ones, aiming at removing physical and other obstacles preventing the consolidation of economic and commercial cooperation among the member countries. Referring to the basic prerequisites for the sustainable developments H.E. BAHÇELİ underlined the significance of securing a quality of life for all as an ultimate goal to achieve economic development. In this context, referring to the social dimension of the development struggle, he drew attention to the two important developments under the patronage of the United Nations, namely, the Conference on Financing the Development convened in Monterrey last March, in Mexico which produced the Monterrey Convention and the World Summit for Sustainable Development due to take place from 26 August to 4 September 2002 in Johannesburg, South Africa. He called upon the member countries to actively participate in worldwide events. H.E. BAHÇELİ also touched upon the tragic events that had taken place in the Middle East and expressed hope to see that war would be replaced by peace and stability through the Middle East Peace Conference to be

convened soon in Istanbul. Referring to the agenda items and the issues related to them, he stressed the importance of relying more effectively the expertise and experiences of the relevant OIC institutions to promote the cooperation projects and ideas among the member countries in order to implement the Plan of Action. H.E. BAHÇELİ thanked all the Member States and the OIC institutions for their valuable contributions and efforts for the work of the COMCEC and wished the Meeting every success.

(The text of the Statement of H.E. Dr. Devlet BAHÇELİ is attached as Annex III.)

8. H.E. Ambassador Nabika DIALLO, the OIC Assistant Secretary General, conveyed the message of the OIC Secretary General, H.E. Abdelouahed BELKEZIZ. The Secretary General expressed his gratitude to H.E. Ahmet Necdet SEZER, President of the Republic of Turkey and Chairman of COMCEC, and to the Government of the Republic of Turkey for their abiding commitment to the promotion of economic and commercial cooperation among Member States. The OIC Secretary General condemned most forcefully the Israeli acts of aggression and called upon the international community for international protection of the Palestinian people. Referring to the implementation of the Plan of Action, H.E. BELKEZIZ hoped that the Committee would give due consideration to the recommendations of the Experts Group Meeting on Accelerating the Implementation of the Plan of Action, which was adopted by the 17th COMCEC Session. H.E. BELKEZIZ urged Member States to sign and ratify the various agreements and statutes aimed at providing a framework for intra-OIC economic cooperation. H.E. BELKEZIZ wished the Meeting every success.

(A copy of the text of the message of H.E. Abdelouahed BELKEZIZ is attached as Annex IV.)

9. The Meeting was then addressed by the Heads of Delegation of the State of Kuwait, Burkina Faso and the Islamic Republic of Pakistan on behalf of the three regional groups namely the Arab, African and Asian regions. The Heads of Delegation expressed their deep concern over the tragic events in the occupied Palestinian territories and condemned the Israeli acts of aggression which claimed thousands of

innocent Palestinian lives, and caused economic devastation at all levels. The Heads of Delegation then stressed the need for further strengthening economic cooperation among OIC Member States and promoting cooperation amongst them based on concrete and realistic projects. They also expressed their thanks and appreciation to the President, the Government and People of Turkey for their continued support of economic and commercial cooperation among member countries as well as for the warm welcome and excellent arrangements made for the Meeting.

10. The leader of the Delegation of Palestine also addressed the Meeting to underscore the grave situation in the occupied territories and called on the OIC Member States to extend political and material support to the Palestinian people at this critical junction.

Working Sessions

11. The working sessions of the Meeting were chaired by H.E. Dr. Akin İZMİRLİOĞLU, Undersecretary of the State Planning Organization of the Republic of Turkey.

12. After the adoption of the Agenda, the Meeting set up an open-ended Drafting Committee under the Chairmanship of the Rapporteur, H.E. Ambassador Qazi HÜMAYUN, Head of the Delegation of the Islamic Republic of Pakistan.

(A copy of the Agenda as adopted by the Committee is attached as Annex V.)

Background Report of the OIC General Secretariat

13. Under Agenda Item 3, H.E. Ambassador Nabika DIALLO, Assistant Secretary General of OIC, introduced the Background Report of the General Secretariat, which was subsequently summarized by H.E. Ambassador A.H.M. MONIRUZZAMAN, Director of Economic Affairs of the OIC General Secretariat. In his presentation, H.E. MONIRUZZAMAN highlighted the various activities undertaken by the Member States and the OIC Institutions towards the implementation of the resolutions of COMCEC.

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14. The Committee took note of the Background Report of the General Secretariat and expressed thanks and appreciation for its preparation.

15. The Committee emphasized the importance of implementing the existing OIC Agreements and Statutes in the area of economic cooperation. In this connection, the Committee renewed its call to Member States, which had not yet done so, to sign and ratify the Agreements, as early as possible, particularly the Framework Agreement on the Trade Preferential System Among Islamic Countries (TPSOIC) so as to speed up its entry into force, which will set up an OIC Preferential Trade Area as the first step for setting up an Islamic Common Market

16. The Committee renewed its appeal to the Member States which were the proponents of the projects to expedite the formation of the project committees as envisaged in the Plan of Action with a view to implementing the projects proposed during the sectoral experts group meetings.

17. The Committee requested the Member States that had already offered to host sectoral expert group meetings to expedite the convening of said meetings. The Committee also appealed to the Member States to come forward with proposals for hosting Expert Group Meetings in all the other priority areas of the Plan of Action.

18. Seeking to improve the preparation of the Background Report of the General Secretariat, the Committee deemed that in future its reports comprise **the appropriate** recommendations and solutions and that it disseminate its report to Member States at least one month prior to the meeting.

19. The Committee was also of the view that the relevant OIC institutions could henceforth report on their activities directly to the COMCEC Session while informing the General Secretariat.

(The Background Report by the General Secretariat is attached as Annex VI.)

Review of the Implementation of the Plan of Action to Strengthen Economic and Commercial Cooperation Among OIC Member States

20. Under Agenda Item 4, H.E. Ambassador DIALLO, Assistant Secretary General of OIC, introduced the report on the review of implementation of the Plan of Action. H.E. Ambassador A.H.M. MONIRUZZAMAN, Director of Economic Affairs of the OIC General Secretariat, subsequently presented the report. The Committee took note of the reports with appreciation.

21. The Committee stressed the importance of the recommendations made by the Experts Group for the implementation of the OIC Plan of Action and requested that measures be taken to accelerate the implementation of these recommendations through appropriate mechanisms to be proposed by the COMCEC Coordination Office in cooperation with the OIC General Secretariat benefiting from the expertise in this regard of the OIC relevant institutions and submit a report to the next COMCEC Session on the best way to implement these recommendations.

22. The Committee considered the draft project profile form prepared by the COMCEC Coordination Office in pursuance of recommendation no 12 of the Expert Group Meeting on Accelerating the Implementation of the OIC Plan of Action, and recommended that the draft be circulated, through the OIC General Secretariat, to the Member States and to the relevant OIC institution with a deadline to send their feed back by the end of June 2002, to COMCEC Coordination Office for finalizing the draft before submission to the 18th Session of COMCEC.

23. The Committee, referring to the implementation of recommendation 13 of the Expert Group Meeting for Accelerating the Implementation which calls for giving mandate to the relevant OIC institutions to study, apprise, and provide the necessary financial and technical support to the proposed cooperation projects, requested the COMCEC Coordination Office to undertake, in coordination with the OIC General Secretariat and with IDB, SESRTCIC, ICDT, IUT, ICCI and OISA, in their capacity as focal points, a study explaining the content and the terms of their possible assignment, and submit it to the next Session of the COMCEC for its consideration. The Committee also stressed the importance of circulating the said study through the OIC

General Secretariat among the Member Countries well before the next COMCEC Session to secure their views and comments.

(The Report by the OIC General Secretariat on the Implementation of the Plan of Action and the Project Profile Form by the COMCEC Coordination Office are attached as Annexes VII and VIII.)

Report by IDB and ICDT on the Expansion of Intra-OIC Trade

24. Under Agenda Item 5, the representatives of IDB and ICDT presented their respective reports to the Committee on the promotion of intra-OIC trade.

25. The Committee appreciated the steps taken by IDB and its operational plans to mobilize the needed resources. The Committee further urged Member States to accede and subscribe to EFS and ICIEC programs and to other schemes designed to boost intra-OIC trade.

26. The Committee appreciated the decision made by IDB to allocate US Dollars 1.06 billion in 2001/2002 from its own resources, to be used as a catalyst to raise an additional US Dollars 940 million through syndication and the Two Step Murabaha Financing mechanisms. An additional allocation of \$210 million were made under EFS, for the purpose of financing intra trade among OIC/IDB Member Countries.

27. The Committee also appreciated the approvals aggregating US Dollars 1.65 billion made by the IDB in 2001/2002 under its trade financing schemes and windows.

28. The Committee also urged Member States which had not yet done so, to designate their trade focal points with respect to IDB as early as possible. The Committee also urged already appointed focal points to play a more active role in promoting IDB Trade Financing Programme.

29. The Committee requested Member States to encourage the appointed National Agents for the Export Financing Scheme (EFS) to play a more active role in assisting IDB in promoting its trade financing facilities, in general, and the EFS, in particular.

30. The Committee urged financial institutions in Member Countries including insurance companies, to support IDB's efforts, among others, by according more favorable terms for transactions that promote direct trade among Member Countries.

31. The Committee thanked the Member States who had actively assisted in identifying viable trade operations for financing by the IDB and urged other Member States, who had not done so, to actively support IDB in its efforts to increase intra OIC trade financing.

32. The Committee requested IDB to consider providing technical assistance for capacity building of the IDB focal points in Member Countries.

33. While appreciating the IDB's efforts in that regard, the Committee called upon the Bank to look into and reconsider its mark-up rates with a view to promoting the intra-OIC trade financing. Moreover, the Committee urged IDB to look for ways and means to make trade related project financing more favorable for Member States.

34. The Committee requested the Member States to provide ICDT with data relating to trade and investment statistics and regulations.

35. The Committee also took note of the report which was presented by the ICDT on the development of intra-OIC trade, and noted with appreciation that the intra-OIC trade recorded positive results since the share of this trade in total trade of Member Countries increased from 10% in 1997 to 11% in 1999.

36. The Committee also urged the Member States to implement the recommendations of the seminar on "the Effects of Non-Tariff Barriers on Trade Expansion Between the OIC Member States" which was adopted by the 17th Session of the COMCEC.

37. The Committee, stressing the importance of holding trade fairs for the promotion of intra-OIC trade, expressed its appreciation, for the initiative taken by ICDT to hold an Expert Group Meeting on 26-27 March 2002 to prepare the Draft Regulations for the Trade Fair of the Islamic Countries (TFOIC). The Committee reviewed this Draft Regulation and decided to submit it to the 18th Session of COMCEC for adoption.

38. The Committee took note of the report submitted by the Islamic Center for the Development of Trade on the Ninth Islamic Trade Fair scheduled to be held in Sharjah, State of the United Arab Emirates from 21 to 26 December 2002 under the slogan "Islamic World-Free Trade and Sustainable Development". The Committee expressed its thanks to the State of the United Arab Emirate for hosting this important event and to the Member States and institutions which indicated their readiness to participate in this Fair (26 Member States and 5 institutions). It also urged the other Member States to actively participate in the Ninth Islamic Trade Fair.

39. The Committee requested ICDT to prepare regularly a progress report on the Islamic Trade Fairs and submit it under a separate agenda item to the COMCEC Sessions.

40. The Committee requested IDB and ICDT to monitor the expansion of the intra OIC trade and report thereon to the COMCEC.

(The Reports by IDB and ICDT on the Expansion of Intra-OIC Trade, and the Report by ICDT on the 9th Trade Fair and the Draft Regulations of the Trade Fair of the Islamic Countries (TFOIC) are attached as Annex IX, X,XI and XII, respectively.)

Matters Relating to the World Trade Organization (WTO)

41. The representatives of IDB and ICDT presented reports regarding WTO and related issues. The Committee also took note of these reports with appreciation.

42. The Committee appreciated IDB efforts in organizing consultative meetings in order to prepare the Member States to exchange their views and coordinate positions on major issues in the context of WTO ministerial conferences as well as future negotiations, in addition to IDB's other technical assistance aimed at capacity building such as preparation of sectoral studies on WTO agreements, conducting seminars, workshops, trade policy courses and specific technical assistance to Member States.

43. The Committee called upon IDB to pursue its program of technical assistance to the OIC Member States seeking accession to WTO, and to continue extending assistance to the OIC Member States which were already Members of WTO, in order to enable them to participate more effectively in the world trading system.

44. The Committee also called on IDB, ICDT and other related institutions to continue their assistance to the Member States in the context of future multilateral trade negotiations.

45. The Committee called on IDB and ICDT to pool and coordinate their efforts to reinforce the human and institutional capacities of OIC Member States, so as to facilitate their full integration into the multilateral trading system on equitable and fair basis.

46. The Committee noted with appreciation the report presented by ICDT on the outcome of the 4th WTO Ministerial Conference held in Doha from 9 to 14 November 2001, and on the WTO Post-Doha Agenda.

47. The Committee took note with appreciation that OIC Member States played a prominent role in the ongoing negotiations, notably since several OIC ambassadors in Geneva are chairmen of some negotiating organs within the WTO.

48. The Committee requested IDB and ICDT to monitor matters relating to WTO activities and report them to the annual session of the COMCEC and other OIC fora.

(The copies of the papers submitted by IDB and ICDT are attached as Annexes XIII and XIV.)

Preparations for the Exchange of Views on "Private Sector Investment in the Member Countries and the Role of IDB"

49. Following the presentation made by the COMCEC Coordination Office, the Committee took note of various past and present proposals as possible themes for the exchange of views sessions to be held during the subsequent COMCEC Sessions. These were as follows:

- Reform of the Global Monetary and Financial System and its Effects on OIC Member States
- Poverty Alleviation in Member States
- Foreign Aid and the Least Developed Member States.
- The Impact of Electronic Commerce
- Financing Development
- Sustainable Development
- Use of Information Technology in the promotion and development of intra OIC Trade

The Committee also felt that further proposals could be made by Member States and OIC Institutions for the theme for exchange of views session of future COMCEC Session.

50. The representative of IDB, pursuant to the Seventeenth COMCEC Resolution, briefed the Committee on the preparations for the workshop on "Private Sector Investment in the Member Countries and the Role of IDB" to be held no later than the first half of next September in the Republic of Turkey, in collaboration with the COMCEC Coordination Office and with inputs from ICDT, SESRTCIC, ICCI, IUT and other OIC Institutions. The Committee noted that the IDB would submit a report on the Workshop to the Eighteenth Session of COMCEC.

51. The Committee expressed its appreciation to the Government of the Republic of Turkey for its offer to host the workshop and IDB for organizing it, and called upon Member States and related OIC Institutions for effective participation.

Cooperation Among the Private Sectors of the OIC Member Countries

52. The Committee noted with appreciation the efforts undertaken by ICCI to promote and strengthen the level of cooperation between the OIC private sectors. The representation of ICCI dealt with the constraints faced by the private sector and proposed certain recommendations in this respect.

53. The Committee noted with appreciation the holding of the First Task Force Meeting on SMEs by ICCI along with a seminar and exhibition in Bangladesh in January 2002, in pursuance of the 27th ICFM resolution. The Committee also welcomed the offer of Mozambique to hold the 2nd Task Force Meeting on SMEs in 2003.

54. The Committee took note of the initiative taken by ICCI regarding the formation of a working group composed of the COMCEC Coordination Office, the OIC General Secretariat, IDB, SESRTCIC, ICDT and the ICCI as a focal point to assume responsibility for the monitoring mechanism to implement the recommendations of the private sector meetings. The Committee requested the ICCI to finalize its study in this respect in coordination with the OIC General Secretariat and the relevant OIC institutions and the COMCEC Coordination Office and submit it to the next session of the COMCEC for further action.

55. The Committee appreciated the offer made by the State of the United Arab Emirates and the Sharjah Chamber of Commerce and Industry to host the 9th Private Sector Meeting from 21 to 23 December 2002 and called on Member States to encourage their private sectors to actively participate in the Meeting.

56. The Committee expressed its appreciations for the efforts made by the ICCI to consolidate cooperation among the private sectors in Member Countries, and requested the ICCI to organize the private sector meetings preferably before the annual COMCEC sessions as stipulated in the relevant COMCEC resolution in order to submit the recommendations of the meetings to the COMCEC Session for further action.

Draft Agenda of the Eighteenth Session of the COMCEC

57. The Committee considered and approved the Draft Agenda of the Eighteenth Session of the COMCEC to be held from 22 to 25 October 2002, in Istanbul with certain amendments and decided to submit it to the Eighteenth Session of the COMCEC.

(A copy of the Draft Agenda of the 18th Session of the COMCEC, as approved by the Committee, is attached as Annex XV.)

Any Other Business

58. The Committee, while appreciating the various reports, working papers submitted to the meeting by the various OIC institutions felt that these documents should be distributed prior to the meetings to enable Member States to study and make a better preparation for the meetings.

59. The Committee also urged the OIC General Secretariat and the OIC Institutions to set up a basic infrastructure and put needed equipment with a view to securing the utilization of information technology, particularly online communication facilities, including internet for dissemination of the conference documents.

Closing Session

60. At its closing session chaired by H.E. Dr. Akın İZMİRLİOĞLU, Undersecretary of the State Planning Organization of the Republic of Turkey, the Committee adopted its Report together with its Annexes. The Committee requested the OIC General Secretariat to circulate the Report among Member States, and to submit it to the Eighteenth Session of the COMCEC.

61. H.E. Ambassador Qazi HÜMAYUN, Head of the Delegation of the Islamic Republic of Pakistan proposed to send a message of thanks to H.E. Ahmet Necdet SEZER, President of the Republic of Turkey and Chairman of the COMCEC, which was unanimously approved by the Committee.

62. H.E. Abdul Mohsin AL-HUNAIF, Deputy Minister of Finance, Head of Delegation of the State of Kuwait, made a statement on behalf of the delegates. H.E. Mohsin AL-HUNAIF expressed his sincere thanks to the Government and people of Turkey for the warm welcome and hospitality extended to the delegates during their stay in Istanbul. He also thanked the Chairman of the Meeting and all the supporting staff for the excellent arrangements made for the Meeting.

63. In his closing statement, H.E. Dr. Akın İZMİRLİOĞLU, Undersecretary of State Planning Organization of the Republic of Turkey, expressed his thanks to delegates for their valuable contributions and spirit of cooperation. H.E. Dr.

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also thanked the OIC General Secretariat, and the subsidiary and affiliated institutions of the OIC for their valuable assistance. Referring to the debates and ensuing recommendations of the Follow-up Meeting, he expressed his satisfaction that a wide range of issues, topics of interests and activities had been covered that would add up to the effective implementation of the OIC Plan of Action. Finally, H.E. Dr. Akin İZMİRLİOĞLU wished the delegates a safe journey home.

(A copy of the text of the Closing Statement by H.E. Dr. Akin İZMİRLİOĞLU is attached as Annex XVI.)

ANNEXES

- I -

**LIST OF PARTICIPANTS
OF THE EIGHTEENTH MEETING OF THE
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**LIST OF PARTICIPANTS
OF THE EIGHTEENTH MEETING OF THE
FOLLOW-UP COMMITTEE OF THE COMCEC
(Istanbul, 10-11 May 2002)**

A. MEMBER STATES OF THE OIC

BURKINA FASO

- H.E. OUMAR DIAWARA
Ambassador of Burkina Faso to Riyadh & Permanent Representative to the OIC
- Mr. NEBIE B. MOUSSA
Director of International Cooperation, Ministry of Foreign Affairs

ISLAMIC REPUBLIC OF IRAN

- Mr. MASOUD MORTAZAVI
Expert, Ministry of Foreign Affairs

STATE OF KUWAIT

- H.E. ABDUL MOHSIN AL-HUNAIF
Deputy Minister, Ministry of Finance
- Mr. ISAAQ ABDELKAREEM
Director of International Economic Dept., Ministry of Finance
- Mr. MESHAL AL-ARDHI
Head of the OIC Affairs Division, Ministry of Finance
- Mr. SALEM AL-BATHER
Economic Researcher, Ministry of Finance

FEDERAL REPUBLIC OF NIGERIA

- H.E. LAWAL MOHAMMED MUNIR
Ambassador of Nigeria to Turkey
- Mr. CHARLES OJUKWU
Minister Counsellor

ISLAMIC REPUBLIC OF PAKISTAN

- H.E. QAZI HÜMAYUN
Ambassador of Pakistan to Turkey
- Mr. JAUHAR SALEEM
Counsellor, Embassy in Ankara
- Mr. NAJEEB KHAWAR AW AN
Consul General, Istanbul
- Mr. NAJEEB DURRANI
Vice Consul, Istanbul

STATE OF PALESTINE

- H.E. FOUAD YASEEN
Ambassador of Palestine to Turkey

STATE OF QATAR

- Mr. ALI HASSAN AL-KHALAF
Director of the Economic Affairs Department
Ministry of Economy and Trade
- Mr. AHMED SALEH AL-MOHANNADI
Head of the International Relations Section
Ministry of Economy and Trade
- Mr. AHMED KHALIFA AL-BINALI
Economy Researcher at International Relations Section
Ministry of Economy and Trade

KINGDOM OF SAUDI ARABIA

- Mr. ABDULLAH BIN ABDELWAHAB AL-NAFISAH
Head of Arabic and Islamic Affairs Department,
Ministry of Commerce
- Mr. MOHAMMAD BIN HUSSEIN MADANI
First Secretary, Ministry of Foreign Affairs
- Mr. ABDELAZIZ BIN OMAR JALLAL
Economist Specialist, Ministry of Finance and National Economy

SYRIAN ARAB REPUBLIC

- Dr. MOHAMED KOUDAYMI
Consul General, Istanbul
- Mr. FIRAS ALRASHIDI
Vice Consul, Istanbul

REPUBLIC OF TURKEY

- H.E. Dr. DEVLET BAHÇELİ
Minister of State, Deputy Prime Minister
- H.E. Dr. AKIN İZMİRLİOĞLU
Undersecretary of State Planning Organization
- H.E. Ambassador ÖNDER ÖZAR
Advisor of Ministry of Foreign Affairs
- H.E. Ambassador DENİZ BÖLÜKBAŞI
Advisor of Foreign Affairs of Minister of State and Deputy Prime Minister
- Mr. İNAN ÖZYILDIZ
Advisor for Foreign Affairs, President's Office
- Mr. MUSTAFA KALAYCI
Chief Advisor of Prime Minister
- Mr. ARİF FIRTINA
Director of Minister of State and Deputy Prime Minister's Office
- Mr. BAYRAM ÇAMKERTEN
President of Small and Medium Industry Development Organisation,
Ministry of Industry and Trade
- Doç. Dr. ADİL TEMEL
Director General of Economic Models & Strategic Researches, SPO
- Mr. BAYRAM MECİT
Deputy President of Small and Medium Industry Development Organisation,
Ministry of Industry and Trade
- Dr. SALİH YILMAZ
Deputy Director General, Undersecretariat of Treasure
- Mr. ABDULKADİR ATALIK
Deputy Secretary General of State Planning Organization
- Mr. FERHAN ERKMENOĞLU
Head of Department, Ministry of Foreign Affairs

- Mr. FAİK KURAL
Head of Department, Undersecretariat of Foreign Trade
- Ms. CANDAN ÖZCAN
Head of Department,
Export Credit Bank of Turkey
- Ms. DİCLE AKSOY
Head of Department,
Undersecretariat of State Planning Organization
- Mr. HALİL İBRAHİM AKÇA
Expert, Undersecretariat of State Planning Organization
- Mr. ÖMÜR GENÇ
Development Bank of Turkey
- Mr. HASAN DEMİRCİ
Expert, Union of Chambers of Commerce & Industry of Turkey

B. GUEST

REPUBLIC OF INDONESIA

- Mr. ROSSALIS R. ADENAN
Counsellor of the Indonesian Embassy, Ankara

C. THE OIC GENERAL SECRETARIAT

- H.E. Ambassador THIerno NABIKA DIALLO
Assistant Secretary General for Economic Affairs
- H.E. Ambassador A.H.M. MONIRUZZAMAN
Director of Economic Affairs

D. SUBSIDIARY ORGANS OF THE OIC

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

- H.E. Ambassador ERDİNÇ ERDÜN
Director General
- Mr. OKER GÜRLER
Director of Research Department

THE ISLAMIC CENTRE FOR DEVELOPMENT OF TRADE (ICDT)

- Mr. ALLAL RACHDI
Director General
- Mr. EL HASSANE HZAINÉ
Director of Studies and Training Department

THE ISLAMIC UNIVERSITY OF TECHNOLOGY (IUT)

- Prof. Dr. M. ANWAR HOSSAIN
Vice-Chancellor

E. SPECIALIZED INSTITUTIONS OF THE OIC

THE ISLAMIC DEVELOPMENT BANK (IDB)

- Mr. AHMED A. ABDUL WASIE
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F. AFFILIATED INSTITUTIONS OF THE OIC

THE ISLAMIC CHAMBER OF COMMERCE AND INDUSTRY (ICCI)

- Ms. ATTIYA NAWAZISH ALI
Manager, Trade Promotion
- Mr. KHALID RABAH AL-HARBI
Manager, Regional Office in Jeddah

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- Mr. FEDA UR RAHMAN JAMIL
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G. OTHER INTERNATIONAL INSTITUTIONS

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- Mr. HASSAN EL-SAHFIE
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UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION (UNIDO)

- Mr. CELAL ARMANGİL
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H. COMCEC COORDINATION OFFICE

**General Directorate of Foreign Economic Relations,
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- Mr. AHMET CAFOĞLU
Head of the COMCEC Coordination Office
- Mr. FERRUH TIĞLI
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Executive Secretary
- Mr. EBUBEKİR MEMİŞ
Expert, Coordinator of Documentation
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Expert, Computer Services
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- Ms. HAMİYET ÖZTAŞKIN
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- Ms. MÜKERREM ÖZKILIÇ
Head of Section
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- Mr. CAFER ERDOĞAN
Treasurer
- Mr. SEYİT AMBARKÜTÜK
Technician

-II-

**MESSAGE OF H.E. AHMET NECDET SEZER
PRESIDENT OF THE REPUBLIC OF TURKEY,
CHAIRMAN OF THE COMCEC**

**Eighteenth Meeting of the
Follow-up Committee of the COMCEC**

(Istanbul, 10 May 2002)

Original: Turkish

**MESSAGE OF H.E. AHMET NECDET SEZER,
PRESIDENT OF THE REPUBLIC OF TURKEY,
CHAIRMAN OF THE COMCEC**

**Eighteenth Meeting of the
Follow-up Committee of the COMCEC**

(Istanbul, 10 May 2002)

Distinguished Chairman,
Distinguished Members of the Follow-up Committee,
Distinguished Delegates,

I am happy to welcome you in Istanbul on the occasion of the opening of the Eighteenth Meeting of the Follow-up Committee of the COMCEC.

The Follow-up Committee, which for eighteen years has been drawing up the agenda of the COMCEC, has made great contributions to the work carried out so far. I believe that, in this framework, the recommendations made by your experts and approved by the COMCEC, to accelerate the implementation of the Plan of Action of the Organization of the Islamic Conference, will soon be put into practice and thus new horizons will be opened for the COMCEC.

These recommendations will guide us to devise the new methods and systems needed to speed up the slow progress to the implementation of the Plan of Action of the OIC. I hope that these recommendations will result in useful projects for the OIC community through the support and contributions of the Institutions of the Organization of the Islamic Conference and of the Member States.

The crises and economic stagnation that recently occurred in certain parts of the world have brought our countries face to face with grave difficulties. This type of crises have a heavier impact on the developing and less developed countries, some of which are members of our Organization. International institutions also have an

important role to play in preventing global, regional and national crises or in alleviating their effects.

Moreover, also influenced by the accelerated global integration, the share of the public sector in economic activities is gradually being reduced. This trend has important repercussions on the multilateral international economic cooperation. According to this new concept of economic cooperation, such issues as clearing the administrative and technical impediments before free trade, providing an appropriate environment for cooperation and encouraging cooperation among the private sectors gain importance. I believe that, with your experience, you will add new dimensions to this concept and make important contributions to the experience of cooperation within the Organization of the Islamic Conference.

It is important to ensure macro-economic and financial stability at the national and international level to ensure the success of the endeavors towards economic cooperation. A stable macro-economic environment of global scale is the prerequisite for all nations to realize their economic potential and objectives.

In this context, I would like to state that in the future those countries which can adapt to the rapid changes in the world, equip their people with the knowledge required by this new environment, have access to and use knowledge will gain influence and success. Due to the significant role of the information technology in global economic integration, it is very important for national economies to have an appropriate infrastructure.

I would also like to express my opinion that the COMCEC may become a platform of ideas and cooperation to help Member States to be better prepared for the future world; to predict, as far as possible, the global crises and economic stagnation experienced from time to time, and to produce effective proposals for solutions.

Distinguished Chairman
Distinguished delegates,

I would like to refer to the recent events in the Middle East, causing deep grief and concern to the Islamic world.

The peace process has been seriously jeopardized as a result of the bloody events in which hundreds lost their lives or were injured; the sensitive atmosphere of trust which was established between the parties with difficulty during a long process has once again given way to mutual distrust and hostility. These developments are a serious threat to the stability of the entire region. Past experiences show that use of violence and force is not the solution of the problem.

A just and permanent peace in the Middle East can be achieved only through negotiations based on resolutions 242 and 338 of the United Nations Security Council and on the principle of land for peace. The parties have sufficient instruments including the principles of the Madrid Conference, the Oslo Agreement, the Sharm Al Sheik Agreement, the Tenet Plan, the Mitchell Report, and the proposals put forth by the Crown Prince of Saudi Arabia adopted by the Arab League, to start the peace talks.

At this stage the priority is on breaking the vicious circle of violence and sitting at the table for negotiation. We hope that at the conclusion of the negotiations an agreement will be achieved whereby our Palestinian brothers will recover their inalienable rights and Israel will have the guarantee of life within her recognized borders.

It will be important in the coming period, to reestablish an environment of mutual trust between the parties and to improve the economic situation to ensure a sustainable stability. In this context, it will be necessary for the international community to play an active role in the areas by improving the economic status of the Palestinian population, reconstructing the Palestinian territory and securing economic development.

Turkey will maintain her past determination to contribute to the establishment of the longed-for peace in the Middle East

Distinguished Chairman,
Distinguished Delegates,

I would like to take this occasion to reiterate that Turkey will continue to provide the necessary contributions to, and support of, the efforts of the brotherly

Islamic countries towards economic cooperation. With these sentiments I thank all of you once again and wish that the Eighteenth Meeting of the COMCEC will yield beneficial results.

Ahmet Necdet SEZER
President of the Republic of Turkey
and
Chairman of the COMCEC

-III-

OPENING STATEMENT BY
H.E. DR. DEVLET BAHÇELİ,
MINISTER OF STATE AND PRIME MINISTER
OF THE REPUBLIC OF TURKEY

**Eighteenth Meeting of the
Follow-up Committee of the COMCEC**

(Istanbul, 10 May 2002)

Original: Turkish

**OPENING STATEMENT BY H.E. DR. DEVLET BAHÇELİ,
MINISTER OF STATE AND DEPUTY PRIME MINISTER
OF THE REPUBLIC OF TURKEY**

**Eighteenth Meeting of the
Follow-up Committee of the COMCEC**

(Istanbul, 10 May 2002)

Distinguished Members of the Follow-up Committee,
Distinguished Assistant General Secretary,
Distinguished Delegates,

I would like to welcome you on behalf of my country, on the occasion of the Eighteenth Meeting of the Follow-up Committee of the COMCEC and express my pleasure at hosting this August Assembly in Istanbul.

The COMCEC, at the threshold its eighteenth year has, owing to the contributions and efforts of you all, carried out its activities during a period of many changes and transformations which are significant for the history of mankind. This period has provided our Organization with a rich experience although accompanied with many difficulties and problems.

Several issues, ranging from the end of the Cold War, to the acceleration of globalization, from the radical changes in the world trade system to the additional steps taken by the European Union during the integration process, have influenced our countries directly or indirectly.

The COMCEC, which adopted a cooperation concept with a multi-project basis during its initial years, has successfully concluded many projects, including the Mechanism to Finance Exports, the Export Credit Insurance and Investment Guarantee Corporation, the Framework Agreement for a Trade Preferential System, the Trade Information Network, and brought many others to the final stage.

I am confident that during the next period, arrangements to eliminate the obstacles to economic cooperation and to give impetus to the activities of the private sector in particular will be made by this August Body and will be successfully finalized.

I would like to say that in my opinion the COMCEC, in addition to its current activities, may also serve our Member States as a platform of ideas and cooperation focused on development. I would like to take this occasion to express my hopes and wishes that some projects brought by the COMCEC to the point of finalization will soon reach the stage of implementation.

Distinguished Delegates,
Honoured Guests,

Sustained economic growth depends, in addition to achieving macro-economic stability, development of human resources and scientific and technological innovations, on the care to be spent on urban development, environmental issues, increased productivity, communications and energy, and most important of all, improving the "quality of life".

We are all aware of the close relationship between economic development and the elimination of poverty. According to the findings of a survey, the countries of East Asia, except for China, grew by an average of 6% in the 1980's and the rate of poverty fell from 23% in 1987 to 14% in 1993 in those countries.

On the other hand, in the Latin and Caribbean countries, where the per capita national income fell during the same period, the rate of poverty rose from 22% to 24%. Similarly, the number of the poor population grew from 180 million to 219 million in the sub-Sahara countries which experienced a decline in the per capita national income in the 1980's.

Distinguished Delegates,
Honoured Guests,

I would like to emphasize that social development is as important as economic development. In fact, it is expected that economic development will be progressively

more difficult to achieve in countries which have failed to attain sufficient social development.

As a matter of fact, growth depends on not only the growth of capital and the labor force, the two basic economic inputs, but also on the productive utilization of these inputs; in other words, it depends on the total factor productivity.

In this context, I would like to call your attention to how important it is for the member states of the Organization of the Islamic Conference to effectively attend and evaluate the World Summit on Sustainable Development to convene in Johannesburg on 26 August-4 September 2002.

Distinguished Delegates,
Honoured Guests,

It is estimated that global product will increase by an average of 2.5% in 2002. As a general rule, this small growth is accepted as the threshold of global stagnation.

On the other hand, global trade dwindled by 0.2% in 2001. The 1.5% decrease in the imports of developed countries in 2001 has led to substantial difficulties for the developing countries whose economies depended on exports.

International institutions have an important role to play in preventing global crises which give rise to grave problems for our countries. A stable and sustainable growth of the world economy requires that the difference in the level of development between countries be reduced to a significant degree.

I would like to refer, in this context, to the recent Meeting on Development Financing held in Monterey, Mexico.

The Monterey Agreement resulting from this Conference is a new political document declaring that development is one of the most important items on the world agenda.

The signing of a worldwide "Agreement on Development Financing" is a substantial gain for all of us. However, it is also understood that the level attained cannot be deemed as sufficient.

Development of the communities and achieving global justice in this age when globalization has gained a particular impetus, requires joint action and intensive solidarity. I would like to re-emphasize, in this context, the importance of the initiatives for regional economic cooperation.

Distinguished Delegates,
Honoured Guests,

With your permission, I would like to refer to a matter which closely concerns our countries, the joint future and peace of mankind.

The events ongoing for years in the Middle East, the cradle of the divine religions calling mankind to peace and brotherhood, have unfortunately assumed tragic dimensions recently. It is clear that there is urgent need to break the pincer formed by the occupation of Palestinian land, grievous violations of human rights and terrorism targeting innocent persons.

In the face of these events which grieve all of us, I wish that the conflicts, occupations and terrorism in the region will soon cease and the Middle East will shortly attain the longed-for peace.

It is very important that the winds of war in the Middle-East, mainly those between Israel and Palestine should subside as early as possible and the "climate of peace and stability" should prevail. It is absolutely necessary to extend comprehensive humanitarian aid to the Palestinian people without loss of time and to secure the control and influence of the United Nations.

All the states and communities in the region must keep away from the policies which may threaten their co-existence in peace and prosperity in the future.

In this context, I do wish that the Project of the Middle East Peace Conference planned for next June will take place and reach a successful conclusion. It will be a

very beneficial and important development to have this Conference hosted by our Istanbul.

Distinguished Delegates,
Honoured Guests,

We will discuss during this meeting the opportunities for cooperation as regards the COMCEC agenda items and take concrete resolutions concerning the steps to be taken in this direction.

I would like to state that the work accomplished to accelerate the implementation of the Plan of Action is praiseworthy.

I believe that it would be useful to set up a responsible body to follow-up the implementation of the recommendations so that these valuable recommendations can be implemented effectively.

I am sure that the affiliated institutions of the OIC will soon undertake the necessary work to start the implementation of these valuable recommendations by drawing upon their expertise and experience and with the support of the Member States of the COMCEC.

Giving a more active role to the affiliated institutions of the OIC in the process of implementing the Plan of Action is also consistent with global trends. In fact, international bodies play an increasingly more active role in this age by devising new standards in many areas which directly concern human life, such as foreign trade, intellectual property rights and the environment.

I would also like to emphasize the importance of "Private Sector Investments in the Islamic Countries and the Role of the Islamic Development Bank" chosen as the theme for this year's Meeting of Exchange of Views.

Today the private sector is the driving force of economic development.

I would like to take this occasion to reiterate my thanks to the General Secretariat of the Organization of the Islamic Conference, the Islamic Development Bank, the Ankara Center, the Casablanca Center, the Islamic Chamber of Commerce and Industry and the Islamic Institute of Technology and other international institutions for their unsparing support of our work and of the private sector activities.

Distinguished Delegates,

Dear Brothers,

Turkey endeavors to strengthen and diversify her relations with the rest of the world in every area. The Islamic world to which we are bound by strong historical, spiritual and cultural ties has a special place in this understanding and approach.

I would like to state once again that Turkey will pursue any possible endeavors to further the achievements of the Organization of the Islamic Conference and the COMCEC, in cooperation with the brotherly member states.

In conclusion, I would like to reiterate my welcome and wish you success in your work.

Thank you.

-IV-

**MESSAGE OF H.E. DR. ABDELOUAHED BELKEZIZ,
SECRETARY GENERAL OF THE ORGANIZATION
OF THE ISLAMIC CONFERENCE**

**Eighteenth Meeting of the
Follow-up Committee of the COMCEC**

(Istanbul, 10 May 2002)

MESSAGE OF H.E. DR. ABDELOUAHED BELKEZIZ,
SECRETARY GENERAL OF THE ORGANIZATION
OF THE ISLAMIC CONFERENCE

Eighteenth Meeting of the
Follow-up Committee of the COMCEC
(Istanbul, 10 May 2002)

Bismillahir Rahmanir Rahim

Mr. Chairman,
Distinguished Delegates,
Ladies and Gentlemen,

Assalamu Alaikum Wa Rahmatullahi Wa Barakatuh.

I would like to express my warm greetings and fraternal sentiments to all the delegates and participants of the 18th Meeting of the Follow-up Committee of COMCEC. Let me also convey my gratitude to the Government of the Republic of Turkey for hosting this important meeting of COMCEC Follow-up Committee.

I would also like to pay a special tribute to H.E. Mr. Ahmet Necdet SEZER, the President of the Republic of Turkey and the Chairman of the COMCEC, for his wisdom and sagacity in guiding the work of this important Standing Committee of OIC.

We are meeting at a crucial time for the Ummah, when our Palestinian brothers and sisters are going through a very difficult time. I condemn the Israeli acts of aggression and call upon the international community for securing international protection to the Palestinian people and for bringing pressure to bear on the Israeli Government to compel it to abide the relevant resolutions of the UN Security Council.

The Follow-up Committee is mandated not only to review the progress achieved in implementing the various decisions and resolutions of the preceding sessions of COMCEC, it has also to prepare the agenda for the forthcoming COMCEC session. It is also an appropriate forum to undertake a thorough stock-taking of the state of implementation of the Plan of Action to Strengthen Economic and Commercial Cooperation.

Indeed, the last Session of COMCEC deliberated on the valuable recommendations of the Experts Group Meeting for Accelerating the Implementation of the OIC Plan of Action to Strengthen Economic and Commercial Cooperation among the Member States, which was held in Istanbul in May last year. I believe the Follow-up Committee will assign due importance to this matter, giving it substantive consideration.

While a great deal has been said on the importance of the expansion of intra-OIC trade, not much progress has been achieved. The expansion of intra-OIC trade is an area where decisive action on the part of the Member States is particularly called for. Intra-OIC trade continues to remain stagnated around 10 per cent of the total global trade of the Member States. I would like to mention here that a number of schemes and projects aimed at strengthening commercial cooperation is in place, which are intended to promote intra-OIC trade. I must mention here the commendable and sustained role played by the Islamic Development Bank in this respect.

Mention also may be made in this connection of the Framework Agreement on Trade Preferential System Among OIC Member States. I urge Member States, which have not yet done so to sign and ratify this Agreement. There are a number of other agreements and statutes aimed at providing a legal framework for collaboration in intra-OIC economic cooperation, investments and joint ventures, and strengthening of the private sector cooperation. I would also urge the Member States to sign and ratify these other agreements/statutes as well.

The role of the private sector in the promotion of intra-OIC trade and economic cooperation has been emphasized in the recent resolutions of the Islamic Summits and Islamic Conferences of Foreign Ministers. It goes without saying that a propitious conditions will have to be created for the private sector to play its expected role. It is important in this connection, to ensure speedy implementation of decisions and recommendations of Meetings of Private Sector of OIC Member States. I am particularly happy to note that the Task Force that I had set up for developing a programme to energize the small and medium enterprises in the least developed and land-locked OIC countries, has indicated its work by holding its first meeting in Dhaka in January this year.

I am convinced that deliberations at this Meeting will lead to important conclusions, which will provide valuable inputs for the forthcoming session of COMCEC to be held in Istanbul in October this year.

Before concluding, I would like to express my happiness over the useful intellectual contributions made by the relevant OIC institutions namely, the Islamic Development Bank (IDB), the Statistical Economic and Social Research and Training Center for Islamic Countries (SESRTCIC), Islamic Center for Development of Trade (ICDT), Islamic Institute of Technology (IUT), Islamic Chamber of Commerce and Industry (ICO), and Islamic Shipowners' Association (OISA) by submitting their valuable reports to the Committee for its consideration. Let me assure the distinguished delegates of the fullest cooperation of the OIC General Secretariat and all OIC institutions in fulfilling the tasks of the Follow-up Committee.

I wish the 18th Meeting of the Follow-up Committee of COMCEC great success.

Wassalamu Alaikum Wa Rahmatullahi Wa Barakatuh.

- V -

**AGENDA
OF THE EIGHTEENTH MEETING OF THE
FOLLOW-UP COMMITTEE OF THE COMCEC**

(Istanbul, 10-11 May 2002)

Original: English

AGENDA
OF THE EIGHTEENTH MEETING OF THE
FOLLOW-UP COMMITTEE OF THE COMCEC
(Istanbul, 10-11 May 2002)

1. Opening Session
 - Statement by the Chairman of the Follow-up Committee
 - Statement by the Secretary General of OIC
 - Statements by the Heads of Delegation.
2. Adoption of the Agenda.
3. Background Report by the OIC General Secretariat.
4. Review of the Implementation of the Plan of Action to Strengthen Economic and Commercial Cooperation among OIC Member States.
5. Reports by IDB and ICDT on the Expansion of Intra-OIC Trade.
6. Matters Related to World Trade Organization Activities.
7. Preparations for the Exchange of Views on "Private Sector Investment in the Member Countries and the Role of IDB", to be organized during the Eighteenth Session of the COMCEC.
8. Cooperation Among the Private Sectors of OIC Member Countries.
9. Draft Agenda of the Eighteenth Session of the COMCEC.
10. Any Other Business.
11. Adoption of the Report.
12. End of the Meeting.

-VI-

**BACKGROUND REPORT BY THE
OIC GENERAL SECRETARIAT**

**Eighteenth Meeting of the
Follow-up Committee of the COMCEC**

(Istanbul, 10-11 May 2002)

**BACKGROUND REPORT BY THE
OIC GENERAL SECRETARIAT**

**Eighteenth Meeting of the
Follow-up Committee of the COMCEC**

(Istanbul, 10-11 May 2002)

I. INTRODUCTION

Since the addition of economic dimension to the activities of the Organization of the Islamic Conference at the 2nd Islamic Summit held in Lahore, in 1974, several initiatives were undertaken to boost economic cooperation among Member States. A number of Ministerial Meetings on different sectors were held. Several legal instruments were developed to provide a framework of economic and trade cooperation among OIC Member States. The Standing Committee for Economic and Commercial Cooperation (COMCEC) was established in 1981 by the Third Islamic Summit Conference held in Makkah Al-Mukarramah/Taif with the task of following up the implementation of all resolutions adopted by OIC in economic and commercial fields. A series of subsidiary, affiliated and specialised bodies were brought into being with a view to furthering economic cooperation among Member States.

The object of this Report is to provide updated background information on these initiatives under the following three headings, namely Development of Economic and Trade Cooperation, Status of the Signing and Ratification of Statutes and Agreements, and Review of Activities of Subsidiary Organs, Specialised and Affiliated Institutions of OIC in the Field of Economic Cooperation.

II. DEVELOPMENT OF ECONOMIC AND TRADE COOPERATION

a) **Cooperation for the Promotion of Trade Among OIC Member States**

During the first COMCEC Session held in November 1984, the Trade Ministers of OIC Member States met for the purpose of exploring ways and means for strengthening cooperation in the field of trade. The Ministers identified a number of priorities in the field of trade and adopted a resolution on the "Implementation of the Short Term Programme for the Promotion of Trade Among OIC Member States", which includes recommendations for the preparation of a number of projects/schemes.

At its first Session, COMCEC discussed and approved the proposals to draw up three multilateral financial schemes aimed at enhancing trade among Member States, namely, a Longer-term Trade Financing Scheme, an Islamic Corporation for the Insurance of Investment and Export Credit, and a Multilateral Islamic Clearing Union. The progress achieved in the establishment and operation of each of these schemes as well as the other efforts for the enhancement of intra-Islamic trade is summarized below:

(i) Export Financing Scheme (EFS)

Following approval by COMCEC, the Longer-Term Trade Financing Scheme was approved by the Tenth IDB Annual Meeting, held in Amman, Jordan, in March 1986. The title of the Scheme has recently been changed to Export Financing Scheme (EFS).

This Scheme, which became operational in 1988 aims at promoting exports of non-conventional commodities among OIC Member States as well as to non-member countries by providing the necessary short and long term funds. The repayment periods under the Scheme were originally between 6 and 60 months for exports from the Member States of the Scheme to any other OIC Member State. This period has now been extended to ten years for capital goods such as ship, machinery etc. Up to the end of 1988, the Scheme comprised 24 Member States. In each Member State which participates in EFS there are one or more national agencies for the Scheme. The role of the national agencies is to coordinate the promotion of the EFS export financing in their countries.

The total subscribed capital by the member countries of the Scheme up to the end of 1988 was ID 317 million, out of which ID 167 million was subscribed by member countries. The IDB has contributed to the Scheme a sum of ID 150 million, half of which has already been paid up. The paid up capital stands at ID 133.25 million.

Originally the scheme was conceived to finance exports from one Member State to another. However, in order to expand its scope and promote exports *oi'* Member States, in 1988, the Board of Executive Directors amended the scheme to allow for export to OECD member states. 8) widening the scope of the scheme, it is expected that the market for exports from Member States will be much larger than previously.

Since its inception till the end of 1988 the net approvals under the scheme amounted to US\$771.55 million for 176 operations, the largest approval being in 1988 which was more than US\$220 million for 24 operations.

(ii) Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC)

The Islamic Corporation for the insurance of Investment and Export Credit (ICIEC) is a subsidiary of the IDB established in 1984 with a authorized capital of ID100 million (about US\$150 million) and commenced operations in 1995. Members of the Corporation are the IDB and the Organization of the Islamic Conference (OIC) Member States that have signed and ratified the Articles of Agreement of the corporation and have paid their respective subscription to the capital stock of the Corporation. The IDB subscribed to 50 per cent of the capital and the member States of the OIC have signed the Articles of Agreement and are at various stages of completing membership requirements, (up to date 20 countries joined the Corporation).

The objective of the ICIEC is to enlarge the scope of trade transactions and the flow of investment among Member Countries of the OIC. ICIEC provides: (i) export credit insurance and reinsurance to cover non-payment of export receivables resulting from commercial (buyer) or non-commercial (country) risks and (ii) investment insurance and reinsurance against country risk mainly the risk of exchange transfer restrictions, expropriation, war and civil disturbance and breach of contract.

As at the end of 1421H, the total current commitments to cover the payment risk of buyers located in 25 Member Countries reached USD 174 million. The total amount declared by policyholders for the exports made and the financing extended was USD 32.5 million during 1421H, compared to USD 59 million in 1420H. This decline resulted from the cancellation of some transactions approved during 1420H is in addition to the non-implementation of many transactions approved by the Corporation. Premium and fees income generated from the declarations received during 1421H was USD 525,000. As at the end of 1421H, the total exposure of the Corporation reached USD 56.3 million. This exposure was on buyers and banks located in 17 Member Countries.

During 1421H, ICIEC continued implementing its marketing strategies through national and international promotional seminars, presentation seminars, follow-up visits to member countries and meetings with exporters and banks. As a result, it received 752 inquiries and 45 applications to obtain insurance cover for exports and two policies for investment insurance. The Corporation issued 41 new export credit insurance policies and renewed 25 policies along with one investment insurance policy. Resulting from the above, the number of policies in force at the year-end reached 66.

(iii) Islamic Multilateral Clearing Union

The IDB undertook a study of the project at the request of COMCEC. The 8th COMCEC Session, held in 1992, noted with appreciation the finalisation by the IDB of the "Agreement on the Multilateral Islamic Clearing Union" and approved, in principle, the proposed Agreement and endorsed the recommendations of the Governors of the Central Banks and Monetary Authorities of Member States held in Cairo in 1990.

The Tenth COMCEC Session held in Istanbul, October 22-25, 1994, inter alia, invited Member States to consider working out clearing arrangements among themselves, provided that these agreements be flexible in the goods covered and that joining them be on a voluntary basis, provided also that clearing agreements be concluded among sub-groups of Member States willing to join, with the ultimate goal of setting up a multilateral Islamic Clearing Union.

iv) Establishment of a Trade Information Network (TINIC)

The First COMCEC Session, held in 1984, adopted a resolution recommending the setting up of a Trade Information Network for Islamic Countries to facilitate the collection, treatment, analysis and propagation of trade information

for the benefit of users. The Islamic Centre for the Development of Trade (ICDT) was requested to prepare a feasibility study on the modality of such a network, which was submitted to the second COMCEC session. A study group was set up to revise that study with a view to developing a "database system" on trade information relating to OIC Member States, ensuring an optimal utilization of means already existing in Member States.

The conception of ICDT's data bases is finalized, all the modules are completed and operational. It is practically identical to the OICTS-NET basic model accepted by the Islamic Development Bank. Information dissemination is carried out through the usual means (mail, fax, Tijaris). It is also possible on CD-ROM as well as by remote inquiries through Internet or the communication system of the OICIS-NET to be used as soon as it is operational. It is worth mentioning that I.C.D.T. is already provided with an internet site on the following address: www.icdt.org.

The 17th COMCEC recommended to the Member States to make full use of the facility.

(v) Islamic Trade Fairs

The Islamic Trade Fairs are being organised regularly by the Islamic Centre for Development of Trade (ICDT) in collaboration with the relevant Ministry of the host governments and with the support of the Islamic Chamber of Commerce and Industry (ICO). The Islamic Trade Fairs are playing very important roles in boosting intra-OIC trade by bringing together business firms, entrepreneurs and their products. So far eight Islamic Trade fairs have been successfully organised.

The Eighth Islamic Trade Fair was organized in Doha, Qatar, from October 15-20, 2000 by ICDT in collaboration with the Ministry of Finance, Economy and Trade of Qatar and the Qatar Chamber of Commerce and Industry as well as ICO. The Republic of Senegal offered to host the 9th Islamic Trade Fair in the year 2002 and subsequently State of UAE made a request to replace Senegal as host of 9th Islamic Trade Fair. In accordance with a request of COMCEC, the two parties conducted consultations and it was agreed that UAE would host the 9th Islamic Trade Fair on 21 to 26 December 2002. Republic of Guinea has offered to host the 10th Islamic Trade Fair in the year 2004.

(vi) Cooperation Among the Private Sectors of the QIC Member Countries.

Development of private sector in the Islamic world is one of the major preoccupations of the COMCEC. The Ninth session of the COMCEC, agreed that a flexible approach be followed regarding the possible role of the private sector in the overall activities of the COMCEC. Decision to hold Private sector Meetings regularly on annual basis prior to the COMCEC sessions is an important measure in support of the private sector. These meetings bring together entrepreneurs and business firms of Member States with a view to developing joint investment projects and ideas for implementation within the OIC countries. So far eight Private Sector Meetings have been held successfully.

The 8th Private Sector Meeting was held on 9-11 October, 2001 in Conakry, Republic of Guinea. The State of UAE has offered to host the 9th Private Sector Meeting which is scheduled to be held in Sharjah on 21 to 23 December 2002.

(vii) Exchange of Views Sessions during the annual sessions of the COMCEC

The Tenth Session of COMCEC agreed that a separate item allowing delegates to exchange views on current world economic issues of interest to Member States be put on the COMCEC agenda in its subsequent sessions. Since then Exchange of Views Sessions have been held on the following topics:

(1) implications of Uruguay Round of Trade Negotiations and the Establishment of the World Trade Organization on the external trade of the OIC Member Countries (11th COMCEC); (2) Privatisation Experiences of the OIC Member Countries (12th COMCEC); (3) Implications of Regional Economic Groupings, especially the European Union for the Economies of Member Countries (13th COMCEC); (4) Intra-OIC Trade, Investments, Economic Stabilisation and Structural Reforms in Member Countries (14th COMCEC); and (5) Human Resources Development for Sustained Economic Growth and Progress in Member Countries (15th COMCEC); (6) Strengthening Small and Medium-sized Enterprises Facing Globalization and Liberalization (16th COMCEC); and (7) Effects of Non-Tariff Barriers on the Foreign Trade of Member States (17th COMCEC).

"Private Sector Investment in the Member Countries and the Role of IDB" was chosen at the 17th Session of COMCEC as the topic for Exchange of Views at the 18th Session of COMCEC. As requested by the COMCEC, IDB in collaboration with related OIC institutions, namely, SESRTCIC, ICDT, IUT, ICCI, and other international organizations, will organize a workshop on the topic prior to the 18th Session of COMCEC and submit its report to the session.

b) Cooperation in the area of Food Security and Agricultural Development

The problem of food security remains unresolved in a number of OIC Member States, particularly in Africa. The General Secretariat, in cooperation with the IDB, the African Development Bank and the Government of Senegal, organised a symposium on Food Security in the Islamic countries in December 1991, in Dakar. Republic of Senegal, in conjunction with the Sixth Islamic Summit Conference. The Sixth Islamic Summit Conference, having considered the report of the Dakar Symposium, adopted a declaration on "the Food Security Decade" in OIC Member States, which, inter alia, made an appeal to Member States to extend additional resources to the relevant financial institutions so that they may increase their assistance to OIC African Member States for the speedy and effective implementation of their national strategy for food security. An Ad-hoc Follow-up Committee established during the Symposium and chaired by the Minister for Rural Development and Hydrology of Senegal, is doing its best to implement the recommendations of the Dakar Symposium. Two meetings at expert level and two at senior official level have already been held. A mission comprising the Government of Senegal, the Islamic Development Bank and the African Development Bank, has

already visited a number of states to evaluate their respective programmes in the area of food security.

The Government of the Islamic Republic of Iran hosted the Fourth OIC Ministerial Conference on Food Security and Agricultural Development in Tehran from 14 to 16 January 1995. The Declaration issued by this Conference emphasised the need to explore ways and means to increase agricultural production and decided to periodically review the situation of food security in all OIC Member States. Government of the Arab Republic of Egypt has offered to host an Expert Group Meeting on Food, Agriculture and Rural Development. The OIC General Secretariat is in contact with the host Government to fix a date for the meeting.

c) **Cooperation in the area of Industry**

In pursuance of the decisions of the Third Ministerial Consultation on Industrial Cooperation held in 1987, a meeting of the "Task Force for the Promotion of joint Ventures" was convened by the IDB in Jeddah in November 1987, which considered in detail the mechanism for the promotion of joint ventures among Member countries as outlined by the Ministers.

The Ninth COMCEC Session held in Istanbul on 01 to 04 September 1993 invited Member States that had not yet done so, to examine recommendations of the Task Force on the proposed mechanism and communicate their views and comments thereon to the OIC General Secretariat so as to facilitate their consideration by the Fourth Ministerial Consultation, and appealed once more to member states to host the Fourth Ministerial Consultation in order to finalize the scheme.

d) **Cooperation in the area of Transport**

The First OIC Ministerial Meeting on Transport was held in Istanbul, September 7-10, 1987, concurrently with the Third COMCEC Session. The Ministers, expressing their conviction in transport as an important element of the development of commercial and economic cooperation among Islamic states, decided to cooperate in the development of road and maritime transport, railway and training in the field of transport.

The Eleventh Session of the COMCEC, held in Istanbul, from 5-8 November 1995 urged Member States and the OIC organs concerned to take measures needed for the implementation of the resolutions of the First Meeting of the Ministers of Transport and appealed to member states to host the Second Meeting of Ministers of Transport. The Government of the Arab Republic of Egypt has offered to host the Expert Group Meeting on Transportation. The General Secretariat is in contact with the host Government to fix a date for the meeting.

e) **Cooperation in the field of Telecommunications**

The First Ministerial Meeting on Telecommunications was held concurrently with the Fourth COMCEC Session in Istanbul, Turkey, in September, 1988 and the Second Ministerial Meeting on Telecommunications was held in Bandung, Indonesia, from November 5-8, 1991. Reduction of telecommunication tariffs applicable to

information organs was an important recommendation of the First Ministerial Meeting. An experts group meeting on ways and means of reducing telecommunication tariffs applicable to information organs was held in Cairo on 28-29 September, 1993.

The Tenth COMCEC Session, held in Istanbul, from 22 to 25 October 1994 called upon Member States and the relevant OIC organs to take the measures needed for the implementation of the resolutions of the First and Second Ministerial Meetings on Telecommunications.

The Government of the Islamic Republic of Iran hosted the Third OIC Ministerial Meeting on Post and Telecommunication in Tehran from July 8-11, 1996. A 25-point resolution was adopted by the meeting identifying areas of cooperation and made specific recommendations on cooperation among the Member States in the field of posts and telecommunications. Some of the important actions suggested by the meeting include, setting up of a Data Bank for Post and Telecommunication Experts within the OIC-ISNET member countries; defining a mechanism enabling Member States to benefit from the studies and researches already undertaken by other Member States in the field of PTT; preparing an updated list of experts in technical field of PTT; preparing an updated list of technical cooperation and training activities available in the Member States and compilation of Member States' specific needs and capabilities with implementable project ideas and proposals or activities and encouraging joint investments for development and manufacture of telecommunication equipments.

The meeting decided to establish a Follow-up Committee to monitor the implementation of the Third OIC Ministerial Meeting on Post and Telecommunications. It also decided that expert group meetings, seminars and symposiums be held annually even if at regional level, including the private sector. It was also decided to hold the ministerial meeting on posts and telecommunications more frequently, once in every three years.

The Twelfth COMCEC adopted the report of the Third OIC Ministerial Meeting on Posts and Telecommunications held in Tehran. The Government of the Republic of Sudan has offered to host the 4th OIC Ministerial Meeting on Posts and Telecommunication and the government of Sudan is expected to announce a date for the meeting.

f) Cooperation in the field of Energy

The First Ministerial Meeting of the OIC Member States on Energy was held in Istanbul, Turkey, from 3 to 6 September, 1989 concurrently with the Fifth COMCEC Session. The Ministers recognising that energy issues are important elements of cooperation among Member States, adopted a comprehensive resolution, recommending, inter alia, that Member States improve the performance of energy installations, speed up technology transfer among themselves in the energy sector, encourage research in new and renewable energy resources and establish inter-linked regional networks in the field of electricity.

The Tenth COMCEC Session held in Istanbul on 24 and 25 October, 1994 called upon Member States and the OIC organs concerned to take the measures needed for the implementation of the Resolutions of the First OIC Ministerial Meeting and appealed to Member States to host the Second Ministerial Meeting on Energy. Government of Sudan has offered to host a sectoral experts group meeting on Energy and Mining, the dates of which are expected to be announced.

g) Cooperation in the field of Infrastructure and Public Works

The First OIC Ministers of Infrastructure and Public Works Meeting was held from 6 to 9 October, 1991 in Istanbul, Republic of Turkey, concurrently with the Seventh COMCEC Session. The Ministerial Meeting, inter alia, urged Member States to enhance cooperation in this field and requested that a separate section of the budget be devoted to public works and infrastructure among the priority sectors of the "Plan of Action to Strengthen Economic Cooperation among Member States". It also recommended the development of existing potentialities and projects within the OIC System in this field.

The Tenth COMCEC Session, held in Istanbul, Turkey, from 22 to 25 October 1994 having taken note of the Resolutions adopted at the First Ministerial Meeting on Infrastructure and Public Works, held in Istanbul from 6 to 9 October, 1991 called upon all concerned to take the measures needed for the implementation of the resolutions of the First Meeting of the Ministers of Infrastructure and Public Works. It also took note of the proposals made by Indonesia pertaining to cooperation in the area of urban infrastructure and rural development.

h) Cooperation in the field of Labour and Social Security

The Second Experts Group Meeting on Labour and Social Security, held in Kuala Lumpur, Malaysia in October, 1984 set up two Working Groups - one for finalising the "Draft Bilateral Agreement on Social Security" and the other for the "Draft Model Bilateral Agreement on Labour and Manpower Exchange". The Working Group on Social Security met in Amman, Jordan, in 1985 and finalised the Draft Agreement. The Meeting of the Second Working Group on Labour and Manpower Exchange was held in Istanbul, Turkey from 27 to 29 May 1989. It also finalized the Draft Agreement.

The General Secretariat, in forwarding the Reports of the Working Group on Labour and Manpower Exchange along with the Draft Agreement to Member States informed them that the two Draft Agreements would be submitted to the Third Expert Group Meeting on Labour and Social Security for their consideration.

The Government of Indonesia has offered to host an international workshop on Employment and Manpower Exchange. The Government of Sudan has offered to host a sectoral expert group meeting on human resources development. Dates of the two meetings are expected of be announced.

i) Cooperation in the Field of Tourism

The Seventh Islamic Summit Conference held in Casablanca in 1994 stressed on the importance of intra-OIC cooperation in tourism and adopted, for the first time, a separate resolution on cooperation in the field of tourism. The Twenty-third ICFM held in Conakry in 1995, reiterated the earlier resolution and expressing the conviction that tourism formed a main pivot in the economic development, cultural exchange and rapprochement between nations, invited the Member States to cooperate in number of areas, including exchange of information, cooperation in tourism events and investment in tourism industry. The subsequent Islamic Summit Conferences and Islamic Conferences of Foreign Ministers adopted similar resolutions on cooperation in the field of tourism.

The Government of the Islamic Republic of Iran hosted the First Islamic Conference of Ministers of Tourism which was held on 2-4 October, 2000 in Isfahan. The Conference recognized the importance of tourism as an area of cooperation among OIC Member States and the need to have strategy for collaborative action for enlarging their share in the global tourism market. It agreed on a number of areas of cooperation assigning priority to the development of tourism infrastructure. It also decided to set up a follow-up committee, which met in Tehran on 27-28 August, 2001.

The report of the Follow-up Committee along with the Tehran Communiqué on Tourism was submitted to the Second Islamic Conference of Ministers of Tourism, which was held on 10-13 October 2001 in Kuala Lumpur. The Conference adopted a resolution on tourism development along with the Kuala Lumpur Programme of Action for the Development and Promotion of Tourism in the OIC Member States and calling for an experts group meeting to elaborate on the means and modalities of implementation of the Programme of Action. The Conference thanked the Islamic Republic of Iran, Malaysia and the Republic of Indonesia for offering to act as the focal points for activities in research and training in tourism, marketing, and tourism facilitation respectively. The Government of the Islamic Republic of Iran has offered to host the expert group meeting on tourism. The General Secretariat is in contact with the host Government to fix a date for the meeting.

j) Technical Cooperation among OIC Member States

The First Ministerial Meeting on Technical Cooperation was held concurrently with the Sixth Session of COMCEC in Istanbul, Turkey, October 7-10, 1990. Five National Focal Points Meetings for Technical Cooperation among Member States were subsequently held in Istanbul between 1990 and 1994. The above meetings reviewed the state of technical cooperation among OIC Member States and adopted recommendations aimed at strengthening this cooperation. The meetings stressed the need to promote the administrative and financial capabilities of national focal points on technical cooperation. During bilateral contacts, cooperation programmes were updated and new ones drawn up.

The Twenty-First ICFM and Ninth COMCEC recommended that member states strengthen their technical cooperation with special emphasis on training in the economic, cultural and social fields as well as on the training of instructors.

The Tenth COMCEC held in Istanbul from 22 to 25 October 1994, inter alia, noted that the Meetings of Focal Points for Technical Cooperation were being held annually on a regular basis in Istanbul and appreciated the support extended by Turkey and OIC institutions such as the IDB, SESRTCIC, ICDT and IIT. It also called upon Member States and the OIC organs to implement the resolutions of the First Ministerial Meeting on Technical Cooperation held in Istanbul from 7 to 10 October 1990.

The Republic of Turkey hosted the Expert Group Meeting on Technological and Technical Cooperation in Istanbul from May 6-8, 1998. The project proposals emerging from the Expert Group Meeting as well as those subsequently submitted by the Islamic Republic of Iran have been transmitted to all Member States for necessary action. The responses received from some interested Member States have been transmitted to the government of the Republic of Turkey with a view to setting up the project committee in accordance with the Follow-up and Implementation Mechanism of the Plan of Action.

III. STATUS OF THE SIGNING AND RATIFICATION OF STATUTES AND AGREEMENTS

The 9th Islamic Summit Conference, the 28th Islamic Conference of Foreign Ministers and the 17th Session of COMCEC, urged the Member States that have not yet done so to sign or ratify at an early date the various OIC agreements and statutes in the field of economic and trade cooperation. An updated table summing up the situation regarding the signing and ratification of the following six OIC Agreements and Statutes is given below.

i) **General Agreement on Economic, Technical and Commercial Cooperation.**

The General Agreement on Economic, Technical and Commercial Cooperation was approved by the Eighteenth ICFM in 1597H (1977). The Agreement aims at encouraging capital transfer and investment, exchange of data, experience, technical and technological skills among Member States and at facilitating the implementation of a fair and non-discriminatory treatment among these countries while giving special attention to the least developed Member States. Up to now the agreement has been signed by 41 countries and ratified by 27. It became effective from 28 April 1981.

ii) **Agreement on the Promotion, Protection and Guarantee of Investments.**

The Agreement on Promotion, Protection and Guarantee of Investments among Member States was adopted by the Twelfth ICFM in 1401H (1981). The Agreement lays down the basic principles for the promotion of capital transfer among Member States and protects their investments against commercial risks while guaranteeing the transfer of capital and its proceeds abroad. Up to now, the agreement has been signed by 30 Member States and ratified by 19. After having been ratified by more than 10 countries, the agreement came into force in February 1988.

iii) **Framework Agreement on Trade Preferential System.**

The Framework Agreement on Trade Preferential System was approved by the Sixth COMCEC in October 1990. Twenty-three Member States have so far signed the Framework Agreement Nine Member States have so far ratified it. At least ten member states need to ratify the Agreement so that it can enter into force.

iv) **Statute of the Islamic Civil Aviation Council.**

The Statute of the Islamic Civil Aviation Council has been signed by 16 Member States and ratified by 5 only.

v) **Statute of the Islamic States Telecommunications Union (ISTU)**

The Statute of the Islamic States Telecommunications Union (ISTU) was approved by the Fifteenth ICFM in 1405H (1984). The Statute has been signed by 13

and ratified by 10 Member States. The Statute has not yet entered into force for lack of required number of ratification.

vi) **Statute of the Standards and Metrology Institute for the Islamic Countries (SMIIC)**

The 14th COMCEC adopted the Statute and invited Member States that are willing to participate in the activities of the Standards and Metrology Institute for Islamic Countries (SMIIC) to sign and ratify it. Six Member States have so far signed the SMIIC and ratified by one Member States.

IV. ACTIVITIES OF THE OIC SUBSIDIARY ORGANS, SPECIALISED AND AFFILIATED INSTITUTIONS ACTING FOR THE STRENGTHENING OF ECONOMIC AND COMMERCIAL COOPERATION AMONG MEMBER STATES:

A summary of the activities of the following six OIC Subsidiary Organs, Specialised and Affiliated Institutions working in the field of economic and commercial cooperation among Member States, is given below. Detailed information may be obtained from the individual reports expected to be submitted by the institutions concerned.

(a) **Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRTCIC), Ankara**

The Statistical Economic and Social Research and Training Centre for Islamic Countries (SESRTCIC) was founded in Ankara, Turkey in pursuance of Resolution No 2/8-E adopted by the Eighth Islamic Conference of Foreign Ministers, held in Tripoli, in May 1977. The Centre, more commonly known as the Ankara Centre, started operations from June 1, 1978 as a subsidiary organ of the Organisation of the Islamic Conference (OIC).

The SESRTCIC undertakes each year, in addition to the regular implementation of its mandated activities in various fields, extensive assignments to prepare and present background documents and reports to various OIC meetings on economic and technical cooperation. In recent years, the Centre increased substantially the number of documents submitted to the various OIC fora.

Last year, the Centre prepared and presented the following papers and reports:

1. Annual Economic Report on the OIC Countries 2001,
2. International Financial Architecture and Implications for the OIC Countries,
3. WTO Agreements and Implications for the OIC Countries,
4. Implications of the Introduction of the Euro for the Economies of the OIC Countries,
5. Economic Problems of the Least Developed and Land-locked OIC Countries (2001) and the UN Programme of Action for the LDCs for 2001-2010,
6. Poverty and Health Problems in the Least Developed and Low-income OIC Member Countries,
7. External Debt Situation of African and Other Members of the OIC
8. Practical Steps and Possible Consequences of Establishing an Islamic Common Market,
9. Possible Methods for Establishing an Islamic Stock Exchange and Clearing Union,
10. Tourism Development in the OIC Countries: Further Steps towards Promotion of Cooperation,

11. Transport in the OIC Countries and Modalities for Strengthening Cooperation,
12. WTO Agreements on Non-Tariff Barriers and Implications for the OIC Member States: Customs Valuation, Preshipment Inspection, Rules of Origin and Import Licensing,
13. Trade and Labour Standards and the OIC Countries, and
14. Report on Guyana.

Furthermore, the Centre published the 2nd, 3rd and 4th issues of volume 22, and the 1st issue of volume 23 of its quarterly Journal of Economic Cooperation among Islamic Countries. The Journal has been published regularly since 1997. The Centre also published all relevant issues of its other quarterly, Information Report in English, Arabic and French (Nos. 45 through 48), which provides news on the OIC, on the Centre's current and upcoming activities, and on the latest acquisitions of the Centre's Library.

The SESRTCIC continues to play a very active role in gathering statistical data and disseminating it throughout the OIC region. Most of the data is collected directly from the National Statistical Organisations (NSOs) in the Member Countries. Each year, a specially designed questionnaire on major socio-economic indicators is circulated and the data so obtained is used to update the Centre's dynamic database (BASEIND). This database is accessible to the users through the Centre's Website and is used extensively research related activities. The Centre uses this database to compile and publish its statistical publications.

Efforts have been made to improve the Centre's Website (www.sesrtcic.org). As a result, the site contains more information about the Centre's activities and the OIC, as well as statistical data on a selected set of socio-economic development indicators for each member country. The number of pages on the Website has now reached 2676 and the material in them appears in Arabic, English and French and is updated regularly.

SESRTCIC has been organizing short-term workshops and training programmes in selected fields of interest to the OIC Member States. Last year, the Centre, in collaboration with a range of international, regional and national institutions, organized 6 successful workshops that were attended by 162 staff from various OIC member countries. The topics of the workshops were as follows:

1. Technical Cooperation in the Area of Business Incubators,
2. Development Indicators,
3. Industrial Statistics,
4. Water Policy Analysis and Management for Agriculture for Central Asian Countries,
5. Challenges and Reforms of Economic Regulations in MENA countries,
6. Strengthening Sustainability Issues and Environmental Impact Considerations in the Planning and Analysis of Agricultural Investment projects.

The Centre has also placed a participant in a workshop on Watershed Management.

The Centre's Training Opportunities Bulletin for 2002 has been published and made available on the Centre's Website: <http://www.sesrtcic.org/pubs/trop/default.shtml>. 1636 courses are listed in the Bulletin.

b) Islamic Centre for Development of Trade (ICDT), Casablanca

The Islamic Centre for Development of Trade has made every effort in the year 2001/2002 to boost up trade between the OIC Member States through the following activities:

- a) **Trade and Investment Promotion:** Organisation of trade promotional events especially, through the holding of Islamic Trade Fairs, the 9th edition will be held in Sharjah, United Arab Emirates, from 21st to 26th December 2002.

Participation in other trade events like the first international Jeddah Islamic Fair (Jeddah from 9-14 June 2000), Exhibition and conference on Halal Foods (Riyadh, Saudi Arabia, 24-27 September 2001), the eighth Private Sector Meeting (Conakry, Guinea from 9 to 11 October 2001); seminar on textile and clothing industry in the Arab countries (Marrakech, Morocco from 17 to 19 October 2001); Round table on "the role of private sector and services in the Economic Development of Arab Maghrib Union Countries" (Rabat 14-15 January 2002); Forum on "investment in North Africa" organized by the United National Economic Commission for Africa (Casablanca on 7th and 8th February 2002).

In pursuance of resolution 1 of the 17th session of the COMCEC, the ICDT organized from 26 to 27 March 2002 in Casablanca an "Expert Group Meeting for the adoption of the rules and regulations of the Trade Fair of Islamic Countries (TFOIC).

- b) **Seminars and Training:** Organisation of various training sessions such as the training session on Electronic Commerce and the New Information Technologies organised recently by the ICDT in March 2001 in Casablanca for English speaking OIC countries, the seminar on trade opportunities between OIC and West African countries WAEMU's Members (Casablanca, 31 January 2001), the workshop on the Effects of Non-Tariff barriers on trade expansion among the OIC Member States (Casablanca, 12-14 June 2001), the fifth meeting of the Economic Advisers of the OIC Diplomatic Missions accredited to Rabat (Rabat, Morocco 13th September 2001), a seminar on "the importance of the Framework Agreement on Trade Preferential System among Islamic Countries (TPS/OIC)" (Istanbul, Turkey 19th October 2001).
- c) **Trade Information:** Setting up of a Trade Information Network For Islamic Countries (TINIC) with a Web Site in Internet, which is composed of seven databases: Business Opportunities; Economic operators; Economic indicators;

Trade statistics; Exhibitions and events; Commercial and investment guides per country; Studies and publications, Magazine online.

In order to promote the ICDT's website, the Centre organized in Casablanca on 5th February 2002 a day seminar on TINIC's Databases devoted to the Medias especially for foreign medias and news agencies accredited to Morocco.

- d) **Studies:** Working out of studies on trade development among the OIC Member States and on the implications of the International economic changes on the Member States: a study on "International trade, New Information Technologies (NIT): Assessment and prospects" (January 2001); A study on "the effects of non-tariff barriers on the foreign trade of the OIC Member States" (May 2001); A training course material on "Export Auditing and Capacity Building for SMEs" (January 2002), and regional studies on "Trade in Services in OIC Countries and the prospects of the new Multilateral Trade Negotiations" (January 2002), "Investment flows between OIC Countries and North Africa Region" (February 2002).
- e) **Publications:** Publication of an Annual Report on Inter-Islamic Trade (2000), of "Tijaris" Magazine on a quarterly basis dealing with inter-Islamic and international trade which is published in two-issues: an issue in Arabic and the other in English-French, of the investor's guide, and a Roster of Experts in the field of international trade of the OIC Member States and the publication of sectoral studies (on food products, fisheries, textiles and investment). Publication of the book of Dr. Masudul Alam Choudhoury: "Dynamic issues of Trade and development in the Muslim World"; Publication of the proceedings of the workshop on "the Effects of Non-Tariff barriers on trade expansion among the OIC Member States". Proceedings of the seminar on "the importance of the Framework Agreement on Trade Preferential System among Islamic Countries (TPS/OIC)".
- t) **Technical Assistance:** Provision of technical assistance to the Member States and implementation of the programme of the Organization of the Islamic Conference and of the United Nations aiming at improving the competitive strength of some OIC Member Countries and the capacity building of some entrepreneurs of Member States.
- g) **International Trade Negotiations:** Follow up of international trade negotiations through the preparation of studies, the organisation of seminars and the participation in the various meetings held by the World Trade Organisation (WTO) and UNCTAD.

The ICDT was involved in the process of preparation of the participation of the OIC Member States in the 4th Ministerial Conference of WTO (Meetings sponsored by IDB in Geneva - July 2002, Jeddah - October 2002 and Doha - November 2002).

The ICDT represented the OIC General Secretariat in the fourth Ministerial Conference of the World Trade Organisation held in Doha from 9 to 14

November 2001, and took part in the Conference of the Arab Ministers of Trade, held in Kuwait from 11 to 12 March 2002.

Besides the implementation of its work programme, the Centre works out several documents and reports, which it submits to the various meetings of the Organization of the Islamic Conference held annually at various levels. ICDT also participates in the implementation of additional programmes in cooperation with the Islamic Development Bank with a view to enhancing Intra-OIC trade.

(c) Islamic University of Technology (IUT), Dhaka

The Islamic University of Technology (IUT), a subsidiary organ of the OIC, is engaged to help develop human resources of the Member States in the field of engineering and technology and technical education through offering long regular courses both at undergraduate and postgraduate level and by organizing knowledge and skill upgrading and updating short and special courses, regional and international seminars, workshops, etc. and conducting technological and industrial research.

The renaming of the Institution as the Islamic University of Technology (IUG) on 27 June 2001 with the approval of the 28th Session of the ICFM held in Bamako, Republic of Mali and subsequent awarding of Membership to it by the International Association of Universities (IAU), UNESCO have given further impetus to its activities.

The 15th academic year was successfully completed with the holding of the 15th Degree Awarding Convocation Ceremony on 29 October 2001 with the Honourable Prime minister of the host country, Bangladesh as Chief Guest and H.E. the Secretary General of the OIC in the Chair as its Chancellor.

The 16th academic year 2001-2002 commenced on 02 December 2001. Of the total 1260 nominations received from 21 member states, only 316 candidates could be selected and 222 candidates reported for registration. From the current academic year 2001-2002, Postgraduate programme in engineering and technology has been offered for the first time leading to the award of M.Sc. Engineering/M.Engineering/PGD in Mechanical Engineering. The University has strengthened its efforts to obtain students from more Member Countries through a number of practical measures.

Besides regular academic programmes, the University organized three short courses since the last session of COMCEC. The University actively participated in the first meeting of the OIC Task Force and Seminar on SMEs as one of its members, jointly organized by Islamic Development Bank, Islamic Chamber of Commerce and Industry and the Federation of Bangladesh Chambers of Commerce and Industry and held in Dhaka on 27-29 January 2002. The Vice-Chancellor of IUT also represented H.E. the Secretary General of the OIC in the above event. A paper titled "The Role of Research and Technology Institutions (RTI) in Training SME in modern Technology Use and Skill Development" was presented in the same seminar by IUT.

The University appreciates the need for internationalizing the composition of its faculty members specially in view of its multi-cultural and multi-lingual student

population. Recently, the University has recruited highly qualified faculty members from countries like Bangladesh, Cameroon, Egypt and Pakistan on OIC scale.

The initial work on the construction of much needed Medical Centre of the University has been started with the fund made available by the World Islamic Call Society. The construction work of the long awaited Gymnasium has recently been inaugurated with the loan provided by the Islamic Development Bank on a guarantee provided by the Government of the host country, Bangladesh.

With a view to preparing the Ummah to face the challenges of the 21st century, the University has chalked out an initial proposal to broaden and upgrade the academic programme focusing on new and emerging technologies. Preparations are in the final stage to launch a new Department of Civil and Environmental Engineering with the approval of the Governing Board, realizing the need for this discipline in the development process of the Member States. The University has a plan to establish campus network using optical fiber cable and to introduce programmes related to Bio-Medical Engineering and Information System Engineering. The course curricula of all the programmes now being offered are continually reviewed and revised considering the changing needs.

(d) Islamic Development Bank (IDB)

The growing importance of IDB, a specialized institution of OIC, as indicated by its increasing volume of financing and number of activities has been made possible by the diversification of its financing modes which are fully compatible with Islamic Shariah principles. Indeed, the overall net cumulative financing approved by the Bank from its inception in 1395H to the end of 1422H, stood at about US\$24,259 billion, of which about US\$9,270 billion went for projects and technical assistance, and about US\$14,989 billion were for foreign trade financing operations.

The Bank has been very active with respect to the implementation of all the Islamic Summit Resolutions pertaining to the areas of intra-trade, training, health and illiteracy eradication in member countries.

In order to facilitate the achievement of the target of 3% increase in intra-trade over the prescribed three year period, the IDB allocated US\$1.0 billion from its own resources in 1420H and the same amount for 142PH, for the purpose of trade financing to be supported by other resources to be mobilized through IDB's new program of two-step Murabaha Financing (2SMF) and Syndication from Islamic Banks and other financial institutions. These two mechanisms were expected to enable the Bank to raise a total amount of US\$2.0 billion annually for trade financing from 1420H onwards. Upto the end of 1422H, the total Cumulative Intra-trade (ITFO) approved by IDB (1420-1422H) for the member countries of the OIC reached to about US\$2.318 billion.

The IDB efforts to increase intra-trade also include i) the appointment of Focal Points (FPs) of Trade to work jointly with it towards the set objective and to date, 29 member countries have nominated their FPs, ii) the emphasis on procurement of goods and services from member countries under its project financing operations and undertook more intensive marketing efforts to increase utilization of its trade financing schemes. These marketing efforts are particularly focused on major private sector companies in member

countries, iii) IDB's continuous review of the terms, conditions and procedures of its trade financing schemes to keep them always competitive in international markets, iv) IDB's Trade Cooperation and Promotion Program (TCPP) to which the Board of Directors of IDB allocated US\$5 million for TCPP to enhance trade cooperation activities among member countries within three years (1420H-1422H), v) the IDB Trade Information Promotion System (TIPSys) within the framework of which a Buyers and Sellers Website (BSW) is planned to be set up. This Website will, inter-alia, enable importers and exporters to exchange information on their requirements and supply capabilities.

The targeted objective in the field of training was an increase of 30% in the number of people trained by the various OIC institutions and the IDB in their respective fields of competence over the next three years. Accordingly, the intra-OIC Task Force on Training decided at its meeting in August 1998 in Jeddah to sponsor four (4) training programs, these have already been completed in 1420H and 1421H. Four more training programs were also implemented during phase II of 1421H. The project concerning "Publication of Expanded Directory of Training Opportunities" was implemented during this phase of 1421H. Accordingly, copies of this Directory were distributed to relevant destinations in member countries of OIC. For the phase III of 1422H, IDB received four training proposals from the OIC institutions to sponsors training programs in member countries.

In the health field, the target was to achieve Self Reliance in Vaccine Production over the three-year period. The 190th session of the IDB Board of Executive Directors approved an allocation of US\$5.6 million to cover the required work. The IDB then set up an Internal Coordination Committee to outline the implementation procedures and to follow up on the actual implementation of the Program. IDB is to coordinate the selection of members of the Technical Team who will effect sight visit of the vaccine production facilities in member countries.

Regarding the Illiteracy Eradication and Education, the target was to significantly reduce illiteracy in OIC member countries over the 3-year period. In its 190th session, the IDB Board of Executive Directors allocated US\$3.5 million to help those member countries that experience high rates of illiteracy through the provision of technical assistance. A short list of eligible countries has been prepared and these countries have been informed about the Program and have been requested to submit each an integrated Illiteracy Eradication Project for processing. In this connection the total Bilingual Eradication and Illiteracy Eradication projects approved by IDB (by the end of 1422H) reached to 22 operations for a total amount of US\$33,892 million.

Besides the above mentioned literacy program, the IDB has been very active in financing Education projects for its ordinary resources in compliance with its Strategic Agenda for the Medium Term to promote human resources development and prepare the Islamic Ummah for the 21st Century. The financing has been mainly directed to the Least Developed Member countries (LDMCs) and low income member countries.

(e) **Islamic Chamber of Commerce and Industry (ICCI)**

The Islamic Chamber Commerce and Industry (ICCI), an affiliated institution of OIC, continues to pursue its programme of economic and commercial cooperation among the private sector of the OIC Member States within the framework of

implementing its Third Three-Year Plan of Action (2001-2003). This Plan has incorporated on a high priority basis the projects recommended by the Task Force of IDB on training and Intra-Islamic Trade. The Plan of Action is also made keeping to the guidelines of the OIC Plan of Action to strengthen economic cooperation among member countries.

Since 1994, the ICCI has actively pursued its programme for the private sector and has held eight private sector meetings in Turkey (1994), Egypt (1995), Indonesia (1996), Pakistan (1997), Lebanon (1998) Cameroon (1999), Qatar (2000) and Conakry (2001). The recommendations of these meetings have been submitted to the Sessions of the COMCEC for consideration. The Private Sector Meetings have proved to be a useful meeting place of entrepreneurs, businessmen and representatives of financial institutions to discuss future avenues of cooperation and to find new markets for their products. The 9th Private Sector Meeting will be held in Sharjah - U.A.E. from 21 to 23 December 2002.

The 6th Private Sector Meeting, held in Cameroon in October 1999 proposed the setting up of a Monitoring Mechanism to follow up the implementation of the recommendations, which was approved by the 15th Session of COMCEC in November 1999 and thereafter endorsed by the 27th Islamic Conference of Foreign Ministers (ICFM) held in Kuala Lumpur in June 2000 and the 9th Islamic Summit Conference held in Doha, State of Qatar in November, 2000.

Another important sector, the Islamic Chamber is at present working on is the development of the Small and Medium Enterprises (SMEs) in Member Islamic Countries. This proposal was also approved by the 27th Islamic Conference of Foreign Ministers and the 9th Islamic Summit. Thereafter, a Task Force was set up to formulate programmes to be launched during the year 2001 as the year of promotion and development of Small and Medium Enterprises. The first meeting of the OIC Task Force on SMEs and Seminar along with an Exhibition was held in Dhaka, Bangladesh on January 27-29, 2002 in collaboration with IDB and Federation of Bangladesh Chambers of Commerce and Industry. The Task Force recommendations indicated that a proactive policy is needed to promote SMEs competitiveness. The main inputs for upgrading SMEs were identified as finance, market information, training, management tools, technology, skills and links with support institutions.

In order to promote the investment climates of Member countries, the Islamic Chamber also organizes Investment Conferences in the hosting country, on the occasion of its Statutory Meetings. In this connection, two such conferences have been held, one in Amman - Hashemite Kingdom of Jordan (January 2002) and other in Aden - Republic of Yemen (April 2002).

In order to further promote and develop certain common sectors within the Islamic Countries, such as textile, leather and agriculture, and Islamic Chamber has set up Councils for each of these respective sectors. It may be mentioned that during the Ministerial Meeting on Tourism in Isfahan, Islamic Republic of Iran in October 2000, on the proposal of Egypt, it was also suggested that an Islamic Chamber Council of Tourism be also set up.

In this respect, the Islamic Chamber had organized on March 4-5, 2002 in collaboration with the Pakistan Tourism Development Cooperation, a symposium on the promotion of Tourism in the OIC countries.

To foster greater interaction among the businessmen of the Islamic countries, ICCI has sent Economic Delegations to some of the African countries. The first such delegation went to Niger, Burkina Faso and Mali, while the second went to Guinea, Gambia, Sierra Leone and Senegal.

ICCI also cooperates with the Islamic Centre for Development of Trade, in organizing the Islamic Trade Fairs. In addition, it also arranges for small exhibitions at the time of the private sector meetings.

As part of its services for its Member Chambers, ICCI has undertaken a programme of holding Seminars and Workshops. So far these have been held in Karachi in 1996, in Mali in 1997. A Workshop on "Development of Industrial Management and Marketing Skills for Private Enterprises in OIC Member Countries", was held in Istanbul - Turkey, April 3-6, 2000 in collaboration with the Union of Turkish Chambers and another workshop on "Trade Facilitation and Exhibitions for CIS Member Chambers", was held in Cairo, Egypt, October 28 - November 1, 2000 within the framework of the MOU signed between the Egyptian Fund and the Islamic Chamber.

In this rapidly evolving age of Information Technology, the Islamic Chamber is putting emphasis on the development of a well integrated data base. This data base contains information on the OIC Member Countries with particular reference to trade, economy, commerce industry, trade fairs and other relevant information. In this connection the Islamic Chamber is cooperating with OIC networks of IDB.

Islamic Chamber has set-up an Arbitration Committee to arbitrate for any trade and investment disputes that arise between the private sector of OIC countries. It has successfully arbitrated trade disputes between companies from Lebanon, Saudi Arabia and Kuwait with companies from Pakistan.

In order to foster intra-Islamic trade and industry, the Islamic Chamber has signed memorandum of Understandings and Cooperation Agreements with several International Institutions and Organizations.

As a result of the generosity of His Majesty Khadim Al-Harimain Al-Sharifain King Fahd Bin Abdul Aziz Al-Saud and the Government of Kingdom of Saudi Arabia and the effort of H.E. Shaikh Ismail Ali Abudawood, President of the Islamic Chamber, the Islamic Chamber has established its first Regional Office in Jeddah in the premises of the Jeddah Chamber of Commerce and Industry. Other Regional Offices are expected to be established in Tunisia and Cameroon.

(f) Organization of the Islamic Shipowners' Association (OISA)

The Organisation of the Islamic Shipowners' Association (OISA) was founded by the resolution adopted by the Third Islamic Summit Conference of 1981 to serve the Islamic Ummah in the field of maritime transport. Its headquarters is located in

Jeddah, upon the gracious invitation of the Kingdom of Saudi Arabia, which extends to the Organisation both financial and moral support. OISA groups thirty three member states represented by more than sixty Islamic maritime companies, institutions, and facilities.

The Organisation is taking necessary steps to form the following three projects:

i) Creation of the Islamic Protection and Indemnity (P&I) Club

In the joint meeting of the Twenty-third Executive Committee and Fifteenth General Assembly, held in Dubai, State of the United Arab Emirates, on 10-12 October 2001, representatives of OISA member states and companies decided to set up the Islamic Protection and Indemnity Club (IPIC). The necessary studies have been completed and the various committees constituted to push forward with the establishment of the Club. OISA's sub-committee, which examined this issue in its meeting on 4-5 May 2001 in Dubai, laid down the special requirements for the creation of the Club and the Twenty-third Executive Committee and Fifteenth General Assembly, in their joint meeting held in Dubai, State of the United Arab Emirates, on 10-12 October 2001, adopted the decision to launch the Islamic Protection and Indemnity Club (IPIC) whereby the Asian Protection and Indemnity Club (APIC) agreed to operate under the umbrella of the Islamic Shipowners' Association and thus adopted the new name The Islamic Protection and Indemnity Club (IPIC). It will be based in the Free Trade Zone in the island of Kishm, Islamic Republic of Iran.

The Club, which is a non-profit insurance company, has so far registered 46 ships of various sizes and membership will remain open to the states and companies of Association members and non-members. The Club's success in attracting ships and vessels of Islamic States and companies will mean a saving of USD 200 million a year, which in the past used to go to foreign protection and indemnity clubs. This represents a huge saving equally for rich and poorer Islamic countries.

This vital project constitutes a remarkable achievement that has been acclaimed by the Ninth Islamic Summit Conference held in Doha, State of Qatar, in its resolution recommending the Islamic Shipowners' Association to start proceedings immediately for the launching of IPIC and calling on member states to urge their maritime companies to join the Club.

ii) The Islamic Shipping Company: Bakkali Shipping Co. (BASCO)

In implementation of the resolution of the Foreign Ministers of the Organization of the Islamic Conference (OIC) in their Twenty-first meeting held in Karachi in 1993 to establish an Islamic Shipping Company to speed up the process of establishing the Islamic Shipping Company, the Association made the necessary contacts with leading international business establishments in the field of setting up shipping companies. All studies conducted on the subject showed the viability and importance of such a company, particularly in view of the pressing need for such a company in the Islamic Ummah to break foreign shipping's monopoly on the Islamic fleet. The Statute and Articles of Association of the Company were set in place in collaboration with a legal consultant and were subsequently endorsed by the Association's Executive Committee and General Assembly. The Eighth Islamic

Summit Conference held in Tehran, Islamic Republic of Iran, as well as the Ninth Islamic Summit Conference held in Doha, State of Qatar, approved the creation of a company under the name of Bakkah Shipping Company (BASCO) and urged states, companies, the private sector, and individuals to participate in the capital of this company. In response to the wishes of the members, the Ministerial Council of the government of the Kingdom of Saudi Arabia adopted the decision to approve the location of the headquarters of Bakkah Shipping Company (BASCO) in Jeddah. His Highness the Crown Prince of Dubai, granted the Company the right to be fully registered without the need for a sponsor or local agent and to be accorded an adequate parcel of land at a suitable location in Dubai, where the Company will be conducting its operations.

As demand for business with the Company did not meet hopes and expectations, a sub-committee of the Association's Executive Committee held a meeting in which it took a number of decisions relating to BASCO, including a reduction of its capital to USD 30,000,000 (Authorized Share Capital) and USD 10,000,000 (Paid-up Share Capital). The decisions were submitted to the Association's Executive Committee and General Assembly in their recent meeting in Dubai, State of the United Arab Emirates. In the meeting, the Executive decided to commission the Executive Committee Chairman and the Secretary-General to renew contacts with the Association's member companies for their final decision within six months on participating in BASCO.

iii) Cooperative Information System

The Association has conducted a comprehensive study on the setting up of a cooperative Information System, which was considered and adopted by the Association's Executive Committee and General Assembly. The study identified the necessary requirements for a high-performance information network in a practical, tried and tested manner. The system will be installed at the Association's headquarters in Jeddah and will enable members to exchange information amongst them on areas such as chartering, wedging, paintwork, insurance and others without any shipbrokers or middlemen, whenever ships are offered for lease or sale.

The Association has adopted the policy of focusing on one project at a time rather than working on several divergent projects at once.

(updated as of 31 October 2001)

LIST OF MEMBER STATES WHO SIGNED AND RATIFIED
THE DIFFERENT AGREEMENTS AND STATUTES ON
ECONOMIC, COMMERCIAL AND TECHNICAL
COOPERATION AMONG OIC MEMBER STATES

NAME OF MEMBER STATES	General Agreement on Economic, Technical and Commercial Cooperation		Agreement on Promotion, Protection and Guarantee of Investments		Framework Agreement on Trade Preferential System		Statute of Islamic Civil Aviation Council		Statute of the Islamic States Telecommunications Union		Statute of the Standards and Metrology Institute for the Islamic Countries (SMIC)	
	Adopted as per Res. No1/8-Eofthe 8 th ICFM Tripoli/Libya 16-22/5/1977		Adopted as per Res. No7/12-Eofthe 12 th ICFM Baghdad/Iraq 1-5/6/1981		Adopted as per Res. No 1 of the 6th COMCEC Istanbul/Turkey 7-10/10/1990		Adopted as per Res. No16/13-Eofthe 13 th ICFM Niamey/Niger 22-26/8/1982		Adopted as per Res. No 17/15-Eofthe 15 th ICFM Sana'a/Yemen 18-22/12/1984		Adopted as per Resolution No.1 of the 14 th COMCEC Istanbul/Turkey 1-4/11/1998.	
	Sign	Ratify	Sign	Ratify	Sign	Ratify	Sign	Ratify	Sign	Ratify	Sign	Ratify
Afganistan	-	-	-	-	-	-	-	-	-	-	-	-
Algeria	20/5/80	-	-	-	-	-	-	-	-	-	-	-
Albaniae	"	-	15/11/96	"	"	"	"	"	-	*	"	-
Azerbaijan	-	-	-	-	-	-	-	-	-	-	-	-
Bahrain	21/05/80	30/08/80	-	-	-	-	-	-	-	-	-	-
Bangladesh	05/12/77	18/04/78	04/11/97	-	4/11/97	-	10/9/83	-	-	16/4/88	-	-
Benin	-	-	-	-	-	-	-	-	-	-	-	-
Brunei Darussalam	-	-	-	-	-	-	-	-	-	-	-	-
Burkina Faso	23/12/85	-	-	19/5/92	14/9/93	-	21/10/01	-	-	-	21/10/01	-
Cameroon	23/01/78	02/08/83	25/10/94	-	25/10/94	-	-	-	-	-	-	-
Comoros	28/04/78	16/01/81	-	-	-	-	-	-	-	-	-	-
Kyrgyz Republic	-	-	-	-	-	-	-	-	-	-	-	-
Kazakhstan	-	-	-	-	-	-	-	-	-	-	-	-
Djibouti	21/04/79	-	25/08/82	-	-	-	-	-	-	-	-	-
Egypt	08/11/77	06/06/78	-	16/12/78	15/11/96	31/12/99	-	-	11/6/87	7/5/88	-	-
United A. Emirates	29/12/77	1979	12/02/89	14/01/89	-	-	30/5/89	21-3-89	30/5/89	21/3/89	-	-
Gabon	23/01/78	-	-	-	-	-	-	-	-	-	-	-
Gambia	21/05/80	-	04/09/93	-	08/11/95	-	8/11/95	-	8/11/95	-	-	-
Guyana	-	-	-	-	-	-	-	-	-	-	-	-
Guinea	26/12/77	10/02/81	08/11/95	-	05/09/93	30/05/95	8/11/95	-	8/11/95	-	-	11/10/01
Guinea-Bissau	-	-	-	-	-	-	-	-	-	-	-	-
Indonesia	30/04/79	08/01/80	01/05/83	3/12/83	04/02/92	-	-	-	-	-	-	-
Iraq	02/07/78	1978	-	-	24/10/01	-	-	-	-	-	-	-
Iran	08/11/95	07/11/95	08/11/95	15/9/94	08/11/95	12/5/93	8/11/95	-	4/9/93	6/10/93	-	-
Jordan	29/12/77	10/05/79	04/11/98	25-02-99	01/02/93	21/12/98	25/10/94	-	12/3/88	8/4/86	-	-
Kuwait	05/12/77	10/05/80	18/11/81	12/4/83	-	-	-	-	-	-	-	-
Lebanon	15/11/96	-	15-11-96	-	15-11-96	-	-	-	-	-	-	-
Libya	5/12/77	15/04/78	25/10/94	13/2/96	05/11/92	02/11/92	-	-	-	04/01/89	-	-
Malaysia	18/05/78	14/01/81	30/09/87	-	-	-	-	-	-	-	-	-
Maldives	17/12/77	-	-	-	-	-	-	-	-	-	-	-
Mali	27/04/78	08/08/81	-	24/05/82	-	-	-	-	-	-	-	-
Morocco	23/01/78	16/04/79	02/11/80	07/05/90	29/09/93	-	26/10/00	-	30/12/85	-	-	-

Annex VI to OIC/COMCEC-FC/18-02/REP

NAME OF MEMBER STATES	General Agreement on Economic, Technical and Commercial Cooperation		Agreement on Promotion, Protection and Guarantee of Investments		Framework Agreement on Trade Preferential System		Statute of the Islamic Civil Aviation Council (ICAC)		Statute of the Islamic States Telecommunications Union (IS T1)		Statute of the Standards and Metrology Institute for the Islamic Countries (SMIC)	
	Adopted as per Res. No1/8-E of the 8 th ICFM Tripoli/Libya 16-22/5/1977		Adopted as per Res. No7/12-E of the 12 th ICFM Bagdad/Iraq 1-5/6/1981		Adopted as per Res. No 1 of the 6 th Session of the COMCEC Istanbul/Turkey 7-10/10/1990		Adopted as per Res. No 16/13-E of the 13 th ICFM Niamey/Niger 22-26/8/1982		Adopted as per Res. No 17/15-E of the 15 st ICFM Sana'a/Yemen 18-22/12/1984		Adopted as per Resolution No.1 of the 14 th COMCEC Istanbul/Turkey 1-4/11/1998	
	Sign	Ratify	Sign	Ratify	Sign	Ratify	Sign	Ratify	Sign	Ratify	Sign	Ratify
Mauritania	08/11/77	09/05/79	-	-	-	-	-	-	-	-	-	-
Mozambique	-	-	-	-	-	-	-	-	-	-	-	-
Niger	18/05/78	07/08/78	-	-	-	-	8/12/84	-	-	-	-	-
Nigeria	4/11/98	-	4/11/98	-	4/11/98	-	4/11/98	-	4/11/98	-	-	-
Oman	15/04/80	28/04/81	25/10/94	10/12/94	-	-	-	-	-	-	-	-
Uganda	08/08/78	-	26/11/78	10/2/78	05/09/93	-	-	-	-	-	-	-
Pakistan	14/01/78	1978	20/12/81	10/7/82	25/10/94	11/10/93	-	1989	-	30/4/86	-	-
Palestine	28/04/78	18/03/80	15/03/82	15/3/82	10/09/92	-	22/5/83	-	3/01/87	11/11/86	7-11-99	-
Qatar	24/09/78	09/09/80	26/10/00	-	-	-	21/10/01	-	-	-	-	-
Saudi Arabia	14/01/78	27/06/79	23/9/85	17/9/84	10/09/92	-	-	-	-	-	-	-
Senegal	25/12/77	28/02/79	17/6/87	30/6/94	01/9/91	30/6/94	17/6/87	4/2/89	17/6/87	4/2/89	-	-
Sierra-Leone	-	-	-	-	-	-	-	-	-	-	-	-
Somalia	24/12/78	-	19/12/83	25/11/84	-	-	-	-	-	-	-	-
Sudan	14/01/78	-	20/12/81	-	13/5/92	-	4/9/93	-	4/9/93	-	26/10/00	-
Syria	04/06/78	15/07/80	21/10/01	-	-	-	-	02/04/02	-	-	7-11-99	-
Suriname	-	-	-	-	-	-	-	-	-	-	-	-
Tajikistan	04/11/97	-	04/11/97	-	-	-	-	-	-	-	-	-
Tchad	27/04/78	-	-	-	14/1/92	-	-	-	-	-	-	-
Togo	-	-	-	-	-	-	-	-	-	-	-	-
Tunisia	27/01/79	13/04/80	10/06/82	11/11/83	21/1/93	31/7/00	6/1/83	11/11/83	8/11/95	14-02-00	18/9/01	-
Turkey	29/12/77	02/07/82	16/07/87	09/2/91	23/9/91	28/11/91	-	-	-	-	7-11-99	-
Turkmenistan	-	-	-	-	-	-	-	-	-	-	-	-
Uzbekistan	-	-	-	-	-	-	-	-	-	-	-	-
Yemen	29/12/77	-	12/06/82	-	-	-	25/10/94	-	25/10/94	-	-	-
TOTAL	41	27	30	19	23	9	16	5	13	10	6	1

-VII-

**REPORT BY THE
OIC GENERAL SECRETARIAT ON THE REVIEW
OF THE IMPLEMENTATION OF THE PLAN OF ACTION**

**Eighteenth Meeting of the
Follow-up Committee of the COMCEC**

(Istanbul, 10-11 May 2002)

**REPORT BY THE
OIC GENERAL SECRETARIAT ON THE REVIEW
OF THE IMPLEMENTATION OF THE PLAN OF ACTION**

**Eighteenth Meeting of the
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(Istanbul, 10-11 May 2002)

I. Introduction:

The 17th COMCEC requested the General Secretariat (at paragraph 24 of resolution I) to continue to submit to the annual sessions of the COMCEC a periodical review of the implementation of the Plan of Action. This review is submitted in pursuance of the resolution.

II. Background Information on the Plan of Action:

The Sixth Islamic Summit entrusted the COMCEC to draw up a new strategy for the Plan of Action to Strengthen Economic and Commercial Cooperation Among OIC Member States, taking into consideration the changes that took place in the world since the adoption of the Plan of Action in 1981. Accordingly, a revised Plan was approved by the Tenth Session of the COMCEC (November 1994). This document together with the Strategy approved earlier by the COMCEC was endorsed by the Seventh Islamic Summit Conference (Casablanca, December 1994) in its Resolution 8/7-E(IS).

The Seventh Islamic Summit noted, inter alia, that the strategy for economic cooperation adopted by the COMCEC allowed for cooperation among sub-groups of Member States and was based on the principles of economic liberalization, promotion of the private sector, and integration with the world economy and on respect for the economic, political, legal and constitutional structures of the Member States and their international obligations. It also noted that the Plan of Action was open to further improvement during its implementation. The Summit stressed on the urgency of implementing the Plan and called upon the Member States to host the inter-sectoral expert group meetings as envisaged in the chapter on Follow-up and Implementation of the Plan.

The COMCEC Follow-up Committee at its eleventh meeting considered the technical and organisational issues of holding an inter-sectoral meeting and recommended that, instead of holding one inter-sectoral meeting to initiate the implementation of the Plan of Action, a more practical approach would be to hold more than one meeting to deal either with one area or a number of inter-related areas at a time. The Eleventh COMCEC accepted the recommendation and invited the member states to host both sectoral and inter-sectoral meetings.

III. Mechanism for the Implementation of the Plan:

As per the provision of the Follow-up and Implementation Mechanism which forms integral part of the Plan of Action, the process of implementation of specific cooperation projects in each of the ten priority sectors is to commence through holding of sectoral Expert Group Meetings. The mandate given to the Expert Group Meetings in each sector/area of the Plan is to review the requirements for action and make proposals. The Expert Group

Meetings are to be held to identify specific cooperation projects. Subsequently, "project committees" are to be formed with interested Member States under the chairmanship of the country originally proposing the project(s). The responsibility of implementing any project remain with the concerned project committee(s).

IV. Expert Group Meetings:

Since adoption of the revised Plan all meetings of the COMCEC, Islamic Summit Conferences and the Islamic Conferences of Foreign Ministers appealed to the Member States to host sectoral Expert Group Meetings.

The Government of the Republic of Turkey hosted the Expert Group Meeting on Money, Finance and Capital Flows in Istanbul from 1-3 September 1997. The Government of the Islamic Republic of Pakistan organised the Expert Group Meeting on "Foreign Trade Facilitation of the OIC Member States" in Karachi from October 24-25, 1997. The Government of the Republic of Turkey organised the Expert Group Meeting on Technology and Technical Cooperation in Istanbul from May 6-8, 1998.

A number of cooperation projects and project ideas emerged from these meetings. The report of the Expert Group Meetings, along with the project proposals, were transmitted to all Member States with the request to indicate their interest in writing to the General Secretariat. Those Member States which submitted project ideas, have been requested to provide idea of the complete project in the prescribed Projects Profile Form. Member States that have indicated interest in the project ideas proposed by the OIC institutions have been requested to submit these as their proposals so that the same can be circulated to all Member States.

The responses to the project proposals/ideas received from some Member States till the end of January, 2001 are shown in tabular form as an annexure. Names of countries indicating interest in any specific project(s)/project idea(s), as shown in the table, have been communicated to the countries which originally proposed these project(s)/project ideas):

V, Recent Related Activities in Areas within the Plan of Action:

The government of the Islamic Republic of Iran hosted the Fourth OIC Ministerial Conference on Food Security and Agricultural Development in Tehran from 14 to 16 January 1995. The Declaration issued by the Conference emphasised on the need to explore ways and means to increase agricultural production in potential areas and decided to periodically review the situation of food security in all OIC Member States.

The Third OIC Ministerial Meeting on Posts and Telecommunications was held in Tehran, Islamic Republic of Iran from July 8-11, 1996. A 25-point resolution was adopted by the meeting identifying areas of cooperation and specific recommendations for action by the Member States. The meeting decided that expert group meetings, seminars and symposiums in

the field of cooperation in Posts and Telecommunications be held annually even at regional level and including the private sector. It was also decided to hold the Ministerial Meeting on Posts and Telecommunications more frequently, at least once in every three years.

The First OIC Ministerial Meeting on Tourism was held in Isfahan from 2-4 October, 2000. The meeting adopted a resolution on tourism and the Isfahan Declaration. The resolution decided, inter alia, to set up a follow-up committee, which met in Tehran on 27-28 August, 2001. The Second Islamic Conference of Ministers of Tourism was held on 10-13 October, 2001 in Kuala Lumpur, which adopted a resolution on tourism development along with the Kuala Lumpur Programme of Action.

The Eighth Islamic Trade Fair was held in Qatar from 15 to 20 October 2000 concurrently with the Seventh Private Sector Meeting (15-17 October, 2000). The Trade Fair was organized by ICDT in collaboration with ICCI and the Government of Qatar, while the Private Sector Meeting by ICCI in collaboration with the Qatari Chamber of Commerce and Industry. The Eighth Private Sector Meeting was held on 9-11 October, 2001 in Conakry.

VI. Follow-up on the Decisions of the 17th Session of COMCEC:

The appeal addressed by the 17th COMCEC to Member States who have not yet done so to sign and ratify the various Agreements and Statutes prepared under the auspices of the OIC to help intensify economic cooperation among Member States has been transmitted to all concerned by the General Secretariat. Besides, the General Secretariat had earlier requested the Islamic Chamber of Commerce and Industry to advise all its constituent national chambers to make whatever contribution they can in expediting early action by their respective governments with respect to early signature and ratification of OIC Agreements and Statutes as per the appeal of the COMCEC.

The 17th COMCEC welcomed the offers of the Governments of the Arab Republic of Egypt, Republic of Gabon, Islamic Republic of Iran, Republic of Indonesia, Malaysia, Republic of Sudan and the Republic of Turkey to host various Ministerial meetings, sectoral experts group meetings, regional seminars and workshops. The General Secretariat is in contact with these Member States with a view to making necessary arrangements for holding these meetings and seminars/workshops.

It may also be mentioned that earlier the 15th COMCEC requested the OIC General Secretariat to closely pursue the follow-up actions and the results of the three sectoral expert group meetings held so far. It also urged the Member States to forward to the General Secretariat their responses to the project proposals put forward at the sectoral expert group meetings for the formation of the above-mentioned project committees at the earliest possible date. The General Secretariat circulated the aforementioned project proposals to all member states with the request to indicate their interest at an early date. A few responses received so far have been transmitted to the country(s) which proposed the project(s) so that the task of establishing specific Project Committees can be taken up. As responses of vast majority of Member States are still awaited, a reminder has been sent out by the General Secretariat to all Member States urging them to expedite their responses.

While deciding that "Private Sector Investment in the Member Countries and the Role of IDB" be the theme for the exchange of views at the Eighteenth Session of the COMCEC, the 17th COMCEC requested IDB, in collaboration with SESRTCIC, ICDT, IUT, ICCI and related OIC and other international institutions, to organise a workshop on the topic prior to the 18th COMCEC. A workshop on the theme scheduled to be organized by IDB.

VII. Consideration of the Overall Situation of Implementation of the Plan:

At the request of the 14th COMCEC, the General Secretariat submitted a detailed review of the overall situation of implementation of the Plan of Action at the 15th Session of COMCEC held in Istanbul from 4-7 November, 1999. A number of observations and conclusions drawn from an assessment of the experience gained on the EGMs held so far were elaborated in the afore-mentioned review. After detailed discussion on the aforementioned review, the 15th Session of the COMCEC adopted a resolution expressing concern over the "slow progress of the implementation of the Plan of Action" and recommended to the Follow-up Committee at its next meeting to "suggest best possible remedies to alleviate the situation". Accordingly, the Follow-up Committee at its 16th Meeting held in Istanbul on 9-11 May, 2000 deliberated on the possible ways and means to accelerate the implementation of the Plan and decided to forward a number of recommendations to the 16th Session of COMCEC for consideration.

The 16th COMCEC expressed concern over the slow progress in the implementation of the Plan of Action and urged the Member States to take appropriate action for expediting its implementation. It resolved in this connection that an open-ended experts group meeting be convened before the 17th meeting of the Follow-up Committee (9-10 May, 2001) "to explore all possible ways and means of accelerating the implementation of the Plan of Action". Accordingly, an expert group meeting was held in Istanbul on 6-7 May, 2001. The report of the said meeting containing its recommendations was placed before the 17th Meeting of the Follow-up Committee of COMCEC, which decided to submit the recommendations to the 17th Session of COMCEC. The 17th COMCEC considered the report of the expert group meeting as annexed in the report of the 17th Meeting of the Follow-up Committee of COMCEC and approved the recommendations of the experts group meeting and stressed their importance. The General Secretariat has circulated the report of the experts group meeting.

VIII. Recent Developments:

The Government of the Arab Republic of Egypt offered in October 2001 to host an experts group meeting on food, agriculture and rural development on 5-7 January 2002 and also notified earlier to host an experts group meeting on transportation in the same month. However, considering the need to give adequate preparation time to the Member States in order to ensure their effective participation, it was decided to postpone the two meetings until later in the current year. The experts group meeting on transportation is expected to be scheduled in October 2002, while the General Secretariat is yet to be informed of the timing of the other experts group meeting.

In anticipation of the holding of the two experts group meeting, the General Secretariat re-circulated the report of the experts group meeting on accelerating the implementation of the Plan of Action to Strengthen Economic and Commercial Cooperation Among Member States stressing the urgency of consultations among the Member States with a view to developing projects on cooperation for consideration by these experts group meetings. In this connection, emphasis is laid on the need to develop regionally-based projects or projects supported by a group of Member states in a particular region, which may have the prospect of support from regional institutions. Accordingly, there is a need to ensure the active involvement of such regional institutions as ECO, GCC, Arab Maghreb Union, ECOWAS. These institutions may, therefore, be invited to attend these experts group meetings to be organized for the implementation of the Plan of Action to Strengthen Economic and Commercial Cooperation Among Member States.

COMCEC-18-FC-PLAN
Disk:COMCEC-18-fc.

ANNEXURE

Sl. No	Project Proposals/Ideas	Proposing State/ Institution	Interested Country
	TECHNICAL COOPERATION		
1.	Technical cooperation in the area of Software Engineering Among OIC Member States.	Jordan	
2.	Technical Cooperation in the Area of Heritage Preservation Among OIC Member States.	Jordan	
3.	Production of pulp and paper in Sudan.	Sudan	
4.	Strengthening the Innovation, Design and Prototype Manufacturing Centre.	Sudan	
5.	Shelter and Habitat in Sudan.	Sudan	
6.	Photovoltaic Cells Production.	Sudan	
7.	Technical Cooperation Among "Patent Offices in the OIC Member States.	Turkey	Kazakhstan
8.	Technical Cooperation in the area of Business Incubators Among OIC Member States.	Turkey	
9.	Cooperation in the area of Technical Development: Medium Range Regional Turbofan Airliner.	Turkey	Kazakhstan
10.	Provision of Technical Assistance for Establishment of Technology Development Foundation in the OIC Member States.	Turkey	
11.	Energy Research and Technology Development Centre For Islamic Countries.	Turkey	Saudi Arabia, Kazakhstan
12.	Space Agency for Islamic Countries.	Turkey	Kazakhstan
13.	Distance Educational Project.	Turkey	
14.	Technical Cooperation in the area of Environmental Protection: Proper use of coastal zone to prevent Accelerated beach/coast erosion.	Turkey	
15.	Metametrone and Metribuzine Process development for production of the 1,3,4 triazine 6 one deriv, which are used as fungicide in Iran.	Iran	Saudi Arabia
16.	Ionoxyail (totril) Process development for this valuable fungicide and its Dibromo analogue.	Iran	Saudi Arabia
17.	Carbamazepine Process development for production of Carbamazepine at 25 MT/year capacity.	Iran	Saudi Arabia
18.	Sut-SOFT, Software for modeling of Heat Transfer, Mass Transfer and Stress Analysis.	Iran	Saudi Arabia
19.	Field-Test establishment.	Iran	Saudi Arabia

ANNEXURE

	MONEY, FINANCE AND CAPITAL FLOWS		
20.	Establishment of an Islamic Insurance-Reinsurance Corporation.	Turkey	
21.	Islamic Finance Corporation under the Auspices of the IDB.	Turkey	
22.	Multilateral Islamic Clearing Agency (Union).	Turkey	
23.	Development of a cohesive multi-year programme for Training and Seminars to be conducted in Financial and Monetary Fields.		
24.	Compilation by SESRTCIC, in collaboration with IDB/IRTI Of a Directory of Muslim Experts in the field of money, Banking and finance.	Turkey	
25.	Regular and Systematic Collection and dissemination of detailed data and information on the money, banking and finance activities in the member countries. Establishment by SESRTCIC, in collaboration with the IDB, of a set of database on the relevant activities comprising such data and information.	Turkey	
26.	Compilation by SESRTCIC, in collaboration with the IDB/IRTI of a Directory on Banks and Financial Institutions in the member countries.	Turkey	
	FOREIGN TRADE		
27.	A Mechanism for Systematic Collection and Dissemination Of Detailed Information on Tariff and Non-tariff Trade Barriers of the Member countries.	Turkey	Burkina Faso Sultanate of Oman.
28.	Establishment of Islamic Trading House(s).	Turkey.	
29.	A Mechanism for Integration of the OIC Member Countries to the World Trade System.	Turkey	Burkina Faso
30.	A Study on the Determination of the Economic Comparative Advantages of the OIC Member countries.	Turkey	Sultanate of Oman, Tunisia.
31.	Creation of an Islamic Export Market Development Fund.	SESRTCIC	
32.	Collection and Collation of Statistical Information Regarding the Import Needs and Export Potentials of Member Countries.	SESRTCIC	
33.	Development of a Joint Transportation Scheme for The Land-locked Member States.	SESRTCIC	

ANNEXURE

34.	Preparation of a Detailed Study of Trade Regulations And Procedures of Member States.	SESRTCIC	
35.	Trade Facilitation Services to be Provided by the National Chambers of the Member Countries.	ICCI	
36.	Import Management Facilities to be Provided by the National Chambers of the Member Countries.	ICCI	
37.	Programme for Training of Trainers in the Area of International Trade.	ICDT	Burkina Faso
38.	Setting up of Regional Companies Specialised in Organisation of Trade Fairs and Exhibitions.	ICDT	Burkina Faso
39.	Setting up of Permanent Exhibition Halls.	ICDT	
40.	Organising a Permanent Virtual Goods Exhibition on The INTERNET Web site of the ICDT.	ICDT	

-VIII-

**DRAFT
PROJECT PROFILE FORM**

**Eighteenth Meeting of the
Follow-up Committee of the COMCEC**

(Istanbul, 10-11 May 2002)

DRAFT
PROJECT PROFILE FORM

**(SUBMITTED TO THE 18TH MEETING OF THE FOLLOW-UP
COMMITTEE OF THE COMCEC HELD ON 10-11 MAY 2002)**

This project profile form has been developed by the COMCEC Coordination Office in line with the recommendations of the Expert Group Meeting for Accelerating the Implementation of the OIC Plan of Action for Economic and Commercial Cooperation held on 6-7 May 2001 in Istanbul. Recommendations of this Expert Group Meeting were then adopted by the COMCEC in its 17th Session.

The purpose of this profile form is to gather brief and systematic information about the project proposals or cooperation ideas that can be submitted during the sectoral experts' group meetings or in any other OIC fora.

A) GENERAL INFORMATION

1. PROJECT NAME:
2. OWNER OF THE PROJECT PROPOSAL

Country :
Institution :
Name :
Address :
Tel :
Fax :
E-mail :
Contact Person:

3. RELATED SECTOR / SECTORS OF THE OIC PLAN OF ACTION
4. OIC COORDINATOR INSTITUTION AND OTHER RELEVANT INSTITUTIONS

B) INFORMATION ON PROJECT PROPOSAL

5. PROJECT DESCRIPTION
6. PROJECT BACKGROUND
7. PROJECT RATIONALE
8. POSSIBLE PARTIES (OIC MEMBER COUNTRIES, OIC INSTITUTIONS, OTHERS) AND TARGET GROUP
 - Possible Partners
Direct Beneficiaries
 - Directly or Indirectly Affected Parties
Parties to Cooperate and Coordinate Project Activities
9. RELEVANCE OF THE PROJECT
 - a) Relevance to OIC Objectives and Priorities
 - b) Relevance to Regional and National Objectives and Priorities
10. OVERALL GOAL OF THE PROJECT
11. SPECIFIC PROJECT PURPOSE
12. PROJECT OUTPUTS
13. BASIC ACTIVITIES
14. POSSIBLE RISKS/ASSUMPTIONS

C) DETAILED INFORMATION ON THE PROJECT

15. DURATION OF THE PROJECT

- a) Investment Period:
- b) Expected Operating Period:

16. ESTIMATED INVESTMENT COST OF THE PROJECT

- a) Fixed Investment
- b) Working Capital

17. MARKETING OPPORTUNITIES AND MARKETING STRATEGY

18. FOREIGN CO-OPERATION SOUGHT:

(Cash Contribution, Joint Venture, Sub-contracting, Market Supply, Expertise etc.)

19. SOURCES OF FINANCE

- a) Equity
- b) Requested Contribution, Loan, Grant, etc.
- c) Other Sources

20. POSSIBLE ORGANIZATIONAL STRUCTURE IN OPERATING PERIOD
(Government Company, NGO, Firm, etc.)

21. ESTIMATED PROFITABILITY AND RETURN ON INVESTMENT (If available)

- Net Present Value (NPV) :
- Internal Rate of Return (IRR) :
- Cost-Effectiveness Ratios :
- Payback Period :
- Others :

22. DOCUMENTATION AVAILABLE

- Pre-feasibility Study**..... •
- Feasibility Study**..... •
- Support Studies** (Technical/economic reports, etc.) •
- Other**_____

23. ANY OTHER REMARK

INVESTMENT COST AND FINANCING DETAILS (If available)

No.		Local Currency	Foreign Currency	Total
		(Expressed in US \$)		
A.	Land			
1.	Pre-investment Costs (Studies, Engineering and Consultancies)			
2.	Site Preparation and Development			
3.	Construction			
4.	Main Equipment			
5.	Auxiliary Equipment, Vehicles and Office Stocks			
6.	Transport and insurance			
7.	Training			
8.	Consultancies			
9.	Overhead Costs			
10.	Contingencies			
11.	Start-up and Commissioning			
B.	Total Fixed Investment			
12.	Working Capital			
C.	Total Investment			

-IX-

**REPORT BY IDB ON THE EXPANSION OF INTRA-TRADE
AMONG OIC/IDB MEMBER COUNTRIES**

**Eighteenth Meeting of the
Follow-up Committee of the COMCEC**

(Istanbul, 10-11 May 2002)

**REPORT BY IDB ON THE EXPANSION OF INTRA-TRADE
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BACKGROUND

1. Following the 1997, Tehran Eight Islamic Summit, IDB was requested to formulate and develop qualitative and quantitative ways and means to increase intra trade cooperation with other OIC institutions. At the 2nd Preparatory Meeting of the OIC (Tehran in June 1998), it was resolved that intra trade among member countries should be increased from 10% to 13% of their total trade beginning from 1420H.

2. An Inter OIC Task Force, which was set up by IDB, met in Jeddah in August 1998 and came up with specific recommendations on trade which are as follows:

- i. Creation of new trade financing instruments by IDB under new terms and conditions.
- ii. Appointment of focal points in member countries.
- iii. Enhancement of co-financing.
- iv. Use of technology to provide intra trade information.
- v. Formation of Eximbanks.
- vi. Promotion of bilateral payment arrangement mechanisms, and
- vii. Capacity building in trade through technical assistance

3. The IDB Board of Executive Directors at its meeting in Cotonou, Benin in November 1998, endorsed the implementation of the recommendations of the OIC Task Force.

IDB TRADE FINANCING PROGRAMME

4. The Islamic Development Bank's (IDB) trade financing programme, which commenced operations in 1397H (1977), consists of four schemes/windows namely the Import Trade Financing Operations (ITFO), the Export Financing Scheme (EFS), Islamic Banks Portfolio (IBP) for Investment & Development and the Unit Investment Fund (UIF). IDB also manages a special programme, in cooperation with the Khartoum-based Arab Bank for Economic Development in Africa (BADEA), to finance exports from Arab countries to non- Arab League member countries of the Organisation of African Unity.

5. From 1397H until 1422H, IDB had approved an aggregate amount of US\$17.2 billion under the four schemes/windows. (See Aivnexure 1). Its breakdown is as follows:

i.	ITFO	US\$14.1 billion
ii.	EFS	US\$978.9 million
iii.	IBP	US\$1.8 billion
iv.	UIF	US\$328.9 million

ACTIONS TAKEN BY IDB TO IMPLEMENT THE RESOLUTION OF THE 1997 TEHRAN ISLAMIC SUMMIT

A. Resources for trade financing and promotion

6. The Resolution of the Eighth Islamic Summit, held in Tehran in 1997, has set a new dimension to IDB's role in trade financing. The Bank has been mandated to play a major role as a financier in spearheading the effort to increase intra trade among member countries through its trade financing programme

7. To achieve the above objective, IDB raised its planned target for ITFO financing from US\$830 million in 1419H to US\$2.0 billion beginning from 1420H. This trade-financing programme will be funded by IDB's own resources and external funds, to be mobilised through Two Step Murabaha Financing (2SMF) and syndication mechanisms.

8. In 1420H, the Bank allocated resources of US\$1.0 billion to meet the planned ITFO financing target and this was increased to US\$1.03 billion in 1421H. Additional resources of US\$200 million annually were made available under EFS for the two years.

9. IDB continued its commitment to increase financing of trade in 1422H. For the year, the Bank allocated US\$1.06 billion from its own resources with the remaining amount of US\$940 million to be raised through the 2SMF and Syndication mechanisms. An additional allocation of US\$270 million were made available under EFS.

10. In addition to the resources for financing, the Bank had also allocated a total amount of US\$1.84 million in 1420H and 1421H for the purpose of trade promotion under its Trade Cooperation and Promotion Programme (TCPP). For 1422H, US\$0.516 million has been allocated for the TCPP activities. The funds had been used to finance market studies as well as organising of trade fairs, training, seminars and provision of technical assistance on trade related matters.

B. Trade financing approvals

11. During the first two years (1420H-1421H) of implementation of the OIC Plan of Action, a total amount of US\$2.52 billion had been approved under the four schemes (ITFO- US\$1.82 billion: EFS- US\$287.3 million: IBP-US\$296.6 million: and UIF-US\$114.0 million).

12. In 1421H alone, the amount approved under the four schemes was US\$1.65 billion, an increase of 90% over the net approved amount of US\$869.5 million in 1420H.

13. The Bank's trade financing operations continued to improve in 1422H with aggregate approvals under the four schemes reaching US\$ 1.66 billion as compared to net approvals of US\$1.65 billion in the previous year or an increase of 4%.

C. Intra trade financing

14. The IDB trade financing operations of IDB since 1397H (1977) were especially focused on supporting intra trade among member countries. Under ITFO, US\$10.8 billion out of the total approvals of US\$14.13 billion (or 77%) were to finance imports from member countries while the whole EFS operations of US\$978.9 million had been utilised for this purpose.

15. During the first two years of the implementation of the Tehran Summit resolution (1420H-1421H), the aggregate amount approved for intra trade financing under ITFO was US\$1.46 billion or 80% of the total approvals of US\$ 1.82 billion

16. In 1422H, US\$1.01 billion of the total ITFO approvals of US\$1.32 billion or 77% were for financing of intra trade. Performance of Intra trade financing under ITFO is shown in Annexure 2.

D. 2SMF and Syndication

17. As part of its efforts to increase resources for trade financing, the IDB had introduced the 2SMF and syndication mechanisms in 1420H during which an amount of US\$209 million was approved. Another US\$274 million was approved in 1421H.

18. In 1422H, the amount approved under the two mechanisms was US\$295 million, of which US\$195 million was under 2SMF/syndication with other financial institutions.

E. Trade promotion activities

19. IDB also promotes intra trade through its Trade Cooperation and Promotion Programme (TCPP), which focuses on creating awareness among member countries of the existing and potential trade opportunities. The thrust of the programme is in organising workshops, seminars and trade exhibitions/fairs. The Bank also provides assistance including financial assistance to the Least Developed Member Countries to enable them to participate in the TCPP.

20. Up to the end of 1421H, IDB had organised twenty-five Seminars /Workshops, nine trade fairs, two meetings of the Focal Points and financed four studies in collaboration with other organisations such as the Islamic Centre for Development of Trade (ICDT) and the Arab Industrial Development and Mining Organisation (AIDMO) under the TCPP.

21. In 1422H, five seminars/workshops, three trade- fairs and two studies had been organised under the programme. (See Annexure 3 for details on TCPP activities in 1422H.)

CONCLUSION

22. **IDB** has taken a number of initiatives in areas of trade financing since 1420H, in line with the OIC Plan of Action. It has provided additional resources for trade financing, increased the level of approvals under the various financing schemes, prioritised the financing of imports from member countries, diversified financing instruments through the use of 2SMF/Syndication mechanisms and intensified promotion of intra trade through the TCPP.

23. **IDB** remains committed to carry out the mandate entrusted to it by the Tehran Islamic Summit and will continue with its trade financing and promotion programmes while taking the necessary measures to mitigate risks, normally associated with the trade financing business.

24. It is to be reiterated that the Bank's role is clearly to act as a catalyst. The successful implementation of the OIC Plan of Action will also hinge on complementary actions that need to be taken by other players. Among the actions suggested to be taken by member countries are:

- To institute policy measures to support IDB's efforts. This include removal of tariff and non-tariff barriers to trade, promotion of bilateral payment arrangements and ratification of the OIC Trade Preferential System Arrangement.

- For some member countries, they should take steps to appoint their Focal Points of Trade, as recommended under the Plan of Action. To date, only thirty member countries have made their nominations.

- They should assist **IDB** in the implementation of the approved facilities by reducing or removing bureaucratic red tapes for example, with regard to the unwieldy procedures imposed on their domestic banks before they can issue guarantees to their customers (beneficiaries of IDB facilities), thus delaying utilisation of the approved facilities.

- Where they are direct beneficiaries of the trade facilities, they should take steps to expedite implementation and utilisation of the approved facilities. For instance, there are facilities which have been approved three to four years ago under special circumstances that are yet to be fully utilised or require several extensions of the utilisation period.

- They should assist **IDB** in encouraging their domestic institutions who have been designated as National Agents for Export Financing Scheme (EFS) to play their part in promoting their countries' exports through more active marketing and utilising of the EFS.

Trade Finance and Promotion Department,
Islamic Development Bank
4 Safar 1423H/17 April 2002

ANNEXURE 1

**Trade Financing Approvals
From 1397H up to 1422H* -in US\$ Million**

Year	ITFO		EFS		IBP		U.I.F		TOTAL	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
1397	5	50.52							5	50.52
1398	11	155.82							11	155.82
1399	22	338.09							22	338.09
1400	32	456.99							32	456.99
1401	31	453.44							31	453.44
1402	27	400.30							27	400.30
1403	28	519.50							28	519.50
1404	42	704.42							42	704.42
1405	36	653.00							36	653.00
1406	53	601.01							53	601.01
1407	48	531.34							48	531.34
1408	60	577.00	2	8.38	5	24.00			67	609.38
1409	53	514.77	23	39.09	5	18.51			81	572.37
1410	64	545.30	18	28.38	5	20.43			87	594.11
1411	46	485.50	15	26.79	8	75.99			69	588.28
1412	60	503.90	11	64.35	3	130.00	1	1.55	75	699.80
1413	44	351.63	11	41.86	4	28.80	3	9.79	62	432.08
1414	47	405.39	6	28.30	8	179.85	1	5.54	62	619.08
1415	50	473.33	8	28.24	10	175.35	5	30.56	73	707.48
1416	45	528.50	10	66.08	6	187.50	5	31.70	66	813.78
1417	47	519.94	11	44.52	11	206.50	4	24.38	73	795.34
1418	32	479.40	8	36.99	18	234.20	7	49.33	65	799.92
1419	30	741.42	15	64.80	10	103.10	4	17.60	59	926.92
1420	35	674.84	13	69.05	8	106.56	2	19.00	58	869.45
1421	68	1,146.19	23	218.22	9	190.0	8	95.0	108	1,649.41
1422	67	1,317.50	20	213.94	12	79.75	5	44.50	104	1,655.69
Total	1083	14,129.04	194	978.99	122	1,760.54	45	328.95	1,444	17,197.52

- Net of cancellations.

ANNEXURE 2

PERFORMANCE OF INTRA TRADE FINANCING
UNDER ITFO

Year	Number of Countries	Number of Operations	Amount*		Member Country Sources	
			LD M	US\$ M	US\$ M	%
1397H	4	5	43.61	50.52	27.98	55.4
1398H	9	11	127.44	155.82	99.10	63.6
1399H	13	22	262.36	338.09	268.51	79.4
1400H	18	32	350.06	456.99	371.09	81.2
1401H	14	31	367.89	453.44	342.64	75.6
1402H	12	27	357.34	400.30	316.30	79.0
1403H	11	28	480.60	519.50	430.50	82.9
1404H	14	42	671.68	704.42	530.05	75.3
1405H	12	36	661.77	653.00	555.00	85.0
1406H	13	53	531.09	601.01	527.02	87.7
1407H	11	48	425.34	531.34	411.50	77.5
1408H	12	60	427.10	577.00	510.50	88.5
1409H	13	53	394.34	514.77	424.80	82.5
1410H	16	64	419.37	545.30	389.50	71.4
1411H	13	46	349.33	485.50	337.50	69.5
1412H	11	60	366.12	503.90	401.40	79.7
1413H	9	44	250.73	351.63	279.63	79.5
1414H	9	47	290.03	405.39	356.25	87.9
1415H	9	50	318.82	473.33	348.33	73.6
1416H	9	45	354.50	528.50	330.50	62.5
1417H	8	47	364.85	519.94	315.44	60.7
1418H	12	32	351.93	479.40	439.40	91.7
1419H	10	30	547.67	741.42	351.00	47.34
1420H	12	35	496.51	674.84	479.84	71.1
1421H	14	68	880.34	1,146.19	976.45	85.2
1422H	17	67	1,043.76	1,317.50	1,014.25	77.0
TOTAL		1,083	11,134.58	14,129.04	10,834.48	76.7

- Net of cancellations

ANNEXURE 3

**TRADE COOPERATION AND PROMOTION PROGRAMME ACTIVITIES
IN 1422H**

Seminars and Workshops:

Workshop on Impact of Non Tariff Barriers on Intra-Trade of OIC Member Countries. Casablanca, Morocco.

Seminar on Promotion of IDB's Trade Financing Schemes held on Exhibition of Halal Food Products. Riyadh, Kingdom of Saudi Arabia.

Seminar on Promotion of IDB's Trade Financing Schemes. Muscat - Oman

Participation in the 8th Private Sector Meeting held in Guinea.

Seminar on Promotion of IDB's Trade Financing Schemes, Jakarta, Indonesia

Trade Fairs:

Organizing the First International Islamic Trade Fair, Jeddah, Saudi Arabia.

5th Afro-Arab Trade Fair, Tripoli, Lebanon

4th Conakry International Trade Fair, Conakry, Guinea.

Studies:

Study on Diversion of Trade of West African Countries to other IDB Member countries. (Conducted by ICDT - Morocco).

Study on Preferential Trade Agreements existing within OIC Member Countries, (conducted by ICDT - Morocco).

- X -

**REPORT BY ICDT
ON INTRA-OIC TRADE EXPANSION**

**Eighteenth Meeting of the
Follow-up Committee of the COMCEC**

(Istanbul, 10-11 May 2002)

REPORT BY ICDT
ON INTRA-OIC TRADE EXPANSION

Eighteenth Meeting of the
Follow-up Committee of the COMCEC
(Istanbul, 10-11 May 2002)

1/ EVOLUTION OF THE WORLD ECONOMY :

The world economy registered in the year 2000, its best results which have not been recorded since about 10 years. Growth showed an upward tendency in all regions, recovery in Latin America as well as in countries in transition has even been stronger than expected. These exceptional results were reached in a context marked by a significant rise in oil prices. If these favourable conditions, resulting from last year, namely massive liquidity injection to prevent the year 2000 computer bug, and to support the Euro introduction, have contributed to keep the dynamic on, it was the US economy's lasting vitality which made the world production increase by 4%.

The GDP growth reached 5.1% in the USA, and 3.3% in the EU and only 1.3% in Japan. The developing countries and the transitional economies respectively registered 5.5% and 5.6%.

The American economy remains the driving force of the world economy and its evolution concerns the whole world¹.

Nevertheless, the US activity slowdown or recovery is considered differently according to the regions, it depends on the interdependence degree between the various regions and the USA economy.

The increasing integration of the world economy speeds up the transmission of real and financial shocks, between the countries and the sectors. Also the interlock of financial and productive activities can make these shocks have unexpected results, as it happened during the 1997 financial crisis of Asia. The slowdown of economic growth in the USA during the last quarter of the year 2000, cast a shadow over the 2001 prospects.

COMMODITY TRADE :

The world commodity trade registered an encouraging rise in 2000, its value increased by 12.5%, compared to 4% last year, reaching almost 6 200 billion US dollars, and its volume increased by 12%².

The dynamism in the office material and telecommunications sectors (semi-conductors and mobile phones) which remained one of the most dynamic product category in the international trade, has been however outshined by the

¹ The trade flows and the financial and monetary markets are the main transmission vehicles of the slowing down of the American economy.

² According to the report of the WTO; three main factors have influenced the evolution of the world trade in nominal value, in dollars: first, the dynamism of the world economy has given impetus to the growth of trade volume, secondly, the disparate evolution of prices according to sectors, third, the variations of the exchange rates between the three main currencies-the dollar, the euro and the yen

sharp rise by approximately 60% in the world oil prices, which caused an exceptional increase in the value of the world trade in fuel, whose share in the world commodity trade reached 10.5% in 2000 compared to 6.5% in 1998. Likewise, the trade in car industry experienced a continuous increase, despite the world slowdown in car production.

The growth of foreign trade extended to all regions and specifically to developing countries, whose exports and imports have risen by more than 20%, which made their share in the world commodity trade climb to its highest point over the last 50 years. This increase is due to: the economic recovery in Latin America and in Eastern Asia, as well as to the increase in oil prices and the rise in imports in developed countries.

In northern America, the increase in exports and imports reached 15.6%, due to the rise of the demand outside the region. In Western Europe, the foreign trade growth reached 10% (inter-EU trade excluded). In Asia, the exports and imports growth was sharp, and it reached 21%.

The foreign trade growth in the Middle East countries was of approximately 33%, and the exports increase was mostly significant (51%), like in other oil exporting regions.

TRADE IN SERVICES :

The world trade in services has increased by almost 5% in the year 2000 (reaching 1 400 billion US dollars), compared to only 1.5% in 1999, which is considered as the quickest annual growth since 1997. For the second year in a row, the trade in services has been inferior to that of commodity trade.

The imports and exports of trade in services have risen in almost all regions, except in Western Europe, where the rate declined by -1.5%, a drop, which, according to the WTO, is mainly due to the fall of the Euro's value. The growth rate of the trade in services has exceeded 10% in northern America and Asia.

In the year 2000, the exports of transport services increased by almost 4.5%, i.e. the same rhythm as that of the travel services and "other trade services", which include financial services, communication and construction services, and finally computer services and licensing fees.

THE PROSPECTS OF THE WORLD ECONOMY IN 2001

The growth slowdown in the US economy during the last quarter of the year 2000 cast a shadow over the 2001 prospects. The reduction of the US activities, and the persistent structural difficulties, along with a sluggish growth in Japan, and the unjustified interest that the monetary authorities give, to the risk of inflation in Europe, will result in all industrialised countries; in an economic activity slowdown in 2001 (UNCTAD).

According to the WTO forecasts, the volume growth of world commodity trade is not expected to exceed 7% after it reached a record growth by 12.5% in 2000. The slowdown in US growth will directly affect its favourite partners in the NAFTA and the FTAA.

The products that will be mostly affected by this decline are: office and telecommunications equipments, cars, textiles and clothing.

The expected downward tendency is related to the repercussions of the financial markets on the investment expenses and consumption in developed countries' economies. Indeed, the sharp decrease in technological securities in international markets since March 2000 revealed the fragility of the "NET economy" to resist to economic cycles. A cyclic reduction of investments in the computer technologies may have serious economic consequences; if one considers the important role they played in production, employment and trade at world level.

The growth slowdown in the USA will reduce the imports of the products and services of information and telecommunications technologies (semi-conductors etc.), and will accordingly, have a negative impact on the US trading partners in 2001.

2/ EVOLUTION OF THE OIC MEMBER STATES' ECONOMIES:

The economic growth of the OIC Members in 2000 (4.7%) was lower than that in comparison with that of all developing countries (5.8%). This increase is unequal and varies from a country to another; it is in fact directly affected by the ups and downs of the international economic situation, and particularly by the fluctuations of the raw materials prices, as well as the financial markets volatility.

Some Member States, exporters of fuel (Gulf Arab States), of metals (Countries of the Independent States community) or of agricultural products (African and Mediterranean States), experienced according to the circumstances, an increase or decrease in their economic growth.

According to the SESRTCIC annual economic report on the OIC countries in 2000, the GDP growth rate of the OIC States dropped from 5.5% in 1996 to 4.7% in 2000, i.e. a reduction by 14%, which indicates the negative impact of the financial crisis despite the rise in fuel prices between 1998 and 1999.

In 2000, the OIC Member States had totalled a GDP that represented more than 4.5% of the world GDP. The total exports of OIC Member States reached 345.3 billion dollars, accounting for 6.3% of the world exports and the imports were estimated at 394.4 billion dollars, i.e. 7.2% of world imports.

On the whole, the inflation rates in OIC Member States fluctuated between 22 and 11% from 1998 and 2000, which makes some of their economies very fragile.

3/ EVOLUTION OF THE GLOBAL FOREIGN TRADE OF THE OIC MEMBER STATES:

TRADE IN SERVICES :

The total services exports of the OIC Member States amounted to 76.5 billion dollars and the imports to 96 billion dollars In 1998⁵, i.e. 19.7 billion dollar of overall deficit.

Among the main OIC Member States that export services there are: Turkey with 23.3 billion dollars, Malaysia; with 15 billion dollars, Egypt, 8 billion dollars, Indonesia and Saudi Arabia 4.4 billion dollars each, Morocco, 3.8 billion dollars and Tunisia, 2.7 billion dollars.

The major importers of services are: Malaysia with 17.5 billion dollars, Saudi Arabia with 17 billion dollars, Indonesia; 11.8 billion dollars; Turkey, 9.8 billion dollars, Egypt, 6.4 billion dollars, Kuwait; 5.4 billion dollars, Nigeria, 4 billion dollars, Pakistan, 2.7 billion dollars and Iran, 2.5 billion dollars.

The geographical distribution of trade in services :

The geographical distribution of trade in services of the OIC Member States is generally concentrated in the Middle East and Asia.

In 1998, the geographical distribution was as follows:

- > The first services exporting region is the Middle East, accounting for 46% of total services supply of the OIC Member States, accounting for 35.2 billion dollars;
- > The second region is Asia, with 34% of the total services supply of the OIC Member States, i.e. 25.2 billion dollars;
- > The third region is the CCG, with 9% of the total services supply of the OIC Member States, i.e. 6.9 billion dollars;
- > The Maghreb holds the fourth position with 7% of the Islamic total exports of services, i.e. 5.6 billion dollars;
- > And finally Africa, with 4% of total services supply of OIC Member States, i.e. 3.1 billion dollars.

Product structure of trade in services :

On the basis of the breakdown of the services balance of the OIC Member States in 1998, we can make the following observations:

- > **Exports:** tourism holds a privileged position in the total services exports of Member States, with a 23% share, i.e. to 25.6 billion dollars. The second most important position in services exports is held by private transfers, which account for 20% of services total exports, i.e. 21.3 billion dollars. The third position is held by the transport sector with 13% of the OIC Member States' total exports accounting for 14.4 billion dollars.

⁵ It should be noted that the available figures on services are those of the year 1998, such as published in the 2000 international financial statistics of the IMF.

- > **Imports:** except for miscellaneous services, we notice that the transport sector accounts for 22% of the total services imports of Members States, i.e. 29.3 billion dollars, followed by the private transfers with 15% of the total services imports of Member States, corresponding to 20.8 billion dollars, and the third position is held by travels with 13% of Member States total services imports, i.e. 18.2 billion dollars.

COMMODITY TRADE :

The growth of foreign trade is closely linked to the world prices of fuels and metals, and also to primary agricultural products, which are abundant in Member States.

The evolution of the OIC Members States' foreign trade between 1996 and 1999 registered a slight decline by half a point in exports, which decreased from 396 billion dollars in 1996 to 394 billion US dollars in 1999. The imports followed the same tendency, with a decline by 11%, falling from 397 billion dollars in 1996 to 353 US billion dollars in 1999.

The geographical distribution of the global commodity trade :

In 1999, the distribution of the OIC Member States' world trade was as follows:

- > **Exports:** Asian countries accounted for the largest share with 47% of the Member States world exports; followed by the CCG countries with 27%, Middle East countries were in the third position with 12%, the AMU countries held the fourth position with 9% and finally sub-Saharan Africa with 5% of the world exports of the OIC Members States.
- > **Imports:** the same tendency rules Imports: Asian countries imports represented 39% of world imports of Member States, followed by the CCG and the Middle East States with respectively 22% for each region. UMA countries are in the fourth position with 10%, and sub-Saharan Africa with 6% of the world imports of Members States.
- The breakdown of this trade per country in 1999 shows that Member States mostly export to industrialized countries, with 231.6 billion dollars, accounting for 58.7% of the total exports, compared to 57.7% in 1997, i.e. a rise by almost 1.8%. Their exports to developing countries amounted to 160 billion dollars in 1999, i.e. 40.6% of their total exports, compared to 41.2% in 1997, i.e. a decrease by one point and a half compared to 1997.
- On the other hand, in 1999, 55% of the OIC Member States' imports came from industrialized countries, compared to 57.4% in 1997, i.e. a reduction by 4%. Contrarily, the imports from developing countries increased by 2%, rising from 38.1% in 1997 to 38.9% in 1999.

Product structure of the global commodity trade :

Between 1997 and 1998, the following tendencies were noticed:

Exports:

- > An increase by more than 155% of inedible crude materials, rising from 2.8% in 1997 to 5.1% in 1998. The same tendency characterised the exports of the African Member States;
- > An increase by 73% of food products share between 1997 and 1998; rising from 5.9% in 1997 to 10.2% in 1998. African and Middle East countries were among the actors of this increase;
- > An increase in the share of machinery and transport equipment by more than 40%, rising from 13.7% in 1997 to 19.2% in 1998;
- > An increase in the share of miscellaneous manufactured products by 9%, going up from 26.2% in 1997 to 28.5% in 1998;
- > A decline by 27% in fuel's share, going up from 51% in 1997 to 37% in 1998. This fall is due to a drop in fuel prices in 1998, and also to the aftermath of the financial crisis of Asia, in countries that import these products, and which have an important share in inter-Islamic trade of about one-third.

Imports:

- > An increase by 46.7% in the imports of the other raw materials, rising from 4.5% in 1997 to 6.6% in 1998.
- > An increase by 14.7% in food products share, rising from 11.6% in 1997 to 13.3% in 1998;
- > A rise by 2.1% in the share of miscellaneous manufactured products, rising from 37.2% in 1997 to 38% in 1998;
- > A decline by 35% in fuel's share, falling from 8% in 1997 to 5.2% in 1998;
- > A decline by 4.5% in the share of machinery and transport equipment, going up from 38.7% in 1997 to 36.9% in 1998.

II. THE MAIN TRENDS OF INTRA-OIC TRADE EVOLUTION:

The three-fold increase in fuel prices, the fall in food products' prices and the aftermath of the financial crisis are among the factors that contributed to alter the economic situation of the OIC Member States in 1999.

The share of intra-OIC trade in the OIC Member States total trade registered a positive evolution: the share of intra-OIC exports in the total exports went up from 9.5% in 1997 to 10% in 1999, i.e. a 5.5% rise; also the intra-OIC imports

share in the total imports increased by 12%, going up from 10.7% in 1997 to almost 12% in 1999.

Besides, The value of intra-OIC exports fell from 40.2 billion dollars in 1997 to 39.7 billion dollars in 1999, i.e. a 1% decrease. The intra-OCI imports diminished from 43 billion dollars in 1997 to 42 billion dollars in 1999, corresponding to a 2% decrease.

Broadly speaking, the value of Intra-OIC trade (imports+exports) has accordingly recorded positive results in so much as the share of this trade in the total trade of Member States increased from 10% in 1997 to 11% in 1999.

Such results may be explained by a progress recorded in intra-OIC trade in comparison with global trade, which experienced a decrease by -6% between 1997 and 1999.

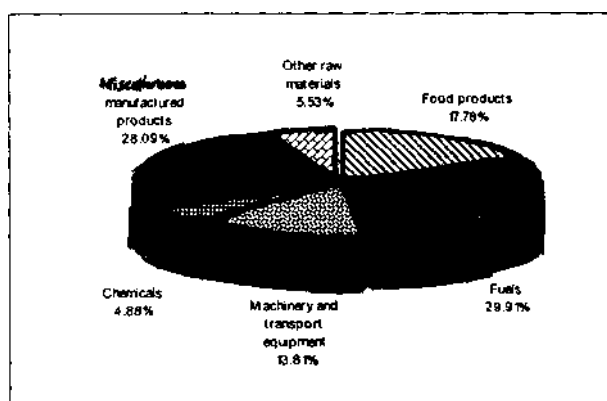
1/PRODUCT STRUCTURE OF INTRA-OIC TRADE :

- Intra-OIC exports structure :

The exports of intra-OIC primary products reached in 1998 20 billion US dollars, i.e. 53% of intra-OIC total exports, compared to 56% in 1997, i.e. a 5% reduction.

As far as products are concerned, intra-OCI fuel and chemicals' exports experienced respectively a decrease by 14.1% and 3.5%, between 1997 and 1998. The decline in fuel exports was a result of a decrease in crude oil prices.

**Graph n° 1
Intra-OIC export structure in 1998 in %**



Contrarily, intra-OIC exports of manufactured products showed a slight rise by more than 6%, going up from 17.7 billion dollars in 1997 to 17.9 billion dollars in 1998, accounting for 46.8% of exports compared to 44% in 1997. This rise is

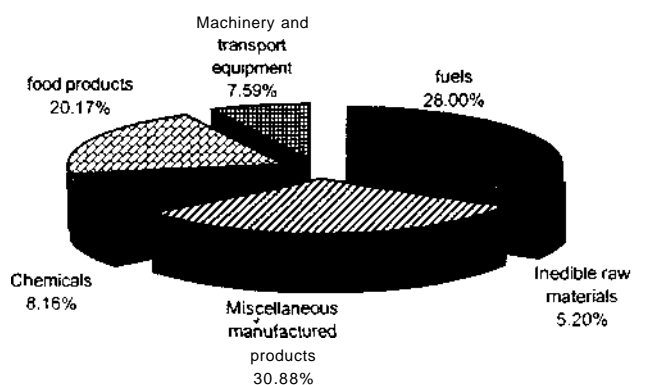
due to the intra-OIC exports of machinery and transport equipment (+8.7%) and of other miscellaneous manufactured products (+7%).

- Intra-OIC imports structure :

Intra-OIC imports were composed of primary products that represented 53.5% of intra-OIC total imports In 1998, (i.e. 21.2 billion US dollars) compared to 58.5% in 1997, i.e. 8.5% decrease. The decline in the imports of intra-OIC primary products is caused by a decrease in prices of oil products, in some basic products, but also by the repercussions of the Asian crisis.

Primary products are composed of mineral fuel (section 3 SITC rev 2), with 52.5% of the imports of intra-OIC primary products; the food products (section 0.1 and 4), with 37.8% and inedible primary products (section 2) with 9.7%. Intra-OIC oil products and inedible primary products experienced a decline in their share, between 1997 and 1998, respectively by 16 and 19%.

Graph 2
Intra-OIC import structure in 1998



Besides, Intra-OIC imports of manufactured products registered a considerable rise by 5% going up from 17.6 billion dollars in 1997 to 18.5 billion dollars in 1998, i.e.46.5% of intra-OIC imports.

This growth is due to a rise in intra-OIC imports of machinery and transport equipment (+14.8%), miscellaneous manufactured goods (+13.5%), chemicals (+5.5%), which indicates a new impetus in the manufacturing sector.

2/ GEOGRAPHICAL DISTRIBUTION OF INTRA-OIC TRADE

In 1999, ten OIC Member States accounted for 76% of intra-OIC exports and for 69% of intra-OIC imports. By order of importance, these are: Saudi Arabia; United Arab Emirates, Turkey, Malaysia, Indonesia, Pakistan, Oman, Kuwait, Iran and Syria.

- > The share of these 10 countries in intra-OIC exports was estimated at 76% in 1999 compared to 73% in 1998, i.e. a 4% rise. The exports value of this country group reached 30 billion US dollars in 1999, compared to 27 billion US dollars in 1998, accounting for an increase by 11%.
- > The share of these ten countries in intra-OIC imports switched from 65.5% in 1998 to 69% in 1999, corresponding to a 5% rise. The import value of this country group registered a rise by 11.5%, which increased from 26 billion dollars in 1998 to 29 billion dollars in 1999.

INTRA-REGIONAL TRADE

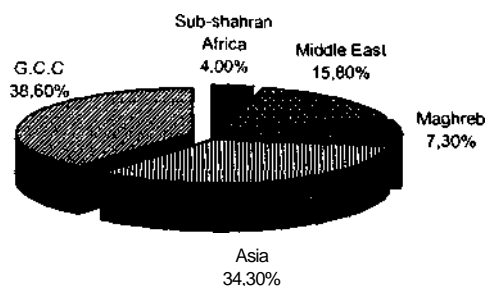
Intra-regional trade increased from 17.2 US billion dollars in 1997 to 18.3 US billion dollars in 1999, i.e. a 6% rise. Likewise, the share of regional trade in intra-OIC trade has slightly increased by 1%, going up from 45.5% in 1997 to 46% in 1999.

The growth in intra-regional trade is due to an increase in intra-GCC trade by 27%, which went up from 5.8 US billion dollars in 1997 to 7.3 US billion dollars in 1999, and intra-sub-Saharan Africa trade, which progressed by 58%, rising from 532 million dollars in 1997 to 840 million dollars in 1999.

INTER-REGIONAL TRADE

As concerns trade between the OIC regions, we notice a net decrease; indeed, inter-regional trade, among the OIC countries, fell from 23 US billion dollars in 1997 to 21.5 US billion dollars in 1999, i.e. a 6.5% decline. The regions whose decrease in inter-regional trade is significant are: sub-Saharan Africa (-30%), Maghreb (-16%), and the Middle East (-12%). It is also important to underline that the share of inter-regional trade in the global intra-OIC trade, experienced therefore, a decline by 5.4%, falling from 57.2% in 1997 to 54% in 1999.

Graph n° 3
Geographical distribution of intra-OIC trade in 1999 in %



3/ INTRA-OIC TRADE PROMOTIONAL ACTIONS INITIATED BY ICDT :

ICDT, whose main task is trade promotion has included in its work programme, a full array of actions that focus on trade expansion, some of them are based on the analysis of the behaviour of intra-OIC trade actors (annual report on Inter-Islamic Trade and other studies on regional economic groupings etc.); while the main objective of other actions is to influence the trade flows such as promotional activities in the broad meaning of the term.

Broadly speaking, we will deal only with the promotional activities⁵

a) Islamic Trade Fair :

Among the promotion measures of the foreign trade, fairs and exhibitions hold a privileged position. If it is not necessary to insist here on the general positive impact of such events, organised by each Member State, it should though be underlined that these fairs and exhibitions are excellent tools for trade and economic cooperation.

Aware of the importance of this promotion tool, the Member States of the Organisation of the Islamic Conference refer to it in several official documents. Indeed, the General Agreement on Economic, Technical and Trade Cooperation, stipulates in article 10 that:

"The Member States are to endeavour to organise exhibitions and fairs to exhibit and market their products in the Member States. They are also to endeavour for the same end, to participate in international fairs and exhibitions held in other member countries, to make the products of the Member States known and to increase opportunities for developing trade exchanges amongst themselves. Each State is to provide suitable facilities to other Member States for this purpose, within the limits of the existing economic policies and systems".

The organisation of trade events, such as the Trade Fair of Islamic Countries (TFOIC), falls within the framework of resolutions and recommendations adopted in the field of economic cooperation, by the Summit Conferences, the COMCEC or the Islamic Conferences of Foreign Ministers.

The 4th Islamic Summit held in Casablanca, included trade among the priority sectors, in the field of economic cooperation. Likewise, the Standing Committee for Economic and Commercial Cooperation (COMCEC) recommends the organisation of the Trade Fair of Islamic Countries every two years, on the basis of a geographical rotation.

⁵ The other activities, especially, those linked to the training seminars, multilateral trade negotiations, sector-based studies etc. are depicted in the report of the Director General, which is disseminated at the institutional meetings and in the magazine Tijaris.

It should also be noted that the Plan of Action for Economic Cooperation recommends the "organisation and active participation in fairs and exhibitions organised by Member States".

The various editions of the fair registered a significant rate of participation. From the data collected from exhibitors, some optimistic conclusions can be drawn on the development prospects of this event and its impact on trade and investment between the OIC Member States.

9th Edition of the Islamic Trade Fair: Shariah- States of the united Arab Emirates, 21-26 December 2002.

The Islamic Trade Fair will be organised from December 21st to 26th 2002 at the international Fairs and Exhibition Centre (EXPO Centre), which is a newly built trade complex, and will be opened for the first time on the occasion of this important event. The theme that was selected for this edition is "**The Islamic World: free trade and sustainable development**".

The Fair is organised by the Islamic Centre for Development of Trade and the Ministry of Economy and commerce of the United Arab Emirates and Sharjah Chamber of Commerce and Industry. A private organisation " Sharjah Expo Centre" was appointed by the authorities of the UAE to ensure the material organisation of this event.

The Fair is open for the participation of all the OIC Member States, the States enjoying an observer status within the OIC, the economic operators of the Islamic Minorities of the non-OIC Member States and the different institutions of the and organs of the OIC.

The Fair will soon be provided with regulations that have just been finalised by an expert group, which met from March 26th to 27th 2002 in Casablanca and that will be submitted for adoption to the 18th Session of the COMCEC.

b) The Trade Preferential System among the OIC Member States (TPS/OIC):

The idea of establishing a Trade Preferential System specific to O.I.C Member States is based on the recommendations of the General Agreement on Economic and Technical Cooperation between the OIC Member States and more precisely of the MECCA Declaration and the Plan of Action to strengthen economic and commercial cooperation among the OIC Member States set up by the third OIC Summit Conference in 1981, in fact paragraph II item 7 of the Plan of Action recommended:

"To make an inventory *of* the existing preferential schemes applied by groups of Member States with a view to strengthening and linking them in order to establish a system of trade preferences through a step by step approach by all interested Member States. It should be based on the principles of mutuality of advantages yielding benefits to all participants and taking into account the respective levels of economic and industrial development, trade regimes and

international obligations of individual Member States with the ultimate aim of establishing a free trade area..."

In implementation of these relevant resolutions of the third and the fourth summit of the OIC, which included trade among the priority sectors, the Standing Committee for Economic and Commercial Cooperation (COMCEC) and ICDT have strived jointly since 1984 for the working out of a draft Framework Agreement on TPS/OIC.

In fact since the holding of its first session in 1984 in Istanbul, the COMCEC recommended the setting of a working group to define the principles and rules that are to rule negotiations; this group held its first session in Izmir (Turkey) and was followed by the presentation by ICDT of the first version of TPS/OIC.

In order to solemnly corroborate the necessity of setting up a trade preferential system specific to the OIC member States, the COMCEC adopted at its fourth session held in Istanbul in September 1988, a declaration of intent on the establishment of Trade Preferential System among the OIC Member States specifying the basic principles and the orientations to be followed for the setting up of such a system.

During this period of time, ICDT finalised the draft agreement, in consultation with the GATT and the UNCTAD and submitted it to experts for appreciation, who met twice, in December 1989 in (Turkey) and in 1990 in (Casablanca) to put the finishing touches to the draft agreement.

Six years after its inclusion in the agenda items of the COMCEC's meetings, the Framework Agreement on TPS/OIC was endorsed by the sixth session of the COMCEC, which submitted it to the OIC General Secretariat for signature and ratification.

To date twenty two countries have signed the TPS/OIC framework Agreement: Saudi Arabia, Bangladesh, Burkina Faso, Cameroon, Egypt, Gambia, Guinea, Indonesia, Jordan, Lebanon, Libya, Morocco, Nigeria, Uganda, Pakistan, Palestine, Senegal, Sudan, Chad, Tunisia and Turkey.

Egypt, Iran, Jordan, Libya, Pakistan, Senegal, Tunisia and Turkey ratified it.

Sensitizing seminar to the importance of the Agreement on the Trade Preferential System among the OIC Member States (TPS/OIC), Istanbul, October 19th 2001:

In implementation of the relevant resolutions of the COMCEC, the Islamic Conference of Foreign Ministers of and of its Board of Directors, ICDT took the initiative of organizing a sensitizing seminar to make Member States aware of the importance of the Framework Agreement on the Trade Preferential System among Islamic Countries on October 19th 2001 in Istanbul; at Marmara Hotel.

The main objective of this seminar that was held under the patronage of the COMCEC, is to show to Member States' representatives that this agreement is a fundamental element for the expansion of trade in so much as its enforcement will allow the launching of trade negotiations rounds between

Member States, it should be underlined that this agreement provides for a range of negotiations techniques to be freely chosen by Member States.

c) Trade Information Network for Islamic countries :

In compliance with the COMCEC's relevant resolutions, I.C.D.T has set up a Trade Information Network for Islamic Countries (TINIC) since 1996. This system is one of the components of the OICIS-NET.

Content of databases:

TINIC was redesigned and restructured since October 2001 in order to meet the needs and expectations of the private and professional associations. Its Internet site is operational and accessible on the following address <http://www.icdt.org>. The site's visitors can find all the databases existing in TINIC/CD ROM. Sophisticated search engines have been developed around the major databases to help Internet users of our site to obtain screened information in a simple manner. Besides, to save time and increase efficiency, registration forms are available and operational on our site to enable visitors wishing to subscribe to our data bases to do so directly through Internet.

TINIC manages the following databases:

DATABASES

- Business Opportunities;
- Economic operators;
- Economic indicators;
- Trade statistics;
- Exhibitions and events;
- Commercial guides per country;
- Studies and publications.

Aware of the more and more pressing demand of the main economic actors, ICDT is doing its best to collect the largest number of information that can help economic actors find outlets for their products and also make known their trade opportunities to Member States as well as to the rest of the world.

These databases are at currently being finalised and soon, it will be possible to consult them at ICDT's web site at the following address: <http://www.icdt.org>

These are:

- **CUSTOMS TARIFF**
 - WTO bound tariffs database
 - Applied tariffs database
 - Preferential tariffs
 - Search (tariff / product or sector/Country/measures)

NON-TARIFF MEASURES

- Non tariff measures databases per country
- Non tariff measures databases per measure
- Non tariff measures databases per product
- Search per country (measures or products)

SERVICES MEASURES

- Commitments within the framework of the general agreement on trade in services (GATS)
- Commitments per country
- Commitment per measure
- Commitment per sector
- Search (Country/Measures/Sector)

BUSINESS MALL

- Companies: Country, Address, Tel, E-mail Website
- Products: quality, price, photos of the product, contact, advertising.
- Services: provision of services, quality, cost, contact advertising
- Research per: country, company, product, services and per price.

MULTILATERAL TRADE NEGOTIATIONS/WTO

- The WTO meetings
- Results of negotiations
- Ongoing negotiations
- Accessions

TRADE AND INVESTMENT MEASURES

- Bilateral agreements
- Multilateral Agreements
- Agreements between companies

Zoom businessman: the aim of this database is to make known businessmen/women, industrials, services providers and the best performing traders that have distinguished themselves in the field of inter Islamic trade and investment

- The best performing traders
- The best performing Industrials
- The best performing Services Providers
- The best performing Employers' institutions

THE CONSTANT WORK OF I.C.D.T:

In order to better promote Inter-Islamic trade and update its databases, I.C.D.T is constantly looking for new partners that can collaborate for the success of this project:

- Acquisition of data bases relating to the world trade (WB, UN, WTO);
- Partnership agreement for data development and collection (ICCI, I.D.B);
- Focal points meetings;
- Presentation of services offered by I.C.D.T and TINIC, particularly during the last O.I.C events and others.
- Seeking of new (financial and human) resources with a view to better promoting and boosting Inter-Islamic trade.

To give more chance to economic operators to find outlets to their products and make known their business opportunities in Member States as well as in the rest of the world, I.C.D.T proposes very attractive formulas, and sometimes free of charge to sister institutions by providing them with a space on its web site. These shop windows or virtual fair are meant to serve as promotional and communication platform to the different economic operators of Member States.

The 17th session of the COMCEC follow up Committee called on Member States "to co-ordinate their respective contributions to the data bases of TINIC in order to ensure a regular and quick Statistical, Economic data flow as well as other information that would contribute to promote intra-O.I.C trade.

Technical assistance to ICDT:

ICDT initiated in collaboration with IDB a technical assistance programme for the benefit of the LDCs for the setting up of national trade information networks. The pilot experience started with the Republic of Guinea in 2002.

It should be noted that such experiences could only be complementary to those undertaken by IDB in the field of trade financing between the OIC member States.

**INTER-ISLAMIC TRADE STRUCTURE
AND MAIN TRADING PARTNERS IN 1999**

Country of Origin	Exports to Islamic Countries in 1999 in %	Main Countries of Destination	Share in total intra-OIC exports of the country in% in 1999	Main Exported Products
Afghanistan	43.24	Pakistan U.A.E	75.00 8.33	- Inedible materials - Food products and live animals
Albania	0.73	Turkey U.A.E	50.00 50.00	Inedible raw materials. Inedible raw materials
Algeria	6.76	Turkey	74.50	Mineral fuels & lubricants Products not classified elsewhere - Mineral fuels & lubricants
Azerbaijan	15.39	Turkey	48.25	- Inedible raw materials.
Bahrain	10.37	Saudi Arabia U.A.E	30.71 13.88	- Manufactured goods, Inedible raw materials - Manufactured goods, Inedible raw materials.
Bangladesh	3.85	Iran Pakistan	18.97 14.37	- Food products and live animals. - Manufactured goods.
Benin	30.92	Indonesia Bangladesh	32.81 15.63	- Inedible raw materials - Inedible raw materials.
Brunei Darussalam	8.11	Malaysia	65.21	- Mineral fuels and lubricants, machinery and transport equipment.
Burkina Faso	13.79	Indonesia Malaysia	37.50 20.83	- Inedible raw materials, mineral fuels and lubricants. - Inedible raw materials.
Cameroon	6.18	Chad Gabon	29.29 23.23	- Inedible raw materials. - Inedible raw materials.
Chad	4.12	Nigeria	75.00	- Inedible raw materials.
Comoros	-	-	-	-
Djibouti	75.71	Somalia Yemen	66.04 28.30	- Food products and live animals. - Food products and live animals.
Egypt	16.97	Saudi Arabia Turkey	20.17 16.00	Food products and live materials Manufactured goods - Minerals fuels and lubricants - Manufactured goods
Gabon	1.12	Morocco Algeria	51.42 11.43	- Inedible raw materials, mineral fuels and lubricants. - Inedible raw materials.
Gambia	12.50	Senegal	100.00	- Inedible raw materials
Guinea	6.19	Cameroon Nigeria	65.96 10.64	- Food products and live animals. - Inedible raw materials..
Guinea Bissau				
Guyana	1.0	Senegal Suriname	50.00 33.33	- N.A. - N.A.
Indonesia	7.29	Malaysia U.A.E	38.22 17.02	- Manufactured goods, machinery and transport equipment. - Manufactured goods, miscellaneous manufactured articles.

Annex X to OIC/COMCEC-FC/I ^-02'REP

Iran	7.23	U.A.E Indonesia	29.33 15.76	- Food products and live animals - Minerals fuels and lubricants
Iraq	0.23	Tunisia	75.00	- Mineral fuels and lubricants
Jordan	41.82	Saudi Arabia U.A.E.	24.62 16.22	- Chemicals and products thereof - Chemicals and products thereof
Kazakhstan	10.29	Uzbekistan Turkey	22.10 13.20	- N.A. - N.A.
Kuwait	10.95	Pakistan Saudi Arabia	81.00 8.10	- Minerals fuels and lubricants - N.A.
Kirghizstan	27.09	Uzbekistan Kazakhstan	38.21 36.58	- N.A. - Manufactured goods
Lebanon	40.23	U.A.E Saudi Arabia	21.90 18.73	- Food products and live animals - N.A.
Libya	10.30	Turkey Tunisia	55.88 27.826	Minerals fuels and lubricants - Minerals fuels, and lubricants
Malaysia	5.19	Indonesia U.A.E	28.07 16.42	- Machinery and transport equipment - Minerals fuels and lubricants - Machinery & transport equipment.
Maldives				
Mali	10.97	Malaysia Indonesia	34.62 30.77	- N.A. - N.A.
Mauritania	5.12	Togo Cameroon	34.62 30.77	- Food products and live animals. - Food products and live animals.
<i>Morocco</i>	7.19	Saudi Arabia Libya	28.91 19.47	- Chemicals and products thereof. - Chemicals and products thereof
Mozambique	0.37	Malaysia	100.00	- N.A.
Niger	28.90	Nigeria	94.00	- N.A.
Nigeria	4.03	Senegal Cameroon	21.91 32.55	- N.A. - Mineral fuels and lubricants
Oman	18.25	U.A.E Malaysia	55.44 13.44	- N.A. - N.A.
Pakistan	17.69	U.A.E. Saudi Arabia	33.02 14.00	- Food products and live animals. - Food products and live animals.
Palestine		-		-
Qatar	6.70	U.A.E Maldives	33.58 20.92	- Inedible raw materials - Minerals fuels and lubricants
Saudi Arabia	16.22	Bahrain U.A.E	19.32 16.36	- Mineral fuels and lubricants. - Mineral fuels and lubricants.
Senegal	22.79	Mali Morocco	23.12 14.52	- Inedible raw materials - Inedible raw materials
Sierra Leone	-	-	-	-
Somalia	94.12	Yemen Saudi Arabia	30.36 29.46	- N.A. - Food products and live animals.
Sudan	33.14	Saudi Arabia Egypt	53.8 14.22	- Food products and live animals - Inedible raw materials. - Food products and live animals.
Suriname	1.67	Guyana	55.56	- N.A.
Syria	33.38	Saudi Arabia Turkey	26.50 22.96	- Food products and live animals. - Minerals fuels and lubricants
Tajikistan	30.19	Uzbekistan	87.02	- N.A.
Togo	28.50	Benin Nigeria	35.83 26.67	- N.A. - N.A.
Tunisia	9.00	Libya Algeria	43.73 26.67	- Food products and live animals - Chemicals and products thereof

Annex X to OIC/COMCEC-FC/18-02/REP

Turkey	13.19	Egypt	13.31	- Machinery and transport equipment; manufactured goods
		Algeria	11.63	- Manufactured goods
Turkmenistan	20.23	Iran	60.74	- N.A
		Afghanistan	11.68	-N.A
Uganda	2.18	Algeria	25.00	- N.A
		U.A.E	25.00	- N.A
U.A.E	14.59	Oman	28.85	-N.A
		Pakistan	15.93	- Minerals fuels and lubricants.
Uzbekistan	35.73	Turkmenistan	29.49	-N.A
		Kazakhstan	14.87	- N.A
Yemen	5.19	Saudi Arabia	51.96	- Food products and live animals
		U.A.E	10.78	- Food products and live animals

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**REPORT BY ICDT
ON THE NINTH EDITION OF THE TRADE FAIR
OF ISLAMIC COUNTRIES**

**Eighteenth Meeting of the
Follow-up Committee of the COMCEC**

(Istanbul, 10-11 May 2002)

**REPORT BY ICDT ON THE NINTH EDITION
OF THE TRADE FAIR OF ISLAMIC COUNTRIES
Eighteenth Meeting of the
Follow-up Committee of the COMCEC
(Istanbul, 10-11 May 2002)**

1. Background:

At its thirteenth session held in Istanbul from 1st to 4th November 1997, the Standing Committee for Economic and Commercial Cooperation (COMCEC) made a resolution in which it has "appreciated the offer of the State of the United Arab Emirates to host the Eight Islamic Trade Fair in the year 2000".

Taking into account the wish of the State of Qatar to hold this event simultaneously with the Ninth Islamic Summit in Doha, the State of the United Arab Emirates, while retaining the right to organise a subsequent edition, have withdrawn for the benefit of the State of Qatar from the organisation of the Eight Islamic Trade Fair, which was held in Doha from October 15th to 20th 2000.

The offer of the Republic of Senegal to host the Ninth Edition in 2002 being already accepted by the Standing Committee for Economic and Commercial Cooperation and taking into consideration the request of the State of the United Arab Emirates to organise this event instead of the Republic of Senegal, both countries were invited by the COMCEC "to complete their consultations and convey the results to the COMCEC Coordination office and to the Islamic Centre for Development of Trade before 30th December 2000".

2. Sharjah 2002:

After having taken note of this resolution, the Islamic Centre for Development of Trade resumed its contacts with the competent authorities of both concerned countries inciting them to complete their consultations within the time limit fixed by the COMCEC. Finally, ICDT was informed by a letter dated 27th March 2001 sent by the Foreign Trade Centre of Senegal (CICES), of the withdrawal of the Republic of Senegal from the organisation of the Ninth Islamic Trade Fair for the benefit of the State of the United Arab Emirates. ICDT immediately took the required measures to inform the OIC General Secretariat and the COMCEC of this decision.

3. Signature of a Memorandum of Understanding between the State of the United Arab Emirates and the Islamic Centre for Development of Trade:

A first coordination meeting was held in Casablanca at the Centre's headquarters on April 24th and 25th 2001 with Mr. Saeed Obaid Al Jarwan, Director General of Sharjah Chamber of Commerce and Industry at the outcome of which both parties agreed on the following:

- > **Date of the Fair** :from 21st to 26th December 2002.
- > **Venue of the Fair** :Sharjah EXPO Center.
- > **Theme of the Fair** :The Islamic World, Free Trade and Sustained Development.
- > **The fair's objectives:** To strengthen economic cooperation between the OIC Member States, to increase trade and investment between Member States, to encourage partnership relationships between the private and public operators of Member States, to promote economic, trade and investment potentialities in the OIC Member States.
- > **Organisers:** The Islamic Centre for Development of Trade, the Ministry of Economy and Trade of the United Arab Emirates and the Chamber of Commerce and Industry of Sharjah.
- > A private Organisation "Sharjah Expo Centre" has been appointed by the authorities of the United Arab Emirates to ensure the material organisation of this event.
- > **Participants:** All the OIC Member States, States enjoying Observer Status within the OIC, the economic operators of the Islamic minorities in non-OIC Member States and the different OIC Institutions and Organs.
- > **Cultural and Artistic events** have been scheduled and trophies shall be awarded to the best national pavilions and participation certificates shall be distributed to all exhibitors.
- > **A web page** of the fair was designed and is accessible on Internet at the following address: www.icdt.org and www.shariah.gov.aef/itf/
- > The Islamic Trade Fair will be held at Sharjah EXPO Centre, which is a new commercial complex. It will open its doors for the first time on the occasion of this important event. In addition to the exhibition areas, the complex includes conference and meeting rooms, a business center provided with modern equipment, a secretariat. This center provides also various services.
- > **The rental fares are as follows:**

Shell scheme	US\$175
Indoors bare space	US \$140 dollars
Outdoor Space	US\$ 80 dollars

It has also been agreed to hold other preparatory meetings in the next months to which the representatives of the Islamic Development Bank and the Islamic Chamber of Commerce and Industry will be invited.

4. Improvement of the Fair:

Taking account of the increasing importance of this event and of its impact for the promotion of trade among Islamic Countries, the different bodies of the OIC urged the Member States of the Organisation of the Islamic Conference and in particular the Ministries of Commerce to participate actively and incite exhibitors, including official institutions as well as the private sector to enhance the quality of their participation.

5. Promotion of the Fair:

For this purpose, the Islamic Centre for Development had promptly taken the necessary steps by requesting all Member States to include the Ninth Islamic trade Fair in their participation programme in international fairs and exhibitions, while asking them to ensure as wide a dissemination as possible of information on the Fair to economic operators and incite them to actively participate in this important event.

Like the LDCs, each institution and subsidiary organ of the Organisation of the Islamic Conference wishing to participate in the fair will be provided with an equipped exhibition space of nine square meters free of charge. This way they will be able to make known and promote their respective activities, within the framework of the OIC activities.

The Islamic Centre for Development of Trade (ICDT) has spared no effort to ensure the promotion of the fair, at the level of the OIC institutional meetings of the OIC (Conference of foreign Ministers, COMCEC) as well as on the occasion of seminars and other events in which ICDT has to participate within the framework of its activities (regional or specialised fairs, conferences, meetings).

6. 2nd Coordination Meeting on the 9th Islamic Trade Fair:

ICDT's delegation to the 17th Session of the COMCEC held a coordination meeting with the Director General of Sharjah Chamber of Commerce and Industry (UAE) on the preparations of the 9th Islamic Trade Fair.

Both parties examined the different agenda items, particularly:

- Participations
- Progress achieved by the work of the new Fairs and Exhibitions Centre of Sharjah;
- Promotional campaign;
- The Fair's manual;
- The exhibitor's guide;
- Customs facilities; Facilities offered to participants (Board and lodging, transportation);
- LDCs
- Activities alongside with the Fair

Both parties exchanged reports on the ongoing preparations and fixed an appointment for a third meeting in January in Sharjah.

7. 3rd Coordination Meeting on the 9th Trade Fair of Islamic Countries:

A third coordination meeting was organized in Sharjah between the Islamic Centre for Development of Trade and the Islamic Chamber of Commerce and Industry of Sharjah on 5th and 6th March 2002, during which both parties presented reports on the progress achieved in the preparation of the Fair and defined the tasks to be executed by both parties, especially with regard to the marketing plan, national days and the fair's manual.

a) ICDT's Report :

The Director General of the Islamic Centre for Development of Trade presented the actions that ICDT has carried out since the last coordination meeting, namely:

- A meeting gathering the Economic Advisers to the Embassies of the OIC Member States accredited to Rabat, which was organized to promote the fair and disseminate relevant information on this important event. At this meeting, ICDT circulated documents containing useful information on this event.
- Likewise, the Centre has seized the opportunity of the 25th Islamic Commission For Economic, Cultural and Social Affairs held in Jeddah from January 19th to 23rd 2002 to promote the fair. In this respect, it is worth noting the importance of this meeting for the Promotion of this event. It was indeed attended by Senior Officials representing the different Ministries of Commerce and Foreign Affairs of Member States, who lauded the efforts made by ICDT.
- In February 2002, the Centre took new steps inciting Member States to participate an inviting those, which have already confirmed their participation to take necessary steps for the booking of their national pavilion. Besides, during the Ninth Private Sector Meeting held in Conakry, in October 2001, ICDT established contacts with the representatives of Nigeria, Egypt, Malaysia, Turkey and Iran and requested them to intervene at the level of the competent authorities of their countries so as to include the Ninth trade Fair of Islamic Countries in their official participation programme in international fairs and exhibitions.
- The 29th Islamic Conference of Foreign Ministers (ICFM), to be held in Kharoum (Sudan) in June 2002, will also offer another opportunity to promote the fair at the level of the Member States and will also enable the Director General of ICDT to solicit the direct intervention of His Excellency, the Secretary General for the same purpose at the level of Foreign Ministers.

b) Report of the Emirati Counterpart:

The Director of Sharjah Chamber of Commerce and Industry outlined the actions carried out by the Chamber since the last coordination meeting.

So far, the following O.I.C Member States and Institutions have confirmed their participation in the Fair: Algeria, Azerbaijan, Bahrain, Bangladesh, Benin,

Burkina Faso, Egypt, Guinea Bissau, Indonesia, Iran, Kuwait, Jordan, Libya, Mali, Malaysia, Morocco, Oman, Pakistan, Qatar, Saudi Arabia, Senegal, Sudan, Syria, Turkey, Tunisia and United Arab Emirates as well as the Islamic Educational, Scientific and Cultural Organisation (ISESCO), the Research Centre for Islamic History, Art and Culture (IRCICA) and the Islamic Development Bank (IDB).

The Chamber established contacts with the Authorities of the United Arab Emirates in order to obtain the following facilities:

- **Customs:** upon contacts established with the Minister of Commerce, an agreement in principle was obtained concerning customs exemptions for the benefit of exhibitors.
- **Air Transport:** Gulf Air has been designated as the official carrier of the Fair. This company will grant preferential tariffs to exhibitors for the freight and transport of individuals.
- **A Postmark:** bearing the following phrase: "Visit the Ninth Trade Fair of Islamic Countries" will be stamped on all the mail on the occasion of the Fair.
- **The chamber established contacts** with the Diplomatic Representations of Member States in Abu Dhabi with a view to inciting them to participate in the Fair.

c) Actions to be undertaken by both parts:

- **Within the Framework of the fair's promotion,** it has been agreed to send a joint mission comprising the Chamber and the Centre to Algeria and Libya in order to incite them to participate. Besides, ICDT has been entrusted with promoting the fair at the level of Sub-Sahara African Member States. Sharjah Chamber will in its turn promote the fair at the level of the Community of Independent States (CIS), OIC countries.
- **It should be noted that ICDT's delegation visited the New Exhibition Centre "SHARJAH EXPO CENTRE"** that will host the Ninth Edition of the Trade Fair of Islamic Countries. ICDT's delegation visited the construction site of the new Centre and took note of the work progress achieved in its construction. According to its promoters, the opening of this Centre is scheduled for August 2002.

8/ REGULATIONS OF THE FAIR:

The various editions of the fair registered a significant rate of participation. Given the increasing interest of Member States in this event, optimistic conclusions can be drawn on its development prospects.

However, it has been unavoidably noted that the organisation of trade fairs of Islamic countries has never been subject to any appropriate reflection in order to provide the Trade Fair of Islamic Countries with a legal framework that is required for its development nor to any definition of coordination structures at inter-Islamic level, or to any specific financing. Any initiative concerning the

fair's organisation has so far been taken by ICDT in cooperation with the valuable and kind cooperation of the host country.

Aware of the importance of this promotional tool of Inter-Islamic trade, the Islamic Centre for Development of Trade has submitted to the 17th Session of the COMCEC held in Istanbul from October 18th to 21st 2001, draft regulations of the Fair defining the framework in which the TFOIC should be held, specifying the procedures to be followed, the mechanisms to be implemented along with required information that would facilitate Member states' participation.

Having taken cognisance of these draft regulations, the COMCEC recommended to the OIC Member States to convey their observations within three months at the utmost after being notified of the Fair's draft regulations. ICDT has been entrusted with convening an expert group meeting in charge of finalising these regulations.

Taking note of the observations and comments of Member States, the Islamic Centre for Development of Trade convened a meeting on 26th and 27th March 2002 in Casablanca, during which the draft regulations of the Trade Fair of Islamic Countries were finalised and will be submitted for adoption to the 18th Session of the COMCEC.

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**DRAFT REGULATIONS OF THE TRADE FAIR
OF THE ISLAMIC COUNTRIES (TFOIC)**

**Eighteenth Meeting of the
Follow-up Committee of the COMCEC**

(Istanbul, 10-11 May 2002)

**DRAFT REGULATIONS OF THE TRADE FAIR
OF THE ISLAMIC COUNTRIES (TFOIC)
Eighteenth Meeting of the
Follow-up Committee of the COMCEC
(Istanbul, 10-11 May 2002)**

Aims:

The organisation of the Trade Fair of Islamic Countries (TFOIC), falls within the framework of resolutions and recommendations adopted in the field of economic cooperation, by the Islamic Summit Conferences or the Islamic Conferences of Foreign Ministers. In this context, the Standing Committee for Economic and Commercial cooperation (COMCEC) adopted a resolution requesting the OIC Member States to organise the Trade Fair of Islamic Countries every two years in a Member State.

The various editions of the fair registered a significant rate of participation. And given the increasing interest of Member States in this event, some optimistic conclusions can be drawn on its development prospects.

However, it has been unavoidably noted that the organisation of trade fairs of Islamic countries has never been subject to any appropriate reflection in order to provide the Trade Fair of Islamic Countries with a legal framework that is required for its development nor to any definition of coordination structures at inter-Islamic level, or to any specific financing.

Any initiative concerning the fair's organisation has so far been taken by ICDT in cooperation with the valuable and kind cooperation of the host country.

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Having taken cognisance of these draft regulations, the COMCEC recommended to the OIC Member States to convey their observations within three months at the utmost after being notified of the Fair's

draft regulations. ICDT will then convene an expert group meeting in charge of finalising these regulations.

Taking note of the observations and comments of Member States, the Islamic Centre for Development of Trade convened a meeting on 26th and 27th march 2002 in Casablanca, during which the draft regulations of the Trade Fair of Islamic Countries were finalised. The text of the finalised version is herewith attached.

Draft Regulations of the Trade Fair of Islamic Countries (TFOIC)

GENERAL PROVISIONS:

By virtue of the relevant resolutions aiming at strengthening the economic and commercial cooperation between the OIC Member States, and in pursuance of the resolutions of the Standing Committee for Economic and Commercial Cooperation (COMCEC) on this issue, the Trade Fair of Islamic Countries (hereinafter called (TFOIC) is organised every two years by the Islamic Centre for Development of Trade, in collaboration with the host country. The Islamic Development Bank, the Islamic Chamber of Commerce and Industry, the other organs of the OIC and the concerned organisations of Member States shall collaborate, each one in its own field, with the ICDT for the organisation of the fair.

Article 1: Objectives.

The main objectives of the fair are to:

1. Develop inter-Islamic economic and trade cooperation;
2. Make the economic potentialities of the Islamic countries known;
3. Concretely contribute to the development of trade and trade related investments, between Islamic countries;
4. Make the OIC Member States' products and services known;
5. Favour direct contacts between the economic operators of the OIC Member States;
6. Contribute to the development of partnership between the economic operators of the OIC Member States.
7. Develop economic integration of the OIC member States.
8. To make every effort for the development of Fairs and business congresses, which constitute important marketing tools between the OIC member States

Article 2: Organisers.

The organisers are:

- The Islamic Centre for Development of Trade (ICDT), which has been duly entrusted with the organisation of the fair by the Standing Committee for Economic and Commercial Cooperation (COMCEC)
- The host country, represented by the relevant national authority in charge of organising fairs.

Upon consultations started by the ICDT to incite Member States to make offers, and after the selection of some candidates on the basis of a geographical rotation, the COMCEC appoints one organising country.

Article 3: Change of the host country.

Notwithstanding the provisions of article 2 of these regulations, the country wishing to host the TFOIC exceptionally, instead of the already appointed host country, so as to make it coincide with the celebration of a major event for the Islamic UMMAH, must start consultations with organisers, in compliance with article 2 of these regulations.

The Islamic Centre for Development of Trade (ICDT) takes the necessary steps in this respect with the COMCEC.

In this case, the country that withdraws, reserves the right to host in priority the next fair.

Article 4: The fair's logo-

The enclosed TFOIC's logo has been selected as the official logo of the fair.

Article 5: The fair's theme

Every edition of the TFOIC has a different theme, reflecting the major concerns of the Islamic Community at economic and trade levels. It is devised by a mutual agreement between the ICDT and the host country and adopted by the COMCEC.

Article 6: Distribution of tasks.

Upon the appointment of the host country, organisers establish contacts to hold coordination meetings to which are invited the previous host country, the host country of the present edition, the country that has been designated to host the next edition, the Islamic Development Bank (IDB), the Islamic Chamber of Commerce and Industry (ICCI) as well as other OIC concerned institutions.

Organisers sign an agreement defining the respective tasks of concerned parties. It mainly establishes the date and venue of the TFOIC, specifies the theme of the Fair, and appoints the technical body that would be in charge of the fair's material organisation, as well as the general commissioners.

Article 7: Terms and conditions.

ICDT and the organising country works out the terms and conditions that will regulate the relations between organisers and participants and services providers.

Article 8: The general commissioners.

Two general commissioners representing organisers cited in article 2 of these regulations are appointed to ensure coordination, and guarantee the respect of the agreement's provisions and the enforcement of the terms and conditions, cited in article 7 of these regulations.

Article 9: Participants.

The fair is open to the participation of all Member States of the Organisation of the Islamic Conference, to OIC institutions and to the various public and private operators of the Islamic countries.

States enjoying an observer status within the OIC can also participate in the fair as well as economic operators of the Islamic communities in non-Member States, as well as guests of honour, in consultation with concerned parties.

Article 10: Terms of participation.

In order to increase the chances of success of the Trade Fair of Islamic Countries -TFOIC-, a number of incentive measures are granted to

participants, in consultation with the Islamic Centre for Development of Trade (ICDT).

These measures can be taken at different levels:

- While reflecting the specific situation of each Member State, the rental prices of exhibition spaces, should not exceed a limited amount agreed upon by the Islamic Centre for Development of Trade and the host country;
 - The host country should endeavour to simplify the administrative, fiscal and customs formalities, and offer incentives to exhibitors, including customs incentives to encourage participation, taking into account the regulations in force in the host country;
- > The host country and the Member States should do all their best to:
- Grant as far as possible, accommodation, transport and transit facilities,
 - Favour the participation of their national companies, and ensure an appropriate dissemination of information and promotion of the TFOIC;
 - Work out an exhibitor's manual
- The host country shall take necessary measures to facilitate the visa granting to participants and exhibitors at the TFOIC.

Article 11: Direct sales.

The Fair shall be open for a week. The three first days shall be devoted to businessmen and in the remaining period, it will be open to the general public during which direct sales are authorised in compliance with the regulations in force in the host country.

Article 12: Least Developed Countries.

In order to favour the participation in the fair of the Least Developed Countries, OIC Member States, -classified as so by the United Nations- and Palestine, are granted an equipped exhibition space of at least 9 square meters free of charge by the host country in consultation with ICDT.

Article 13: Governmental and non-Governmental Organisations.

In consultation with ICDT, the host country may grant an exhibition space free of charge to the OIC institutions as well as to NGO that are involved in the economic and trade field.

Article 14: Exhibited goods.

Only products and services originating in the OIC Member States are accepted, as stipulated in the national regulations of the Member States and in compliance with the ethics and values of Islam.

Article 14: Certificates and trophies.

Trophies in gold, silver and bronze shall be awarded to the three best national pavilions in compliance with the decision of the Trophies Committee formed on the occasion of the Fair in order to nominate the best pavilions.

These awards shall be granted according to the following criteria:

1. The exhibition area
2. The Quality of exhibited products and services
3. The number of exhibiting companies
4. Importance of the trade delegation
5. Frequency of the participation in the Fair.

Certificates of participation signed by the concerned Minister of the host Country and the Director General of the Centre, shall also be delivered to all exhibitors.

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**REPORT ON THE ISLAMIC DEVELOPMENT BANK
GROUP'S WTO-RELATED TECHNICAL ASSISTANCE
PROGRAM ACTIVITIES**

**Eighteenth *Meeting* of the
Follow-up Committee of the COMCEC**

(Istanbul 10-11 May 2002)

**REPORT ON THE ISLAMIC DEVELOPMENT BANK
GROUP'S WTO-RELATED TECHNICAL ASSISTANCE
PROGRAM ACTIVITIES**

**Eighteenth Meeting of the
Follow-up Committee of the COMCEC**

(Istanbul, 10-11 May 2002)

I. Introduction

The conclusion of the Uruguay Round in April 1994 and the establishment of the WTO in its wake, constitutes one of the most important milestones in the history of the world trading system. The new trade body - WTO came into effect in January 1995 with the following key objectives:

- to set rules for international trade and trade related activities,
- to provide a forum to negotiate trade liberalization multilaterally,
- to settle dispute between contracting parties,
- to provide information on trade and trade policies; and
- to cooperate with other multilateral institutions.

The WTO's mandate includes not only the original GATT-1947 as amended and added to but also the new General Agreement on Trade in Services, the Agreement on Trade-related Intellectual Property Rights and various plurilateral trade agreements. In short, WTO is a permanent institution which covers all trade in goods, services and ideas (Intellectual Property Rights) and provides more automatic and comprehensive dispute settlement system than did GATT.

While the new multilateral trading system as epitomized by WTO, greatly contributed to liberalization of the world trade, yet it has placed onerous demands on the limited human and technical resources of the developing countries. As a result, many developing countries including some IDB member states have not been able to integrate their economies into the world trading system so as to fully partake the benefits of trade liberalization.

Keeping in view these developments on the international trade scene, the Islamic Development Bank embarked upon an intensive Technical Assistance Programme in 1997 to help OIC member countries to upgrade their institutional and manpower resources relating to WTO activities. The

resolutions adopted at the 11th, 12th and 13th sessions of the COMCEC provided further fillip to the IDB's efforts in that direction.

II. Activities of the IDB WTO-Related Technical Assistance Program

With an aim to enhance capacity building of institutional and manpower in OIC member countries, the IDB created a special WTO Unit in January 1998 dealing specifically with issues concerning the World Trade Organization (WTO). Of the total IDB countries, 36 are the members of the WTO and 9 members have observer status which are in the process accession to the WTO. The IDB's WTO-related Technical Assistance Programme covers numerous activities such as courses, seminars, workshops, studies, consultative meetings for the OIC member countries in preparation for the WTO Ministerial Meetings as well as providing specific technical assistance to the OIC member countries. The following itemized progress report has been prepared specifically keeping in view the above referred COMCEC resolutions and the IDB's WTO-related Technical Assistance Programme conceived in 1997 with the objective of improving the institutional and manpower capability of the member countries.

(1) Consultative Meetings

The IDB organized various consultative meetings in favour of the OIC member countries in preparation for the last four WTO Ministerial Conferences held in Singapore, Geneva, Seattle and Doha. These consultative meetings provide a forum for member countries to exchange views and coordinate their positions on matters related to the WTO.

- Consultative meeting held in preparation for the 1st WTO Ministerial Conference held at Singapore in December 1996

Three consultative meetings were held (senior trade officials at Jeddah and Singapore). In these meetings, the major recommendations emerged were that the IDB would provide the following assistance to member countries:

Technical assistance to member countries in the process of negotiating their membership in the WTO.

- Technical assistance on request, and on a case-by-case basis, to enable member countries that already members of the WTO to derive maximum benefits from the Organization.
- Organize a seminar to assess the outcome of the first Ministerial Conference of the WTO and to evaluate the likely impact of the decision aimed at during the conference on present and future IDB members of the WTO.
- Assist member countries to keep abreast of developments in the WTO and help them in coordinating their positions in the various bodies of the WTO. In particular, help member countries to make early and effective preparatory arrangements for the Second WTO Ministerial Conference.

- **Consultative Meetings held in preparation for the 2nd WTO Ministerial Conference at Geneva in May 1998**

Four consultative meetings were held (Brainstorming meeting of experts, senior officials, commerce ministers during the Conference, and commerce ministers after the closing session of the Ministerial Conference).

The following papers dealing with issues of interest to the OIC member countries were presented and discussed (a) Implementation of the Uruguay agreements: agriculture, textile and clothing, anti-dumping, special and differential treatment for developing countries, (b) dispute settlement mechanism, (c) accession to the WTO (d) Built-in agenda.

The meetings concluded that OIC member countries should have their own comprehensive agenda whereas their own interests are highlighted and responses to other issues in the agenda impacting their interests are covered e.g. environment, labor standards, consumer interests, NGOs, transparency etc. It was suggested that IDB should consider developing a key department in order to provide technical assistance to member countries on WTO-related issues.(the IDB Management in that regard established the Cooperation Office to undertake this task along with other tasks as well).

- **Consultative Meetings held in preparation for the 3rd WTO Ministerial Conference at Seattle in November 1999.**

Two consultative meetings were held at Jeddah and Seattle (senior trade officials at Jeddah and delegates attending the Ministerial Conference at Seattle). The meetings covered wide spectrum of issues ranging from implementation of the existing WTO agreements, Built-in agenda, multilateral negotiations, Singapore issues and possible new issues likely to be taken in Seattle. The meetings also discussed the three studies on agriculture, investment and services undertaken by the IDB and the participants appreciated the IDB's efforts. The meeting stressed on certain points:

- Called for full and faithful implementation of the WTO agreements.
- Inclusion of interests of developing countries in the built-in agenda.
- On-going work on Singapore issues (trade & investment - trade, competition policy, transparency, government procurement and trade facilitation) should be combined.
- Labor and environmental standards should not be used as protection measures.
- The meeting underscored the need for further work on Electronic-Commerce.
- Addressed the need to enhance further the technical assistance to the LDCs.
- Emphasized on fair and accelerated terms regarding the accession process.

Need of a positive agenda for developing countries.

- **Consultative meetings held in preparation for the 4th WTO Ministerial Conference at Doha in November 2001.**

Four consultative meetings were held (experts group at Geneva,

senior officials at Jeddah, coordination at Doha, and a follow-up at Doha). The main aim of these meetings was to exchange views among OIC member countries and coordinate their position on the major issues in the agenda for the WTO Ministerial Conference on implementation issues, Singapore issues (trade and investment, trade and competition policy, transparency, government procurement and trade facilitation, negotiations on agriculture & services and expected new issues). Detailed discussions were carried out during these meetings and it was agreed by the OIC member countries to adopt a unified stand whenever feasible. In addition, the final draft of the IDB's two studies on Trade-related aspects of Intellectual Property Rights (TRIPs) and Electronic-Commerce were discussed and reviewed in the Geneva meeting. In order to keep abreast of the on-going negotiations in the Committee of Heads of Delegation during the Doha Ministerial Conference, the IDB organized a follow-up meeting in favour of OIC member countries where responses to queries about the on-going negotiations were given and review of the final draft Declaration was conducted before it is being adopted in the closing session of the WTO Ministerial Conference.

(2) Courses, Seminars and Workshops

In order to enhance the capacity building of the OIC member countries, IDB organized a series of courses, seminars and workshops covering a wide range of WTO issues with an aim to familiarize the member countries with contents and provisions of the Uruguay Round Agreements and the activities of the WTO so they could be in a better position to defend their interests. Furthermore, IDB signed two Memoranda of Understanding (MOU) with the World Trade Organization (WTO) and International Trade Center (ITC) in order to provide best services in this endeavour.

Trade Policy Courses

The IDB organized three-week Trade Policy Courses in the IDB working languages, (Arabic, English and French), in collaboration with the World Trade Organization (WTO). These courses are short versions of the regular Trade Policy Courses organized by the WTO in Geneva for a period of three months and cover a wide range of topics: market access, customs and trade administration, agriculture, textile and clothing, sanitary and phyto-sanitary measures, technical barriers to trade,

government procurement, general agreements on trade in services, intellectual property rights, anti-dumping, subsidies and countervailing measures, safeguards and state trading, dispute settlement, agreement on trade-related investment measures, trade and competition policy, trade and environment, regionalism, and future work. The trade policy courses held are as follows:

1. The first trade policy course was in Arabic language for the Arabic speaking member countries of the Bank. It was held at IDB Headquarters in Jeddah from 23 Jumad Awwal to 14 Jumad Thani 1419H (14 September- 4 October 1998).
2. The second trade policy course was in English language for the English-speaking member countries of the Bank. It was held at Rawalpindi, Pakistan, from 19 Dhul Hijjah 1419H to 8 Muharram 1420H (5-24 April 1999).
3. The third trade policy course was in French language for the French-speaking member countries of the Bank . It was held in Ouagadougou, Burkina Faso from 14 February to 3 March 2000.
4. The fourth trade policy course in Arabic was held in Doha, State of Qatar on 10-28 Rajab 1421H (7-25 October 2000).
5. The fifth trade policy course is scheduled to be held in Istanbul, Republic of Turkey, 1-19 Rabi Awwal 1423H/13-31 May 2002.

Seminars

6. Seminar on the Impact of the GATT Agreement on Trade in Services on OIC Member Countries (organized by the Islamic Centre for Development of Trade in cooperation with IDB). Casablanca, Morocco, Jumad Thani 1416H (November 1995).
7. Regional Seminar on the International Trade Agreement related to the Technical Barriers to Trade among Arab Maghreb Countries (organized by the Tunisian Ministry of Trade in cooperation with the IDB). Tunis, Tunisia, Jumad Thani 1416H (November 1996).
8. Seminar on WTO for the Muslim Countries in Central Asia and some Middle East Countries. Ashgabat, Republic of Turkmenistan, December 1996.

9. Seminar on WTO for IDB member countries in West and Central Africa. Dakar, Republic of Senegal, January 1997.
10. Seminar on Accession to the WTO and Implementation of the Uruguay Round Agreements, Jeddah, Kingdom of Saudi Arabia, June 1997.
10. Seminar on Policies and Methods of Promoting IDB Member Countries' Exports of Textile and Ready-made Garments to European Market. Amman, Jordan, August 1997.
11. Seminar on Accession to the World Trade Organization and Implementation of the Uruguay Round Agreement, Jeddah, Kingdom of Saudi Arabia, 7-10 1997.
12. Seminar on the Islamic Countries' Future Trade in Food Production with European Market in the Light of the Current Developments in the World Trade. Tunis, Tunisia, December 1997.
13. Seminar on Export Promotion & Complementarity in Textile among IDB Member Countries in the light of the Current Developments in the World Trade. Beirut, Lebanon, July 1998.
14. Seminar on Policies and Methods of Promotion of Non-Traditional Exports of IDB Member Countries. Damascus, Syria, August 1998.
15. Seminar on Technical Barriers to Trade and their Implication for the Exports of IDB Member Countries in the Mediterranean Region. Cairo, Egypt, September 1998.
16. Regional seminar on Technical Barriers to Trade (TBT) and Sanitary and Phyto-Sanitary Measures (SPS) , in collaboration with the International Trade Centre (ITC), Geneva was held in Conakry, Guinea, 2-5 August, 1999.
17. Seminar on Technical Barriers to Trade and Sanitary and Phyto-sanitary Measures was held in English, Dhaka, People's Republic of Bangladesh, on 21-24 Dhul Hijjah 1420H (27-30 March 2000)
18. Seminar on WTO Dispute Settlement Mechanism and Anti-dumping Agreements in Arabic, Jeddah, Kingdom of Saudi Arabia, 5-8 Jumad Thani 1421H (3-6 September 2000).

19. Seminar on WTO and Multilateral Trading System for IDB member countries in the Middle East and North Africa, Amman, Hashemite Kingdom of Jordan, 24-27 Dhul Hijjah 1421H (19-22 March 2001).
20. Seminar in English on WTO Dispute Settlement Mechanism, Anti-dumping and Safeguards Agreements , Kuala Lumpur, Malaysia, 29 Muharram-2 Safar 1422H (23-26 April 2001).
21. Seminar in French on WTO Dispute Settlement Mechanism, Anti-dumping and Safeguards Agreements, Dakar, Senegal, 27-29 Dhul Hijjah 1422H/11-13 March 2002

Workshops

22. Workshop on the Impact of the GATT Agreement and ISO Requirements on the export capabilities of IDB Member Countries. Jakarta, Indonesia, Muharram 1416H (June 1995).
23. Workshop on the Impact of the Technical Regulations introduced by the World Trade Organization and the European Union on OIC Member Countries in the Mediterranean. Ankara, Turkey, October 1996.
24. Workshop on Impact of WTO Agreements on Trade in Services in IDB Member Countries. Amman, Jordan, 24-26 January 1999.
25. Workshop to discuss the three studies, namely agriculture, investment and services at Geneva, 13-16 Rabi Thani 1420H / 26-28 July 1999.
26. Regional symposium on Trade and Environment (organized in collaboration with United Nations Environment Programme, Regional Office for West Asia. Cairo, 6-8 September 1999.
27. Regional Workshop on Dispute Settlement Procedures and Practices. (Organized in collaboration with United Nations Economic and Social Commission for Western Asia (UN-ESCWA). Beirut, Lebanon, 13-16 September 1999.
28. International Workshop on WTO and Liberalization of World Trade in Services. Kuala Lumpur, Malaysia, 28-29 September 1999.

(Organized by the Federation of Consultants for Islamic Countries (FCIC))

29. Regional study and a workshop on the impact of trade liberalization on the environment in the Arab region, Manama, Bahrain, 7-11 July 2001. (Project submitted by the Centre for Environment and Development in the Arab Region (CEDARE).

(3) **Studies**

The IDB has undertaken so far five major sectoral studies on Agriculture, Investment, Services, Trade-related Aspects of Intellectual Property Rights (TRIPs), and Electronic-Commerce. In that regard, the IDB hired the services of some world renowned experts in such fields and collaborated with UNCTAD in supervising some of these studies. Each study included selected set of case studies on OIC member countries and contained valuable technical tips and negotiation strategies on the various issues concerning the OIC member countries.

As an added measure to ensure that these studies are fully adopted to the needs of the OIC member countries, the IDB consulted with the OIC member countries on the outlines of preparing the Terms of Reference (TORs) of these studies and held brainstorming sessions where the drafts of these studies were discussed and reviewed by a pool of experts from the OIC member countries and other specialized institutions (WTO/UNCTAD/ESCWA/ICDT etc). In addition, IDB (Cooperation Office -WTO Unit) generates on regular basis technical WTO notes where current WTO issues of concern to the OIC member countries are being assessed and analyzed. Both the studies and the technical notes are being circulated to the OIC member countries and related institutions

(4) **IDB Participation in WTO Committees**

The IDB currently attends two WTO Committees on Trade and Development and Trade and Environment as an observer.

(5) **WTO Specific Technical Assistance to OIC Member Countries**

IDB in line within its WTO-related Technical Assistance Programme provides specific technical assistance to the OIC member countries on request through hiring consultancy services on vital WTO issues such as

accession, drafting of national laws, establishing WTO Units and providing capacity building in general. They include the following:

1. Assistance to **Suriname** for drafting laws related to "professional and financial services" and "safeguards".
2. Seminar on specific agreements under WTO (agriculture, rule of origin, services, investment, environment etc. (**Chad**).
3. Workshop on the impact of Uruguay Round Agreements on the economy of **Niger**.
4. Six Seminars/workshops on WTO-related topics (**Saudi Arabia**).
5. "Support to Kazakhstan for Accession to WTO" (**Kazakhstan**).
6. Study visit of officials for acquiring skills and experience in WTO operations (**Kyrgyz Republic**).
7. "Support to Lebanon for Accession to WTO" (**Lebanon**)
8. Undertaking of sectoral studies, enhancing negotiating skills, and capacity building in WTO-related areas (**Sudan**).
9. Support to Sudan for Accession to WTO (Sudan)
10. Support to Tajikistan for Accession to WTO (Tajikistan).
11. Support for establishing of WTO Unit in the Ministry (UAE)
12. Support for Accession to WTO (Yemen)

-XIV-

**REPORT BY ICDT ON ISSUE RELATING
TO THE ACTIVITIES OF THE WORLD TRADE
ORGANIZATION**

**Eighteenth Meeting of the
Follow-up Committee of the COMCEC**

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**I- FOURTH WTO MINISTERIAL CONFERENCE : Doha, 9 - 14 November
2001**

1/ HOLDING OF THE MINISTERIAL CONFERENCE

- The opening session of the Fourth Ministerial Conference of the WTO was chaired by His Highness the Emir of Qatar Cheikh Hamad Ben Khalifa Al Thani, who delivered an important speech in which he recalled the important economic, commercial, social and cultural challenges, which several countries have to meet on the dawning of the millennium, he also expressed his hopes that this conference may be a new starting point for the establishment of a fair and equitable trading system.

Deliberations were held in plenary sessions or in committees: At the plenary sessions, the heads of delegations took the floor to outline their countries' views. In this regard, the following OIC Member States took the floor:

Qatar, Pakistan, Morocco, Egypt, Senegal, Indonesia, Bangladesh, Mauritania, Brunei, Gambia, Malaysia, Albania, Turkey, Gabon, Kuwait, Bahrain, Nigeria, Mozambique, Guyana, Tunisia, Jordan, Oman, Uganda, Guinea, the United Arab Emirates, Cote d'Ivoire, Benin, Sudan, Kazakhstan and Yemen.

Besides, it should be noted that Nigeria was the African group's leader and Oman took the floor at the closing session on behalf of the new WTO Member Countries.

Negotiations took place within the framework of the plenary committee chaired by M Ambassador Start Harbinson (Hong Kong), who focused on the ministerial declaration, specific issues were tackled within the framework of six working groups chaired by the "chairman's friends":

- Agriculture: George Yeo, Minister of Commerce and Industry Singapore;
- Implementation: Pascal Coupechin, Minister of Economy, Switzerland;
- Environment: Heraldo Munoz Valenzuela, under secretary of State of foreign Affairs, Chile;
- Definition of the rules: Alec Erwin, Minister of Commerce and Industry, South Africa;
- New themes, Pierre Pettigrew, Minister of International Commerce, Canada;
- Trade Related Intellectual Property Rights (TRIPS): Luis Ernesto Derbez Bautista, Secretary of State of Finance, Mexico.

What were the stakes of the Conference?

On the whole, the WTO Member States were divided as to the opportuneness of launching a new round of multilateral trade negotiations. Even those, which were in favour to such a round -all industrialised countries as well as some developing countries- diverge as to the content of negotiations, while a large number of Developing countries (especially, LDCs) were opposed to any new round. The latter argued that instead of seeking new tariff reductions or the setting up of disciplines in such fields as investment or competition, the WTO Members should focus on finding solutions to the implementation issues of the existing agreements.

Three texts constituted the basis of negotiations

- A Ministerial Declaration in 45 paragraphs.
- A Ministerial Decision on the TRIPS Agreement and [the access to medicine] [Public Health] in 11 paragraphs.
- A Draft Ministerial Decision on the implementation issues and concerns in 15 points.

The main controversial fields

Negotiations on the future work programme were held at the level of heads of delegations on the most controversial issues.

Intellectual property and public health /access to medicine:

The central element of negotiations concerns the scope of the TRIPS' flexibility: Should it apply to all measures taken for public health reasons or only to those taken in the event of national sanitary crisis.

Implementation:

The most difficult issues concern market access for Developing Countries' textiles, abuse in the field of anti-dumping measures and inequalities in the field of subsidies.

Agriculture:

Negotiations mainly aimed at forcing industrialised countries particularly, the European Union, Norway, Switzerland, Japan and Korea to open their agricultural markets through tariffs reduction; abolition of quotas, removal of exports subsidies and a reduction of domestic supports.

Environment:

The European Union (EU) could not accept the results of the Ministerial Meeting without a specific mandate on environment aiming at clarifying such controversial issues such as relationships between the international trade system and that of environment or the application of the precaution principle within the framework of the WTO.

New themes: Investment, competition policy, government procurements, trade facilitations.

The EU supported by other countries insisted on the insertion of new themes (Themes of Singapore) in the agenda of the new negotiations round, when developing countries were firmly opposed to it.

Definition of rules:

This issue includes two aspects that are raised by the debates on implementation: Reform and the clarification of rules concerning anti-dumping and subsidies, including fisheries subsidies.

2/ RESULTS OF DOHA MINISTERIAL CONFERENCE

The 142 Members of the World Trade Organisation (WTO) put and end to six days marked by intense negotiations in Doha by agreeing on the opening of a new round of international trade negotiations that should end by 1st January 2005, the ninth in the history of the WTO called **Doha development agenda**.

The first meeting of the Committee on trade negotiations in charge of supervising negotiations will take place on 31st January 2002 at the latest. The Committee will set up all the committees or organs that are needed to facilitate negotiations.

Besides Members have approved accession protocols to the WTO of the People's Republic of China and of China (Taipei), which have respectively become the 143 and 144 Members of this organisation.

They also granted the waiver with a view to the implementation of Cotonou Agreement that governs preferential trade between the EU and the ACP countries, which was ratified about 18 months ago, but it was frozen due to the opposition of some Latino-American countries, bananas exporters.

2-1. Summary of the Ministerial Declaration :

Negotiation methodology

According to the Ministerial declaration, "the conduct, conclusion and entry into force of the outcomes of negotiations shall be treated as part of a single undertaking", even though, agreements reached at an early stage may be implemented on a provisional or a definitive basis. Only the improvements and clarifications of the Dispute Settlement understanding shall be conducted separately.

The new declaration authorises Members to start negotiations on a series of issues. Among the traditional issues of the built-in agenda, such as agriculture and services but also new negotiations on environment, industrial tariffs, anti-dumping measures, fisheries subsidies, regional agreements and dispute settlement. The Declaration establishes also future negotiations on "Singapore

themes", namely, investment, competition, transparency of public procurements and trade facilitation, in spite of the strong opposition of a large number of developing countries.

Agriculture

As expected, agriculture was the first stumbling stone. At the end of a long week and of an endless last night, the UE accepted the mention in the negotiation mandate, of "the reduction of, with a view to phasing out all forms of export subsidies" by adding the mention "without prejudicing the outcome of negotiations". The strong points of the agricultural mandate include substantial improvements of markets access and "substantial reductions in domestic trade-distorting domestic support".

One of the key requests of Developing Countries concerns the creation of "a development box" remains achievable in the course of negotiations of post Doha conference. In fact, The Declaration specifies that "the special and differential treatment for Developing countries shall be an integral part of all elements of the negotiations" so as "to effectively take into account their development needs, including food security and rural development". The modalities for further commitments, including provisions for special and differential treatment shall be established no later than 31 March 2003, in other words the expiry date of the moratorium, which protects agricultural subsidies from the rules of the system of dispute settlements.

Services

- Negotiations on services started in January 2000 will continue.
- By June 30th 2002, participants shall submit their initial requests aiming at specific commitments (sectors that they wish to be liberalised by other Member States) and initial offers by 31st March 2003.
- The developmental dimension will be taken into account in negotiations on services.

Market Access to industrial products

The aim of negotiations is to reduce or as appropriate eliminate tariffs including the reduction or elimination of tariff peaks, high tariffs and tariff escalations as well as non-tariff barriers, in particular on products of export interest to developing countries".

Environment

Members have agreed to launch immediate negotiations "without prejudicing their outcomes on three environmental issues: (i) relationships between the WTO rules and some trade provisions of the multilateral environmental agreements on (MEAs), (II) the procedures of steady information exchange between the secretariats of the WTO and the MEAs as well as the criteria for the granting of observer status and (iii) the reduction or elimination of tariff and non-tariff obstacles to environmental goods and services.

Besides, the Ministerial Conference requested the Committee on Trade and environment to pursue work on all items on its agenda within its current terms of reference and make recommendations to the fifth session of the Ministerial Conference, including the opportunity of launching negotiations.

Singapore's themes

The ongoing educative process at the WTO since the First Ministerial Conference of Singapore in 1996 on investment, rules relating to competition policies, the transparency of public procurements and trade facilitation will continue until the Fifth Ministerial Conference in 2003.

Members agreed to start negotiations after the Fifth Ministerial Session on the basis of a decision to be taken by explicit consensus at that session on modalities of negotiations.

WTO rules

The final Declaration provides for negotiations aiming at "clarifying and improving" disciplines on subsidies and countervailing measures and in particular anti-dumping measures. Yet negotiations shall preserve the basic concepts and principles along with the efficiency of these agreements. Members have also launched negotiations aiming at clarifying and improving the existing disciplines and procedures within the WTO that apply to regional agreements".

Provisions concerning development

Among the references to development included in the Declaration, the following should be underlined:

- Launching of a work programme *on* the integration of small economies (without creating a new sub-category of WTO Members), setting up of a framework for technical cooperation activities of the WTO (§ 38-41) and drawing up of work programme for the LDCs to be defined by the sub-committee on the LDCs.
- Establishment of two working groups on debt, finance and technology transfer, which will convey the outcomes of their deliberations to the next Ministerial Conference to be held on 2003.
- Development of plan of action, to be adopted by the general council in December 2001 that will ensure adequate funding for technical assistance. Besides § 41 enumerates the fields in which members undertake to extend technical assistance and ensure capacity building in developing countries.
- Members have committed themselves to the objective of duty-free quota-free market for products originating from LDCs.
- As concerns the special and differential treatment (S&DT), § 44 "takes note" of the proposal of developing countries to negotiate a framework agreement on S&DT, but proposes no action. But Ministers have agreed to that all the provisions relating to S&DT shall be reviewed with a view to strengthening them and making them more precise, effective and operational.

2-2. Summary of the Decision on implementation issues:

The Declaration calls on Members to launch negotiations on implementation, in a separate decision on implementation related issues and concerns. Indeed Developing Countries have exerted pressure on industrialised countries long before Seattle failure, to address these issues and in particular the imbalances resulting from Marrakech Agreements.

Even though developing countries have not obtained what they wanted with regard to textiles, they have come to Doha with some results in the field of implementation, especially with respect to restrictions for reasons of balance of payment and subsidies¹.

A number of proposals submitted by the LDCs concerning technical and financial assistance in the field of technical obstacles to trade (TOT) and sanitary and phytosanitary standards (SPS) have also been introduced in the decision like some extensions of the transition periods concerning the agreement on Trade Related Investment Measures (TRIMS).

2-3 Summary of the Ministerial decision on Trade Related Aspects of Intellectual Property Rights Agreement (TRIPS) and Public Health

- The WTO members reiterated their commitment to the TRIPS agreement. The Declaration confirms that members will allow flexibility in the implementation of the TRIPS agreement so as to enable developing countries and the least developed countries to take measures to resolve the problems of public health, while promoting access to medicine.
- The Declaration confirms again that governments have the right to protect public health by granting compulsory licences for the production of generics of medicine of vital importance in the event of epidemics, such as the HIV/AIDS, tuberculosis and Malaria.
- The Declaration fully respects the international system of patents and the role of research-development in the discovery of a new and more efficient medicine, needed by some members of the WTO to cope with difficult sanitary situations.
- The Declaration does not in any way reduce the rights and obligations of the patents granted by virtue of the TRIPS Agreement. It simply confirms that the agreements gives to members the needed room for manoeuvre to enable them to take necessary measures to settle the problems of public health stemming from epidemics, such as those of VIH/AIDS, Tuberculosis and Malaria without fearing to give rise to a dispute.
- In the Declaration, Members have undertaken to keep on doing their utmost with a view to finding solutions to the problems facing countries whose ability to manufacture generic medicine is limited. Members have thus agreed to extend by ten years the transition period accorded to the

¹ (A compromise was reached concerning the eligibility of developing countries with respect to exemption from commitments on subsidies reduction. The adopted provision stipulates indeed that such exemptions shall not be revoked until the GDP per capita of a country is higher than 1000 Us dollars for three consecutive years).

Least Developed Countries to implement their obligations related to the patents of pharmaceutical products.

3/ CONSULTATIONS BETWEEN THE OIC MEMBER STATES

On November 8th 2001, the Islamic Development bank organised with the participation of ICDT, a consultative meeting of the OIC Member States chaired by Mrs Absa Claude Diallo, the Ambassador of the Republic of Senegal in presence of His Excellency Youssef Houssein Kamal , Qatari Minister of Economy, Finance and Trade and of Dr AHMED Mohamed Ali, President of IDB.

This meeting was attended by: Member States (About thirty), ICDT and the General Secretariat of the GCC.

The agenda of this meeting mainly concerned the discussion of three draft texts that were negotiated, namely the ministerial Declaration and two Draft Ministerial decisions, presented by Mrs Absa Claude Diallo, the Ambassador of the Republic of Senegal in Geneva.

Following this presentation; several delegates took the floor to present the position of their respective countries on the three texts.

At the end of the meeting, participants have also discussed the ways and means to revitalise the coordination of the positions of the OIC delegations, especially by setting up a consultation mechanism that will be submitted soon to the COMCEC.

A short meeting was held *on* November 12th at Sheraton Hotel chaired by the Ambassador of Pakistan In Geneva, Mr Munir Akram, at which participants were briefed on the evolution of negotiations.

In this Conference, the position of the OIC Countries on several points, are akin to that of the developing countries in so much as on the whole they asked that the developmental aspect should be taken into account in negotiations, they also requested single undertaking during negotiations and a fair and balanced outcome and a better transparency in the proceedings of the WTO.

Besides, the OIC Member States that are currently negotiating their accession to the WTO think that the accession tariff has become exorbitant, and they have accordingly requested that their economic situation be taken into account so as to make the accession conditions more flexible.

At the conference, the OIC countries, while firmly defending their own positions, they have facilitated negotiations between industrialised countries and developing countries by acting as mediators between these two country groups.

II. THE OIC MEMBER STATES AND THE WTO:

On November 12th, 2001, the total number of the WTO Member was estimated at 144 countries with the accession of the People's Republic of China and Taipei of which 138 are OIC Members.

- The OIC Member States whose accession to the WTO is underway:

The number of the OIC Member States that have applied for accession to the WTO is estimated at ten with the new applications of Syria, Libya, these are: Algeria, Saudi Arabia, Azerbaijan, Kazakhstan, Lebanon, Libya, Uzbekistan, Sudan, Syria and Yemen.

It should be noted that the access conditions of the new applicants have become excessive and inconsistent with the economic weight of the applicant country. In fact, the candidates are subject to more restraining obligations than those to which the WTO Members are subject (called the WTO-plus obligations) and the special and differential treatment is not accorded to developing countries during their accession to the WTO.

The transition periods accorded to the first WTO Members were not automatically offered to acceding countries under Article XII, whatever their economic development level may be. Some transition periods were allowed in limited sectors and for short periods after the transmission of a comprehensive implementation schedule and in return of which the conformity to the WTO was guaranteed (promulgation of the required legislation, training of the staff in charge of implementation etc) in all sectors.

It is therefore, important to accord appropriate transition periods to acceding countries. Likewise, market access should be adapted to the economic development to the candidate applying for accession. The adhesion to multilateral agreements, such as the Agreement on government procurement and the Agreement on Civil aviation should not be considered as a pre-requisite for accession to the WTO. It is also important to simplify and to speed up the accession procedures applicable to the LDCs.

1. Saudi Arabia :

The multilateral negotiations on the accession of Saudi Arabia to the WTO, started in May 1996, and the bilateral negotiations on the markets access, a short time later.

The working group on the accession of Saudi Arabia to the WTO, chaired by Canada, made considerable progress in the examining of this country's foreign trade system.

At present, negotiations deal with: agriculture, inspection before shipment, sanitary and phytosanitary standards, technical obstacles to trade, TRIPS and services.

Saudi Arabia has so far signed 11 bilateral agreements with its main partners.

2- Algeria :

With an observer status since 1987, Algeria officially submitted to the WTO a report on its foreign trade regime in June 1996. The submission of this report will represent the first step in the membership procedure in this organisation.

Since then, some WTO Member States, such as the United States, the EU, Switzerland, Japan and Australia, sent a series of questions to Algeria. The answers were sent to the WTO secretariat and a first meeting of the working group on the accession of Algeria to the WTO was held in Geneva in April 1998. In February and March 2002, Algeria started bilateral negotiations in the agricultural, industrial and services sector.

3- Azerbaijan:

Azerbaijan's Working Party was established on 16th July 1997. Azerbaijan submitted a Memorandum on its Foreign Trade Regime in April 1999. Replies to a first set of questions concerning the Memorandum were circulated in July 2000. The first meeting of the Working Party is planned has not taken place yet.

4- Kazakhstan :

Kazakhstan's Working Party was established on 6th February 1996. Bilateral market access negotiations in goods and services commenced in October 1997, and are continuing based on a revised goods offer and the existing services offer. Topics under discussion in the Working Party include: agriculture, the customs system (and customs union arrangements), price controls, import licensing, industrial subsidies, SPS and TBT, transparency of the legal system and legislative reform, services and TRIPS. The Working Party last met in July 2001.

By November 2001, Kazakhstan held four meetings with the working group and a series of bilateral negotiations with its main trading partners. One of the most important results of the last meeting of July 2001 was the recognizance by the members of the working group of the need for intensifying bilateral negotiations on the access conditions of goods and services to the Kazak market.

5- Lebanon :

Lebanon's Working Party was established on 14th April 1999. The Memorandum on the Foreign Trade Regime was circulated in June 2001. The first meeting of the Working Party is expected to take place in the second half of 2002.

6- Libya:

Libya deposited an official application for accession to the WTO on December 21st 2001 (Doc.WTO/ACC/2ii).

7- Sudan :

The Working Party on the accession of Sudan was established on 25th October 1994. Sudan's Memorandum on its Foreign Trade Regime was circulated in January 1999. Replies to a first set of questions concerning the Memorandum were circulated in November 2000 and a second set is pending. The Working Party has not met yet.

8- Tajikistan :

On 29th May 2001, a formal request for accession under Article XII was sent to the Director-General of the WTO by the Government of Tajikistan. A Working Party was established at the General Council meeting on 18 July 2001. Tajikistan has not submitted yet the aide-memoire on its foreign trade system and the working group has not met yet.

9- Uzbekistan :

The Working Party on the accession of Uzbekistan to the WTO was established on 21 December 1994. Uzbekistan submitted its Memorandum on the Foreign Trade Regime in September 1998 and replies to questions were circulated in October 1999. Bilateral market access contacts have been initiated.

The first meeting of the working group may take place in the first half of 2002.

10- Syria:

Syria's request for accession was notified to the Director General of the WTO on October 30th 2001.

11- Yemen :

Yemen's request for accession was circulated on 14th April 2000. The General Council established a Working Party on 17th July 2000. Yemen is finalising the aide memoire on its Foreign Trade Regime. The Working Party has not met yet.

Country	Date of the setting up of a working group	Chairman of the working group
Algeria	17 June 1987	Uruguay
Azerbaijan	16 July 1997	Germany
Kazakhstan	6 February 1996	Finland
Lebanon	14 April 1999	France
Lybia	December 200 in	France
Saudi Arabia	21 July 1993	Canada
Sudan	25 October 1994	Morocco
Syria	October 30 th 200in	-
Tajikistan	18 July 2001	-
Yemen	17 July 2000	-
Uzbekistan	21 December 1994	Mexico

Source: WTO

The working group has not been appointed yet.

III/ POST DOHA WORK PROGRAMME

1/ The Trade Negotiations Committee (TNC) and the negotiations organs:

The TNC Committee held its first meeting on January 28th and after four days of tough deliberations, the main bone of contention of this meeting concerned the choice of the chairman, the WTO members agreed on February 1st 2002 on the organisation modalities of the future trade negotiations.

At the end of this agreement, the TNC whose mission consisted of monitoring negotiations, was placed under the supremacy of the General Council to which it must submit regular reports. The Trade Negotiations Committee whose role is to monitor and supervise negotiations will be chaired by the Director General Mr. Mike Moore in his official capacity until September 2002 and his successor Panitchpakdi Supachai , new Director General will monitor negotiations until January 1st 2005.

The Trade Negotiations Committee will meet every two or three months, or more often if necessary.

The structure of the negotiations committee is as follows:

- Two new negotiating groups were created: the first one on market access for non-agricultural products and the second one on the rules of the WTO (Subsidies, anti-dumping rules, and regional agreements).
- Negotiations on agriculture and services will continue within the framework of special sessions of the Committee on Agriculture and the Council on services.
- Special sessions were scheduled for the following committees:
 - The Committee on Trade and Development-Negotiations on special and differential treatment;
 - The TRIPS council-Negotiations on the establishment of a multilateral notification and registrations system for wines and spirits;
 - The Committee on trade and environment-negotiations on the WTO/multilateral Environment Agreements (MEA) relationships and environmental goods and services.
 - The Dispute Settlement Body - Negotiations on the disputes Settlement Memorandum of Understanding.
- The pending² implementation issues, for which the Ministerial Declaration does not provide for any specific mandate, will be examined at the level of the competent organs of the WTO and will submit a report to the negotiations committee by the end of 2002, with a view to taking an appropriate on their work.

² The issues for which there is a precise and definite negotiations mandate in the Doha Declaration will be dealt within the framework of this mandate.

Schedule of Meetings

Meetings	Deadline
<ul style="list-style-type: none"> • Negotiations relating to the memorandum of understanding on Dispute Settlements 	May 2003
<ul style="list-style-type: none"> • Negotiations on the registration system of geographical indications 	Fifth Ministerial Conference in 2003 (in Mexico)
<ul style="list-style-type: none"> • Mid-term review 	Fifth Ministerial Conference in 2003 (in Mexico)
<ul style="list-style-type: none"> • Deadline provided for other negotiations 	at the latest on January 1 st 2005 as single undertaking.
<ul style="list-style-type: none"> • Decision on the adoption and the implementation of outcomes 	Extraordinary session of the Ministerial Conference date Non-fixed.yet

2/ Chairmanship of the negotiations organs:

- The Chair of the TNC for negotiations organs will rotate between Geneva-based Ambassadors. It has been split in two, one for the special negotiations sessions and another for the regular sessions. The chair of the special sessions will last until the fifth Ministerial Conference in 2003 fall, date on which, their terms may be extended.

The WTO designated on February 15th 2002, the chairmen of the different negotiations organs as follows:

- **Council for trade in services, special session: Ambassador Alejandro Jara (Chile), regular session; Ambassador, Mary Whelan (Ireland)**
- **Negotiating group on market access for non-agricultural products, Ambassador Pierre Louis Girard (Switzerland)**
- **Negotiating group on rules, Ambassador Timothy John Groser (New Zealand).**
- **Committee on Trade and environment, special session, Ambassador Yolande Bike (Gabon); ordinary session, Ambassador Oguz Demiralp (Turkey).**
- **Council on TRIPS, special session, Ambassador Eui Yong Chung (South Korea), ordinary session Ambassador Eduardo Perez Motta (Mexico)**
- **Dispute Settlement Organs, special session Ambassador Peter Balas (Hungary); regular session, Ambassador, Carlos Perez del Castillo (Uruguay)**
- **Committee on Agriculture, Ambassador Stuart Harbinson (Hong Kong; regular session, Magdi Farahat (Egypt)**

- **Committee on trade and development, special session, Ambassador Ransford Smith (Jamaica), regular session, Ambassador Toufiq Ali (Bangladesh).**

Besides, the WTO members have appointed on February 15th 2002, Mr. Sergio Marchi (Canada) as chairman of the General Council, Mr Supperamaniam (MALAYSIA) as Chairman of the regular sessions of the council on commodities as well as the chairmen of the following working groups:

Working group on Trade and Investment	Luiz Felipe de Seixas Correa (Brazil)
Working group on trade and competition policy	Fredric Jenny (France)
Working group on transparency in government procurements	Ronald Saborio Soto (Costa Rica)
Working group on trade, debt and finance	Hernando Jose Gomez (Columbia)
Working group on trade and transfer of technology	Stefan Haukur Johanesson (Island)

It may be underlined with pride that the OIC Member States will actively participate in the future negotiations, several Ambassadors in Geneva will chair some negotiating organs, as mentioned here above, these are in particular:

- **Ambassador Supperamaniam (Malaysia), chairman of the regular sessions of the council on commodities**
- **Ambassador Magdi Farahat (Egypt), Chairman of the regular sessions of the Committee on Agriculture;**
- **Ambassador Yolande Bike (Gabon), Chairman of the special session and Ambassador Oguz Demiralp (Turkey) Chairman of the regular sessions of the Committee on Trade and Environment;**
- **Ambassador Toufiq Ali (Bangladesh) chairman of the regular session of the Committee on trade and development.**

3/ Negotiations methodology :

As it was pointed out before, according to Doha Ministerial Declaration, the monitoring and concluding of negotiations as well as the entry into force of their outcomes will be considered as part of single undertaking, yet, the agreements concluded in the first negotiations stages may be implemented on a provisional or final basis.

The negotiating process encompasses all the negotiations themes included on Doha agenda items, the fifth Ministerial Conference that is scheduled to be held in Mexico in 2003, will take stock of the progress achieved during the negotiations that will be concluded on January 1st 2005 at the latest.

Only negotiations on the improvements and clarifications of the memorandum of understanding on the disputes settlement and the

multilateral registration system of geographical indications for some products will be conducted separately and should be completed in May 2003 at the latest.

- *Decision making process:*

Developing countries, of which OIC countries have obtained assurances that allow the representatives of Member States to play the leading role in negotiations; appointed persons should normally be chosen among the representatives of the WTO³

In fact, following, the objections expressed by Developing countries on negotiations, some instructions as to the conduct of negotiations were defined, namely,

- The supremacy of the General Council: The negotiating committee was placed under the authority of the General Council, the TNC and the other organs do not constitute a parallel mechanism.
- Limitation of the room for manoeuvre of chairmen: the reports of the chairmen of the negotiations group, to be submitted to the surveillance bodies, should reflect consensus or where this is not possible, different positions on issues. Such measures will limit their capacity to submit in their own responsibility compromise proposals.
- Only one negotiating organ will meet simultaneously, in order to enable those countries, which are not adequately provided with decision-making power, to follow most of the meetings.
- After each session, reports in the three official languages of the WTO will be promptly prepared and circulated to the different delegations.

IV/ ACTIONS THAT ICDT IS PLANNING TO CARRY OUT AFTER DOHA CONFERENCE:

With regard to the WTO multilateral trade negotiations, ICDT will continue its coordination work between the OIC Countries during the next negotiations in Geneva.

Technical assistance will also be ensured for the benefit of Member States, particularly the Least Developed among them in order to assist them in negotiations through consultancy and expertise services.

Besides, ICDT is planning to organise several seminars and meetings between the OIC countries so as to make an assessment of the negotiations stakes, and even their impact on the trade policies and economies of Member States. Popularisation actions will be carried out for new themes in negotiations such as competition policy, trade facilitation, electronic commerce etc...

³ The open support of Mike Moore to the launching of negotiations on controversial themes, especially, investments and competition policy has given rise to doubt as to his ability to act as an "honest go-between" in all member states' interest.

These activities will involve the participation of not only the representatives of concerned administrations but also those of the private sector in the OIC countries.

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**DRAFT AGENDA OF THE EIGHTEENTH SESSION
OF THE COMCEC**

**as recommended
by the Eighteenth Meeting of the
Follow-up Committee of the COMCEC**

(Istanbul, 10-11 May 2002)

**DRAFT AGENDA OF THE
EIGHTEENTH SESSION OF THE COMCEC
(Istanbul, 22-25 October 2002)**

1. Opening Session
2. Adoption of the Agenda
3. Background Reports
 - 3.1 Background Report by the OIC General Secretariat
 - 3.2 World Economic Developments with Special Reference to OIC Member Countries by SESRTCIC
 - 3.3 Supporting the Reform of the International Financial Architecture by SESRTCIC
 - 3.4 Report of the Follow-up Committee by the COMCEC Coordination Office
 - 3.5 Review of the Implementation of the Plan of Action
 - a) Report by OIC General Secretariat
 - b) Report by COMCEC Coordination Office
 - 3.6 Establishment of a Stock Exchange and Clearing Union Among the OIC Member Countries by SESRTCIC, ICDT and IDB
4. Report by IDB and ICDT on the Expansion of Intra-OIC Trade
5. Report by the ICDT on:
 - 5.1 The Ninth Islamic Trade Fair
 - 5.2 Draft Regulations of the Trade Fair of Islamic Countries
6. Matters Related to the World Trade Organization Activities
7. Report by ICCI on the Preparations for the Ninth Private Sector Meeting Among OIC Member Countries
8. Exchange of Views on the "Private Sector Investment in the Member Countries and the Role of IDB"
9. Matters Related to Economic Assistance to Some Islamic Countries
10. Report of the Sessional Committee
11. Date of the Nineteenth Session of the COMCEC
12. Any Other Business
13. Adoption of the Resolutions of the Eighteenth Session of the COMCEC
14. Closing Session.

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**CLOSING STATEMENT BY
H.E. DR. AKIN İZMİRLİOĞLU, CHAIRMAN OF
THE CLOSING SESSION OF THE EIGHTEENTH MEETING
OF THE FOLLOW-UP COMMITTEE**

**Eighteenth Meeting of the
Follow-up Committee of the COMCEC**

(Istanbul, 11 May 2002)

Original : Turkish

**CLOSING STATEMENT BY
H.E. DR. AKIN İZMİRLİOĞLU, CHAIRMAN OF
THE CLOSING SESSION OF THE EIGHTEENTH MEETING
OF THE FOLLOW-UP COMMITTEE**

(Istanbul, 11 May 2002)

Distinguished Delegates,
Distinguished Assistant Secretary General,
Honourable Guests,

I would like to start my statement by expressing my satisfaction at the successful conclusion of another Meeting of the Follow-up Committee, an important forum of the COMCEC.

We have debated during this Meeting important issues pertaining to economic and commercial cooperation among our brotherly countries.

A series of concrete developments have been accomplished in the context of the implementation of the Plan of Action of the Organization of the Islamic Conference. The draft Project Profile Form, prepared by the Coordination Bureau of the COMCEC, thanks to your valuable contributions, is taking enough shape to be submitted to the COMCEC. On the other hand, the Casablanca Center has already drawn up the draft regulations for the Islamic Trade Fairs, and the Islamic Chamber of Commerce has started preparations for the working group to be established to follow-up the resolutions of the private sector meetings.

It is an appropriate decision to entrust the COMCEC Coordination Bureau with the responsibility to undertake, in collaboration with the General Secretariat and the affiliated institutions of the COMCEC, a study to examine the necessary methods to apply and the framework to provide for the implementation of the projects proposed in the context of the Plan of Action. I think that such work will result in defining an effective method for project management, covering all the steps from assessing the proposed projects to securing financing resources therefore and finalizing them. This

decision marks an important milestone in the implementation of the Expert Group recommendations.

Distinguished Delegates,
Honoured Guests,

Together with the endeavors to expand intra-OIC trade, it is important to make use of the opportunities and services offered by all the institutions of the Organization of the Islamic Conference, chiefly the Islamic Development Bank. I believe that the initiative of the Islamic Development Bank to finance the foreign trade of Member Countries with third countries in addition to financing the intra-OIC trade, will contribute to expanding the export volumes of our countries.

In this context, I would like to see the sum of 1.65 billion Dollars approved by the Islamic Development Bank last year for trade financing to rise over 2 billion Dollars.

It is a source of satisfaction that the efforts to expand intra-OIC trade have resulted in the increase of the foreign trade volume of the Member States from 10% in 1997 to 11% in 1999.

It is well known that pursuant to the resolution adopted at the twelfth session of the COMCEC, efforts are still made to support the accession of the Member States of the Organization of the Islamic Organization to the World Trade Organization with the backing of the Islamic Development Bank. Thirty eight member states of the OIC are already members of the WTO. The membership of a further OIC eight countries is currently in the negotiation stage. These figures represent a significant potential for the OIC countries, which may lead to the adoption of an equitable approach needed for the liberalization of the World Trade System and which safeguards the interests of all parties.

Distinguished Delegates,
Honoured Guests,

The multinational corporations have an increased influence on the world economy in the globalizing world. According to the 2001 Report of the United Nations

on the World Economic Situation, direct Foreign Capital Investments in 2000 have reached 1.1 trillion Dollars. Considering that Direct Foreign Capital Investments amounted to 200 million Dollars ten years ago, it is apparent how much those investments have increased, parallel to the process of globalization. Again, according to the United Nations data, the total resources of the biggest 200 multinational corporations of the world amount to approximately USD 7.1 trillion.

These data underline the importance of "Private Sector Investments and the Role of the Islamic Development Bank" the theme chosen for the Exchange of Views Session to be held concurrently with the Eighteenth Session of the COMCEC, the preparations of which are reviewed by the Follow-up Committee. I believe that Member Countries will provide the necessary support for the success of this meeting.

We have considered at our Meeting two new proposals, "Development Financing" and "Sustainable Development" as the theme for the Exchange of Views Session of the Nineteenth Session of the COMCEC. I think that both are themes put by the United Nations on the global agenda and that it would be important to debate these issues in the framework of the OIC.

Distinguished Delegates,
Honourable Guests,

The tragic events in Palestine grieve us all. I would like to emphasize that I most heartily concur with the wish, voiced during our Meeting, that Member States should be unsparing in their economic aid and support to Palestine.

In conclusion, I would like to express my most sincere thanks and appreciation to all delegations to the General Secretariat of the Organization of the Islamic Conference, and to the Subsidiary and Affiliated Institutions of the Islamic Conference for their valuable contributions to the success of the Meeting.

I would also like to thank the supporting personnel of the organization and the interpreters for their devoted endeavors.

Hoping to see you at the Eighteenth Session of the COMCEC next October, I wish you all a safe journey.

I declare closed the eighteenth meeting of the Follow-up Committee of the COMCEC.