ANNUAL REPORT ON TRADE BETWEEN

THE OIC MEMBER STATES

2014-2015

EXECUTIVE SUMMARY

PRESENTED BY

THE ISLAMIC CENTRE FOR DEVELOPMENT OF TRADE

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I/ RECENT DEVELOPMENTS OF THE WORLD TRADE:

The world economy has experienced in recent years a mixed growth. In advanced economies, volatility in interest rates in the long term and in financial markets has increased. Sovereign spreads' rates of the peripheral countries of the Euro zone have shrunk again after a period of steady decline. Emerging countries have generally been most affected: the recent increases in interest rates in advanced economies and the volatility of asset prices, combined with a weakening in domestic activity led to capital outflows, fall in share prices, increases in local yields and currency depreciations.

Despite these factors, the IMF projections for October 2014 indicate that the world economy would grow by 3.3% in 2014 (against 3.2% in 2012 and 3% in 2013) and 3.8% in 2015 following the accelerated growth of the economies of developed countries, such as the USA, some European countries and Japan. However this growth is still boosted by emerging and developing countries such as China, Africa and Latin America. In fact, it is supported by the inventory correction in the USA and measures taken by the government in China. Despite this trend, geopolitical risks especially, in the Middle East and Ukraine may cause the rise in oil prices coupled with rising interest rates in the long term in the USA and infrastructure deficit in some emerging countries and mitigate this growth between 2014 and 2015.

At regional level, trade in emerging and developing economies were less dynamic in 2012 and 2013, affected by the difficulties experienced by some emerging countries: the IMF expects a growth in imports by 4.7% in 2014, one point less than in the previous two years (5.7% in 2012 and 2013). These figures remain far below the pace experienced before the crisis, with annual growth rates between 12% and 16% over the 2003-2007 period. Thus, the contribution of the developed economies growth in world trade would be in net progression, reflecting the recovery in this area, with a 3.5% growth rate forecast by the IMF for imports (from 1.4% in 2013) and 2.4% for exports.

Despite this contribution, the growth of trade is hardly recovering because of the combination of a sluggish import demand in developed economies (-0.2%) and moderate import growth in Developed economies (4.4%). With respect to exports, developed and developing economies have shown only modest increases (1.5% for developed economies and 3.3% for developing economies).

Thus, in 2013, the value of world commodity exports increased by 2.1% and reached US$ 18.800 billion dollars and those of commercial services increased by 5.5% and reached 4.600 billion US$. The growth of the world commodity exports in current dollars was almost equal to that of export volumes, as prices of traded commodities measured by unit values remained virtually unchanged from one year to another.

It should be recalled that the world commodity trade volume rose by 2.1% in 2013, which is very close to the 2.3% increase recorded in 2012.

The growth rate of transport services was lower than that of world exports of commercial services 2%, while travel services increased by 7% and other commercial services by 6%. The commercial services accounted for 20% of world commodity trade and commercial services in 2013, i.e. 1% more than in 2012.

Trade forecasts for 2014 are based on an assumption of a 3.0% growth in global GDP at market exchange rates, and those for 2015 suppose a production growth by 3.1%.

In fact, exports of developed economies have grown more slowly than the world average by 1.5%, while those of developing countries grew faster than average by 3.3%. The imports of developed economies experienced a slight decline by -0.2%, while those of developing and the CIS economies increased by 4.4% (WTO, April 2014).

In 2013, Asia recorded a better export growth by about 4.6%, followed by North America (2.8%), Europe (1.5%), the Middle East (1.5%), South and Central America (0.7%), the Commonwealth of Independent States (0.7%) and Africa (3.4%). Indeed, export growth in Asia has been slowed by Japan, whose exports fell down by 1.8%. On the contrary, the exports of China and India rose by 7.7% and 6.7%. Also, some oil exports of African countries have experienced a reduction, such as Libya (-27%), Nigeria (-11%) and Algeria (-7%).

Moreover, imports increased in Asia by (4.4%), Middle East (4.4%), Africa (4.0%), South and Central America (2.5%), in North America (1.2%) and the Commonwealth of Independent States (1.1%). India has recorded a fall of 2.9% in imports due to an economic slowdown, while Chinese purchases abroad jumped by nearly 10%.

II/ TRENDS OF THE FOREIGN TRADE OF THE OIC MEMBER STATES:

- **Foreign Trade:**

Since the implementation of the Ten-Year Programme of Action (TYPOA) in December 2005 by the OIC Institutions in collaboration with international development partners, the trade of the OIC Member States has continued to grow from 2.66 trillion US$ in 2005 to 4.18 trillion US$ in 2013 i.e. 136%. This is partly explained by the soaring of traded products, notably hydrocarbons as well as by the increase of projects financed by the IDB Group (ITFC, ICIEC, ICD...), trade promotion and trade facilitation activities of ICDT, COMCEC, ICCIA and capacity building in the economic and commercial fields implemented by the OIC Institutions namely: SESRIC, ICDT, ICCIA and IDB Group in collaboration with UN agencies (UNDP, ITC, UNCTAD, UNIDO, UNWTO, WTO...) and the private sector of Member States.

Between February 2009 and September 2014, the Consultative Group for Enhancing intra-OIC Trade has completed approximately 1,012 activities and projects of which 72 percent were fully implemented for the benefit of the OIC countries in the fields of capacity building, trade facilitation, trade promotion, trade financing and exports credit insurance and guarantee and the development of strategic products.

Many Member States have also invested in trade facilitation in terms of road and airport infrastructure such as Malaysia, the United Arab Emirates, Saudi Arabia, Bahrain, Qatar, Oman, Tunisia, Turkey, Azerbaijan and Morocco. In addition, other countries have also improved their maritime connectivity by more than 20% between 2010 and 2013, namely: Maldives, Yemen, Lebanon, Iraq, Libya, Guinea, Jordan, Mozambique, Benin and Egypt.

Thus, trade in the OIC Member States accounted for 11.34% of world trade in 2013. The players of world trade of the OIC Member States in 2013 are: the United Arab Emirates

(US$ 516.1 billion, i.e. 12.3% of global trade of the OIC countries), Saudi Arabia (US$ 509.2 billion, i.e. 12.2%), Malaysia (US$ 434.8 billion, i.e. 10.4%), Turkey (US$ 403.5 billion, i.e. 9.6%), Indonesia (US$ 369.2 billion, i.e. 8.8%), Iran (US$ 170.4 billion, i.e.4.1%), Qatar (US$ 164.2 billion, i.e. 3.9%), Nigeria (US$ 160 billion, i.e. 3.8%), Iraq (US$ 134.4 billion, i.e. 3.2%) and Kuwait (US$ 126,6 billion, i.e. 3%). These ten countries accounted for 71.4% of world trade in the OIC Member States in 2013.

The main products covered by the world trade of Member States in 2013 are: miscellaneous manufactured goods (29%), mineral fuels (25%), machinery and transport equipment (16%), food products (16%), chemicals (8%) and inedible crude materials (7%).

- **Exports:**

The global exports of the OIC Member States recorded a decrease by 2%, they fell from US$ 2.26 trillion in 2012 to US$ 2.22 trillion in 2013, i.e. a reduction of about $US 46.7 billion. This decrease is due to the contraction of world exports of some following countries:

- **Kazakhstan** (- US$ 23.22 billion, i.e. a 27.2% decline between 2012 and 2013 due to lower inter alia, exports of iron and steel (-US$ 2.7 billion, i.e. -45%), mineral fuels (US$ -1.9 billion, i.e. 3%), copper (-US$ 883.4 million, i.e. -23.4%), precious stones (US$ -774.6 million, i.e. -41%), inorganic chemicals (-US$ 398 million, i.e. -11.3%) and cereals (US$ -377.6 million, i.e. -22.3%);
- **Saudi Arabia** with a contraction of US$ 17 billion, i.e. -4.7% due to a decrease in the exports of mineral fuels estimated at US$ 25.4 billion, i.e. -7.5% of organic chemicals (-US$ 2.8 billion, i.e. -21.5%), plastic materials and by-products (US$ -1.7 billion, i.e. -11.1%), items in cast iron, iron and steel (-US$ 651, i.e. 9 million, -57.8%) and pearls (-US$ 413.5 million, i.e. -44.3%);
- **Iran** which experienced a decrease in its exports by about 15.8%, i.e. US$ 16.2 billion due to a reduction in the exports of mineral fuels by US$ 19.5 billion, i.e. -28.4% followed by fertilizers (-US$ 287.5 million; i.e. -26%), ores (-US$ 283.5 million; i.e. -11.5%); iron; iron and steel (-US$ 275 million; i.e. -25.5%) and organic chemicals (US$ -256 million; i.e. -8.1%);
- **Libya** whose exports fell by 29.2% equivalent to US$ 15 billion due among others to a decline in its exports of mineral fuels US$ 16.8 billion, i.e. -29%, cast iron, iron and steel (13 million US$; i.e. -10.9%), pearls (-US$ 7.9 million, i.e. -14%), salt, sulphur, plaster and cement (-US$ 5 million, i.e. -23. 9%);
- **Nigeria** recorded a reduction in its exports by 8.7%, i.e. a value of US$ 9.2 billion related to a decrease in the exports of mineral fuels estimated at US$ 27 billion, i.e. -22.4%, rubber and by products (-US$ 10 billion, i.e. -98.4%), cocoa and by products (-US$ 3.1 billion, i.e. -81.1%), materials of sea or river navigation (-US$ 1.5 billion, i.e. -87.7%), skins (--US$ 863.6 million, i.e. -76.3%), cotton (-US$ 381.6 million, i.e. -84.4%) and oil seeds and oleaginous fruits (-US$ 221.2 million, i.e. -43.8%).

Other countries such as Indonesia, Algeria, Kuwait, Iraq and Gabon have experienced a significant decline in global exports between 2012 and 2013 due to changes in market prices of commodities such as fuel and food and mining products experienced at international level.

The main products exported by Member States are: mineral fuels (34%), miscellaneous manufactured goods (31%), food products (15%), inedible crude materials, (9%), machinery and transport equipment (6%) and chemicals (5%).

- **Imports:**

World imports of the OIC Member States recorded in 2013 worth US$ 1.97 trillion against US$ 1.86 trillion in 2012, i.e. an increase by 5.6% due to the increase in global imports of the following countries:

- ✓ **Kazakhstan** (+US$ 28 billion, i.e. 104.5% due to the increase in imports of cars, tractors and cycles of about US$ 1.1 billion, i.e. +33.7%, publishing products, press and printing industry (+US$ 826.5 million; i.e.+ 187.5%), works in cast iron, iron and steel (+742.2 million US$, i.e. +21.1%) and mineral fuels (-US$ 621.8 million, i.e. 12.9%), and machinery and boilers (+451.4 million US$, i.e. +6.63);
- ✓ **Turkey** (+US$ 15.1 billion, 6.4% due to an increase in the imports of pearls +US$ 7.7 billion i.e. 90.2% +, machinery and boilers (+3.8 billion US$, i.e. 14.6%), cars, tractors and bicycles (+US$ 2.3 billion, i.e. 15.8%), machinery and electrical appliances (+US$ 1.5 billion, + i.e. 9.1%), and plastic materials and products (+US$ 1.4 billion, i.e. +11%) ;
- ✓ **UAE** (+US$ 13 billion, i.e. 5.5% due to the significant increase in imports of cars, tractors and bicycles (+US$ 1.5 billion, i.e. +10.1%), sea or river navigation equipment (+977.4 million US$; i.e. +77.2%), pharmaceuticals (+US$ 725.7 million, i.e. +41.8%), furniture and, medical and surgical equipment (+US$ 589.2 million, +19.6%) and plastic products (+US$ 367.6 million, +11.2%);
- ✓ **Malaysia** (US$ +9.4 billion, 4.8% due to the increase in imports of oil by 20% i.e. approximately +US$ 5.5 billion followed by copper and by-products (+US$ 2.2 billion, i.e. +64%), equipment for aeronautical or space navigation (+US$ 1.2 billion, i.e. +29.1%), machinery and electrical appliances (+US$ 1 billion, +2.1%) and nickel and nickel products (+705 million US$; i.e. +103.3%);
- ✓ **Saudi Arabia** (+US$ 9.4 billion i.e. a 6.3% growth between 2012 and 2013 due to an increase in the imports of Aircraft or spacecraft equipment (+US$ 3.9 billion; i.e. +263%), furniture and surgical equipment (+US$ 1.1 billion, i.e. +54%), clothing and accessories (+US$ 1.1 billion, i.e. +124%) and ceramic products (+US$; 470.4 million; i.e. +47.8%).

In addition, other OIC countries also experienced an increase in their global import between 2012 and 2013, namely: Iraq, Nigeria, Libya, Egypt, Algeria, Bangladesh, Oman, Uzbekistan and Kuwait.

The main products imported by Member States are: miscellaneous manufactured products (27%), machinery and transport equipment (26%), mineral fuels (16%), food products (16%), chemicals (10%) and inedible raw materials (5%).

- Recent trends of trade in services of the OIC Member States:

According to data compiled from the website of the WTO in September 2014, trade in services (exports+imports) of the OIC Member States accounted for 8.7% of the world trade in services in 2013, i.e. US$ 796 billion, an increase by 9.4% compared to 2012 due to growth in the services of IT, travel, construction, recreational, cultural, transport and insurance sectors during this period. Trade in services of Member States accounted for 19% of global trade of the OIC countries in 2013.

The structure of trade in services of the OIC Member States in 2013 was as follows: transportation (33%), travel services (32%), business services (14%), government services (7%), construction services (3%), communication (3%), insurance (3%), financial

(2%) and IT, personal, cultural, recreational services, licensing, royalties and audiovisual rights (3%).

The main actors of the OIC countries in trade in services (debits + credits) in 2013 are: **Saudi Arabia**, which totalled US$ 88.3 billion of this trade, i.e. 11.4% of trade in services in the OIC Member States countries, followed by the **UAE** (US$ 88.2 billion, i.e. 11.3%), **Malaysia** (US$ 85.1 billion, i.e. 10.9%), **Turkey** (US$ 71 billion, i.e. 9.1%), **Indonesia** (US$ 57.2 billion, i.e. 7.4%), **Qatar** (US$ 38.7 billion, i.e. 5%), **Egypt** (US$ 34.7 billion, i.e. 4.5%), **Lebanon** (US$ 34.4 billion, i.e. 4.4%), **Kuwait** (US$ 27.4 billion, i.e. 3.5%), and **Nigeria** (US$ 24.6 billion, i.e. 3.2%), these ten countries showed 70.7% of total trade in services of the OIC Member States in 2013.

According to data from the World Bank in April 2014, the transfer of migrants' funds of the OIC Member States increased from 121.9 billion US dollars in 2012 to 123 billion US dollars in 2013, representing a slight increase by 0.9% following a significant drop in remittances to Egypt, Bangladesh, Albania and Qatar during this period.

The main countries, which accounted for more than 80% of these transfers are: Nigeria (US$ 21 billion), Egypt (US$ 17.5 billion), Pakistan (US$ 14.6 billion), Bangladesh (US$ 13.8 billion), Indonesia (US$ 7.6 billion), Lebanon (US$ 7.2 billion), Morocco (US$ 6.6 billion),Tajikistan (US$ 4 billion), Jordan (US$ 3.7 billion) and Tunisia (US$ 2.3 billion).

III/ RECENT DEVELOPMENTS OF THE INTRA-OIC TRADE:

Given the context of world trade, the volume of trade among the OIC Member States (intra-OIC exports + intra-OIC) has increased considerably since the implementation of the Ten-Year Programme of Action (2005-2015) of the OIC, rising from US$ 271.45 billion in 2005 to US$ 776.13 billion in 2013, i.e. an increase by 186%.

Despite the effects of the international economic crisis, Member States tend to increase their intra-Community trade thanks to geographic proximity, the existence of bilateral and regional agreements, the similarity in consumption patterns, regional complementary and efforts aiming at boosting trade promotion, trade financing, insurance and export credit guarantee and trade facilitation actions of the Consultative Group but also thanks to the implementation of the Strategy of the COMCEC.

Thus, the share of intra-OIC trade in total trade of Member States rose from 15.50% in 2005 to 18.64% in 2013, i.e. an increase by 21%.

The main actors of intra-OIC trade in 2013 are: The **United Arab Emirates** (US$ 105.1 billion, i.e. 13.5% of intra-OIC trade), **Turkey** (US$ 82.2 billion, i.e. 10.6%), **Saudi Arabia** (US$ 68.8 billion, i.e. 8.8%), **Indonesia** (US$ 57.11 billion, i.e. 7.4%), **Iran** (56 billion US$, i.e. 7.2%), **Malaysia** (US$ 47.4 billion, i.e. 6.1%), **Pakistan** (US$ 32.7 billion, i.e. 4.2%), **Iraq** (US$ 29.8 billion, i.e. 3.8%), **Oman** (US$ 28.2 billion, i.e. 3.6) and **Egypt** (US$ 27.4 billion, i.e. 3.5%). These ten countries accounted for 69% of intra-OIC trade in 2013.

At regional level, the intra-OIC trade was dominated in 2013 by the Gulf countries, which accounted for 32.2% followed by Asia (31.1%), the Middle East (25%), 'Sub-Saharan Africa countries (6.2%) and the AMU countries (5.5%).

The main products traded between the OIC Member States in 2013 are: miscellaneous manufactured goods (31%), mineral fuels (21%), food products (17%), machinery and transport equipment (15%), chemicals (12%) and inedible raw materials (4%).

Between 2005 and 2013, about 33 countries have achieved the threshold of 20% of intra-OIC trade advocated by the Ten-Year Programme of Action (TYPOA), these are in descending order: **Syria** (87.55% of its trade was carried out with the OIC countries), **Somalia** (72.14%), **Djibouti** (66.28%), **Palestine** (54.02%), **Tajikistan** (50.97%) **Jordan** (46.10%), **Kyrgyzstan** (45.93%), **Afghanistan** (44.81%), Niger (44.47%), **Lebanon** (43.66%), **Togo** (42.56%), **Pakistan** (39.28%), **Burkina Faso** (35.81%), **Senegal** (35.75%), **Oman** (34.44%), **Guinea Bissau** (33.54%), **Iran** (33.04%), **Uzbekistan** (31.35%), **Côte d'Ivoire** (31.08%), **Benin** (30.94%), **Sudan** (30.53%), **Yemen** (28.65%), **Egypt** (28.63%), **Turkmenistan** (27.81%), **Iraq** (27.41%), **Comoros** (26.77%), **Mali** (25.43%), **Bahrain** (24.64%), **Turkey** (22.87%), **Uganda** (21.53%), **Maldives** (21.01%), **UAE** (20.16%) and **Azerbaijan** (20.01%).

Thus, these countries and the rest of the Member States should invest more in the area of capacity building, participation in fairs, international fairs and business forums, including those organized by ICDT but they should also reduce their procedure of foreign trade and intra-OIC investment in a bid to boost trade between Member States. Furthermore, diversification of exportable supply is a necessity for developing intra-OIC foreign trade and investment. It is also important that the OIC Member States participate actively in the activities of the Consultative Group for enhancing intra-OIC trade and the COMCEC projects within the framework of the Project Management Cycles (PCM).

- **Intra-OIC exports:**

Between 2005 and 2013, intra-OIC exports almost tripled from US$ 134.3 billion in 2005 to US$ 379.15 billion, an increase of 182%. Between 2012 and 2013, the increase was about 5.4% due to the increase in intra-OIC exports of the following countries:

- ✓ Qatar (+US$ 8.4 billion, i.e. 163% increase in intra-OIC exports between 2012 and 2013 and this is due to the growth in the exports of plastic products, organic chemicals, cars, tractors and cycles, inorganic chemicals, electrical machinery and apparatus);
- ✓ Malaysia (+US$ 4.4 billion corresponding to an increase by 17.6% due to the increase in its oil exports to the OIC countries, machinery and boilers, pearls, cast-iron, iron and steel works, preparations made of cereals, aluminium articles);
- ✓ Oman (+US$ 3.4 billion or 39.5% due to the increase in its intra-OIC exports of mineral fuels, ores, iron and steel, machinery and electric appliances aluminium articles; dairy products, and salt, and sulphur cement);
- ✓ Egypt (+US$ 1.1 billion, i.e. an improvement by 9.6% due to the increase in intra-OIC exports of plastic products, cast iron, iron and steel, machinery and electric appliances, fruit and vegetables, dairy products and furniture and surgical equipment);
- ✓ Algeria (+US$ 932.2 million, an increase by 15.7% due to the increase in its intra-OIC exports of mineral fuels, sugar and candy, drinks, vegetables, fertilizers and cereals preparations);

Furthermore, there is a significant growth in intra-OIC exports of Syria, the United Arab Emirates, Côte d'Ivoire, Jordan and Saudi Arabia ranging between US$ 500 million and US$3 billion between 2012 and 2013.

The major exporters to the OIC Member States in 2013 are: the United Arab Emirates (US$ 70.5 billion corresponding to 18.6% of intra-OIC exports in 2013), Turkey (US$ 50.1

billion, i.e. 13.2%), Saudi Arabia (US$ 47.8 billion, i.e. 12.6%), Malaysia (US$ 26.6 billion, i.e. 7%), Indonesia ($ 23.1 billion US, i.e. 6.1%), Iran (US$ 16.1 billion, i.e. 4.3%), Qatar (US$ 13.5 billion, i.e. 3.6%), Syria (US$ 13.4 billion; i.e. 3 5%), Egypt (US$ 12.4 billion, i.e. 3.3%) and Kuwait (US$ 12.3 billion, i.e. 3.2%). Thus, these ten countries accounted for 75.4% of total intra-OIC exports in 2013. Besides, intra-OIC exports accounted for 17.11% of total exports of Member States in 2013.

The main products exported between Member States of the OIC in 2013 are: manufactured goods (27% of intra-OIC exports), fuel (21%), food products (18%), chemicals (17%), machinery and transport equipment (14%) and non-edible raw materials (3%).

- **Intra-OIC Imports:**

Intra-OIC imports more than doubled in a period of eight years, from US$ 171 billion in 2005 to about US$ 397 billion in 2013. Between 2012 and 2013, they rose by 1.9% due to an increase in intra-OIC imports of the OIC following Member States:

- ✓ Oman (+US$ 5 billion, i.e. a 44.2% growth in intra-OIC imports of among others, mineral fuels, machinery and boilers, electrical appliances, cast iron, iron and steel, fine pearls, and inorganic chemicals);
- ✓ Indonesia (+US$ 3 billion, 9.9% due to the increase in intra-OIC imports of mineral fuels, plastic products, machinery and boilers, cotton, chemicals and food preparations;
- ✓ Mozambique (+US$ 1.5 billion, i.e. 355% due to the significant increase in intra-OIC imports of mineral fuels, animal fats and vegetable oils, cereals, machinery and boilers; salt, sulphur and cement and plastic products);
- ✓ Algeria (+US$1.4 billion, i.e. 29.2% due to the increase in intra-OIC imports of plastic items, cars, tractors and cycles; pearls, machinery and electrical items, and cast-iron, iron and steel works);
- ✓ Egypt (+US$ 714 million, i.e. 5% due to the growth of intra-OIC vegetable fats and oils and animal imports, machinery and boilers, pearls, cotton, electrical appliances, and fruit).

Other OIC countries also recorded a substantial increase in their intra-OIC imports between 2012 and 2013, including: Syria, Gabon, Libya and Morocco.

It should be noted that the intra-OIC imports accounted for 20.17% of total imports of Member States in 2013.

Moreover, the main importing countries of the OIC zone in 2013 are: **Iran** (US$ 39.9 billion, i.e. 10% of intra-OIC imports), the **UAE** (US$ 34.6 billion, 8.7%), **Indonesia** (US$ 34 billion, i.e. 8.6%), **Turkey** (US$32.1 billion, i.e. 8.1%), **Iraq** (US$ 26 billion, i.e. 6.5%), **Pakistan** (US$ 23.4 billion, i.e. 5.9%), **Saudi Arabia** (US$ 21 billion, i.e. 5.3%), **Malaysia** (US$ 20.7 billion, i.e. 5.2%), **Oman** (US$ 16.2 billion, i.e. 4.1%) and **Egypt** (US$ 15 billion, i.e. 3.8%). Thus, this top ten recorded 66.2% of intra-OIC imports in 2013.

The main products imported from the OIC Member States are the miscellaneous manufactured products with 34% of intra-OIC imports followed by mineral fuels with 21%, food products (16%), machinery and transport equipment (14%), chemicals (11%) and raw materials, inedible (4%).

IV/ OBSTACLES TO INTRA-OIC TRADE DEVELOPMENT:

Despite considerable efforts at the OIC level and by Member States to promote intra-OIC trade and eliminate bottlenecks, many obstacles still exist, notably:

- Problems of market access: tariff, para-tariff and often non-tariff obstacles; especially, the complexity of establishing rules of origin; difficulties of enterprises in complying with international standards and lack of mutual recognition of standards; the lack of agreement with the national and regional procedures; the administrative burden on cross-border positions especially during customs clearance; the existence of illegitimate inspections of cargo truck drivers; visa problems of businessmen; the existence of licenses and the export ban; the control of products quantities; The lack of the implementation of the commitments included in regional economic cooperation texts and lack of information on the regulatory framework of trade facilitation; mismatches of working days and working hours at border crossings; and lack of intra-regional trade regulatory instruments.
- Barriers at the level of logistics infrastructure, transport, weak or unsuitable support services to international trade;
- Existence of a non-diversified exportable supply and not adapted to the norms and standards of the markets;
- Lack of information on markets and business opportunities, despite the efforts of ICDT and the other OIC Concerned Institutions on the subject;
- Limited meeting opportunities and promotion of domestic production in other OIC markets;
- Complexity of administrative procedures related to foreign trade at the level of customs, banks, ports, etc. ...;
- Lack of managers and technicians specialized in international trade;
- Inadequate and insufficient financing instruments especially, for the benefit of SME-SMI.

- **Obstacles to exports:**

According to the survey conducted by ICDT at the level of exporters, the main obstacles to the development of intra-OIC exports are: the cost of developing new markets, foreign exchange risks, the cost or supply of labour, the regulation of foreign government, the collection of information on Member States' markets, getting licenses or bonds and local partners.

- **Obstacles to imports:**

The main obstacles reported are: the risk of not having authorizations from the Foreign Exchange service and obtaining bank guarantees to carry out imports followed by political and commercial risks, quality standards, sanitary and phytosanitary measures, customs valuation and customs procedures, obtaining import licenses and safeguards measures and rules of origin.

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

- The electronic submission and processing of commercial 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, Mauritania, Morocco, Mozambique, Nigeria, Uganda, Qatar, Syria, Senegal, Sierra Leone, Sudan, Togo, Tunisia and Turkey;

- The establishment of National Single Windows : Benin, Burkina Faso (in progress), Cameroon, Côte d'Ivoire, United Arab Emirates, The Gambia, Indonesia, Jordan, Malaysia, Mali (in progress); Morocco, Mozambique, Uganda (in progress), Pakistan, Qatar, Syria, Senegal, Tunisia and Turkey;
- The improvement of logistics performance index by more than 10% between 2010 and 2014: Qatar, Burkina Faso, Morocco, Guinea Bissau, Maldives, Egypt, Algeria, Pakistan, Indonesia and Mali;
- The improvement of the customs performance by more than 20% between 2010 and 2014: Qatar, Pakistan, Algeria, Egypt, Comoros, Maldives, Guinea-Bissau, Tajikistan, Guyana, Niger and Azerbaijan;
- The 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;
- Improvement of the distance to the border of over 10% between 2010 and 2014: Guinea, Togo, Uzbekistan Guinea Bissau, Benin, Côte d'Ivoire, Chad, Sierra Leone, Niger; Senegal; Djibouti; Burkina Faso; The Gambia, Suriname;, Nigeria and Mali;
- Improvement of maritime connectivity rate for countries with coastline by more than 10% between 2010 and 2014: Maldives, Bahrain, Yemen, Turkey, Lebanon, Togo, Sudan, Morocco, Egypt, Somalia, Jordan, Libya, Nigeria, Cote d'Ivoire, Iraq, Suriname, Saudi Arabia, Comoros; Malaysia; Tunisia, Syria, Guinea Bissau, Cameroon, Bangladesh, Mozambique, Indonesia, and Mauritania.

Indeed, thanks to these achievements some countries recorded a reduction in their trade costs according to Doing Business between 2010 and 2014 as follows:

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

Furthermore, the implementation of the PRETAS and the establishment of a single market window of the OIC Member States under the aegis of the Consultative Group and an observatory of Non Tariff Barriers at ICDT will allow mitigating barriers to intra-OIC trade. It would also be appropriate that the OIC Member States actively take part in the activities of the Consultative Group and the Working Groups of the

COMCEC for enhancing intra -OIC trade in order to achieve the objectives of the OIC Ten-Year Programme of Action, which consists of raising the share of intra-OIC trade in the overall trade to 20% by 2015. ICDT organized several awareness-raising seminars on the importance of the TPS-OIC Agreement and its protocols in the Gulf and North African countries, including Saudi Arabia, Oman, Kuwait, Libya, Morocco, Burkina Faso with the WAEMU and soon it will hold seminars on the same topics in Istanbul for ECO countries in collaboration with the COMCEC and the Cooperation and Integration Office of IDB.

V/ ECONOMIC PROSPECTS (2014-2016):

It can be noted that the economic problems of developed countries also affect developing countries and economies in transition through the weakening of their exports and the increased volatility of capital flows and commodity prices. Large developing economies, however, are also facing internal problems, and some countries, including China face a decline in investment, financing constraints in some sectors of the economy and a surplus production capacity.

It also should be noted that the growth of the world trade has been modest than expected in the first quarter of 2014, falling from an annual rate of 3.75% in the second half of 2013 to 2.75% due to the decline in the economic activity in Japan as well as Germany, Spain and the United Kingdom during this period.

Thus, the slowdown can be explained among others, by an excess inventory at the end of 2013 in the United States, which was absorbed by the harsh winter and has accordingly boosted demand, exports and production in the first quarter of 2014. In China, the decline in domestic demand was stronger than expected, due to the efforts of the authorities to control the expansion of credit and the real estate market correction. The activity slowed sharply in Russia, as geopolitical tensions have further weakened demand. In other emerging countries, growth was weaker than expected, both due to the decline in external demand of the United States and China that have experienced a slowdown in domestic demand and the decline in the investment. On the other hand, the long term interest rates continued to decline in developed countries due to the forecasting of a neutral leading rate in the medium term.

Thus, the forward-looking indicators of price volatility also fell, while stock prices strengthened. In Europe, it was decided to lower the leading rate of the European Central Bank in June 2014, which allowed the recovery of capital flows and lower spreads of sovereign bonds of emerging countries and the stabilization of exchange rates and stock market prices in these countries.

Faced with these factors, growth could reach 2.2% in the USA in 2014 and 3.1% in 2015, in the euro area (0.8% in 2014 and 1.3% in 2015), Japan (0.9% in 2014 and 0.8% in 2015 and in the emerging and developing countries (4.4% in 2014 and 5% in 2015) and especially in China (7.4% in 2014 and 7.1% in 2015).

According to projections by the World Bank in June 2014, growth in developing countries in the Middle East and North Africa region will increase gradually from 1.9% in 2014 to 3.6% in 2015 and 3.5% in 2016 thanks to a recovery in oil production in the oil-exporting countries and a slight improvement in the situation of oil-importing economies.

Stronger global growth and the slight recovery in industrial activity should help to raise the growth rate of South Asia to 5.3% in 2014 and 5.9% in 2015 and 6.3% 2016. Much of this improvement will occur in India, thanks to the gradual increase in domestic investment and increase in global demand.

In sub-Saharan Africa, the rate of GDP growth is expected to remain at 4.7% in 2014 and could reach 5.1% in 2015 and 2016, thanks to stronger external demand and investment in natural resources, infrastructure and agricultural production.

Moreover, world trade is expected to grow faster than the world GDP from 3% in 2013 to 3.8% in 2014 and even 5% in 2015 according to the IMF report of October 2014. According to the OECD, (May 2014) and WTO (April 2014), this growth can reach respectively 4.4% and 4.7% in 2014 and 6.1% and 5.3% in 2015 for trade in goods.

Evolution of the OIC Member States' trade between 2005 and 2013
(US $ billion and in %)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	Evolution 2012/2013	Evolution 2005/2013
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	-2.03%	126%
Intra-OIC Exports	134.34	162.45	200.2	265.38	207.93	257.71	325.41	362.10	379.15	4.71%	182%
Share	13.70%	13.65%	14.35%	14.03%	15.64%	15.33%	15.33%	16.01%	17.11%	6.88%	25%
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	5.58%	147%
Intra-OIC Imports	137.11	170.91	220.4	285.65	218.83	281.29	356.17	389.58	396.98	1.90%	190%
Share	17.24%	18.01%	18.92%	19.18%	16.46%	18.74%	20.26%	20.90%	20.17%	-3.49%	17%
Global volume of world 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	1.41%	136%
Intra-OIC Trade Volume	**271.45**	**333.36**	**420.6**	**551.03**	**426.76**	**539**	**681.58**	**751.68**	776.13	3.25%	186%
Net intra-OIC Trade	**135.73**	**166.68**	**210.30**	**275.52**	**213.38**	**269.50**	**340.79**	**375.84**	388.07	3.25%	186%
Share of intra-OIC Trade	**15.47%**	**15.83%**	**16.63%**	**16.60%**	**16.05%**	**17.03%**	**17.80%**	**18.45%**	18.64%	1.03%	20.49%

Sources: DOTS IMF October 2014 and ITC, UNCTAD, WITS October 2014

THE EXPORTS OF THE OIC MEMBER STATES (IN MILLION US $)

COUNTRY	2012			2013			الـــــدول
	TO OIC Countries (1)	Total Exports (2)	1/2 in %	TO OIC Countries (3)	Total Exports (4)	3/4 in %	
AFGHANISTAN	255,34	500,089	51,06%	270,16	603,45	44,77%	أفغانستان
ALBANIA	144,28	1968,91	7,33%	118,19	2 331,52	5,07%	ألبانيا
ALGERIA	5 948,61	71873,6	8,28%	6 880,85	65 998,14	10,43%	الجزائر
AZERBAIJAN	4 013,98	23886,6	16,80%	4 561,99	23 904,11	19,08%	أذربيدجان
BAHRAIN	4 096,86	35371,1	11,58%	4 189,73	36 183,10	11,58%	البحرين
BANGLADESH	1 160,45	22250,8	5,22%	1 464,24	25 913,00	5,65%	بنغلاديش
BENIN	374,32	951,481	39,34%	391,03	866,42	45,13%	بنين
BRUNEI	440,33	11911,5	3,70%	987,08	11 447,19	8,62%	بروناي دار السلام
BURKINA FASO	369,14	816,167	45,23%	262,20	669,92	39,14%	بوركينا فاسو
CAMEROON	617,55	5336,6	11,57%	775,83	5 481,67	14,15%	الكامرون
CHAD	31,27	3015,07	1,04%	40,52	2 785,58	1,45%	تشاد
COMOROS	12,77	102,937	12,41%	8,51	44,85	18,97%	جزر القمـــر
COTE D'IVOIRE	3 138,06	10861,8	28,89%	4 009,39	12 864,20	31,17%	كوت ديفوار
DJIBOUTI	479,57	518,455	92,50%	515,35	542,08	95,07%	جيبوتي
EGYPT	11 326,64	29240	38,74%	12 408,70	33 802,10	36,71%	مصر
GABON	259,86	10327,4	2,52%	144,98	9 562,30	1,52%	الجابون
GAMBIA	6,34	134,666	4,71%	4,96	124,35	3,99%	غامبيا
GUINEA	59,94	1861,44	3,22%	45,83	1 862,17	2,46%	غينيا
GUINEA BISSAU	67,94	199,991	33,97%	74,74	216,24	34,56%	غينيا بيساو
GUYANA	10,49	1576,68	0,67%	36,69	1 074,13	3,42%	غـويانـا
INDONESIA	23 109,14	190031	12,16%	23 109,14	182 551,75	12,66%	أندونيسيا
IRAN	18 226,66	102484	17,78%	16 097,99	86 323,90	18,65%	ايران
IRAQ	3 285,35	84503,8	3,89%	3 780,90	82 644,90	4,57%	العراق
JORDAN	3 713,61	6682,4	55,57%	4 510,58	7 919,62	56,95%	الأردن
KAZAKHSTAN	7 794,94	85447,8	9,12%	6 102,35	62 230,60	9,81%	كازخستان
KUWAIT	13 297,93	103622	12,83%	12 287,30	99 243,00	12,38%	الكويت
KYRGYZSTAN	816,56	1148,73	71,08%	876,37	1 130,86	77,50%	قرقيزستان
LEBANON	2 105,63	4483,09	46,97%	2 634,35	3 937,07	66,91%	لبنان
LIBYA	3 395,85	51717,6	6,57%	2 526,45	36 624,30	6,90%	ليبيا
MALAYSIA	25 074,85	227615	11,02%	26 625,21	228 515,73	11,65%	ماليزيا
MALDIVES	2,02	208,904	0,97%	12,96	168,40	7,70%	مالديف
MALI	155,08	568,179	27,29%	124,05	464,15	26,73%	مالي
MAURITANIA	266,56	2676,09	9,96%	155,75	2 462,52	6,32%	موريتانيا
MOROCCO	2 641,75	19506,9	13,54%	2 675,04	22 178,22	12,06%	المغرب
MOZAMBIQUE	200,43	4078,41	4,91%	252,31	4 023,72	6,27%	موزمبيق
NIGER	191,71	439,892	43,58%	212,20	380,20	55,81%	النيجر
NIGERIA	7 775,07	105701	7,36%	8 274,34	96 456,70	8,58%	نيجريا
OMAN	8 593,41	48541,7	17,70%	11 984,36	55 497,13	21,59%	عمان
PAKISTAN	8 810,36	25552,8	34,48%	9 352,02	26 552,60	35,22%	باكستان
PALESTINE	74,46	719,59	10,35%	59,64	88,89	67,09%	فلسطين
QATAR	5 135,34	122303	4,20%	13 521,83	137 135,61	9,86%	قطر
SAUDI ARABIA	47 199,39	365971	12,90%	47 752,23	348 925,00	13,69%	العربية السعودية
SENEGAL	986,05	2341,11	42,12%	1 170,39	2 486,32	47,07%	السنغال
SIERRA LEONE	61,55	900,888	6,83%	34,76	1 656,43	2,10%	سيراليون
SOMALIA	628,03	648,264	96,88%	731,76	793,59	92,21%	الصومال
SUDAN	2 661,35	3364,97	79,09%	1 790,94	7 086,22	25,27%	السودان
SURINAME	204,74	1133,55	18,06%	218,96	1 110,91	19,71%	سورينام
SYRIA	10 322,49	10932	94,42%	13 440,59	13 684,20	98,22%	سوريا
TAJIKISTAN	619,88	1036,19	59,82%	673,72	938,21	71,81%	طاجيكستان
TOGO	618,72	1253,62	49,36%	684,46	1 002,25	68,29%	توغو
TUNISIA	3 024,44	16015,3	18,88%	2 662,79	17 060,47	15,61%	تونس
TURKEY	55 155,75	152462	36,18%	50 105,98	151 868,55	32,99%	تركيا
TURKMENISTAN	1 623,90	10496	15,47%	2 049,52	11 932,70	17,18%	تركمنستان
U.A EMIRATES	67 445,06	260302	25,91%	70 502,19	266 178,00	26,49%	الامارات العربية المتحدة
UGANDA	333,86	1687,44	19,78%	625,17	2 407,74	25,96%	أوغندة
UZBEKISTAN	2 480,05	4670,22	53,10%	2 757,13	6 256,67	44,07%	أوزبكستان
YEMEN	1 333,23	8534,61	15,62%	1 588,11	9 593,27	16,55%	اليمن
TOTAL	362 178,96	2 262 486,33	16,01%	379 154,82	2 215 786,92	17,11%	**المجموع**

THE IMPORTS OF THE OIC MEMBER STATES (IN MILLION US $)

COUNTRY	2012			2013			
	From OIC Countries (1)	Total Imports(2)	1/2 in%	From OIC Countries (3)	Total Imports(4)	3/4 in %	الـــــدول
AFGHANISTAN	3546,47	9182,16	38,62%	3 784,00	8 437,41	44,85%	أفغانستان
ALBANIA	433,32	4884,94	8,87%	495,43	4 880,59	10,15%	ألبانيا
ALGERIA	4853,35	50390,4	9,63%	6 269,39	54 909,97	11,42%	الجزائر
AZERBAIJAN	2295,01	9638,51	23,81%	2 253,39	10 763,39	20,94%	أذربيدجان
BAHRAIN	5119,68	13865,5	36,92%	5 090,50	13 500,90	37,70%	البحرين
BANGLADESH	7878,54	34160,4	23,06%	8 159,71	37 544,10	21,73%	بنغلاديش
BENIN	1185,22	7148,93	16,58%	1 472,11	8 784,55	16,76%	بنين
BRUNEI	919,85	6456,23	14,25%	968,91	3 612,43	26,82%	بروناي دار السلام
BURKINA FASO	751,89	2375,57	31,65%	863,23	2 657,93	32,48%	بوركينا فاسو
CAMEROON	1513,4	6257,99	24,18%	1 464,88	7 203,56	20,34%	الكامرون
CHAD	319,06	938,65	33,99%	416,74	1 419,19	29,36%	تشاد
COMOROS	86,15	249,94	34,47%	88,71	256,60	34,57%	جزر القمــر
COTE D'IVOIRE	3336,82	9969,43	33,47%	3 493,72	11 270,70	31,00%	كوت ديفوار
DJIBOUTI	1570,37	4096,17	38,34%	1 487,30	3 968,07	37,48%	جيبوتي
EGYPT	14274,96	67522	21,14%	14 989,04	72 947,60	20,55%	مصر
GABON	436,81	3731,47	11,71%	1 342,12	4 957,54	27,07%	الجابون
GAMBIA	311,53	1028,67	30,28%	333,42	1 112,17	29,98%	غامبيا
GUINEA	655,66	5840,54	11,23%	542,14	3 582,86	15,13%	غينيا
GUINEA BISSAU	82,08	347,53	23,62%	120,34	370,17	32,51%	غينيا بيساو
GUYANA	102,26	1787,25	5,72%	56,62	1 740,95	3,25%	غـويانـا
INDONESIA	30963,46	191691	16,15%	34 005,15	186 628,63	18,22%	أندونيسيا
IRAN	46648,13	92319,1	50,53%	39 874,80	84 078,60	47,43%	ايران
IRAQ	22155,91	43500,9	50,93%	25 978,84	51 710,50	50,24%	العراق
JORDAN	8569,58	20665,8	41,47%	7 595,07	21 549,02	35,25%	الأردن
KAZAKHSTAN	2637,22	26752	9,86%	3 055,90	54 710,10	5,59%	كازخستان
KUWAIT	6496,35	25099,7	25,88%	6 857,68	27 336,60	25,09%	الكويت
KYRGYZSTAN	1370,45	10122,3	13,54%	1 537,63	10 708,50	14,36%	قرقيزستان
LEBANON	4824,53	21279,8	22,67%	4 335,47	21 234,21	20,42%	لبنان
LIBYA	6575,68	20384,1	32,26%	7 296,34	25 936,30	28,13%	ليبيا
MALAYSIA	22348,33	196813	11,36%	20 727,01	206 250,86	10,05%	ماليزيا
MALDIVES	500,05	1413,24	35,38%	487,77	1 421,11	34,32%	مالديف
MALI	881,02	3709,93	23,75%	960,25	3 977,34	24,14%	مالي
MAURITANIA	643,16	3912,19	16,44%	1 088,72	3 978,49	27,37%	موريتانيا
MOROCCO	7955,11	42890,3	18,55%	8 641,54	45 615,66	18,94%	المغرب
MOZAMBIQUE	445,82	8381,84	5,32%	2 028,99	10 099,15	20,09%	موزمبيق
NIGER	551,42	1547,67	35,63%	580,73	1 752,65	33,13%	النيجر
NIGERIA	4596,66	56104,2	8,19%	5 050,84	63 555,40	7,95%	نيجريا
OMAN	11255,97	31556,2	35,67%	16 232,48	34 331,19	47,28%	عمان
PAKISTAN	23397,26	51850,4	45,12%	23 380,41	53 937,90	43,35%	باكستان
PALESTINE	388,95	4221,11	9,21%	281,68	687,84	40,95%	فلسطين
QATAR	8700,23	27726,2	31,38%	5 563,77	27 092,26	20,54%	قطر
SAUDI ARABIA	20702,31	150876	13,72%	21 042,06	160 313,00	13,13%	العربية السعودية
SENEGAL	1426,86	5803,66	24,59%	1 481,96	6 065,55	24,43%	السنغال
SIERRA LEONE	271,79	1660,88	16,36%	265,45	1 460,94	18,17%	سيراليون
SOMALIA	924,76	1772,33	52,18%	1 013,76	1 946,56	52,08%	الصومال
SUDAN	3293,06	9475,02	34,76%	3 548,96	9 918,07	35,78%	السودان
SURINAME	207,31	2122,98	9,77%	212,56	2 290,88	9,28%	سورينام
SYRIA	11813,01	17691,8	66,77%	13 767,73	17 906,40	76,89%	سوريا
TAJIKISTAN	1438,02	4681,61	30,72%	1 489,16	4 942,20	30,13%	طاجيكستان
TOGO	971,19	9228,96	10,52%	337,08	2 002,18	16,84%	توغو
TUNISIA	4474,72	25689,5	17,42%	4 296,48	24 266,40	17,71%	تونس
TURKEY	31689,85	236545	13,40%	32 074,24	251 650,56	12,75%	تركيا
TURKMENISTAN	3119,37	9615,15	32,44%	3 721,85	9 682,94	38,44%	تركمنستان
U.A. EMIRATES	38463,18	236972	16,23%	34 577,18	249 917,00	13,84%	الامارات العربية المتحدة
UGANDA	1081,62	4456,94	24,27%	994,02	5 817,51	17,09%	أوغندة
UZBEKISTAN	2478,54	11847,5	20,92%	2 654,57	14 248,50	18,63%	أوزبكستان
YEMEN	5645,32	13985,8	40,36%	6 255,04	15 348,70	40,75%	اليمن
TOTAL	389578,63	1864238,39	20,90%	396984,89	1968290,37	20,17%	**المجموع**