

OIC/COMCEC-FC/14-98/REP

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

Istanbul, 9-11 May 1998

COMCEC Coordination Office
Ankara, May 1998

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

(Istanbul, 9-11 May 1998)

Original : English

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

(Istanbul, 9-11 May 1998)

1. The Fourteenth Meeting of the Follow-up Committee of the Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Conference (COMCEC) was held in Istanbul, from 9 to 11 May 1998.

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

- Republic of Turkey (Chairman)
- Kingdom of Saudi Arabia (Vice-Chairman, Permanent Member)
- State of Palestine (Vice-Chairman, Permanent Member)
- State of Kuwait (Vice-Chairman, Representing the Arab Region)
- Republic of Indonesia (Vice-Chairman, Representing the Asian Region)
- Islamic Republic of Iran (Vice-Chairman, Current Chairman of the Islamic Summit Conference)
- Islamic Republic of Pakistan (Rapporteur)
- Arab Republic of Egypt (Member of the Previous Bureau)
- Republic of Cameroon (Member of the Previous Bureau)

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

- Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRTCIC)
- Islamic Centre for Development of Trade (ICDT)
- Islamic Institute of Technology (IIT)
- Islamic Development Bank (IDB)
- Islamic Chamber of Commerce and Industry (ICCI)

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

Opening Session

4. The Meeting was inaugurated by Mr. Timuçin SANALAN, Deputy Undersecretary of the State Planning Organization of Turkey, on behalf of HE. Işın ÇELEBİ, Minister of State of the Republic of Turkey.

5. In his message addressed to the Meeting, RE. Süleyman DEMİREL, President of the Republic of Turkey and Chairman of the COMCEC, underlined that substantial developments had taken place worldwide, since the COMCEC became operational in 1984, and now globalization was shaping the future of the world. H.E. Süleyman DEMİREL also stated that thanks to the formulation of the new Strategy and Plan of Action, the COMCEC had been able to better adapt its activities to the current trends on the world economic and political scene. Expressing his satisfaction at the progress in the implementation of the Plan of Action, the President wished success to the Committee in its important task.

(A copy of the text of the message of H.E. Süleyman DEMİREL is attached as Annex II).

6. The Meeting then listened to the statement of H.E. Işın ÇELEBİ, Minister of State of the Republic of Turkey. In his statement the Minister welcomed the delegates to Istanbul and expressed thanks to the General Secretariat of the OIC, and its affiliated and subsidiary institutions, for their valuable contributions to the work of the COMCEC.

The Minister pointed out that the progress regarding the implementation of the Plan of Action had been promising and concrete project proposals had been considered at the three sectoral experts' group meetings held so far.

H. E. ÇELEBİ, referring to the globalization process, stated that the main task of the COMCEC was to give priority to the lifting of trade barriers, the setting up of a free market economy and encouragement and promotion of the private sector in the OIC region. Stressing the importance of creating such an environment, with the requisite fully developed legal and physical infrastructure, the Minister felt that a higher level of integration among the economies of the member countries should be encouraged. H.E. ÇELEBİ wished every success to the meeting.

(The text of the Statement of H.E. Işın ÇELEBİ is attached as Annex III).

7. The Meeting was also addressed by H.E. Ambassador Nabika DIALLO, Assistant Secretary General of OIC, who conveyed the message of the OIC Secretary General, H.E. Dr. Azzeddine LARAKİ. The Secretary General expressed his gratitude to H.E. Süleyman DEMİREL, President of the Republic of Turkey and Chairman of the COMCEC, and to the Government of the Republic of Turkey for their unfailing interest in and abiding commitment to the promotion of economic and commercial cooperation among Member States. The OIC Secretary General appealed to Member States to consolidate their cooperation and the integration of their economies, with a view to accelerating their development and avoid further marginalization in the face of the new world situation, characterized by globalization and the constitution of major blocs. H.E. LARAKİ wished success to the Meeting.

(A copy of the text of the message of H.E. Azzeddine LARAKI attached as Annex IV).

8. The Meeting was then addressed by the Heads of Delegation of the State of Kuwait, the Republic of Indonesia, the State of Palestine and the Islamic Republic of Pakistan. The Heads of Delegation expressed their thanks and appreciation to the Government of Turkey for the excellent arrangements made for the Meeting. Stressing the importance of the crucial changes in the world political and economic climate, the Heads of Delegation underlined in their statements the urgent need to enhance solidarity among member countries, and to seek ways and means of promoting cooperation based on concrete and realistic projects.

9. After the adoption of the Agenda, the Meeting set up an open-ended Drafting Committee under the Chairmanship of the Rapporteur. H.E. Ambassador Hümayun Khan BANGASH, Head of the Delegation of the Islamic Republic of Pakistan.

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

Report of the OIC General Secretariat

10. Under Agenda Item 3, H.E. Ambassador Nabika DIALLO, Assistant Secretary General of OIC, introduced the Background Report of the General Secretariat, which was subsequently summarized by H.E. Ambassador Motahar HOSSAIN, Director of Economic Affairs of the OIC General Secretariat. In his presentation H.E. HOSSAIN highlighted the progress achieved towards the implementation of the resolutions of the COMCEC pertaining to the agenda items.

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

12. The Committee noted with appreciation that ICCI, in collaboration with the General Union of the Lebanese Chamber of Commerce and Industry, would be organizing the Fifth Private Sector Meeting in Lebanon, from 12 to 14 October 1993. The Committee appealed to member countries to urge their private sector representatives to actively participate in the meeting.

13. The Committee noted with appreciation that the Seventh Islamic Trade Fair would be organized from 13 to 18 October 1998, in Lebanon, in cooperation with ICDT, ICC1 and other relevant institutions, and that the United Arab Emirates had offered to host the Eighth Islamic Trade Fair in the year 2000. The Committee appealed to Member States to participate in the Seventh and Eighth Islamic Trade Fairs, and to offer to host the subsequent ones.

14. The Committee appreciated the willingness of the State of Palestine to host a workshop on "Environment and Population" and an expert group meeting on "Social Development and Urban Planning".

15. The Committee also appreciated that IIT would be organizing an international seminar on "Human Resources Development for Sustained Economic Growth and Poverty Alleviation in the Member States of OIC" from 6 to 8 October 1998 in Dhaka, in collaboration with the Government of Bangladesh.

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

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

16. Under Agenda Item 4, H.E. Ambassador DIALLO, the OIC Assistant Secretary General, introduced a report on the implementation of the Plan of Action. H.E. Ambassador Motahar HOSSAIN, Director of Economic Affairs of the OIC General Secretariat, subsequently presented the report. H.E. HOSSAIN gave background information on the efforts made to implement the OIC Plan of Action and reviewed the status of sectoral experts' group meetings convened in this context.

17. The Committee expressed its appreciation to the Republic of Turkey for convening the sectoral experts group meetings in the areas of "Money, Banking and Capital Flows" and "Technology and Technical Cooperation" in the Plan of Action, and to the Islamic Republic of Pakistan for hosting the sectoral expert group meeting on "Foreign Trade" since the last Meeting of the Follow-up Committee.

18. The Committee also expressed its appreciation to the Arab Republic of Egypt for reaffirming its proposal to convene the two sectoral experts' group meetings on "Food, Agriculture and Rural Development" and "Transport and Communications", prior to the Fourteenth Session of the COMCEC, with dates and venue to be communicated to member countries, through the OIC General Secretariat, in due course.

19. The Committee welcomed the reaffirmation of the offer of the Government of the Republic of Indonesia to host the sectoral expert group meeting on Tourism within the framework of the Implementation of the Plan of Action.

20. The Committee requested the member countries that had already offered to host sectoral expert group meetings to expedite action for their early convening and renewed its appeal that offers be made to host similar meetings on the remaining sectors of industry, energy and mining, human resources development and environment.

21. The Committee urged the interested member countries to expedite the formation of the project committees as envisaged in the Plan of Action, with a view to implementing the projects proposed during the expert group meetings held so far.

(The Report of the OIC General Secretariat on the Implementation of the Plan of Action, is attached as Annex VII.)

Matters Relating to the World Trade Organization (WTO)

22. Under Agenda Item 5, the representatives of the OIC General Secretariat, the Islamic Development Bank, the Islamic Centre for Development of Trade, and the Islamic Chamber of Commerce and Industry', presented reports regarding WTO Meetings and related issues.

23. The Committee took note with appreciation of the monitoring reports submitted by the General Secretariat and related institutions of OIC on matters related to WTO.

24. The Committee thanked the Islamic Development Bank for its efforts to assist the OIC Member Countries in their endeavors to become active members of WTO. The Committee also expressed its satisfaction at the technical assistance programmes of the Islamic Development Bank to assist those member countries which were in the process of accession to WTO. The Committee also appreciated the Bank's efforts to organise consultative meetings among member countries prior to the WTO Ministerial Meetings as well as preparatory seminars and workshops for this purpose.

25. The Committee noted the statements by various delegations to the effect that developed countries were using issues such as child labour, ISO-9000 Quality Systems Management Standards and anti-dumping measures as a new form of protectionism being practiced against the exports of the developing countries. The Committee felt that consultations among the OIC Member Countries prior to the WTO ministerial conferences would enable them to coordinate their positions on these issues. The Committee also noted with appreciation that SESRTC1C would organize a workshop on "Trade and Labor Standards" in October 1998, in Ankara.

(The copies of the papers submitted by the OIC General Secretariat, IDB, ICCT and ICDT, are attached as Annexes VIII, IX, X and XI respectively.)

Draft Statute of the Standards and Metrology Institute for Islamic Countries (SMII)

26. Under Agenda Item 6, the Committee considered the Draft Statute of the Standards and Metrology Institute which was reviewed, from the legal and technical points of view, by the 8th Meeting of the Standardization Experts' Group organized by the Turkish Standards Institution from 24 to 26 March 1998, in Ankara, in collaboration with the General Secretariat of OIC, and thanked the Government of Turkey for hosting the Meeting.

27. For the sake of clarity, the Committee decided to recommend for consideration by the Fourteenth Session of the COMCEC, the following amended text for Article 9.1: "The funds of the Institute shall be derived from the mandatory contributions of its members, services, sale of publications and voluntary contributions. The scale of the mandatory contributions shall be determined by the General Assembly..."

28. The Committee noted with appreciation the willingness of the State of Palestine to host the headquarters of the Standard and Metrology Institute (SMIIC) in Palestine, after the initial period of three years during which the headquarters will be hosted by Turkey.

29. The Committee requested the OIC General Secretariat to submit for approval the revised Draft Statute to the 14th Session of the COMCEC, to be held from 1 to 4 November 1998 in Istanbul.

(The Draft Statute for the Standards and Metrology Institute for Islamic Countries is attached as Annex XII.)

Preparations for the Exchange of Views on 'Intra-OIC Trade and Investments, Economic Stabilization and Structural Reforms in Member Countries'.

30. Under Agenda Item 7, the representative of the COMCEC Coordination Office made a presentation on the preparations for the exchange of views on "Intra-OIC Trade and Investments, Economic Stabilisation and Structural Refonns in Member Countries" to be conducted during the 14th Session of the COMCEC.

31. The Committee recommended that relevant OIC and other international organizations such as IBRD, IMF, OECD and experts of international repute be invited to the session to present papers on the subject.

32. The Committee noted with satisfaction that the Ankara Center and Islamic Centre for Development of Trade would be jointly organizing a workshop on the subject, with the help of the IDB in October 1998, in Casablanca. The Committee felt that the report of the workshop would constitute a major input for the exchange of views to be conducted during the 14th Session of the COMCEC.

33. The Committee requested the General Secretariat to make the necessary arrangements, in cooperation with the COMCEC Coordination Office and other relevant OIC institutions, for an effective and in-depth exchange of views on the subject.

34. The Committee decided to resubmit to the 14th Session of the COMCEC, the following proposals as possible themes for the exchange of views to take place during the 15th Session of the COMCEC:

- a) Human Resource Development for Sustained Economic Growth and Progress in Member Countries.
- b) Strengthening Small and Medium-sized Enterprises Facing Globalization and Liberalization.
- c) Poverty Alleviation in Member Countries.

- d) Promotion of Private Sector Investments in Member Countries and the role of IDB in this regard.
- e) Effects of non-Tariff Barriers applied by certain countries on the Foreign Trade of Member Countries.
- f) Foreign Aid and the Least Developed Member Countries.

35. The Committee felt that further proposals could be submitted by member states to the 14th Session of the COMCEC.

Draft Agenda of the Fourteenth Session of the COMCEC

36. Under Agenda Item 8, the Committee considered the Draft Agenda of the Fourteenth Session of the COMCEC to be held from 1 to 4 November 1998, in Istanbul.

37. The Committee reviewed the Draft Agenda, and decided to submit it to the Fourteenth Session of the COMCEC.

38. The Committee appealed to the member states representing the three geographical regions in the Bureau of the COMCEC, namely the State of Kuwait (Arab Region), the Republic of Indonesia (Asian Region), the Republic of Uganda (African Region), to undertake consultations, prior to the 14th Session of the COMCEC, with the member countries in their respective regions with a view to detennining the new members which would represent their regions in the Bureau of the COMCEC until the Ninth Islamic Summit Conference.

(A copy of the Draft Agenda of the Fourteenth Session of the COMCEC, as approved by the Committee, is attached as Annex XIII).

Closing Session

39. At its closing session, chaired by H.E. Ambassador Yaşar YAKIŞ, Head of the Delegation of the Republic of Turkey, on behalf of H.E. Işın ÇELEBİ, Minister of State of the Republic of Turkey, the Committee adopted its Report together with its Annexes. The Committee requested the OIC General Secretariat to circulate the Report among the Member States, and to submit it to the Fourteenth Session of the COMCEC.

40. H.E. Ambassador Hümayun Khan BANGASH Head of Delegation of the Islamic Republic of Pakistan, proposed to send a message of thanks to H.E. Süleyman DEMİREL, President of the Republic of Turkey and Chairnan of the COMCEC, which was unanimously agreed by the Committee.

41. H.E. Edmond M. MOAMPEA MBIO, State Secretary of Commerce and Industry and Head of Delegation of the Republic of Cameroon, made a statement on behalf of the delegates. H.E. MOAMPEA MBIO expressed his sincere thanks to the Government and people of Turkey for the warm welcome and hospitality extended to the delegates during their stay in Istanbul. H.E. the State Secretary' also thanked the Chairnan of the Meeting and all the supporting staff for the excellent arrangements made for the Meeting.

42. In his closing statement, H.E. Ambassador Yaşar YAKIŞ expressed his thanks to the delegates for their valuable contributions and spirit of cooperation. H.E. YAKIŞ, also thanked the General Secretariat, subsidiary and affiliated institutions of the OIC for their valuable assistance. He expressed his confidence that the recommendations made at the end of their deliberations would be instrumental in enhancing the effectiveness of the COMCEC and open new avenues for closer economic cooperation among the Member Countries. Finally, H.E. Ambassador Yaşar YAKIŞ, wished the delegates a safe journey home.

(A copy of the text of the Closing Statement by H.E. Ambassador Yaşar YAKIŞ, is attached as Annex XIV).

ANNEXES

- I -

LIST OF PARTICIPANTS

**OF THE FOURTEENTH MEETING OF THE
FOLLOW-UP COMMITTEE OF THE COMCEC**

(Istanbul, 9-11 May 1998)

Original English

LIST OF PARTICIPANTS
OF THE FOURTEENTH MEETING OF THE
FOLLOW UP COMMITTEE OF THE COMCEC

(Istanbul, 9- 11 May 1998)

A. MEMBER STATES OF THE OIC

REPUBLIC OF CAMEROON

- RE. EDMOND M.MOAMPEA MBIO
State Secretary of Commerce and Industry
- Mr. AKOM MVONDO
Chief of International Cooperation Department

ARAB REPUBLIC OF EGYPT

- H.E. MAHDY FATHALLA
Ambassador of Egypt to Turkey
- Dr. MOUSTAFA KHALEF
Head of Egyptian Commercial Office in İstanbul
- Mr. MOHAMMED FATHI EDREES
Second Secretary, Embassy of Egypt in Ankara
- Mr. AHMED IBRAHIM
Assistant to the Head of the Egyptian Commercial Office in İstanbul

REPUBLIC OF INDONESIA

- H.E SOELARSO H. SOEBROTO
Ambassador of Indonesia to Turkey
- Ms. NINIEK K. NARYATIE SISWOJO
Second Secretary. Indonesia Embassy in Ankara

- Mr. SEMİH TEZCAN
Honorary Consul General of Indonesia in Istanbul

ISLAMIC REPUBLIC OF IRAN

- H.E. Dr. ALI ABBAS ARABMAZAR
Deputy for International Affairs, Ministry of Finance and Economic Affairs
- Mr. M.H LAVASANI
Ambassador to Turkey
- Dr. ABDL RAHİM GAVAHI
Adviser to the Foreign Minister
- Mr. ABDOL ALI AMIDI
Director General, Ministry of Finance and Economic Affairs
- Mr. ALI REZA EGHLIM
Expert, Ministry of Foreign Affairs

STATE OF KUWAIT

- Mr. ISHAQ ABDULGANI ABDULKARIM
Director, International Economic Cooperation Department
Ministry of Finance
- Mr. MISHAL MENWER Al-ARDHI
Head of the OIC Affairs Division, Ministry of Finance
- Mr. SAAD AL-ALATI
Economic Researcher, Ministry of Finance

ISLAMIC REPUBLIC OF PAKISTAN

- H.E. HÜMAYUN KHAN BANGASH
Ambassador of Pakistan to Turkey
- Mr. RAHAT UL-AIN
Consul General, Pakistan Consulate in Istanbul

- Mr. FARUKH AMİL
First Secretary, Embassy of Pakistan in Ankara

STATE OF PALESTINE

- Dr. JABR ABU AL-NAJA
General Director, Department Asia, Africa and Islamic Affairs
- Mr. MOSLEH KHALDOON
Director of the Arab-Palestinian Economic Relations

KINGDOM OF SAUDI ARABIA

- Dr. HAMAD ABDULHAMID AL-AWFY
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- Mr. ABDULMUMİN MOHAMMED SHARAF
First Secretary, Ministry of Foreign Affairs
- Mr. HASSAN ABDULLAH AL-SHEHRI
Economist, Ministry of Commerce
- Mr. ABDULMUHSEN MOHAMMED AL-YOUSSEF
Director General, International Coordination Department
- Mr. DEKHIL IBN ABDULLAH AL-DEKHIL
Ministry of Finance and Natinal Economy

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- H.E. YAŞAR YAKIŞ
Ambassador of Turkey to Cairo
- Mr. OĞUZ ÖZBİLGİN
Deputy Secretary General, President's Office
- Mr. TİMUÇİN SANALAN
Deputy Undersecretary, State Planning Organization

- Dr. ÖZHAN ÜZÜMCÜOĞLU
Economic Adviser, President's Office
- Mr. NACİ NACAR
Adviser, Ministry of State
- Mr. NURİ BİRTEK
Head of Department,
State Planning Organization
- Mr. SALİH YILMAZ
Head of Department,
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- Ms. ERGÜL TANYERİ
Head of Department, Undersecretariat of Foreign Trade
- Mr. İHSAN ÖVÜT
Expert, Turkish Standards Institution
- Mr. HASAN DEMİRCİ
Expert, Union of Chambers and Commodity Exchanges of Turkey

B. THE OIC GENERAL SECRETARIAT

- H.E. THIerno NABİKA DIALLO
Assistant Secretary General
- H.E. Ambassador MOT AHAR HOSSAIN
Director of Economic Affairs Department

C. OIC ORGANS AND INSTITUTIONS

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

- H.E. Ambassador, ERDİNÇ ERDÜN
Director General

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Director, Research Department

THE ISLAMIC CENTRE FOR THE DEVELOPMENT OF
TRADE (ICDT)

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THE ISLAMIC INSTITUTE OF TECHNOLOGY (IIT)

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Head of Mechanical and Chemical Engineering Department

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Senior Economist, Economic Policy and Strategic Planning
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Executive Secretary
- Mr. FERRUH TIĞLI
Expert, Coordinator for Documentation
- Mr. EBUBEKİR MEMİŞ
Expert, Coordinator for Documentation
- Mr. YAKUP KARACA
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- Mr. FATİH ÜNLÜ
Expert, Drafting and Press Relations
- Mr. ORHAN ÖZTAŞKIN
Expert, Protocol and Press Relations
- Mr. ATA ATALAY
Expert, Protocol Relations
- Ms. HAMİYET ÖZTAŞKIN
Secretary
- Mr. KEMAL ARSLAN
Expert, Computer Service
- Ms. BİLGE GÜLLÜ
Expert, List of Participants

E. DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL AFFAIRS OF
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- Mr. ALİ İŞIKLAR
Head of Department
- Ms. MÜKERREM ÖZKILIÇ
Head of Section

- Mr. YAŞAR GÜLSOY
Expert
- Mr. MEVLÜT YAŞAR
Expert
- Mr. SEYİT AMBARKÜTÜK
Technician

- II -

**MESSAGE OF H.E. SÜLEYMAN DEMIREL
PRESIDENT OF THE REPUBLIC OF TURKEY,
CHAIRMAN OF THE COMCEC**

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

(Istanbul, 9 May 1998)

Original English

**MESSAGE OF H.E. SÜLEYMAN DEMİREL,
PRESIDENT OF THE REPUBLIC OF TURKEY,
CHAIRMAN OF THE COMCEC**

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

(Istanbul, 9 May 1998)

Mr. Chairman.
Excellencies,
Distinguished Delegates,

it is a distinct pleasure for me to welcome you once again to Turkey on the occasion of your Fourteenth Meeting.

Fourteen years have passed since the initiation of the activities of the COMCEC in 1984. During the course of these fourteen years, substantial developments have taken place on the global scene and now we are in a different international environment with new opportunities and challenges.

Globalization, which has emerged as an inevitable process, is shaping the future of our world. The search for peace, rule of law, respect for human rights and free enterprise intensifies everywhere in the world.

In our efforts to strengthen economic cooperation we must closely follow these trends, cope with them and even anticipate them if possible.

With the valuable contributions of your esteemed Committee, the COMCEC has been able to accommodate its activities to these new trends in the world economic and political scene.

In fact, the new Strategy and Plan of Action, prepared by the COMCEC and adopted by the Seventh Islamic Summit Conference in 1994, provides a new approach to the economic cooperation among member countries, that differs from the previous one. Under this new approach, the principle of

"self-sufficiency" is replaced by the concept of integration with the world economy, and, in this connection, the importance of the economic liberalization and of the private sector is stressed.

Another important principle of the New Strategy and Plan of Action is the encouragement of voluntary participation and cooperation among a smaller number of member countries sharing common interests so as to sustain cooperation in a more realistic and flexible manner.

It is gratifying to note that three sectoral experts group meetings have so far been held to implement the Plan of Action. To bring the result of these meetings into life, it is important to ensure the establishment and operation of the project committees as envisaged in the Plan of Action.

I am confident that in your present meeting you will formulate appropriate recommendations for the early implementation of the projects on the agenda of the COMCEC and for the promotion of its image as one of the most prestigious and respected fora of the Organization of the Islamic Conference.

I wish every success to the Follow-up Committee in its deliberations, and a pleasant stay in Istanbul to the delegates.

Süleyman DEMİREL
President of the Republic of Turkey.
Chairman of the COMCEC

-III-

**OPENING STATEMENT BY
H.F. İŞİN ÇELEBİ, MINISTER OF STATE
OF THE REPUBLIC OF TURKEY, CHAIRMAN OF THE
FOLLOW-UP COMMITTEE OF THE COMCEC**

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

(Istanbul, 9 May 1998)

Original: English

OPENING STATEMENT BY
H.E. İŞİN ÇELEBİ
MINISTER OF STATE OF THE REPUBLIC OF TURKEY
CHAIRMAN OF THE FOLLOW-UP COMMITTEE

Fourteenth Meeting of the
Follow-up Committee of the COMCEC

(Istanbul, 9 May 1998)

Honourable Members of the Follow-up Committee,
Your Excellency the Assistant Secretary General of OIC,
Distinguished Delegates,

In welcoming you to Istanbul, I would like to extend to you my cordial greetings and best wishes. I would like to express my regrets for not being able to be with you on the occasion of the Fourteenth Meeting of the Follow-up Committee.

I would also like to avail myself of this opportunity to convey my thanks and appreciation to the General Secretariat of the Organisation of the Islamic Conference and its affiliated and subsidiary institutions for their valuable contribution to the work of the COMCEC.

Distinguished Delegates,
Dear Guests,

The number of the OIC member countries has now reached 55, covering a wide geographical area spread over the Asian, African, European and South American continents. The spread of the OIC member countries over such a wide geographical area, as well as the differences in their levels of development, clearly posed difficulties in identifying and implementing joint economic cooperation projects.

Bearing in mind these difficulties, the new Strategy and Plan of Action for economic cooperation emphasized the need for smaller groups of member countries for a more effective economic cooperation and for stronger political will.

I am glad to see that the progress regarding the implementation of the Plan of Action has been promising.

Concrete project proposals have been considered at the three sectoral experts' group meetings, one in the area of "money, finance and capital flows" and the other in "foreign trade" of the Plan of Action, held last year in Istanbul and Karachi respectively. And the third one, which was concluded yesterday here in Shis hotel, relates to the area of "technology and technical cooperation" of the Plan.

I am also pleased to see that, in accordance with the relevant Resolution of the 13th Session of the COMCEC, the Draft Statute for (the Standards and Metrology Institute for Islamic Countries has been finalized by the Experts" Group Meeting which was held in Ankara last March.

I hope that the Draft Statute will get the blessing of your esteemed Committee for its submission to the forthcoming Session of the COMCEC in November next.

Distinguished Delegates,
Dear Guests,

The Organisation of the Islamic Conference is made up of a diverse array of national economies. While we are all part of one global economy with similar pressures, there is no "one-size fits all" solution to prospering in it. But we all have to come to terms with the New World economic realities.

First of all, we should bear in mind that a strong economy is the essence of a strong society. It is the basic ingredient for a high quality of life for our peoples.

Secondly, globalisation has now become a real and powerful force. We cannot and should not move against this current. But we can use it to our advantage.

The third reality is the rapid technological change. All of us are facing complex changes. Old constraints of time and distance are being broken down. Traditional economic structures and assumptions are being swept away. In the new economy, knowledge, innovation and creativity are the keys to prosperity.

International trade is the most important aspect of the new global economy. Thanks to technological innovations, especially in the area of communication, integration among the markets has changed the way the world does business.

Capital flows from one point of the globe to another in moments. Decisions can be made quickly and the impact felt immediately.

One result is a constant, surging flow of private capital. In many ways, that can be regarded as a very good thing simply because it promotes investment and growth, and reshapes development for many nations. As a matter of fact, it has been a vital engine for prosperity and jobs for countries around the world.

But the volume, speed and reach of today's capital flows carry risk as well as reward. They can shock suddenly and brutally. No country is immune, and the shocks can be transmitted around the globe in an instant, as the recent years have dramatically illustrated. The Mexican and Asian crises are cases in point.

The outbreak of the financial crisis in Asia was one of the most notable and troubling developments in the global economy during 1997. Events began in midyear as a currency crisis and intensified over the rest of the year and thereafter, spilling over to the real sectors of the affected economies as well as to the rest of the world.

These global market developments are imposing new dimensions of pressure on our national economies and policy makers. And while we can try to anticipate these pressures, and respond as they emerge, there is no way to control them.

In this context, I am happy to see that the subject matter of the exchange of views designated for the Fourteenth Session of the COMCEC, to take place from 1 to 4 November this year, is "Intra-OIC Trade and Investment, Economic Stabilisation and Structural Reforms in the Member Countries".

I am sure that with the active participation of the Member Countries we shall be able to share our experiences in this timely and important subject and gain new insights.

Distinguished Delegates,
Dear Brothers,

Despite the present upheavals in the East Asian economies, I firmly believe that in today's competitive world, it is to the advantage of the members countries to adopt the standards and regulations of the Uruguay Round Multilateral trading system.

Considering the vast natural resources, population potential and strong traditions of the Islamic World, the member countries would enjoy immense economic benefits by taking part in the globalisation process and ensuring transparency in their trade regimes.

Regional trade and investment should be encouraged for further expansion of trade. Maintaining protective barriers and remaining in isolation will only hinder member countries from integrating with world markets. We believe that steps to be taken towards the liberalization of trade regimes will increase commercial activities within the UIC. Therefore, I strongly believe that the principal task of the COMCEC is to give priority to the lifting of trade barriers, the setting up of a free market economy and encouragement and promotion of the private sector in our region. In fact, this is the main prerequisite for a result oriented and successful economic cooperation among countries.

In this regard, we appreciate the efforts of the Islamic Development Bank to assist the member countries in their endeavours to become active members of the World Trade Organisation.

Dear Brothers,

We in Turkey see globalisation as an opportunity not as a threat. Over the last decade Turkey has taken major steps in instituting market mechanisms and integrating its economy with that of the global economy.

The macroeconomic performance of the Turkish economy in the past three years can best be described as strong output growth, backed by fiscal expansion and an accommodating monetary policy. In this process, price increase tended to accelerate significantly.

Taking into account these unsustainable developments, the government has decided to embark upon a three-year structural adjustment and stabilisation program beginning in 1998. The aim is to curb inflation down to a one digit level by the year 2000 while ensuring sustainable growth.

Here, I would like to state that, despite the current constraints on our national economy, we never give up our commitments to the

international obligations for free trade agreements, especially for those of the Customs Union with the European Union.

Turkey's Customs Union Agreement with the European Union offers opportunities for the expansion of trade among the member countries. For example, the Customs Union of Turkey with the European Union offers unlimited market access for industrial products exported to Turkey by third countries, due to very low customs duties and many exemptions.

Distinguished Delegates,
Dear Brothers,

In our efforts to promote cooperation within COMCEC, we, as Government representatives, should try to create a suitable environment and the necessary mechanisms conducive to freer movement of goods and capital among member countries. To create such an environment, the development of necessary legal and physical infrastructure and the encouragement of a higher level of integration among the economies of the member countries gain utmost importance.

Before concluding, I would like to extend once again my warmest welcome and best wishes of success to you, and hope you have an enjoyable stay in Istanbul.

I thank you.

- IV -

**MESSAGE OF H.E. DR. AZEDDINE LARAKI,
SECRETARY GENERAL OF THE ORGANIZATION
OF THE ISLAMIC CONFERENCE**

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

(Istanbul, 9 May 1998)

MESSAGE OF H.E. DR. AZEDDINE LARAKI, SECRETARY-GENERAL
OF THE ORGANIZATION OF THE ISLAMIC CONFERENCE AT THE
14TH MEETING OF THE FOLLOW-UP COMMITTEE OF COMCEC
(ISTANBUL. MAY 9-11. 1998)

Bismillahir Rahmanir Rahim

Mr. Chairman,
Excellencies,
Distinguished guests.
Distinguished participants,

Assalamu Alaikum Wa Rahmatullahi Wa Barakatuh.

It is indeed a great pleasure for me to address my warm greetings and fraternal sentiments to you all as you are gathered to take part in the deliberations of the 14th Meeting of the COMCEC Follow-up Committee. We are grateful to the government of the Republic of Turkey for hosting this meeting and for the warm welcome and generous hospitality extended to all the delegates.

The meetings of the Follow-up Committee are of singular importance as these substantially contribute to the realisation of the objectives of the COMCEC through their two-pronged functions e.g. taking follow-up action on the resolutions and decisions of the preceding session of the COMCEC and undertaking preparatory work for the ensuing one.

The added importance of this year's meeting of the Follow-up Committee lies in the fact that a number of highly significant successive developments have taken place since the 13th Session of the COMCEC (November 1997) which call for considerable follow-up activities. The Successful 8th Islamic Summit which was held in Tehran, immediately after

the 13th COMCEC, adopted several resolutions and took fresh initiatives with a view to strengthening economic and commercial cooperation among Member states. The issue of realising the cherished goal of eventual setting up of an Islamic Common Market has received a fresh impetus at the Summit. The activities aimed at preparing the Ummah for the 21st Century have been given particular attention by the Summit.

In the context of rapidly evolving world scenario, specific follow-up actions under the auspices of the COMCEC have been suggested at various high level conferences of the OIC bodies. A thorough evaluation of the important elements of world economic order and deliberations on the outcome of the WTO Ministerial Meetings will help coordinate and streamline effective responses of the Member States. I am happy to note that this important issue has been included in the agenda of the present meeting of the Follow-up Committee.

Mr. Chairman,

I have no doubt that these and several other pertinent issues emanating from the 13th COMCEC, 8th Islamic Summit as well as the 25th Islamic Conference of Foreign Ministers will be deliberated upon under the relevant agenda items of the Follow-up Committee with a view to taking concrete follow up actions to implement the resolutions of the above mentioned OIC bodies in the economic field.

I avail myself of this opportunity to recall that in accordance with the Follow-up and Implementation Mechanism of the OIC Plan of Action, a couple of sectoral Expert Group Meetings have already taken place since

September 1997. A number of concrete projects and project-ideas for strengthening economic and commercial cooperation among Member States emerged from these meetings. These have been transmitted to all Member States. The practical step of implementing these projects however, is fully dependent on the response of the Member States to these projects and project ideas.

In the light of the prevailing situation, it needs to be emphasized that the political will of Member States remains the single-most important determining factor for the success of the implementation of the OIC Plan of Action. The process of implementation has been initiated with the holding of the Expert Group Meeting in various priority sectors.

To conclude, Mr. Chairman, let me express my confidence that under your able guidance, the deliberations of the 14th Meeting of the Follow-up Committee will be a great success.

Thank you.

- V -

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

(Istanbul, 9-11 May 1998)

Original : English

**AGENDA
OF THE FOURTEENTH MEETING OF THE
FOLLOW-UP COMMITTEE OF THE COMCEC
(Istanbul, 9-11 May 1998)**

1. Opening Session
 - Statement by the Chairman of the Follow-up Committee
 - Statement by the Secretary General of OIC
 - Statements by the Heads of Delegation
2. Adoption of the Agenda
3. Background Report by the OIC General Secretariat
4. Review of the Implementation of the Plan of Action to Strengthen Economic and Commercial Cooperation among OIC Member States
5. Matters related to World Trade Organization Activities
6. Draft Statute of the Standards and Metrology Institute for Islamic Countries
7. Preparations for the Exchange of Views on the "Intra-OIC Trade and Investments, Economic Stabilization and Structural Reforms in Member Countries", To Be Organized During the Fourteenth Session of the COMCEC
8. Draft Agenda of the Fourteenth Session of the COMCEC
9. Any Other Business
10. Adoption of the Report
11. End of the Meeting

VI-

BACKGROUND REPORT BY THE
OIC GENERAL SECRETARIAT

Fourteenth Meeting of the
Follow-up Committee of the COMCEC

(Istanbul, 9-11 May 1998)

BACKGROUND REPORT BY THE OIC GENERAL SECRETARIAT TO
THE FOURTEENTH MEETING OF THE FOLLOW-UP COMMITTEE
OF THE COMCEC

ISTANBUL. REPUBLIC OF TURKEY
09-11 MAY 1998.

This Background report covers the following three broad areas :

Development of economic and trade cooperation;

Status of the signing and ratification of the Agreements/Statutes within the framework of economic cooperation among OIC Member States;

Summary review of the activities of subsidiary organs, specialized and affiliated institutions of the OIC in the field of economic cooperation.

I- DEVELOPMENT OF ECONOMIC AND TRADE COOPERATION.

a) Implementation of the Plan of Action to Strengthen Economic Cooperation Among Member States.

The Sixth Islamic Summit entrusted COMCEC to draw up and implement a new strategy for the Plan of Action, taking into consideration the changes that took place in the world since the adoption of the Plan in 1981. After a series of meetings organised under the aegis of the COMCEC, a revised Plan was drawn up which was then approved by the 10th session of COMCEC held in October, 1994.

The revised Strategy and the Plan of Action to Strengthen Economic and Commercial Cooperation Among Member States was endorsed by the Seventh Islamic Summit Conference, held in Casablanca, Kingdom of Morocco from 13-15 December, 1994. The Summit also noted that the Plan of Action was a general and flexible policy document open for improvement during its implementation in accordance with the provisions stipulated in its chapter on Follow-up and Implementation.

During deliberations on the subject, at its eleventh meeting, the COMCEC Follow-up Committee considered the technical and organisational issues related to the holding of an inter-sectoral meeting that would cover all the ten areas of the Plan of Action. In this context, the Committee recommended that, instead of holding one inter-sectoral meeting to start the implementation of the Plan of Action,

a more practical approach would be to hold more than one meeting to deal either with one area or a number of inter-related areas at a time, on a priority basis. The eleventh COMCEC accepted the recommendation of the Follow-up Committee and invited the Member States to host both sectoral and inter-sectoral meetings.

The government of Turkey hosted the Expert Group Meeting on Money, Finance and Capital Flows in Istanbul from 1-3 September, 1997. The Government of the Islamic Republic of Pakistan hosted the Expert Group Meeting on Foreign Trade Facilitation for the OIC Member States in Karachi from October 24-25, 1997.

Several project proposals and project ideas emerged from these meetings which have been transmitted to all Member States by the General Secretariat as requested. According to the envisaged modalities of implementation, separate Project Committee(s) will be constituted for each project(s) under the chairmanship of the country which originally proposed the particular project(s) and will include all other Member States who would express their interest therein. These project Committees will be responsible for organising meetings to work out the implementational details of respective projects.

Responses from Member States in this regard are awaited. Meanwhile, the General Secretariat has sent a reminder to the Member States requesting for early response.

In pursuance of its offer made at the 13th COMCEC, the Government of the Republic of Turkey is hosting the Expert Group Meeting on Technology and Technical Cooperation in Istanbul from May 6-8, 1998. Preparations for holding this meeting is underway.

At the 12th COMCEC Follow-up Committee meeting, the Government of the Arab Republic of Egypt offered to host the Expert Group Meetings on Agriculture, Food and Rural Development and on Transport and Communication. All preparations were completed to hold these meetings in Cairo from September 19-24, 1996. The meetings, however, were postponed at the request of the host government. At the 13th COMCEC (November, 1997), the Arab Republic of Egypt renewed its offer to host these two Expert Group Meetings. No new dates for these meetings have yet been communicated to the General Secretariat.

The Government of the Republic of Indonesia offered to host the Expert Group Meeting on Tourism to be followed by a Ministerial level meeting on the same subject. All preparations were completed by the host country and the

General Secretariat to hold these meetings in Jakarta from November 8-11, 1997. However, these meetings had to be postponed at the last moment due to lack of adequate response from Member States. New dates for these meetings have not yet been finalised.

At the 13th COMCEC, the government of the Islamic Republic of Iran offered to host an Expert Group meeting on health and sanitary issues which will be followed by a ministerial level meeting on the same subject.

(b) Cooperation for the Promotion of Trade Among OIC Member States

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

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

(i) Longer Term Trade Financing Scheme (LTTFS)

The project had been initiated by COMCEC which approved the scheme and entrusted the IDB with its implementation. The Longer-Term Trade Financing Scheme was approved by the Tenth IDB Annual Meeting, held in Amman, Jordan, in March 1986.

This Scheme, which became operational in 1408 aims at promoting exports of non-conventional commodities among OIC member states by providing the necessary funds for periods ranging between 6 and 60 months for exports from the member countries of the Scheme to any other OIC member state. up to the end of 1416 H, the Scheme comprised 22 member countries. In each member country which participates in LTTFS there are one or more national agencies for the Scheme. The role of the national agencies is to coordinate the promotion of the LTTFS export financing in their countries.

The total subscribed capital by the member countries of the Scheme up to the end of 1417 H was ID 314 million, out of which ID 131 million is paid up. The IDB has contributed to the Scheme a sum of ID 150 million, half of which has already been paid up.

Originally the scheme was conceived to finance exports from one member country to another. However, in order to expand its scope and promote exports of member countries, in 1417H, the Board of Executive Directors amended the scheme to allow for export to OECD member countries. By widening the scope of the scheme, it is expected that the market for exports from member countries will be much larger than previously.

In 1417 H the net approvals under the scheme amounted to ID 44.83 million (US \$ 63.76 million) for 14 operations in 5 exporting member countries as against 13 operations in 6 exporting member countries in 1416H amounting to ID 59.88 million (US\$ 90.00 million).

From its inception to 1417H, the LTTFS has approved 120 net financing operations in 12 exporting member countries amounting to ID 296.73 million (US\$ 417.55 million).

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

Another important project introduced in the field of the promotion of trade exchange, is the Islamic Corporation for the Insurance of Investment and Export Credit. At COMCEC's request the IDB undertook a feasibility study and prepared the Agreement for the establishment of the said Corporation. The scheme was approved by COMCEC in October 1991. Subsequently, the IDB Board of Governors approved this agreement and appealed to member states to subscribe to the capital of the Scheme. 50 percent of the authorised capital; ID100 million (about US\$150 million,) has been subscribed by eighteen OIC/IDB member states and the IDB has subscribed and paid up the remaining 50 per cent.

The objectives of the Scheme are to increase the volume of transactions and the flow of investments among member states. The services, however, will be limited only to the signatory states of the Agreement that will have ratified it, submitted their ratification instruments to the Bank and paid up their shares.

The ICIEC commenced operations in July, 1995 and provides export credit in insurance to cover the non-payment of export receivables resulting from commercial and non-commercial risks, in accordance with the

principles of Shariah. The ICIEC also plans to offer investment insurance against country risks, mainly risk of exchange transfer restriction, war, civil disturbance and breach of contract by a host government. Three types of policies have already been launched. A comprehensive risk policy, a Supplements Medium Term Policy, and the Bank Master Policy.

(iii) Islamic Multilateral Clearing Union

This is another scheme designed to ensure trade promotion among OIC member states. The IDB undertook a study of this project at the request of COMCEC.

The 8th COMCEC Session, held in 1992, had noted with appreciation the finalisation by the IDB of the "Agreement on the Multilateral Islamic Clearing Union" as well as its submission to the 8th Meeting of the Governors of the Central Banks and Monetary Authorities of the member states held in Cairo, Egypt, in 1990. The same COMCEC Session approved, in principle, the proposed Agreement and endorsed the recommendation of the Governors of the Central Banks and Monetary Authorities of member states regarding this scheme.

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

iv) Establishment of a Trade Information Network
(TINIC)

The First COMCEC Session, held in 1984, adopted a resolution on the "Short term implementation Programme for trade promotion" recommending the setting up of a Trade Information Network for Islamic Countries to facilitate the collection, treatment, analysis and propagation of trade information for the benefit of users. The Islamic Centre for the Development of Trade (ICDT) was requested to prepare a feasibility study on the modality of such a network, in cooperation with the concerned OIC institutions and other international organisations.

Consequently, the ICDT submitted a feasibility study to the second COMCEC session. A study group was set up to revise that study with a view to developing a "database

system" for collecting and propagating, inter alia, maximum trade information within OZC member states, eliminating duplication and ensuring an optimal utilization of means already existing in member countries.

The Tenth COMCEC Follow-up Committee Meeting held in Istanbul, Republic of Turkey, in May 1994, noted with satisfaction that the first meeting on TINIC Focal Points jointly organized by the Islamic Centre for Development of Trade (ICDT) and the IDB was held from 19 to 21 April 1994 in Casablanca to examine cooperation problems among Focal Points and set up the required databases.

The Committee requested the ICDT to pursue its preparations for establishing a database in close cooperation and coordination with TINIC Focal Points and the IDB and to submit a progress report on the issue to the 10th COMCEC Session.

The conception of ICDT's data bases is finalized, all the modules are completed and operational except for the module "Regulations". It is practically identical to the OICIS-NET basic model accepted by the Islamic Development Bank and made up of the following modules:

Tables and parameters: management of all static tables (countries, languages, products, activities, unit of measures, . . .) ;

Statistics: acquisition and Processing of all annual statistical data and economic indicators for each country;

Events: Trade events data acquisition and processing (fairs, . . .) ;

Business Opportunities: treatment of business opportunities;

Operators: all information concerning intra-O.I.C. import/export regulations;

Query and reports: tools that give users facilities to extract and sort data directly on all the system tables;

Economic indicators.

Information dissemination is carried out through the usual means (mail, fax, Tijaris). It is also possible on CD-ROM as well as by remote inquiries through Internet or the communication system of the OICIS-NET to be used as soon as it is operational. It is worth mentioning that I.C.D.T. is already provided with an internet site on the following address www.icdt.org.

v) Establishment of a Trade Preferential System among OIC Member States (TPSOIC)

In pursuance of the relevant decisions of the First and Second COMCEC Sessions, the ICDT carried out a study on a trade preferential system within OIC member states. The documents of this system were approved by the Sixth COMCEC Session held in Istanbul from 7 to 10 October 1990 which requested the General Secretariat to pursue the implementation of the system in question.

COMCEC requested the OIC General Secretariat to contact member states to expedite the formalities of their joining the Framework Agreement and urged member states to start in the meantime, bilaterally or through COMCEC, exchanging lists of respective offers of concessions and initiate informal consultations on them as a prelude to the future negotiations on the said concessions.

The Tenth COMCEC Session, held in Istanbul in October 1994 noted with appreciation that 14 member states had signed and 5 of them ratified the Framework Agreement. It urged member countries that had not yet signed/or ratified it, to do so at their earliest convenience.

Taking into account the latest signatures, number of countries which signed the Framework Agreement on Trade Preferential System now stands at 21. The number of ratifications, however, remains at 5. Number of ratifications required for the Agreement to enter into force is 10.

vi) Harmonisation of Standards

During the first session of COMCEC it was decided to prepare a methodology aimed at harmonising the norms in force in member states with a view to eliminating the obstacles in the way of trade promotion among OIC countries. The Turkish Standardization Institute (TSI), which now plays the role of Coordination Committee, was requested to prepare the project document.

The draft Statute of the Standards and Metrology Organisation for Islamic Countries (SMOIC) was circulated among the member states for their views and comments thereon. Following the decision of the Eleventh Session of COMCEC, the text of the Draft Statute was re-circulated among the member states. The draft was also sent to the Islamic Chamber of Commerce and Industry for its views and comments.

The views and comments on the draft Statute received from the member states were examined by an Expert Group convened for the purpose in Istanbul in September, 1996.

The final draft of the Statute was prepared taking into account the views of the member states. The draft statute on the Standards and Metrology Organisation for the Islamic Countries was presented to the 12th COMCEC (Istanbul, November 12-15, 1996) for adoption. The COMCEC, however, decided to change the title of the Statute as "Statute of the Standards and Metrology Institute for the Islamic Countries", and requested the General Secretariat to circulate the Draft Statute among the member states for their approval, and submit it to the 13th session of the COMCEC. Accordingly, the General Secretariat circulated the Draft Statute among the Member States.

At the 13th COMCEC the General Secretariat submitted a resume of comments and observations received from the Member States. The COMCEC felt that the draft Statute needed to be reviewed from the legal and technical point of view **and accordingly the Turkish Standards Institute is organising the 8th Expert Group Meeting for the purpose in Ankara, from March 24-26, 1998,**

vii) Organisation of Islamic Trade Fairs

The Eleventh COMCEC Session held in Istanbul, from 5 to 8 November 1995 noted with satisfaction that the Fifth Islamic Trade Fair was successfully held from July 16-21, 1994 in Tehran, Islamic Republic of Iran.

The Twelfth COMCEC Session having taken cognizance of the report of the Secretary General of the Islamic Chamber of Commerce and Industry on the subject, noted with satisfaction that the Sixth Islamic Trade Fair was successfully held in Jakarta, Republic of Indonesia from 22 to 27 October 1996 concurrently with the Third Private sector Meeting. It also welcomed the offer of the government of Lebanon to host the 7th Islamic Trade Fair in 1998, in cooperation with the ICDT, the ICCI, the IDB and other relevant institutions. The COMCEC appealed to Member States to actively participate in the said Islamic Trade Fair.

The Seventh Islamic Trade Fair is being hosted by the government of the Republic of Lebanon in the Rashid Karami International Exhibition Centre, Tripoli, Lebanon from October 13-18, 1998. The Fair will be organised in collaboration with the Islamic Centre for Development of Trade.

viii) Cooperation Among the Private Sectors of the OIC Member Countries.

Development of private sector in the Islamic world is one of the major preoccupations of the COMCEC. The Ninth session of the COMCEC, agreed that a flexible approach be followed regarding the possible role of the private sector

in the overall activities of the COMCEC and where necessary, during the Islamic Trade Fairs. Decision to hold Private sector Meetings regularly on annual basis prior to the COMCEC sessions is an important measure in support of the private sector in the member states.

The Twelfth Session of COMCEC, held in Istanbul, Turkey, from 12 to 15 November 1996, took note of the report submitted by the ICCI on the Third Private Sector Meeting which showed positive trend in terms of the number of participating countries, business transactions made and Joint venture projects agreed upon, through bilateral and multilateral contacts.

The Twelfth COMCEC also expressed thanks and Appreciation to the government of the Republic of Indonesia and the Indonesian Chamber of Commerce for hosting and organising the Third Private Sector Meeting in collaboration with the ICCI from 21-23 October, 1996 in Jakarta. It noted with appreciation the recommendations contained in the Report of the Third Private Sector Meeting during which bilateral and multilateral contacts were made among private entrepreneurs of the member states. The COMCEC session encouraged the federations of chambers of commerce and industry in member countries to develop a framework to further strengthen cooperation with the Islamic Chamber and contribute to its programmes aimed at enhancing trade and investment among Islamic countries.

The 13th Session of COMCEC, held in Istanbul from November 1-4, 1997 expressed appreciation to the Government of the Islamic Republic of Pakistan and the ICCI for organizing the Fourth Private Sector Meeting, in collaboration with the Federation of Pakistan Chambers of Commerce and Industry, and the Board of Investment and Export Promotion Bureau, which was held from October 27-29, 1997 in Karachi. The Government of the Republic of Uganda offered to host one of the forthcoming Private Sector Meetings.

The Islamic Chamber of Commerce and Industry, organised 30th Session of its Executive Committee and 15th Meeting of General Assembly from 16-18 February, 1998. Both the meetings were held in Sharjah, United Arab Emirates.

- x) Exchange of Views on "Implications of Regional Economic Groups, Particularly the European Economic Union for the Economies of Member States"

The Tenth Session of COMCEC agreed that a separate item allowing delegates to exchange views on current world economic issues of interest to Member States be put on the COMCEC agenda in its subsequent sessions.

Since then Exchange of Views Sessions have been held on the following topics during the Eleventh (1995), Twelfth (1996) and Thirteenth (1997) Sessions of the COMCEC:

Implications of Uruguay Round of Trade Negotiations and the Establishment of the World Trade Organization (WTO) on the external trade of the OIC Member Countries: (11th COMCEC),

Privatisation Experiences of the OIC Member Countries" (12th COMCEC),

Implications of Regional Economic Groupings, especially the European Union for the Economies of Member Countries" (13th COMCEC).

In this context, the 13th Session of COMCEC took note with appreciation the conclusion contained in the report of the Workshop on "Implications of Globalization and Regional Economic Groupings, particularly the European Union, for the Economies of the OIC Member Countries" held in Ankara, Republic of Turkey, on 18-19 September 1997, jointly organised by SESRTCIC and IDB, with the contributions of ICDT and ICCI and prominent scholars and experts from universities and research centres as well as from international institutions.

At the end of the Exchange of Views the Committee made the following observations and conclusions:

- i) In Africa and the Least Developed Member Countries, gains from globalization has not progressed as much as in other regions which poses a special challenge that requires the special attention of the international community.
- ii) Despite a stronger multilateral trading system through GATT/WTO, the Regional Economic Groupings (REGs) have assumed even greater importance in recent years. They are growing in number and are expanding, and there are attempts to link them.
- iii) Most of the major REGs, such as NAFTA, and especially the EU, which have created large economic blocs or entities, are intensifying not only their vertical integration by enlarging their scope of activities, but also their horizontal integration as well as expanding their membership.
- iv) REGs could create prospects for enhanced economic growth, through opportunities to exploit economies of scale, regional specialisation, learning-by-doing, and attracting investment by expanding the regional markets.

- v) REGs have also enhanced prospects for sustained domestic policy adjustments, including unilateral trade liberalisation and the promotion of an environment conducive to the maintenance of macroeconomic stabilisation, particularly in developing countries and in the economies in transition.
- vi) Non-tariff measures such as technical barriers, health and quality regulations, antidumping actions and rules of origin, as well as problems associated with market accession and distribution channels constitute effective hurdles to the exports of OIC members to the EU and other markets, and they are becoming more significant than tariff barriers.
- vii) In cooperation with relevant international organisations such as UNCTAD, specific ways and means should be identified for economic cooperation and the establishment of joint ventures among member countries to overcome these hurdles and, concurrently, contribute to the structural transformation of member countries, in particular those dependent on commodity exports.
- viii) The enlargement of regional economic groupings outside OXC has, and will continue to have, both positive and negative impacts on the international trade of OXC member countries. It is important to understand these impacts on a product basis for important export items of member countries. It would be desirable to adopt a platform based on substantive analyses so that negotiations with such groupings would alleviate the negative impacts on affected member countries.
- ix) The OXC member countries cannot remain indifferent to regional schemes, (to which they do not yet have access and which virtually cover all their major export markets), including those in Europe and North America.
- x) The main impact of regional schemes will be on trade, investment and technology.
- xi) OXC member countries should forge ahead with their existing bilateral relations and integration arrangements while increasing cross ties with other groupings within OIC. This may particularly be effective for groupings, such as ECO, the League of Arab States, GCC and AMU, since their members would stand to gain from closer forms of integration. This may serve as the nucleus for broader and wider economic cooperation.

- xii) OIC member countries should try to create strong economic units capable of facing the challenges emanating from the emergence of large economic blocs, as one of the means to ensure fuller participation in the globalisation process.

It was decided that "Intra-OIC Trade and Investment and Economic Stabilisation and Structural Reforms in Member Countries" be the theme for exchange of views during the 14th Session of the COMCEC.

- c) Cooperation in the area of Food Security and Agricultural Development.

Food Security is one of the top priorities in the OIC Plan of Action. However, the problem of food security remains unresolved in a number of OIC member countries, particularly in Africa.

The General Secretariat, in cooperation with the IDB, the African Development Bank and the Government of Senegal, organised a symposium on Food Security in the Islamic countries in December 1991, in Dakar, Republic of Senegal, in conjunction with the Sixth Islamic Summit Conference. The Sixth Islamic Summit adopted a declaration on "the Food Security Decade" in OIC Member Countries.

The Sixth Islamic Summit Conference, having considered the report of the Dakar Symposium, requested member states and all financial, economic and technical organizations of the Ummah to assist the African States concerned to ensure effective implementation of the recommendations of the Dakar Symposium. It also appealed to member states to extend additional resources to the relevant financial institutions so that they may increase their assistance to OIC African member states for the speedy and effective implementation of their national strategy for food security."

An Ad-hoc Follow-up Committee of the Symposium, established during the Symposium and chaired by His Excellency the Minister for Rural Development and Hydrology of the Republic of Senegal, is doing its best to implement the recommendations of the Dakar Symposium on Food Security in African OIC member states. Two meetings at expert level and two at senior official level have already been held. A mission comprising the Government of Senegal, the Islamic Development Bank and the African Development Bank, has already visited a number of countries to evaluate their respective programmes in the area of food security.

The Government of the Islamic Republic of Iran hosted the Fourth OIC Ministerial Conference on Food Security and Agricultural Development in Tehran from 14 to 16 January 1995. The meeting was well attended and the Declaration issued by this Conference emphasised the need to explore ways and means to increase agricultural production in high potential areas, and decided to periodically review the situation of food security in all OIC member states which are importers of food, in attaining a higher degree of food self-sufficiency. It also expressed firm determination and political will to expand cooperation among the concerned member countries in developing food security and agriculture.

d) Cooperation in the area of Industry

A series of Ministerial Meetings on Industrial Cooperation among OIC Member States have been held over the past few years.

Several Joint Venture Projects have been identified, studied and approved for member states in cooperation with the Islamic Chamber of Commerce and Industry (ICCI), the Islamic Development Bank (IDB) and the United Nations Industrial Development Programme (UNIDO).

The General Secretariat, subsidiary organs and affiliated institutions, in collaboration with the relevant UN institution (UNIDO) continue to work together to strengthen cooperation among member states in the field of industrial development and joint investment.

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

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

e) Cooperation in the area of Transport

The First OIC Ministerial Meeting on Transport was held in Istanbul, September 7-10, 1987, concurrently with the Third COMCEC Session. The Ministers, during the meeting, expressed their conviction that transport is an important

element of the development of commercial and economic cooperation among Islamic countries and, among other things, decided to cooperate in the development of the following sectors:

- (a) Road Transport,
- (b) Maritime Transport,
- (c) Railway Transport, and
- (d) Training in the field of Transport.

The General Secretariat is in close contact with the member states and concerned agencies for the implementation of the decisions of the Ministers of Transport.

The Eleventh Session of the COMCEC, held in Istanbul, from 5-8 November 1995 urged member states and the OIC organs concerned to take measures needed for the implementation of the resolutions of the First Meeting of the Ministers of Transport of Member States, and appealed to member states to host the Second Meeting of Ministers of Transport.

The Organisation of Islamic Ship Owners's Association is pursuing its efforts for the establishment of an Islamic Shipping Company in the private sector. The formal launching of the Company is expected soon.

The Government of the Arab Republic of Egypt offered to host the Expert Group Meeting on Transport and Communication in Cairo from September 22-24, 1996. Subsequently at the request of the host Government, the meeting was postponed. New dates of the meeting are expected shortly.

f) Cooperation in the field of Telecommunications

The First Ministerial Meeting on Telecommunications was held concurrently with the Fourth COMCEC Session in Istanbul, Turkey, in September, 1988 and the Second Ministerial Meeting on Telecommunications was held in Bandung, Indonesia, from November 5-8, 1991. The Tenth COMCEC Session, held in Istanbul, from 22 to 25 October 1994 called upon member states and the relevant OIC organs to take the measures needed for the implementation of the resolutions of the First and Second Ministerial Meetings on Telecommunications.

The Government of the Islamic Republic hosted the Third OIC Ministerial Meeting on Post and Telecommunication in Tehran from July 8-11, 1996. A 25-point resolution was adopted by the meeting identifying areas of cooperation and made specific requests and recommendations for action by the member states with a view to further cooperation among them

in the field of posts and telecommunications. Some of the important actions suggested by the meeting include, setting up of a Data Bank for Post and Telecommunication Experts within the OIC-ISNET member countries; defining a mechanism enabling member states to benefit from the studies and researches already undertaken by other member states in the field of PTT; preparing an updated list of experts in technical field of PTT; preparing an updated list of technical cooperation and training activities available in the member states and compilation of member states' specific needs and capabilities with implementable project ideas and proposals or activities and encouraging joint investments for development and manufacture of telecommunication equipments.

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

The Twelfth COMCEC noted with appreciation the successful convening of the Third OIC Ministerial Meeting on Posts and Telecommunications in Tehran, Islamic Republic of Iran and adopted its report.

g) Cooperation in the field of Energy

Energy is one of the priority areas of the Plan of Action. It was in Istanbul, Turkey, from 3 to 6 September, 1989 that the First Ministerial Meeting of the OIC Member States on Energy was held concurrently with the Fifth COMCEC Session.

The Ministers of Energy of member states, recognising that energy issues are important elements of cooperation in various fields among the member' states and that the development of energy resources and power networks will lead to progress and contribute to the general welfare of the Islamic countries and to their mutual interest, the OIC Energy Ministers adopted a comprehensive resolution on this subject.

This resolution recommends, inter alia, that member states improve the performance of energy installations, speed up technology transfer among themselves in the energy sector, encourage research in new and renewable energy resources and establish inter-linked regional networks in the field of electric energy.

The Tenth COMCEC Session held in Istanbul on 24 and 25 October, 1994 called upon member states and the OIC organs concerned to take the measures needed for the implementation of the Resolutions of the First OIC Ministerial Meeting and appealed to member states to host the Second Ministerial Meeting on Energy.

h) Cooperation in the field of Infrastructure and Public Works.

The First OIC Ministers of Infrastructure and Public Works Meeting was held from 6 to 9 October, 1991 in Istanbul, Republic of Turkey, concurrently with the Seventh COMCEC Session,

Noting with satisfaction that Islamic countries had considerable potentialities and cooperation prospects in the field of infrastructure, and public works capable of meeting the present and future needs of OIC member states.

Noting further that there existed an immense opportunity of cooperation among OIC countries in the infrastructure and public works sector and conscious of the need to pursue action on numerous projects and suggestions submitted by member states, the Ministerial Meetings, inter alia, urged member states to use all ways and means to enhance their cooperation and requested that a separate section of the budget be devoted to public works and infrastructure among the priority sectors of the "Plan of Action to Strengthen Economic Cooperation among Member States. It also recommended the development of existing potentialities and projects within the OIC System in this field.

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

i) Cooperation in the field of Labour and Social Security

The Second Experts Group Meeting on Labour and Social Security, held in Kuala Lumpur, Malaysia in October, 1994 set up two Working Groups - one for finalising the "Draft Bilateral Agreement on Social Security" and the other for the "Draft Model Bilateral Agreement on Labour and

Manpower Exchange". The Working Group on Social Security met in Amman, Jordan, in 1985 and finalised the Draft Agreement. The Meeting of the Second Working Group on Labour and Manpower Exchanged was held in Istanbul, Turkey from 27 to 29 May 1989. It also finalized the Draft Agreement.

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

The Twenty-first ICFM expressed satisfaction for the offer made by the Government of the Arab Republic of Egypt to host the meeting of the working group on Employment and Manpower Exchange.

However, the Government of the Arab Republic of Egypt has, since informed the General Secretariat that it was no longer in a position to host the Expert Group Meeting on Labour and Social Security.

j) Cooperation in the Field of Tourism

The Twenty-third Islamic Conference of Foreign Ministers, held in Conakry, Republic of Guinea, from 9 to 13 December 1995 adopted a resolution to strengthen cooperation among OIC Member States. The Conference stressed that tourism constitutes a main pivot in economic development and rapprochement between nations. The Twenty-fourth Islamic Conference of Foreign Ministers held, in Jakarta from December 9-12, 1996 recalled that tourism has been identified as a priority area for cooperation in the Plan of Action and requested the Secretary General to convene as soon as possible, an Expert Group Meeting in the field of Tourism within the framework of COMCEC and the Plan of Action to Strengthen the Economic and Commercial Cooperation Among OIC member states.

Meanwhile, the Conference also invited the member states to cooperate in the following areas:

provision and exchange of publicity and advertising materials on tourism in different languages.

organising special tourism weeks and popular art exhibitions in the Islamic world.

production of documentary films on main archeological landmarks in the member states which are to be exchanged.

- organizing group travel among Islamic countries to strengthen bonds among member states,
- encouraging tourist investments in member states and directing investors to realise tourist projects in these states.
- facilitating contacts among experienced tourist offices in member states

The Government of the Republic of Indonesia offered to host the Expert Group Meeting on Tourism to be followed by a Ministerial level meeting on the same subject. All preparations were completed by the host country and the General Secretariat to hold these meetings in Jakarta from November 8-11, 1997. However, these meetings had to be postponed at the last moment due to lack of adequate response from Member States. New dates for these meetings have not yet been finalised.

k) Technical Cooperation among OIC Member States

The First Ministersial Meeting on Technical Cooperation was held concurrently with the Sixth Session of COMCEC in Istanbul, Turkey, October 7-10, 1990. Five National Focal Points Meetings for Technical Cooperation among Member States were held in Istanbul between 1990 and 1994, thanks to the funding of the Turkish Government.

The above meetings reviewed the state of technical cooperation among OIC Member States and adopted recommendations aimed at strengthening this cooperation» The meetings stressed the need to promote the administrative and financial capabilities of national focal points on technical cooperation. During bilateral contacts, cooperation programmes were updated and new ones drawn up.

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

The Tenth COMCEC Session held in Istanbul from 22 to 25 October 1994, inter alia noted with satisfaction that the Meetings of Focal Points for Technical Cooperation (FOPTCIC) were being held annually on a regular basis, in Istanbul and thanked the Republic of Turkey for hosting them. It also appreciated the ongoing support extended by Turkey and by OIC institutions such as the IDB, SESRTCIC, ICDT, IIT and IFSTAD which contributed to the success of these meetings.

Tenth COMCEC also called upon member states and the OIC organs to implement the resolutions of the First Ministerial Meeting on Technical Cooperation held in Istanbul from 7 to 10 October 1990. It noted with satisfaction that the Fifth Focal Points Meeting on Technical Cooperation (FOPTCIC-V) was held, May 13-16, 1994, in Istanbul.

During the 13th Session of the COMCEC, the Republic of Turkey offered to host the Expert Group Meeting on Technology and Technical Cooperation. The meeting is scheduled to take place in Istanbul from May 6-8, 1998.

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

The General Secretariat submitted to the Thirteenth Session of COMCEC and the Twenty-fifth ICFM, held respectively in Istanbul and Doha in November 1997 and March 1998, on the signing and ratification of the following Agreements and Statutes approved under the auspices of COMCEC:

- i) General Agreement on Economic, Technical and Commercial Cooperation Among Member States.
- ii) . Agreement on Promotion, Protection and Guarantee of Investments Among Member States.
- iii) Framework Agreement on Trade Preferential System Among OIC Member States.
- iv) Articles of Agreement on Islamic Corporation for the Insurance of Investment and Export Credit.
- v) Statute of the Islamic Telecommunications Union.
- vi) Statute of the Islamic Civil Aviation Council.

A table summing up the situation regarding the signing and ratification of the Agreements/Statutes is enclosed with this report.

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

The General Agreement on Economic, Technical and Commercial Cooperation was approved by the Eighteenth ICFM in 1397H (1977). The Agreement aims at encouraging capital transfer and investment, exchange of data, experience, technical and technological skills among Member States and at facilitating the implementation of a fair and non-discriminatory treatment among the said countries while giving special attention to the least developed member states. Up to now the agreement has been signed by 40 countries and ratified by 27. It became effective from 28 April 1981.

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

The Agreement on Promotion, Protection and Guarantee of Investments among member states was adopted by the Twelfth ICFM in 1401H (1981). The Agreement lays down the

basic principles for the promotion of capital transfer among member states and protects their investments against commercial risks while guaranteeing the transfer of capital and its proceeds abroad. Up to now, the agreement has been signed by 26 member states and ratified by 18. After having been ratified by more than ten (10) countries, the agreement came into force in February 1988.

iii) Framework Agreement on Trade Preferential System.

Twenty-one member states have so far signed the Framework Agreement including one which signed by Bangladesh during the Thirteenth COMCEC. Five member states have so far ratified it. At least ten member states need to ratify the Agreement so that it can enter into force.

iv) Articles of Agreements on Islamic Corporation for the Insurance of Investment and Export Credit.

This Islamic Corporation for the Insurance of Investment and Export Credit has come into force from 21 July, 1995. The Corporation has started functioning as a subsidiary institution under the aegis of the IDB.

The Articles of Agreement of the Islamic Corporation for the Insurance of Investment and Export Credit have so far been signed by 31 member states and ratified by 18. The authorized capital of the Corporation is ID 100 million (about 150 million US dollars). The IDB has subscribed to and paid up 50 per cent of the capital while eighteen OIC/IDB member countries have subscribed to the remaining 50 per cent of the capital.

vi) Statute of the Islamic Civil Aviation Council.

The Statute of the Islamic Civil Aviation Council has been signed by 12 member states and ratified by 4 only which is not sufficient to make the Statute operational.

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

The Statute of the Islamic States Telecommunications Union (ISTU) was approved by the Fifteenth ICFM in 1405H (1984). The Statute has been signed by 12 and ratified by 9 Member States. The Statute has not yet entered into force for lack of required number of ratifications.

The Thirteenth Session of the COMCEC has urged member states that have not yet signed and/or ratified various Statutes and Agreements in the field of economic cooperation drawn up or concluded within the framework of OIC, to do so as early as possible. This appeal was also made by the 24th ICFM (Jakarta, December 1996) and the 8th Islamic Summit held in Tehran in December 1997.

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

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

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

The Centre has been active in the implementation of many of the provisions of the OIC Plan of Action to Strengthen Economic Cooperation Among Member States, which was adopted as an adjunct to the historic Makkah Declaration on Joint Islamic Action by the Third Islamic Summit Conference in January 1981. Furthermore, the Centre was involved in the technical work relating to implementation of the Sixth Summit Resolution, adopted in Dakar in December 1991, on the formulation of the New Strategy for Strengthening Economic Cooperation. The Centre also undertook the preparation of the revised OIC Plan of Action to Strengthen Economic and Commercial Cooperation,

In addition to the regular implementation of its mandated activities, the Centre also undertakes extensive assignments to prepare and present background documents and reports to the OIC meetings in the areas of economic and technical cooperation, held every year at various levels.

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

The activities of the Islamic Centre for Development of Trade (ICDT) can be broadly categorised under the following headings: (a) undertaking various studies in the field of promotion of trade among Islamic countries and on the implication of various developments in the world economy for the economies of the OIC Member States; (b) running various training programmes, organising seminars and workshops; (c) undertaking trade promotional activities like organising Islamic Trade Fairs, developing trade information networks; (d) bringing out publications, e.g. Tijaries (ICDT's quarterly magazine on Inter-Islamic and International trade); OIC Exporters' Guide and Roster of Experts in international trade available within the OIC Member States, and (e) providing technical assistance to member states.

The work programme of the Centre for 1997/1998 submitted to the Seventh session of the General Assembly of the Islamic Centre for Development of Trade contains details of the Centre's work programme for the year under reference.

(c) Islamic Institute of Technology (IIT). Dhaka.

Islamic Institute of Technology has been mandated to help develop the vast human resources of the member states and train technical manpower to the international standard needed for the industrial, economic and social development of the Islamic Ummah. In order to achieve this goal, the Institute offers engineering and technological courses in the fields of mechanical, electrical and electronic technologies as well as in Instructor Training Programmes, organises international short courses, workshops and seminars and conducts research.

The Institute successfully completed its Tenth Academic Year 1995-96 on 10 September 1996 with the holding of the Tenth certificate awarding Congregation Ceremony. A total number of 186 students from different member states of the OIC received their degrees and diplomas while some 140 others were admitted to higher classes.

In the Eleventh ongoing Academic Year 1996-97, nominations of 837 candidates from 21 member states were received for different courses. Due to shortage of accommodation 374 students only could be selected in limited specialisations and courses and out of this 273 students reported for enrollment.

As part of its activities, the Institute also organises throughout the year International Short Courses, Workshops and Seminars for skill up-grading and knowledge up-dating of different personnels of offices, educational institutions and industries of the member states. This year, the Institute had successfully organised four such seminars.

In its capacity as the OIC Focal Point in the priority area of Human Resources development within the framework of UN-OIC Cooperation, the IIT is working in different projects in consultation with the concerned Agencies of the United Nations System. In the context of Human Resources Development the IIT is organising an International Seminar on "Human Resources Development for Sustained Economic Growth and Poverty Alleviation in the Member States of the OIC" in September 1998 in collaboration with the government of Bangladesh. Details and positions in these various activities are given in comprehensive activity reports of the Director General published from time to time by the Institute.

(d) Islamic Development Bank (IDB). Jeddah.

The Islamic Development Bank has always worked closely with other specialized agencies, affiliated bodies and subsidiary organs of the OIC. The working relationship concerns areas such as the exchange of data and information, the undertaking of joint studies, meetings and assignments in special task forces/committees. Within this framework, the Bank and these institutions have continued to cooperate during 1416H.

The OIC Information Systems Network (OICIS-NET) forms another major project undertaken by the IDB/IRTI, under the auspices of both COMCEC and COMSTECH. The Network is to facilitate the collection and dissemination of information among OIC member countries and its specialist organizations through inter-linking national, regional, and sectoral focal points specialising in different sectors or subject areas. The Network is under implementation through a Pilot Scheme, where nine member countries are covered with their national focal centres. Coordination meetings of focal points are being held to consider the practical steps to implement the scheme in respect of priority sectors, particularly trade.

At the request of the various OIC bodies, the IDB prepared and finalised various Statutes/Agreements/Schemes in the field of economic cooperation among the OIC member states. The latest in this respect is the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC). The IDB also provides technical assistance in successfully organising a number of activities undertaken by the various institutions under the aegis of the OIC.

(e) Islamic Chamber of Commerce and Industry (ICCI), Karachi.

The Islamic Chamber Commerce and Industry (ICCI) continues to pursue its programme of economic and commercial cooperation among the private sector of the OIC member states. Within this framework, it is implementing various projects and programmes, which have been formulated under its Three Year Plan of Action (1995-1997). This Plan of Action was made within the guidelines of the strengthening of economic cooperation among member countries as emphasised by the OIC Plan of Action. The preliminary assessment of the implementation of the first phase of the Action Programme was held during the 30th Executive Committee and the 15th General Assembly Meetings of the ICCI, held in Sharjah in February 1998. The outline of the second phase of the Action Programme was also presented at the above meetings.

Since 1995, the ICCI has actively pursued its programme for the private sector and has held four private sector meetings in Turkey (1994), Egypt (1995), Indonesia (1996), and Pakistan (1997). The recommendations of these

meetings have been submitted to the 10th, 11th, 12th and 13th Sessions of the COMCEC for consideration. The Private Sector Meetings have proved to be a useful meeting place of entrepreneurs, businessmen and representatives of financial institutions to discuss future avenues of cooperation and to find new markets for their products.

To foster greater interaction among the businessmen of the Islamic Countries, the ICCI has sent Economic Delegations to some of the African Countries. The first such Delegation went to Niger, Burkina Faso and Mali, the second went to Guinea, the Gambia, Sierra Leone and Senegal. The Third Delegation will be visiting some of the Central Asian Republics.

The ICCI is also involved in organising the Islamic Trade Fairs with the Islamic Centre for Development of Trade (ICDT). In addition, it also arranges for small exhibitions at the time of the private sector meetings.

As part of its services for its member chambers, the ICCI has undertaken a programme of holding Seminars and Workshops. The first such Seminar on Support Services for Small and Medium Enterprises, was jointly held with the cooperation of the Islamic Development Bank in Karachi in December 1996. The second such Seminar will be held in Mali for the benefit of the francophone countries.

In this rapidly evolving age of Information Technology, the Islamic Chamber is putting emphasis on the development of a well integrated database. This database contains information on the OIC member countries with particular reference to trade, economy, commerce, industry, trade fairs and other relevant information.

(f) International Association of Islamic Banks (IAIB), Jeddah.

The main objectives of the International Association of the Islamic Banks are i) promoting the philosophy and principles of Islamic Banking ; ii) establishing parameters for cooperation and coordination amongst Islamic Banks and also amongst Islamic Central Banks and iii) maintaining a database for all Islamic Financial Institutions.

Some of the important activities being undertaken by the IAIB include, inter alia, the publication of

- - An Annual Directory of Islamic Banks and Financial Institutions;
- - Monthly Information Brief about current financial and Economic issues, and
- - Monthly Education Brief on Islamic Economics.

(g) Organization of the Islamic Shipowners' Association (OISA). Jeddah.

In implementation of the resolution of the Islamic Conference of Foreign Ministers calling upon the OISA to set up an Islamic Shipping Company, the required feasibility study was conducted which was discussed and approved by the members of the OISA.

The OIC General Secretariat has written to the Foreign Ministry of the Kingdom of Saudi Arabia conveying to them the wish of the members to have Jeddah as the headquarters of this Company. The final steps so far taken for the establishment of this Company would be discussed in the OISA General Assembly Session to be held in Tehran next November.

A study was conducted for establishing a Cooperative Information Center at the OISA General Secretariat in the field of maritime transport. The tender for the required equipment has been sent to all members for submitting their bids.

There is a study for establishing an Islamic P&I Club. This matter had been discussed in the Sixteenth Meeting of the Executive Committee and Tenth Session the General Assembly of the OISA held in Jeddah during 5-7 November 1996. The Shipping Lines of the Islamic Republic of Iran would finance and undertake a study in this regard in collaboration with well known International P&I Clubs and submit the same to the next Meeting for perusal and appropriate decision.

The OISA is expected to discuss later some new projects such as the establishment of an Islamic Classification Society and linking the Islamic World with regular shipping routes etc.

A common problem being faced, especially by the subsidiary organs of the OXC, is non-payment of mandatory contributions by a large number of member states. The Seventh Islamic Summit "urged these member states to honour their regular mandatory contributions to the budgets of these bodies and to settle their arrears at their earliest convenience in view of the current financial difficulties being faced by these organs which made them unable to fulfil their responsibilities and threatened their very existence"

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TABLE-I

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

NAME OF MEMBER STATES	General agreement on economic and commercial cooperation		Agreement on promotion and protection and guarantee of investments		Framework agreement on trade preferential system		Statute of Islamic civil aviation council (ICAC)		Statute of the Islamic states Telecommunication Union (ISIU)		
	Adopted as per res. no. 1/8-E of the 1st ICCEM Tripoli / Libya 16-22/5/1977	Signed & Ratified	Adopted as per res. no. 7/12 of the 12th ICCEM Bagdad / IRAQ 16-5/6/1981	Signed	Ratified	Adopted as per res. no. 1 of the 6th ICCEM Istambul/TURKEY 7-10/10/1990	Signed	Ratified	Adopted as per res. no. 16/13-E of the 13th ICCEM Niamey/NIGER 22-26/8/1982	Signed	Ratified
Algeria											
Azerbaijan											
Albania											
Bahrain	21/E/SO	30/38/SO									
Bangladesh	(5/12/77	18/M/73				04/11/97			10/09/83	...	16/04/83
Brunei Darussalam											
Burkina	23/12/E6										
Cameron	23/CO/B	CB/D3/83									
Caroros	28/03/78	16/01/31									
Djibouti	21/01/79										
Egypt	06/13/77	06/36/73									
United Arab Britanes	29/12/77	1979									
Gabon	23/01/73										
The Gambia	21/E/ÖÖ										
Guinea	25/12/77	30/Ü2/81									
Guinea- Riseau											
Indonesia	30AH/79	03/Ü1/80									
Iraq	02/07/78	1978									
Iran	06/Ü/55	07/Ü/S5									
Jordan	29/12/77	1Ü/Ü79									
Kuwait	CEV12/77	IQA^O									
Lebanon	15A1/9S										
Libya	C&/X2/7	15/04/76									
Malaysia	18/C6/73	14/01/31									
Mali	17/12/77										
Marocco	27/M/78	06/D3/SL									
Mauritania	23/01/78	16/04/79									
Niger	Ü3/11/77	09/3^79									
	18/tE/78	07/03/78									

-VII-

**REVIEW OF THE IMPLEMENTATION OF THE
PLAN OF ACTION TO STRENGTHEN ECONOMIC
AND COMMERCIAL COOPERATION AMONG
OIC MEMBER STATES**

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

(Istanbul, 9-11 May 1998)

REVIEW OF THE IMPLEMENTATION OF THE PLAN OF ACTION
TO STRENGTHEN ECONOMIC AND COMMERCIAL COOPERATION
AMONG OIC MEMBER STATES.

This review of the implementation of the OIC Plan of Action to Strengthen Economic and Commercial Cooperation Among OIC Member States covers the following two broad areas:-

- a) Background information on the Plan of Action; and,
- b) implementation activities with respect to
 - (i) Sectoral Expert Group Meetings;
 - (ii) Activities in some related areas;
 - (iii) Follow-up activities on decisions of the 13th Session of the COMCEC.

a) Background Information:

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

The Seventh Islamic Summit, inter alia, noted that the economic cooperation strategy adopted by the COMCEC allowed for cooperation among sub-groups of member countries and was based on the principles putting emphasis on the private sector, economic liberalization, integration into the world economy, respect for the economic, political-, legal and constitutional structures of the member states and their international obligations. It further noted that the Plan of Action was a general and flexible policy document open for improvement during its implementation in accordance with the provisions stipulated in its chapter on Follow-up and Implementation. The Summit agreed on the need to urgently implement the Plan of Action and called upon the member states to host, the inter-Sectoral Expert Group meetings envisaged in the chapter on Follow-up and Implementation of the Plan of Action.

During deliberations on the Follow-up and Implementation Mechanism, at its eleventh meeting, the COMCEC Follow-up Committee considered the technical and organisational issues related to the holding of an inter-sectoral meeting that would cover all the ten priority-areas of the Plan of Action. In this context, the Committee recommended that, instead of holding one inter-sectoral meeting to start the implementation of the Plan of Action, a more practical approach would be to hold more than one meeting to deal either with one area or a number of inter-related areas at a time, on a priority basis. The Eleventh COMCEC accepted the recommendation of the Follow-up Committee and invited the Member States to host both sectoral and inter-sectoral meetings.

Under the envisaged implementation mechanism, sectoral expert group meetings will be held to identify specific cooperation projects in respective priority areas of the Plan. Subsequently, "project committees" will be formed with Member States, interested in particular project(s) of their choice. The responsibility of implementing any project will remain with the concerned project committee(s).

b) Implementation Activities:

(i) Sectoral Expert Group Meetings:

Since adoption of the revised Plan of Action and implementation mechanism, all meetings of the COMCEC as well as the Islamic Conference of Foreign Ministers appealed to the Member States to host envisaged sectoral Expert Group Meetings. At the 11th COMCEC, the Government of the Arab Republic of Egypt had offered to host two Expert Group Meetings (on Agriculture, Food and Rural Development and on Transport and Communications). The Government of the Islamic Republic of Pakistan had offered to host the Expert Group Meeting on Foreign Trade.

All necessary preparations were completed and working documents prepared by the SESRTCIC were sent to the Member States concerning the two Expert Group Meetings which were to be held in Cairo in the third week of September, 1996. These meetings were postponed at the request of the host government.

However, during the Thirteenth Meeting of the Follow-up Committee of the COMCEC held in Ankara from May 10-12, 1997, and at the Thirteenth Session of the COMCEC (Istanbul, 1-4 November 1997) the representative of the Arab Republic of Egypt reconfirmed its government's offer to host the aforementioned sectoral Expert Group Meetings prior to

the Thirteenth Session of the COMCEC. The 24th ICFM (Jakarta, December 1996) and the 8th Islamic Summit (Tehran, December 1997) welcomed the offer of the government of the Arab Republic of Egypt to host these two important Expert Group Meetings. No date has yet been proposed for these meetings.

The government of the Republic of Turkey hosted the sectoral Expert Group Meeting on Money, Finance and Capital flows in Istanbul from 1-3 September, 1997. A number of cooperation projects and project ideas were submitted at the meeting by some Member States and OIC institutions. The Meeting reiterated the basic principles of the Plan of Action that participation in the implementation of the proposed projects is voluntary for the Member States and that the private sector would be given a pivotal role in this process. The Meeting also stressed the necessity to draw maximum benefit from the facilities already existing within the OIC System in realizing the projects to be proposed in this sector.

The Meeting requested the OIC General Secretariat to compile the responses of the member countries on the project proposals and transmit the same, as and when they are received, to the proposing countries which would then convene meetings of the respective project committees, in cooperation with the General Secretariat and related institutions of the OIC, as stipulated in the Plan of Action.

In pursuance of the offer made during the 11th COMCEC, the government of the Islamic Republic of Pakistan organised the Expert Group Meeting on "Foreign Trade Facilitation of the OIC Member States" in Karachi from October 24-25, 1997. A set of project proposals and project ideas emerged from this meeting. The General Secretariat has circulated these proposals and ideas to the Member States and is awaiting their response.

The Thirteenth Session of the COMCEC as well as the 24th ICFM and the 8th Islamic Summit welcomed the holding of these Expert Group Meetings and urged Member States to forward to the General Secretariat their responses to the project proposals put forward at the sectoral Expert Group Meetings for the formation of the above mentioned project committees at the earliest possible dates.

At the 13th COMCEC, Republic of Turkey offered to host the Expert Group Meeting on Technology and Technical Cooperation. In pursuance of this offer, the Expert Group Meeting on Technology and Technical Cooperation is being hosted by the Government of the Republic of Turkey in Istanbul from May 6-8, 1998. The report as well as the project proposals and project ideas emanating from this meeting will be transmitted to the Member States as was done in the case of the Expert Group Meeting on Money, Finance and Capital Flows and the Expert Group Meeting on Foreign Trade.

The Republic of Indonesia offered to host: the Expert Group Meeting on Tourism followed by a Ministerial level Meeting on the same subject. All preparations to hold these meetings from November 8-11, 1997 were completed by the host country as well as the General Secretariat. However, the meeting had to be postponed at the last moment due to lack of adequate response from the Member States. New dates for these meetings have not yet been finalised.

At the 13th COMCEC, the government of the Islamic Republic of Iran offered to host an Expert Group Meeting on health and Sanitary Issues to be followed by a Ministerial level Meeting on the same subject. The offer has been welcomed by the 13th COMCEC, the 24th ICFM and the 5th Islamic Summit.

The government of the Republic of Senegal, in collaboration with the IDB organised a Seminar-Workshop for the African countries on the QIC Plan of Action in Dakar from April 28-29, 1997. Discussion papers were presented at the Seminar-Workshop by the QIC General Secretariat, SESTRCIC and the IDB. The ICDT also made a presentation. Based on the discussions, the Seminar - Workshop made thirteen recommendations on areas of activities under the competence of various organs and institutions of the OIC System.

The report of the Dakar Seminar-Workshop was presented at the Thirteenth Session of the COMCEC held in Istanbul, from November 01-04, 1997. The Meeting thanked the government of Senegal for organising the Seminar with the assistance of the IDB and in collaboration with the OIC General Secretariat, SESTRCIC and ICDT. It also recommended that similar workshops be organised to promote cooperation among Member States within the framework of the implementation of the Plan of Action.

(ii) Activities in some related areas

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

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

With respect to the setting up of a Data Bank for Posts and Telecommunication Experts, the Islamic Republic of Iran subsequently informed the General Secretariat that Faculty of Scientific-Applied Posts and Telecommunication - an Affiliated body of the Iranian Post and Telecommunications Ministry, was ready to implement the resolution of the Third OIC Ministerial Meeting on Posts and Telecommunications. The offer of the Government of the Islamic Republic of Iran with respect to the setting up of the Data Bank was circulated among the Member States for their comments. The responses received from the Member States in this regard were submitted to the 13th Session of COMCEC by the General Secretariat for consideration.

The Sixth Islamic Trade Fair was successfully held in Jakarta, Republic of Indonesia from 22-27 October, 1996 concurrently with the Third Private Sector Meeting. The Trade Fair was organised by the ICDT in collaboration with the Indonesian Chamber of Commerce and Industries and with support from the IDB and the Islamic Chamber of Commerce and Industry. The Seventh Islamic Trade Fair is scheduled to be held in Tripoli, Lebanon from October 13-18, 1998. During the 13th Session of COMCEC the Government of the United Arab Emirates has offered to host the 8th Islamic Trade Fair in Sharjah in the year 2000.

The Government of the Islamic Republic of Iran hosted the Fourth OIC Ministerial Conference on Food Security and Agricultural Development in Tehran from 14 to 16 January 1995. The meeting was well attended and the Declaration issued by this Conference emphasised the need to explore ways and means to increase agricultural production in high potential areas, and decided to periodically review the situation of food security in all OIC member states which are importers of food in attaining a higher degree of food self-sufficiency. It also expressed firm determination and political will to expand cooperation among the concerned member countries in developing food security and agriculture.

(iii) Follow-up activities on the decisions of
12th and 13th Sessions of COMCEC

As a follow-up of the resolution of the Twelfth Session of the COMCEC, a meeting of delegations from OIC member states attending the WTO Ministerial Meeting was held in Singapore during the Ministerial meeting, to coordinate position on various matters related to the WTO.

In compliance with the request of the Twelfth Session of COMCEC, the OIC General Secretariat, the COMCEC Coordination Office and the IDB proposed to the Thirteenth Meeting of the Follow-up Committee of COMCEC a mechanism of consultation for Member States on WTO matters to the Thirteenth Meeting of the Follow-up Committee of the COMCEC.

After consideration of the aforementioned mechanism of consultation, the Standing Committee decided that the Uruguay-Round, as well as other issues raised in the WTO, may be a permanent item on the agenda of the COMCEC and its Follow-up Committee. It was also decided that the General Secretariat and the concerned institutions of the OIC shall monitor and report on the activities of WTO and other relevant organisations particularly UNCTAD, UN General Assembly, UNIDO and WIPO in their respective fields of competence, which are of importance and interest to Member States, and to the COMCEC and other bodies.

The 13th COMCEC also decided that IDB shall take the initiative for arranging meetings of OIC Member States with regard to WTO meetings and related issues. In this context, the IDB organised a brain-storming meeting in March, 1998. This will be followed by a senior officials meeting in preparation to the holding of the aforementioned consultation during the forthcoming WTO Ministerial Meeting.

- VIII -

**MONITORING REPORT ON
THE WORLD TRADE ORGANIZATION (WTO)
MATTERS SUBMITTED BY OK**

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

(Istanbul, 9-11 May 1998)

MONITORING REPORT ON THE WTO MATTERS

The present paper offers a synoptic review of the topics included in the WTO's programme for the years ahead as derived from the Marrakech Agreements and the Ministerial Declaration of Singapore. Substantive issues are not addressed in this paper.

It is worth adding to the working programme the tasks relating to follow-up and implementation of the various agreements which come within the purview of the various statutory organs established to this effect and numbering 36.

I. BUILT-IN-AGENDA

A) Commodities - sector

1. Agreement on rules of origin

Pursuant to the working programme as included in the agreement, non-preferential rules of origin should be harmonized within a period of 3 years as of the date of agreement's enforcement. This particular task which equally involves the Customs World Organization through a technical committee which is headquartered in Brussels, proved to be much more complex than expected. No doubt, the allocated time set for July 1998 will have to be further extended if the working programme is to be completed under proper conditions.

2. Agreement on Pre-Shipment inspection

Article 6 of the agreement stipulates that by the end of the second year after implementation and every three years thereafter, its provisions and operational aspects shall be reviewed with a view to improving or modifying it.

The working group in charge of the agreement's supervision has submitted the findings of the first such review and identified several pivots around which it intends to continue its work. Hence the Group's mandate has been extended for a year so as to enable it to fulfil its task.

3. Agreement on subsidies and countervailing measures

* Review of Article 6.1 on criteria for determining the existence of a serious prejudice so as to decide as to whether it is appropriate to extend its implementation, either as it is worded at present or under a modified formulation. The provisions of Article 6.1 are currently applicable for a period of five years.

* Review of Article 9 on consultations and authorized ways of objection.

* Review of Article 27.6 on the competitiveness of developing countries' exports. This provision is aimed at the stipulated special and differentiated treatment in favour of the developing countries.

* Under chapter IV of the agreement and particularly under Article 8.2 thereof, it was stipulated that research activities could not be considered as subsidies calling for any sanctions. For the purpose of defining the nature thereof, it was stipulated that the Committee on subsidies and countervailing reasons would carry out certain undertakings for the introduction of modifications in this provision in the light of the experience acquired by the Members within the framework of the research programmes and the work of other relevant institutions.

4. Agreement on the implementation of the sanitary and phytosanitary measures

Article 12.7 of this agreement provides for the review of the operating mode and implementation of these provisions, three years after its enforcement (January 1998) and as may be required thereafter. The said review has been carried out within the Committee on sanitary and phytosanitary measures and a list of questions such as may be the subject of the review has been established.

5. Memorandum of Agreement on the interpretation of the GATT Article XVII

Article 5 of the said memorandum provides that the working group in charge of supervising its functioning shall examine the adequacy of the questionnaires (dating back to 1969) concerning the modifications. The working group is also assigned to establish an illustrative list of the state enterprises that are to be the subject of modifications.

These are attempts intended to broaden the memorandum's scope. The undertakings referred to above have been initiated and are progressing toward fulfillment.

Given the prevailing tendency towards the dismemberment of public enterprises in the commodities sector, it should be expected that in future similar provisions may be worked out for public enterprises active in the service sector.

6. Agreement on the interpretation of the GATT Article VI (Anti-dumping).

The Ministerial decision of Marrakech on the review of Article 17.6 of the Antidumping Agreement provides for the reconsideration of the article after a period of three years (January 1998) "so as to see whether it could be generally

applicable". The article relates to the settlement of differences and hence its weight given notably the ever more frequent resort to antidumping measures, particularly on the part of developed countries. This tendency will gain momentum as tariff protection loses ground in view of the reduction of custom duties.

7. Ministerial Decision of Marrakech on the possible negative effects of the (agricultural) reform programme on the net foodstuff importing LDCs and DCs.

This decision provides for the consideration of measures to be adopted to alleviate the negative effects of the agricultural reform programme on the net foodstuff importer LDCs and DCs, including those meant to ensure proper food assistance for those countries.

Thus far, the decision's implementation has met with obstacles particularly of an institutional character concerning the convention of food assistance and the International Monetary Fund. Action undertaken within the Committee for Agriculture have only led to the establishment of a list of countries targeted by the decision and apt to benefit from the measures in question.

Since the entry in force of the agreement, the Group of net importers never met again. Yet the decision could turn out to be of great importance particularly within the framework of the agricultural negotiation for the year 2000, providing some extensive work is undertaken to modify the balance of current Agricultural Agreement. This decision's implementation forms a permanent agenda for the Committee on Agriculture.

8. Agreement on Agriculture

Pursuant to Article 20 of this agreement, the Members have agreed that negotiations for the follow-up of the reform programme shall be initiated before the end of the implementation period (in 1999). For the purpose of preparing these negotiations, a process for analysis and information exchange has been set up by the Singapore Ministerial Declaration. This process which has been in operation since the beginning of 1998 has already made it possible to identify certain shortfalls in the Agricultural Agreement. These works will serve as a basis for the year 2000 negotiations.

Agriculture forms the most important sector for the year 2000 negotiations given the considerable stakes it represents and the current distortions suffered by the agricultural products trade.

B. Service Sector:

1. Professional Services:

Pursuant to the provisions of Article VI of the GATS and to the decision on professional services, the Working Group, set up to this effect, has carried out its work for the elaboration of the guidelines on mutual recognition of qualifications and for the evolution of disciplines concerning internal rules for the accountancy sector (accountants, chartered accountants, auditors, surveyors etc.).

This working group is through with its work on the mutual recognition of qualifications and has since mid 1997 addressed itself to the second part of its mandate. It is also expected that it would continue its work beyond the sector of accountancy and reach out for other sectors of professional services.

2. Working Group on the Rules of the GATS

The Working Group on the GATS rules was established in 1995 to undertake the negotiations provided for under the General Agreement on Trade and Services (GATS) concerning emergency safeguarding (article X), public service markets (article XIII) and subsidies (article XV).

Having failed to reach a conclusion by 1st January 1998 as to safeguarding measures pursuant to the provisions of Article X, the Group's mandate on this matter has been extended with regard to public markets, the Groups work will focus on the aspect of "market access" given the fact that the working group on public markets, established by virtue of the Singapore Ministerial Declaration, hold a horizontal set of terms of reference as to the "transparency" aspect and should normally lead to the elaboration of disciplines concerning public markets in both sectors (commodities and services).

3. Information exchange and analysis process

In order to facilitate negotiations on the services envisaged under Article XIX of the GATS that are to be undertaken by the year 2000 with a view to achieving greater liberalization in this sector, the Ministers have decided at the conclusion of the Ministerial Conference in Singapore to set up a mechanism for information exchange and analysis.

This action has already started within the framework of the Council for Service Trade and is meant to continue until the year 2000, the date at which the negotiations in this sector are to start.

Air Transport:

The annexure on air transport services provides for the review, as of the year 2000 and at least every five years thereafter, of the air transport sector's progress and of the functioning of the annexure so as to consider the possibility of a broader implementation of the General Agreement on Trade and Services to this sector.

5. Exonerations from the MFN obligation

The annexure on exonerations from the MFN obligation provides for the review of all exemptions granted for a period exceeding five years. The first of these reviews will take place as of the year 2000.

C. Investment - Competition - Public Markets
Trade Facilitation

1. Agreement on Trade-related investment measures

By virtue of Article 9 of this agreement, the members took the commitment to review and complete the provisions relating to investment and competition policy. This review is scheduled for the year 2000.

The Singapore Ministerial Declaration also set up two working groups, one on investment, and the other on competition, for the purpose of undertaking analytical work and submitting proposals thereon to be undertaken by the WTO in these two areas.

The work in question has been initiated in 1997 and is currently underway. Their conclusions will be submitted to the General Council by the end of 1998 at the latest.

2. Public Market

The Singapore Ministerial Declaration set up a working group assigned to undertake analytical work on the transparency of public markets and to submit recommendations to the General Council as to follow up required for such action.

It is likely that the Working Group would recommend the elaboration of rules and procedures in terms of transparency in the conclusion of public markets. the negotiation in question may be undertaken in 1999.

3. Tradefacilitation

The Singapore Ministerial Declaration mandated the Trade and Commodities Council to undertake analytical work in the field of trade facilitation with a view to identify matters that may form the subject of negotiations within the WTO. Work on this matter has been initiated since early 1997.

D. Difference Settlement Mechanism

The Marrakech Ministerial Decision on the implementation and review of the Memorandum of Agreement on the rules and procedures governing the settlement of differences provides for the complete review as of January 1998 of all those rules and procedures so as to decide as to whether it is worth maintaining or dropping them.

The review will be undertaken early in 1998 under the auspices of the Difference Settlement Organ (DSO).

E. Agreement on the Trade-Related Aspects of Intellectual Property Rights (TRIPS)

Article 27.3b stipulates that provisions relating to the protection of licences regarding vegetables and animals will be re-examined four times a year after the entry in force of the agreement.

Article 71.1 provides for the review of the Agreement's implementation at the end of the four-year period allocated to the developing countries, and thereafter every two years.

Article 64 of the Agreement stipulated that for a period of five years as of 1st January 1998, the Members will not initiate procedures for the settlement of differences for non-violation cases, in other words only complaints for non-implementation of objectives deriving from the Agreement shall be entertained. During this period, a review will be undertaken of the scope and modalities for non-violation related complaints with a view to evolving recommendations in this area or extending this clause (peace clause) for another five years.

Article 23.4 provides for negotiations to be undertaken as to the establishment of a system for notification and recording of geographical indications so as to facilitate the protection of those indications as to wines and spirits.

II. Future Programme:

Several delegations among those representing developed countries call for global negotiations in the year 2000. A number of developing countries support this idea to combat mainly the recourse to plurilateral sectoral initiatives of the kind that led to the conclusion of the Agreement on the products of information technologies.

Other developing countries have, by contrast, opposed them and wished that the WTO confines itself at this stage to the implementation of the work programme already approved.

This debate on the inclusion or not of the industrial tariffs in the coming negotiations scheduled for the year 2000 will form the subject of discussions on the occasion of the 2nd WTO Ministerial Conference due to be held on 18 and 19 May 1998 in Geneva.

The debate will also encompass other ideas such as those introduced by the USA concerning exemption from all taxes and communications relating to electronic trade.

It is worth noting also that APEC has already identified fifteen sectors for which the forum could suggest zero for zero initiatives.

WTO-FC14

COORDINATION IN WTO MATTERS
AMONG THE OIC COUNTRIES

Although there exists in Geneva an informal group of OIC member countries, the said Group does not look into matters of substance relating to the WTO. OIC countries that are members in the WTO rather act individually within the informal Group of developing countries. This body, however, is no more than an information forum, and not a coordination one. In fact within the WTO, the OIC countries belong to different regional or interest groups. Thus Malaysia, Indonesia, and Brunei Darussalam rather coordinate their action with the other ASEAN members. The Muslim countries of Africa are on their part members of the African Group within the WTO.

A number of Muslim countries in Pacific Asia are members of APEC. Some of them are also members of the CAIRNS Group which centers its activities around Agriculture-related aspects. This Group advocates full liberalisation of trade in agricultural products whereas the Group of foodstuff net importers which also, accounts for several OIC member countries holds much difficult view on the subject. It must be recalled that some OIC members are also members in the GIS whose position on world trade do not fully tally with those of the other OIC members.

To this, one must add the fact that some OIC members have preferential agreements with the European Union or are tied to it by virtue of the Lome' Convention (ACP). Accordingly, these countries find themselves in a situation of conflicting interests with countries like Pakistan which advocates all-out plurilateralism just as Australia, Korea, or India which consider "regionalism" as discriminatory in their respect.

This divergence of views is to be found in the textile sectors among the member countries of the former MFA some of whom are OIC members, and the others (Tunisia and Morocco - in particular).

Despite this crisseron of interests, there still remain a number of subjects on which the OIC countries may find common ground if they were to consult each other in advance. This is for instance the case with the social clause or the implementation of the provisions relating to the special and differentiated treatment in favour of the developing countries. Likewise, the subjects relating to the Agreement on intellectual property rights that are trade-related may offer room for commonality of interests.

- IX -

**PROGRESS REPORT ON THE
ISLAMIC: DEVELOPMENT BANK'S TECHNICAL ASSISTANCE
TO MEMBER COUNTRIES IN MATTERS RELATED
TO THE WORLD TRADE ORGANIZATION (WTO)**

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

(Istanbul, 9-11 May 1998)

**PROGRESS REPORT ON THE ISLAMIC DEVELOPMENT BANK'S (IDB)
TECHNICAL ASSISTANCE TO MEMBER COUNTRIES IN MATTERS
RELATED TO THE WORLD TRADE ORGANIZATION (WTO)**

1. Introduction

1.1. The resolution adopted by the Eleventh Session of the Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Conference (COMCEC), held in Istanbul from 5-8 November 1995, recognized "that effective implementation of the Uruguay Round Agreements will necessitate adjustments in the economic and administrative structures of the member countries to safeguard their interest and take maximum advantage from the opportunities to be created thereby". This resolution further emphasized "the need to closely monitor the implementation of the Uruguay Round Agreements and to request the General Secretariat and related OIC institutions to design and propose to member countries for implementation of technical assistance programme to assist those among them which might have difficulties in responding to the new challenges".

1.2. Similarly, the resolution adopted by the Twelfth Session of COMCEC held in Istanbul from 12-15 November 1996 urged "member countries participating in the WTO-Ministerial Meeting to take place in Singapore, from 9-13 December 1996, to conduct the necessary consultations through a meeting of their delegations to coordinate their positions on the issues involved, taking advantage of the technical support to be provided by the IDB". The resolution also requested "the OIC General Secretariat, the COMCEC Coordination Office and IDB to propose to the Thirteenth Meeting of COMCEC Follow-up Committee a mechanism to facilitate consultations among member countries in pursuit of common stands on future WTO meetings". This progress report describes the efforts of the IDB to implement the provisions of these resolutions by providing technical assistance to its member countries and to assist them in coordinating their positions on matters related to the WTO. The Thirteenth Session of COMCEC (November 1997) requested IDB to take the initiative for consultations and coordination among member countries before WTO meetings.

2. Technical Assistance Activities

2.1. Since the signing of the Uruguay Round Agreements and the establishment of the World Trade Organization, the IDB has been doing its best to provide technical assistance to member countries with a view to familiarizing them with the contents and provisions of the Uruguay Round Agreements and the activities of the WTO so that they could be in a better position to defend their interests. In this regard, the IDB has thus far organized six seminars and workshops. These are as follows: -

- (i) Workshop on The Impact of the GATT Agreement and ISO Requirements on the export capabilities of IDB Member Countries, held in Jakarta, Indonesia, in Muharram 1416H (June 1995);

- (ii) Seminar on the Impact of the GATT Agreement on Trade in Services on OIC Member Countries (organized by the Islamic Centre for Development of Trade in cooperation with IDB), held in Casablanca, Morocco, in Jumad Thani 1416H (November 1995).
- (iii) Workshop on The Impact of the Technical Regulations introduced by the World Trade Organization and the European Union on OIC Member Countries in the Mediterranean held in Ankara, Turkey, in October 1996.
- (iv) Regional Seminar on the International Trade Agreement related to the Technical Barriers to trade among Arab Maghreb Countries (organized by the Tunisian Ministry of Trade in cooperation with the IDB), held in Tunis, Tunisia, in Jumad Thani 1416H (November 1996).
- (v) Seminar on the WTO for the Muslim Countries in Central Asia and some Middle East Countries held in Ashgabat, Republic of Turkmenistan, in December 1996.
- (vi) Seminar for IDB member countries in West and Central Africa held in Dakar, Republic of Senegal, in January 1997.

2.2. In addition, a seminar on Accession to the World Trade Organization and Implementation of the Uruguay Round Agreements was held at the IDB Headquarters in Jeddah from 7-10 June 1997. This seminar was attended by 90 officials from 39 member countries and various international and regional organizations. The seminar addressed vital issues of concern to member countries that are in the process of negotiating accession to the WTO as well as issues of relevance to member countries that are already members of the WTO. It also examined built-in issues on the future agenda of the WTO and new ones that are likely to emerge with a view to providing member countries with information and training that would enable them to participate effectively in and better defend their interests in the negotiations on these issues.

2.3. Since the seminar at the IDB Headquarters in Jeddah, the IDB has been endeavoring to elaborate a comprehensive programme of technical assistance to its member countries in WTO-related matters. This programme is being prepared in close collaboration with the United Nations Development Programme, the World Trade Organization, the United Nations Conference on Trade and Development and the International Trade Centre, all of which have agreed to collaborate with the IDB in co-financing and implementing this technical assistance programme. Meetings with the WTO, UNCTAD and ITC on this issue were held in Geneva from 14-18 July 1997 and with the United Nations Development Programme in New York from 4-8 August 1997. Another meeting between the IDB, UNDP, WTO, UNCTAD and **ITC** was held in Geneva from 29-30 September 1997 and during the High-Level Meeting on the Least Developed Countries held in Geneva from 27-28 October **1997**. Considerable progress has been made in finalizing this technical assistance programme and it is expected that its implementation will start in the very near future.

2.4. Under this new programme, the IDB would provide technical assistance to its member countries for the following four objectives: -

- (i) Increase awareness of the provisions of the Uruguay Round Agreements and the activities of the WTO and their likely implications and impact; on economic growth and development in member countries,
- (ii) Assist member countries that so desire to enhance their negotiating abilities so as to gain accession to the WTO on the most favorable terms;
- (iii) Assist member countries to carry-out their obligations related to the WTO in a manner that will ensure that they derive maximum benefits from their membership in this organization; and
- (iv) Assist member countries in preparing for future negotiations in the WTO and in identifying, assessing and promoting their interests in these negotiations in a coordinated manner.

2.5. The above-stated objectives are to be achieved by:

- (i) Providing appropriate training for officials from both the public and the private sector in member countries that deal with these issues;
- (ii) Organizing seminars and workshops to help member countries to develop their capacities in WTO and trade-related matters;
- (iii) On request, provide advisory support to member countries on specific issues and areas; and
- (iv) Organize brain storming expert meetings to examine issues of interest to OIC member countries, which are likely to arise from the built-in agenda for future negotiations in the WTO.

2.6. It is hoped that this programme would enhance the capacity of member countries to derive maximum benefits from the Uruguay round Agreements, the activities of the WTO and the trend towards globalization.

3. Exchange of Views and Coordination of Positions among Member Countries

3.1. The Bank has also been doing its best to provide a forum for its member countries to exchange views and coordinate their positions on matters related to the WTO. Accordingly, during the First WTO Ministerial Conference held in Singapore from 9-13 December 1996, the IDB, in accordance with the resolution adopted at the Twelfth Session of COMCEC, organized three consultation meetings for member countries. These meetings were attended by representatives of the following twenty countries: Algeria, Bahrain, Bangladesh, Benin, Burkina Faso, Cameroon, Chad, Egypt, Indonesia, Jordan, Morocco, Mozambique, Oman, Pakistan, Saudi Arabia, Sierra Leone, Sudan, Tunisia, U.A.E., and Uzbekistan.

3.2. The major recommendations that emerged from these three consultations were that the IDB should provide the following assistance to its member countries: (i) technical assistance to member countries in the process of negotiating their membership in the WTO; (ii) technical assistance on request, and on a case-by-case basis, to enable member countries that are already members of the WTO to derive maximum benefits from the Organization; (iii) organize a Seminar to assess the outcome of the First Ministerial Conference of the WTO and to evaluate the likely impact of the decisions arrived at during the Conference on present and future IDB members of the WTO; and (iv) assist member countries to keep abreast of developments in the WTO and help them in coordinating their positions in the various bodies of the WTO. In particular, help member countries to make early and effective preparatory arrangements for the Second WTO Ministerial Conference to be held in Geneva in May 1998.

3.3. A second effort by the IDB in this area took the form of a meeting of the permanent Missions based in Geneva of IDB member countries in the process of acceding to the WTO. The following eight member countries participated in this meeting: Albania, Algeria, Jordan, Kazakhstan, Kyrgyz Republic, Oman, Saudi Arabia and Sudan. This meeting was held in Geneva from 17-22nd March 1997 was also attended by two member countries, namely Egypt and Pakistan, because of their active role in the Uruguay Round Agreements and WTO-related matters.

3.4. During the above-mentioned meeting, the IDB member countries in the process of accession to the WTO briefed participants on their current accession status and the specific problems they were facing during the accession process. One thing that came out very clearly from their statements and discussions was that they were all facing very serious problems in fulfilling the WTO conditions and that they were not well prepared for this kind of situation. They all urged the IDB and the relevant institutions to provide them with technical assistance for the preparation of necessary documentation for submission to the WTO (e.g. preparation and completion of memorandum on trade regimes, schedules of tariff bindings etc.) and to prepare them for the market access negotiations. The acceding countries also highlighted the fact that the conditions for accession to WTO were becoming more stringent and that the price which they were being forced to pay for membership in the WTO was substantially higher than that paid by the original members. These views and recommendations have been of immense assistance to the Bank in determining how it could better assist its member countries on WTO-related matters.

3.5. As noted earlier, a seminar on the WTO was held at the IDB Headquarters in Jeddah in June 1997. The IDB is also continuing with its technical assistance to member countries on WTO matters and has organized a brain-storming session in Geneva during the period 27-28 February 1998 on items on the agenda of future negotiations in the WTO prior to the second WTO Ministerial Conference to be held in Geneva in May 1998 and to further delineate elements of IDB technical assistance programme.

3.6. The meeting was attended by more than 40 participants from 19 IDB member countries and 6 organizations. The first day of the meeting was for the selected group of experts who discussed and identified the major WTO-related issues, which were reviewed in the Ambassadorial meeting on the following day. The issues discussed during the two days of brainstorming meeting can be grouped into the following four categories: (i) accession to WTO, (ii) implementation of the multilateral trade agreements, (iii) the built-in agenda of the WTO, and (iv) new initiatives for the future trade negotiations.

3.7. While emphasizing universality, of WTO, the meeting: (a) cautioned against unreasonable demands of developed countries (b) expressed the need for evaluation of URA's (c) the need for technical assistance in dealing with dispute settlement (d) the need to review some WTO provisions (e) the need for coordination and consultation in a number of issues.

3.8. The Brainstorming meeting highlighted several areas for IDB's assistance to member countries. The major areas in which IDB assistance was sought are the following: (i) providing capacity building for acceding countries to enable them to adjust their national economic infrastructure and trade policies to the requirements of the multilateral trading system so as to facilitate the accession process; (ii) monitoring important developments that have a bearing on the trade interests of the member countries such as the development of international standards (the deliberations of which are held outside of the WTO) with a view to enhancing their participation in the formulation of these standards; (iii) enhancing the collective technical and negotiation capacity of the member countries towards optimizing the benefits from the potential weight of the OIC as an economic block.; (iv) financing of legal consultants to benefit from the dispute settlement mechanism of the WTO; (v) undertaking of studies on the assessment of benefits and costs of the Uruguay Round agreements and the rights and obligations of the developing member countries under the WTO; (vi) undertaking evaluation and assessment of trade negotiations in priority areas of common interest to its member countries, and; (vii) promoting regional initiatives for trade among IDB member countries.

3.9. As a follow-up of the Brain-storming meeting, the IDB organized an expert group meeting of the OIC member countries to discuss the issues identified in the Brain-storming meeting and to see ways of coordinating their respective positions during the Second WTO Ministeri ' Conference which will be held in Geneva on 18-20 May 1998. About 90 sen or officials from 55 OIC member countries, 8 relevant multilateral institutions, and selected experts participated in this meeting. The experts have been identified by the Bank and invited to the meeting in their personal capacity.

3.10. The meeting was held in Jeddah on 3-4 Muharram 1419H (29-30 April 1998). The issues to be discussed in the meeting were identified by the brainstorming meeting of experts held in Geneva on 27-28 February 1998. These were (i) Implementation of Agreements (Agriculture, Textile and Clothing;

Special and Differential Treatment of Developing Countries; and Anti-dumping agreements); (iii) Review of Agreements (in particular, the Dispute Settlement Mechanism); (iii) Accession to the WTO; and (iv) Build-in-Agenda (Government Procurement, Trade and Investment, and Trade and Competition).

(Attached is the Memorandum issued by the Jeddah meeting).

3.11 The IDS intends to continue with its efforts to provide technical assistance» to its member countries on trade and WTO-related matters. It would also endeavor, in cooperation with other relevant OIC organizations such as the Islamic Centre for Development of Trade, to provide opportunities to member countries to exchange views and coordinate their positions on matters related to the WTO if COMCEC so desires and requests IDB member countries to take advantage of this opportunity being provided by the IDB.

MH/COMCEC-4/mush
04.05.1998

MEMORANDUM

The participants in the high level meeting, organized under the auspices of the IDB for OIC Member States in order to prepare for the Second WTO Ministerial Conference, submit for the consideration of the Ministers, the principle of a declaration to be made public in Geneva on the occasion of the holding of the said Conference. This declaration could contain the following elements:

- The OIC Member States, WTO Members or Observers, reaffirm their commitment to the multilateral, open, transparent and fair commercial system.
- They recall the objective agreed by the WTO Founding Fathers to make this Organization a universal forum open to the participation of all countries.
- In this connection, they underline the importance of speeding up procedures related to the accession of new members (especially candidates from OIC Member States) and restricting the commitments they have to make to a level which is not incompatible with their developmental needs.
- They avail themselves of this opportunity to urge OIC Member States, in particular, and other developing countries, in general, to strengthen multilateralism through their accession to the WTO.
- They renew their determination for a full implementation of all commitments made in the framework of the Marrakesh Agreements.
- They highlight the developmental dimension underlying any action undertaken or to be undertaken by the international community for the strengthening of the multilateral trade system. At a time when the latter is endeavouring to prepare new multilateral schedules, the question of Special and Differential Treatment should engage focal attention.
- In this context, the OIC Member States are pleased with the outcome of the high level meeting for the Least Developed Countries (LDCs) convened in accordance with the Singapore Ministerial Decision and call for an implementation of the commitments made on that occasion.
- The economic and monetary turmoils observed in some Member States of our Organization clearly show the close inter-dependence between monetary, financial and commercial issues. While recalling the Marrakesh Ministerial Decision in this respect, the participants reiterate the urgency of a collective approach on ways and means of strengthening the coherence of monetary, financial and commercial policies at the international level.

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- They reassert the desire that benefits of the existing or the proposed provisions of the multi-lateral agreement and distributed equitably amongst the members, keeping in view their respective levels of development
- They urged the need to avoid the use of non-trade related measures for protectionist purposes.

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**REPORT
ON THE IMPLICATIONS OF WTO REGULATIONS
FOR OIC MEMBER STATES TRADE
SUBMITTED BY ICCI**

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

(Istanbul, 9-11 May 1998)

IMPLICATIONS OF WTO REGULATIONS FOR OIC MEMBER STATES TRADE

INTRODUCTION

The economies of member states of the Organization of Islamic Conference (OIC) are passing through different stages of economic and social development, but there are a number of common problems with which they are confronted. Several of which are arising due to the various agreements and regulations formulated by the World Trade Organization (WTO). Alongwith these agreements, specified time-tables are also framed according to which the procedures laid down for their implementation shall be followed. Since these are serious problems affecting trade, investment and industrial growth of these countries, they deserve active consideration. It is on the following three areas on which Islamic Chamber presents its report, its approach and its opinion :

- (i) Trade and competition, including Anti-dumping measures adopted by industrial countries.
- (ii) Trade and Investment, and
- (iii) Textiles and Clothing Agreement incorporating phasing out the **Multi-Fibre** Arrangement.

TRADE AND COMPETITION

OIC countries need expanded avenues for raising their exports. However it is being increasingly realized that WTO rules and regulations, instead of assisting these countries to expand their exports, are causing considerable hindrances in their growth.

(a) Dumping charges

The volume of exports of developing countries, which covers OIC Countries as well, have shown a constrained growth during the 1990s. As shown in table 1, developing countries exports had an average growth rate of 7.3 per cent in 1990 which further dipped down in the following years and continued fluctuating without showing any ostensible rise during 1996-98 period. Trade restrictions in industrial countries are mainly responsible for this.

Table I

Exports of Developing Countries including
OIC Member States. 1990-98

(Annual Percent Change)

	1990	1991	1992	1993	1994	1995	1996	1997	1998
Developing Countries	7.3	3.6	10.1	7.1	12.4	11.7	6.0	11.3	8.0
Advanced Countries	6.3	5.6	5.0	2.8	4.5	8.8	5.1	6.6	7.3

Source : World Economic Outlook, May 1997, International Monetary Fund

The major blame on our countries is that we are exporting goods to industrial countries which are produced by cheap labour. This is leading to dumping of goods in industrial countries, causing wide-spread unemployment in the latter. However it is necessary to point out that slowing down of industrial growth in developed countries is mainly caused due to structural rigidities which require training of labour in new emerging industries and services. Moreover rapid technological changes and increased automation are the other factors dampening their industrial growth and raising unemployment level. Some indicators of constrained industrial growth and enhanced unemployment in selected industrial countries are given in table II.

Annual percentage change in industrial growth in 1998 was at the level of (-)0.7 in Belgium (-)0.1 in Britain, (+)3.3 in Germany and (-)1.0 in Japan. Correspondingly the unemployment level in these countries was also quite severe. The average annual change (rise) in unemployment during 1998 in Belgium was 13.6 percent, Britain, 6.5 percent Germany experienced 11.3 and Japan 6.4 per cent. This indicates the dampening of industrial growth in these advanced countries, which is largely due to internal structural factors arising in different industries.

Table II

Industrial Production and Unemployment
in Some Industrial Countries

% Change at annual rate (1998 over 1997)

		Industrial Production	Unemployment
1.	Belgium	(-) 0.7	13.6
2.	Britain	(-)0.1	6.5
3.	Germany	(+)3.3	11.3
4.	Japan	(-) 1.0	3.3

Source : The Economist, London, February 1998.

The constrained industrial growth in developed countries is causing its back lash on developing countries. The cases of anti-dumping measures against OIC developing countries in European Union have not decreased. WTO rules should take due note of this situation. Beside this Countervailing Cases and Voluntary Export Restraint methods are also being used. Here again WTO rules are not very effective in restraining industrial countries imposing such trade restrictions. The result is that through various devices imports in industrial countries are being restricted. All the above mentioned trade restriction methods are being used against OIC countries exports.

(b) Liberalized imports in industrial countries

Another important aspect is that the WTO rules provide liberalization of imports. However liberalization of imports in developed countries has moved slowly in products in which OIC developing countries have ostensible comparative advantage. These products are textiles & clothing, leather garments & footwear and processed food products. As such our countries are not receiving much benefit from liberalization of trade in industrial countries. In a way it is a highly discriminatory manner in which WTO's liberalization rule is being applied in advanced countries. This needs rectification.

(c) Quality Assurance

Moreover under WTO Agreement, ISO-9000 Quality Assurance Programme has been instituted. By the year 2001, most of the above products may not be exported, especially to industrial countries, unless due internationally recognized certificate is obtained.

This matter had been extensively discussed in an ICCI-IDB Seminar held in Bamako, Mali, in December 1997*. It was noted that very inadequate information exists in most of the OIC countries, about contents of Quality Management-ISO-9000 Programme. Moreover they have very limited programmes for development of capability in implementing ISO-9000 System. Hence it seems pertinent that time should be extended for a further period of five years, before ISO Quality Assurance implementation become mandatory.

During this period extensive technical training courses be organized by OIC Countries, in which industrial countries and UN agencies may assist financially as well as through technical training and advice. This will enable private enterprises to fully understand the significance of quality system, and shall be able to develop the firms own programs to achieve ISO-Standards.

ICCI-IDB Joint Seminar on Support Services for Small and Medium Enterprises for OIC French Speaking Countries, Bamako, Mali, 18-23 December 1997.

TRADE AND INVESTMENT

There has been great emphasis of WTO on liberalization of import trade. This is leading to impress upon OIC developing countries to reduce tariff and quota restrictions on their imports. Since these countries are obtaining official aid from the World Bank and International Monetary Fund, hence the latter are also emphasizing that an important condition for eligibility of their aid, shall be liberalization of imports.

The logic is simple, that increased competition for domestic industries, shall compel them to achieve higher level of efficiency. But this is proving wrong. Leaving some selected countries of south East Asia, most of the OIC countries have relatively under developed private sector enterprises. They lack efficient management, which can not properly assess the importance of contribution of modern plants and equipment in industrial production. For achieving this, there should be ready flow of raw-materials and higher trained technicians, whose services may be efficiently used. In the absence of this, if flood-gate of imported goods is allowed, the domestic industry shall be stifled. As such it seems pertinent that the programme of liberalization of imports in our countries should be so devised under a phased sequence, which may take adequate note of the nature of concerned industries and level of management efficiency achieved.

Another important point worth noting is that the structural adjustment programme of the World Bank and International Monetary Fund (IMF) has been closely linked with the import liberalization programme of WTO. Structural adjustment emphasizes reducing budgetary gap and containing inflation. No doubt in principle, both these programmes are important, but debt-ridden OIC countries (leaving selected countries, such as oil producers and Malaysia) utilize most of their national savings and foreign exchange in meeting the requirements of structural adjustment, in order to qualify for the World Bank and IMF aid. Their foreign exchange is largely consumed in foreign debt repayment.

This way domestic savings and foreign exchange are not generally available for larger investment in industry. This leads us to the conclusion that unless larger domestic savings are not diverted from macro-economic adjustment programme towards industrial and agricultural investments, domestic output will not increase.

If through larger investments, industries become more efficient and their output increases, then import liberalization will be justified. In Sub-Saharan Africa, where a number of OIC countries are located, total investment as percentage of GDP declined from 19.3 per cent in 1980-89 period to 16.3 per cent in 1990-94*.

In these circumstances, both structural Adjustment Programme and WTO Import liberalization Programme should be so designed, that larger domestic savings and thereby investments are directed towards industry and agriculture. Both these programmes should be designed in accordance with the requirements of industrial and agricultural growth of various regions.

Here it will also be relevant to remark, that experience shows, that GDP growth is built-up by investments in industry and agriculture. As against that, GDP growth has never been achieved through growth of foreign trade. Beside this, it may be noted that Japan, S.Korea and Hong Kong achieved accelerated industrial growth under substantial protection to their industries. It was at a later stage, when their industries became more powerful to with-stand foreign competition, that import liberalization measures were adopted. Hence in most of the OIC countries, where industries in the private sector are not sufficiently strong, liberalization of imports and opening flood-gate of competition will not be justified.

* Source: International Finance Corporation, Trends in Private Investment in Developing Countries, 1990-94, Discussion Paper No.28 (Washington. D.C., 1995).

REMOVAL OF MULTI-FIBRE ARRANGEMENT

Quite a number of OIC countries are exporters of textiles which cover cloth and clothing wear. Of the top 15 textile cloth exporters, seven are developing countries and of the leading 15 clothing exporters, eight are developing. Among them, several countries belong to OIC group, such as Indonesia, Turkey and Pakistan. Beside these, a number of other countries are, exporting cloth and garments, which forms a substantial part of their exports*.

A large part of these exports are made to industrial countries, which have provided quotas to each exporter under Multi-Fibre Arrangement (MFA). Under this quota, a certain volume of textiles can be exported by a country, and other countries can not compete for it. This has provided considerable protection to textile exporters from OIC countries. Under WTO 1995 charter, the MFA is being replaced by a new Agreement on Textiles and Clothing. Under this, within ten years (by December 2004), quotas granted to various countries shall be eliminated under a phased programme.

Thereafter any country can compete. This will have several implications for OIC developing country exporters. These are briefly mentioned hereunder:

- (a) A large number of small and medium producers in OIC countries export ladies, gents and children garments under MFA Quota System. They do not possess latest machinery and higher technical skills. By removal of quota they can be largely replaced in developed countries markets. For this purpose, special schemes should be developed by Textile Professional Associations and Chambers of Commerce in OIC countries. They should negotiate with WTO members under these schemes.

The Uruguay Round: new approach for the textiles and clothing sector, by Richard Hughes, International Trade FORUM, 4/1995.

- (b) Trade-Related Intellectual Property Rights (TRIPS) Agreement largely prohibits using textile designs and clothing cutting and sewing patterns used under trade marks of companies in industrial countries. OIC countries have limited capacity in this area. For this purpose, negotiations should be held for providing appropriate arrangements, under which foreign designs and patterns may be borrowed. The markets in industrial countries for cloth and apparels are becoming highly sophisticated which need modern machineries and higher technical skills of production. Arrangements shall have to be undertaken for selection and transfer of technology. Until these arrangements provide necessary technology to OIC producers, TRIPs provisions may be relaxed.

CONCLUSION

All this shows that WTO rules and regulations if fully applied, can produce considerable constraints in the growth of OIC countries trade. For this purpose, production system shall have to be improved. This will need institutional and policy changes in OIC Countries. Beside this, appropriate negotiations shall have to be undertaken with WTO members.

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**ISSUES RELATED TO THE ACTIVITIES
OF THE WORLD TRADE ORGANIZATION,
DOCUMENT SUBMITTED BY ICDT**

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

(Istanbul, 9-11 May 1998)

Issues relating to the Activities of the World Trade Organisation

The salient facts recorded within the framework of the World Trade Organisation may be summed up as follows:

* The first ministerial conference of the WTO, held in Singapore from 9 to 13 December 1996, adopted a comprehensive and integrated plan for the Least-developed countries. The conference also provided the opportunity to 28 members to negotiate an Information Technology agreement aimed at eliminating tariffs by the year 2000 on computer products. Thus, it was agreed to abolish customs duties on the MFN basis for technology and information products and to add more than 465 products in the list of duty-free pharmaceuticals.

* Besides the results of negotiations on the improvement of market access in the sectors of financial services, movement of natural persons, maritime transport and basic telecommunications services are poor in comparison with the objectives of Marrakech. Negotiations on telecommunications and on Financial services started respectively in February and April 1997 while the others will start on 1 January 2000.

* The committee on the rules of origin is expected to complete the standardisation of these rules in July 1998 for clock and leather items, iron and steel products, textiles, electronic and chemical products.

* The initiative made by the WTO in favour of the Least Developed countries on the occasion of a high level meeting held in Geneva from 27 to 28 October 1997 led to the granting of technical assistance by financial and trade international organisations, has allowed the access to the EU markets (within the framework of Lome convention on 1 January 1998) and to the United States' markets (within the framework of co-operation between the USA and sub-Sahara African countries).

* At the first ministerial meeting of the WTO, a consensus was reached on a number of "new issues" and it was agreed to establish working groups to examine the relationship between trade and investment, the Interaction between Trade and Competition policy and transparency in government procurement taking into account national policies.

The second Ministerial Conference of the WTO will be held from 18 to 20 May 1998 in Geneva.

1 Information. Technology Agreements (ITA):

The reduction of customs duties on information technology products was enforced on July 1st 1997; the market represents about 500 million US dollars per year.

The products concerned are computers (in addition to printers, scanners, monitors, hard disk drives, power supplies etc.), telecom products (including telephone sets, fax machines, modems, pagers, etc.), semiconductors (including chips and wafers), semiconductors manufacturing equipment and software (e.g. diskettes and CD-ROMS) and scientific instruments. This agreement also includes cash registers, computer networks equipment and some photocopier machines, but not large consumption goods.

Other products are included in this agreement, namely word processing machines, calculators, cash dispenser machines, static converters, signposts, condensers, resistance, printed circuits, fibre optics cables, flat-faced screen display system, scribes and kits for multimedia levelling up.

The reduction of customs duties is spread over four years at a rate of 25% per year: first reduction (July 1st 1997), second (January 1st 1998), third (January 1st, 1999), and fourth (January 1st, 2000).

This agreement is already enforced, since the 43 signatory countries totalize 93% of the world market exceeding the minimum required, namely 90%.

2. Agreement on Textiles and clothing (ATC):

The agreement on textiles and clothing (ATC) was enforced on January 1st 1994 and replaced by the Multifibre Agreement (MPA) that was concluded in 1974. The products concerned by the MFA are man made fibres, threads, textile fibres and clothing. The transitional agreement spreads over ten years divided into four periods so as to enable a progressive integration in the year 2005: 1995, January 1st, 1998, January 1st 2002 and January 1st 2005. The Textile Monitoring Body (TMB) has been mandated to supervise the enforcement of the ATC.

3. Council for Trade Related Intellectual Property Rights (TRIPS):

On February 27th 1997, the council for Trade Related Intellectual Property Rights has consented to the preparatory stages before the negotiations on the establishment of a multilateral system of notification and registration of geographical indications. The council also took note of the solutions agreed upon by mutual consent to settle two disputes that existed between Japan and the United States for sound recording and between the United States and Pakistan for post-marks relating to a patent of pharmaceuticals and chemicals for agriculture

4. Negotiations on trade in financial services:

Negotiations in trade in financial services were resumed on April 10th 1997. As a matter of fact, experts are determined to obtain a high liberalisation level of services on the bases of mutual advantage with the individual flexibility of each developing country starting from January 1st, 2000.

The committee on trade and financial services adopted 56 offers of market opening made by 70 countries including the 15 countries of the EU. Among these countries there are: Bahrain, Egypt, Indonesia, Kuwait, Malaysia, Nigeria, Pakistan, Senegal, Tunisia and Turkey.

Besides, the understanding on trade in services will be enforced upon the approval of the WTO members on January 29th 1999.

After the conclusion of negotiations on telecommunications and financial services, those on maritime transport services and safeguards will be in the limelight of the next meetings.

5. Negotiations of Islamic countries for the accession to the WTO:

Among the 30 governments whose accession is underway, there are 10 OIC countries namely: Albania, Algeria, Azerbaijan, Jordan, Kazakhstan, Kirghizistan, Oman, Saudi Arabia, Sudan and Ouzbekistan. .

Besides, further to the recommendations of the thirteenth session of the COMCEC, co-ordination meetings were organised on the initiative of IDB with the participation of ICDT.

Two meetings were held: the first in Geneva (February 27th 1998), and the second in Jeddah (29/30 April 1998). They especially dealt with accession problems and the implementation of multilateral trade agreements, the built-in agenda of the second ministerial conference of the WTO and the future multilateral trade agenda.

6. Next negotiations

The future negotiations will concern: agriculture, services, TRIPS'Aspects, anti-dumping, sanitary and phytosanitary measures, customs valuation, disputes settlement, import licences, preshipment inspection, the rules of origin, safeguards, subsidies, and countervailing measures, technical obstacles to trade, textiles and clothing, Trade Policy Review Mechanism, Trade Related Investment Measures and Trade Related Intellectual Property Rights.

April 1998

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**STATUTE FOR THE STANDARDS AND
METROLOGY INSTITUTE FOR ISLAMIC COUNTRIES**

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

(Istanbul, 9-11 May 1998)

REVISED DRAFT

STATUTE FOR THE STANDARDS AND METROLOGY INSTITUTE
FOR ISLAMIC COUNTRIES (SMIIC)

PREPARED BY

THE ISLAMIC COUNTRIES EXPERTS' GROUP MEETING ON
STANDARDIZATION

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PREAMBLE

The Governments of the Member States of the Organization of the Islamic Conference (OIC) meeting in....., Turkey, from.....to.....;

In compliance with the objectives of the OIC's Charter,

In pursuance of the aims and provisions of the General Agreement on Economics, Technical and Commercial Cooperation among OIC Member States,

Taking into account the New Plan of Action to Strengthen Economic Cooperation among the OIC Member States,

Taking into consideration the Resolutions of the Standing Committee for Economic and Commercial Cooperation (COMCEC) which recommend the preparation of a Methodology for the Harmonization of Standards and the Establishment of a Standards and Metrology Institute,

Aware of the necessity for the Harmonization of Standards among OIC Member States,

Recognizing the pivotal role of standards in the promotion of intra-OIC trade and alleviating the barriers to trade.

Noting that due to the differences in standards and systems of harmonization which may hamper the expansions of intra-OIC trade, Establishment of Standards and Metrology Institute would be the most appropriate action for alleviating the obstacles to trade in its field of competence,

Bearing in mind the need of Islamic States to expand the trade among themselves, in conjunction with their endeavors for attaining higher development rates,

Giving due regard to existing bilateral and multilateral obligations of individual Member States,

Have approved this Statute for the establishment of the Standards and Metrology Institute as a sound mechanism for harmonization of standards among the OIC Member States and the preparation of new standards.

**STATUTE FOR THE STANDARDS AND METROLOGY INSTITUTE FOR
ISLAMIC COUNTRIES**

TITLE

Article 1.

The name of the Institute shall be the Standards and Metrology Institute for Islamic Countries, hereinafter referred to as the Institute. The abbreviated title shall be SMIIC.

DEFINITIONS

Article 2.

For purposes of this Statute, the following terms and definitions shall apply.

2.1. **OIC** : Organization of the Islamic Conference (OIC);

2.2. **Charter** : Charter of the OIC

2.3. **Statute** : Statute for the Standards and Metrology Institute for Islamic Countries;

2.4. **The Institute** : The Standards and Metrology Institute for Islamic Countries (SMIIC);

2.5. **Member State** : An OIC Member State having ratified this Statute;

2.6. **Representative** : A National authority for standards and metrology representing a Member State in the SMIIC;

2.7. SMIIC Standard : Standards that are adopted and published by the SMIIC;

2.8. Harmonized Standards : Standards on the same subject approved by different Standards Bodies, that establish interchangeability of products, processes and services, or mutual understanding of test results or information provided according to these standards;

2.9. Reference Document : Any document used as the base for the preparation of the SMIIC Standards and/or Harmonized Standards;

2.10. Certification : A procedure by which the third party gives written assurance that a product, process or service conforms to specified requirements;

2.11. Accreditation : A procedure by which an authoritative body gives formal recognition that a body or person is competent to carry out specific tasks;

2.12. Conformity Assessment : Any activity concerned with determining directly or indirectly that relevant requirements are fulfilled;

2.13 Metrology : The science of measurement. Metrology includes all aspects both theoretical and practical with reference to measurements, whatever uncertainty, and in whatever fields of science or technology they occur.

OBJECTIVES

Article 3.

Objectives of the Standards and Metrology Institute for Islamic Countries (SMIIC) are as follows:

3.1. To endeavor to realize harmonized standards in Member States and to eliminate any factor relating to the standards covering materials, manufactures and products, likely to affect adversely the trade among Member States.

3.2. To prepare SMIIC standards aiming at enabling the Member States to reap a maximum benefit from the economic advantages to be brought about by the standards.

3.3. To establish a certification scheme for the purpose of expediting exchange of materials, manufactured goods and products among Member States, beginning with mutual recognition of certificates.

3.4. To achieve uniformity in metrology, laboratory testing and standardization activities among Member States.

3.5. To supply to the Member States, through cost-sharing system, calibration and metrology services, which necessitate large investments and expenditures.

3.6. To ensure education and training for the Member States personnel in the domain of standardization and metrology by making most efficient use of existing means

and sharing accumulated information and experience.

3.7. To provide documentation and information services in connection with standards and issues related to the needs of the Member States in this field.

3.8. To provide technical assistance to the OIC Member States who do not possess such standards bodies with the view of enabling them to establish their own standard body.

MEMBERS AND CORRESPONDENTS '

Article 4.

4.1. The members of the Institute are those Member States of the OIC having ratified this Statute, as indicated in 4.2 below. Correspondent status may be granted as detailed in 4.3 afterwards.

4.2. Members of the SMIC are those Member States of the OIC who ratified the Statute of the Institute. Each Member shall designate its specialized national body in standardization as its representative in the SMIC, and this will be done in accordance with the procedure defined in the internal regulations.

4.3. Status of the correspondent may be granted to:

a) 'National bodies interested in standardization in Member States without a specialized national body in standardization; or

b) Specialized national bodies in standardization in non-member States.

The granting of such status is done in conformity with the relevant procedures defined by the Board of Directors.

The Correspondent has no right to vote.

4.4. In implementing paragraphs 2 and 3 of this article, only one body shall be admitted to represent each Member State.

DECISIONS AND RECOMMENDATIONS

Article 5.

5.1. Decisions in the General Assembly and in the Board of Directors shall be taken by majority vote. Each Member has one vote. A decision must obtain the majority of the votes of present and participating Members in the vote.

5.2. Decisions of the Institute in technical matters shall be considered as recommendations to the members; each member remaining free either to follow or not follow them.

STRUCTURE OF THE INSTITUTE

Article 6.

The internal structure of the Institute comprises the following organs:

- The General Assembly;
- The Board of Directors; and

-The General Secretariat.

6.1. General Assembly:

The General Assembly is the supreme decision-making organ of the SMIIC and composed of the representatives of all Member States as indicated in 4.2 and 4.4 above. Each Member State holds one vote. The General Assembly meets once per year in an ordinary session at the Headquarters of the SMIIC or at any other venue as it may be agreed upon between Member States .

Correspondents may be invited to participate in these meetings without right to vote.

Services of the secretariat for the meetings of the General Assembly shall be carried out by the Turkish Standards Institution until the establishment of the General Secretariat of the SMIIC.

6.2. Board of Directors:

The Board of Directors of the SMIIC is the organ entrusted with the supervision of the execution of the programs, plans and activities of the Institute. The Board of Directors comprises seven members elected by the General Assembly, on the basis of an equitable geographic distribution, for a term of three years. Any member of the Board may be re-elected for a second consecutive term only.

The Board shall elect a Chairman among its members for a term of two years not renewable.

The Board of the Directors shall hold two to four meetings every year, upon the invitation of its Chairman.

The Board of Directors shall be responsible before the General Assembly.

6.3. General Secretariat:

The General Secretariat of the SMIIC is the organ which is responsible of the implementation of the programs plans and decisions of the SMIIC; it is headed by the Secretary General of the Institute, who will be assisted by two assistants Secretary General and other staff members affected to the different groups of the General Secretariat.

6.3.1 The Secretary General shall be elected by the General Assembly from among the candidates of Member States to this post, for a period of three years renewable for another consecutive term of three years only.

The Secretary General shall be responsible before the General Assembly and he will assume his duties and responsibilities under the guidance of the Board of the Directors.

The Secretary General submits annual reports to the General Assembly through the Board of Directors *on* the

implementation of programs, plans and decisions of the SMIIC. The Secretary General attends the meetings of the Board of Directors "without right to vote.

6.3.2 Two Assistants Secretary General shall be appointed by the Secretary General with the approval of the Board of the Directors, from among candidates of Member States.

An assistant Secretary General will be entrusted with the supervision of activities of the General Secretariat relating to technical services; the other will assume the responsibility of supervising activities concerning planning and research management.

6.3.3. The General Secretariat shall be composed of various specialized units called Groups, as follows:

6.3.3.1. Standards Preparation Group:

Standards Preparation Group is the unit assigned the task of harmonization of standards prepared by the Member States, coordination of SMIIC standards preparation activities on behalf of the Secretary General and performance of secretariat services for the technical committees actually carrying out these activities.

Standards Preparation Group performs Machinery, Chemicals, Material, Minerals and Metals, Agriculture, Food, Health and Environment, Construction, Electricity, Electronics, Quality and Certification Scheme, Engineering activities

and any other activity determined by the Board of Directors

Main units of the Standards Preparation Group shall form Technical Committees as it might deem necessary in their work programs and fields of responsibility.

The Group shall take into consideration those opinions of Member States who are unable to participate in activities of Technical Committees.

It shall submit draft standards and documents of harmonization to the approval of the Member States in accordance with the procedures.

It shall follow up publication of adopted standards and documents of harmonization as the Member States Standards in the official languages, fully and without any defects.

6.3.3.2. Certification Group :

Certification Group is the unit carrying out activities aimed at the establishment of a certification scheme among the Member States and performing the certification work on behalf of the SMIIC until achieving this objective'.

Certification Group shall issue two types of certificates, namely Quality System and Conformity Certificates.

These certificates shall be valid for a maximum period of two years and can be renewed, provided that certificates of renewal are obtained as due.

SHI-IC Quality System and Conformity Certificates will be registered and the Secretary General shall be responsible for the protection of certificates and marks of conformity issued.

Certification services shall be performed against payment within the framework of principles described in relevant regulations.

6.3.3.3. Laboratories and Technical Services Approval System Group

SMIIC shall have an inventory of existing calibration standards through the Calibration Services Certification Unit of Laboratories and Technical Services Approval System Group and establish a chain of traceability reaching reference standards for each basic unit.

SMIIC shall act as intermediary, for any unit, for meeting calibration requirement which may arise at any link of the chain to be established. It shall, through its staff of experts, certify the extent of accuracy and precision with which any calibration laboratory offers services.

Metrology services also shall be supplied by making the most efficient use of the existing potentialities in the Member States. Problems to arise in the field of metrology shall be solved through coordinated research.

Existing laboratories in the Member States shall be certified through the accreditation system in terms of their capabilities to conduct given laboratory tests and examinations for conformity with standards. Equivalence, comparability and reciprocal acceptability of test results shall be established through this system.

This group, which will coordinate fulfillment of requirements and determine the level of technical services supplied, shall be paid fees for its services in accordance with the amounts fixed in the regulations.

6.3.3.4. Planning, Programming and Technical Support Services Group:

Basic technical services required by the SMIIIC shall be met through this group. Annual work programs shall be prepared in coordination with the Standardization and Metrology Institutes of the Member States and be presented to the approval of the General Assembly.

Regulations for all services to be provided by the SMIIIC to its members and drafts for outlines of the policies to be implemented shall be prepared, developed through the method of consultation, presented to the approval of the Board of Directors and finalized as official documents.

Documentation and information activities shall be carried out for the Member States.

Training requirements in the Member States in relation to the activities of this Institute shall be determined and for this purpose Special Training Programs shall be arranged.

Draft standards and harmonized standards prepared by the Standards and Metrology Institute for Islamic Countries (SMIIC) shall be translated into the official languages of the Institute and distributed to the Member States.

SMIIC shall provide necessary coordination among the Member States in connection with standardization and contribute to the performance of such services in a manner most suitable for the needs of the Members.

6.3.3.5. General Administrative and Financial Services Group:

General Administrative and Financial Services Group is a unit to be assigned with various responsibilities concerning personnel, finance, publications, public relations, conferences, sale of documents and similar administrative functions; in particular:

1. Personnel affairs;
2. Organization of training of officials and supervision of programs established to that effect;
3. General services including the general register of the staff of the Institute and Headquarters services;

4. Rendering consultations to other Groups on organizational matters;
5. Preparation of studies on the administrative organization in the Institute;
6. Maintaining and auditing the accounts of the Institute;
7. Supervision of storage and purchasing;
8. Preparation of the Institute's budget;
9. Organization of administrative services for conferences and meetings;
10. Maintaining and organization of the library and the archives as well as their use.

RELATIONSHIP BETWEEN THE SMIIC AND THE OIC

Article 7.

The Standards and Metrology Institute for Islamic Countries (SMIIC) is affiliated to the Organization of the Islamic Conference (OIC).

RELATIONS WITH OTHER INTERNATIONAL AND REGIONAL ORGANIZATIONS

Article 8.

8.1. The Institute may cooperate with other international and regional organizations interested partially or wholly in standardization or related activities.

8.2. The Secretary General shall be responsible for carrying out this cooperation.

FINANCE

Article 9.

9.1. The funds of the Institute shall be derived from the dues, services, sales of publications and contributions of the members. The acceptance of funds from other sources (gifts, etc.) shall be at the discretion of Secretary General with the approval of the Board of Directors.

9.2. Turkish Standards Institution will cover the expenses of the Institute for the first three years of its establishment.

9.3. Secretary General shall submit the draft budget to the members three months prior to its submission to the General Assembly for approval.

9.4. The accounts of the Institute shall be duly verified by an external auditor appointed by the General Assembly whose certificate should be presented annually to the General Assembly for consideration.

HEADQUARTERS AND NATURE OF THE INSTITUTE

Article 10.

10.1. The Headquarters of the Institute shall be in Istanbul, Turkey, unless it is otherwise decided by the General Assembly.

10.2. The Institute enjoys the legal personality in the territories of Member States. Consequently, the Institute

shall have rights and bear responsibilities derived from the recognition of its legal personality.

LANGUAGES

Article 11.

11.1. The official languages of the Institute will be Arabic, English and French.

11.2. Resolutions, draft standards, standards, documents and correspondence etc. shall be in Arabic, English and French Languages.

DIRECT ADOPTION OF THE REFERENCE DOCUMENTS

Article 12.

If the Standard Preparing Group deems it appropriate to accept a reference document as a harmonized standard as it constitutes the General Secretariat, it will assign a draft harmonized standard number to the document and circulate it with the special form after acceptance of the Members.

AMENDMENTS AND REVISIONS OF SMIIC STANDARDS

Article 13.

13.1. The decisions for the revision of SMIIC standards will be taken by the Standards Preparation Group upon request of the relevant Technical Committee. The procedure to be implemented is the same as in the preparation of a new standards. Decisions may also be adopted, upon the

request of a member, on whether the SMIIC standards should remain in force with revisions at intervals shorter than five years, or they should be rescinded.

13.2. Amendments to the SMIIC standards may be requested by the relevant Standards Group or by a member.

GENERAL PROVISIONS

Article 14.

14.1. Provisions of the Charter of OIC and its other related documents shall apply in cases not specifically provided for in this Statute or in the Rules of Procedure.

14.2. Provisions of the Agreement on the Immunities and Privileges of the Islamic Conference (OIC) shall apply to the Institute and its staff members.

AMENDMENT OF THE STATUTE OF THE INSTITUTE

Article 15.

Amendments of the Statute can be done by the General Assembly of the Institute. The decisions shall be taken by the majority of the Member States present at the General Assembly and participating in the vote.

RULES OF PROCEDURE

Article 16.

16.1. Details of the operation of the Institute shall be dealt with in the Rules of Procedures which will be drawn

up by the Board of Directors and be subject to approval by the General Assembly.

16,2. Any changes or amendments to the Rules and Procedure is within the authority of the General Assembly. Amendments or changes may be proposed by the General Assembly, the Board of Directors, or at least five members. Decisions shall be taken by the majority of the Member States present and voting at the General Assembly.

DISSOLUTION OF THE INSTITUTE

Article 17.

17.1. A proposal for the dissolution of the Institute must be supported by at least one-fourth of the Member States before a ballot is taken, an affirmative vote of three-fourth majority of Member States shall be required for the dissolution of the Institute.

17.2. In the event of the dissolution of the Institute, the General Assembly shall determine the manner of disposal of the funds and properties owned by the Institute.

ENTRY INTO FORCE

Article 18.

This statute will enter into force after 10 (Ten) OIC Member States have notified their ratifications to the Secretary General of the OIC.

XIII-

DRAFT AGENDA OF
THE FOURTEENTH SESSION
OF THE COMCEC

as recommended

by the Fourteenth Meeting of the
Follow-up Committee of the COMCEC

(Istanbul, 9-II May 1998)

Original : English

DRAFT AGENDA
OF THE FOURTEENTH SESSION
OF THE COMCEC

(Istanbul, 1-4 November 1998)

1. Opening Session.
2. Adoption of the Agenda.
3. Renewal of the Members of the Bureau
4. Background Report by the OIC General Secretariat.
 - World Economic Development with Special Reference to OIC Member Countries.
 - Report of the Follow-up Committee.
 - Review of the Implementation of the Plan of Action to Strengthen Economic and Commercial Cooperation Among OIC Member States.
5. Matters related to World Trade Organization Activities
6. Report by ICCI on the Fifth Private Sector Meeting Among OIC Member Countries.
7. Draft Statute of the Standards and Metrology Institute for Islamic Countries.
8. Exchange of Views on the "Intra-OIC Trade and Investments. Economic Stabilization and Structural Reforms in Member Countries".
9. Date of the Fifteenth Session of the COMCEC.
10. Any Other Business.
11. Adoption of the Resolutions of the Fourteenth Session of the COMCEC.
12. Closing Session.

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XIV -

CLOSING STATEMENT BY
H.E. AMBASSADOR YAŞAR YAKIŞ
CHAIRMAN OF THE CLOSING SESSION

Fourteenth Meeting of the
Follow-up Committee of the COMCEC

(Istanbul, 11 May 1998)

Original : English

**CLOSING STATEMENT
BY H.E. AMBASSADOR YAŞAR YAKIŞ
CHAIRMAN OF THE CLOSING SESSION**

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

(Istanbul, 11 May 1998)

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

We have come to the conclusion of the Fourteenth Meeting of the Follow-up Committee. I would like to express my heartfelt thanks and appreciation to the distinguished members of the Committee for their spirit of cooperation and valuable contributions to the success of this Meeting.

I would also like to express my appreciation and gratitude to the General Secretariat and institutions of the Organization of the Islamic Conference for their interest in and support to our Meeting who have fulfilled the tasks entrusted to them with full dedication and success.

I believe that the recommendations we have agreed upon as the result of our deliberations during the meeting will enhance the effectiveness of the COMCEC and will contribute to the finalization of the projects and issues on our agenda.

In our meeting, we have adopted important recommendations for the implementation of the new Plan of Action. With the efficient implementation of the new Plan, we will be able to improve cooperation and enhance the solidarity among ourselves through a new approach and understanding in conformity with the existing global trends. We have noted with great pleasure that three sectoral expert group meetings have already been held so far and a number of them will hopefully be held this year. I take this opportunity to thank all hosting countries and the countries that offered to host sectoral experts' group meetings.

In relation to the cooperation on WTO affairs, I would like to express my special thanks and appreciation to the General Secretariat, the Islamic Development Bank, the Ankara and Casablanca centers and the Islamic chamber for their efforts to monitor and report on the WTO activities that are of importance to the member countries and assist them in their endeavours to be active members of WTO.

We have also reviewed, during this Meeting, the preparations for the exchange of views' sessions on "Intra-OIC Trade and Investments, Economic Stabilization and Structural Reforms in Member Countries" to be held at the next Session of the COMCEC. I regard this event as an excellent occasion to share our experiences in this important subject.

Another point of satisfaction for us is that the studies for the establishment of the Standards and Metrology Institute for Islamic Countries have come to a final stage. With the establishment of this Institute, our community will have an efficient mechanism for the harmonization of standards hampering the enhancement of trade among member countries.

To conclude, I would like to reiterate my thanks to all the participants for their close interest and active participation. I would also like to express my thanks to all the technical and administrative staff, the interpreters and the translators for their dedicated work.

Hoping to see you again at the Fourteenth Session of the COMCEC in November, I wish you a safe journey back home.