EXECUTIVESUMMARY

ANNUAL RAPPORT ON INTRA-OIC TRADE 2015

SUBMITTEDBY

THE ISLAMIC CENTRE FOR DEVELOPMENT OF TRADE

TO THE

31st SESSION OF THE STANDING COMMITTEE FOR ECONOMIC AND COMMERCIAL CO-OPERATION OF THE OIC (COMCEC)

Istanbul – Republic of Turkey
23rd - 26th November 2015

CONTENT

EXECUTIVE SUMMARY

I/ WORLD ECONOMIC SITUATION:

The world economy has experienced a mixed growth in the last six years, following the price fluctuations of commodities including oil and food products, the volatility of exchange markets and financial flows, the exchange rate of foreign currencies namely the fluctuations in exchange rates between the euro, the dollar, the yen and the yuan, the geopolitical instability in the Middle East, Africa, Central Asia (CIS) and Latin America are among the driving forces of the growth of the world economy, the decline in the volume of Foreign Direct Investments (FDIs) in some countries helped to give a new face of trade.

Indeed, the drop in the international price of oil has contributed to lower exports of oil exporting countries and has led these countries to reduce public expenditures but this should help increase oil imports, but other shocks have partially offset the effects thus preventing a generalized recovery in activities, which would have favored a rebalancing of the oil market. Political instability in some countries also lowers the entry of FDI inflows.

These factors contributed to the slowdown in the global economy and slowed the growth of foreign direct investment despite significant growth rates in some emerging and developing countries.

Moreover, the decrease in prices of metals upon the increase in production linked to the strong expansion of investment in the mining sector led the Chinese government to lower its growth rate in order to rebalance its economy which depends on exports and investment in favor of consumption including services. This decline led to the depreciation of the currencies of many emerging countries. This situation compelledthe exporting countries of these products to cut down their public expenditures. Moreover, the volatility of the financial markets will have a negative impact on capital flows towards emerging countries. Between 2013 and 2014, world trade has almost stagnated, 1% growth for exports and imports respectively in 2014, which reached 18.95 trillion and USD 18.57 trillion USD but according to WTO data, in terms of volume the average growth is estimated at 2.8%, thus reflecting a fall incommodity prices during this period.

It should be noted that during the last decade, one-third of the world trade was carried out by developing countries, which accountedfor about 49% of the world exports and over 45% of world imports in 2014thanks to the good performance of some countries such as Brazil, Russia, India and China (BRIC) and other Asian countries.

Moreover, exports of trade in services grew by 4% between 2013 and 2014 and reached about USD 4.85 trillion.

All regions experienced an increase in their trade in service's exports between 2013 and 2014, which increased from 1% to 6% excluding, the CIS countries whose decline was about 8% due to the reduction of travel services (-12%), transport (-3%) and other business services (-5%).

At regional level, we note that the value of African exports declined by 7.6%, those of Latin America (-6%), CIS (-5.9%) and Middle East (-3.9%) and with regard to imports, a decline was observed in the CIS countries (-11.2%) and Latin America (-4.2%) due to the decline of oil prices and political instability in some countries of the region.

II/ RECENT DEVELOPMENTS OF THE OIC FOREIGN TRADE:

Since the implementation of the Ten Year Programme of Action (TYPOA) in December 2005 by all the OIC Institutions in collaboration with international development partners, the trade of the OIC Member States continued to grow from USD 1.77 trillion in 2005 to USD 4.16 trillion in 2014, an increase by 134%. This is explained among others, by the higher prices of traded products including hydrocarbons but also of projects financed by the IDB Group (ITFC, ICIEC,ICD...), the promotional activities of trade and trade facilitation of ICDT, COMCEC, ICCIAand capacity building in the economic and commercial sector of SESRIC, ICDT, ICCIA and the IDB Group in collaboration with the United Nations agencies (UNDP, ITC, UNCTAD, WTO, UNIDO, UNWTO ...) and the private sector of Member States.

Between February 2009 and December 2015, the Consultative Group for enhancing intra-OIC trade generated approximately 1,125 projects and activities of which 75% were achievedin the fields of capacity building, trade facilitation, trade promotion, trade finance and export credit insurance and guarantee and development of strategic products.

Several Member States have also focused their efforts on the fieldsof trade facilitation matters in terms of road and airport infrastructure namely: Malaysia, the UAE, Saudi Arabia, Bahrain, Qatar, Oman, Tunisia, Turkey, Azerbaijan and Morocco. In addition,other countries also improved their maritime connectivity rate by over 20% between 2010 and 2013 namely: the Maldives, Yemen, Lebanon, Iraq, Libya, Guinea, Jordan, Mozambique, Benin and Egypt. Thus, trade in the OIC Member States accounted for 11.2% of world trade in 2014.

The players of the world trade of the OIC Member States are: the State of the **United Arab Emirates** (US$ 533.3 billion, i.e. 12.8% of the overall trade of the OIC countries), **Saudi Arabia** (US$ 503.2 billion; 12.1%), **Malaysia** (US$ 443 billion; 10.6%), **Turkey** (US$ 400 billion; 9.6%), **Indonesia** (US$ 354.2 billion, 8.5%), **Iran** (US$ 191.3 billion, 4.6%), **Qatar** (US$ 162 billion; 3.9%), **Nigeria** (US$ 161 billion; 3.9%),**Iraq** (US$ 131 billion; 3.2%) and **Kuwait** (US$ 125 billion, 3%). These ten countries accounted for about 72.2% of the world trade of the OIC Member States in 2014.

The World trade of the OIC countries in 2014 was structured as follows: miscellaneous manufactured goods (27%), mineral fuels (26%), machinery and transport equipment (19%), food products and non-edible raw materials (10% each), and chemicals (7%).

The World trade in trade in services of the OIC countries in 2014 was worthabout USD 800 billion and for the last five years, the average share of services trade in the overall trade of the OIC countries was estimated ataround 18%. This trade is composed of 33% of transport services followed by travels (32%), trade in services (14%), government services (7%), construction (3%), communication (3%), insurance (3%), financial (2%) and other IT services, personal, cultural, recreational, and audiovisual licenses (3%).

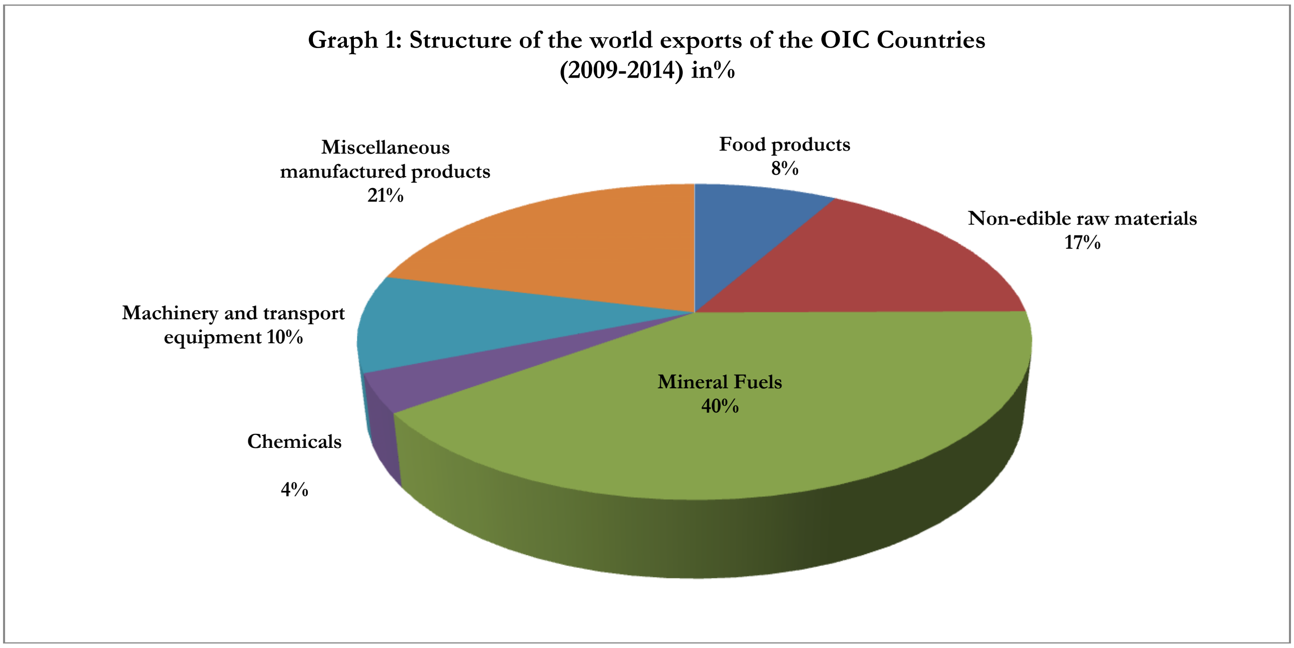
The main actors of these services are: Saudi Arabia, UAE, Malaysia, Turkey, Indonesia, Egypt, Lebanon, Kuwait and Nigeria which accounted for about 71% of total trade of the OIC countries in 2014.

- **Exports**:

The world exports of the OIC Member States experienced a downward trend by 3% they diminished from US$ 2.22 trillion in 2013 to US$2.15 trillion in 2014, i.e. a reduction of aboutUSD 66 billion. This decrease is due to the world exports'reduction resulting from fluctuating commodity prices such as fuel, food and mining products of some following countries at world level:

- **Bahrain** (US$ 18.15 billion, a 50.2% decline between 2013 and 2014 following the decrease in its exports of oil products (-USD882 millioni.e.(8.8%), aluminum bars (-USD 540 .5 million, i.e. -36%), cars (-USD 408.5 million, -50%), jewelry (-USD 186 million; -28%), cruises boat, cargo and barges (-USD 155.5 million; -97%), and air conditioners (-117 million USD; -52.3%);
- **Libya** whose exports have experienced a decline by 46%, i.e.a USD 17 billion reductiondue to a drop in their exports of crude fuels estimated at -USD 22 billion; i.e. - 53.2%, fertilizer (-USD 79 million ; -58%) of organic chemicals (-USD 27.2 million; -24%), ships, cargo ships (-USD 2 million; -100%);
- The Exports of **Saudi Arabia** declined by 4.3%, corresponding to -US$ 15 billion due to the deterioration in exports among others of crude fuels by -USD 26 billion; - 9%, organic chemicals such the ether (-USD 3.2 billion; -58%), petroleum gas (-2.2 USDbillion, -27%), tugs and pusher craft (-USD1.1 billion; -100%) and passenger cars (-USD767 million; -97%);
- **Egypt**recorded a backward trend in its exports of about 20.7%, i.e.-US$ 7 billion due among others to a reduction in it exports of petroleum gas by-USD 1.2 billion - 76% followed by fertilizers (-USD 432.4 million; -40%), gold (-USD 242 million; -27%); rice (-USD 169.3million; -85%) and crude oil (-USD112 million; -4.4%);
- **Indonesia**, which experienced a deterioration in exports by 3.6% with a value of -USD 6.5 billion related to a decrease in exports of certain products such as coal and briquettes of 18% equivalent to -USD 4.1 billion, of natural rubber (-USD2.2 billion; -31.3%), nickel ores and concentrates (-USD1.6 billion; -95%), copper ores and (-USD1.3 billion ; -44%), aluminum ore and concentrates (-USD1.3 billion; -97%), petroleum gas (-USD949 million; -5.2%) and crude oil (-USD933.5 million; -9.2%).

Despite this downward trend, some OIC countries recorded an increase in their global exports between 2013 and 2014, these are among others Kazakhstan (+USD 16 billion), Turkey (+USD 6 billion), of Malaysia (+5.6 billion USD), Bangladesh (+USD4.3 billion), Burkina Faso (+USD 2.2 billion and Morocco (+1.4 billion USD).



The main products exported by Member States are: mineral fuels (40%), miscellaneous manufactured goods (21%), non-edible raw materials (17%), machinery and transport equipment (10%), food products (8%) and chemical products (4%).

- **Imports:**

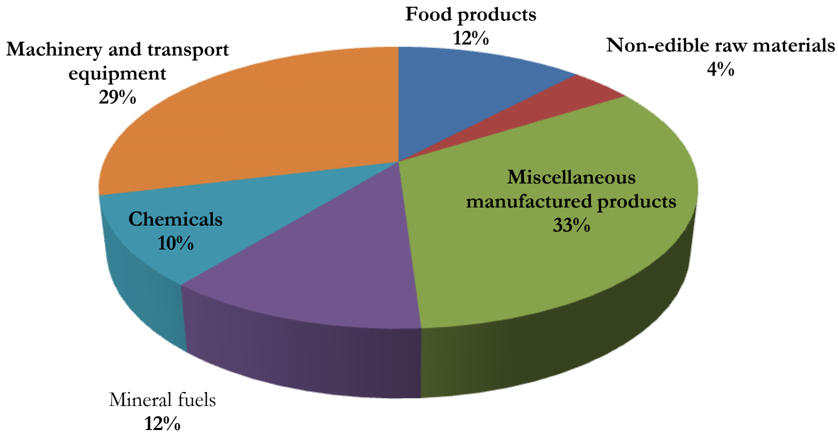
The world imports of the OIC Member States recorded in 2013 a value of US$ 1.97 trillion against US$ 2.01 trillion in 2014, i.e. an increase by 2.2% enhanced by the growth of the world imports of the following countries:

- **The United Arab Emirates** (+ 9.4% growth in imports corresponding to a value of US$ 23.4 billion, following the increase in its imports of cars, tractors and cycles by around +USD1.2 billion, i.e.+11.4%, helicopters and airplanes (+USD 820.6 million; + 13%), petroleum gas (+USD 690 million, + 28.8%), yachts and other pleasure boats (+USD 687 million, + 820%) and footwear (+USD 571.5 million; + 415%);
- **Iran** (+ 25% , i.e.+USD 21 billion, 6.4% due to the increase in imports of pearls and jewels of +USD 826 million, wheat (wheat) (+USD 695 million; +53%), lighting equipment (+USD 677 million; + 174%), electrical appliances (+USD 595 million; + 101%) and passenger cars (+USD 453.4 million; +82%);
- **Saudi Arabia (**+US$ 9.7 billion i.e. a+6% growth following the increase in imports of mineral fuels (+USD9.2 billion), helicopters and aircraft (+USD 3 billion), tractors (+USD 831.6 million) and mechanical apparatus (+USD 571 million);
- **Bahrain** (+US$ 6.6 billion, i.e. + 48.7% due to higher imports of crude oil (+USD319.3 million), aluminum ores and concentrates (+USD 231 million), iron ores and concentrates (+USD 195 million), passenger cars (+USD107 million) and gravel (+USD 96 million);
- **Togo** (US$ 5 billion; + 241% due to the growth of imports of crude oil by 48%, i.e. approximately +USD 27.5 million followed by petroleum coke (+USD 16.4 million; +172), cotton cloth (+USD 16.3 billion, + 45%), hydraulic cement (+USD 15.2 million; +93%) and drugs (+USD 10.7 million; + 507%).

Besides, other OIC countries have also experienced a drop in their global import during this period these are: Kazakhstan, Turkey, Indonesia, Libya, Pakistan, Benin, Oman and Egypt.

The main products imported by Member States are: miscellaneous manufactured goods (33%), machinery and transport equipment (29%), mineral fuels (16%), food products (12%), chemicals (10%) and non-edible raw materials (4%).

Graph 2: Structure of OIC countries imports (2009-2014)



III. RECENT DEVELOPMENT OF INTRA-OIC TRADE:

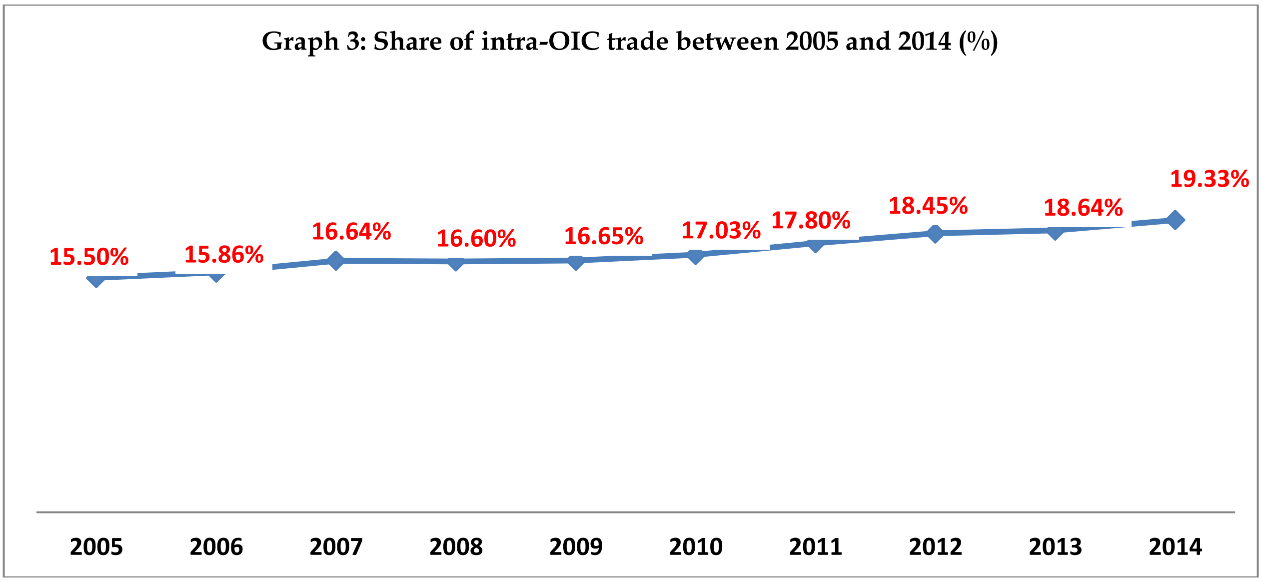
As the global economy is struggling to regain momentum in recent years, the OIC countries are not left behindbecause theyhave been impacted by the same trends of the economies of certain countries such as the US, EU countries, the NAFTA and Asian countries with whom they are linked by bilateral and multilateral agreements.

The economies of the OIC area also depend on fluctuating commodity prices and currency exchange rate during international commercial transactions but also on FDIs intra-zone flows (OIC and development partners).

The change in the growth rate of the OIC leading economies such as the united Arab Emirates, Saudi Arabia, Malaysia; Turkey, Indonesia, Iran, Qatar, Nigeria, Iraq and Kuwait directly impacts global and intra-Community trade of these members countries. Indeed, the volume of trade among the OIC Member States (intra-OIC exports + intra-OIC imports) recorded a considerable increase since the implementation of the OIC Ten-Year Programme ofAction (2005-2015)(TYPOA)) rising from USD 271.45 billion in 2005 to USD 802.25 billion in 2014, an increase by 196%.

Despite the effects of the international economic crisis, Member States tend to increase their intra-OIC trade due to the geographical proximity, the existence of bilateral and regional agreements, the similarity of consumption patterns, complementarity and regional efforts made for trade promotion, trade finance and export credit insurance and guarantee and the facilitation activities of the Consultative Group but also the implementation of the COMCEC Strategy.

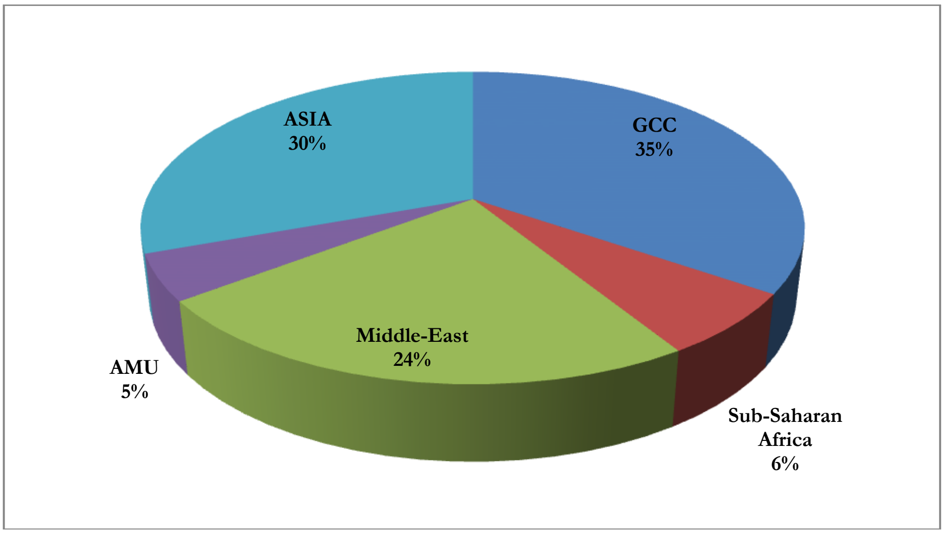
Thus, **the share of intra-OIC trade in total trade of Member States rose from 15.50% in 2005 to 19.33% in 2014, i.e. an increase by 25%.**



The main actors of intra-OIC trade in 2014 are: The **United Arab Emirates** (US$ 121.7 billion, i.e. 15.2% of intra-OIC trade), **Turkey** (US$ 77.8 billion; 9.7%) , **Saudi Arabia** (US$ 74.3 billion; 9.3%), **Iran** (US$ 65.4 billion; 8.2%), **Indonesia** (US$ 56.5 billion, 7%) , **Malaysia** (US$ 46 billion; 5.7%), **Iraq** (US$ 29.2 billion; 3.7%), **Syria** (US$ 28 billion; 3.5),**Pakistan** (27.5 US$ billion; 3.4%), and **Egypt** (US$ 26.1 billion; 3.3%). These ten countries accounted for 69% of intra-OIC trade in 2014.

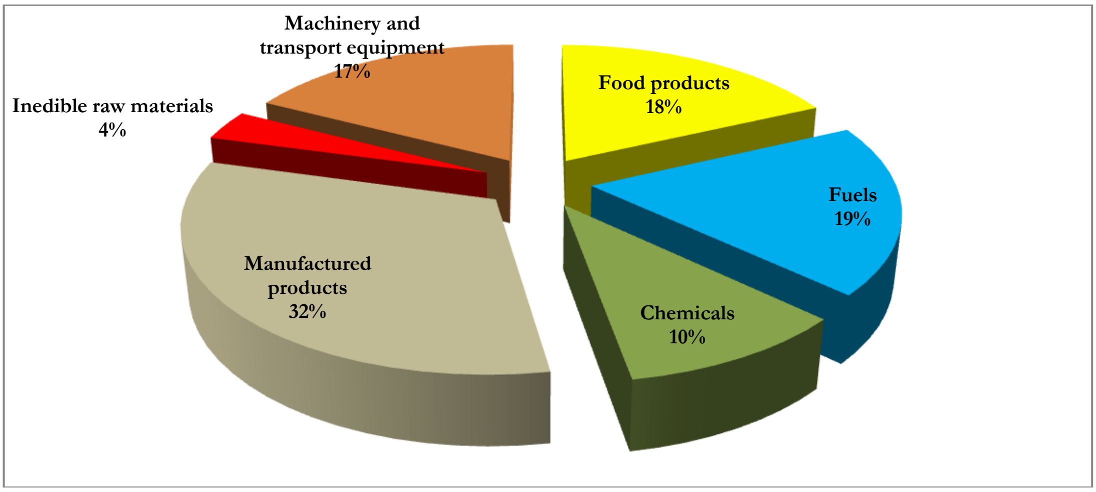
At regional level, 35%of intra-OIC trade is carried out by the Gulf countries followed by Asia (30%), the Middle East (24%), Sub-Sahara African countries (6%) and AMU countries (5%) in 2014.

Graph4 :Geographical Distribution of Intra-OIC Trade in 2014



The main products traded between the OIC Member States are 32% composed of miscellaneous manufactured goods, mineral fuels (19%), food products (18%), machinery and transport equipment (17%), chemicals (10%) and non-edible raw materials (3%).

Graph 5: Structure of Intra-OIC Trade (2009-2014)in%



Between 2005 and 2014, about 33 countries have reached the target of the 20% threshold of intra-OIC trade advocated by the Ten Year Programme ofAction (TYPOA), these are by decreasing order**: Syria** (88.17% of its trade is carried out with the OIC countries), **Somalia** (70.10%), **Djibouti** (64.86%),**The Gambia** (61.73%), **Tajikistan** (48.87%), **Kyrgyzstan** (47.07%), **Afghanistan** (46.65%), **Bahrain** (45.68%), **Sudan** (45.63%), **Jordan** (44.77%), **Lebanon** (41. 17%), **Benin** (37.93%), **Senegal** (37.05%), **Burkina Faso** (35.69%), **Pakistan** (35.57%), **Uzbekistan** (34.02%), **Togo** (33.70%), **Iran** (32.80%), **Chad**(32.28%), **Egypt** (31.90%), **Côte d'Ivoire** (31.49%), **Yemen** (29.86%), **Turkmenistan** (29.21%), **Oman** (29.21%), **Mali** (29.01%), **Niger** (27.29%), **Comoros** (27.33%), **Iraq** (27.22%), **Guinea-Bissau** (25.88%), the **UAE** (22.96%), **Turkey** (21.44%), **Kuwait** (21.38%) and **Uganda** (20.66%).

Thus, these countries and the rest of the Member States should invest more in the area of capacity building, participation in fairs, international trade fairs and business fora, including those organized by the ICDTbut they should also reduce their foreign trade and intra-OIC investment proceduresin order to boost trade among Member States. Furthermore, the diversification of the exportable supply is a necessity to develop foreign trade and intra-OIC investment. It is also important that the OIC Member States participate actively in the activities of the OIC Institutions aiming the Development of Intra-OIC Trade namely; those ofICDT, the IDB Group, andICCIA and SMIIC the COMCEC Projects within the Project Cycles Management (PCM).

- **Intra-OCI exports :**

Intra-OIC exports almost tripled between 2005 and 2014 from US$ 134.3 billion in 2005 to US$ 378.91milliards in 2014, i.e. an increase by 182%. Between 2013 and 2014, a slightdecrease by 0.06% was recorded after fluctuating commodity prices and exchange rates of the currencies during the international commercial transactions as well as a diminution in the flows of intra-OIC FDIs. Nevertheless, some countries have contributed to the increase of intra-OIC between 2013 and 2014, these are:

- ✓ **United Arab Emirates** (+US$ 4 billion i.e. a 5.5% increase in intra-OIC exports between 2013 and 2014);
- ✓ **Bahrain** (+US$ 2.6 billion corresponding to an increase of 62.6% due to the increase in exports of ferrous products of USD 252.4 million, aluminum wires +USD 226.6 million, ores iron and concentrates +USD112.7 million, automotive spare parts +USD 73.5 million and sugar cane and sugar beet+ USD 58.4 million);
- ✓ **Saudi Arabia** (+USD 1.8 billion, i.e. 3.7%);

- ✓ **Indonesia** (US$ 1.6 billion equivalent to an improvement of 7.1% due to the increase in intra-OIC exports of palm oil by 1.6 billion USD, jewelry by + USD367.8 million, passenger carsby +USD 267.5million, petroleum gas by + USD 208.5 million, coconut oil, palm kernel by +USD 190.1 million and+ USD 184.8 million boats);
- ✓ **Kuwait** (+US$ 1.6 billion, an increase by 12.8% due to the increase in its intra-OIC exports of cyclic hydrocarbons by USD 206 million, motor vehiclesby +USD 101.6 million, milk by +USD 75.4 million, iron bars by +USD 53.6 million and machine parts by+USD 37.6 million).

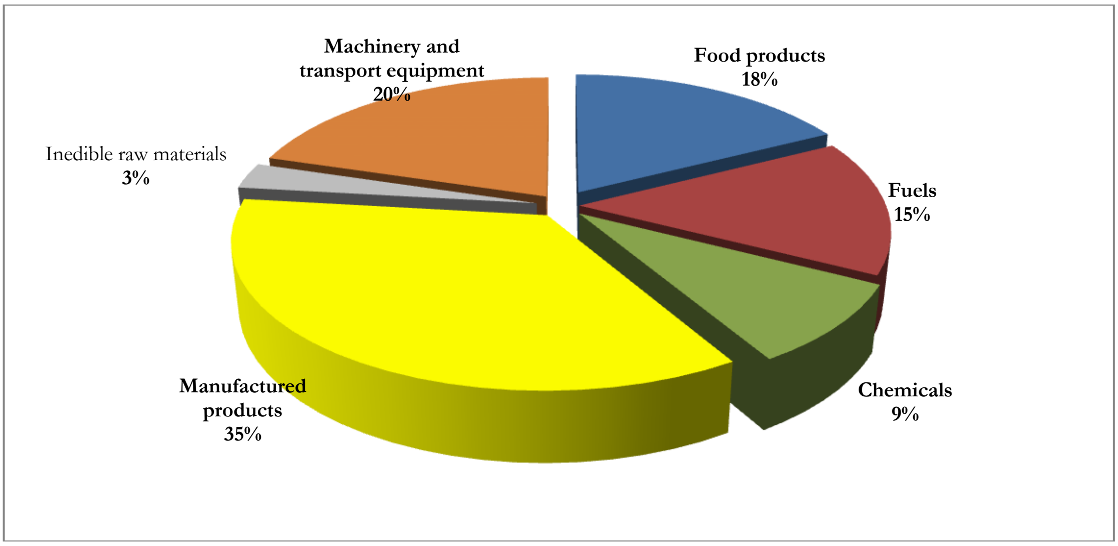
However, there was a significant decrease in intra-OIC exports between 2013 and 2014 varying between USD 200 million and USD 5.5 billion of the following countries: Oman, Malaysia, Pakistan, Turkey, Syria, Azerbaijan, Egypt, Libya, Lebanon, Tunisia, Iraq, Uganda and Tajikistan due to fluctuating prices of commodities, exchange rates and economic stability some of these countries.

Besides, **intra-OIC exports accounted for 17.63% of total exports of Member States in 2014, i.e. an increase by 3% compared to 2013**.

In 2014, the main exporters to the OIC Member States were: the **United Arab Emirates** (US$ 74.4 billion, i.e. 19.6% of intra-OIC exports) followed by **Saudi Arabia** (US$ 49.5 billion; 13.1%), **Turkey** (US$ 48.7 billion; 12.8%), **Indonesia** (US$ 24.7 billion; 6.5%), **Malaysia** (US$ 24.1 billion; 6.4%), **Iran** (US$ 16.1 billion; 4.2%), **Qatar** (US$ 14.4 billion; 3.8%), **Kuwait** (US$ 13.9 billion; 3 7%), **Syria** (US$ 12.5 billion; 3.3%) and **Egypt** (US$ 11.7 billion, 3.1%). In short, these ten countries accounted for 76.5% of total intra-OIC exports in 2014.

The main products exported between the OIC Member States in 2014 are: manufactured goods (35% of intra-OIC exports), machinery and transport equipment (20%), food products (18%), fuels (15%), chemicals (9%) and non-edible raw materials (3%).

Graph6 :Structure of intra-OCI exports (2009-2014) in%



- ➢ **Intra-OICimports:**

In the space of 10 years, intra-OIC imports more than tripled increasing from USD 137.1 billion in 2005 to about USD 423 billionin 2013. Between 2013 and 2014, they increased by 6.6% following an increase in intra-OIC imports of the following Member States:

- ✓ **United Arab Emirates** (+ US$ 12.7 billion, i.e. a + 37% rise in intra-OIC imports);
- ✓ **Iran** (US$ 9.5 billion, + 24%);

- ✓ **Bahrain** (+US$ 5.7 billion, or +111.2% due to the considerable increase in intra-OIC imports of mineral fuels by+USD 318.6 million; pebbles, gravel and crushed stones by+USD 96 million, cotton by +USD 93 million,dolomite by 38 million USD fats, tar products by+USD32 million;
- ✓ **SaudiArabia** (US$ 3.7 billion; 17.7%);
- ✓ **Kuwait** (USD 2 billion or 28.7% resulting from the growth of intra-OIC imports of pebbles, gravel and crushed stone for USD 141 million, building materials (copper bars) USD110 million, whey (milk component) of USD 95.6 million, jewelry USD 81.6 million and ferrous products USD 67.4 million).

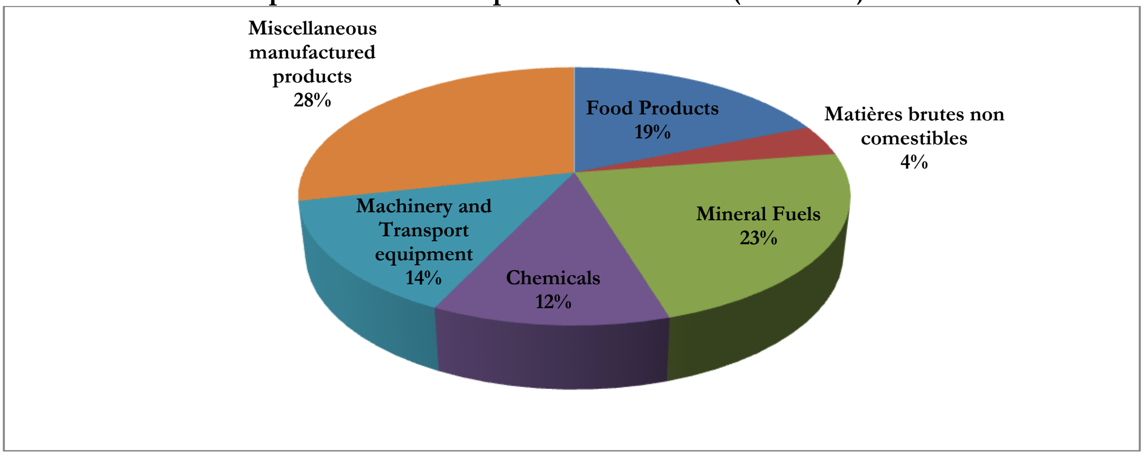
Other OIC countries have also experienced a considerable reduction in their intra-OIC by (from USD 500 million to USD3 billion) between 2013 and 2014, notably: Turkey, Oman, Pakistan, Indonesia, Libya, Tunisia, Algeria, Benin and Egypt.

It can be noted thatIntra-OIC imports have accounted for 21.04% of total imports from Member States in 2014 against 20.17% in 2013, i.e. an increase by 4.3%.

In 2014, the main importing countries of the OIC area were**: Iran** (US$ 49.4 billion, i.e. 11.7% of intra-OIC imports), followed by the **United Arab Emirates** (US$ 47.3 billion; 11.2%), **Indonesia** (US$ 31.8 billion; 7.5%), **Turkey** (US$ 29.1 billion; 6.9%), **Iraq** (US$ 25.8 billion; 6.1%), **Saudi Arabia** (US$ 24.8 billion; 5.9%), **Malaysia** (21.9 billion US$, 5.2%), **Pakistan** (US$ 20.8 billion, 4.9%), **Syria** (US$ 15.5 billion, 3.7%) and **Egypt** (US$ 14.4 billion; 3.4%). Thus, these 10 countries accounted for 66.3% of intra-OIC imports in 2014.

The main imported products between the OIC Member States are: miscellaneous manufactured products with 28% of intra-OIC imports followed by mineral fuels with 23%, food products (19%), machinery and transport equipment (14%), chemicals (12%) and non-edible raw materials (4%).

Graph7 : intra-OCI importations structure(2009-2014) in%



IV/ OBSTACLESTO INTRA-OCI TRADE:

Despite the considerable efforts made at the OIC level and by Member States to promote intra-OIC trade and eliminate bottlenecks, many obstacles remain including:

- ✓ Market access problems: tariff barriers, para-tariff and non-tariff and often include: the complexity of establishment of rules of origin; difficulties for enterprises in complying with international standards and lack of mutual recognition of standards; the lack of approval for national and regional procedures; red tape for cross-border positions especially, during customs clearance operations; the existence of illegitimate checks of cargo truck drivers; the visa granting problem to businessmen;

the existence of licenses and the export ban; quantity products control; lack of implementation of the commitments of regional economic cooperation texts and information on the regulatory framework on trade facilitation; the mismatch of working days and working hours at border crossings; and lack of intra-regional trade of regulatory instruments. Thus, between December 2008 and December 2014, the most affected countries by these measures are Turkey, Indonesia, Malaysia, the UAE, Pakistan, Egypt, Saudi Arabia, Iran, Morocco and Bangladesh.

- ✓ Obstacles in terms of logistics: infrastructures, transports, support services to international trade, which are weak or unsuitable;
- ✓ Existence of a non-diversified exportable supply and not adapted to the norms and international market standards;
- ✓ Lack of information on markets and business opportunities, despite efforts in this area by ICDT and concerned OIC institutions;
- ✓ Limit of networking opportunities and promotion of national products on the other OIC countries' markets;
- ✓ Complexity of administrative procedures related to foreign trade at customs level, banking, port, etc. ...;
- ✓ Lack of managers and technicians specialized in international trade;
- ✓ Inadequacy and lack of specific funding instruments for the benefit of SMEs-SMIs.

* **Barriers to export:**

The main obstacles to the development of intra-OIC exports according to a survey conducted by ICDT at the level ofexporters are: the cost of developing new markets, exchange rate risks, the cost or supply of labor,regulations, obtaining information on the markets of Member States, obtaining licenses or guarantees and local partners.

* **Barriers to import:**

The main reported barriers are: the risk of not getting the authorization of foreign exchange department and obtaining bank guarantees to make imports in addition to political and commercial risks, , sanitary and phytosanitary quality standards; the customs valuation and customs procedures, obtaining import licenses and the safeguards and rules of origin.

Despite these obstacles, some OIC countries have provided a lot of efforts to facilitate cross-border trade:

- ✓ The electronic submission and processing of business transactions: Albania, Saudi Arabia, Bahrain, Bangladesh, Benin, Brunei, Burkina Faso, Cameroon, Palestine, Comoros, Côte d'Ivoire, Djibouti, Egypt, United Arab Emirates, Gabon, Guinea, Guinea Bissau, Indonesia, Jordan, Kazakhstan, Malaysia, Maldives, Morocco, Mauritania, Mozambique, Nigeria, Uganda, Qatar, Syria, Senegal, Sierra Leone, Sudan, Togo, Tunisia and Turkey;
- ✓ The establishment of National Single Windows: Benin, Burkina Faso, Cameroon, Côte d'Ivoire, United Arab Emirates, the Gambia, Indonesia, Jordan, Malaysia, Mali; Morocco, Mozambique, Pakistan, Qatar, Syria, Senegal, Tunisia and Turkey;
- ✓ Improving the logistics performance index of more than 10% between 2010 and 2014: Qatar, Burkina Faso, Morocco, Guinea Bissau, Maldives, Egypt, Algeria, Pakistan, Indonesia and Mali;

- ✓ Improvement of customs performance by over 20% between 2010 and 2014: Qatar, Pakistan, Algeria, Egypt, Comoros, Maldives, Guinea-Bissau, Tajikistan, Guyana, Niger and Azerbaijan;
- ✓ Improvement of national infrastructure by more than 10% between 2010 and 2014: Guinea-Bissau, Comoros, Egypt, Pakistan, Iraq, Qatar, Burkina Faso, Algeria, Azerbaijan, Guyana, Maldives, Tajikistan, Chad, Indonesia, Turkey, Togo and Mali;
- ✓ Reduced distance from the border by over 10% between 2010 and 2014: Guinea, Togo, Uzbekistan, Guinea Bissau, Benin, Ivory Coast, Chad, Sierra Leone, Niger, Senegal, Djibouti, Burkina Faso, Gambia , Suriname, Nigeria and Mali;
- ✓ Improvement of maritime connectivity rates for countries with coastline by over 10% between 2010 and 2014: Maldives, Bahrain, Benin, Yemen, Turkey, Lebanon, Togo, Sudan, Morocco, Egypt, Somalia, Jordan, Libya, Nigeria, Côte d'Ivoire, Iraq, Suriname, Saudi Arabia, Comoros, Malaysia, Tunisia, Syria, Guinea-Bissau, Cameroon, Bangladesh, Mozambique, Indonesia and Mauritania.

Indeed, these achievements have enabled some countries to experience a reduction in business costs according to Doing Business between 2010 and 2014 including:

- ✓ Drop of a document required for export: Benin and Morocco and two documents in Uzbekistan;
- ✓ Reduced time of export operations: 16 days in Uzbekistan, of 6 days in Qatar, Mauritania and Brunei, 5 days in Chad, Uganda and Benin, 3days in Niger, Lebanon and Mozambique of 2 days in Malaysia, Jordan and Azerbaijan and one day in Sierra Leone, Nigeria, Djibouti and Bangladesh;
- ✓ Decrease in the cost of export container: byUSD 320 in Côte d'Ivoire, Sierra Leone by 188 USD, by USD 107 in Burkina Faso, Guinea Bissau by USD 97 and byUSD 72 in Indonesia;
- ✓ Decrease of two documents required for import: Benin and Uzbekistan;
- ✓ Decrease in importoperations time: 11 days in Chad, 7days in Benin, 5 days in Niger, Nigeria and Brunei, Qatar 4 days and Côte d'Ivoire, Sierra 3days Leone, Mozambique, Lebanon, Jordan and Bangladesh, two days in Palestine, Mauritania, Morocco, Malaysia and the Gambia and one day in Senegal, Uzbekistan, Mali, Iraq, Indonesia , Guinea, Cameroon and Azerbaijan;
- ✓ Decrease in the cost of the import container: -343 USD in Guinea-Bissau, -267 USD in Côte d'Ivoire, -US$ 200 in Senegal, -180 USD in Iran and - 100 USD in Jordan.

Furthermore, the implementation of the PRETAS and the trade single window of the OIC Member States initiated by the Consultative Groupandof an observatory of non-tariff barriers atICDT will reduce barriers to intra -OCI. It would be also appropriate that the OIC Member States actively participate in the implementation of the TPS-OIC Agreement and its Protocols and the activities of the OIC organs in charge of Economic and commercialmatters, in particular those of the ICDT, the IDB Group, the ICCIA and SMIIC and Working Groups of the COMCEC in a bid to strengthen the intra-OIC trade and thus achieve the goals of the OIC Ten-Year Programme of Action so asto increase the share of intra-OIC trade in the overall trade to 25% by 2025.

ICDT organized several awareness-raising seminars on the importance of the TPS-OIC Agreement and its Protocols in the Gulf countries and North Africa including Saudi Arabia, Oman, Kuwait, Libya, Morocco, Burkina Faso with WAEMU in Istanbul for ECOcountries in collaboration with the COMCEC and the Office of Cooperation and

Integration of the IDB and recently in Suriname with the participation of Guyana in June 2015.

It would also be appropriate to further improve maritime connectivity among the OIC Member States through the creation of maritime lines between the African, Asian and Gulf Countries in order to better promote intra-OIC trade.

IV/ THE WORLD ECONOMIC PROSPECTS (2015-2016):

We may note that the economic difficulties of the developed countries also affect developing countries and economies in transition through weaker exports and increased volatility in capital flows and commodity prices. The major developing economies, however, are also facing domestic problems, and some countries including China are facing a decline in investments, resulting from funding constraints in sectors of the economy and excess production capacity.

In February 2015, the prices of commodities have fallen by 14%, anIMF data analysis of the exchange rate of advanced, emerging and developingcovering 30 years, indicates that the variation of the effective exchange rate has a significant impact growth on exports and imports. Thus, when the exchange rate of a country diminishes by 10%, it generates a rise in the real net exports by 1.5% of GDP. This effect varies according to the countries' economies. The recent fall in food prices is related to the abundance of crops.

Despite these factors, the IMF projections of October 2015 indicate that world growth is expected to reach 3.1% in 2015 (against 2.8% in 2014) and that, following the slight economic recovery combined with slower growth in emerging and developing countries and oil exporters. This low growth is due to the fall in the prices of commodities, capital flows to emerging markets and the increased volatility in financial markets. In fact this low growth is also explained by the effects of the crisis in recent years in developed countries namely, considerable public and private debt and fragile financial sector that impact negatively domestic production.

Furthermore, the acceleration in the advanced countries is mitigated by the slower growth in commodities countries exporting, in particular Canada and Norway, and Asia except for Japan (particularly Korea and the Taiwan Province of China).

In the first semester of 2015, in the United States and Canada, growth was weaker after a sharp drop in capital goods expenditures in the oil sector. In the euro area, the recovery was recorded in Italy and especially in Ireland and Spain thanks to the recovery in domestic demand. In the UK, the GDP rose by 2.25% and in Japan, a strong rebound in the first quarter was followed by a decline in activity in the second quarter. This should boost growth in 2016 to a level of 3.6%. In emerging and developing countries growth could be established respectively to 4% and 4.5% in 2015 and 2016.

According to the WTO, world trade should not exceed 2.8% growth in 2015 due to the reduction in demand of China, Brazil (financial crisis and decline in export prices) and other emerging countries combined with falling prices for commodities and exchange rates.

Between the 1st and 2ndquarter of 2015 a decline in growth was observed in developed countries in exports by 0.2%, but that of the developing countries was more noticeable and was around 1.9% while the developed country imports almost stagnated and that of developing countries underwent a reduction by 2.2%. In terms of volume, exports of

European countries increased by 2.7% followed by North American countries (+ 2.1%), African countries, CIS and the Middle East (+ 1%), the Asian countries (+ 0.6%) and Latin American countries (0.4%). For cons, the disparity of the import growth was significant between different regions: 6.5% in North America, 3.1% in Asia, 1.6% in Europe and 2.3% in America Latin and -3.1% in other regions.

This could encourage countries to make more efforts in 2016 and bring the growth rate to 3.9% according to the WTO. For this reason, world trade could also grow faster than expected, provided that the economic recovery in the euro area is supported through the monetary easing programrecently announced by the European Central Bank, which will increase the domestic demand area.

Thus, developed countries shipments could rise by 3% in 2015 and 3.9% in 2016, those of developing countries will increase from 2.4% in 2015 to 3.8% in 2016.

Imports from developed countries might increase from 3.1% in 2015 to 3.2% in 2016 and those of developing countries from 2.5% in 2015 to 5.2% in 2016 following an increase in domestic demand of these two groups and the easing of government expenditure, taking into account price fluctuations of commodities and exchange rates of the currencies of international trade transactions.

As the global economy is struggling to regain momentum in recent years, the OIC countries are not left behind because trends because they are also affected by the impacts of the economies of certain countries such as the US, EU countries, the NAFTA and Asian countries with whom they are linked by bilateral and multilateral agreements.

The economies of the OIC area also depend on fluctuating commodity prices and currency exchange rate during international commercial transactions but also on the FDIs flows of intra-euro area (OIC and development partners).

The variation of the growth rate of the OIC leading economies such as the United Arab Emirates, Saudi Arabia, Malaysia; Turkey, Indonesia, Iran, Qatar, Nigeria, Iraq and Kuwait directly impacts the world trade and intra-OIC Trade of these membercountries.

In view of this situation, the economies of the OIC countries may experience a growth thanks to the probable increase in the prices of petroleum products and certain food products in so far as some countries are endowed with considerable potential in these products, which could positively, impact other economic sectors such as services.

ANNEXES

Table 1 : Evolution of the OIC Member States' trade between 2005 and 2014
($US billion and in%)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Evolution 2013/2014	Evolution 2005/2014
World exports	980.73	1.190.46	1.395.31	1.891.14	1.329.35	1.680.77	2.122.48	2.261.77	2.215.79	2.149.80	**-2.98%**	119%
Intra-OIC exports	134.34	162.45	200.2	265.38	207.93	257.71	325.41	362.1	379.15	378.91	**-0.06%**	182%
Share	13.70%	13.65%	14.35%	14.03%	15.64%	15.33%	15.33%	16.01%	17.11%	17.63%	**3.01%**	29%
World imports	795.38	948.86	1.164.98	1.489.6	1.329.7	1.501.35	1.757.68	1.864.24	1.968.29	2.012.45	**2.24%**	153%
Intra-OIC Imports	137.11	170.91	220.4	285.65	218.83	281.29	356.17	389.58	396.98	423.34	**6.64%**	209%
Share	17.24%	18.01%	18.92%	19.18%	16.46%	18.74%	20.26%	20.90%	20.17%	21.04%	**4.29%**	22%
Volume of overall trade	**1.776.11**	**2.139.32**	**2.560.29**	**3.380.74**	**2.659.05**	**3.182.12**	**3.880.16**	**4.126.01**	**4.184.08**	**4.162.25**	**-0.52%**	**134%**
Net Intra-OIC Trade	**271.45**	**333.36**	**420.6**	**551.03**	**426.76**	**539**	**681.58**	**751.68**	**776.13**	**802.25**	**3.37%**	**196%**
Net Intra-OIC Trade	**135.73**	**166.68**	**210.3**	**275.52**	**213.38**	**269.5**	**340.79**	**375.84**	**388.07**	**401.13**	**1.91%**	**191%**
Share of intra-OIC trade	**15.47%**	**15.83%**	**16.63%**	**16.60%**	**16.05%**	**17.03%**	**17.80%**	**18.45%**	**18.64%**	**19.33%**	**3.71%**	**25%**

Source: DOTS IMF September2015and ITC, UNCTAD, WITS October 2015

Tableau 2: Exportations intra-OCI entre 2013 et 2014 en millions USD et en%

	2013			2014			
COUNTRY	TO OIC Countries (1)	Total Exports (2)	1/2 in%	TO OIC Countries (3)	Total Exports (4)	3/4 in%	الــــدول
AFGHANISTAN	270.16	603.45	44.77%	282.74	661.27	42.76%	أفغانستان
ALBANIA	118.19	2 331.52	5.07%	135.80	2 430.72	5.59%	ألبانيا
ALGERIA	6 880.85	65 998.14	10.43%	7 053.72	63 227.78	11.16%	الجزائر
AZERBAIJAN	4 561.99	23 904.11	19.08%	3 791.47	21 751.74	17.43%	أذربيدجان
BAHRAIN	4 189.73	36 183.10	11.58%	6 814.04	18 030.74	37.79%	البحرين
BANGLADESH	1 464.24	25 913.00	5.65%	1 640.99	30 238.40	5.43%	بنغلاديش
BENIN	391.03	866.42	45.13%	516.60	951.00	54.32%	بنين
BRUNEI	987.08	11 447.19	8.62%	1 012.12	10 508.83	9.63%	بروناي دار السلام
BURKINA FASO	262.20	669.92	39.14%	634.50	2 845.60	22.30%	بوركينا فاسو
CAMEROON	775.83	5 481.67	14.15%	790.16	5 907.16	13.38%	الكامرون
CHAD	40.52	2 785.58	1.45%	49.70	2 718.29	1.83%	تشاد
COMOROS	8.51	44.85	18.97%	4.25	38.88	10.93%	جزر القمــر
COTE D'IVOIRE	4 009.39	12 864.20	31.17%	4 225.26	12 837.30	32.91%	كوت ديفوار
DJIBOUTI	515.35	542.08	95.07%	521.35	554.72	93.98%	جيبوتي
EGYPT	12 408.70	33 802.10	36.71%	11 705.51	26 812.20	43.66%	مصر
GABON	144.98	9 562.30	1.52%	210.33	9 264.46	2.27%	الجابون
GAMBIA	4.96	124.35	3.99%	88.39	103.94	85.04%	غامبيا
GUINEA	45.83	1 862.17	2.46%	36.04	2 491.60	1.45%	غينيا
GUINEA BISSAU	74.74	216.24	34.56%	75.36	273.52	27.55%	غينيا بيساو
GUYANA	36.69	1 074.13	3.42%	27.62	1 147.49	2.41%	غويانـا
INDONESIA	23 109.14	182 551.75	12.66%	24 741.78	176 036.19	14.05%	أندونيسيا
IRAN	16 097.99	86 323.90	18.65%	16 033.28	86 297.10	18.58%	ايران
IRAQ	3 780.90	82 644.90	4.57%	3 487.04	79 540.40	4.38%	العراق
JORDAN	4 510.58	7 919.62	56.95%	4 498.36	8 385.33	53.65%	الأردن
KAZAKHSTAN	6 102.35	62 230.60	9.81%	6 615.82	78 236.72	8.46%	كازخستان
KUWAIT	12 287.30	99 243.00	12.38%	13 864.52	93 358.10	14.85%	الكويت
KYRGYZSTAN	876.37	1 130.86	77.50%	899.71	1 138.72	79.01%	قرقيزستان
LEBANON	2 634.35	3 937.07	66.91%	2 186.23	3 426.20	63.81%	لبنان
LIBYA	2 526.45	36 624.30	6.90%	1 948.25	19 805.90	9.84%	ليبيا
MALAYSIA	26 625.21	228 515.73	11.65%	24 052.71	234 134.98	10.27%	ماليزيا
MALDIVES	12.96	168.40	7.70%	1.79	144.84	1.23%	ماليديف
MALI	124.05	464.15	26.73%	148.42	464.13	31.98%	مالي
MAURITANIA	155.75	2 462.52	6.32%	259.58	2 139.81	12.13%	موريتانيا
MOROCCO	2 675.04	22 178.22	12.06%	3 093.05	23 599.40	13.11%	المغرب
MOZAMBIQUE	252.31	4 023.72	6.27%	246.70	4 725.33	5.22%	موزمبيق
NIGER	212.20	380.20	55.81%	355.86	1 049.68	33.90%	النيجر
NIGERIA	8 274.34	96 456.70	8.58%	8 340.18	93 793.60	8.89%	نيجريا
OMAN	11 984.36	55 497.13	21.59%	6 486.74	50 718.32	12.79%	عمان
PAKISTAN	9 352.02	26 552.60	35.22%	6 809.91	24 722.18	27.55%	باكستان
PALESTINE	59.64	88.89	67.09%	116.44	943.72	12.34%	فلسطين
QATAR	13 521.83	137 135.61	9.86%	14 440.86	131 591.55	10.97%	قطر
SAUDI ARABIA	47 752.23	348 925.00	13.69%	49 527.71	333 793.00	14.84%	العربية السعودية
SENEGAL	1 170.39	2 486.32	47.07%	1 460.86	2 813.66	51.92%	السنغال
SIERRA LEONE	34.76	1 656.43	2.10%	38.43	1 987.47	1.93%	سيراليون
SOMALIA	731.76	793.59	92.21%	699.11	782.15	89.38%	الصومال
SUDAN	1 790.94	7 086.22	25.27%	2 377.42	4 350.21	54.65%	السودان
SURINAME	218.96	1 110.91	19.71%	562.75	1 917.67	29.35%	سورينام
SYRIA	13 440.59	13 684.20	98.22%	12 455.83	12 691.90	98.14%	سوريا
TAJIKISTAN	673.72	938.21	71.81%	460.15	640.48	71.84%	طاجيكستان
TOGO	684.46	1 002.25	68.29%	695.35	1 180.80	58.89%	توغو
TUNISIA	2 662.79	17 060.47	15.61%	2 318.46	15 492.80	14.96%	تونس
TURKEY	50 105.98	151 868.55	32.99%	48 664.45	157 714.95	30.86%	تركيا
TURKMENISTAN	2 049.52	11 932.70	17.18%	2 098.83	12 402.70	16.92%	تركمنستان
U.A EMIRATES	70 502.19	266 178.00	26.49%	74 394.15	260 020.00	28.61%	الامارات العربية المتحدة
UGANDA	625.17	2 407.74	25.96%	344.07	1 939.02	17.74%	أوغندة
UZBEKISTAN	2 757.13	6 256.67	44.07%	2 733.96	5 516.25	49.56%	أوزبكستان
YEMEN	1 588.11	9 593.27	16.55%	1 834.65	9 512.23	19.29%	اليمن
TOTAL	**379 154.82**	**2 215 786.92**	**17.11%**	**378 909.38**	**2 149 803.14**	**17.63%**	**المجموع**

Tableau 3:Importations intra-OCI entre 2013 et 2014 en millions USD et en%

COUNTRY	2013			2014			الـــــــدول
	From OIC Countries (1)	Total Imports(2)	1/2 in%	From OIC Countries (3)	Total Imports(4)	3/4 in%	
AFGHANISTAN	3 784.00	8 437.41	44.85%	4 062.64	8 039.35	50.53%	أفغانستان
ALBANIA	495.43	4 880.59	10.15%	507.22	5 229.97	9.70%	ألبانيا
ALGERIA	6 269.39	54 909.97	11.42%	5 556.75	58 618.08	9.48%	الجزائر
AZERBAIJAN	2 253.39	10 763.39	20.94%	1 835.78	9 178.59	20.00%	أذربيدجان
BAHRAIN	5 090.50	13 500.90	37.70%	10 752.76	20 073.67	53.57%	البحرين
BANGLADESH	8 159.71	37 544.10	21.73%	8 645.75	41 635.10	20.77%	بنغلاديش
BENIN	1 472.11	8 784.55	16.76%	774.43	3 596.08	21.54%	بنين
BRUNEI	968.91	3 612.43	26.82%	865.76	3 598.74	24.06%	بروناي دار السلام
BURKINA FASO	863.23	2 657.93	32.48%	1 754.97	3 575.10	49.09%	بوركينا فاسو
CAMEROON	1 464.88	7 203.56	20.34%	1 824.76	7 872.96	23.18%	الكامرون
CHAD	416.74	1 419.19	29.36%	1 955.47	3 116.90	62.74%	تشاد
COMOROS	88.71	256.60	34.57%	134.25	306.98	43.73%	جزر القمـــر
COTE D'IVOIRE	3 493.72	11 270.70	31.00%	3 677.64	12 231.60	30.07%	كوت ديفوار
DJIBOUTI	1 487.30	3 968.07	37.48%	1 514.37	4 237.86	35.73%	جيبوتي
EGYPT	14 989.04	72 947.60	20.55%	14 367.20	71 337.74	20.14%	مصر
GABON	1 342.12	4 957.54	27.07%	1 431.06	4 947.35	28.93%	الجابون
GAMBIA	333.42	1 112.17	29.98%	148.78	387.20	38.43%	غامبيا
GUINEA	542.14	3 582.86	15.13%	702.73	6 590.06	10.66%	غينيا
GUINEA BISSAU	120.34	370.17	32.51%	110.58	456.70	24.21%	غينيا بيساو
GUYANA	56.62	1 740.95	3.25%	50.05	1 744.89	2.87%	غـويانـا
INDONESIA	34 005.15	186 628.63	18.22%	31 772.81	178 179.34	17.83%	أندونيسيا
IRAN	39 874.80	84 078.60	47.43%	49 385.06	105 047.00	47.01%	ايران
IRAQ	25 978.84	51 710.50	50.24%	25 757.93	51 455.00	50.06%	العراق
JORDAN	7 595.07	21 549.02	35.25%	8 162.79	22 740.26	35.90%	الأردن
KAZAKHSTAN	3 055.90	54 710.10	5.59%	3 190.94	41 212.84	7.74%	كازخستان
KUWAIT	6 857.68	27 336.60	25.09%	8 826.54	31 634.50	27.90%	الكويت
KYRGYZSTAN	1 537.63	10 708.50	14.36%	1 604.07	10 597.10	15.14%	قرقيزستان
LEBANON	4 335.47	21 234.21	20.42%	3 990.90	21 530.10	18.54%	لبنان
LIBYA	7 296.34	25 936.30	28.13%	5 722.63	19 226.00	29.77%	ليبيا
MALAYSIA	20 727.01	206 250.86	10.05%	21 851.53	208 823.43	10.46%	ماليزيا
MALDIVES	487.77	1 421.11	34.32%	767.83	1 992.75	38.53%	مالديف
MALI	960.25	3 977.34	24.14%	1 108.29	4 254.71	26.05%	مالي
MAURITANIA	1 088.72	3 978.49	27.37%	1 008.02	3 641.76	27.68%	موريتانيا
MOROCCO	8 641.54	45 615.66	18.94%	8 212.24	45 611.30	18.00%	المغرب
MOZAMBIQUE	2 028.99	10 099.15	20.09%	1 574.56	8 743.07	18.01%	موزمبيق
NIGER	580.73	1 752.65	33.13%	458.79	2 151.09	21.33%	النيجر
NIGERIA	5 050.84	63 555.40	7.95%	5 419.17	67 114.70	8.07%	نيجريا
OMAN	16 232.48	34 331.19	47.28%	13 370.68	29 303.10	45.63%	عمان
PAKISTAN	23 380.41	53 937.90	43.35%	20 725.08	47 544.89	43.59%	باكستان
PALESTINE	281.68	687.84	40.95%	618.66	5 683.20	10.89%	فلسطين
QATAR	5 563.77	27 092.26	20.54%	6 702.11	30 447.66	22.01%	قطر
SAUDI ARABIA	21 042.06	160 313.00	13.13%	24 767.63	169 966.00	14.57%	العربية السعودية
SENEGAL	1 481.96	6 065.55	24.43%	1 454.47	6 556.66	22.18%	السنغال
SIERRA LEONE	265.45	1 460.94	18.17%	258.94	1 362.62	19.00%	سيراليون
SOMALIA	1 013.76	1 946.56	52.08%	1 277.39	2 514.05	50.81%	الصومال
SUDAN	3 548.96	9 918.07	35.78%	3 372.51	9 211.30	36.61%	السودان
SURINAME	212.56	2 290.88	9.28%	26.42	1 826.73	1.45%	سورينام
SYRIA	13 767.73	17 906.40	76.89%	15 464.48	19 774.90	78.20%	سوريا
TAJIKISTAN	1 489.16	4 942.20	30.13%	1 511.32	5 835.14	25.90%	طاجيكستان
TOGO	337.08	2 002.18	16.84%	580.37	6 822.84	8.51%	توغو
TUNISIA	4 296.48	24 266.40	17.71%	3 164.94	24 552.80	12.89%	تونس
TURKEY	32 074.24	251 650.56	12.75%	29 116.84	242 223.96	12.02%	تركيا
TURKMENISTAN	3 721.85	9 682.94	38.44%	4 061.43	9 785.04	41.51%	تركمنستان
U.A. EMIRATES	34 577.18	249 917.00	13.84%	47 319.11	273 283.00	17.32%	الامارات العربية المتحدة
UGANDA	994.02	5 817.51	17.09%	1 116.47	4 737.42	23.57%	أوغندة
UZBEKISTAN	2 654.57	14 248.50	18.63%	2 780.37	15 045.30	18.48%	أوزبكستان
YEMEN	6 255.04	15 348.70	40.75%	6 164.69	15 247.70	40.43%	اليمن
TOTAL	**396984.89**	**1968290.37**	**20.17%**	**423340.95**	**2012454.17**	**21.04%**	**المجموع**