



Concept Paper on Way Forward for Potential Expansion of TPS-OIC

Background

The principal objective of the Trade Preferential System among the OIC Member States (TPS-OIC) is to enhance and diversify trade relations within the Organization of Islamic Cooperation (OIC). The Declaration of Intent on the Establishment of the System, adopted in 1988, clearly envisaged ‘...a gradual development and expansion of the System.’ (para 1.iii).

Türkiye remains fully committed to this vision. Expanding the scope of the TPS-OIC will allow for broader trade preferences among member states, contributing directly to our shared objective of achieving -and potentially surpassing- the target of 25% intra-OIC trade share.

Indeed, the System embodies significant potential for further enrichment through the incorporation of disciplines that are now standard features of new-generation free trade agreements.

Rationale for New Negotiations

The System has been implemented since July 2022. However, actual use of trade preferences under TPS-OIC has remained limited, that is why, as the chair of previous negotiation rounds, Türkiye offered to initiate a new round of negotiations to expand the System.

The discussions on this offer during the Third Ministerial Meeting of TPS-OIC TNC hosted by Türkiye on 11 June 2024 proved that although member States are keen to the idea of expanding the System, there is a need for further clarification on legal and economic grounds. Thus, Ministers mandated TNC to continue technical engagement on the issue.

In this regard, Türkiye believes that the initial step -as a preparation for the actual negotiations- should be the preparation of a negotiation strategy, as was done before the first round of negotiations. TNC can develop this strategy in 2026 through quarterly online/physical discussions. At its upcoming meeting on 1-2 October 2025, TNC may decide on a roadmap for these discussions.

Proposed Roadmap

1. At its first meeting in 2026, TNC can discuss and agree on the objectives and basic principles of the negotiations. The objective should include the possible expansion areas.
2. Once the extend of the expansion is decided, TNC should first decide if any amendment to the Framework Agreement is needed. If yes, this will be a part of the actual negotiations.
3. Then TNC should focus on each expansion area (such as goods, services, trade facilitation, SPS) in exclusive meetings. At these meetings, TNC can discuss and draft the scope, modality and negotiation methodology of each expansion area.
4. Upon completion of discussion on each area, TNC should convene to review the joint draft strategy and decide on institutional matters for the actual negotiations.
5. Actual negotiations shall start after the negotiation strategy for expansion of TPS-OIC is endorsed by the COMCEC.

Conclusion

Türkiye firmly believes that extending and deepening the TPS-OIC will generate substantial new opportunities for trade and investment among OIC member states. The proposed roadmap represents a vital step forward in realizing the full potential of the TPS-OIC and achieving the long-standing objectives set by our Member States. Türkiye stands ready to provide further clarifications and to engage actively with all member states to ensure the success of this important initiative.