COMCEC

Standing Committee
for Economic and Commercial Cooperation
of the Organization of Islamic Cooperation (COMCEC)

COMCEC TRADE OUTLOOK
2018

COMCEC COORDINATION OFFICE
October 2018

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The COMCEC Strategy, adopted during the 4th Extraordinary Islamic Summit held in Makkah Al-Mukarramah on 14-15 August 2012, envisages Working Group Meetings as one of the main instruments for its implementation. Through the Working Groups, country experts get the chance of elaborating the issues thoroughly in the respective cooperation areas and sharing their good practices and experience. The Working Groups are established for each cooperation area defined by the Strategy, namely Trade, Transport and Communication, Tourism, Agriculture, Poverty Alleviation, and Finance.

The COMCEC Outlooks are prepared in each cooperation area of the Strategy with a view to exploring the global trends and current situation in the OIC Member Countries in the respective area and enriching the discussions during the Working Groups Meetings by providing up-to-date data.

The COMCEC Trade Outlook 2018 has been prepared by Ms. Vildan BARAN and Mr. Mustafa Adil SAYAR, experts at the COMCEC Coordination Office, with the objective of providing an overview of international trade of the Organization of the Islamic Cooperation (OIC) Member States. It focuses on trends and characteristics of intra-OIC trade and attempts to identify the major common obstacles hindering trade.

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INTRODUCTION

International trade can play a key role in generating economic growth, employment and development. However, many countries fail to benefit from international trade due to many challenges, including their undiversified economies and high trade costs. Having high levels of heterogeneity and divergence in terms of geography, size, population and economic development, the OIC Member Countries have demonstrated significant differences with regards to trade performances. Moreover, many OIC countries' exports depend heavily on primary commodities. As a result, lowering of oil prices and other commodity prices negatively affected not only their export revenues but also growth and development. Hence, the need for pursuing policies aimed to diversify exports and to expand export markets intensified in order to increase OIC countries' resilience to external shocks and sustain their growth.

The Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Cooperation (COMCEC) is the responsible platform within the OIC for enhancing economic and commercial cooperation among the Member States. Since the commencement of its activities in 1984, COMCEC has initiated numerous programs and projects towards increasing intra-OIC trade (trade among the Member States), addressing the problems faced in trade liberalization, trade facilitation, trade promotion and trade financing in the Member States. Among these programs and projects, the Trade Preferential System among the OIC Member States (TPS-OIC), which is the flagship project of the COMCEC on trade liberalization, is close to become operational.

In order to address the development challenges of the Member Countries more efficiently, the COMCEC Strategy was adopted by the Fourth Extra-Ordinary Islamic Summit Conference held on 14-15 August 2012 in Makkah Al-Mukarramah. Trade is one of the cooperation areas in the Strategy, with the strategic objective of increasing trade among the Member States. İdentifying trade liberalization, trade facilitation, trade promotion and trade financing as the output areas, COMCEC aims at achieving strategy's targets through its implementation instruments namely Trade Working Group and COMCEC Project Funding.

The present document aims at providing a general outlook of the trade of OIC Member States and identifying common challenges they face in increasing their trade. Despite their economic and social differences, these countries also face some similar obstacles such as protectionist trade regimes, dependency on commodity exports, burdensome customs procedures increasing the cost of trade, limited access to overseas markets, inadequate financial resources and underdeveloped financial systems.

Besides giving background information on the activities of the COMCEC for increasing intra-OIC trade, the document also introduces the COMCEC Strategy for increasing trade and addressing the common obstacles faced by the Member States towards reaching this goal.

This Outlook has six sections: The First Section provides the latest trends and developments in global merchandise trade.

The Second Section gives a general overview of the total merchandise trade of the OIC Member States. It outlines the characteristics of trade between the Member States and the rest of the world by highlighting the composition, direction and the volume of the OIC Member States' trade.

In the Third Section a general overview of the intra-trade of the OIC Member States is provided in terms of composition and origin.

The Fourth Section gives a snapshot about the trade in commercial services in the World and the OIC Member Countries.

The Fifth Section provides a general overview of the trade environment in the OIC Member States. It summarizes the basic challenges commonly faced by many Member States regarding trade liberalization, trade facilitation, trade promotion and trade financing.

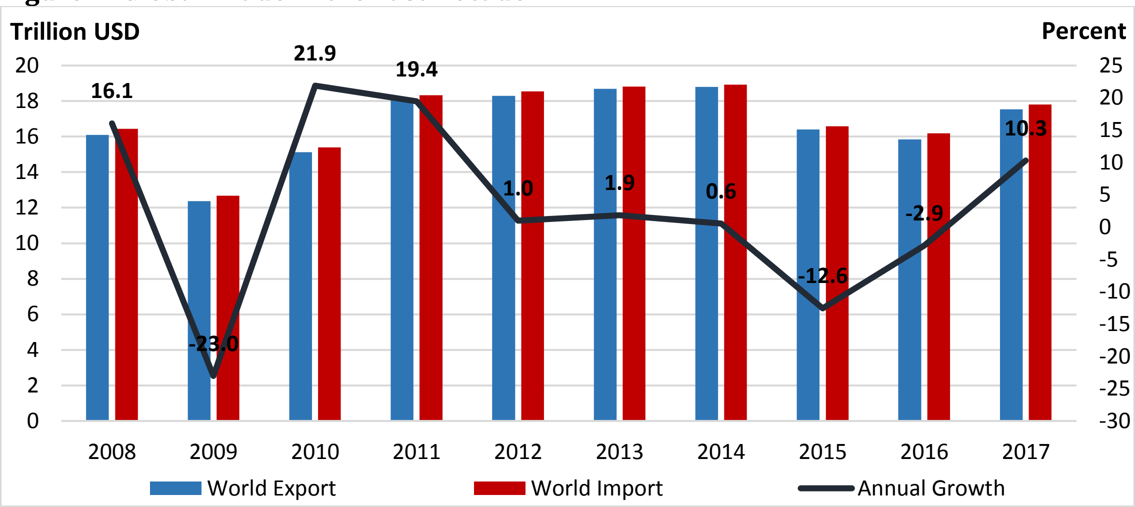
The Sixth Section concentrates on the role of the COMCEC in improving the trading environment in the Member States and enhancing intra-OIC trade.

Finally, the Seventh Section concludes.

1. DEVELOPMENTS IN GLOBAL MERCHANDISE TRADE

World merchandise trade as measured by the average of world exports and world imports (in current US dollars) grew at an annual average rate of 12.2 per cent between 2000 and 2008 period. After contracting sharply in 2009 due to global crisis, word trade rebounded rapidly in 2011, but remained weak between 2012 and 2016 period. However, 2017 marked the first year that the world trade increased significantly both in value and volume terms since the global crisis. Thus, world trade increased by 10.3 per cent in 2017 to 17.7 trillion US dollars up from 16.0 trillion US dollars in 2016.

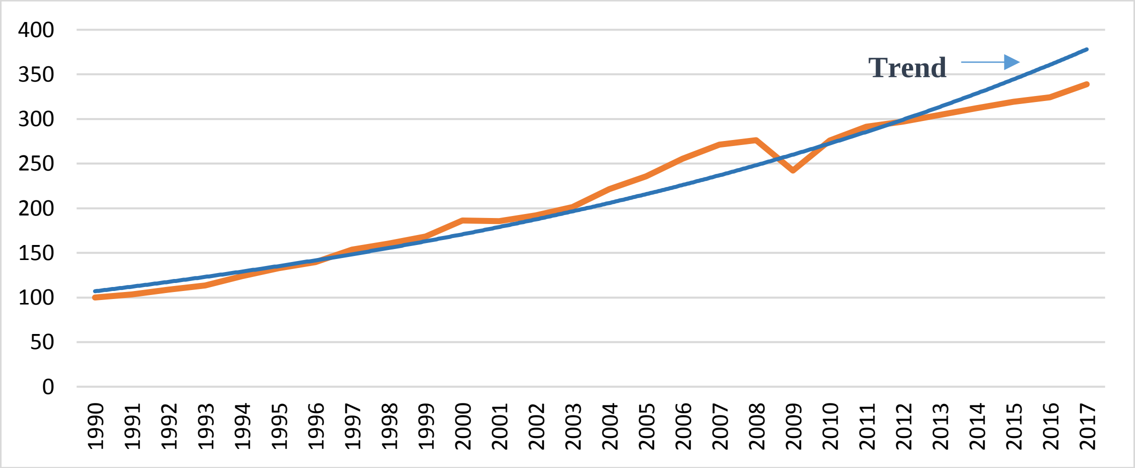
Figure 1: Global Trade in the Last Decade



Source: IMF Direction of Trade Statistics

In 2017 growth in world trade volume (accounted for changes in prices and exchange rates) was the highest achieved since 2011. Thus world trade volume increased to 4.7 per cent in 2017 from 1.8 per cent in 2016. This pointed to a 2.4 percentage points higher growth rate compared to the average growth rate of previous three years.

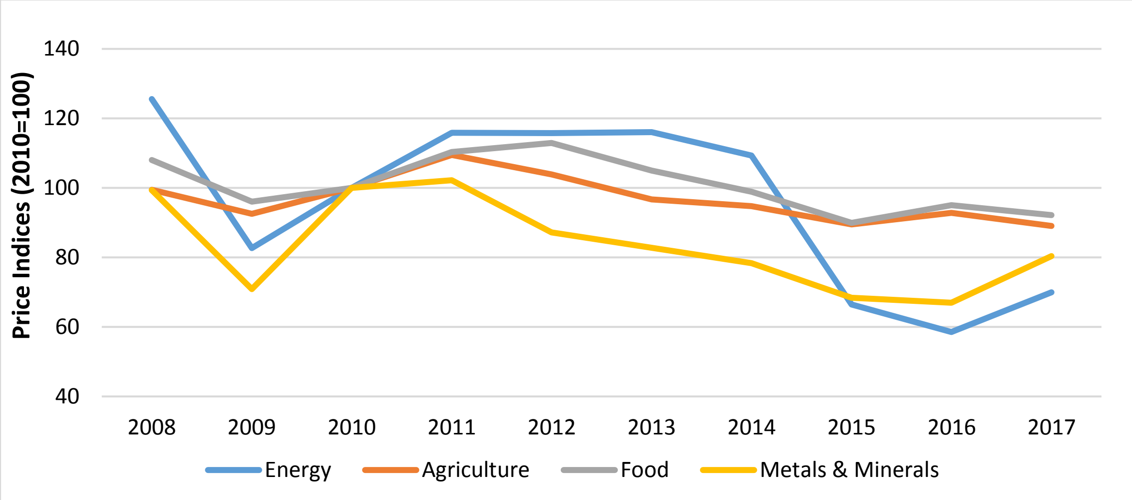
Figure 2: World Export Volume



Source: WTO

The difference between trade growth in dollar terms and volume terms mainly stems from the changes in exchange rates and commodity prices.[1] Weighted average of the foreign exchange value of the U.S. dollar against the currencies of major U.S. trading partners remained around the same level of the previous year in 2017.[2] However primary commodity prices which have been on a declining trend since 2012 increased strongly in 2017. Fuels increased by 23.6 percent, non-energy prices increased by 5.4 per cent, metals prices increased by 24.2 per cent in 2017 while agriculture prices declined by 0.7 per cent year on year in 2017. Therefore, strong increase in world trade value was mainly driven both by rising commodity prices and quantity traded.[3]

Figure 3: Evolution of the Commodity Prices



Source: World Bank Commodity Price Data

The strong performance world trade volume in 2017 was mainly due to cyclical factors including robust global economic activity with high investment spending and consumption components. World output increased by 2.3 per cent in 2017 up from 1.6 per cent in 2016. Moreover, increases in commodity prices led to higher incomes in commodity exporters (which increases import demand) and investment in the energy sector.[4]

A recent World Bank study[5] notes however that some structural factors such, the maturation of global value chains and slower pace of trade liberalization continue to constrain world trade growth.

The high growth rate of world trade volume in 2017 was driven mainly by increases in import demand from both developed and developing economies. Developed economies imports grew by 3.1 per cent in 2017 up from 2.0 per cent in 2016. However growth rate of developing economies imports was more remarkable as they jumped from 1.9 per cent in 2016 to 7.2 per cent in 2017. Meanwhile exports grew 3.5 per cent in developed countries and 5.7 per cent in developing countries in 2017.

[1] WTO Press Release April 2018
[2] https://fred.stlouisfed.org/series/TWEXB
[3] WTO World Trade Statistical Review 2018
[4] WTO Press Release April 2018
[5] World Bank Global Economic Prospects 2018

Table 1: Trade Volume and GDP, Annual % change

	2015	2016	2017
Volume of world merchandise trade	2.5	1.8	4.7
Exports			
Developed Economies	2.3	1.1	3.5
Developing Economies	2.4	2.3	5.7
North America	0.8	0.6	4.2
Europe	2.9	1.1	3.5
Asia	1.5	2.3	6.7
Imports			
Developed Economies	4.3	2.0	3.1
Developing Economies	0.6	1.9	7.2
North America	5.4	0.1	4.0
Europe	3.7	3.1	2.5
Asia	4.0	3.5	9.6
World output (real GDP at market exchange rates,2005)			
Developed Economies	2.3	1.6	2.3
Developing Economies	3.7	3.6	4.3
North America	2.7	1.5	2.4
Europe	2.3	1.9	2.6
Asia	4.2	4.1	4.5

Source: WTO

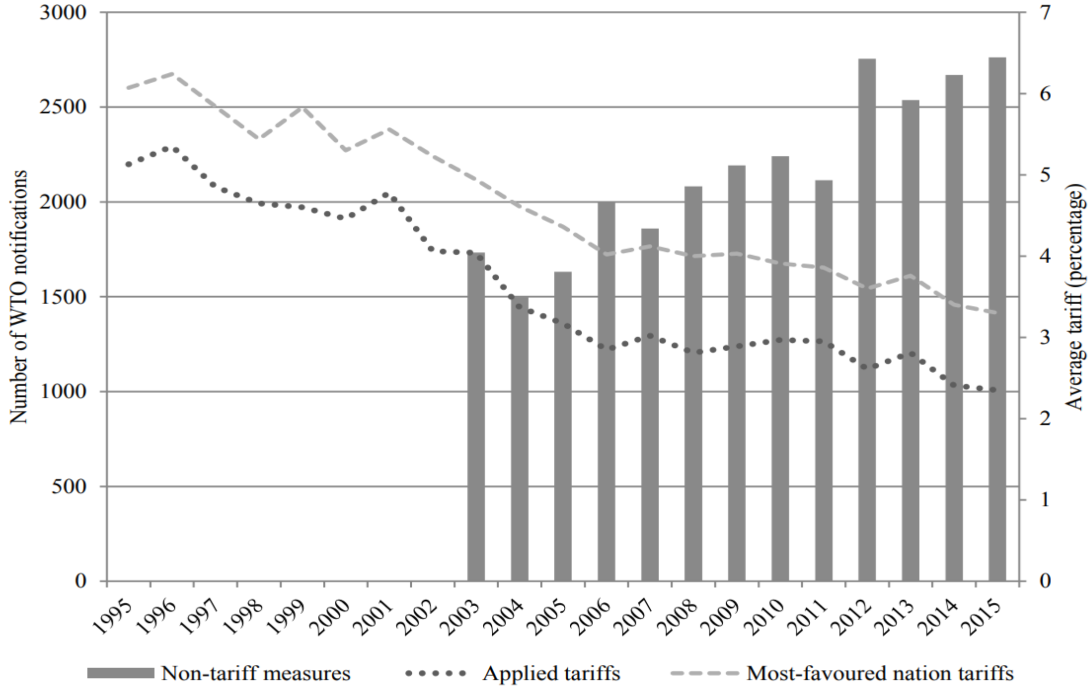
1.1. Recent Trends in World Merchandise Trade

"Further rise in trade restrictive measures could pose a risk for global trade

There have been some emerging patterns shaping the global trading environment recently. First trend is the proliferation of non-tariff barriers. The Figure below which is taken from UNCTAD (2017) provides data for 1995-2015 period and illustrates that while tariffs have declined considerably in the 2000s, little progress was achieved in terms of further declines in tariffs since the global crisis. The number of non-tariff measures continue to rise especially in the aftermath of the crisis. Slower pace of trade liberalization and increased protectionist measures are considered among factors which constrain world trade. According to WTO[6], WTO members introduced more trade-restrictive measures (tariff increases, stricter customs procedures, imposition of taxes and export duties) in mid-October 2017 to mid-May 2018 period compared to the previous review period.

[6] https://www.wto.org/english/news_e/news18_e/trdev_25jul18_e.htm

Figure 4: Tariffs and Non-tariff Measures

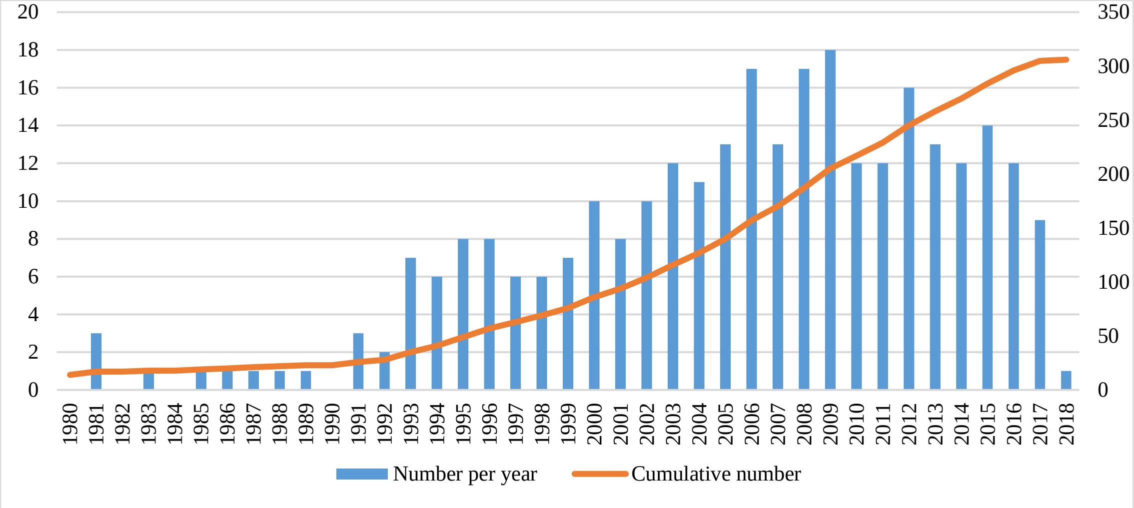


Source: Reprinted from" Evolution of the International Trading System and Its Trends from a Development Perspective" UNCTAD, Trade and Development Board, TD/B/64/5, Sixty-fourth session, 3 July 2017. Retrieved from http://unctad.org/meetings/en/SessionalDocuments/tdb64d5_en.pdf.

Second major pattern is the continuation of the proliferation of Regional Trade Agreements (RTAs). While the World Trade Organization (WTO) expanded, reaching 164 Members by July 2016, all members participate to the existing RTAs or initiate new ones. The European Union, The European Free Trade Association (EFTA), The North American Free Trade Agreement (NAFTA), The Southern Common Market (MERCOSUR), The Association of Southeast Asian Nations (ASEAN) Free Trade Area (AFTA), and the Common Market of Eastern and Southern Africa (COMESA) are among the best known RTAs. WTO notes that most of both the existing RTAs in force and the new negotiations are bilateral. However there is a new trend for plurilateral RTAs involving several WTO members. Among these are the Asia-Pacific Region for a Comprehensive and Progressive Trans-Pacific Partnership (CPTPP) Agreement, the Pacific Alliance in Latin America and the Tripartite Agreement between parties to COMESA, EAC and SADC in Africa[7]. As of October 2018, 306 RTAs were in force. Figure 5 shows the increasing number of RTAs since 1980.

[7] https://www.wto.org/english/tratop_e/region_e/region_e.htm

Figure 5: Evolution of RTAs (in force) in World



Source: WTO database

Box 1: Regional Trade Agreements

Table-A below could be used to evaluate whether the steady increase in the number of regional agreements in recent years affected the trade between member countries. As may be observed from the table, the EU has the largest intra-trade shares, with intra-export and intra-import shares were 64 per cent and 60 per cent respectively. For NAFTA, intra-export was 50 per cent while intra-imports was 33 percent. However in ASEAN, most of the trade (77 per cent) was with the countries out of the agreement. On the other hand, when some RTAs where some OIC member countries participated evaluated; intra-export shares in total trade remained small for GCC, ECOWAS and WAEMU ranging between 10 to 14 per cent.

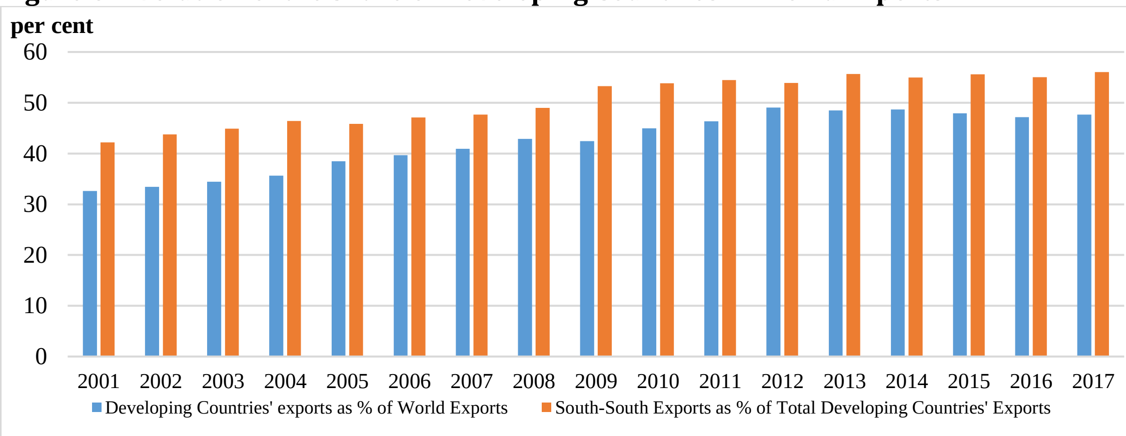
Table A: Intra and Extra Trade in Selected Preferential Trade Agreements - 2016

	World (Billion Dollars)		Intra-PTA Share in Total (%)		Extra-PTA Share in Total (%)	
	Export	Import	Export	Import	Export	Import
ASEAN (Association of Southeast Asian Nations)	1,138.8	1,075.9	24.2	22.7	75.8	77.3
CEMAC (Economic and Monetary Community of Central Africa)	20.2	19.5	3.1	4.2	96.9	95.8
CIS (Commonwealth of Independent States)	422.9	317.9	16.9	21.8	83.1	78.2
COMESA (Common Market for Eastern and Southern Africa)	67.2	143.8	10.2	5.3	89.8	94.7
EAC (East African Community)	13.5	31.6	20.3	6.8	79.7	93.2
ECOWAS (Economic Community of West African States)	73.3	87.1	10.6	9.4	89.4	90.6
EFTA (European Free Trade Association)	398.8	347.7	0.5	0.6	99.5	99.4
EU28 (European Union)	5,346.4	5,212.7	63.6	59.7	36.4	40.3
GCC (The Cooperation Council for the Arab States of the Gulf)	588.0	448.2	10.4	10.9	89.6	89.1
MERCOSUR (Southern Common Market)	282.1	223.6	13.1	15.8	86.9	84.2
NAFTA (North American Free Trade Agreement)	2,216.1	3,039.7	50.2	33.2	49.8	66.8
SAARC (South Asian Association for Regional Cooperation)	327.7	486.3	7.0	5.2	93.0	94.8
WAEMU (West African Economic and Monetary Union)	23.5	28.7	14.4	8.2	85.6	91.8

Source: UNCTADSTAT

The rising share of developing economies in world trade is the third dominant pattern in the world trade. The share of developing countries in global exports which was 32.7 percent in 2001 peaked at 49.1 percent in 2012 and remained around 48 per cent in 2017. The rising share of developing countries in world trade was driven by the rapid growth in South-South trade (trade between the developing countries) and especially by the exports of Brazil, Russia, India and China. The high growth of Developing countries trade is considered as a major driver of the global trade growth during the period prior to the global crisis and a major factor contributing to recovery from the global crisis.

Figure 6: Evolution of the Share of Developing Countries in World Exports

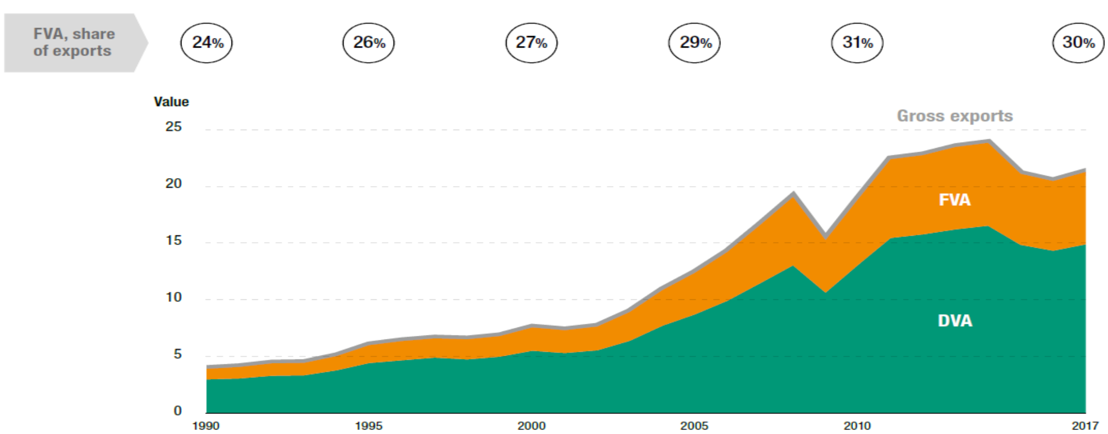


Source: ITC Trade Map

Fourth pattern in global trade is the maturation of global value chains (GVCs). Increasing participation to the GVCs in particular of the developing countries was a key factor driving the dramatic increase in developing countries' trade and in turn the world trade in the period prior to the global crisis. However, a recent trend has been the slowing pace of global value chains, which has negative impacts on world trade growth. The shift to domestic production of intermediate inputs by China, Japan and US firms contributed to the slowdown in GVCs.

Figure 7 below illustrates evolution of foreign value added in production (FVA) and domestic value added in production (DVA) as a percentage of exports. FVA which is considered as a key measure of GVCs increased steadily until 2010. However growth of FVA declined in 2015-2016 period and remained weak in 2017 where the share of FVA in total exports declined to 30 per cent. This represents a reversal in increasing trend of FVA.[8]

Figure 7: Evolution of Value Added in Global Trade, 1990-2017 (trillions of dollars and per cent)



Source: Reprinted from "World Investment Report, 2018, Investment and New Industrial Policies" UNCTAD. Retrieved from https://unctad.org/en/PublicationsLibrary/wir2018_en.pdf.

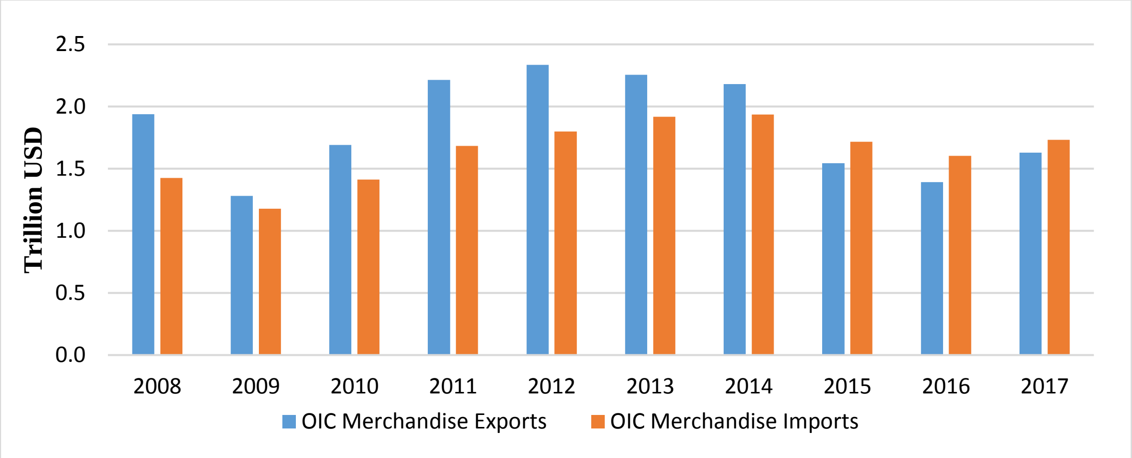
[8] UNCTAD, World Investment Report 2018

2. MERCHANDISE TRADE BETWEEN OIC AND THE WORLD

"In 2017 total OIC exports increased for the first time since 2012

Total OIC exports which have been on a downward trend since 2012 contracted severely in 2015 and 2016. However in 2017 total OIC exports recorded an increase for the first time since 2012. Thus, the total OIC exports increased strongly by 17.1 per cent to 1.6 trillion dollars in 2017 up from 1.4 trillion dollars in 2016. Meanwhile total OIC imports which fell by 11.3 per cent and 6.6 per cent in 2015 and 2016 respectively, picked up by 8 per cent and amounted to 1.7 trillion dollars. Thus total OIC trade increased by 12.3 per cent to 3.4 trillion dollars in 2017 up from 3.0 trillion dollars in 2016.

Figure 8: Total OIC Exports and Imports



Source: IMF Direction of Trade Statistics

Several factors accounted for the strong performance in total OIC exports in 2017 including the revival of global economic activity and rising commodity prices. On the other hand, ongoing political developments in many countries in the Middle East constrain further increases in the OIC trade. Rising commodity prices, in particular oil prices led to increased export revenues of resource based countries which in turn resulted in more import demand.

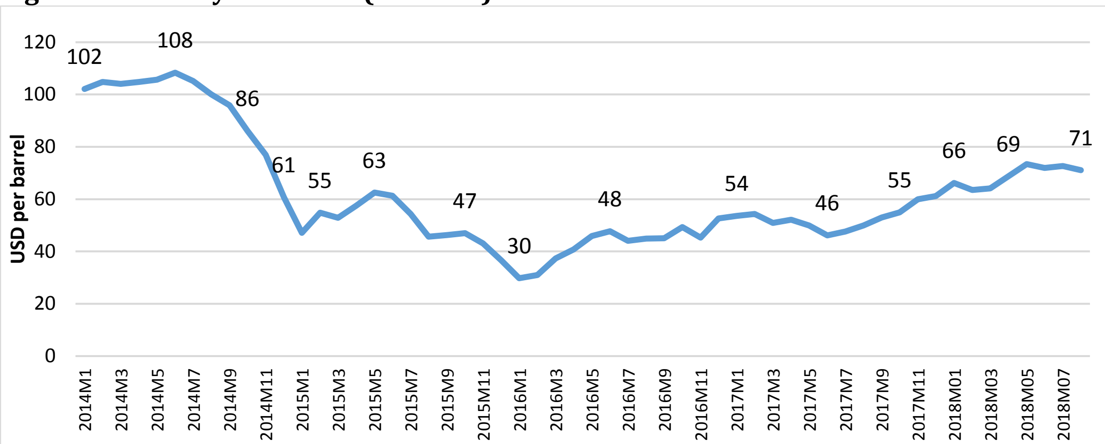
Growth performance and rebalancing of Chinese economy away from manufacturing and investment to services and consumption being the main export market for OIC countries is particularly important as further slowdown in Chinese growth might have negative implications on OIC exports. Chinese economy maintained a remarkable growth by growing 10.3 per cent annually between 2000 and 2010 which led the surge in commodity prices in 2000s. However the pace of growth has slowed down since 2011 and recorded as 6.9 per cent in 2017. It is estimated to be slowing further in the coming years[9]. This could have negative spillovers on OIC exports via downward pressure on commodity prices and lower import demand.

Commodity prices, in particular fuels, declined sharply starting from July 2014. Oil prices almost halved from 96.2 dollars per barrel in 2014 to 50.8 dollars per barrel in 2015 mainly due to the shale oil production in US and oversupply in global oil markets. Although oil prices bottomed out 30.8 dollars per barrel in January 2016, they averaged 42.8 dollars per barrel in 2016. Oil

[9] IMF WEO April 2018 Database.

prices have been on an increasing trend since August 2017 due to the revival of global economic activity, OPEC agreement to cut oil production and geopolitical instability in the Middle East.[10] OPEC and non-OPEC oil exporters including Azerbaijan, Kazakhstan and Russian Federation agreed to curb oil production from January 2017 to March 2018 to 1.8 million barrels per day.[11] They had further agreed to extend these cuts until the end of 2018. Thus, oil prices which averaged to 52.8 dollars per barrel in 2017 recovered strongly to 73 dollars per barrel in May 2018 which was the highest price since December 2014. However, oil prices are still well below their peak levels of 118 dollars achieved in March 2012.

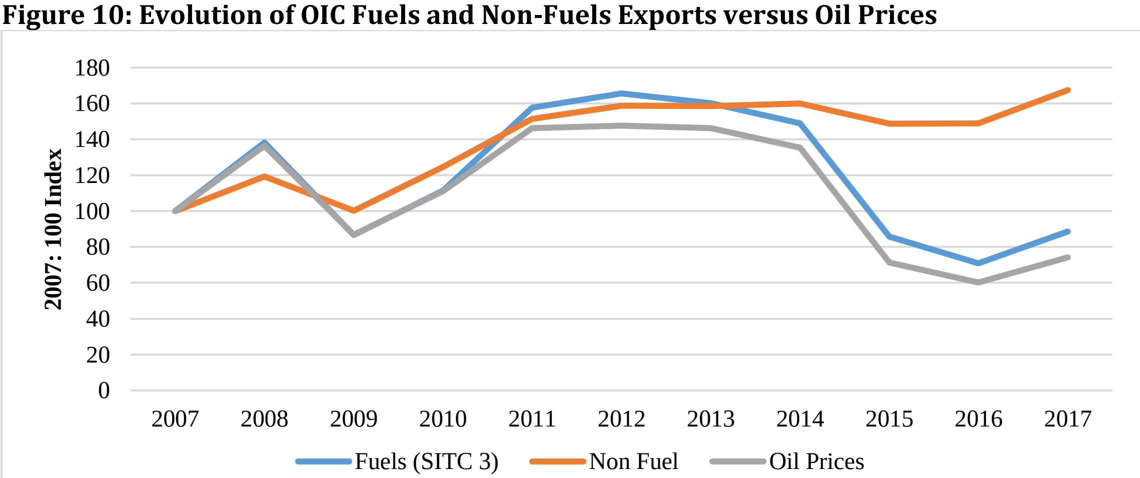
Figure 9: Monthly Oil Prices (nominal)



Source: World Bank Commodity Prices database *Note: Average of Brent, Dubai and WTI.*

Figure 10 shows the evolution of total OIC fuels and non-fuels exports versus oil price developments. Fuels exports are highly volatile depending on the oil price movements. As a result, OIC fuels exports contracted severely in 2015 following the oil price collapse but bounced back in 2017 as oil prices increased. However it should be noted that OIC fuels exports in 2017 are almost half of their levels in 2012. Meantime, OIC non fuels exports increased in 2017 as the global activity increases.

Figure 10: Evolution of OIC Fuels and Non-Fuels Exports versus Oil Prices

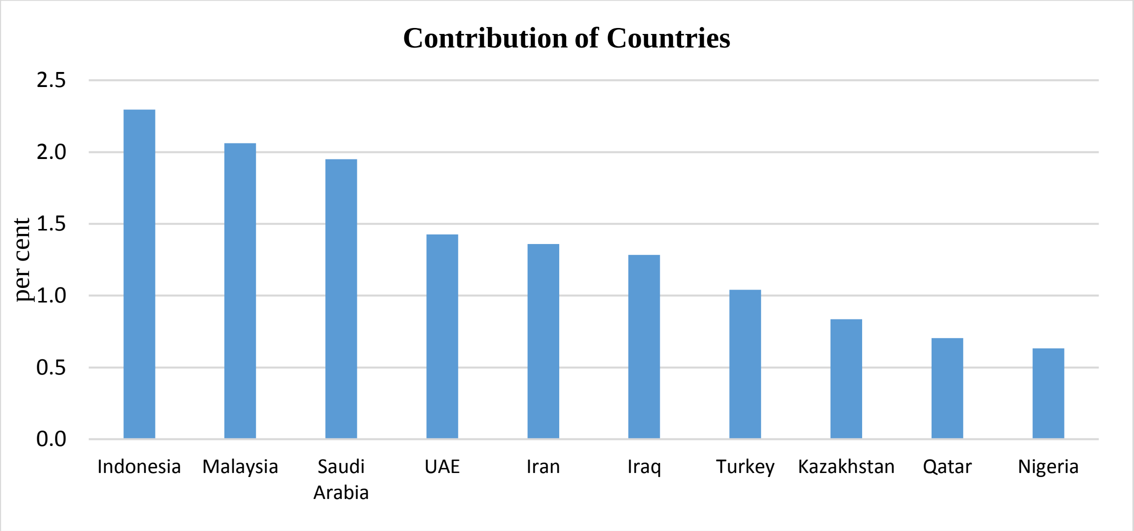


Source: UNCTAD STAT database

[10] IMF WEO Update January 2018
[11] UN World Economic Situation and Prospects, 2018

Figure 11 below shows the OIC countries having the largest positive impact on the percentage increase in the total OIC exports in 2017 in descending order. The increase in exports of Indonesia, Malaysia, Saudi Arabia, United Arab Emirates and Iran accounted for 53 per cent of the increase in total OIC exports.

Figure 11: Contributions to Total OIC Export Growth (2017)



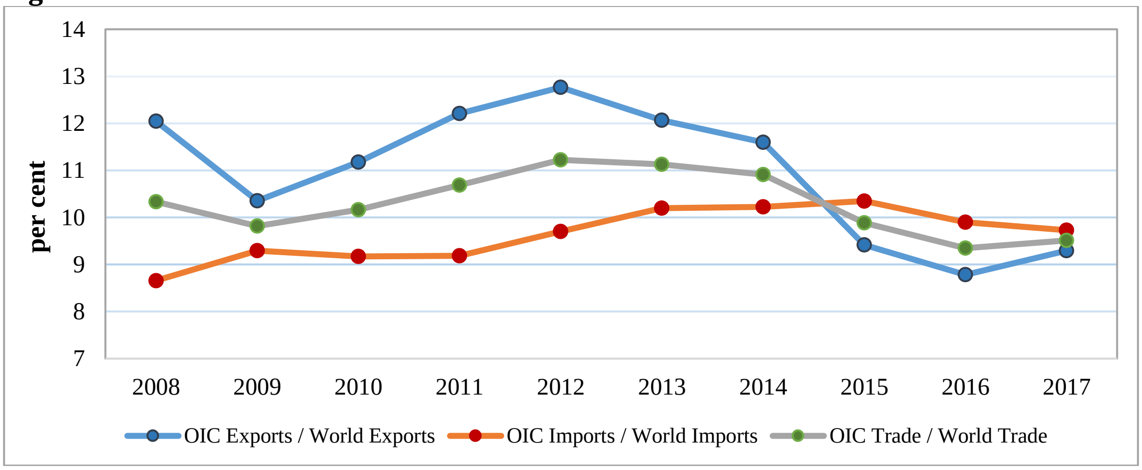
Source: IMF Direction of Trade Statistics.

"OIC countries' share in global trade increased to 9.5 per cent in 2017"

Although the share of OIC countries in world exports peaked at 12.8 per cent in 2012, it declined between 2013-2016. However, in 2017 OIC countries' share of world exports increased by 0.5 percentage points to 9.3 per cent while OIC's share in world imports decreased slightly by 0.2 percentage points to 9.7 per cent. As a result, the share of OIC countries in global trade increased slightly to 9.5 per cent in 2017.

Moreover, the case of Palestine also needs to be specifically mentioned in the Trade Outlook of the OIC region. Major hindrances from the Israeli side seriously impede the realization of Palestine's true trade potential especially its export potential. As a result, Palestine suffers a huge trade deficit (71 per cent of the total trade). The Israeli closure and blockade have significantly hampered the Palestinian exports and caused economic dependence to Israel. Accordingly, the total volume of the merchandise export of Palestine to Israel constitutes the 81.2 percent of the total merchandise exports and 58.2 percent of the total merchandise import of Palestine is likewise originated from Israel. Therefore, such impediments cause substantial damages to the Palestinian trade and need to be alleviated.

Figure 12: Share of OIC in Global Trade

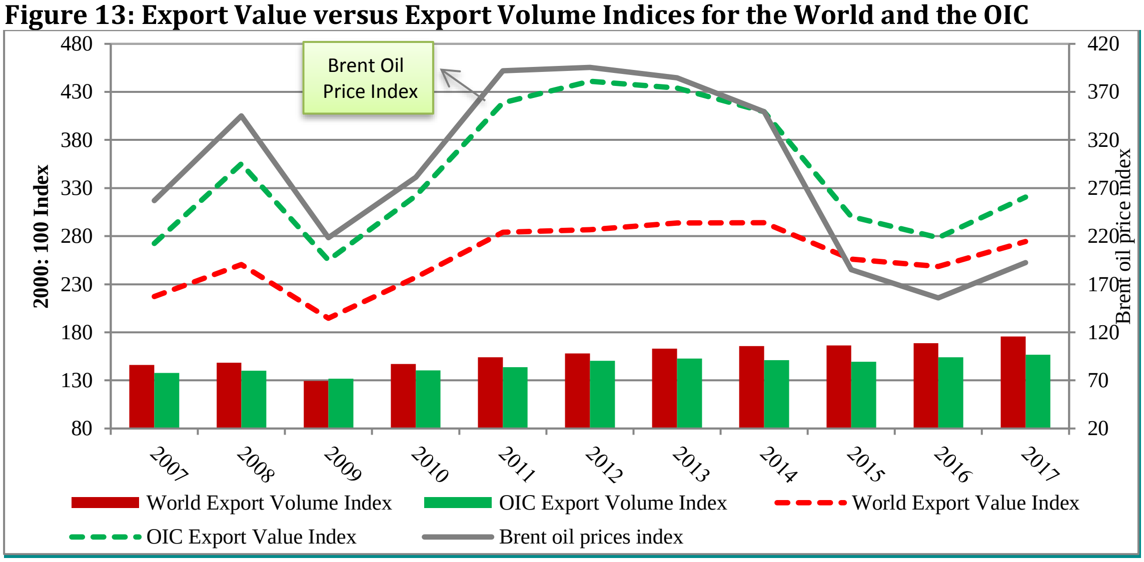


Source: IMF Direction of Trade Statistics

"Most of the increase in total OIC exports was driven by rising export prices in 2017"

Figure 13 below demonstrates evolution of the value versus volume (i.e. eliminating the effects of prices and exchange rates) developments in total OIC and world exports. In value terms (i.e. in US dollars), OIC exports yielded higher growth rates than that of world exports which was more prominent during the oil price boom period between 2003 and 2012. Total OIC exports move closely with oil prices due to heavy dominance of oil in OIC exports. As a result, OIC exports in dollars have been on a declining trend mainly due to the recent slump in oil prices over the last four years. On the other hand total OIC exports in volume terms (i.e eliminating the effects of prices and exchange rates) which increased by 3.4 per cent in 2016 increased further by 1.8 per cent in 2017. The slight increase in OIC export volume indicated that the most of the increase in total OIC exports was driven by rising export prices in 2017. It should also be noted that oil production curbs in some oil exporters of OIC limited quantity exported.

Figure 13: Export Value versus Export Volume Indices for the World and the OIC



Source: IMF, UNCTADSTAT

Table 2 illustrates that OPEC countries oil production decreased by 0.4 percent in 2017. Saudi Arabia, UAE, Kuwait, Qatar, Algeria and Oman were among the major oil exporting OIC countries that decreased their oil production in 2017 compared to the previous year.

Table 2: Oil Production thousand barrels daily

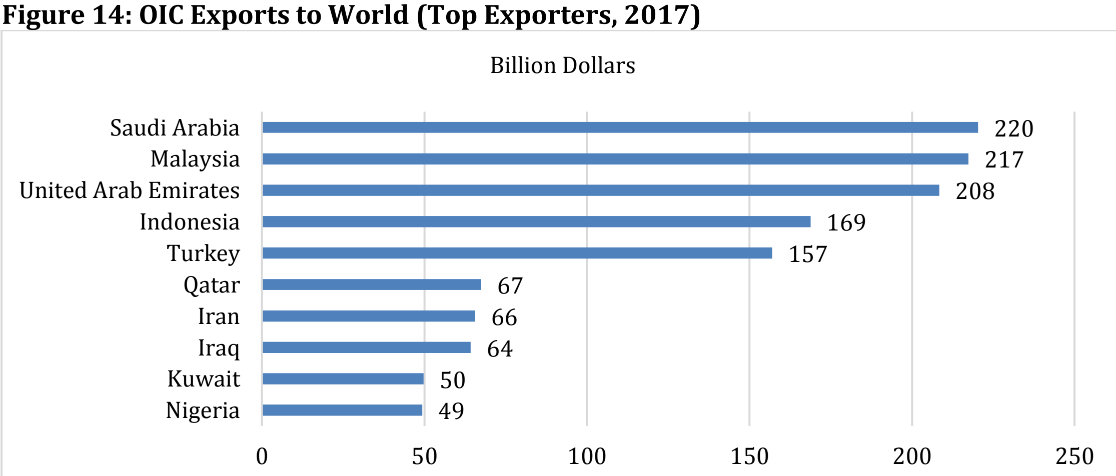
Thousand barrels daily	2010	2011	2012	2013	2014	2015	2016	2017	Growth Rate Annual (%) 2017	Share (%) 2017
Saudi Arabia	10075	11144	11635	11393	11505	11994	12402	**11951**	-3,6%	12,9%
Iran	4430	4472	3820	3617	3724	3862	4602	**4982**	8,2%	5,4%
Iraq	2469	2773	3079	3103	3239	3986	4423	**4520**	2,2%	4,9%
United Arab Emirates	2915	3285	3430	3543	3599	3873	4020	**3935**	-2,1%	4,2%
Kuwait	2560	2913	3169	3129	3101	3065	3145	**3025**	-3,8%	3,3%
Nigeria	2534	2463	2413	2280	2278	2204	1903	**1988**	4,5%	2,1%
Qatar	1638	1834	1939	2002	1985	1958	1970	**1916**	-2,7%	2,1%
Kazakhstan	1676	1684	1664	1737	1710	1695	1655	**1835**	10,8%	2,0%
Algeria	1689	1642	1537	1485	1589	1558	1577	**1540**	-2,3%	1,7%
Oman	865	885	918	942	943	981	1004	**971**	-3,4%	1,0%
Total World	**83325**	**84027**	**86229**	**86570**	**88721**	**91547**	**92023**	**92649**	**0,7%**	**100,0%**
OPEC	35665	36478	38034	37004	36945	38362	39601	**39436**	-0,4%	42,6%
Non-OPEC	47660	47549	48195	49565	51775	53186	52422	**53213**	1,5%	57,4%
memo item:										
US	7549	7859	8904	10071	11768	12750	12366	**13057**	5,6%	14,1%
Russian Federation	10383	10538	10660	10809	10860	11009	11269	**11257**	-0,1%	12,2%
Canada	3332	3515	3740	4000	4271	4389	4470	**4831**	8,1%	5,2%

Source: Reproduced from BP Statistical Review of World Energy 2018
Note: Includes crude oil, shale oil, oil sands and natural gas liquids.

2.1. Main Characteristics of Total OIC Merchandise Exports

The top performers in total OIC exports were Saudi Arabia, Malaysia, United Arab Emirates, Indonesia, Turkey, Qatar and Iran which together accounted for 67.8 per cent of total OIC exports in 2017.

Figure 14: OIC Exports to World (Top Exporters, 2017)



Source: IMF Direction of Trade Statistics

The OIC export markets are highly concentrated (Table 3). China is the top export destination with 11.3 per cent of extra-OIC exports destined to China in 2017. Apart from China OIC exports are mainly shipped to developed countries in recent years. The top ten countries accounts for 54.5 per cent of extra-OIC exports. This points to a high country concentration in total OIC exports which makes OIC countries vulnerable to external shocks that might result from decreasing demand in these countries and/or falling commodity prices. Appendix Table A4 which provides the top three destinations for each OIC member state reveals that the top three destinations constitutes around half or above half of exports in thirty member states. This again points to dependence on a few markets for exports and underscores the case for policies aimed to broaden export markets.

"The country concentration of total OIC exports is high"

Table 3: Major Destinations of Total Extra-OIC Exports

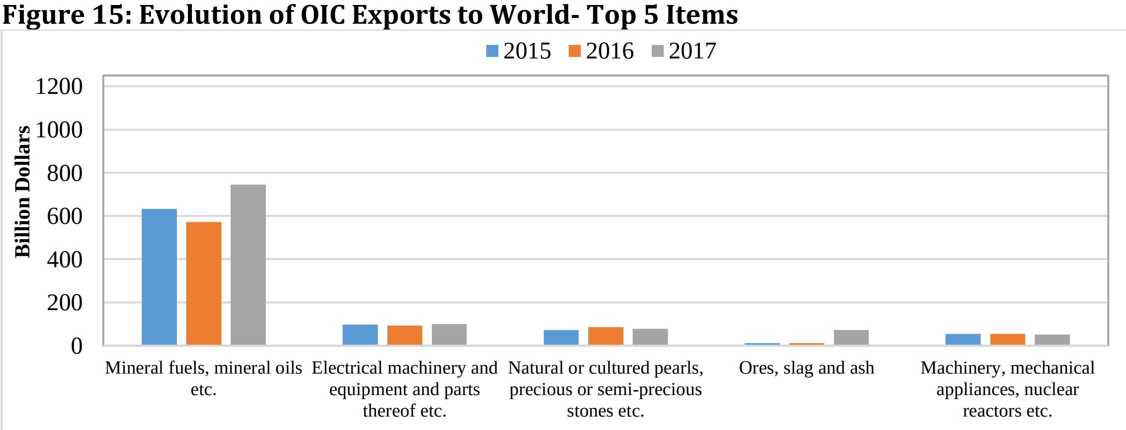
Countries	(Billion Dollars)			Share %		
	2015	2016	2017	2015	2016	2017
China	165.3	145.7	181.5	10.9	10.6	11.3
India	123.0	107.2	129.7	8.1	7.8	8.1
United States	96.7	96.7	110.5	6.3	7.1	6.9
Japan	129.4	101.2	109.0	8.5	7.4	6.8
Korea	83.4	68.6	81.4	5.5	5.0	5.1
Singapore	69.2	63.7	76.1	4.5	4.6	4.8
Italy	48.9	46.4	58.2	3.2	3.4	3.6
France	38.5	35.4	43.1	2.5	2.6	2.7
Netherlands	39.0	31.5	42.8	2.6	2.3	2.7
Germany	36.3	35.9	40.1	2.4	2.6	2.5
Total of Top Ten Countries	829.7	732.2	872.4	54.5	53.4	54.5
Total OIC Export	1,523.0	1,370.6	1,602.2	100.0	100.0	100.0

Source: IMF Direction of Trade Statistics

"OIC exports are dominated by mineral fuels and oils"

Product concentration of total OIC exports is very high. Share of mineral fuels, oils and distillation products in total OIC exports was 60.2 in 2011. Although mineral fuels, oils and distillation products has still the highest share in total OIC exports, its share was down by 18.1 percentage points between 2011 and 2016 due to collapse in oil prices. However the share of mineral fuels and oils in total OIC exports increased to 45.0 per cent in 2017 due to the rise in oil prices. This sector was followed by electrical machinery and equipment, pearls, precious stones, ores, slag and ash and machinery, mechanical appliances. These five sectors as a whole accounted for 63.2 per cent of total OIC exports in 2017.

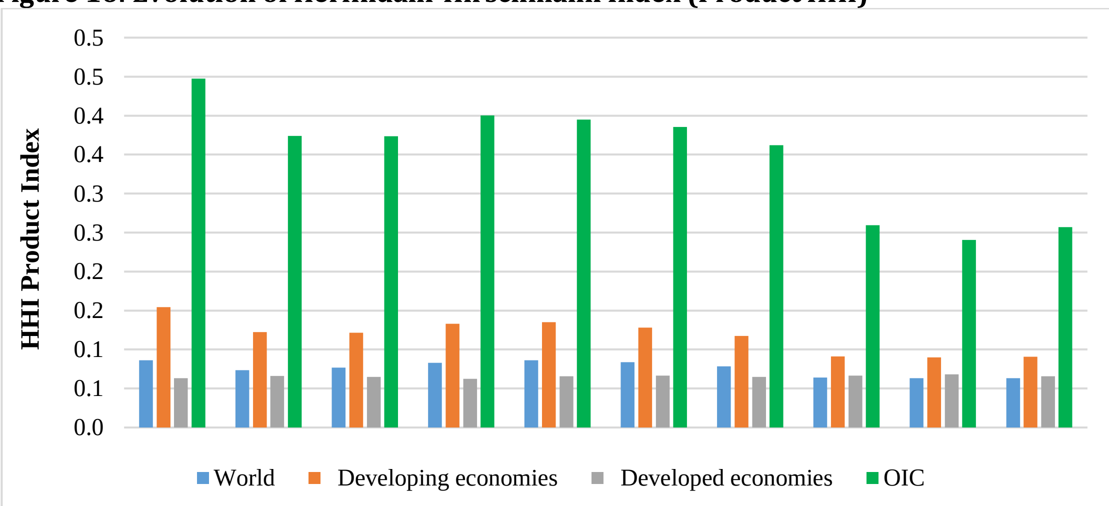
Figure 15: Evolution of OIC Exports to World- Top 5 Items



Source: ITC Trade map

The resilience of a country against external economic shocks varies depending on among others the degree of export diversification. One common measure of concentration is Herfindahl-Hirschmann Index (HHI)[12] which can take values between 0 and 1 where being close to 0 indicates well diversified exports while a higher value indicates greater concentration of exports on a few commodities. Figure 16 illustrates the evolution of product diversification in the OIC compared to world and developed and developing countries for the period 2007-2016 measured by HHI. Developed countries export product diversification has not changed much as these countries have more stable and mature export structures[13]. This measure shows a modest tendency towards increasing product diversification in the OIC countries whereas developing countries achieved a more diversified exports structure in the same period. Moreover, the product concentration in the OIC countries exports are well above than those of world and developing countries. OIC has a HHI of 0.26 whereas world and developing countries have HHI of 0.06 and 0.09 respectively in 2017.

Figure 16: Evolution of Herfindahl-Hirschmann Index (Product HHI)



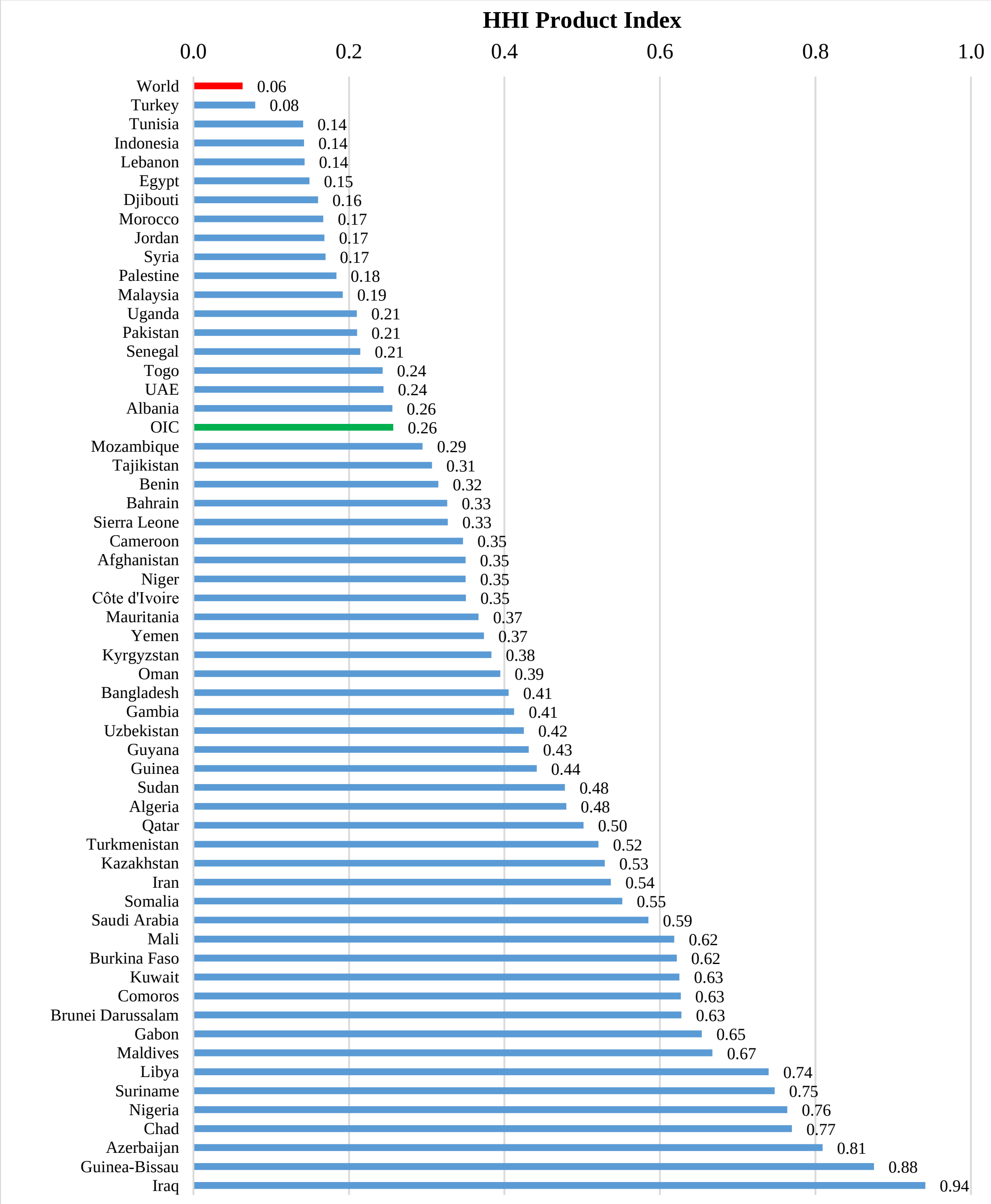
Source: UNCTAD STAT

Figure 17 illustrates product diversification of OIC countries' exports in 2017 measured by Herfindahl index. All OIC countries has a more concentrated export product structure compared to world averages. According to the Herfindahl index Turkey has the most diversified export product structure amongst the OIC countries with a HHI of 0.08 followed by other manufactures exporters of OIC as Tunisia, Indonesia, Lebanon and Egypt. On the other hand some major oil exporters have a very concentrated export product structure such as Iraq (HHI: 0.94), Azerbaijan (HHI:0.81), Kuwait (HHI: 0.63) and Saudi Arabia HHI:(0.59).

[12] The Herfindahl-Hirschmann Index (HHI) is calculated by taking the square of export shares of all export categories in the market: This index gives greater weight to the larger export categories and reaches a value of unity when the country exports only one commodity. http://unctadstat.unctad.org/wds/TableViewer/tableView.aspx?ReportId=120

[13] WTO World Tariff Profiles, 2017

Figure 17: Herfindahl-Hirshmann Index (Product HHI) by OIC Countries (2017)



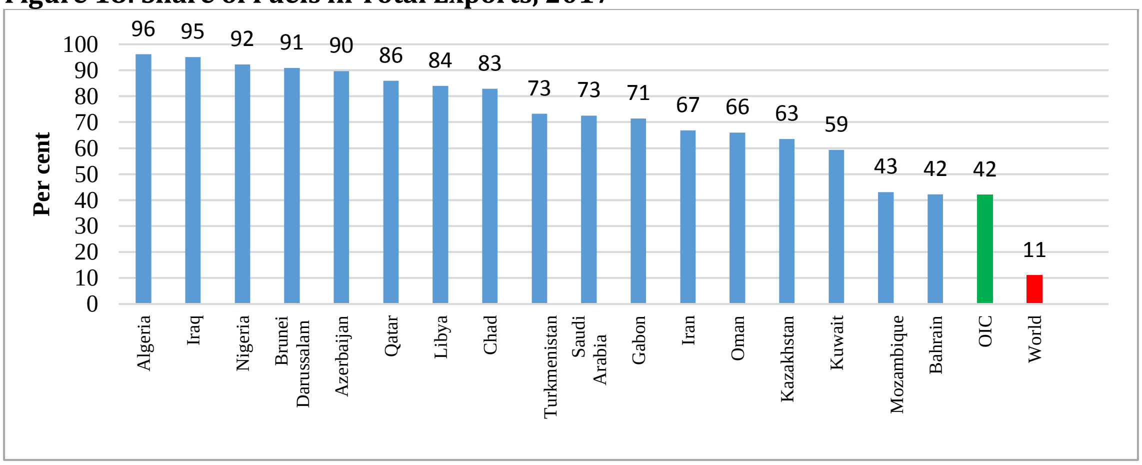
Source: UNCTADSTAT database

The commodity concentration could also be observed when countries looked into specifically. Due to their undiversified economic structure many OIC countries rely upon a few primary products for their exports or depend heavily on natural resources which might result in a severe export revenue loss in case of either foreign demand and/or commodity price shocks or drought for agricultural commodity exporters. Recent oil price collapse underlies the importance of policies aiming to step up export diversification to enhance resilience to commodity price volatilities.

Figures 18 and 19 illustrate the share of the basic commodities in total exports of some member states. Fuels (SITC 3) was the main exported item in many members ranging between 42 to 96 per cent of total exports. On the other hand, the share of non-monetary gold reached 72 to 61 per cent of total exports in Mali and d Burkina Faso respectively. The share of textile related items in exports reached 89 per cent in Bangladesh, 61 per cent in Pakistan. Basic metals constituted a noticeable place in exports of some member states such as Mauritania and Niger where the share of metalliferous ores and metal scrap constituted 32 to 41 per cent of exports.

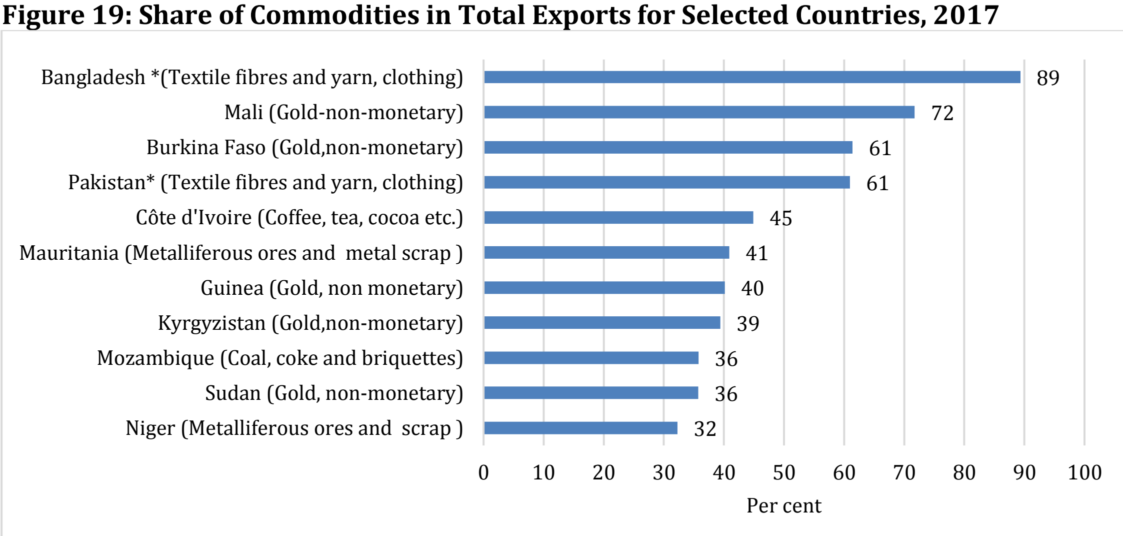
"Dependence on a single commodity is common among OIC members"

Figure 18: Share of Fuels in Total Exports, 2017



Source: UNCTADSTAT   Note: Fuels includes petroleum, petroleum products, natural gas, coke and electric current

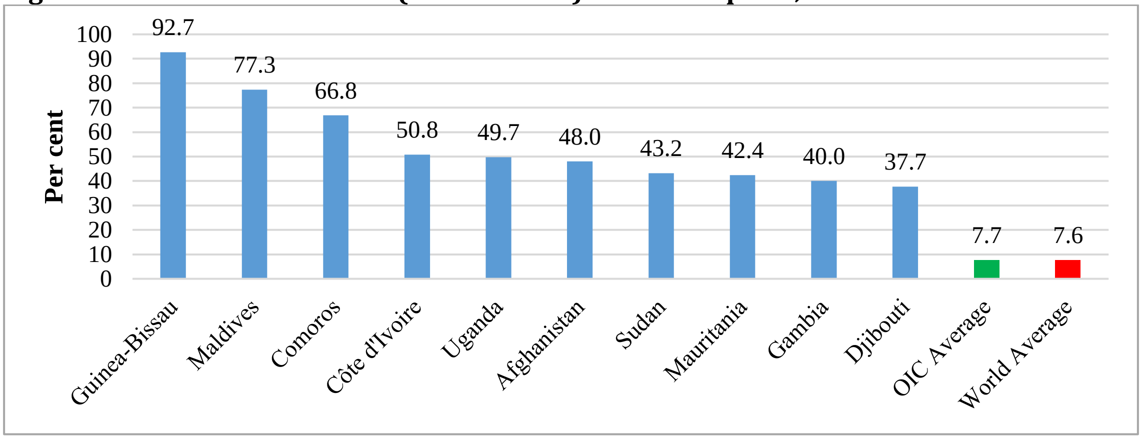
Figure 19: Share of Commodities in Total Exports for Selected Countries, 2017



Source: UN Comtrade   https://comtrade.un.org/db/mr/daReportersResults.aspx?bw=G
Note: Latest available data were used.   * Includes SITC Rev 3 sectors 65 and 84

As shown in Figure 20 the share of basic food items such as food and live animals, oil seeds and animal and vegetable oils constituted as much as 43 to 93 per cent of exports in Guinea Bissau, Maldives, Comoros, Cote d'Ivoire, Uganda, Afghanistan and Sudan.

Figure 20: Share of Basic Food (SITC 0+22+4) in Total Exports, 2017

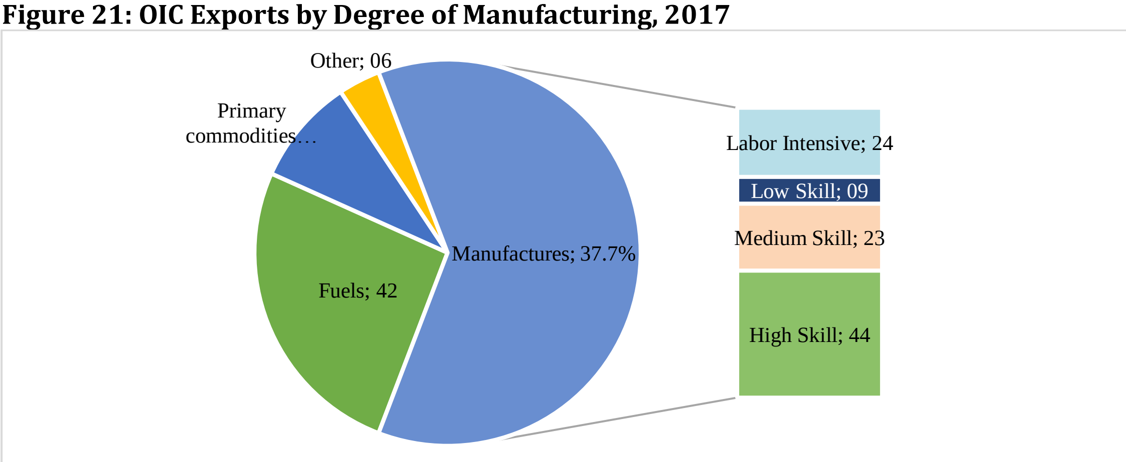


Source: UNCTADSTAT

Although the share of manufacturing in total OIC exports is 37.7 per cent in 2017, manufactured products constitute a considerable part of exports in some OIC countries such as Bangladesh, Pakistan, Turkey, Morocco and Malaysia where the share of manufactured goods exports in total exports ranged between 67 to 95 per cent (see Table 4).

Figure 21 illustrates the sectoral breakdown of OIC exports along with the breakdown of manufacturing exports by degree of manufacturing in 2017. Of the total OIC manufacturing exports 44 per cent is high-skill and technology-intensive manufactures, 24 per cent is labor-intensive and resource-intensive manufactures, 23 per cent is medium-skill and technology-intensive manufactures and 9 per cent is low-skill and technology-intensive manufactures.

Figure 21: OIC Exports by Degree of Manufacturing, 2017



Source: UNCTADSTAT

Table 4 provides the details of the largest manufactured goods exporters of OIC by degree of manufacturing in 2017. Malaysia, United Arab Emirates, Turkey and Indonesia as being the largest manufactured goods exporters realized as a whole 66.3 per cent of total OIC manufactured goods exports. Labor-intensive and resource-intensive manufactures make up 97

"High technology manufactures account for 44 per cent of OIC manufactured goods exports"

per cent of the manufactured exports in Bangladesh and 84 per cent in Pakistan. This is due to the high share of textile fibers, yarn, fabrics and clothing in total manufacturing exports in Bangladesh and Pakistan. The share of high-skill and technology-intensive manufactures in Saudi Arabia, Iran and Kuwait ranges between 70 to 82 per cent. When looked into detail of the manufacturing exports in these countries the share of chemical products ranged between 79 per cent to 65 per cent.

Table 4: Top Ten Manufactures Exporters by Degree of Manufacturing[14], 2017 (per cent)

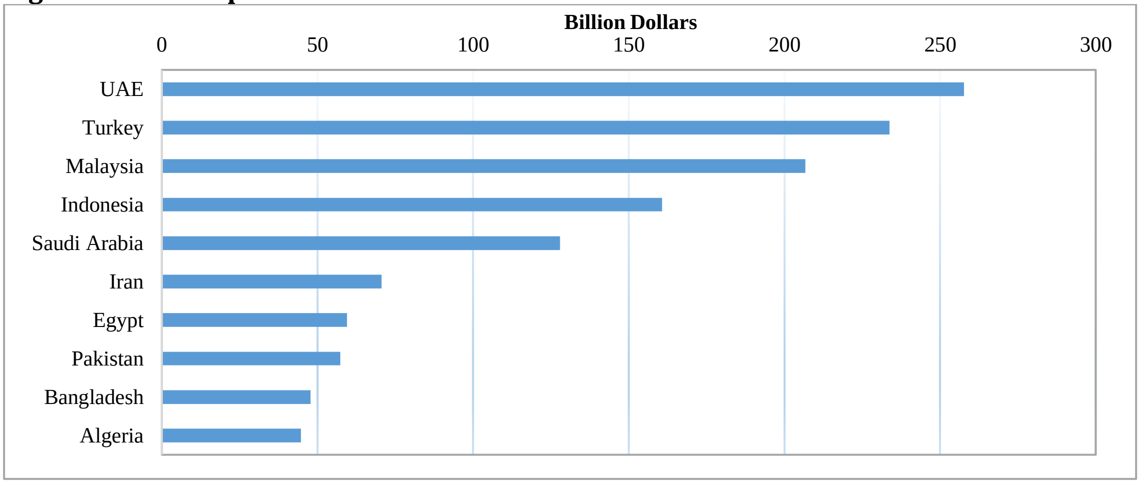
	Share of Manufacturing in Total OIC Manufacturing	Share of Manufacturing in Country's Total Exports	Labour-intensive and resource-intensive manufactures	Low-skill and technology-intensive manufactures	Medium-skill and technology-intensive manufactures	High-skill and technology-intensive manufactures
Malaysia	20.8	66.7	9.5	4.6	19.0	66.8
United Arab Emirates	18.0	34.7	10.8	10.5	29.8	49.0
Turkey	17.3	76.6	30.2	14.7	40.7	14.3
Indonesia	10.2	41.8	38.2	10.1	25.0	26.7
Saudi Arabia	8.2	23.0	4.7	6.9	6.8	81.6
Bangladesh	4.8	94.9	97.4	0.7	0.8	1.0
Kuwait	2.8	35.4	3.1	4.0	23.1	69.8
Morocco	2.5	69.2	30.7	1.9	37.8	29.6
Pakistan	2.4	77.5	84.3	2.2	3.8	9.7
Iran	2.3	17.5	8.7	9.9	4.2	77.3

Source: UNCTADSTAT

2.2. Main Characteristics of Total OIC Merchandise Imports

The leading five exporters in total OIC exports were at the same time the main importers.

Figure 22: OIC Imports from World-2017



Source: IMF Direction of Trade Statistics

As in the case with total extra-OIC exports, total extra-OIC imports originated mainly from developed countries except China, which was in the first place as 16.5 percent of extra-OIC

[14] Classification of products by degree of manufacturing is available at UNCTADstat, http://unctadstat.unctad.org/EN/Classifications.html

imports made from this country in 2017. Top ten countries accounted for nearly half of total extra-OIC imports in this year (Table 5).

Table 5: Major Countries of Origin of Total Extra-OIC Imports

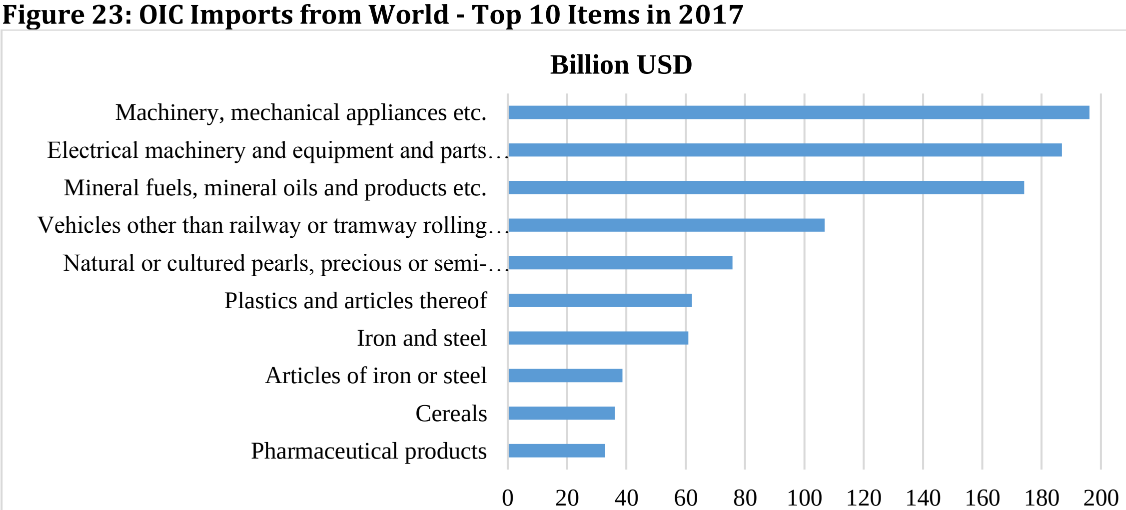
Countries	(Billion Dollars)			Share %		
	2015	2016	2017	2015	2016	2017
China	243.2	235.0	276.1	15.4	15.9	16.5
United States	114.8	107.3	113.9	7.3	7.3	6.8
Germany	87.5	81.5	80.6	5.5	5.5	4.8
India	65.2	68.5	75.1	4.1	4.6	4.5
Japan	63.8	61.9	71.6	4.0	4.2	4.3
Russian Federation	70.3	65.4	67.9	4.4	4.4	4.1
Korea, Republic of	58.5	47.8	59.2	3.7	3.2	3.5
France	58.4	50.4	56.9	3.7	3.4	3.4
Italy	52.1	48.7	52.9	3.3	3.3	3.2
Singapore	51.6	48.5	52.1	3.3	3.3	3.1
Total of Top Ten Countries	865.3	814.8	906.3	54.7	55.3	54.0
Total OIC Export	1,582.4	1,473.7	1,677.3	100.0	100.0	100.0

Source: IMF Direction of Trade Statistics

"The total OIC imports is more diversified than the total OIC exports"

Total OIC imports was more diversified than the total OIC exports in that manufactured items such as machinery, electrical and electronic equipment, vehicles other than railway, tramway, and natural or cultured pearls and precious stones-metals also constituted an important part of total imports.

Figure 23: OIC Imports from World - Top 10 Items in 2017



Source: ITC Trade map

3. INTRA-OIC MERCHANDISE TRADE

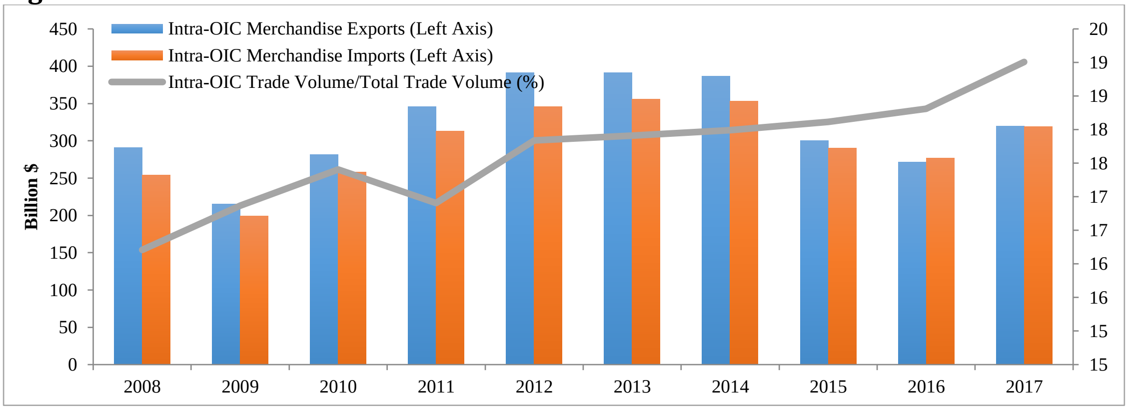
"Share of intra-OIC trade in total OIC trade peaked at 19.0 per cent in 2017"

Although the intra-OIC trade (average of intra-OIC exports and intra-OIC imports) remained weak in the last two years, it rebounded strongly in 2017. Intra-OIC trade increased by 16.5 per cent to 319.4 billion dollars in 2017 up from 274.1 billion dollars in 2016. It should be noted however that intra-OIC trade is still 54 billion dollars below its peak levels achieved in 2013.

At the 13th Islamic Summit held in April 2016, in Istanbul/Turkey, the OIC 2025: Programme of Action was adopted. According to the Programme, it was aimed to achieve 25 per cent of intra-OIC trade share in the total OIC trade by 2025.

The share of intra-OIC trade in total trade peaked at 19.0 per cent in 2017. Intra-OIC exports accounted for 19.6 percent of total OIC exports while intra OIC imports accounted for 18.4 percent of total OIC imports.

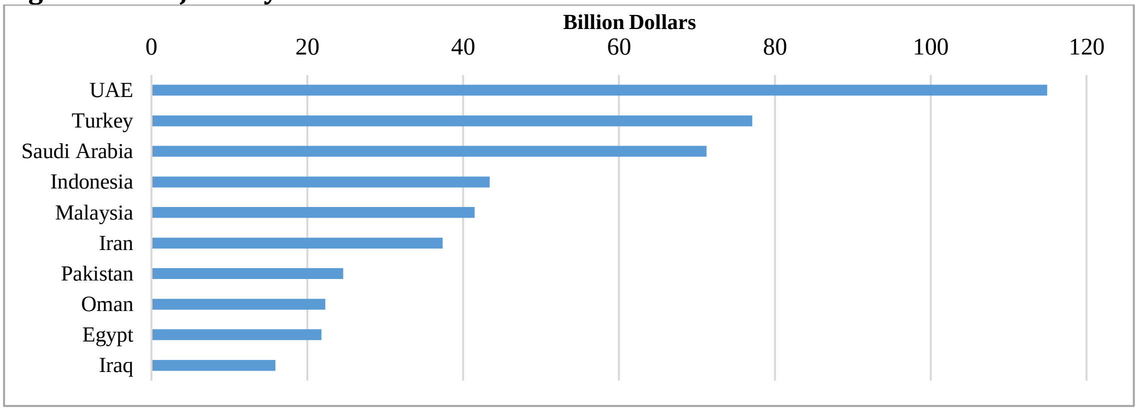
Figure 24: Evolution of the Intra-OIC Trade



Source: IMF Direction of Trade Statistics

Among the leading countries in intra-OIC trade in 2017, United Arab Emirates ranked first and followed by Turkey, Saudi Arabia, Indonesia and Malaysia. Top ten countries accounted for the 73.6 per cent of the intra-OIC trade.

Figure 25: Major Players in Intra-OIC Trade in 2017

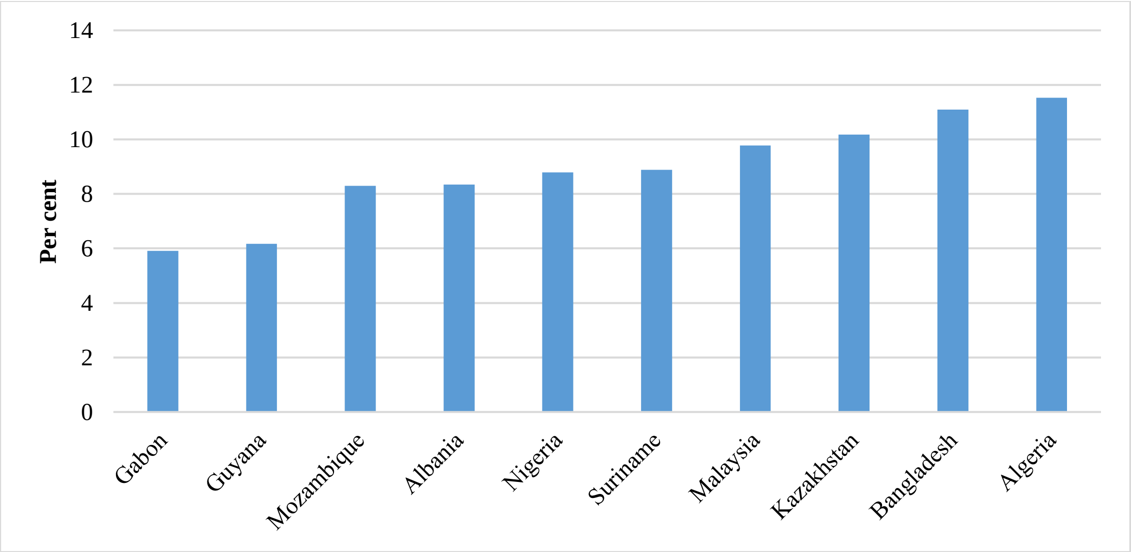


Source: IMF Direction of Trade Statistics

"There is a great diversity among the OIC countries in terms of intra trade shares."

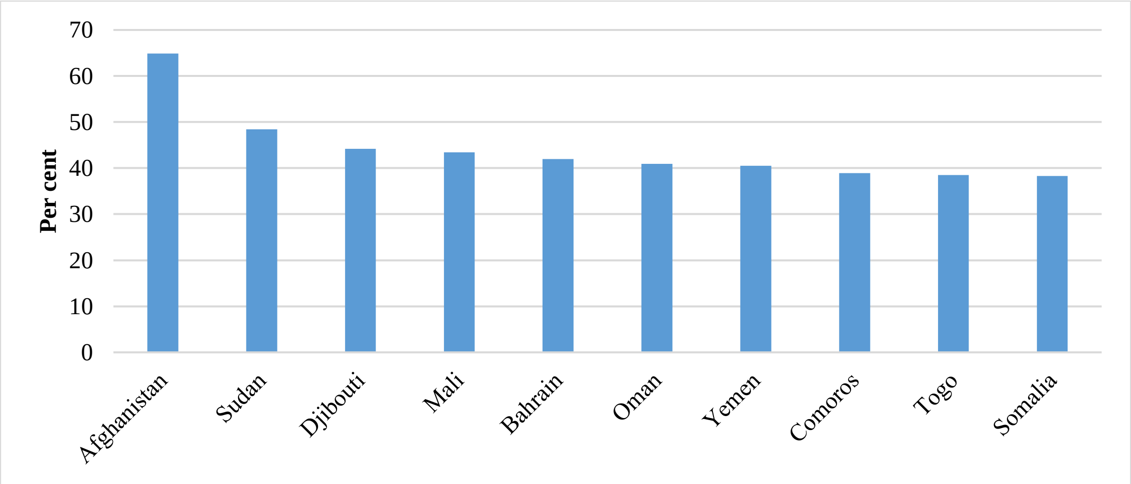
There is a great diversity among the Member States with regards to the share of intra-OIC trade to their total trade. For example the share of intra-OIC trade was 64.9 percent in Afghanistan, followed by Sudan (48.4 percent) and Djibouti (44.2 percent). On the other hand, the share of intra-OIC trade was as low as 5.9 to 8.3 per cent in Gabon, Guyana, and Mozambique.

Figure 26: Member States Having the Lowest Share of Intra-OIC Trade in Their Total Trade- 2017



Source: IMF Direction of Trade Statistics

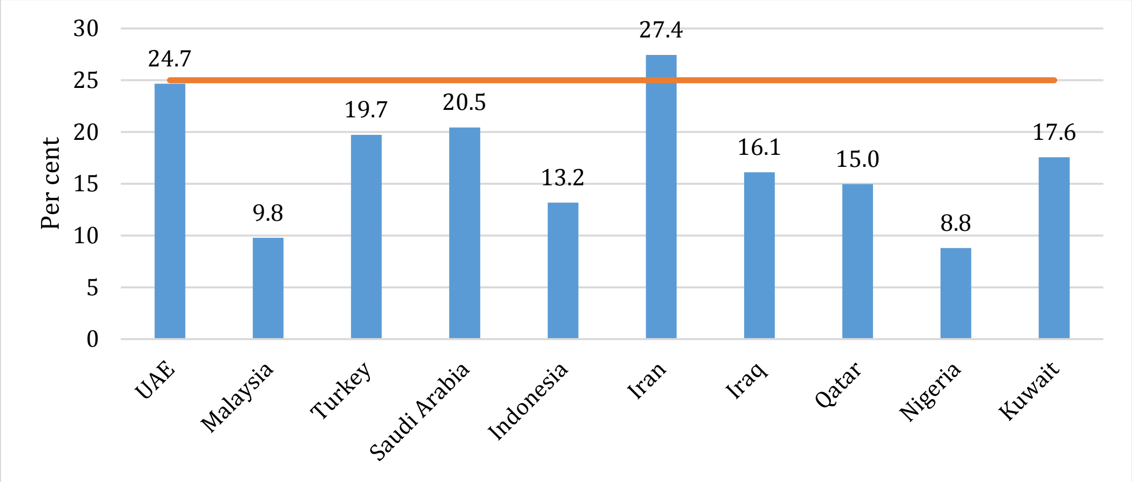
Figure 27: Member States Having the Highest Share of Intra-OIC Trade in Their Total Trade- 2017



Source: IMF Direction of Trade Statistics

With regards to the top 10 leading Members in total OIC trade, intra-OIC trade share of Iran exceeded 25 percent target while intra-trade share of United Arab Emirates was very close to 25 per cent in 2017. On the other hand, Turkey, Saudi Arabia and Kuwait, had intra trade shares between 18 to 20 per cent while the share of intra-OIC trade remained relatively low in Malaysia, Indonesia and Nigeria.

Figure 28: Intra-OIC Trade Shares of Top OIC Traders* (2017)

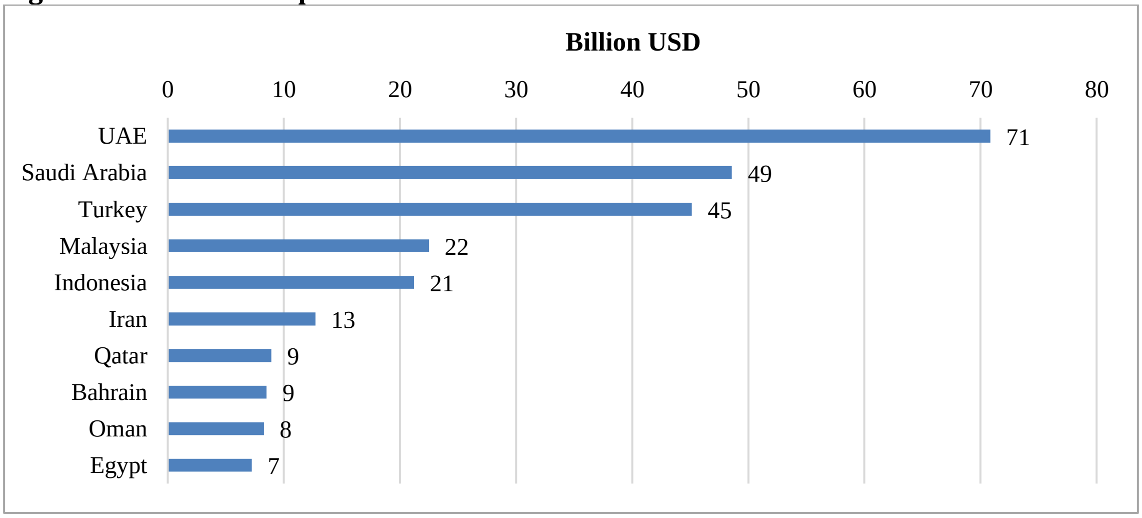


Source: IMF Direction of Trade Statistics (*): Countries are ranked based on their share in total OIC trade.

3.1. Intra-OIC Merchandise Exports

The United Arab Emirates took the lead in intra-OIC exports in 2017 by realizing 22.2 percent of the total intra-OIC exports and was followed by Saudi Arabia (15.2 per cent) and Turkey (14.1 per cent). These three countries as a whole accounts for almost (51.5 per cent) half of intra-OIC exports.

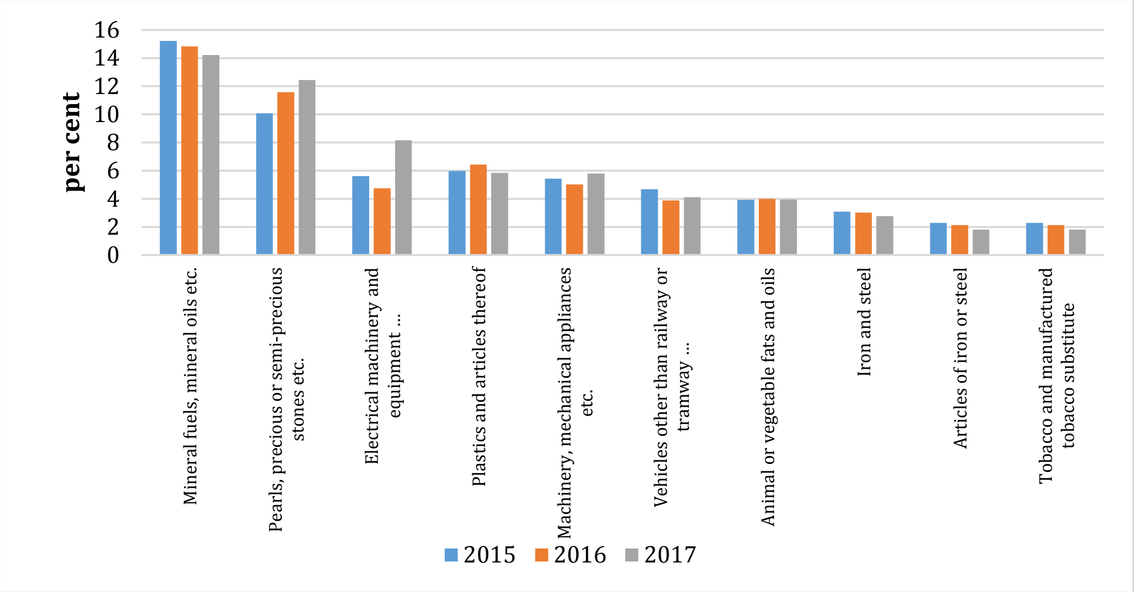
Figure 29: Intra-OIC Exports in 2017



Source: IMF Direction of Trade statistics

Although the sectorial breakdown of intra-OIC exports is similar to that of total OIC exports which is dominated by mineral fuels, its share is not as high as in total OIC exports (Figure 30). Of the total intra-OIC exports, share of mineral fuels, oils and related products was 14.2 per cent, followed by pearls, precious stones[15] (12.5 per cent), electrical machinery (8.2 per cent), and machinery and nuclear reactors with 5.8 per cent.

Figure 30: Evolution of the shares of sectors in Intra-exports

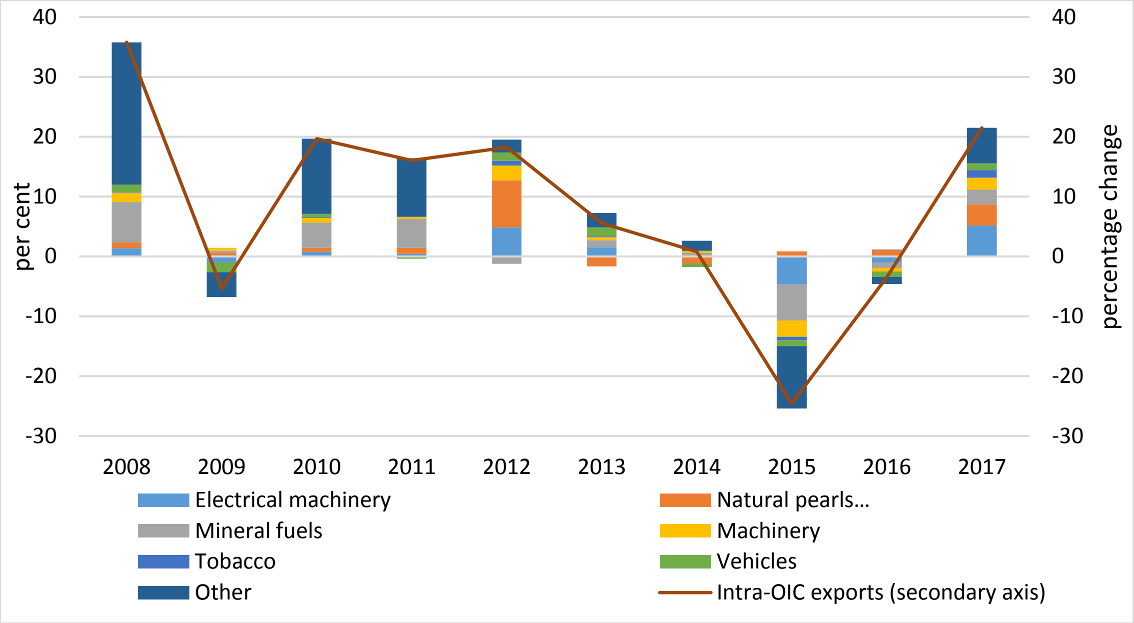


Source: ITC Trade map Note: Top ten sectors by 2017 were included.

Figure 31 illustrates the contribution of sectors to the change in intra-OIC exports. In 2017 intra OIC exports increased in most sectors but the increase in the intra exports of electrical machinery, natural or cultured pearls, precious stone, machinery and mechanical appliances and tobacco as whole accounted for 67.2 per cent of the increase in intra-OIC exports. Contribution of mineral fuels to the change in intra exports varies mainly depending on the oil prices. Intra-exports of sectors such as pearls and precious stones and electrical machinery have gained importance in recent years.

[15] Composed of mainly (HS6 product code 7108) Gold, incl. gold plated with platinum, unwrought or not further worked than semi-manufactured and (7113) Articles of jewellery and parts thereof, of precious metal or of metal clad with precious metal.

Figure 31: Contribution of Sectors to the Change in Intra OIC Exports



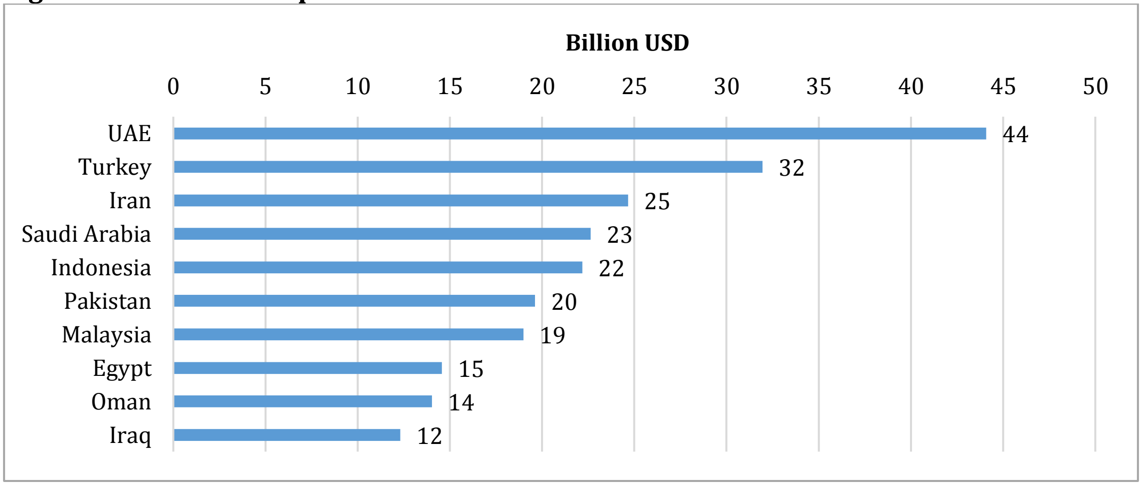
Source: ITC Trade map

The country breakdown of intra OIC trade which is provided in Appendix 4 reveals that intra trade is highly concentrated as the sum of top three trading partners to total intra trade has a very high ratio both in intra exports and intra imports. Moreover, it is observed that the geographical proximity seems to be a major determinant of intra trade. Trade costs gets higher with the distance between countries. This could be one of the factors accounting for the high concentration of intra trade with the nearby countries.

3.2. Intra-OIC Merchandise Imports

The intra-OIC imports of UAE had the highest share in total intra OIC imports with 13.8 percent followed by Turkey (10.0 per cent) and Iran with 7.7 per cent.

Figure 32: Intra OIC Imports in 2017

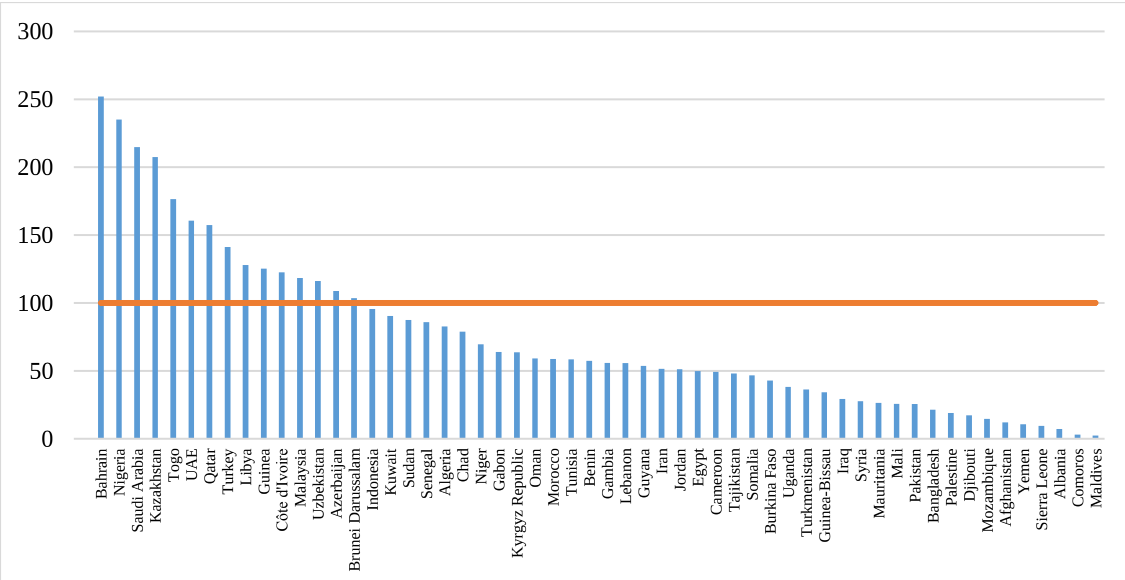


Source: IMF Direction of Trade Statistics

3.3. Intra Trade Balance

Comparison of countries whether they are net intra-exporters or net intra-importers could provide some insights. Since there is great variation in terms of absolute values of trade across OIC countries, the ratio of intra exports to intra imports could be used in order to compare the value of imports against exports. According to this ratio those countries with a value less than 100 per cent are net intra-importers (i.e. they import more goods from OIC than they export to other OIC countries) while those with a value more than 100 per cent are net intra-exporters. Figure 33 depicts that fifteen OIC countries have a ratio over 100 implying that they are net intra exporters. Suriname which has the largest intra-trade surplus ranks first and followed by Bahrain, Nigeria, Saudi Arabia, Kazakhstan, Togo, UAE and Qatar. On the other hand 41 OIC countries with a ratio below 100 are net intra importers. Among these net intra-importers Maldives ranks first followed by Comoros, Albania and Sierra Leone.

Figure 33: Intra Trade Balances (ratio of intra-exports to intra imports) of the OIC Countries 2017



Source: IMF Direction of Trade statistics   Note: The figure does not cover Suriname which is an outlier with a ratio of 552.

4. TRADE IN COMMERCIAL SERVICES

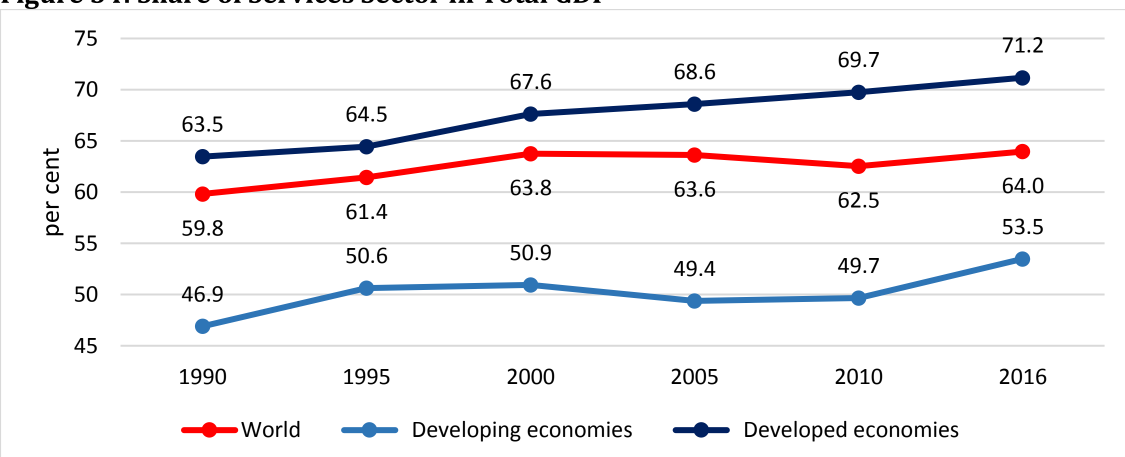
Trade in services refers to trade of intangible products (services) between producers and consumers. It covers many sectors including transport, travel, construction, telecommunication and information services, intellectual property related services etc. In this report, only the commercial services will be analyzed in line with the classification of UNCTAD. According to the UNCTADSTAT, "*commercial services cover all service categories, except trade in government goods and services*"[16].

Trade in services plays very significant role in the global economy for economic growth and development of the countries. It contributes to generating employment and investment and have increasing importance in global international trade. Moreover, according to the World Bank, the growth in the services sector contributes to reduce poverty much more than the growth of agricultural and manufacturing sectors[17].

4.1. Trends in Global Trade in Commercial Services

The contribution of services sector to GDP has been increasing in the recent decades. According to the data from UNCTADSTAT, the share of services sector in total global GDP increased from 59.8 per cent in 1990, to 64 percent in 2016. On the other hand, the contribution of services sector to GDP is higher in developed countries compared to developing countries. In 2016, the share of services sector in the GDP of developed countries was 71.2 per cent, whereas the same ratio was 53.5 per cent in the developing countries. However, in both group of countries, the share of services trade in GDP was on an upward trend between 1990-2016.

Figure 34: Share of Services Sector in Total GDP



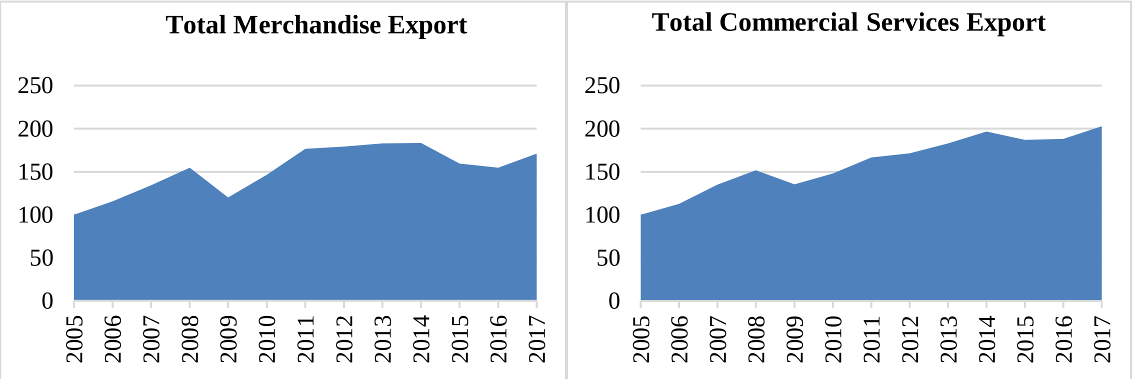
Source: UNCTADSTAT

According to WTO[18] as one of the most dynamic segment in the world trade, trade in services increases its importance in the global economy. In the last few decades, the volume of trade in services has increased more than the volume of merchandise trade in the world. As demonstrated in the Figure 35 below, annual average growth of global goods exports was 4.6 per cent, while the global commercial services exports grew by 6.0 per cent on average during

[16] UNCTADSTAT.
[17] World Bank presentation, "Role of Services in Economic Development"; Geneva, July 2012
[18] WTO https://www.wto.org/english/thewto_e/20y_e/services_brochure2015_e.pdf

the same period. The figure reveals that the trade in services has been increasing its importance and contribution to the global trade.

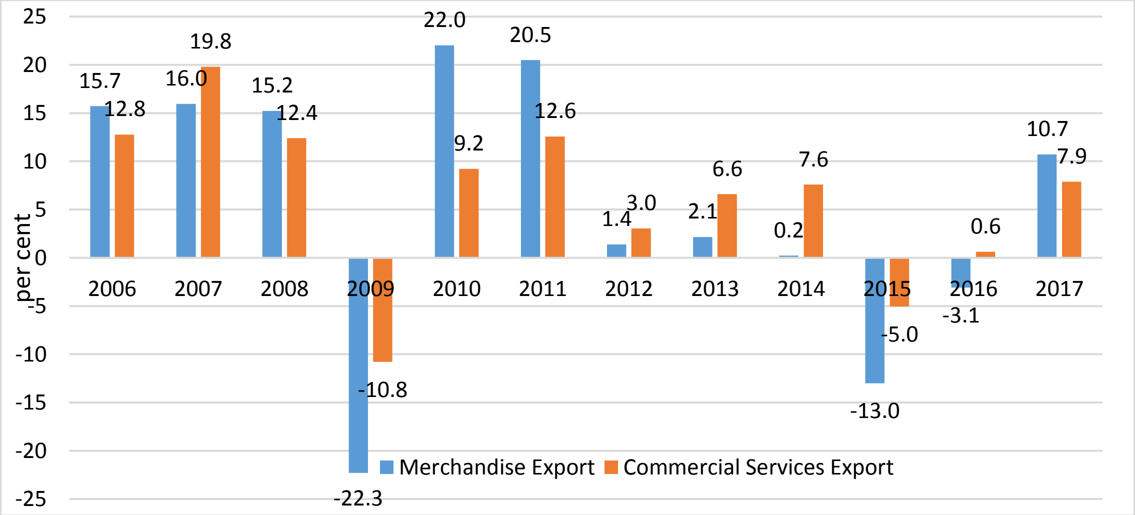
Figure 35: Global Goods and Commercial Services Export Values (Index 2005=100)



Source: UNCTADSTAT

Moreover, the studies show that trade in services demonstrates higher resilience to the global crisis compared to the merchandise trade[19]. Accordingly, during the global contractions in the trade volume, the commercial services trade was not affected as much as merchandise trade. The Figure 36 below shows that during 2009 financial crisis, despite the 22 per cent decline in the volume of merchandise export, the commercial services only decreased about 10 per cent. The same picture was also valid for the year 2016. The global merchandise exports decreased about 13 percent whereas commercial services trade declined by only 5 per cent. The development of the commercial services makes the economies stronger and resilient to the external shocks. Therefore, considering the advantages of trade in services, many countries incorporated trade in services into their national trade and growth strategies[20].

Figure 36: Annual Growth of Merchandise and Commercial Services Export 2005-2017



Source: UNCTADSTAT

[19] UNDESA and UNCTAD: World Economic Situation and Prospects 2018: 24

[20] UNCTAD, https://unctad.org/en/conferences/gsf/2013/pages/importance-of-services.aspx

Despite its importance for economies, the commercial services trade is dominated by a few countries in the world. As the table below figures out, the top ten exporter of the commercial services trade had a share of more than 50 per cent in global commercial services exports in 2017.

Table 6: Top Commercial Services Exporters in the World

Countries	(Billion Dollars)			Share %		
	2015	2016	2017	2015	2016	2017
USA	732.0	733.6	761.7	15.1	15.0	14.4
UK	345.0	327.9	347.3	7.1	6.7	6.6
Germany	267.9	276.3	299.8	5.5	5.6	5.7
France	239.3	234.6	248.2	4.9	4.8	4.7
China	217.6	208.3	226.4	4.5	4.3	4.3
Netherlands	199.1	187.3	216.5	4.1	3.8	4.1
Ireland	139.6	155.5	186.1	2.9	3.2	3.5
India	155.7	161.2	183.4	3.2	3.3	3.5
Japan	158.3	168.8	180.0	3.3	3.5	3.4
Singapore	155.0	157.7	164.4	3.2	3.2	3.1
Top Ten Countries Total	**2,609.4**	**2,611.3**	**2,813.9**	**53.7**	**53.4**	**53.3**
World Total	**4,863.5**	**4,893.3**	**5,279.4**	**100.0**	**100.0**	**100.0**

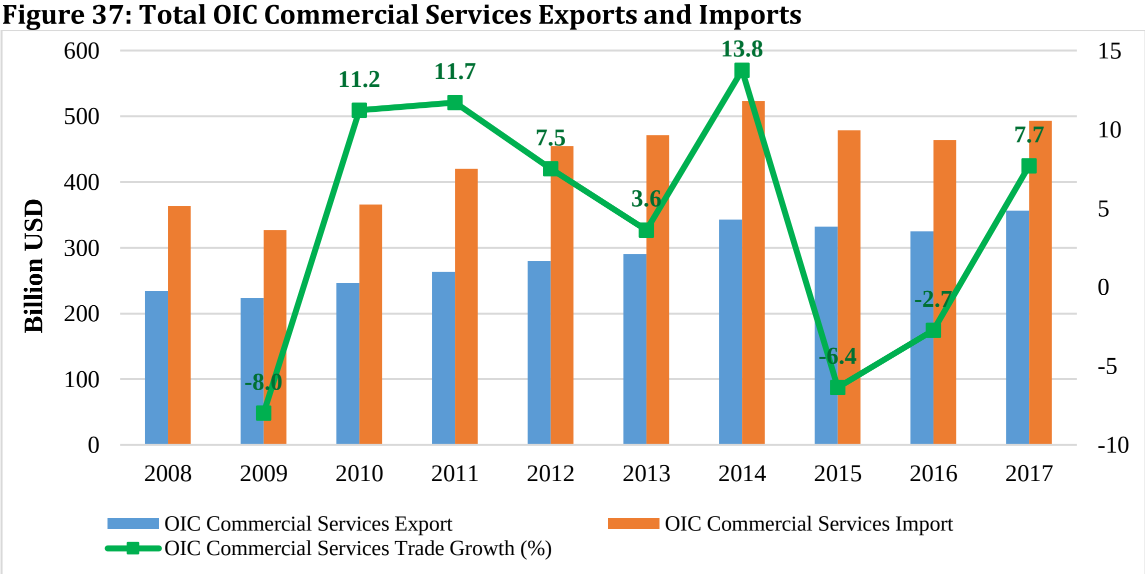
Source: UNCTADSTAT

4.2. Trade in Commercial Services in the OIC Member Countries

Total commercial services trade in the OIC reached its peak level in 2014 and recorded as 866 billion USD but it remained weak in 2015 and 2016. However total commercial services trade in the OIC increased by 7.7 per cent and amounted to 849.6 billion USD in 2017.

With respect to the structure of the trade in services, OIC services imports has dominated the services exports in the last decade. Accordingly, the OIC commercial services exports constituted only about 42 per cent of the total commercial services trade in 2017. However services exports grew at an annual average rate of 4.3 per cent while services imports grew by 3.1 per cent during 2008-2017 period. Thus the share of services exports has increased over the last decade from 39 per cent in 2008 to 42 per cent in 2017.

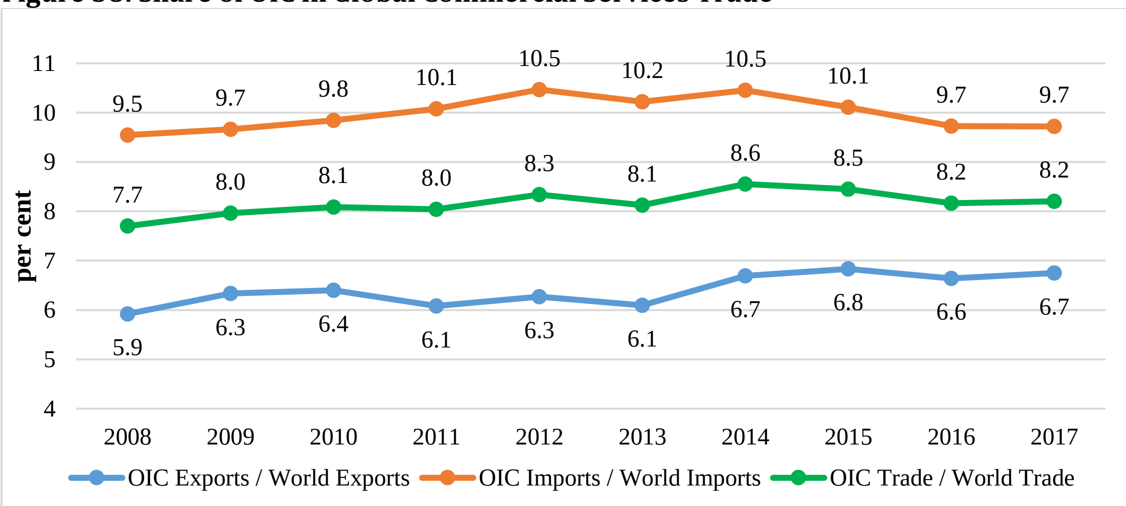
Figure 37: Total OIC Commercial Services Exports and Imports



Source: UNCTADSTAT

Regarding the share of the OIC in global economy, the OIC Member Countries have the share of 8.2 per cent in total global commercial services trade. Although this ratio peaked at 8.6 in 2014, the share of the OIC has been gradually decreased in the last three years. Moreover, the share of the OIC commercial services exports in global exports has been below vis-à-vis the share of the OIC commercial services imports and total OIC commercial services trade. However, the share of OIC services export in global commercial exports has slightly increased from 6.1 to 6.7 since 2013, whereas the share of OIC services imports decreased from 10.5 to 9.7 in the same period. The Figure 38 below shows the recent trends regarding the share of the OIC in global services trade.

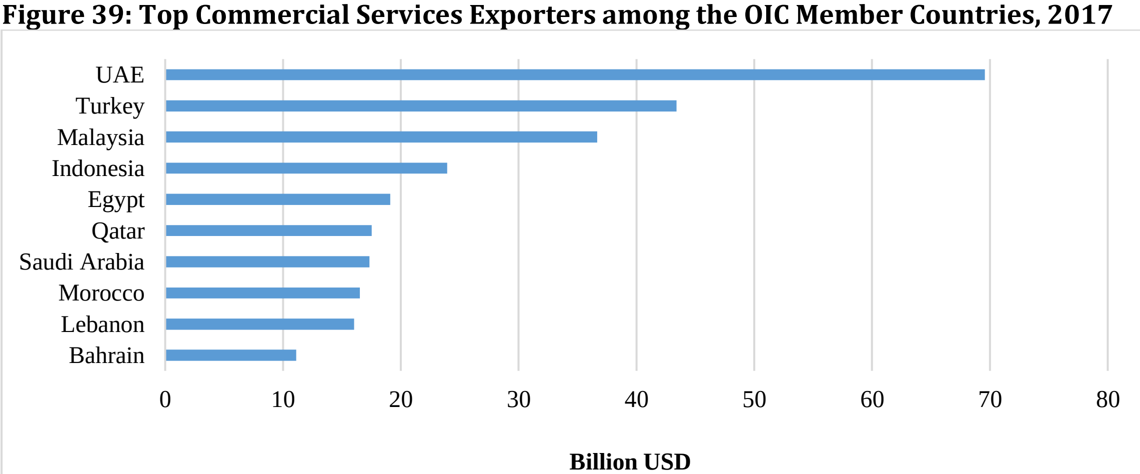
Figure 38: Share of OIC in Global Commercial Services Trade



Source: UNCTADSTAT

The top performers in total OIC commercial services exports were the United Arab Emirates, Turkey and Malaysia. The commercial services exports in the OIC mainly concentrated on the top ten performers demonstrated in Figure 39. These countries as a whole represent 80.6 per cent of the total OIC commercial services exports.

Figure 39: Top Commercial Services Exporters among the OIC Member Countries, 2017



Source: UNCTADSTAT

With respect to the sectoral breakdown of commercial services trade, travel services sector has the largest share accounting for the 24.8 per cent of the total global commercial services exports. This sector is followed by other business services[21] and transport services with a share of 22.5 per cent and 17.6 per cent respectively in 2017.

On the other hand, the contribution of the sectors to the total commercial services varies according to the level of economic development of the countries. As shown in the Figure 40, although the travel services has the largest share in developing countries and in the world, it ranks second with a share of 21.1 per cent in developed countries where the other business services have the first place with 23.8 per cent share in 2017. Moreover, transport services have a larger share in developing countries, compared to the developed countries. The transport sector is the third biggest services sector in the developed countries with a share of 15.9 whereas it ranks at second place in developing countries with 20.4 per cent share.

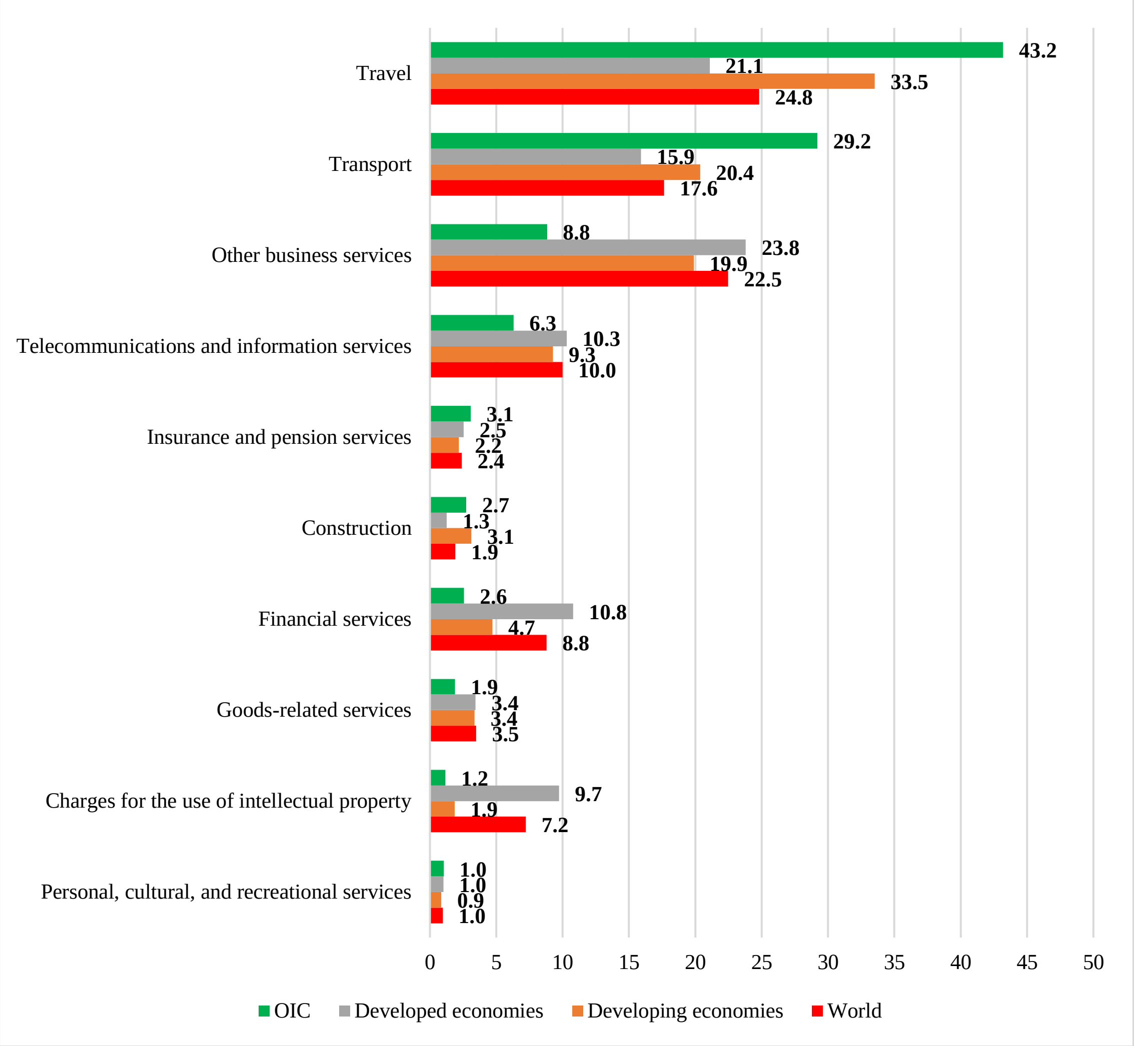
Regarding the sectoral breakdown of the OIC services exports, the total services exports are mainly concentrated on two major sectors: travel and transport. The share of travel sector in the OIC total commercial services exports is 43.2 per cent whereas this sector has only 24.8 per cent share in the world services exports. Transport sector also gives a similar picture. Although the share of transport sector in total services trade of the OIC is 29.2 per cent, it is only 17.6 per cent in global services exports. In total, the travel and transport sector dominate the total commercial services trade of the OIC with 72.4 per cent share.

The most significant difference with respect to the composition of sectors in developing and developed countries can be seen with regards to the charges for the use of intellectual property (IP). Accordingly, the share of IP-related services export accounts for 9.7 per cent of developed countries services exports while it is only about 1.9 per cent in the developing countries. Moreover, the IP-related trade is predominantly possessed by the developed countries as. 92.1 per cent of the whole IP-related trade sector in the world realized by developed countries.

In the OIC, IP-related trade services constitute only 1.2 per cent, which is even lower than the developing countries. Moreover, the share of financial services also gets much higher share in developed countries (10.8 per cent) in comparison to the OIC (2.6 per cent).

[21] Other business services cover research and development, professional and management consulting and technical, trade-related and other business services (UNCTADSTAT).

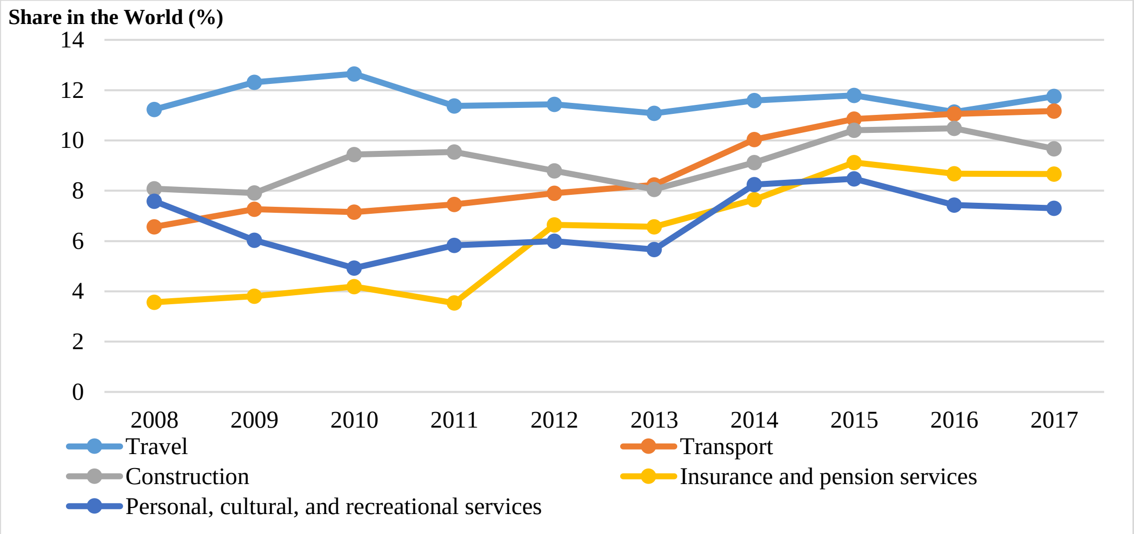
Figure 40: Share of Sectors in Total Commercial Services Exports, 2017



Source: UNCTADSTAT

Regarding the sectoral breakdown of OIC commercial services trade with respect to their share in the world, travel sector had the highest rank with its 11.8 per cent share in the world in 2017. Transport sector, which was the 2nd sector in 2017, increased its share from 6.6 per cent in 2005 to 11.2 per cent in 2017.

Figure 41: Top 5 Commercial Services of the OIC with the Highest Share in the World Total Commercial Services Exports

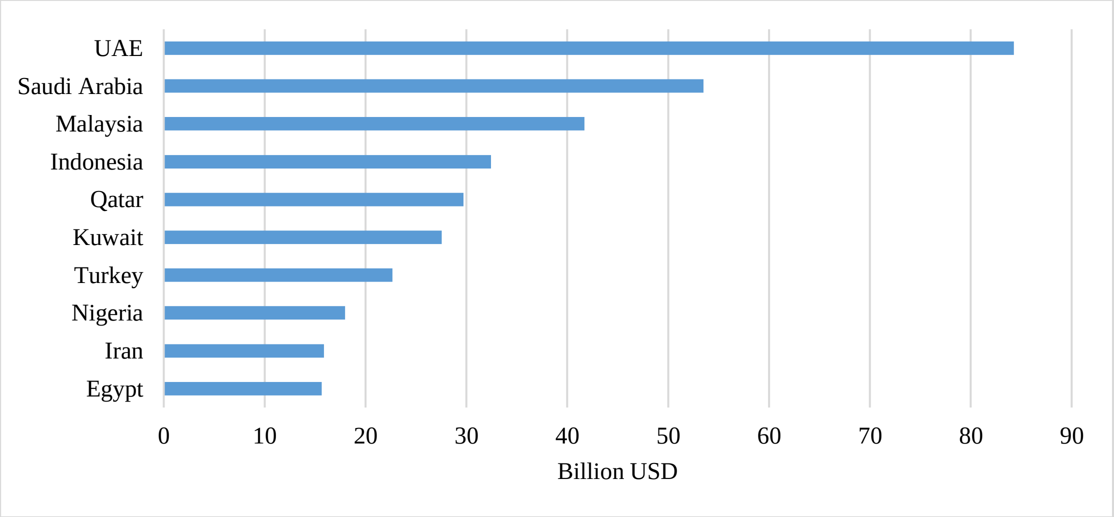


Source: UNCTADSTAT

Among the commercial services, the IP-related services had the lowest share in the world with its 1.1 per cent share in 2017. However, considering its share in 2013, which was about 0.13 per cent, although it is still too weak compared to the world, this sector showed a significant increase in the OIC. The second lowest sector of the OIC was the financial services with its 1.97 per cent share in the world.

With regards to the commercial services imports, the top performers among the OIC Member Countries are UAE (84 billion USD), Saudi Arabia (53 billion USD) and Malaysia (42 billion USD). The top ten countries as a whole accounts for 69.2 per cent of the total OIC commercial services imports.

Figure 42: Top Commercial Services Importers among the OIC Member Countries, 2017



Source: UNCTADSTAT

The volume of commercial services trade is not at the desired level in the OIC compared to the other regions in the world. Moreover, its share in the trade volume of the OIC Region is also below the average with compared to the world, even to the developing countries. Besides, the commercial services in the OIC is based on only a few sectors, travel and transport. Therefore, the OIC Member Countries need to diversify the commercial services in order to get the higher share in this growing market.

The low level of services trade may have many reasons in the OIC. According to the studies regarding the challenges of the developing countries concerning trade in services, the following points deserve a special attention:

- Inadequate physical infrastructure (roads, buildings etc.)
- Lack of skilled technical and human resources
- Unpredictable business environment,
- Need for adequate regulations and strong institutions
- Need for comprehensive, integrated and coherent strategy at the national level[22]
- Inadequate information and technology infrastructure.

Therefore, the OIC Member Countries need to focus creating a more facilitative policy environment, as well as promoting greater value addition in services value chains in order to enhance the commercial services sector.

[22] UNCTAD, Trade in Services and Employment, 2018

5. TRADE ENVIRONMENT IN THE OIC MEMBER STATES

In this section, the trading environment in the OIC Member States will be brought into focus with more in-depth analysis of the current state of affairs in terms of trade liberalization, facilitation, promotion and financing.

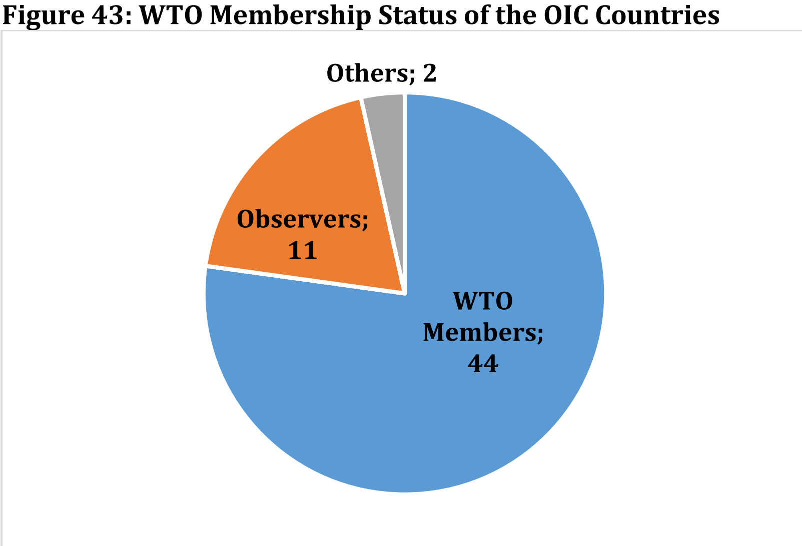
Trade Liberalization:

Trade liberalization aims at eliminating the tariffs and other trade barriers hindering the flow of goods and services among the countries. Some studies such as OECD (2011), Pavcnik (2009) and IMF (2001) have found that trade liberalization increases trade, supports production, job creation and poverty alleviation, prevents illegal trade and contributes to economic growth. The existing literature has found strong correlation between openness to trade and economic growth. For example, Panagariya (2005) concludes that it's unlikely to find an example of a developing country that has grown rapidly while maintaining high trade barriers.

Trade liberalization has been on top of the agenda of the international economic relations since the Second World War. General Agreement on Tariffs and Trade (GATT) was initiated in 1947 for multilateral trade negotiations to liberalize trade. Since then, the number of countries joining the GATT has increased dramatically. In 1994, World Trade Organization (WTO) was established to continue these negotiations. The WTO negotiations aim at eliminating the tariffs, non-tariff barriers and other barriers to international trade in goods and services among its members.

Most of the OIC member states have also showed interest in joining the WTO. Up to date 44 OIC member states have acceded to the WTO and 11 member states have the observer status. Afghanistan became the last member of WTO on 29 July 2016.

Figure 43: WTO Membership Status of the OIC Countries



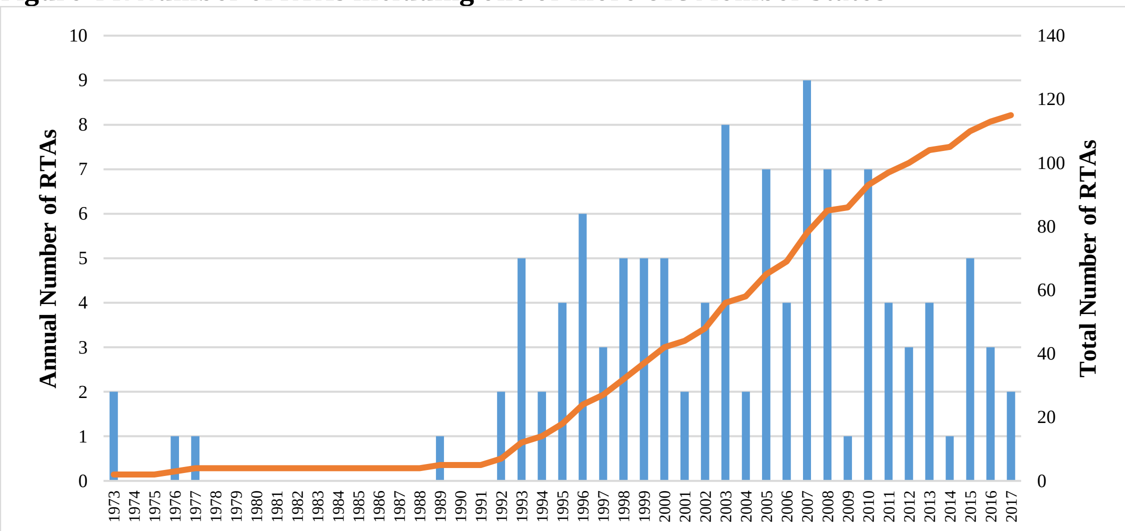
Source: WTO

"OIC Member States have a growing interest on the RTAs"

Regional Trade Agreements (RTAs) is another approach for trade liberalization. Two or more countries initiate trade arrangements to liberalize trade among themselves. Members of RTAs get the advantage of exporting to the other parties to the RTAs than the others. The European Union which was first initiated in 1950s made a domino effect on the expansion of the RTAs worldwide. Today, many countries, including the developed ones are party to one or more RTAs.

Most of the OIC Member States also took part in one or more RTAs over time. The number of RTAs, which include one or more OIC Member States, has reached 115 by October 2018. Most of these RTAs are in the form of FTAs. Most of the RTAs signed by the OIC Member States are bilateral and concluded with the developed countries.

Figure 44: Number of RTAs including one or more OIC Member States



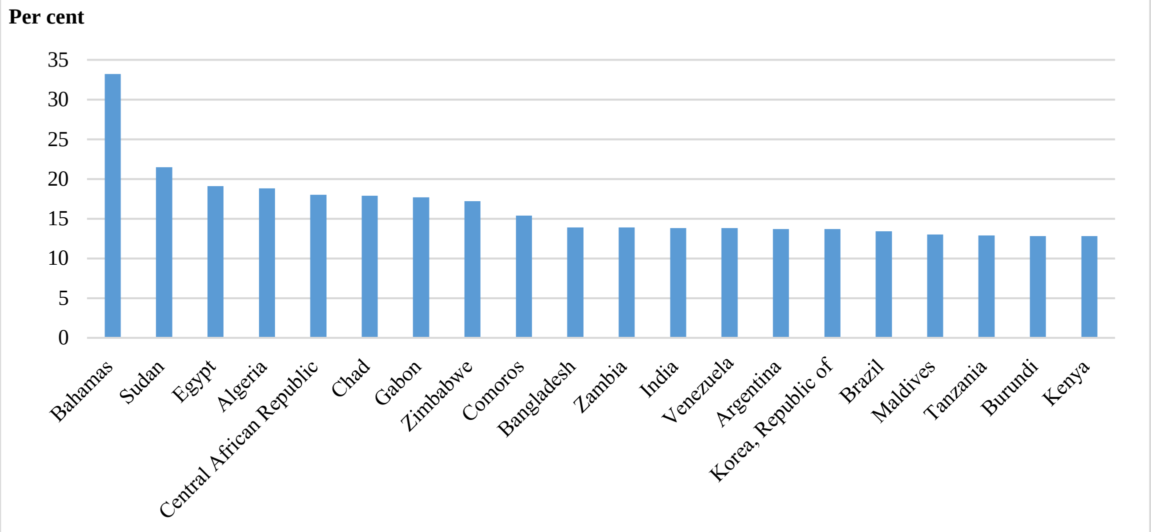
Source: WTO http://rtais.wto.org/UI/PublicAllRTAList.aspx

"Many OIC countries apply higher tariffs than the WTO average"

There are also other approaches for liberalizing trade. Some of the countries which realized that freer trade boosts economic growth also liberalized their trade unilaterally especially the ones who previously experienced the generation of exports from a less restricted trade. Many countries have diversified their economies and enriched the goods subject to export in their countries. To export, countries do not need to produce all the inputs within their borders any more. Imported inputs which are cheaper than domestically produced ones are used by the firms to compete in export markets. For example Nordas, Groli and Grosso (2006) state that in 2001 the import content of export value in the electronics sector was 32% in China, 55% in Ireland, 65% in Thailand and 72% in the Philippines. In many cases countries apply lower tariffs to these kinds of goods.

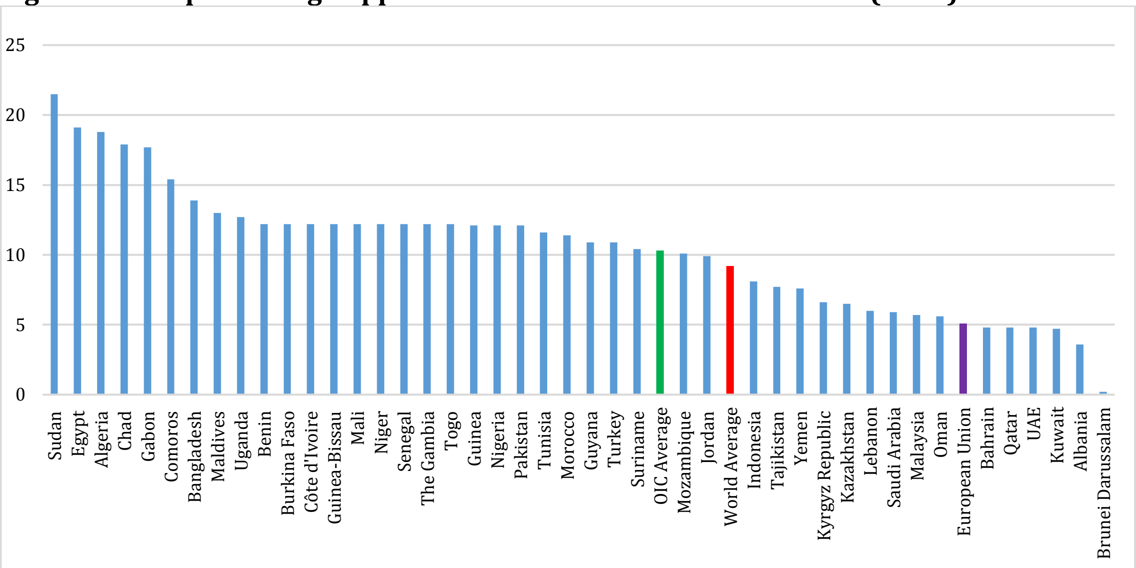
Application of high tariff rates is common in many OIC Member States. Countries apply high tariffs for various reasons such as protecting domestic industry, preventing unemployment, providing government revenue through customs duties etc. Figure 45 illustrates the highest simple average tariff-applying WTO Members. As shown in the figure, 8 out of these 20 countries are OIC countries.

Figure 45: The 20 Highest Simple Average Applied MFN Tariffs among the WTO Members (2017)



Source: WTO Tariff Profiles 2018 database

Figure 46: Simple Average Applied MFN Tariffs in the OIC Countries (2017)



Source: WTO Tariff Profiles 2018 database

Agriculture sector is one of the crucial sectors for many countries in the world. In this regard, countries apply higher tariffs on agricultural products than on the manufactured products. Figure 47 and 48 below show the simple average applied MFN Tariffs on the agricultural and non-agricultural products in the OIC Countries. OIC countries apply higher tariffs to agricultural products. Countries that have inadequate agricultural production and need agricultural imports apply lower tariffs on agricultural imports. On the other hand, the countries in which agricultural production constitute a significant part of the economy apply higher tariffs to agricultural imports.

Figure 47: Simple Average Applied Tariffs on Agricultural Products in OIC Countries-2017

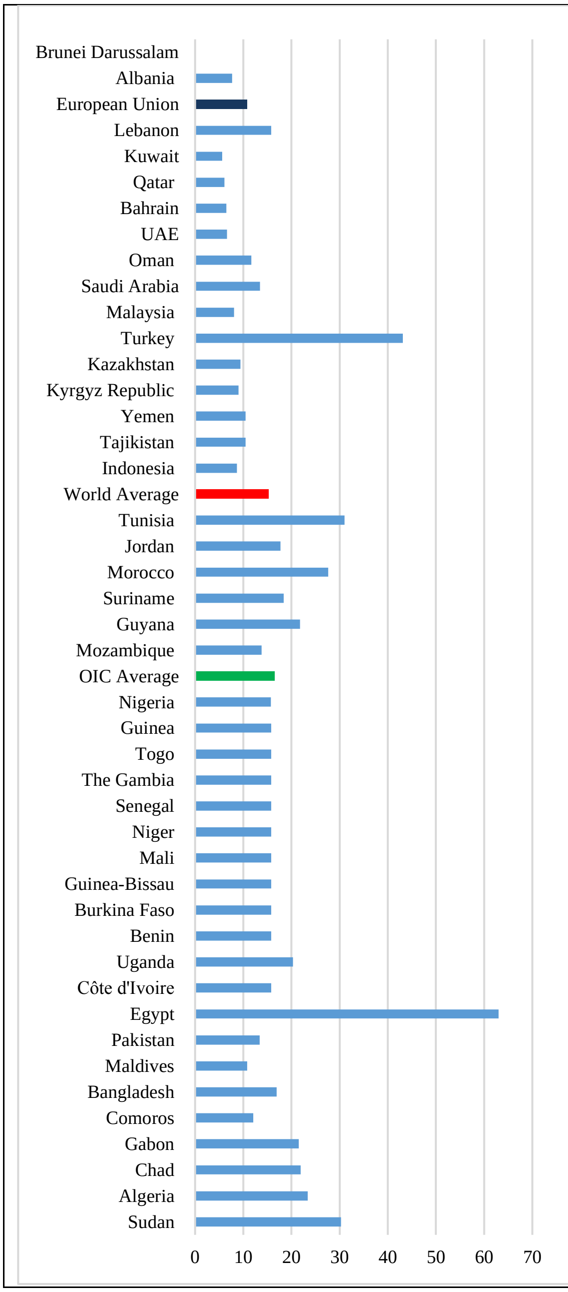
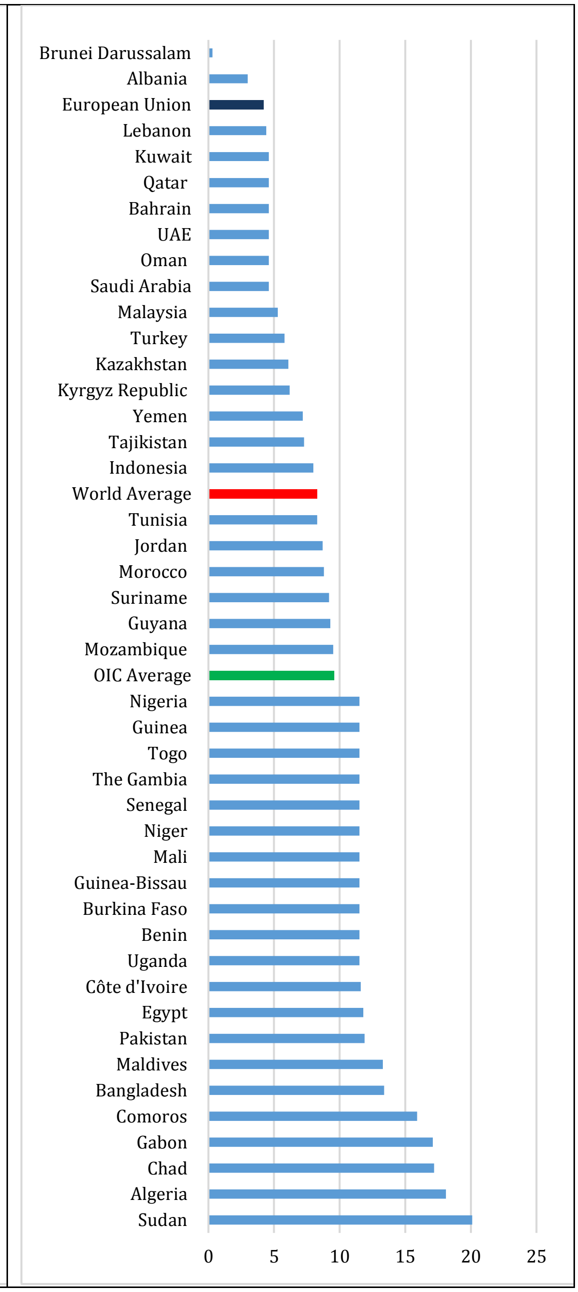


Figure 48: Simple Average Applied Tariffs on Non-Agricultural Products in OIC Countries- 2017



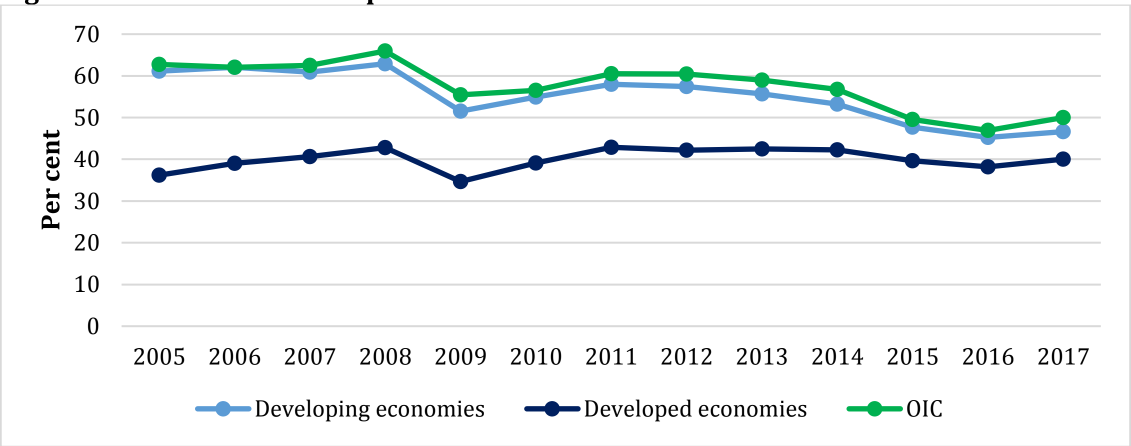
Source: WTO Tariff Profiles 2018 database
Note: Includes countries where data is available

Trade Openness in the OIC

One of the most common measure of openness is to evaluate the ratio of trade (the sum of value of exports and imports of goods) to the gross domestic product (GDP). This could be interpreted as the relative importance of trade to the economy.

The trade to GDP ratio in total OIC decreased from 62.7 per cent in 2005 to 50.0 per cent in 2017. Although openness ratio fell significantly in the aftermath of the global crisis both in developing and developed countries, it increased modestly in 2017.

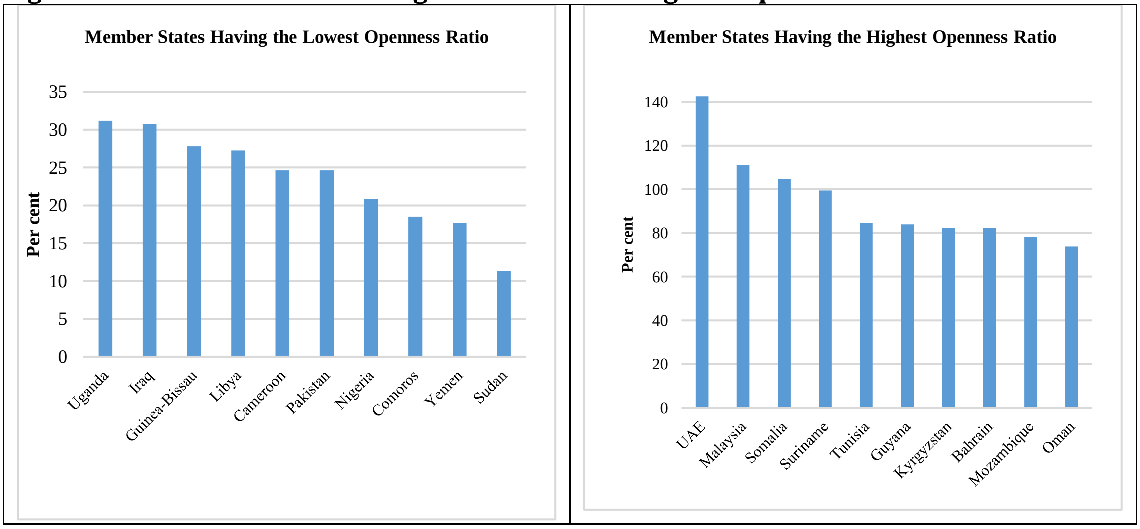
Figure 49: Evolution of the Openness Ratio



Source: UNCTADSTAT

Figure 50 shows top ten countries having the lowest and highest trade to GDP ratios in 2017. United Arab Emirates had the highest share of trade in GDP with 142.5 per cent while Sudan, Yemen and Comoros with a trade to GDP ratio ranged between 11 to 19 per cent had the lowest openness ratios.

Figure 50: Member States Having the Lowest and Highest Openness Ratios in 2017



Source: UNCTADSTAT

Trade Facilitation:

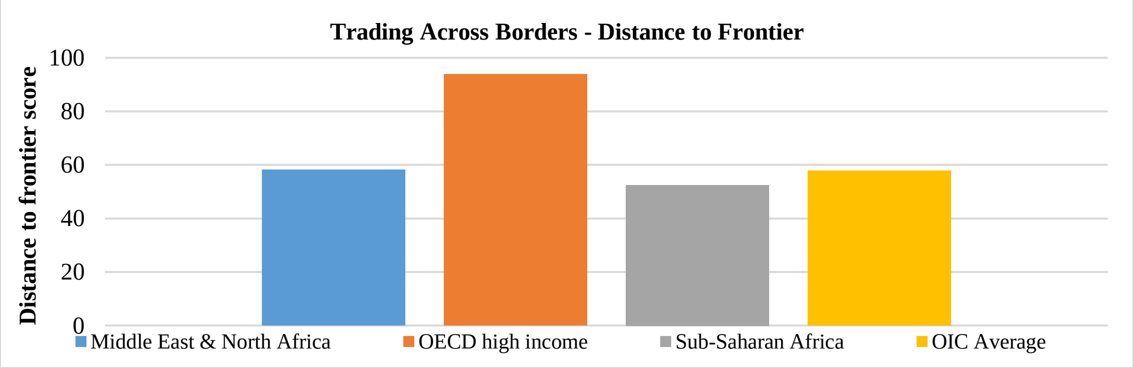
"Trade Costs are higher in Landlocked Member States"

Trade facilitation is defined by UNECE as "the simplification, standardization and harmonization of procedures and associated information flows required to move goods from seller to buyer and to make payment".[23] Trade Facilitation aims at easing the trade among the countries through decreasing the burden of procedures and trade costs. Firms face various costs when trading internationally including export and import procedures, customs formalities, transportation and logistics problems that trade costs. WTO notes that trade costs can reach 134 per cent ad valorem tariff equivalent on a product in high-income countries whereas they can be 219 per cent tariff equivalent in developing countries.[24]

Studies, such as WTO (2004) and De (2009) suggest that higher transport costs is in many cases more restrictive to trade than high tariffs. Various studies have been conducted to measure the impact of transport constraints on international trade. For example, based on their research on Middle East and North Africa (MENA) region, Bhattacharya and Hirut (2010) suggest that reducing the transport constraint from the average in the region to the world average could have a significant impact on trade volumes, raising exports by 9.5 percent and imports by 11.5 percent, while all other determinants are constant (ceteris paribus).

There are several indices or reports developed by the international institutions to identify the bottlenecks in countries which hinder international trade. The World Bank Doing Business Report is one of these reports. World Bank introduced a new methodology for measuring ease of trading across borders in 2015. Trading across borders, measures the time and cost (excluding tariffs) for documentary compliance and border compliance within the overall process of exporting and importing a shipment of goods.[25] The distance to frontier (DTF) score shows how far on average an economy is from the best performance achieved by any economy on Trading Across Borders indicator. Figure 51 below shows the DTF scores for OIC compared to other regions. OECD high income countries are very close to the frontier while OIC countries are slightly above 50 per cent. This underlies the importance of policies to facilitate trade in the OIC countries.

Figure 51: Comparative DTF Scores

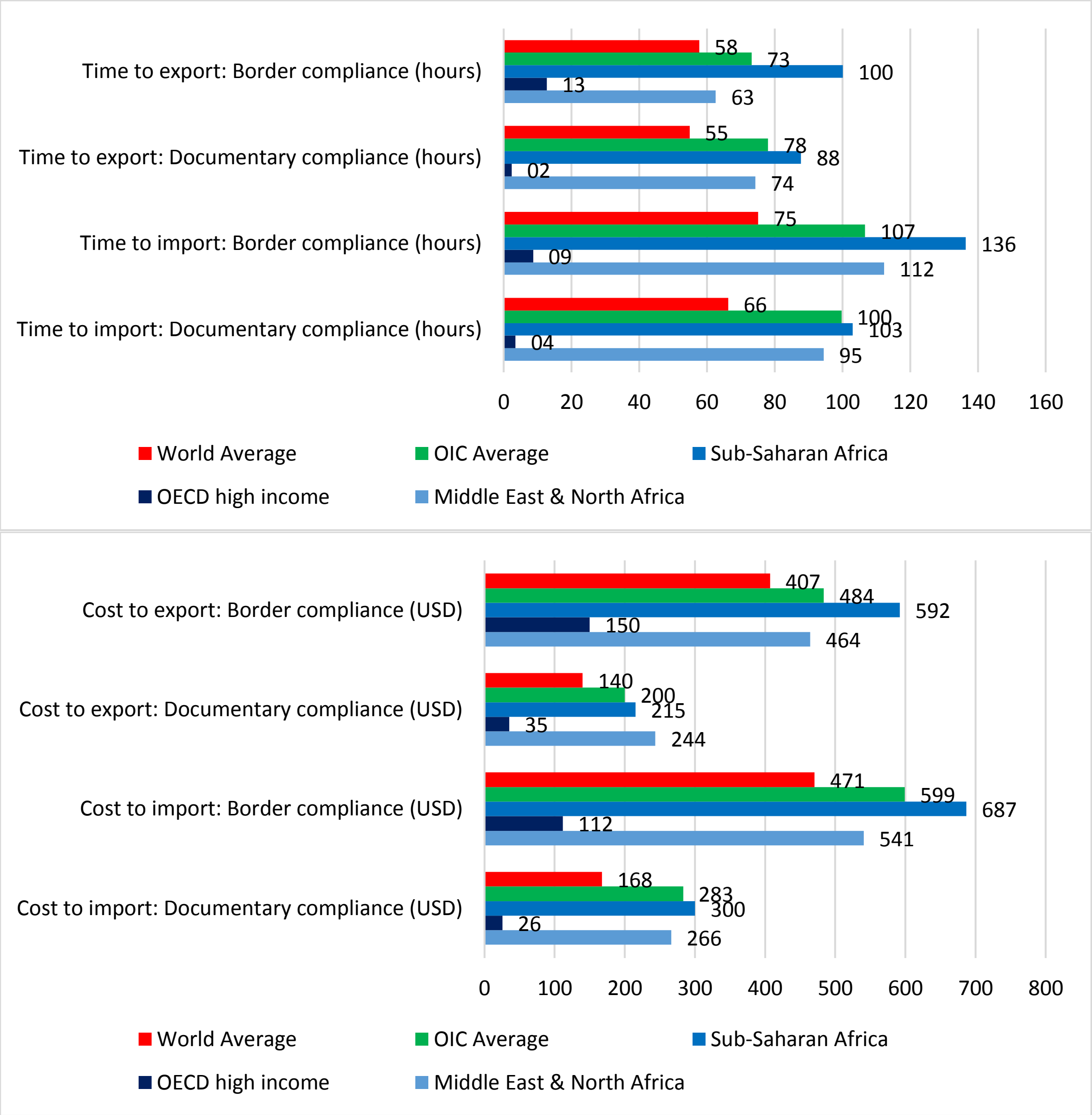


Source: Authors' calculation based on WB Doing Business data

[23] http://tfig.unece.org/details.html
[24] https://www.wto.org/english/tratop_e/tradfa_e/tradfa_introduction_e.htm
[25] For detailed information on the methodology please visit World Bank http://www.doingbusiness.org/methodology/trading-across-borders

In many OIC countries, excessive delays at customs and the resulting costs are one of the most important non-tariff barriers affecting international trade. As shown in Figure 52 the cost and time associated with submitting the necessary documents to clear the goods is above the world average in the OIC countries. While world average for time needed for documentary compliance in imports is 66 hours, the OIC average is 100 hours. On the other hand while average costs encountered for documentary compliance in imports is 168 US dollars in world, it is 283 US dollars in the OIC countries.

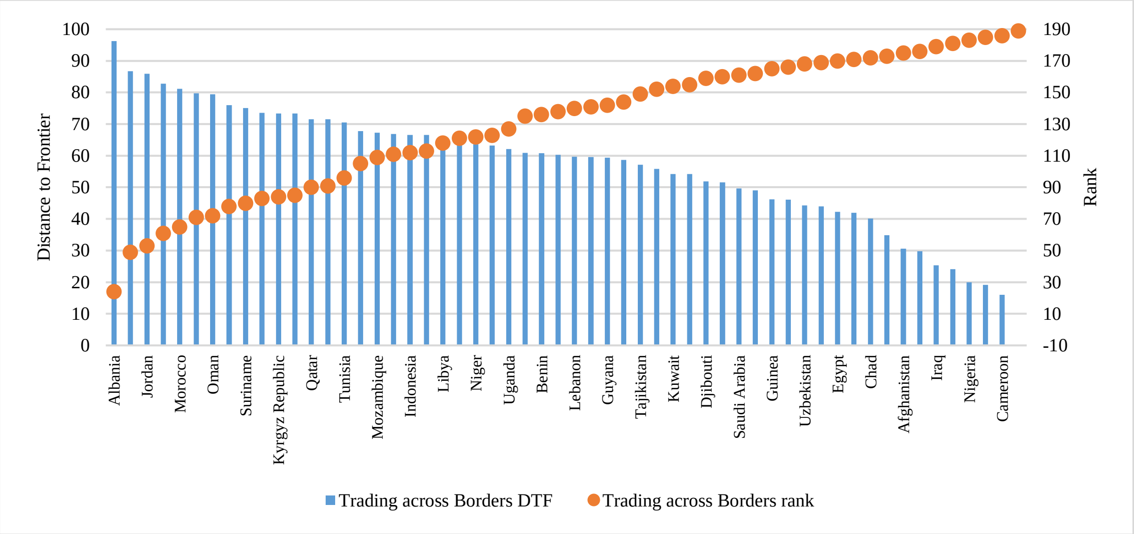
Figure 52: Time and Cost for Complying Documentary and Border Compliance



Source: WB Doing Business data

Figure 53 depicts the rankings of OIC countries based on the distance to frontier scores in WB Doing Business 2017. Out of the 190 countries covered by the WB Doing Business although there are a few OIC countries such as Albania (rank 24), Palestine (rank 49), and Jordan (rank 53) which ranked relatively better, many OIC countries are ranked at the last places.

Figure 53: Trading Across Borders- Distance to Frontier Scores (DTF) and Ranks in the OIC

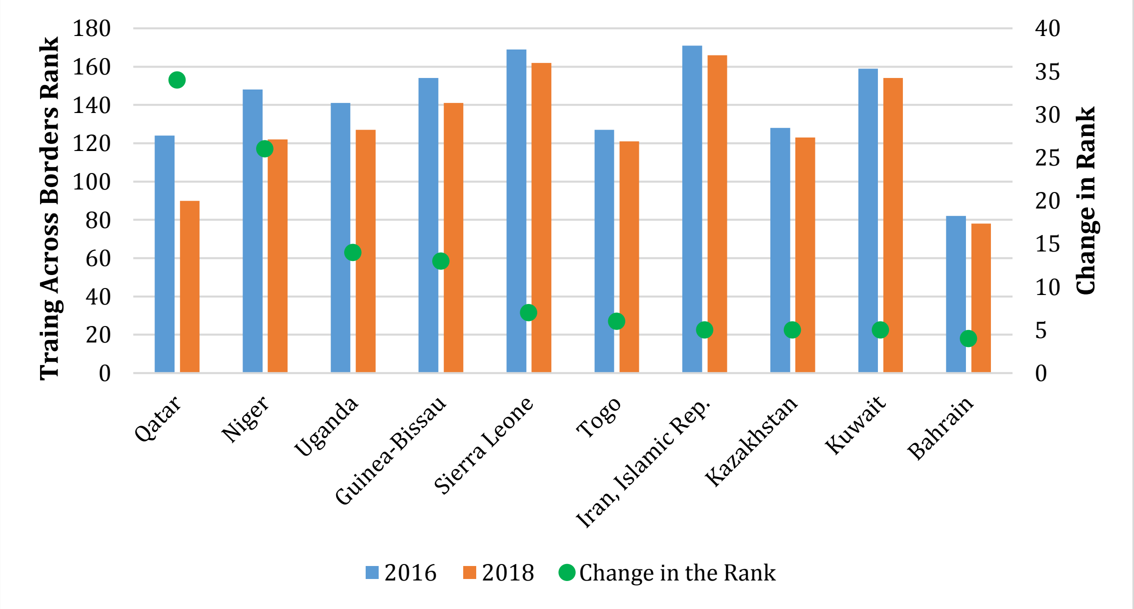


Source: World Bank Doing Business

Note: The countries are ranked according to their 2018 DTF scores

As shown in Figure 54 when the Trading Across borders ranks compared between WB Doing Business 2018 and 2016 (which are the only comparable years due to the methodological change) there are eighteen OIC countries improving in Trading Across Borders indicators and moving up in the rank. Qatar (up 34) is the most improving country followed by Niger (up 26), Uganda (up 14) and Guinea Bissau (up 13). Four OIC countries experienced no change at rank while thirty-three OIC countries worsened.

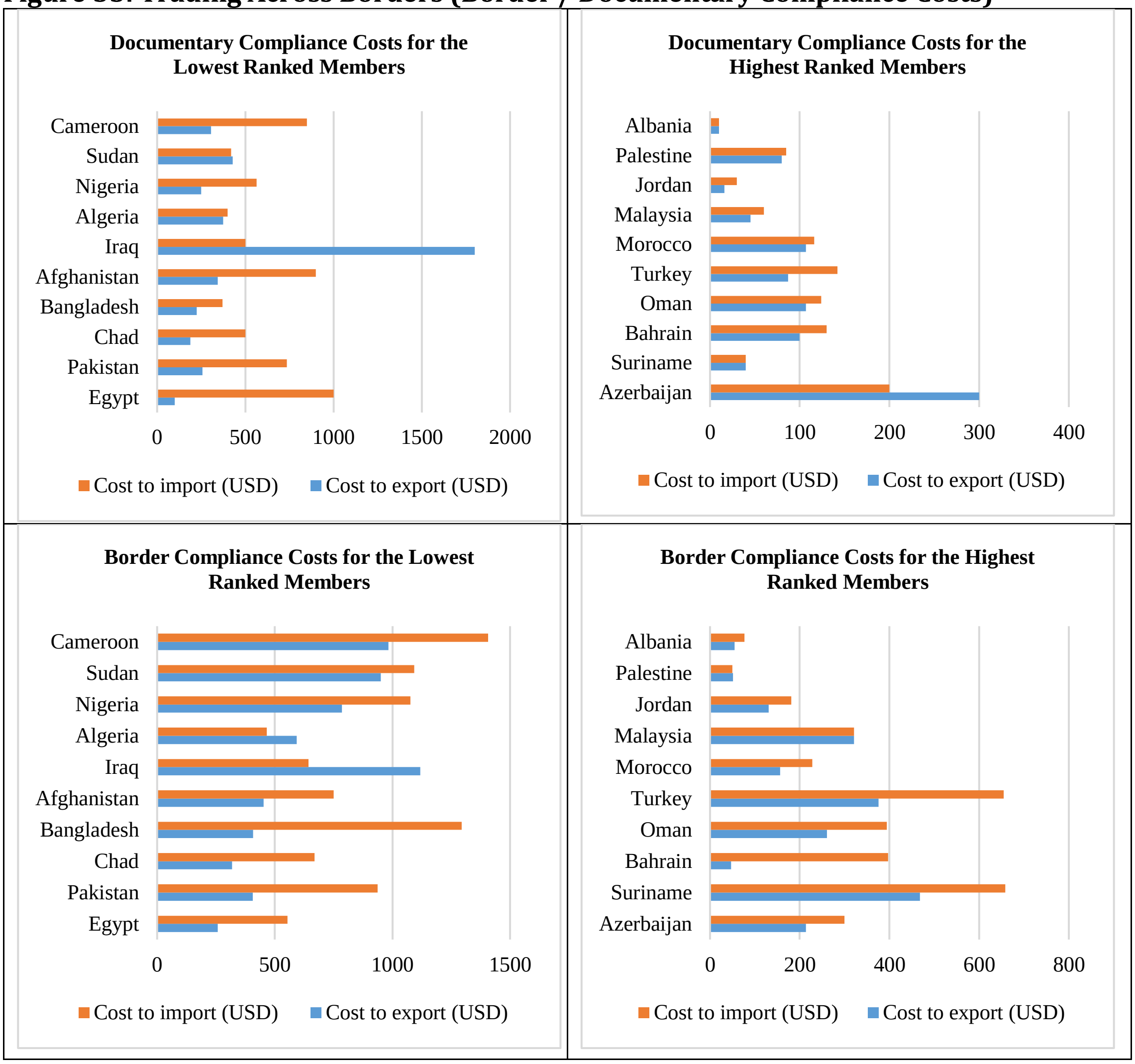
Figure 54: OIC Countries that Improved the Most at Trading Across Borders



Source: World Bank Doing Business data

Figures 55 and 56 illustrate border and documentary compliance costs and times for the lowest and highest ranked OIC member states according to the distance to frontier scores for trading across borders[26]. The figures reveals that the cost and times for trade substantially vary among the OIC Member States. For instance, while in Albania, ranking first in trading across borders amongst the OIC, the cost of border compliance in exporting is 55 dollars, it goes up to 983 dollars in Cameroon. On the other hand, in terms of border compliance times in exporting, it takes 9 hours for border compliance in Albania while it takes 8 days and ten hours in Cameroon. Reducing trade costs in the OIC member states is important to gain access and to be more competitive in the international markets and attract foreign direct investments.

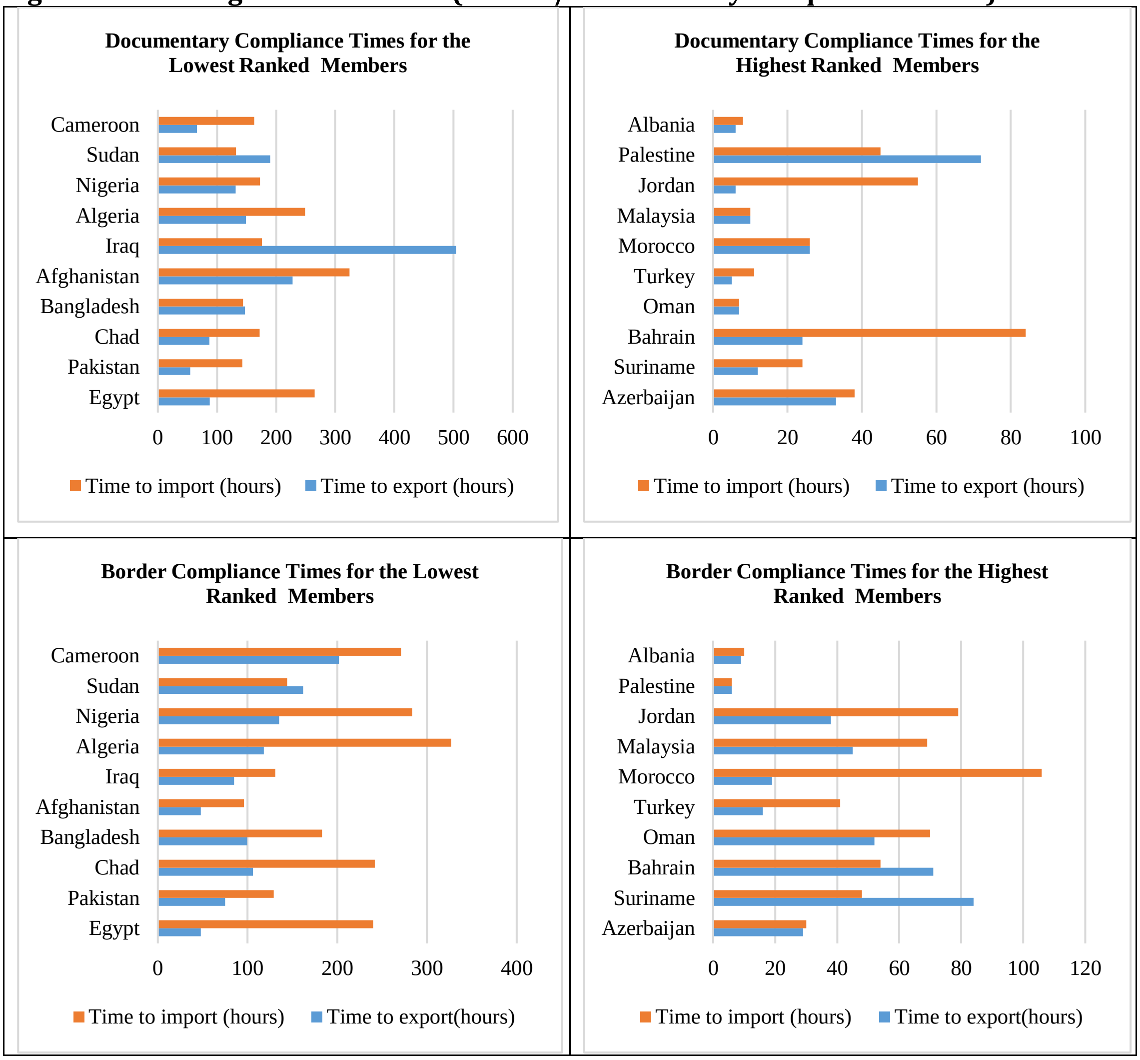
Figure 55: Trading Across Borders (Border / Documentary Compliance Costs)



Source: World Bank Doing Business Data

[26] The distance to frontier score shows how far on average an economy is from the best performance achieved by any economy on WB-Trading Across Borders indicator.

Figure 56: Trading Across Borders (Border/Documentary Compliance Times)



Source: World Bank Doing Business Data

According to OECD (2010), IMF (2010) and Teravaninthorn and Raballand (2009), restricted logistics services, lack of adequate infrastructure, inefficiency of the ports are major problems of transport which lead to high transport costs. Logistics Performance Index (LPI), developed by the World Bank[27] measures the efficiency of logistics sector in 160 countries. The World Bank's LPI is the weighted average of six components: The efficiency of customs and border management, clearance, the quality of trade and transport infrastructure, the ease of arranging competitively priced shipments, the competence and quality of logistics services, the ability to track and trace consignments and the frequency with which shipments reach consignees within scheduled or expected delivery times. The LPI is used for comparative analysis and has a score between 1 and 5. The LPI was conducted in 2007, 2010, 2012, 2014, 2016 and 2018. Tables 7 and 8 illustrate the OIC Countries with the highest and lowest LPI scores for the last three periods. The figures illustrate that there is a wide gap between countries. Furthermore,

[27] World Bank, Connecting to Compete 2018, Trade Logistics in the Global Economy, The Logistics Performance Index and Its Indicators

according to World Bank (2018) Germany is the best performing country with an LPI score of 4.2. Among the OIC countries UAE is the best performing country and has a score of 3.96 which is 94 percent of Germany's score on a scale from 1 to 5 whereas the lowest performing OIC country is Afghanistan[28] with an LPI of 1.95 which is 46 per cent of Germany's score.

Table 7: Best Performing OIC Countries According to the LPI 2018

Country	2014 LPI		2016 LPI		2018 LPI	
	Score	Ranking	Score	Ranking	Score	Ranking
United Arab Emirates	3.54	27	3.94	13	3.96	11
Qatar	3.52	29	3.60	30	3.47	30
Malaysia	3.59	25	3.43	32	3.22	41
Oman	3.00	59	3.23	48	3.20	43
Indonesia	3.08	53	2.98	63	3.15	46
Turkey	3.50	30	3.42	34	3.15	47
Côte d'Ivoire	2.76	79	2.60	95	3.08	50
Saudi Arabia	3.15	49	3.16	52	3.01	55
Bahrain	3.08	52	3.31	44	2.93	59
Kuwait	3.01	56	3.15	53	2.86	63
memo item (first three best performing country in the world)						
Germany	*4.12*	*1*	*4.23*	*1*	*4.20*	*1*
Sweden	*3.96*	*6*	*4.20*	*3*	*4.05*	*2*
Belgium	*4.04*	*3*	*4.11*	*6*	*4.04*	*3*

Source: Word Bank

Table 8: OIC Countries with the Lowest LPI Scores According to the LPI 2018

Country	2014 LPI		2016 LPI		2018 LPI	
	Score	Ranking	Score	Ranking	Score	Ranking
Yemen	2.18	151	N.A.	N.A.	2.27	140
Senegal	2.62	101	2.33	132	2.25	141
Somalia	1.77	160	1.75	158	2.21	144
Guinea	2.46	122	2.36	129	2.20	145
Iraq	2.30	141	2.15	149	2.18	147
Gabon	2.20	150	2.19	143	2.16	150
Libya	2.50	118	2.26	137	2.11	154
Sierra Leone	N.A.	N.A.	2.03	155	2.08	156
Niger	2.39	130	2.56	100	2.07	157
Afghanistan	2.07	158	2.14	150	1.95	160

Source: World Bank

The Enabling Trade Index produced by World Economic Forum and the Global Alliance for Trade Facilitation is another indicator, which measures the performance of countries in enabling trade. According to this measure, performance of some of the OIC countries[29] is below average while some OIC countries such as UAE, Malaysia, Bahrain, Qatar, Jordan and Oman performed better.

[29] Please see Appendix Table 7

Box 2: WTO Agreement on Trade Facilitation

One of the main outcomes of the Doha Development Round is the adoption of Bali Package which comprises 10 Ministerial decisions/declarations on trade facilitation, development and agriculture.

Trade Facilitation Agreement (TFA) mainly brings measures to eliminate barriers against international through streamlining and simplification of customs procedures. The Agreement has two sections which include provisions for expediting the movement, release and clearance of goods and differential treatment provisions for developing and least-developed countries respectively.

In regards to differential treatment, TFA enables developing and least-developed countries to select three categories for provisions namely A, B and C based on their readiness for implementation. WTO also aims to provide technical assistance and capacity building programs to developing and least-developed countries through collaboration with donor Member States to facilitate implementation of the Agreement. Some of the important arrangements of the Agreement are as follows:

<u>Publication and Availability of Information:</u> Agreement requests each Member States to publish information in a non-discriminatory and easily accessible manner related to Customs Procedures such as applied rates of duties/taxes, laws, regulations and administrative rulings, import/export restrictions, appeal procedures, rules of classifications etc.

<u>Advance Rulings:</u> Member States are expected to issue advance ruling, which in brief is a written decision provided by Customs Authority to an applicant prior to importation of goods, in a reasonable, time bound manner while containing all necessary information.

Right to Appeal or Review: Agreement envisages that each Member States shall enable any person, whom has a legal case with the Customs Authority, to appeal or request a review of the case by an upper administrative authority. It is also requested from Member States to ensure that appeal/review procedures are carried out in a non-discriminatory manner.

Pre-Arrival Processing: Member States are requested to have procedures allowing submissions of import documentation (such as manifests or other required information) prior to arrival of goods to Customs for the sake of expediting release of goods upon arrival.

Electronic Payment: Moreover, Member States are expected to have electronic payment systems for duties, taxes, fees and charges incurred upon importation and exportation.

Freedom of Transit: Agreement requests Member States to not seek, take or maintain any voluntary restraints or any other similar measures on traffic transit. Moreover it is expected that traffic in transit shall not be conditioned upon collection of any fees or charges imposed in respect to transit excluding charges for transportation or administrative expenses related to transit.

According to the WTO, full implementation of the TFA is estimated to increase global merchandise exports by up to $1 trillion per annum and reduce trade costs by an average of 14.3 per cent. Moreover, the implementation of TFA will provide benefits in terms product and market diversification. Developing countries estimated to increase the number of new products exported by up to 20 per cent while increase the number of foreign markets by 39 per cent. Gains from the TFA is estimated to be much bigger for LDCs.

TFA entered into force on 22 February 2017 when the Agreement has been ratified domestically by the two-thirds of the WTO members. As of October 2018, 34 OIC Member States have ratified the TFA. These are Afghanistan, Albania, Bahrain, Bangladesh, Benin, Burkina Faso, Brunei Darussalam, Chad, Côte d'Ivoire, Djibouti, Gabon, Gambia, Guyana, Indonesia, Jordan, Kazakhstan, Kuwait, Kyrgyzstan, Malaysia, Mali, Mozambique, Niger, Nigeria, Oman, Pakistan, Qatar, Saudi Arabia, Senegal, Sierra Leone, Togo, Turkey, Uganda and United Arab Emirates.

Trade Promotion:

Trade promotion, in particular export promotion, is one of the instruments used by the governments to increase their exports. The policies focus on two major areas, namely, SME support and diversification of economic production.

The majority of the firms operating in the world, especially the developing countries are Small and Medium Sized Enterprises (SMEs). SMEs are usually producing in traditional way and focus on local markets. They need to be supported by the government agencies, chambers and business associations to make exports and compete in international markets. In this regard, export promotion strategies focus on the SMEs in many countries.

The SMEs of the OIC Member States also face challenges in exporting. The Workshop held on 12-14 June 2012 in Ankara, Turkey defined the major common obstacles faced by the SMEs in exporting as the following:

- Obtaining reliable foreign representation and maintaining control over foreign middlemen
- Identifying foreign business opportunities
- Limited information to locate/analyze markets
- Inability to contact potential overseas customers
- Keen competition in overseas markets
- Lack of home government assistance
- Offering satisfactory prices to customers
- Accessing export distribution channels
- Difficulties in enforcing contracts
- Lack of knowledge on foreign market requirements
- Limited business development services, marketing and branding
- Excessive transportation / insurance costs

Government agencies, chambers and business unions provide consultancy services, business development assistance, tax advantages, financial support etc. to promote exports in their countries. However due to limited financial resources, underdeveloped human and institutional capacities, many member states could not provide adequate support to their firms.

The undiversified economic structure also constitutes an important obstacle for many OIC Member States in increasing their exports. The dependence on few products in exports also makes these countries vulnerable to foreign demand or price shocks.

Several studies concentrated on how the FDIs lead to export diversification. Lipsey (2004) and Hailu (2010) suggest that FDIs main contribution is knowledge of the international markets. FDIs also result in indirect inter and intra-industry spillovers to host nation firms which improve their productivity and reduce the fixed costs associated with exporting, thereby increasing the number of firms which are export competitive (Jayawera 2009). Spalla (2010) also suggests that FDIs contribute to international competitiveness of the domestic firms through transfer of the know-how and technology.

Attracting foreign direct investment (FDI) is considered a vital instrument for diversifying the exports. Many empirical studies have examined the impact of FDI inflows on export diversification and reached positive results. Focusing on the Low Income Countries, Jayawera (2009) found that the cumulative effect after four years of a US$1bn increase in FDI is estimated to be the creation of 83.5 new export lines for the host countries. Iwamoto and Nabeshima (2012) have tested the impact on 175 countries. They found out that, FDI inflows have positive impact on export diversification of the developing countries, but no significant effect on developed countries. The reason according to the studies is that the Multinational Corporations (MNCs) are more diversified and developing countries are affected by the spill-over effects of the FDI brought by the MNCs. Another study by Hailu (2010), examined the impact of FDI inflows on Sub Saharan Africa countries. The study found out that a 1 percent increase in FDI in the previous year brings about 0.043 percent increase in exports of the following period.

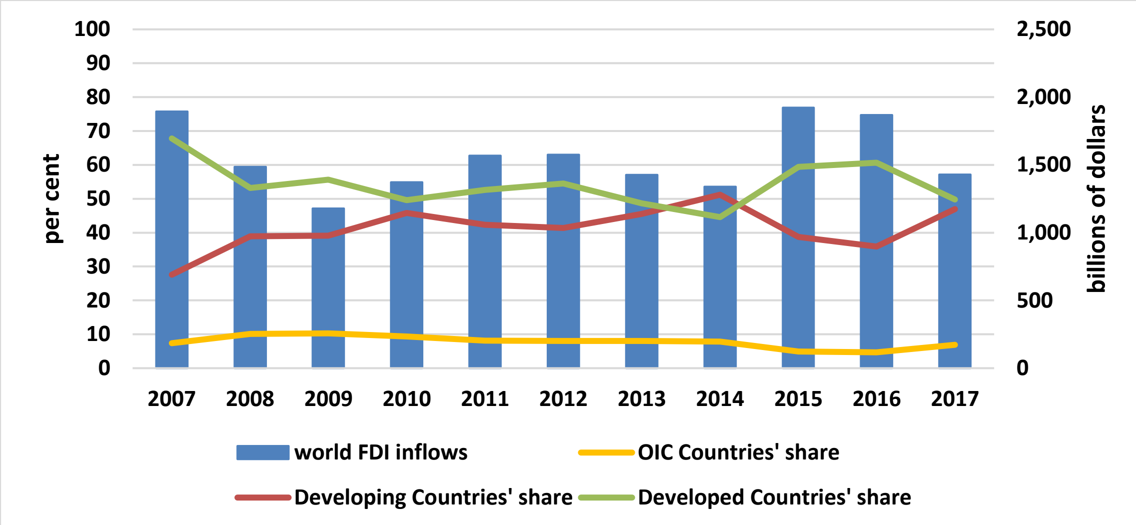
Another obstacle faced by most of the Member States is the concentration of the export oriented FDIs on traditional sectors. Harding and Javorcik (2011) underlined that, if the FDI exports are only products that the host country already exports intensively, the efficiency-seeking FDI could move towards more specialized rather than more diversified exports. Thus, FDI does not contribute too much to export diversification. For example according to UNCTAD (2011), which investigated the sectorial distribution of the FDIs in LDCs, many large projects are in the form of greenfield and expansion projects prospecting for reserves of base metals and oil. The study also cited the lack of political stability and unavailability of skilled workers as main reasons for low performance of investment in the manufacturing sector in Africa.

"FDI Inflows are inadequate for export diversification in many OIC Countries"

FDI inflows is also considered as the largest source of external finance for developing and least developed countries where insufficient finance constitutes a bottleneck for development. According to UNCTAD [30] 39 per cent of incoming finance in developing countries and less than 25 per cent of incoming finance in LDCs is from FDI. Global foreign direct investment (FDI) flows which hovered around 1.3 to 1.4 in the aftermath of global crisis, increased to around 1.9 trillion dollars in 2015-2016 period. However global FDI fell by 23.4 percent to 1.4 trillion dollars in 2017. Figure 57 illustrates the global FDI inflows and shares of developing and developed countries versus OIC countries. The figure reveals that the developed countries is the largest recipient of FDI with a share of 50 per cent in global FDI inflows while the share of developing countries is 46.9 per cent in 2017. However the share of OIC countries in global FDI inflows remained significantly lower, below 7 per cent 2017.

[30] World Investment Report,2018

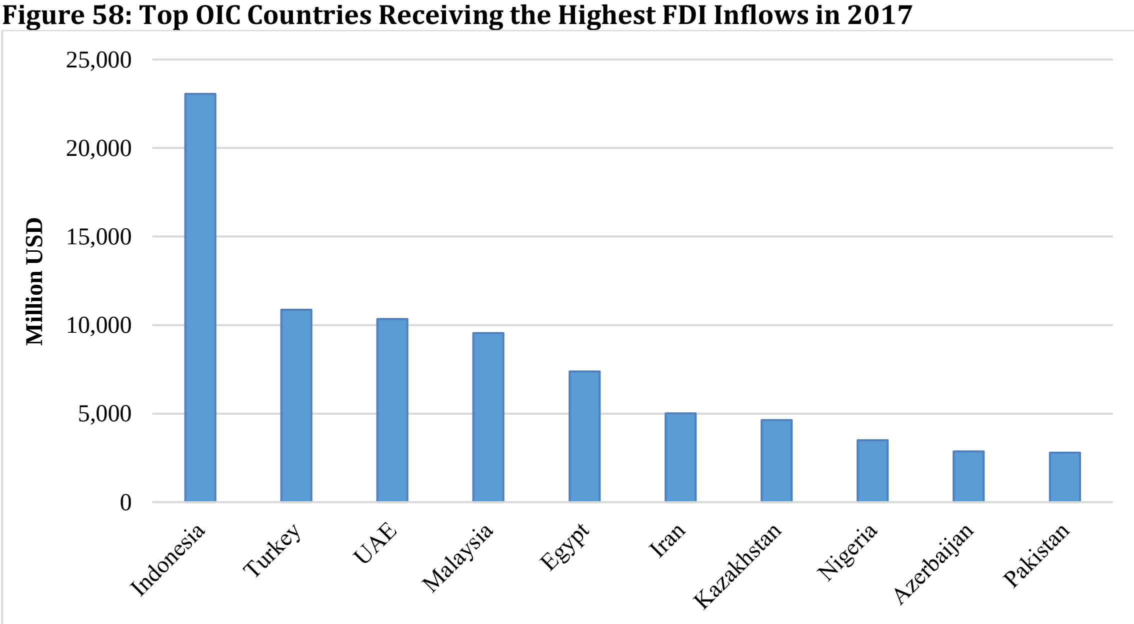
Figure 57: World Foreign Direct Investment Inflows and Shares of Country Groups



Source: UNCTAD World Investment Report 2018

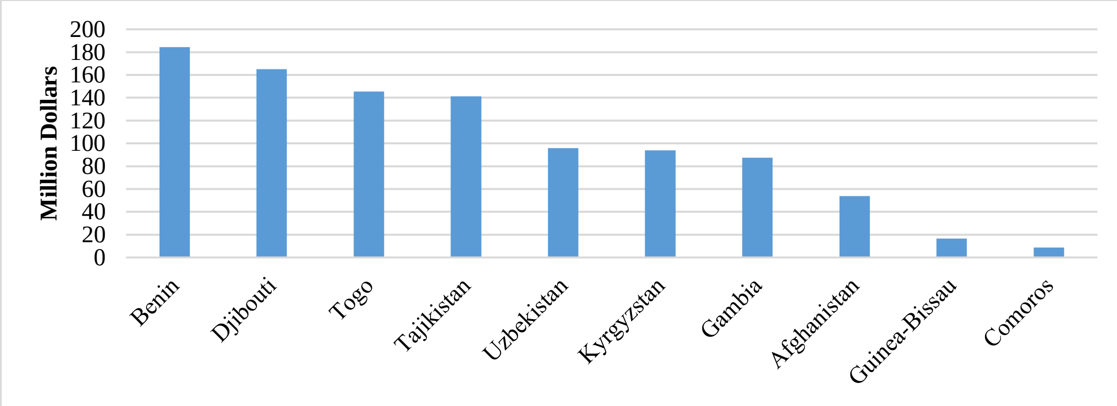
When looked into detail the performance of the OIC countries in attracting the FDI, the performance of the Member Countries, except for a few countries, is low. Figure 58 below gives the FDI inflows to top ten OIC Member States. FDI inflows to these countries amounted to USD 80.0 billion in 2017, representing 71 percent of the total FDI inflows to the OIC Member States. The other remaining 45 countries where the data is available attracted nearly USD 26.9 billion FDI in 2017.

Figure 58: Top OIC Countries Receiving the Highest FDI Inflows in 2017



Source: UNCTADSTAT

Figure 59: OIC Countries Receiving the Lowest FDI Inflows in 2017



Source: UNCTADSTAT

Trade Finance:

Trade finance is a general term used for financing of the international trade. Some 80 to 90 percent of the world trade relies on trade finance (trade credit and insurance/guarantees), mostly of a short-term nature.[31]

Exporters usually get payments after delivering the goods to the importers. During this period, which may take several months, the exporter may need financing for delivering the orders on a timely manner. Therefore, financing is needed not only for the import-export process itself, but also for the production of the goods and services to be exported, which often includes imports of machinery, raw material and intermediate goods[32].

Available trade financing within a country increases the competitiveness of firms to compete in international markets and encourages the firms especially the SMEs to export. Thus, it helps to diversify the exports of the country. UNESCAP[33] classified the trade finance methods and instruments into the following three categories:

1) Methods and Instruments to raise capital,
2) Methods and Instruments to mitigate risk,
3) Methods and instruments to effect payment.

With regards to raising capital, firms need financing to ensure adequate production to meet the orders of the commercial transactions on time. They may need to import inputs, hire more workers and etc. In this context pre-shipment and post-shipment financings provide the exporting firms with the ability to cover their expenses until they get the payments from the importers.

"Firms face difficulties in financing trade in many developing countries"

There are various risks faced during the international trade such as political and commercial risks. These risks are covered by export credit insurance and export guarantee programs. While export credit insurance protects exporters, guarantees protect banks offering the loans.[34]

[31] WTO 2013
[32] UNCTAD 2012
[33] UNESCAP 2005
[34] UNESCAP 2002: 61

Another issue in trade financing is the type of payment. There are several types of payments in international trade such as open account, Letters of Credit (L/C), payment in advance and documentary collection. Most common type is L/C, which is the most secure way for both exporters and importers. This instrument is particularly suitable for international contracts that are difficult to enforce and riskier than domestic contracts because the creditworthiness of the foreign counterparty is hard to evaluate (Contessi and de Nicola 2012). L/C's are commonly used in trade among the developing countries including the LDCs. Another instrument, namely open account is mostly used in trade among the developed countries and in exports of SMEs to large firms. Malouche (2009) cites SMEs weaker bargaining power position versus large firms as the reason for their use of open account in exports.

Trade finance, provided by commercial banks, export credit agencies, multilateral development banks, suppliers and purchasers, has grown by about 11 per cent annually over the last two decades (UNESCAP 2002: 4). However, in many developing countries, firms still face difficulties in getting trade finance. The trade financing gap is especially noticeable in the least developed countries, where the financial sector tends to be heavily transnationalized and strongly risk-averse, and where a significant share of deposits are invested in very low-risk instruments, including short-term liquid assets and foreign government bonds (UNCTAD 2012).

Since the global crisis access to trade finance for exporters in the developing countries has become more expensive and harder. WTO[35] notes that global trade finance transactions are estimated to be 10 trillion dollars and global trade finance gap is estimated to be around 1.5 trillion dollars where 60 per cent of unmet demand is from small firms in developing countries.

Trade finance opportunities in many OIC Member States are underdeveloped. Firms, in particular the SMEs face difficulty in accessing trade finance opportunities in competitive terms. For the Middle East and North African Countries (MENA), AMCML (2012) cites the reasons for the unwillingness of the Banks to engage in trade finance business as low revenue margins and identifies the factors leading to lower profit margins as the following:

- *Shift of global trade from traditional trade finance products, such as L/Cs and guarantees, to open accounts that require less banking intervention.*
- *Reduction in the average value of trade finance transactions due to increased activity of small- and medium-sized enterprises (SMEs) in the international trade.*

In many OIC Member States, the SMEs play an important role in total exports. However, they face more difficulties than larger firms to get finance. Firms have not traditionally relied too much on traditional trade finance instruments for export finance because either the local banking sector and institutions are poorly developed to start with, or banks find it difficult to find creditworthy customers (Malouche 2009: 19). This Situation is similar in most of the Member States in MENA. MENA banks quote the lack of SME transparency and the weak financial infrastructure (weak credit information, weak creditor rights and collateral infrastructure), as the main obstacles for further engagement in SME finance (Rocka, Farazi, Khouri and Pearce 2011:3).

Out of 57, only 23 OIC Member States have established national export-import banks to provide trade finance for their firms. On the other hand, for even these countries, due to inadequate financial resources, shorter maturity and limited types of products, many firms still face difficulties in exporting and competing in the foreign markets. [36]

[35] WTO statistical Review, 2018

[36] COMCEC 2015 "Increasing the Role of Eximbanks/Export Credit Aagencies in the OIC Member States"

6. THE ROLE OF THE COMCEC IN INCREASING INTRA-OIC TRADE

The COMCEC was established in 1981 and became operational in 1984. Trade is one of the major cooperation areas, identified with the objective of enhancing trade among the OIC Member States. The COMCEC has initiated many programs and projects towards reaching this objective.

The Fourth Extra-ordinary Islamic Summit Conference held on August 14-15, 2012 adopted the COMCEC Strategy. The Strategy defines six cooperation areas and trade is one of them. Enhancing Mobility, Strengthening Solidarity and Improving Governance are the three principles of the Strategy.

"COMCEC Strategy gives special emphasis to improving trade environment"

The Strategy defines the strategic objective of cooperation in the area of trade as "Expansion of Trade among the Member States". In order to reach the strategic objective, the Strategy defines four output areas, namely trade liberalization, trade facilitation, trade financing and trade promotion. For each output areas, the Strategy defines the COMCEC's role as well as the expected outcomes. As it was discussed earlier, many OIC Member States face obstacles in the output areas defined in the Strategy. Through the new implementation instruments, the Strategy aims at contributing to the improvement of the current situation towards increasing intra-OIC trade. To reach these objectives, the Strategy brings two new well defined implementation instruments, namely Trade Working Group and the COMCEC Project Funding Mechanism.

Trade Working Group convenes regularly twice in Ankara on different specific themes that possess crucial importance for the Member Countries. Main objective of the Trade Working Group meetings are; producing and disseminating knowledge, sharing experience and good practices among the Member Countries. The Working Group also aims to serve as an effective intermediary for creating a common understanding and approximating policies among the Member Countries to respond to their common development problems. To enrich discussions during the Working Group Meetings, analytical studies on the theme of the respective meetings and Sectoral Outlook report are prepared by the CCO and conveyed to the Member Countries at least one month prior to each meeting. As of October 2017, nine rounds of Working Group Meetings were successfully organized.

Trade Liberalization:

As many international organizations, COMCEC has initiated a RTA, called Trade Preferential System among the OIC Member States (TPS-OIC). TPS-OIC is based on three agreements, namely the Framework Agreement, the Protocol on Preferential Tariff Scheme (PRETAS) and the Rules of Origin.

The Framework Agreement, which sets out the general rules and principles for the negotiations toward the establishment of the TPS-OIC, entered into force in 2002 after reaching 10 ratifications. Following the entering into force, the COMCEC Coordination Office organized First Round of Trade Negotiations to develop a more specific agreement laying out the concrete reduction rates in tariffs in accordance with a time-table for implementation. After four meetings, the Member States agreed on the PRETAS. After the finalization of the PRETAS, the Trade Negotiating Committee, which is the responsible body for the TPS-OIC conducted another round of negotiations for finalizing the Rules of Origin. The round of negotiations closed successfully after the finalization of the deliberations on the Rules of Origin in 2007. The PRETAS entered into force in February 2010, and the Rules of Origin entered into force in August 2011. Therefore, the legal basis of the system was completed.

"TPS-OIC, which promises more intra-OIC trade is close to implementation"

In order to make the TPS-OIC system operational, 10 Member States have to fulfill two conditions at the same time, namely the ratification of the three TPS-OIC Agreements and the submission of the list of concessions to the TNC Secretariat. As of December 2014, required number of countries having met necessary requirements of the System has been reached. The Member Countries having met the two conditions are; United Arab Emirates, Bangladesh, Bahrain, Qatar, Kuwait, Malaysia, Oman, Pakistan, Saudi Arabia, Turkey, Jordan, Iran and Morocco. Afterwards, in the 31st Session of the COMCEC, the Ministers agreed to undertake necessary measures to finalize the procedures of TPS-OIC. In this regard, 31st COMCEC Session invited the participating states to update the previously submitted concession lists by March 1st, 2016 for the full implementation of the TPS-OIC. Moreover, 32nd COMCEC Session called upon the Member States which have not yet signed or ratified TPS-OIC Agreements, namely the Framework Agreement, PRETAS and Rules of Origin, to do so at their earliest convenience and invited the GCC Secretariat, on behalf of its six member states, to convey their updated concession lists at their earliest convenience to the TNC Secretariat with a view to early utilizing market access opportunities to be brought by the TPS-OIC. So far, Turkey, Malaysia, Pakistan, Jordan, Bangladesh, Iran and Morocco submitted the updated concession lists to the TNC Secretariat.

On the other hand, for successful implementation of the System, there are some measures required to be undertaken by the Member Countries such as; printing TPS-OIC Certificate of Origin documents, conveying specimen impressions of stamps to the Trade Negotiating Committee Secretariat and completing the necessary internal legislative and administrative measures. After completion of the mentioned measures, the System is expected to be operational in the near future.

Islamic Centre for Development of Trade (ICDT) which is an OIC Institution based in Morocco, Casablanca, has also been organizing raising awareness activities for the TPS-OIC under its capacity as the co-secretariat for the Trade Negotiating Committee (TNC). Beginning with January 2015, ICDT has successfully organized seminar on TPS-OIC in Turkey, Qatar, Suriname and Indonesia. The last training workshop on TPS-OIC was organized by ICDT in cooperation with the COMCEC Coordination Office on 13-14 September 2017 in Jakarta, Republic of Indonesia in line with the relevant resolution of the 32nd COMCEC Session.

Table 9: Timeline of the TPS-OIC Negotiations

1988	• COMCEC adopted the basic principles (Declaration of Intent) that should guide the efforts for the establishment of a trade preferential system
1990	• The Framework Agreement was adopted by the COMCEC, and presented to the signature and ratification by the Member States
2002	• The required number of 10 ratifying states for the entry into force of the Framework Agreement was reached.
2003	• Ministerial declaration of the COMCEC for the launching of the First Round of TPS-OIC Negotiations.
2004-2005	• First Round of Negotiations (Antalya round, 4 meetings) producing the Preferential Tariffs Scheme (PRETAS)
2006	• Ministerial Declaration for the launching of the Second Round of Negotiations.
2006-2007	• Second Round of Trade negotiations (Ankara Round, 4 meetings) producing the TPS-OIC Rules of Origin.
2007	• Ministerial Declaration for submitting the Rules of Origin for signing and ratification, and adopting the date of January 1st, 2009 for the operationalization of the System.
2010	• The required number of 10 ratifying states for the entry into force of the PRETAS was reached.
2011	• The required number of 10 ratifying states for the entry into force of the Rules of Origin was reached.
2014	• The required number of at least 10 member states that have both ratified all the three agreements and submitted their concessions lists was reached.
2015-2017	• COMCEC took consecutive resolutions for the full operationalization of the System.

Furthermore, in order to contribute to the liberalization of trade in the Member States, COMCEC also encourages the OIC Member States to join the WTO. In this regard, the Islamic Development Bank (IDB) and the ICDT have been organizing several capacity building programmes in cooperation with the Member States.

Trade Facilitation:

An important project developed by the COMCEC towards facilitating trade among the Member States is the Standard and Metrology Institute for Islamic Countries (SMIIC). SMIIC entered into force in May 2010 following the ratification of its Statute by the tenth Member State.

SMIIC is an affiliated institution of the OIC which is responsible for contributing to the development of standards in the OIC Member States. SMIIC aims at realizing harmonized standards and eliminating any standard related factor that adversely affects the trade among the member countries.

After the ratification of its Headquarters Agreement by the Republic of Turkey on March 31st, 2011, headquarters of SMIIC was formally established. As of October 2017, number of SMIIC Member States was reached to 33.

Till today, SMIIC has successfully accomplished a series of events including capacity building programs, forum, seminars and visits to the relevant organizations in the Member States in the area of standards and metrology. One of the important activities of the SMIIC was trainings. SMIIC Information System (IS) Training was held on 19-21 April 2016 in Istanbul. Also the Committee on Standards for Conformity Assessment (SMIIC/CCA) has been established to prepare guides/standards on criteria for bodies involved in testing, calibration, certification, inspection, accreditation, their operation and assessment, and other related standards and especially halal conformity assessment and accreditation guidelines or standards. First meeting of SMIIC Committee on Standards for Conformity Assessment (SMIIC/CCA) was held on 23-24 March 2016, in Istanbul.

To enrich the depth of the efforts, Financial, Terminology and Technical Committees were established under the SMIIC which dwell upon technical aspects of the relevant topics. The Technical Committees are Halal Food Issues, Halal Cosmetic Issues, Service Site Issues, Renewable Energy, Tourism and Related Services, Agriculture Processes and Transportation. A mechanism with great future potential for cooperation, SMIIC Metrology Committee works actively towards achieving uniformity in metrology and laboratory testing amongst OIC Member States since its first convention on 23-24 September 2013 in Dubai, UAE.

Regarding trade facilitation, the COMCEC Trade Working Group has devoted its several meetings to its different aspects and for each meeting, a research report has been prepared for producing and disseminating knowledge on the current status of trade facilitation in the Member Countries. These reports also provides policy recommendations for the member countries for facilitating trade by utilizing a set of tools and policies. In this regard, the study titled "Facilitating Intra-OIC Trade: Improving the Efficiency of the Customs Procedures in the OIC Member States" was prepared specifically for the 3rd Meeting of the COMCEC Trade Working Group suggests that following factors are important in implementing the customs reforms in the Member States in order to improve their trade performances:

- Political will
- Establishment of well-functioning coordination mechanism among the relevant government agencies and private sector,
- Improving the legal framework,
- Institutional arrangements,
- Human resources management and,

- Allocation of necessary financing.[37]

Recognizing the importance of reducing trade costs, effective implementation of trade facilitation measures is important. This in turn requires close cooperation and coordination among the customs administrations, other relevant government agencies and the private sector. For the last forty years, international institutions such as UNECE and the UNCTAD encourage countries to establish coordination mechanisms for trade facilitation among the stakeholders within each country. Most recently, article 23/2 of the WTO Agreement on Trade Facilitation stated that "Each Member shall establish and/or maintain a national committee on trade facilitation", making national trade facilitation bodies (NTFBs) a requisite of the global trading regime[38].

In this respect, the Sixth Meeting of the COMCEC Trade Working Group was held on September 17th, 2015 in Ankara, Turkey with the theme of "Establishing Well-Functioning National Trade Facilitation Bodies in the OIC Member Countries". After detailed deliberations, the Working Group came up with the following policy recommendations for trade facilitation bodies in the Member Countries;

- *Establishing effective communication systems within the framework of the work of the NTFBs*
- *Involving the private sector in the activities of the NTFBs*
- *Extending technical assistance to the member states for establishing/maintaining NTFBs*
- *Designing Performance Evaluation Criteria for the Existing NTFBs*

The Seventh Meeting of the COMCEC Trade Working Group was held on February 25th, 2016 with the theme of "Strengthening the Compliance of the OIC Member States to International Standards". During the Meeting, the participants deliberated on standards as non-tariff barriers, development of quality infrastructure, and strengthening the compliance of member countries with international standards. The research study prepared for the meeting, highlighted the importance of compliance with international standards for the OIC Member Countries, especially for improving export competitiveness and trade facilitation through the elimination of barriers on trade. In this respect, active membership of the Member Countries to the relevant international standards organizations is of particular importance. The study indicated that, at present, there is a varying degree of involvement on the part of the Member Countries; 55 OIC Member Countries are members of Codex, while this figure is 35 and 11 for the ISO and IEC respectively. However, the study highlighted that there is still need for more active participation of the Member Countries to the technical work of international standardization bodies for increasing inclusiveness and large-scale adoption of international standards.[39]

The following challenges, among others, have been identified by the above-mentioned research as well as the participants of the 7th Meeting of Trade WG:

- Low level of trade integration
- Inefficient standards related national infrastructure
- Low level of conformity assessment and mutual recognition

After the deliberations, the Working Group has come up with the following policy recommendations:

[37] COMCEC Coordination Office, 2014.
[38] COMCEC Coordination Office, 2015b.
[39] COMCEC Coordination Office, 2016a.

- Developing/Strengthening a National Quality Infrastructure.
- Supporting the Member States' Efforts for their Active Participation in the work of International Standardization Bodies.
- Strengthening SMIIC for the Adoption of Harmonized Standards for the development of Quality Infrastructure in the OIC for Enhancing Intra-OIC Trade.

In addition to compliance to the international standards, border agency cooperation (BAC) is another important aspect of trade facilitation in global agenda. According to the WTO Trade Facilitation Agreement, which was also ratified by 27 OIC Member Countries, the concerned countries committed to cooperate in the following issues regarding cross border cooperation:

- ✓ alignment of working days and hours,
- ✓ alignment of procedures and formalities
- ✓ development and sharing of common facilities
- ✓ joint controls
- ✓ establishment of one stop border post control

The level of border agency cooperation of the OIC Member Countries varies according to the several indices measuring the countries' level of border agency cooperation. According to World Bank's Logistics Performance Index (LPI), which measures the efficiency of the clearance process scaling from 0 to 5, the Asian Group countries have the highest average score of 2.53 in the efficiency of the clearance processes, followed by the Arab Group Countries with the score of 2.46. On the other hand, African Group Countries have the lowest average with the score of 2.30.

Moreover, OECD External Border Agency Cooperation (BAC) Indicator, scaling from 0 to 2, measures the border agency cooperation with neighbouring and third countries. Accordingly, the average of external cooperation for the Arab Group is 1.15, followed by the Asian and African Group countries with the score of 1.11 and 0.82, respectively[40].

Considering the importance of BAC for trade facilitation as well as increasing intra-OIC trade, the 8th Meeting of the COMCEC Trade Working Group held on October 6th, 2016, was devoted to "Improving the Border Agency Cooperation among the OIC Member States for Facilitating Trade." The research study and the participants of the working group highlighted the major challenges faced by the Member Countries, among others:

- Lack of coordination and cooperation among border agencies
- Long, costly and inefficient customs procedures
- Lack of harmonized working hours among the countries
- Inadequate information exchange among the border agencies

The Working Group has come up with the following policy recommendations in order to address the challenges faced by the Member Countries regarding the border agency cooperation:

- Promoting the adoption of international standards in customs and other relevant cross border trade and logistics matters as well as accession to the relevant international conventions for harmonizing and simplifying rules and procedures related to the cross border trade and logistics operations,

[40] COMCEC Coordination Office, 2016b.

- Promoting mutual recognition arrangements/agreements for border controls and trusted traders,
- Enhancing information exchange among the border agencies of the Member Countries through enhancing connectivity of information and communication technology systems, providing regular knowledge exchange platforms and participating in relevant international networks,
- Improving the infrastructure of land border crossing points and transport connectivity through the joint efforts of the neighboring countries e.g. through establishing joint technical/working committees, which include relevant stakeholders to identify the factors which cause bottlenecks.

Furthermore, the 9th Meeting of the Trade Working Group has elaborated on an important instrument of trade facilitation, which is Single Window Systems. The TWG has convened on March 9th, 2017, in Ankara, Turkey with the theme of "*Single Window Systems in the OIC Member Countries.*" During the Meeting, the participants deliberated on the conceptual framework, global practices and trends in single windows and the current status of the OIC Member Countries regarding the implementation of the Single Window Systems.

Single window systems serve as the platforms for the exchange and processing of electronic information between traders, government agencies, and private operators. The research report prepared for the meeting highlighted the importance of single window systems for facilitating trade by offering a single point of contact and single submission for import, export and transit relevant formalities. The report indicated that, at present, 23 Member Countries have been benefiting from the single window systems, whereas 4 member countries are in the process of establishment of a system. Furthermore, 11 member countries have a vision to establish their single window systems[41].

There are major challenges faced by the Member Countries during the initiation and implementation processes of the single window systems. In this regard, weak quality of preparatory work, non-implementation of necessary legal and regulatory changes, inflexibility and lack of interoperability of the systems, and insufficient IT architecture and infrastructure are some of the main challenges faced in this field. In order to address these challenges, the Working Group has come up with the following policy recommendations:

- Strengthening Single Window efforts in OIC Member States by developing integrated Single Window strategies that reflect national and regional requirements and actively engage the stakeholders in this process
- Improving the effectiveness of Single Window projects by identifying and implementing necessary changes in the laws and regulatory framework and operational practices,
- Prioritizing flexibility, scalability, safety and interoperability of IT architecture of Single Windows Systems,
- Promoting cross-border interconnectivity and interoperability of the national Single Window Systems in the OIC Region towards establishing Regional Single Window Systems

Finally, the 11th Meeting of the Trade Working Group has elaborated on an important instrument of trade facilitation, which is Customs Risk Management Systems. The TWG has convened on

[41] COMCEC Coordination Office, 2017a.

March 7-8, 2018, in Ankara, Turkey with the theme of "Facilitating Trade: Improving Customs Risk Management Systems in the OIC Member States." During the Meeting, the participants deliberated on the conceptual framework, global practices and trends in customs risk management and the status of the OIC Member Countries regarding the implementation of the customs risk management systems. In line with the relevant resolution of the 33rd Session of the COMCEC, this meeting also served to the preparations for the Exchange of Views Session of the 34th COMCEC Ministerial Meeting to be held under the same theme.

Improving customs risk management (CRM) systems is of particular importance for the Member Countries for ensuring optimal balance between trade facilitation and customs control. Through these effective mechanisms, customs administrations can allocate their resources more effectively and efficiently through focusing on high-risk areas. Therefore, these systems provides enhanced decision-making process during the customs control, while ensuring the security.

According to the report prepared for the Meeting, the OIC member states are positioned at different stages regarding the level of CRM. Accordingly, while 17 (29.8%) of the 57 OIC Member Countries have fully implemented CRM, 4 (7%) of them are at the advanced stage, 25 (43.9%) of them at medium performance. On the other hand, 2 (3.5%) Member Countries have CRM systems at basic level, and 9 (15.8%) Member States have no CRM. Moreover, within the framework of the report, field visits were conducted to three OIC member countries namely Albania, Senegal and Turkey to get insights about the policy environment on the subject.

The research report also highlighted that some member countries have limited coordination among the relevant stakeholders with respect to customs risk management and there is a need for a sound risk management strategy. Moreover, inadequate IT infrastructure and insufficient use of audit-based controls and risk assessment techniques are the main challenges faced by the Member Countries in operating customs risk management.

In this regard, the Trade WG has come up with a set of policy recommendations for improving customs risk management systems, among others:

- Establishing a risk management committee and developing an efficient and effective risk management strategy for improving the CRM performances and modernization efforts;
- Maintaining adequate IT support for the electronic submission of pre-arrival/pre-departure information for risk assessment;
- Utilizing Integrated CRM system including Data Warehouse, Business Intelligence, and Data Mining;
- Using advanced techniques and tools for risk assessment; such as usage of appropriate statistical models etc;
- Enhancing customs audit based controls; including post-clearance.

Moreover, the TWG has also considered the other aspects of the trade facilitation and come up with policy recommendations, which will be submitted to the 34th COMCEC Session, under the following six headings:

- ✓ Simplifying trade procedures and documentation,
- ✓ Legal and regulatory framework,
- ✓ Physical infrastructure and modernization,
- ✓ Harmonization and alignment of standards and conformity,

- ✓ Adopting measures to facilitate transit trade,
- ✓ Regional/international cooperation.

Trade Promotion:

One of the challenges facing the Member States in enhancing intra-OIC trade is the inadequate flow of information among exporters and importers. Firms in some of the Member States have very limited opportunities to raise awareness on their products. They need extra support from national and international promotion agencies.

The COMCEC initiated several projects up to date to promote trade among the Member States. One of these initiatives is the Trade Information Network for Islamic Countries (TINIC). The First COMCEC Session, held in 1984, adopted a resolution recommending the establishment of a Trade Information Network for Islamic Countries to facilitate the collection, processing, analysis and propagation of trade information for the benefit of users. The Islamic Center for the Development of Trade (ICDT) prepared a feasibility study on the modality of the network. The TINIC became operational in 1996. It was restructured in 2001 in order to meet the growing needs of the private sector of the Member States.

COMCEC also initiated Islamic Trade Fairs which are organized biannually in one of the Member States. Islamic Trade Fairs bring together the producers from the Member States together to increase awareness and support intra-OIC trade. In recent years, ICDT is also organizing sectorial trade fairs and exhibitions in accordance with the relevant resolutions of the COMCEC.

Moreover, COMCEC initiated the Private Sector Meetings, organized annually in one of the Member States. The Private Sector Meetings bring the business owners, firm representatives and chambers to discuss their common challenges, needs and cooperation opportunities. These meetings also present opportunities for partnership and trade.

Furthermore, COMCEC Trade Working Group deliberated on the Trade Promotion Organizations (TPOs), which are one of the most important institutions utilized by governments to support SMEs exports. Most of the OIC Member States now have newly established institutions or existing governmental bodies that serve as TPOs. The research report titled "Promoting the SMEs Exports in the OIC Member Countries: The Role of the TPOs" commissioned by the COMCEC Coordination Office for the 1st Meeting of the COMCEC Trade Working Group, designates following actions as the main services provided by TPOs;

- Provision of information about overseas markets,
- Business consultancy for new exporters or companies that intend to expand their international business,
- Networking with potential business partners in foreign markets,
- Support in participation to trade fairs and organization of mission tours to foreign markets,
- Seminars and training courses to enhance the managerial ability of exporters and/or mentoring services,
- Financial support to exporters.

The study recommends several strands of actions for policy development to OIC Member States such as;

- Greater emphasis on intra-OIC trade activities through the development of multilateral agreements or possible free trade zone agreements,
- Institutional focus on developing soft infrastructure of skills development and of entrepreneurship,
- Strengthening and development of an exclusive front on new Technologies,
- Promotion of public-private partnerships,
- Development of a data infrastructure, to monitor business dynamics and performance by size of firms[42].

Moreover, the COMCEC TWG has focused on the theme of Special Economic Zones in the OIC Member States in its 10th Meeting held on November 2nd, 2017. During the meeting, the participants deliberated on the global practices and trends in special economic zones and the current status of the OIC Member Countries regarding the special economic zones.

Special economic zones (SEZ) are important instruments for improving national and regional economic growth and increasing national income. They enable countries to attract foreign direct investments, facilitate economic diversification, create employment and deepen as well as extend industry value chains. According to the research report prepared for this meeting, through SEZs, governments can facilitate human capital development, generate government revenue streams, reduce government expenditure on unemployment benefits and provide markets for domestically produced goods and services. SEZs can also contribute to the host country's export rates due to their ability to produce goods and services, which are sold in foreign markets.

The report reveals that there has been a rapid expansion of SEZs worldwide since 1980s. There are approximately 242 SEZs operating within 33 OIC Member Countries. Approximately 36% of SEZs in the OIC Region are Free Trade Zones, while approximately 25% are classified as Export Processing Zones (EPZ). They are followed by Hybrid EPZs and other types of SEZs with 15% and 14% respectively.

According to the report, the following challenges are faced by the Member Countries with respect to the development of SEZs:

- Poor governance and regulatory environment - including ease of doing business,
- Poor business environment,
- Inefficient zone management,
- Unreliable utilities infrastructure,
- Poor quality transport infrastructure.

In order to address these challenges, the Working Group has come up with the following policy recommendations:

- Designing and programming Special Economic Zones in line with the national economic strategies for ensuring their complementarity with the national economic growth targets and industry sector priorities,
- Improving economic performance of SEZ programmes through developing unique incentives frameworks – fiscal and non-fiscal - which attract investments and foster effective and efficient business environments,

[42] COMCEC Coordination Office, 2013a.

- Improving the competitive advantage of SEZ programmes through effective site and sector targeting based on a robust understanding of national economic priorities and competitive advantages,
- Designing an efficient legal and regulatory framework to create a 'special' economic operating environment which considers and complements the existing legal and regulatory environment,
- Assigning/Establishing a single SEZ authority to regulate all SEZs within the country and supporting SEZ programmes through active involvement of key stakeholders and development of SEZ working groups.

Trade Financing:

The COMCEC Trade Working Group also touched upon the trade financing issues in its Meetings. In its fifth meeting held on March 26th, 2015, the TWG evaluated the present situation in the Member Countries with respect to Export Credit Agencies (ECAs). After detailed deliberations, the Working Group came up with the following policy recommendations in order to improve the role of ECAs in the Member Countries[43];

- *Member States are encouraged to examine and assess the financing needs of their exporters*
- *Member States are invited to enhance transactional cooperation among their ECAs*
- *Member States are encouraged to review the soundness of their ECAs with the aim of improving the overall performance of the ECA*
- *Member states are called on to promote public-private dialogue within the ECA context*
- *Member states are encouraged to initiate capacity building activities for strengthening institutional and human capacities of their ECAs*

Despite all odds, especially for SMEs, trade finance promises prospects in future. The analytical study titled "Improving the SMEs Access to Trade Finance in the OIC Member States" commissioned by the COMCEC Coordination Office for the 2nd Meeting of the COMCEC Trade Working Group envisages that through appropriate policy and regulatory treatment of trade finance, coupled with recent innovations like supply chain finance and the key role of ECAs and IFIs in supporting access to trade finance, a far more positive view of the immediate future in terms of SMEs access to finance and trade finance is possible. Moreover developments in Islamic Finance and adaptation of Islamic Finance Tools would offer great opportunities for COMCEC Countries[44].

Furthermore, the COMCEC has initiated the Export Financing Scheme (EFS) and Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC) to contribute to financing trade among the Member States.

The Export Financing Scheme (EFS) was first initiated by the COMCEC as the Longer-Term Trade Financing Scheme. IDB was entrusted with the implementation of the EFS. The 10th IDB Annual Meeting, held in March 1986 in Amman, Jordan, approved the Longer-Term Trade Financing Scheme. The title of the Scheme was later changed to Export Financing Scheme (EFS) and it became operational in 1988.

The EFS aims at promoting exports of non-conventional commodities by providing the necessary short and long-term funds. The repayment periods under the Scheme were originally

[43] COMCEC Coordination Office, 2015a.
[44] COMCEC Coordination Office, 2013b.

between 6 and 60 months for the intra-OIC export. This period has now been extended to ten years for capital goods, such as ships, machinery etc. Each Member State participating in the EFS had one or more national agencies for the Scheme. The role of the national agencies was to coordinate the promotion of the EFS in their countries. Since its inception in 1988, cumulatively over an amount of USD 3 billion of approvals were made under the Scheme.

After the establishment of the International Islamic Trade Finance Corporation (ITFC), in 2005, all trade financing activities of the IDB, including the EFS, were brought under the ITFC. The ITFC commenced business at the beginning of 2008. Most common modes of trade financing provided by the ITFC are murabaha, installment sale and istisna'a.

Since its establishment, the ITFC has increased the volume of operations and business portfolio. In this regard, total cumulative approvals and disbursements reached US$35.4 billion and US$26.8 billion, respectively. In order to have greater impact, it also gives more emphasis on providing finance to Least Developed Member Countries (LDMC's), SMEs and strategic commodities produced in the Member States such as oil, cotton, wheat etc.

The Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC) is a subsidiary organ of the IDB. It was established in 1994 with an authorized capital of ID 100 million (about USD 127 million) and become operational in 1995. ICIEC has 42 Member Countries. The objective of the ICIEC is to expand the scope of trade transactions and the flow of investments among Member Countries of the OIC.

7. CONCLUSION

2017 marked the first year that world trade increased significantly over the last five years. Thus world trade volume increased by 4.7 per cent in 2017 which represents 2.4 percentage points higher growth rate compared to the average growth rate of the previous three years.

The strong performance world trade volume in 2017 was mainly due to cyclical factors including robust global economic activity, increases in commodity prices which led to higher incomes in commodity exporters (which increases import demand) and investment in the energy sector. On the other hand some structural factors such as the maturation of global value chains and slower pace of trade liberalization continue to constrain world trade growth. In 2017 import demand from both developed and developing economies increased but growth rate of developing economies imports was more remarkable.

The total OIC exports increased strongly by 17.1 per cent to 1.6 trillion dollars in 2017 representing an increase for the first time since 2012. Meanwhile total OIC imports, which fell by 11.3 per cent and 6.6 per cent in 2015 and 2016 respectively, picked up by 8 per cent and amounted to 1.7 trillion dollars. Thus total OIC trade increased by 12.3 per cent to 3.4 trillion dollars in 2017 which was still 813 billion dollars below the level of total OIC trade recorded in 2013.

Several factors accounted for the strong performance in total OIC exports in 2017 including the revival of global economic activity and rising commodity prices. Rising commodity prices especially that of oil price led to increased export revenues of resource based countries and increased their import demand. On the other hand ongoing political developments in many countries in the Middle East constrain further increases in the OIC trade. Besides, OIC export volume (i.e eliminating the effects of exchange rates and prices) indeed increased slightly by 1.8 per cent indicating that the most of the increase in total OIC exports stemmed mainly from the rise in commodity prices, in particular oil prices in 2017.

The share of intra-OIC trade in total trade peaked at 19.0 per cent in 2017. However, it is still below its potential and there is a substantial variation amongst the OIC countries in terms of the share of intra-OIC trade to total. Considering that it is aimed to achieve 25 per cent of intra-OIC trade share in the total OIC trade by 2025 according to the OIC-2005:Programme of Action, the Member Countries need to enhance their cooperation in order to increase the share of their intra-trade.

Total OIC exports are highly concentrated. Although mineral fuels, oils and distillation products has still the highest share in total OIC exports, its share decreased by 18 percentage points between 2012 and 2016 due to fall in oil prices. However the share of mineral fuels and oils in total OIC exports increased to 45.0 per cent in 2017 owing to rise in oil prices Commodity concentration is even more apparent when countries examined specifically. Fuels was the main exported item in many members ranging between 42 to 96 per cent of total exports. Yet some other member states heavily depend on specific primary commodities such as metalliferous ores, or agricultural commodities. Examination of export product diversification using Herfindahl index in the OIC yields that there a little tendency towards increasing product diversification and there is a wide variation among OIC countries. Moreover, the product concentration of the OIC countries exports is well above world averages.

Market concentration of OIC merchandise exports is also high. Although OIC exports are mainly destined to developed countries. China alone accounted for 11.3 per cent of total extra-OIC exports. The high commodity and country concentration in total OIC exports is a major drawback as this increases the exposure of OIC countries to external economic shocks resulting from either a fall in commodity prices and/or demand slowdown in major export destinations. In addition to high product and market concentration, increasing concerns over restrictive trade measures also underlies the importance of diversification.

There are great differences among the member states in terms of economic development and the structure of trade. Creating an enabling environment for trade remains one of the main challenges for the OIC Countries. To this end, policies towards trade liberalization, trade promotion, trade finance and trade facilitation become priority areas in policy reform agendas of the OIC Countries.

Regarding trade in services, the volume of commercial services trade is not at the desired level in the OIC compared to the other regions in the world. Moreover, its share in the trade volume of the OIC Region is also below the average with compared to the world, even to the developing countries. Besides, the commercial services in the OIC is based on only a few sectors, travel and transport. Therefore, the OIC Member Countries need to diversify the commercial services in order to get the higher share in this growing market.

During the recent decade, most of the OIC Member States have liberalized their trade. 44 out of 57 Member States have acceded to the WTO. Moreover most of them have joined one or more RTAs. However, many Member States still apply higher tariffs to the imports than the world averages.

Higher transport costs and cumbersome customs procedures in international trade constitute a major problem in some of the Member States, hindering not only their international trade but also their economic and social development. According to World Bank Trading Across Borders measures the OIC countries are 42 percent below the best performing countries measured by distance to frontier. The cost and time associated with submitting the necessary documents to clear the goods is well above the world averages in the OIC countries. Reducing trade costs and adapting trade facilitation measures are major challenges confronting the OIC countries. 33 OIC member countries ratified the WTO Trade Facilitation Agreement, which is estimated to reduce trade costs significantly when fully implemented.

Access to trade finance also constitutes an obstacle in some of the Member States. Inadequate financial resources limit the SMEs export capabilities to export in several Member States.

COMCEC aims at enhancing economic and commercial cooperation among the 57 OIC Member States. Since 1984, COMCEC has initiated many cooperation programs and projects towards increasing intra-OIC trade and addressing the common challenges. Some of these programs and projects have been realized successfully. Taking into consideration the diversity a trade patterns of the Member States and the common challenges faced by them, the COMCEC Strategy has identified trade as one of its cooperation areas.

Under this cooperation area, the Strategy defined trade liberalization, trade facilitation, trade promotion and trade financing as the output areas in order to reach its strategic objective, which is "enhancing trade among the Member States". Furthermore, the Strategy brought two new implementation instruments, namely Trade Working Group and COMCEC Project Funding to reach its target.

The implementation of the Strategy with the active participation of the Member States will contribute to improving the trade environment in the Member States and enhancing intra-OIC trade.

As the most important project of the COMCEC in the field of trade, TPS-OIC will be hopefully operationalized soon with the completion of some procedures by the participating Member Countries. The System will not only facilitate increasing the intra-OIC trade, but also build a framework for cooperation among the OIC Member Countries. Thus, it will be a basis for further cooperation among the member countries.

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9. APPENDIX:

Table A.1: The Official 3 Regional Groups of the OIC Member States

Arab Group	Asian Group(*)	African Group
Algeria	Afghanistan	Benin
Bahrain	Albania	Burkina Faso
Comoros	Azerbaijan	Cameroon
Djibouti	Bangladesh	Chad
Egypt	Brunei	Cote d'Ivoire
Iraq	Indonesia	Gabon
Jordan	Iran	Gambia
Kuwait	Kazakhstan	Guinea
Lebanon	Kyrgyz Republic	Guinea-Bissau
Libya	Malaysia	Mali
Mauritania	Maldives	Mozambique
Morocco	Pakistan	Niger
Oman	Tajikistan	Nigeria
Palestine	Turkey	Senegal
Qatar	Turkmenistan	Sierra Leone
Saudi Arabia	Uzbekistan	Togo
Somalia		Uganda
Sudan	Guyana	
Syria	Suriname	
Tunisia		
United Arab Emirates		
Yemen		

(*) Guyana and Suriname which are geographically located in Latin America are included in Asian Group.

Table A-2: Total Trade of the OIC Countries

	Total Exports (million $)			% Change 2017/2016	Total Imports (million $)			% Change 2017/2016	Total Trade (million $)			% Change 2017/2016	Share in OIC (%) 2017		
	2015	2016	2017		2015	2016	2017		2015	2016	2017		Total Exports	Total Imports	Total Trade
Afghanistan	582	615	852	38.5	7,751	6,559	6,827	4.1	8,332	7,174	7,678	7.0	0.1	0.4	0.2
Albania	2,016	1,961	2,463	25.6	4,365	4,666	5,670	21.5	6,381	6,628	8,134	22.7	0.2	0.3	0.2
Algeria	34,563	29,309	34,372	17.3	49,725	46,723	44,733	-4.3	84,288	76,032	79,105	4.0	2.1	2.6	2.4
Azerbaijan	11,003	9,143	11,191	22.4	9,196	8,532	8,782	2.9	20,199	17,675	19,973	13.0	0.7	0.5	0.6
Bahrain	16,512	12,765	15,184	18.9	16,437	14,804	13,157	-11.1	32,950	27,570	28,341	2.8	0.9	0.8	0.8
Bangladesh	29,925	30,195	31,328	3.8	39,413	41,248	47,751	15.8	69,338	71,443	79,079	10.7	1.9	2.8	2.4
Benin	625	442	576	30.5	2,475	2,630	2,713	3.1	3,101	3,072	3,289	7.1	0.0	0.2	0.1
Brunei Darussalam	6,353	4,913	5,587	13.7	3,230	2,664	3,082	15.7	9,583	7,577	8,668	14.4	0.3	0.2	0.3
Burkina Faso	2,204	2,541	3,316	30.5	2,987	3,351	4,517	34.8	5,191	5,892	7,832	32.9	0.2	0.3	0.2
Cameroon	4,040	2,159	6,528	202.4	6,030	4,910	10,382	111.4	10,071	7,069	16,910	139.2	0.4	0.6	0.5
Chad	2,223	1,571	1,227	-21.9	896	638	645	1.1	3,118	2,209	1,872	-15.3	0.1	0.0	0.1
Comoros	9	16	18	11.8	147	187	193	3.1	157	203	211	3.8	0.0	0.0	0.0
Côte d'Ivoire	11,900	10,062	11,793	17.2	9,562	8,371	8,907	6.4	21,462	18,432	20,700	12.3	0.7	0.5	0.6
Djibouti	334	333	350	4.9	1,332	1,438	1,509	4.9	1,666	1,772	1,859	4.9	0.0	0.1	0.1
Egypt	21,120	20,021	23,296	16.4	69,788	56,706	59,467	4.9	90,908	76,727	82,762	7.9	1.4	3.4	2.5
Gabon	4,666	3,484	3,905	12.1	2,951	2,419	2,335	-3.5	7,617	5,904	6,240	5.7	0.2	0.1	0.2
Gambia	62	96	86	-10.5	413	385	468	21.5	475	481	554	15.1	0.0	0.0	0.0
Guinea	1,836	2,596	4,043	55.7	2,143	2,247	2,630	17.1	3,980	4,844	6,674	37.8	0.2	0.2	0.2
Guinea-Bissau	308	365	381	4.2	231	256	295	15.3	539	622	676	8.8	0.0	0.0	0.0
Guyana	1,283	1,451	1,646	13.5	2,191	1,636	1,762	7.6	3,474	3,087	3,408	10.4	0.1	0.1	0.1
Indonesia	150,393	136,846	168,773	23.3	142,695	135,551	160,717	18.6	293,088	272,397	329,490	21.0	10.4	9.3	9.8
Iran	39,323	46,724	65,620	40.4	58,925	64,111	70,592	10.1	98,248	110,835	136,212	22.9	4.0	4.1	4.1
Iraq	51,498	46,391	64,254	38.5	36,307	30,475	34,480	13.1	87,805	76,866	98,733	28.4	3.9	2.0	2.9
Jordan	6,757	5,416	6,299	16.3	20,466	16,715	20,317	21.5	27,223	22,131	26,616	20.3	0.4	1.2	0.8
Kazakhstan	45,952	36,737	48,348	31.6	30,600	25,377	29,139	14.8	76,552	62,114	77,488	24.8	3.0	1.7	2.3
Kuwait	53,994	41,783	49,780	19.1	32,127	30,997	33,739	8.8	86,121	72,779	83,519	14.8	3.1	1.9	2.5
Kyrgyz Republic	1,427	1,424	1,788	25.5	4,098	3,874	4,505	16.3	5,525	5,298	6,293	18.8	0.1	0.3	0.2
Lebanon	3,981	3,930	4,026	2.4	18,948	19,361	19,896	2.8	22,929	23,291	23,922	2.7	0.2	1.1	0.7
Libya	8,134	5,777	13,133	127.3	8,194	6,542	5,802	-11.3	16,328	12,319	18,935	53.7	0.8	0.3	0.6
Malaysia	199,958	188,710	217,382	15.2	175,967	178,110	206,744	16.1	375,925	366,820	424,127	15.6	13.3	11.9	12.6
Maldives	148	141	230	63.5	1,909	2,138	2,352	10.0	2,057	2,279	2,582	13.3	0.0	0.1	0.1
Mali	2,071	2,846	1,161	-59.2	3,144	3,854	4,214	9.3	5,215	6,701	5,375	-19.8	0.1	0.2	0.2
Mauritania	1,737	1,626	1,995	22.7	2,257	2,175	3,523	61.9	3,994	3,801	5,518	45.1	0.1	0.2	0.2

	Total Exports (million $)			% Change 2017/2016	Total Imports (million $)			% Change 2017/2016	Total Trade (million $)			% Change 2017/2016	Share in OIC (%) 2017		
	2015	2016	2017		2015	2016	2017		2015	2016	2017		Total Exports	Total Imports	Total Trade
Morocco	21,140	22,826	24,585	7.7	37,030	41,686	44,567	6.9	58,170	64,512	69,153	7.2	1.5	2.6	2.1
Mozambique	3,295	3,395	4,771	40.5	8,165	5,490	5,924	7.9	11,460	8,885	10,695	20.4	0.3	0.3	0.3
Niger	788	927	1,055	13.8	2,461	1,865	1,900	1.9	3,249	2,792	2,955	5.8	0.1	0.1	0.1
Nigeria	58,168	40,525	49,335	21.7	38,803	31,748	35,979	13.3	96,971	72,274	85,314	18.0	3.0	2.1	2.5
Oman	34,732	26,776	28,043	4.7	29,007	23,111	26,461	14.5	63,739	49,887	54,504	9.3	1.7	1.5	1.6
Pakistan	22,140	20,547	21,504	4.7	43,990	46,998	57,286	21.9	66,129	67,545	78,790	16.6	1.3	3.3	2.3
Palestine	958	927	950	2.6	5,226	5,364	5,644	5.2	6,184	6,291	6,594	4.8	0.1	0.3	0.2
Qatar	76,202	57,708	67,498	17.0	31,629	32,293	29,914	-7.4	107,831	90,001	97,412	8.2	4.1	1.7	2.9
Saudi Arabia	233,943	193,222	220,360	14.0	174,382	140,091	127,910	-8.7	408,325	333,313	348,270	4.5	13.5	7.4	10.4
Senegal	2,322	2,679	2,480	-7.4	5,233	5,480	6,035	10.1	7,555	8,159	8,515	4.4	0.2	0.3	0.3
Sierra Leone	119	505	121	-75.9	1,766	962	1,077	12.0	1,885	1,467	1,198	-18.3	0.0	0.1	0.0
Somalia	681	646	450	-30.3	2,149	2,395	2,810	17.4	2,830	3,040	3,260	7.2	0.0	0.2	0.1
Sudan	3,168	2,599	4,100	57.8	9,509	5,662	9,163	61.8	12,677	8,261	13,263	60.6	0.3	0.5	0.4
Suriname	1,524	1,242	1,479	19.1	1,809	1,177	1,211	2.9	3,334	2,419	2,690	11.2	0.1	0.1	0.1
Syria	906	830	883	6.5	7,964	6,347	7,366	16.1	8,870	7,177	8,249	14.9	0.1	0.4	0.2
Tajikistan	1,083	843	962	14.1	3,217	3,100	3,119	0.6	4,300	3,944	4,082	3.5	0.1	0.2	0.1
Togo	793	850	867	2.0	1,879	1,858	1,635	-12.0	2,672	2,708	2,502	-7.6	0.1	0.1	0.1
Tunisia	13,442	12,893	13,524	4.9	20,414	18,982	20,800	9.6	33,856	31,875	34,325	7.7	0.8	1.2	1.0
Turkey	143,844	142,530	156,993	10.1	207,236	198,618	233,800	17.7	351,080	341,148	390,793	14.6	9.6	13.5	11.6
Turkmenistan	9,564	7,548	7,495	-0.7	6,056	5,215	4,578	-12.2	15,619	12,763	12,073	-5.4	0.5	0.3	0.4
Uganda	1,999	2,297	2,911	26.7	5,528	4,830	5,666	17.3	7,527	7,127	8,576	20.3	0.2	0.3	0.3
United Arab Emirates	189,107	188,576	208,408	10.5	288,977	272,718	257,713	-5.5	478,083	461,294	466,121	1.0	12.8	14.9	13.9
Uzbekistan	6,480	7,711	9,114	18.2	10,849	10,122	12,259	21.1	17,330	17,833	21,373	19.8	0.6	0.7	0.6
Yemen	468	172	485	181.9	6,580	7,089	7,043	-0.7	7,048	7,261	7,528	3.7	0.0	0.4	0.2
OIC TOTAL	**1,543,803**	**1,391,163**	**1,629,309**	**17.1**	**1,716,760**	**1,602,854**	**1,731,702**	**8.0**	**3,260,563**	**2,994,018**	**3,361,011**	**12.3**			

Source: IMF Direction of Trade Statistics

Note: The membership status of Syria has been suspended since 2012.

Table A-3: Intra Trade of the OIC Countries

	Share of Intra Trade in Total Trade	Intra-OIC Exports (million $)			% Change	Intra-OIC Imports (million $)			% Change	Intra-OIC Trade (million $)			% Change	Share in the OIC (%)		
														Intra Exports (%)	Intra Imports (%)	Intra Trade (%)
	2017	2015	2016	2017	2017/2016	2015	2016	2017	2017/2016	2015	2016	2017	2017/2016		2017	
Afghanistan	**64.9**	338	348	532	53.0	5,453	4,532	4,448	-1.9	5,790	4,880	4,980	2.1	0.2	1.4	0.8
Albania	**8.3**	86	43	44	2.7	454	480	634	32.0	541	524	679	29.6	0.0	0.2	0.1
Algeria	**11.5**	4,431	3,320	4,128	24.3	5,022	5,170	4,994	-3.4	9,453	8,489	9,122	7.5	1.3	1.6	1.4
Azerbaijan	**20.1**	1,571	1,762	2,090	18.6	1,561	1,677	1,920	14.5	3,132	3,439	4,010	16.6	0.7	0.6	0.6
Bahrain	**41.9**	10,598	7,193	8,510	18.3	7,014	2,936	3,377	15.0	17,612	10,129	11,888	17.4	2.7	1.1	1.9
Bangladesh	**11.1**	1,495	1,505	1,547	2.8	6,679	6,153	7,229	17.5	8,174	7,658	8,776	14.6	0.5	2.3	1.4
Benin	**24.8**	314	230	297	29.2	585	581	517	-11.0	900	811	814	0.4	0.1	0.2	0.1
Brunei Darussalam	**15.2**	458	378	672	77.6	796	667	650	-2.5	1,254	1,045	1,322	26.5	0.2	0.2	0.2
Burkina Faso	**18.4**	236	196	432	120.7	634	779	1,009	29.6	871	975	1,441	47.9	0.1	0.3	0.2
Cameroon	**18.7**	493	500	1,046	109.2	1,566	923	2,122	129.8	2,059	1,424	3,168	122.5	0.3	0.7	0.5
Chad	**21.8**	126	241	180	-25.0	228	181	228	26.0	355	422	409	-3.1	0.1	0.1	0.1
Comoros	**38.9**	1	2	2	33.4	59	75	80	6.1	60	77	82	6.8	0.0	0.0	0.0
Côte d'Ivoire	**25.6**	2,950	2,530	2,916	15.2	2,534	2,123	2,379	12.1	5,484	4,653	5,295	13.8	0.9	0.7	0.8
Djibouti	**44.2**	115	113	120	6.0	588	664	701	5.5	703	777	821	5.6	0.0	0.2	0.1
Egypt	**26.4**	9,930	7,428	7,241	-2.5	13,491	13,266	14,572	9.8	23,420	20,693	21,813	5.4	2.3	4.6	3.4
Gabon	**5.9**	249	146	144	-1.5	356	241	225	-6.6	605	387	369	-4.7	0.0	0.1	0.1
Gambia	**32.2**	49	77	64	-17.1	165	129	115	-11.5	215	207	178	-13.6	0.0	0.0	0.0
Guinea	**13.0**	224	292	484	65.7	420	365	387	5.9	645	657	871	32.5	0.2	0.1	0.1
Guinea-Bissau	**17.1**	41	23	29	27.7	75	90	86	-4.3	116	113	116	2.2	0.0	0.0	0.0
Guyana	**6.2**	19	22	73	236.7	53	108	137	26.1	72	130	210	61.3	0.0	0.0	0.0
Indonesia	**13.2**	20,593	12,836	21,208	65.2	19,384	16,392	22,181	35.3	39,977	29,228	43,389	48.4	6.6	6.9	6.8
Iran	**27.4**	10,046	8,670	12,714	46.6	21,422	23,791	24,664	3.7	31,467	32,461	37,379	15.2	4.0	7.7	5.9
Iraq	**16.1**	2,427	3,073	3,583	16.6	12,776	10,390	12,317	18.6	15,204	13,463	15,901	18.1	1.1	3.9	2.5

	Share of Intra Trade in Total Trade	Intra-OIC Exports (million $)			% Change	Intra-OIC Imports (million $)			% Change	Intra-OIC Trade (million $)			% Change	Share in the OIC (%)		
														Intra Exports (%)	Intra Imports (%)	Intra Trade (%)
	2017	2015	2016	2017	2017/2016	2015	2016	2017	2017/2016	2015	2016	2017	2017/2016		2017	
Jordan	**36.4**	3,839	2,891	3,274	13.2	6,623	5,019	6,412	27.7	10,461	7,911	9,686	22.4	1.0	2.0	1.5
Kazakhstan	**10.2**	4,455	4,246	5,320	25.3	2,304	2,217	2,563	15.6	6,759	6,464	7,883	22.0	1.7	0.8	1.2
Kuwait	**17.6**	7,859	6,044	6,965	15.2	7,858	7,177	7,703	7.3	15,717	13,220	14,668	11.0	2.2	2.4	2.3
Kyrgyz Republic	**26.8**	572	454	655	44.3	951	941	1,030	9.4	1,523	1,395	1,685	20.8	0.2	0.3	0.3
Lebanon	**26.2**	2,444	2,030	2,240	10.3	3,433	4,042	4,033	-0.2	5,877	6,072	6,273	3.3	0.7	1.3	1.0
Libya	**14.8**	677	883	1,570	77.7	1,750	1,316	1,227	-6.7	2,427	2,199	2,797	27.2	0.5	0.4	0.4
Malaysia	**9.8**	20,003	19,780	22,494	13.7	17,184	15,182	18,987	25.1	37,188	34,962	41,481	18.6	7.0	5.9	6.5
Maldives	**27.6**	3	1	16	1001.5	559	598	696	16.5	562	599	713	19.0	0.0	0.2	0.1
Mali	**43.4**	1,018	822	475	-42.2	1,307	1,531	1,858	21.4	2,324	2,353	2,333	-0.8	0.1	0.6	0.4
Mauritania	**14.6**	180	178	169	-5.4	572	544	638	17.2	752	723	807	11.6	0.1	0.2	0.1
Morocco	**12.3**	3,014	3,441	3,150	-8.5	5,486	5,251	5,372	2.3	8,500	8,693	8,523	-2.0	1.0	1.7	1.3
Mozambique	**8.3**	95	89	113	26.5	990	564	774	37.3	1,085	653	887	35.9	0.0	0.2	0.1
Niger	**26.4**	211	331	320	-3.3	401	378	460	21.7	611	709	780	10.0	0.1	0.1	0.1
Nigeria	**8.8**	5,359	4,430	5,262	18.8	2,466	2,241	2,239	-0.1	7,825	6,670	7,501	12.5	1.6	0.7	1.2
Oman	**40.9**	9,478	7,586	8,282	9.2	15,020	14,405	14,030	-2.6	24,498	21,991	22,312	1.5	2.6	4.4	3.5
Pakistan	**31.2**	5,768	4,949	4,982	0.7	15,946	15,082	19,620	30.1	21,714	20,031	24,602	22.8	1.6	6.1	3.9
Palestine	**14.1**	125	123	148	20.1	738	809	783	-3.2	863	932	931	-0.1	0.0	0.2	0.1
Qatar	**15.0**	9,899	9,195	8,911	-3.1	7,086	6,944	5,667	-18.4	16,985	16,139	14,578	-9.7	2.8	1.8	2.3
Saudi Arabia	**20.5**	42,202	34,862	48,593	39.4	26,770	22,737	22,630	-0.5	68,972	57,599	71,223	23.7	15.2	7.1	11.1
Senegal	**29.2**	1,025	1,233	1,147	-7.0	1,156	1,220	1,337	9.6	2,181	2,453	2,484	1.3	0.4	0.4	0.4
Sierra Leone	**24.4**	23	175	25	-85.6	834	283	267	-5.5	857	458	293	-36.1	0.0	0.1	0.0
Somalia	**38.3**	622	578	398	-31.2	669	642	852	32.8	1,291	1,219	1,250	2.5	0.1	0.3	0.2
Sudan	**48.4**	1,877	2,211	2,992	35.3	3,156	2,989	3,427	14.7	5,033	5,200	6,419	23.4	0.9	1.1	1.0
Suriname	**8.9**	571	477	202	-57.6	77	30	37	22.1	648	507	239	-52.8	0.1	0.0	0.0

	Share of Intra Trade in Total Trade	Intra-OIC Exports (million $)			% Change	Intra-OIC Imports (million $)			% Change	Intra-OIC Trade (million $)			% Change	Share in the OIC (%)		
														Intra Exports (%)	Intra Imports (%)	Intra Trade (%)
	2017	2015	2016	2017	2017/2016	2015	2016	2017	2017/2016	2015	2016	2017	2017/2016		2017	
Syria	**36.1**	671	626	642	2.4	2,663	2,309	2,340	1.3	3,334	2,936	2,982	1.6	0.2	0.7	0.5
Tajikistan	**37.9**	433	441	503	14.0	921	1,017	1,045	2.8	1,353	1,458	1,548	6.2	0.2	0.3	0.2
Togo	**38.5**	508	587	614	4.6	363	323	348	7.9	872	910	963	5.8	0.2	0.1	0.2
Tunisia	**14.8**	2,023	1,996	1,868	-6.5	2,900	2,887	3,202	10.9	4,923	4,883	5,070	3.8	0.6	1.0	0.8
Turkey	**19.7**	42,739	41,232	45,133	9.5	22,407	23,178	31,957	37.9	65,146	64,411	77,090	19.7	14.1	10.0	12.1
Turkmenistan	**21.4**	1,430	1,156	690	-40.3	2,141	1,560	1,898	21.7	3,571	2,716	2,588	-4.7	0.2	0.6	0.4
Uganda	**25.8**	213	442	610	37.9	1,082	1,114	1,601	43.7	1,296	1,556	2,211	42.0	0.2	0.5	0.3
United Arab Emirates	**24.7**	61,548	64,580	70,846	9.7	28,636	35,600	44,085	23.8	90,184	100,180	114,932	14.7	22.2	13.8	18.0
Uzbekistan	**23.5**	2,481	2,350	2,700	14.9	1,763	1,826	2,326	27.4	4,244	4,176	5,026	20.4	0.8	0.7	0.8
Yemen	**40.5**	347	136	294	117.1	2,627	3,019	2,758	-8.6	2,974	3,154	3,052	-3.2	0.1	0.9	0.5
OIC TOTAL	**19.0**	**300,505**	**271,485**	**319,662**	**17.7**	**290,155**	**276,690**	**319,179**	**15.4**	**590,659**	**548,175**	**638,841**	**16.5**			

Source: IMF Direction of Trade Statistics
Note: The membership status of Syria has been suspended since 2012.

TABLE A-4: TOP THREE TRADING PARTNERS OF THE OIC COUNTRIES IN TOTAL TRADE

	Top 3 Destinations of OIC Exports			Sub Total		Top 3 Origins of OIC Imports			Sub Total
Afghanistan	Pakistan	India	UAE		Afghanistan	Iran	China	Pakistan	
	44.1%	34.6%	11.2%	89.9%		20.9%	20.1%	14.0%	55.0%
Albania	Italy	Kosovo	Spain		Albania	Italy	Turkey	Germany	
	53.5%	7.7%	5.6%	66.7%		28.5%	8.1%	8.0%	44.7%
Algeria	Italy	Spain	France		Algeria	China	France	Italy	
	17.3%	12.9%	11.8%	42.0%		18.2%	9.1%	8.0%	35.4%
Azerbaijan	Italy	Turkey	Israel		Azerbaijan	Russia	Turkey	China	
	23.5%	12.2%	5.7%	41.4%		17.7%	14.5%	9.7%	41.9%
Bahrain	UAE	Saudi Arabia	United States		Bahrain	China	UAE	United States	
	21.6%	13.9%	11.1%	46.6%		12.6%	10.4%	7.4%	30.4%
Bangladesh	Germany	United States	United Kingdom		Bangladesh	China	India	Singapore	
	12.9%	12.3%	8.7%	33.9%		21.9%	15.3%	5.8%	43.0%
Benin	Bangladesh	India	Ukraine		Benin	Thailand	India	France	
	23.1%	10.9%	9.2%	43.2%		17.5%	16.4%	8.4%	42.3%
Brunei Darussalam	Japan	Korea	Malaysia		Brunei Darussalam	China	Singapore	Malaysia	
	29.3%	14.2%	11.2%	54.7%		20.9%	18.5%	18.2%	57.6%
Burkina Faso	Switzerland	India	South Africa		Burkina Faso	China	Côte d'Ivoire	United States	
	44.8%	14.1%	10.5%	69.3%		13.5%	9.9%	8.3%	31.6%

	Top 3 Destinations of OIC Exports			Sub Total		Top 3 Origins of OIC Imports			Sub Total
Cameroon	Italy	China	France		Cameroon	China	France	Thailand	
	13.9%	12.1%	10.5%	36.5%		17.3%	9.9%	5.8%	32.9%
Chad	United States	China	Netherlands		Chad	Cameroon	China	France	
	40.4%	17.4%	16.4%	74.1%		22.4%	18.9%	16.2%	57.6%
Comoros	France	India	Germany		Comoros	UAE	France	China	
	35.8%	11.1%	8.0%	54.9%		29.3%	16.1%	12.3%	57.6%
Côte d'Ivoire	Netherlands	United States	France		Côte d'Ivoire	Nigeria	France	China	
	12.0%	8.0%	6.5%	26.5%		15.7%	14.1%	11.8%	41.6%
Djibouti	Ethiopia	Somalia	Brazil		Djibouti	UAE	France	China	
	39.3%	17.6%	9.0%	66.0%		23.1%	16.4%	10.3%	49.7%
Egypt	UAE	Italy	United States		Egypt	China	Saudi Arabia	UAE	
	12.4%	11.4%	9.3%	33.2%		8.6%	6.2%	6.0%	20.7%
Gabon	China	United States	Ireland		Gabon	France	Belgium	China	
	36.5%	10.0%	8.5%	54.9%		23.6%	19.7%	15.2%	58.4%
The Gambia	Guinea-Bissau	Vietnam	Mali		The Gambia	Côte d'Ivoire	Brazil	Spain	
	51.4%	15.1%	7.4%	73.9%		11.8%	10.6%	10.1%	32.4%
Guinea	China	Ghana	UAE		Guinea	Netherlands	China	India	
	45.7%	18.3%	8.5%	72.4%		17.0%	13.0%	12.2%	42.2%

	Top 3 Destinations of OIC Exports			Sub Total		Top 3 Origins of OIC Imports			Sub Total
Guinea-Bissau	India	Vietnam	Nigeria		Guinea-Bissau	Portugal	Senegal	China	
	67.0%	20.9%	3.8%	91.7%		45.2%	11.3%	9.8%	66.4%
Guyana	Canada	United States	Panama		Guyana	Trinidad and Tobago	United States	China	
	24.7%	16.4%	9.5%	50.7%		27.5%	26.5%	8.9%	62.8%
Indonesia	China	United States	Japan		Indonesia	China	Singapore	Japan	
	13.7%	10.6%	10.5%	34.8%		21.9%	10.8%	9.0%	41.7%
Iran	China	India	Korea		Iran	UAE	China	Turkey	
	26.6%	15.9%	11.0%	53.5%		33.3%	15.7%	5.4%	54.4%
Iraq	India	China	United States		Iraq	Turkey	China	Korea	
	22.5%	20.2%	15.8%	58.4%		27.8%	25.7%	4.7%	58.2%
Jordan	United States	Saudi Arabia	India		Jordan	China	Saudi Arabia	United States	
	25.7%	13.2%	8.5%	47.3%		13.6%	13.6%	9.9%	37.1%
Kazakhstan	Italy	China	Netherlands		Kazakhstan	Russia	China	Germany	
	17.9%	11.9%	9.8%	39.7%		38.9%	16.1%	5.1%	60.0%
Kuwait	Korea	China	India		Kuwait	China	United States	UAE	
	17.7%	16.9%	11.6%	46.2%		16.4%	10.3%	8.7%	35.5%
Kyrgyz Republic	Switzerland	Kazakhstan	Russia		Kyrgyz Republic	China	Russia	Kazakhstan	
	27.4%	16.5%	14.6%	58.5%		33.2%	26.2%	13.0%	72.4%

	Top 3 Destinations of OIC Exports			Sub Total		Top 3 Origins of OIC Imports			Sub Total
Lebanon	China	UAE	South Africa		Lebanon	China	Italy	United States	
	11.5%	11.4%	8.2%	31.1%		9.5%	9.0%	7.3%	25.7%
Libya	Italy	Spain	France		Libya	China	Turkey	Italy	
	19.1%	12.6%	11.0%	42.7%		15.9%	13.3%	8.1%	37.2%
Malaysia	Singapore	China	United States		Malaysia	China	Singapore	United States	
	14.3%	13.5%	9.5%	37.4%		19.6%	11.1%	8.3%	39.0%
Maldives	Thailand	Sri Lanka	Bangladesh		Maldives	UAE	India	Singapore	
	44.2%	11.2%	5.9%	61.3%		17.1%	13.4%	13.4%	44.0%
Mali	Switzerland	UAE	Burkina Faso		Mali	Senegal	China	Côte d'Ivoire	
	36.4%	9.8%	7.8%	54.1%		26.1%	13.1%	9.0%	48.2%
Mauritania	China	Switzerland	Spain		Mauritania	Korea	UAE	Norway	
	35.0%	15.4%	11.6%	61.9%		18.1%	8.9%	7.9%	34.9%
Morocco	Spain	France	Italy		Morocco	Spain	France	China	
	23.2%	22.7%	4.5%	50.4%		16.6%	12.2%	9.2%	38.0%
Mozambique	India	South Africa	Netherlands		Mozambique	South Africa	UAE	China	
	34.5%	18.8%	10.0%	63.3%		28.9%	9.3%	8.7%	46.9%
Niger	France	Thailand	Malaysia		Niger	France	China	Nigeria	
	29.9%	18.1%	9.8%	57.8%		28.5%	14.3%	5.7%	48.5%

	Top 3 Destinations of OIC Exports			Sub Total		Top 3 Origins of OIC Imports			Sub Total
Nigeria	India	United States	Spain		Nigeria	China	Belgium	United States	
	30.6%	12.3%	6.7%	49.6%		25.1%	10.3%	9.9%	45.3%
Oman	China	UAE	Taiwan		Oman	UAE	China	India	
	52.0%	8.3%	5.8%	66.1%		43.7%	6.6%	5.8%	56.2%
Pakistan	United States	United Kingdom	China		Pakistan	China	UAE	United States	
	16.6%	7.6%	6.8%	31.0%		27.4%	13.4%	4.9%	45.7%
Palestine	Israel	Jordan	UAE		Palestine	Israel	Turkey	China	
	81.3%	7.4%	3.2%	91.8%		58.2%	7.5%	6.2%	71.8%
Qatar	Japan	Korea	India		Qatar	United States	China	Germany	
	17.3%	15.9%	12.4%	45.7%		16.3%	11.4%	6.9%	34.6%
Saudi Arabia	Japan	China	Korea		Saudi Arabia	China	United States	UAE	
	12.2%	11.7%	9.0%	32.9%		15.4%	13.6%	6.5%	35.5%
Senegal	Mali	Switzerland	India		Senegal	France	China	Nigeria	
	14.8%	11.5%	5.9%	32.3%		16.9%	10.8%	8.3%	35.9%
Sierra Leone	Netherlands	China	Côte d'Ivoire		Sierra Leone	China	India	Turkey	
	19.5%	11.0%	10.3%	40.8%		16.8%	7.8%	7.2%	31.7%
Somalia	Oman	UAE	Saudi Arabia		Somalia	China	India	Oman	
	28.9%	26.7%	17.2%	72.8%		17.9%	17.6%	11.4%	46.9%

	Top 3 Destinations of OIC Exports			Sub Total		Top 3 Origins of OIC Imports			Sub Total
Sudan	UAE	China	Saudi Arabia		Sudan	China	UAE	India	
	40.6%	15.1%	15.1%	70.9%		23.9%	12.0%	7.7%	43.6%
Suriname	Switzerland	Hong Kong	Belgium		Suriname	United States	Netherlands	Trinidad and Tobago	
	38.1%	21.9%	10.1%	70.1%		30.6%	14.9%	11.4%	56.9%
Syria	Lebanon	Iraq	Jordan		Syria	Russia	Turkey	China	
	30.4%	9.3%	8.8%	48.5%		32.9%	17.1%	9.7%	59.7%
Tajikistan	Turkey	China	Russia		Tajikistan	Russia	Kazakhstan	China	
	27.3%	17.6%	13.3%	58.2%		37.8%	18.5%	9.3%	65.6%
Togo	Burkina Faso	Benin	Niger		Togo	China	France	Japan	
	15.5%	12.4%	8.9%	36.8%		20.9%	10.9%	5.1%	36.8%
Tunisia	France	Italy	Germany		Tunisia	Italy	France	China	
	32.1%	17.3%	12.2%	61.6%		16.0%	15.5%	9.2%	40.7%
Turkey	Germany	United Kingdom	UAE		Turkey	China	Germany	Russia	
	9.7%	6.2%	5.9%	21.8%		10.4%	9.4%	8.7%	28.5%
Turkmenistan	China	Turkey	Italy		Turkmenistan	Turkey	Algeria	Germany	
	82.8%	5.1%	1.7%	89.5%		24.0%	14.3%	9.5%	47.8%
Uganda	Kenya	UAE	South Sudan		Uganda	China	India	UAE	
	19.4%	15.3%	11.7%	46.3%		17.7%	13.1%	11.8%	42.6%

	Top 3 Destinations of OIC Exports			Sub Total		Top 3 Origins of OIC Imports			Sub Total
United Arab Emirates	India	Japan	Iran		United Arab Emirates	China	United States	India	
	11.5%	10.3%	10.0%	31.8%		18.7%	9.0%	7.9%	35.6%
Uzbekistan	Switzerland	China	Russia		Uzbekistan	China	Russia	Kazakhstan	
	38.2%	15.3%	10.6%	64.1%		23.9%	22.7%	10.8%	57.4%
Yemen	Egypt	Thailand	Belarus		Yemen	UAE	China	Turkey	
	34.7%	15.2%	13.4%	63.3%		12.8%	12.6%	9.0%	34.4%

Source: IMF Direction of Trade Statistics

Table A-5: Top Three Trading Partners in Intra Trade

	Top 3 Destinations of Intra-Exports			Sub Total		Top 3 Origins of Intra-Imports			Sub Total
Afghanistan	Pakistan	UAE	Iran		Afghanistan	Iran	Pakistan	Kazakhstan	
	70.6%	17.9%	4.4%	93.0%		32.1%	21.4%	16.2%	69.6%
Albania	Turkey	Egypt	UAE		Albania	Turkey	Egypt	Algeria	
	43.4%	21.0%	9.5%	73.9%		72.4%	8.1%	3.4%	83.9%
Algeria	Turkey	Turkmenistan	Morocco		Algeria	Turkey	Saudi Arabia	Egypt	
	33.1%	14.9%	10.4%	58.5%		39.4%	10.4%	8.3%	58.1%
Azerbaijan	Turkey	Indonesia	Tunisia		Azerbaijan	Turkey	Iran	Turkmenistan	
	65.4%	14.0%	8.7%	88.1%		66.3%	12.5%	5.7%	84.6%
Bahrain	UAE	Saudi Arabia	Oman		Bahrain	UAE	Saudi Arabia	Turkey	
	38.5%	24.8%	13.7%	77.1%		40.5%	26.5%	8.4%	75.4%
Bangladesh	Turkey	UAE	Saudi Arabia		Bangladesh	Indonesia	Malaysia	UAE	
	32.8%	20.3%	11.0%	64.1%		18.8%	16.5%	11.2%	46.5%
Benin	Bangladesh	Niger	Nigeria		Benin	Togo	UAE	Morocco	
	44.7%	12.9%	11.6%	69.2%		31.7%	12.7%	12.1%	56.5%
Brunei Darussalam	Malaysia	Indonesia	UAE		Brunei Darussalam	Malaysia	Indonesia	UAE	
	93.5%	5.5%	0.6%	99.6%		86.5%	11.2%	0.8%	98.5%
Burkina Faso	Côte d'Ivoire	Togo	Mali		Burkina Faso	Côte d'Ivoire	Togo	Mali	
	51.6%	16.2%	11.8%	79.7%		44.2%	11.9%	8.9%	65.0%

	Top 3 Destinations of Intra-Exports			Sub Total		Top 3 Origins of Intra-Imports			Sub Total
Cameroon	Bangladesh	Malaysia	Chad		Cameroon	Togo	Nigeria	Turkey	
	15.3%	14.9%	13.1%	43.2%		25.0%	24.0%	7.9%	56.9%
Chad	UAE	Bangladesh	Turkey		Chad	Cameroon	Senegal	Turkey	
	53.5%	25.0%	14.3%	92.8%		63.4%	12.1%	8.2%	83.7%
Comoros	Pakistan	Sudan	UAE		Comoros	UAE	Pakistan	Qatar	
	49.0%	17.4%	12.1%	78.5%		70.7%	17.0%	3.6%	91.3%
Côte d'Ivoire	Burkina Faso	Mali	Nigeria		Côte d'Ivoire	Nigeria	Morocco	Senegal	
	18.2%	16.8%	15.9%	50.9%		56.0%	7.9%	4.6%	68.6%
Djibouti	Somalia	Qatar	Yemen		Djibouti	UAE	Saudi Arabia	Yemen	
	51.4%	19.0%	14.6%	85.0%		49.3%	20.2%	9.2%	78.7%
Egypt	UAE	Turkey	Saudi Arabia		Egypt	Saudi Arabia	UAE	Turkey	
	35.9%	14.4%	13.3%	63.5%		22.6%	22.1%	12.0%	56.8%
Gabon	Benin	Guinea	The Gambia		Gabon	Cameroon	Turkey	Morocco	
	19.1%	14.0%	10.6%	43.6%		23.0%	13.5%	13.0%	49.4%
The Gambia	Guinea-Bissau	Mali	Senegal		The Gambia	Côte d'Ivoire	Turkey	UAE	
	69.2%	10.0%	10.0%	89.3%		48.0%	9.4%	8.9%	66.3%
Guinea	UAE	Lebanon	Mali		Guinea	UAE	Turkey	Morocco	
	62.2%	10.2%	7.6%	80.0%		31.2%	11.7%	11.1%	53.9%

	Top 3 Destinations of Intra-Exports			Sub Total		Top 3 Origins of Intra-Imports			Sub Total
Guinea-Bissau	Nigeria	Togo	Cameroon		Guinea-Bissau	Senegal	Pakistan	Malaysia	
	49.9%	24.4%	9.9%	84.3%		39.0%	29.1%	6.2%	74.2%
Guyana	UAE	Suriname	Uganda		Guyana	Suriname	Turkey	Malaysia	
	73.3%	15.9%	5.9%	95.0%		78.5%	11.3%	3.4%	93.2%
Indonesia	Malaysia	Pakistan	UAE		Indonesia	Malaysia	Saudi Arabia	UAE	
	39.9%	11.3%	7.7%	58.9%		40.8%	15.8%	9.9%	66.5%
Iran	Turkey	UAE	Afghanistan		Iran	UAE	Turkey	Malaysia	
	55.6%	13.8%	10.6%	79.9%		81.1%	13.2%	1.4%	95.8%
Iraq	Turkey	Egypt	UAE		Iraq	Turkey	Saudi Arabia	Jordan	
	40.2%	20.8%	18.4%	79.4%		77.9%	9.1%	4.4%	91.5%
Jordan	Saudi Arabia	Iraq	Kuwait		Jordan	Saudi Arabia	UAE	Turkey	
	24.6%	15.7%	10.3%	50.6%		43.0%	15.5%	10.6%	69.1%
Kazakhstan	Uzbekistan	Turkey	Afghanistan		Kazakhstan	Uzbekistan	Turkey	Tajikistan	
	23.4%	21.5%	10.6%	55.5%		28.7%	28.5%	12.4%	69.6%
Kuwait	UAE	Pakistan	Egypt		Kuwait	UAE	Saudi Arabia	Turkey	
	24.0%	19.9%	17.2%	61.1%		38.0%	23.8%	7.5%	69.4%
Kyrgyz Republic	Kazakhstan	Uzbekistan	Turkey		Kyrgyz Republic	Kazakhstan	Turkey	Uzbekistan	
	45.0%	22.3%	20.0%	87.4%		56.9%	21.8%	15.9%	94.6%

	Top 3 Destinations of Intra-Exports			Sub Total		Top 3 Origins of Intra-Imports			Sub Total
Lebanon	UAE	Saudi Arabia	Syria		Lebanon	Turkey	Egypt	Saudi Arabia	
	19.5%	12.4%	11.5%	43.4%		20.7%	18.5%	10.0%	49.2%
Libya	Egypt	Turkey	Indonesia		Libya	Turkey	Egypt	Tunisia	
	72.2%	10.6%	6.6%	89.5%		53.1%	16.4%	12.5%	81.9%
Malaysia	Indonesia	UAE	Turkey		Malaysia	Indonesia	UAE	Saudi Arabia	
	35.8%	12.4%	10.8%	59.0%		46.1%	16.1%	13.1%	75.3%
Maldives	Bangladesh	Pakistan	UAE		Maldives	UAE	Malaysia	Turkey	
	83.0%	9.2%	4.8%	97.0%		57.7%	20.3%	6.8%	84.8%
Mali	UAE	Burkina Faso	Côte d'Ivoire		Mali	Senegal	Côte d'Ivoire	Benin	
	24.0%	19.1%	13.1%	56.2%		58.5%	20.1%	5.4%	84.0%
Mauritania	Côte d'Ivoire	Nigeria	Turkey		Mauritania	UAE	Morocco	Turkey	
	35.9%	22.9%	21.3%	80.0%		49.2%	16.9%	9.6%	75.7%
Morocco	Turkey	Pakistan	Algeria		Morocco	Turkey	Saudi Arabia	Algeria	
	21.1%	6.5%	6.3%	33.9%		37.2%	16.2%	10.1%	63.4%
Mozambique	UAE	Turkey	Indonesia		Mozambique	UAE	Pakistan	Saudi Arabia	
	48.4%	25.6%	6.2%	80.2%		68.6%	7.4%	6.0%	82.0%
Niger	Malaysia	Nigeria	Mali		Niger	Nigeria	Malaysia	Côte d'Ivoire	
	32.2%	28.6%	17.0%	77.9%		23.6%	23.2%	9.6%	56.4%

	Top 3 Destinations of Intra-Exports			Sub Total		Top 3 Origins of Intra-Imports			Sub Total
Nigeria	Indonesia	Côte d'Ivoire	Senegal		Nigeria	Indonesia	UAE	Togo	
	40.8%	28.6%	14.5%	84.0%		21.6%	21.4%	10.9%	53.9%
Oman	UAE	Qatar	Saudi Arabia		Oman	UAE	Saudi Arabia	Yemen	
	27.2%	16.2%	15.9%	59.3%		73.3%	6.4%	4.5%	84.3%
Pakistan	Afghanistan	UAE	Bangladesh		Pakistan	UAE	Saudi Arabia	Indonesia	
	27.9%	16.7%	12.9%	57.5%		38.4%	13.9%	13.1%	65.4%
Palestine	Jordan	UAE	Saudi Arabia		Palestine	Turkey	Jordan	Saudi Arabia	
	47.2%	20.2%	10.9%	78.4%		53.7%	19.9%	10.3%	83.8%
Qatar	UAE	Pakistan	Egypt		Qatar	UAE	Turkey	Oman	
	28.7%	17.1%	13.5%	59.3%		29.2%	14.2%	13.3%	56.6%
Saudi Arabia	UAE	Bahrain	Egypt		Saudi Arabia	UAE	Turkey	Egypt	
	30.2%	11.8%	10.4%	52.4%		36.7%	12.9%	9.5%	59.0%
Senegal	Mali	Côte d'Ivoire	UAE		Senegal	Nigeria	Turkey	Côte d'Ivoire	
	32.0%	11.5%	11.1%	54.6%		36.0%	15.8%	9.4%	61.2%
Sierra Leone	Côte d'Ivoire	Lebanon	Guinea		Sierra Leone	Turkey	UAE	Pakistan	
	49.6%	21.9%	7.5%	79.0%		28.8%	20.7%	19.1%	68.6%
Somalia	Oman	UAE	Saudi Arabia		Somalia	Oman	Turkey	Malaysia	
	32.7%	30.2%	19.4%	82.3%		37.7%	17.8%	11.1%	66.6%

	Top 3 Destinations of Intra-Exports			Sub Total		Top 3 Origins of Intra-Imports			Sub Total
Sudan	UAE	Saudi Arabia	Egypt		Sudan	UAE	Saudi Arabia	Egypt	
	55.1%	20.5%	15.1%	90.7%		31.5%	18.6%	16.0%	66.1%
Suriname	UAE	Guyana	Bangladesh		Suriname	Guyana	Malaysia	Turkey	
	54.3%	44.5%	0.7%	99.5%		29.7%	26.6%	26.5%	82.8%
Syria	Lebanon	Iraq	Jordan		Syria	Turkey	Lebanon	Egypt	
	41.8%	12.8%	12.2%	66.8%		52.8%	9.0%	5.5%	67.3%
Tajikistan	Turkey	Algeria	Iran		Tajikistan	Kazakhstan	Uzbekistan	Iran	
	52.3%	15.5%	13.4%	81.2%		55.2%	10.9%	10.7%	76.7%
Togo	Burkina Faso	Benin	Niger		Togo	Saudi Arabia	Nigeria	Indonesia	
	21.9%	17.5%	12.5%	52.0%		14.9%	14.0%	10.0%	38.9%
Tunisia	Algeria	Libya	Morocco		Tunisia	Turkey	Algeria	Egypt	
	25.0%	21.1%	9.9%	56.0%		29.2%	23.4%	10.7%	63.3%
Turkey	UAE	Iraq	Iran		Turkey	Iran	UAE	Malaysia	
	20.3%	20.1%	7.2%	47.6%		23.4%	17.4%	9.8%	50.6%
Turkmenistan	Turkey	Bangladesh	Azerbaijan		Turkmenistan	Turkey	Algeria	Kazakhstan	
	55.2%	16.3%	15.0%	86.5%		58.0%	34.4%	3.1%	95.4%
Uganda	UAE	Sudan	Morocco		Uganda	UAE	Saudi Arabia	Indonesia	
	70.9%	12.7%	3.6%	87.2%		41.4%	23.1%	15.1%	79.5%

	Top 3 Destinations of Intra-Exports			Sub Total		Top 3 Origins of Intra-Imports			Sub Total
United Arab Emirates	Iran	Oman	Saudi Arabia		United Arab Emirates	Turkey	Saudi Arabia	Guinea	
	26.6%	13.7%	11.0%	51.4%		17.3%	15.7%	6.2%	39.1%
Uzbekistan	Turkey	Kazakhstan	Afghanistan		Uzbekistan	Kazakhstan	Turkey	Kyrgyz Republic	
	28.8%	25.7%	16.1%	70.5%		56.8%	31.0%	6.7%	94.4%
Yemen	Egypt	Oman	UAE		Yemen	UAE	Turkey	Saudi Arabia	
	57.0%	19.3%	7.0%	83.2%		31.2%	22.0%	15.8%	69.0%

Source: Direction of Trade statistics

Table A-6: Trading Across Borders

Economy	Trading across Borders DTF	Trading across Borders rank	Time to export: Border compliance (hours)	Cost to export: Border compliance (USD)	Time to export: Documentary compliance (hours)	Cost to export: Documentary compliance (USD)	Time to import: Border compliance (hours)	Cost to import: Border compliance (USD)	Time to import: Documentary compliance (hours)	Cost to import: Documentary compliance (USD)
Albania	96.29	24	9	55	6	10	10	77	8	10
Palestine	86.67	49	6	51	72	80	6	50	45	85
Jordan	85.93	53	38	131	6	16	79	181	55	30
Malaysia	82.75	61	45	321	10	45	69	321	10	60
Morocco	81.12	65	19	156	26	107	106	228	26	116
Turkey	79.71	71	16	376	5	87	41	655	11	142
Oman	79.39	72	52	261	7	107	70	394	7	124
Bahrain	75.97	78	71	47	24	100	54	397	84	130
Suriname	75.02	80	84	468	12	40	48	658	24	40
Azerbaijan	73.56	83	29	214	33	300	30	300	38	200
Kyrgyz Republic	73.34	84	20	445	21	145	72	512	36	200
Mali	73.3	85	48	242	48	33	98	545	77	90
Qatar	71.51	90	25	382	10	150	48	558	72	290
UAE	71.5	91	27	462	6	178	54	678	12	283
Tunisia	70.5	96	50	469	3	200	80	596	27	144
The Gambia	67.81	105	109	381	48	133	87	326	32	152
Mozambique	67.25	109	66	602	70	220	14	354	24	171
Comoros	66.87	111	51	651	50	124	70	765	26	93
Indonesia	66.59	112	53.3	253.7	61.3	138.8	99.4	382.6	119.2	164.4
Burkina Faso	66.58	113	75	261	84	86	102	265	96	197
Libya	64.66	118	72	575	72	50	79	637	96	60
Togo	63.66	121	67	163	11	25	168	612	180	252
Niger	63.61	122	48	543	51	39	78	462	156	282

Economy	Trading across Borders DTF	Trading across Borders rank	Time to export: Border compliance (hours)	Cost to export: Border compliance (USD)	Time to export: Documentary compliance (hours)	Cost to export: Documentary compliance (USD)	Time to import: Border compliance (hours)	Cost to import: Border compliance (USD)	Time to import: Documentary compliance (hours)	Cost to import: Documentary compliance (USD)
Kazakhstan	63.19	123	133	574	128	320	2	0	6	0
Uganda	62.08	127	64	209	51	102	154	412	138	296
Senegal	60.85	135	61	547	26	96	53	702	72	545
Benin	60.78	136	78	412	48	80	82	599	59	529
Mauritania	60.3	138	62	749	51	92	69	580	64	400
Lebanon	59.71	140	96	410	48	100	180	695	72	135
Guinea-Bissau	59.6	141	118	585	60	160	84	550	36	205
Guyana	59.33	142	72	378	200	78	84	265	156	63
Brunei Darussalam	58.7	144	117	340	155	90	48	395	132	50
Tajikistan	57.17	149	75	313	66	330	107	223	126	260
Maldives	55.87	152	42	596	48	300	100	981	61	180
Kuwait	54.24	154	96	602	72	191	89	491	96	332
Côte d'Ivoire	54.15	155	110	387	120	136	125	456	89	267
Djibouti	51.87	159	109	944	72	95	78	1209	50	100
Somalia	51.6	160	44	495	73	350	85	952	76	300
Saudi Arabia	49.59	161	69	363	81	105	228	779	122	390
Sierra Leone	48.99	162	55	552	72	227	120	821	137	387
Guinea	46.24	165	72	778	139	128	91	909	156	180
Iran	46.11	166	101	565	120	125	141	660	192	197
Uzbekistan	44.31	168	112	278	174	292	111	278	174	292
Gabon	43.94	169	96	1633	60	200	84	1320	120	170
Egypt	42.23	170	48	258	88	100	240	554	265	1000
Pakistan	41.94	171	75	406	55	257	129.3	936.6	143	735
Chad	40.12	172	106	319	87	188	242	669	172	500

Economy	Trading across Borders DTF	Trading across Borders rank	Time to export: Border compliance (hours)	Cost to export: Border compliance (USD)	Time to export: Documentary compliance (hours)	Cost to export: Documentary compliance (USD)	Time to import: Border compliance (hours)	Cost to import: Border compliance (USD)	Time to import: Documentary compliance (hours)	Cost to import: Documentary compliance (USD)
Bangladesh	34.86	173	99.7	408.2	147	225	183	1293.8	144	370
Afghanistan	30.63	175	48	453	228	344	96	750	324	900
Syria	29.83	176	84	1113	48	725	141	828	149	742
Iraq	25.33	179	85	1118	504	1800	131	644	176	500
Algeria	24.15	181	118	593	149	374	327	466	249	400
Nigeria	19.93	183	135.4	785.7	131.4	250	283.7	1076.8	172.7	564.3
Sudan	19.16	185	162	950	190	428	144	1093	132	420
Cameroon	15.99	186	202	983	66	306	271	1407	163	849
Yemen	0	189	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
OIC Average	**56.7**		**73.2**	**483.8**	**78.1**	**200.1**	**106.6**	**599.1**	**99.7**	**283.2**

Source: World Bank Doing Business database
Note: The membership status of Syria has been suspended since 2012

Table A-7: Performance of the OIC Countries at World Bank's Logistics Performance Index and Key Dimensions

Country	Overall LPI score score	Overall LPI rank rank	% of highest performer	Customs score	Customs rank	Infrastructure score	Infrastructure rank	International shipments score	International shipments rank	Logistics quality and competence score	Logistics quality and competence rank	Tracking and tracing score	Tracking and tracing rank	Timeliness score	Timeliness rank
United Arab Emirates	4.0	11	92.3	3.6	15	4.0	10	3.8	5	3.9	13	4.0	13	4.4	4
Qatar	3.5	30	77.3	3.0	38	3.4	27	3.8	9	3.4	31	3.6	30	3.7	36
Malaysia	3.2	41	69.4	2.9	43	3.1	40	3.3	32	3.3	36	3.1	47	3.5	53
Oman	3.2	43	68.6	2.9	44	3.2	39	3.3	36	3.1	49	3.0	66	3.8	29
Indonesia	3.2	46	67.2	2.7	62	2.9	54	3.2	42	3.1	44	3.3	39	3.7	41
Turkey	3.1	47	67.0	2.7	58	3.2	33	3.1	53	3.0	51	3.2	42	3.6	44
Côte d'Ivoire	3.1	50	65.0	2.8	51	2.9	56	3.2	45	3.2	37	3.1	49	3.2	71
Saudi Arabia	3.0	55	62.8	2.7	66	3.1	43	3.0	56	2.9	57	3.2	46	3.3	67
Bahrain	2.9	59	60.4	2.7	63	2.7	68	3.0	55	2.9	58	3.0	60	3.3	68
Kuwait	2.9	63	58.1	2.7	56	3.0	45	2.6	98	2.8	67	2.7	96	3.4	59
Iran, Islamic Rep.	2.9	64	57.9	2.6	71	2.8	63	2.8	79	2.8	62	2.8	85	3.4	60
Egypt, Arab Rep.	2.8	67	57.0	2.6	77	2.8	58	2.8	73	2.8	63	2.7	89	3.2	74
Kazakhstan	2.8	71	56.5	2.7	65	2.5	81	2.7	84	2.6	90	2.8	83	3.5	50
Benin	2.7	76	54.7	2.6	82	2.5	83	2.7	83	2.5	98	2.7	87	3.4	57
Lebanon	2.7	79	53.6	2.4	106	2.6	73	2.8	70	2.5	104	2.8	74	3.2	77
Brunei Darussalam	2.7	80	53.3	2.6	73	2.5	89	2.5	113	2.7	77	2.7	88	3.2	80
Jordan	2.7	84	52.7	2.5	88	2.7	70	2.4	119	2.5	93	2.8	84	3.2	76
Maldives	2.7	86	52.0	2.4	105	2.7	71	2.7	94	2.3	125	2.6	104	3.3	64
Albania	2.7	88	51.8	2.3	114	2.3	110	2.8	69	2.6	92	2.7	95	3.2	73
Djibouti	2.6	90	51.1	2.3	113	2.8	60	2.5	118	2.2	135	2.8	72	3.2	85
Burkina Faso	2.6	91	50.6	2.4	100	2.4	95	2.9	60	2.5	106	2.4	124	3.0	95
Cameroon	2.6	95	49.8	2.5	90	2.6	76	2.9	63	2.6	87	2.5	118	2.6	142

Country	Overall LPI score score	Overall LPI rank rank	% of highest performer	Customs		Infrastructure		International shipments		Logistics quality and competence		Tracking and tracing		Timeliness	
				score	rank	score	rank	score	rank	score	rank	score	rank	score	rank
Mali	2.6	96	49.7	2.2	133	2.3	109	2.7	88	2.5	107	3.1	54	2.8	119
Uzbekistan	2.6	99	49.3	2.1	140	2.6	77	2.4	120	2.6	88	2.7	90	3.1	91
Bangladesh	2.6	100	49.2	2.3	121	2.4	100	2.6	104	2.5	102	2.8	79	2.9	107
Uganda	2.6	102	49.2	2.6	76	2.2	124	2.8	78	2.5	99	2.4	123	2.9	110
Tunisia	2.6	105	49.0	2.4	107	2.1	133	2.5	115	2.3	123	2.9	71	3.2	70
Comoros	2.6	107	48.6	2.6	72	2.3	113	2.5	116	2.2	138	2.9	68	2.8	120
Kyrgyz Republic	2.5	108	48.3	2.8	55	2.4	103	2.2	138	2.4	114	2.6	99	2.9	106
Morocco	2.5	109	48.1	2.3	115	2.4	93	2.6	103	2.5	101	2.5	112	2.9	114
Nigeria	2.5	110	47.9	2.0	147	2.6	78	2.5	110	2.4	112	2.7	92	3.1	92
Algeria	2.4	117	45.2	2.1	138	2.4	96	2.4	122	2.4	113	2.6	103	2.8	124
Togo	2.4	118	45.2	2.3	119	2.2	116	2.5	111	2.2	134	2.4	120	2.9	112
Sudan	2.4	121	44.6	2.1	136	2.2	125	2.6	102	2.5	96	2.5	115	2.6	139
Pakistan	2.4	122	44.3	2.1	139	2.2	121	2.6	97	2.6	89	2.3	136	2.7	136
Chad	2.4	123	44.3	2.2	134	2.4	104	2.4	125	2.6	86	2.4	127	2.6	138
Turkmenistan	2.4	126	44.0	2.4	111	2.2	117	2.3	136	2.3	120	2.6	107	2.7	130
Gambia, The	2.4	127	43.8	2.1	141	1.8	155	2.7	87	2.2	142	2.8	73	2.7	131
Guinea-Bissau	2.4	129	43.3	2.0	144	1.8	159	2.5	108	2.3	126	2.8	80	2.9	116
Guyana	2.4	132	42.4	2.6	84	2.1	137	2.2	148	2.2	137	2.4	121	2.6	137
Tajikistan	2.3	134	41.8	1.9	150	2.2	127	2.3	133	2.3	116	2.3	131	2.9	104
Mauritania	2.3	135	41.6	2.2	128	2.3	112	2.2	145	2.2	144	2.5	119	2.7	134
Syrian Arab Republic	2.3	138	40.5	1.8	154	2.5	82	2.4	126	2.3	124	2.4	128	2.4	148
Yemen, Rep.	2.3	140	39.5	2.4	104	2.1	131	2.2	141	2.3	131	2.2	146	2.4	151
Senegal	2.3	141	39.1	2.2	130	2.2	118	2.4	128	2.1	149	2.1	150	2.5	145

Country	Overall LPI score score	Overall LPI rank rank	% of highest performer	Customs score	Customs rank	Infrastructure score	Infrastructure rank	International shipments score	International shipments rank	Logistics quality and competence score	Logistics quality and competence rank	Tracking and tracing score	Tracking and tracing rank	Timeliness score	Timeliness rank
Somalia	2.2	144	37.8	2.0	145	1.8	157	2.6	100	2.3	121	2.2	140	2.2	157
Guinea	2.2	145	37.5	2.4	93	1.6	160	2.3	132	2.1	152	2.7	91	2.0	160
Iraq	2.2	147	36.7	1.8	153	2.0	140	2.3	131	1.9	159	2.2	144	2.7	129
Gabon	2.2	150	36.3	2.0	148	2.1	136	2.1	153	2.1	151	2.1	153	2.7	135
Libya	2.1	154	34.6	2.0	149	2.2	115	2.0	159	2.0	153	1.6	160	2.8	123
Sierra Leone	2.1	156	33.7	1.8	155	1.8	156	2.2	147	2.0	156	2.3	134	2.3	154
Niger	2.1	157	33.4	1.8	157	2.0	142	2.0	158	2.1	150	2.2	141	2.3	155
Afghanistan	1.9	160	29.6	1.7	158	1.8	158	2.1	152	1.9	158	1.7	159	2.4	153
OIC Average	2.6		50.0	2.4		2.5		2.6		2.5		2.6		3.0	
memo item (top three best performing countries in the world)															
Germany	4.2	1	100.0	4.1	1	4.4	1	3.9	4	4.3	1	4.2	2	4.4	3
Sweden	4.1	2	95.4	4.0	2	4.2	3	3.9	2	4.0	10	3.9	17	4.3	7
Belgium	4.0	3	94.9	3.7	14	4.0	14	4.0	1	4.1	2	4.1	9	4.4	1

Source: World Bank

Table A-7: World Economic Forum Enabling Trade Index

Economy	2016		Pillar 1: Domestic market access 2016		Pillar 2: Foreign market access 2016		Pillar 3: Efficiency and transparency of border administration 2016		Pillar 4: Availability and quality of transport infrastructure 2016		Pillar 5: Availability and quality of transport services 2016		Pillar 6: Availability and use of ICTs 2016		Pillar 7: Operating environment 2016	
	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score
United Arab Emirates	**23**	**5.23**	70	5.09	131	2.12	25	5.72	2	6.34	13	5.57	19	6.09	9	5.58
Malaysia	**37**	**4.90**	43	5.35	107	3.35	47	5.00	17	5.02	29	4.98	35	5.51	26	5.10
Bahrain	**42**	**4.79**	59	5.22	109	3.30	58	4.81	40	4.04	36	4.78	22	5.99	23	5.15
Qatar	**43**	**4.78**	71	5.05	134	2.00	46	5.01	25	4.63	24	5.18	29	5.69	10	5.43
Jordan	**45**	**4.73**	80	4.90	22	4.86	42	5.22	65	3.59	55	4.29	75	4.36	36	4.76
Oman	**46**	**4.67**	25	5.46	118	2.69	48	5.00	32	4.50	50	4.44	54	4.97	30	4.95
Morocco	**49**	**4.60**	91	4.57	30	4.59	54	4.89	33	4.33	67	3.99	63	4.67	46	4.59
Turkey	**59**	**4.52**	87	4.69	88	3.91	45	5.06	27	4.54	45	4.53	74	4.38	73	4.23
Albania	**60**	**4.51**	8	6.00	52	4.36	50	4.99	111	2.64	95	3.59	78	4.28	59	4.38
Saudi Arabia	**67**	**4.33**	81	4.89	125	2.33	83	4.26	31	4.50	47	4.49	40	5.36	39	4.67
Indonesia	**70**	**4.30**	30	5.41	92	3.83	79	4.35	64	3.59	56	4.24	90	3.89	64	4.32
Azerbaijan	**71**	**4.30**	102	4.30	114	2.85	65	4.73	42	3.99	97	3.58	48	5.19	44	4.63
Brunei Darussalam	**72**	**4.27**	7	6.02	74	4.13	107	3.89	74	3.39	77	3.90	80	4.23	69	4.29
Uganda	**84**	**4.11**	86	4.73	3	6.02	101	3.97	114	2.57	70	3.97	121	2.60	84	4.07
Kuwait	**87**	**4.07**	66	5.16	132	2.08	90	4.12	71	3.43	65	4.00	42	5.30	68	4.29
Kazakhstan	**88**	**4.05**	111	3.85	116	2.74	88	4.15	67	3.53	68	3.98	46	5.25	53	4.49
Lebanon	**90**	**4.03**	96	4.47	61	4.28	84	4.20	83	3.19	96	3.58	72	4.39	108	3.83
Tunisia	**91**	**4.02**	73	4.98	62	4.27	115	3.75	96	2.96	90	3.64	67	4.58	95	3.99
Senegal	**96**	**3.97**	118	3.75	11	5.36	106	3.89	91	3.00	115	3.32	106	3.35	78	4.21
Gambia. The	**99**	**3.95**	126	3.41	23	4.84	91	4.11	81	3.22	107	3.42	110	3.13	65	4.32
Mozambique	**104**	**3.88**	79	4.91	7	5.71	111	3.85	110	2.64	101	3.54	129	2.34	124	3.53
Côte d'Ivoire	**105**	**3.87**	115	3.79	83	4.03	99	3.98	60	3.67	106	3.43	104	3.38	82	4.09

Economy	2016		Pillar 1: Domestic market access 2016		Pillar 2: Foreign market access 2016		Pillar 3: Efficiency and transparency of border administration 2016		Pillar 4: Availability and quality of transport infrastructure 2016		Pillar 5: Availability and quality of transport services 2016		Pillar 6: Availability and use of ICTs 2016		Pillar 7: Operating environment 2016	
	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score
Kyrgyz Republic	**113**	**3.76**	122	3.62	91	3.84	77	4.40	132	2.18	123	3.13	96	3.76	102	3.89
Tajikistan	**114**	**3.74**	97	4.45	119	2.67	103	3.94	89	3.01	127	3.02	120	2.75	51	4.54
Egypt	**116**	**3.72**	113	3.83	54	4.36	128	3.05	56	3.73	54	4.30	86	3.96	118	3.74
Mali	**118**	**3.71**	104	4.26	46	4.45	108	3.88	112	2.63	113	3.34	114	2.97	122	3.62
Algeria	**121**	**3.51**	121	3.69	97	3.70	127	3.18	92	3.00	84	3.74	108	3.30	111	3.82
Pakistan	**122**	**3.51**	133	3.01	101	3.57	105	3.92	70	3.49	64	4.02	124	2.50	130	3.49
Bangladesh	**123**	**3.48**	127	3.37	12	5.33	130	2.98	109	2.66	100	3.55	112	3.07	128	3.50
Benin	**124**	**3.48**	116	3.78	78	4.09	122	3.28	106	2.69	120	3.22	126	2.47	101	3.90
Nigeria	**127**	**3.25**	120	3.70	123	2.43	121	3.32	117	2.55	118	3.27	102	3.42	126	3.52
Sierra Leone	**128**	**3.25**	131	3.06	85	3.97	126	3.19	118	2.55	136	2.51	127	2.46	117	3.76
Gabon	**129**	**3.24**	125	3.51	128	2.20	119	3.38	119	2.49	130	2.90	107	3.31	110	3.82
Cameroon	**130**	**3.20**	132	3.02	63	4.27	133	2.71	121	2.42	129	2.92	123	2.52	109	3.83
Mauritania	**131**	**3.18**	119	3.75	81	4.04	125	3.20	130	2.22	135	2.62	125	2.49	133	3.19
Iran	**132**	**3.16**	136	2.39	136	1.77	123	3.22	69	3.49	86	3.71	100	3.46	116	3.77
Yemen	**134**	**2.95**	95	4.47	15	5.11	136	1.70	134	2.12	126	3.04	131	2.28	136	2.83
Chad	**135**	**2.93**	130	3.28	76	4.12	131	2.81	124	2.42	134	2.68	136	1.53	134	3.01
OIC Average		**3.95**		4.29		3.78		3.98		3.34		3.75		3.82		4.14
memo item (best performing countries in world)																
Singapore	**1**	5.97	2	6.97	84	4.02	1	6.40	3	6.28	3	5.90	13	6.28	2	5.81
Netherlands	**2**	5.70	62	5.19	35	4.55	2	6.40	9	6.04	4	5.88	3	6.49	11	5.39
Hong Kong SAR	**3**	5.66	1	7.00	130	2.15	12	6.02	1	6.40	2	5.91	14	6.26	1	5.86

Source: World Economic Forum