



Economic Cooperation Organization

Statement of the ECO Secretary General
at the
Inauguration of 26th Executive Committee
and 17th General Assembly Meetings of ECO-CCI

30 July, 2019

Istanbul- the Republic of Turkey

**Honourable Chairman
Excellencies , Distinguished Delegates
Ladies and Gentlemen**

At the outset, it is great pleasure to congratulate and express profound gratitude to H.E. Mr. Azarakhsh Hafizi, President of ECO-Chamber of Commerce and Industry (ECO-CCI) and H.E. M. Rifat Hisarcıklıoğlu, President Union of Chambers and Commodity Exchanges of Turkey (TOBB) for hosting the Specialized, the Executive Committee and General Assembly meetings of the ECO-CCI with full participation of the Central Asian States national chambers in this beautiful city of Istanbul. I also welcome my brother H.E. Mr. Baghdad Amriyev, Secretary General of Turkic Council.

We are equally grateful to Engr. Daroo Khan Achakzai, Federation of Pakistan Chambers of Commerce and Industry (FPCCI), and Mr. Gholam Hossein Shafei, President, Iran Chamber of Commerce, Industries, Mines and Agriculture (ICCIMA) for their sincere efforts for making this event a regular feature which is a significant achievement by itself. Mr. Adem Kula, Secretary General ECO-CCI deserves appreciation for his endless and vigorous efforts for running the organization in an efficient manner. We express our thanks to Presidents of national chambers of other member states for their earnest efforts for enhancing private sector cooperation among member countries and their commitment for integration of the ECO region. ECO-CCI regular meetings and interaction of the business communities is a clear demonstration of the commitment for regional integration stipulated in Treaty of Izmir, ECO Vision-2025 and the ECO

Summit Meetings which provide guidance and direction to our organization. We firmly believe that sustained interest, more ownership and understanding, persistent effort of the member states for the collective well-being would indeed contribute in realizing the organizational goals.

The aggregated world trade of the ten ECO Member States is US\$ 804 billion in 2018, compared with US\$ 768 billion in 2017, witnessing an increase of 5 percent. Exports account for 45 percent while imports constitute about 55 percent of total volume of merchandize trade.

These figures show that the share of the ECO region in the world trade is 2.1 % as against ECO region's population of 6.2% in the world population. They also reflect that ECO region's share in global trade has been stagnating around just 2 percent. Equally, intra-regional trade hovers around 8 percent which is far below than its potential and in comparison with peer economic blocs like EU, ASEAN, etc implying that the region is among the least integrated ones. Also, investment profile indicates a similar trend to the trade profile . In 2016 (**will update 2017/2018 figures**), ECO countries received foreign direct investment (FDI) of US\$ 36.5 billion, which is modest figure compared to the developmental needs and national plans of the member states. These have been a matter of pending concern and we need serious deliberations and actions with the help of this august forum of the business leaders. We believe that plan to hold ECO Business Forum in Turkey in 2019 will help in increasing international as well as intra regional trade. Same with interaction with other business communities such as ASEAN under ECO-ASEAN Business Forum.

Distinguished Delegates

I would briefly share this august forum of the ECO activities especially with regard to the ECO legal frameworks, institutional mechanisms, capacity building cooperation with international and regional organizations and programs for promotion of, inter alia, trade and investment, transport and communications, energy and tourism. It is heartening to share that some of them are already in place while some are under the ratification process or fulfillment of procedural requirements.

First about some **important ECO Legal Frameworks**:

ECO Trade Agreement (ECOTA) is the flagship preferential trade agreement. It has been signed and ratified by the five member states and its effective implementation would start upon completion of procedural and legal requirements which are underway. It can play key role in enhancing intra-regional trade. We trust that more understanding among the National Chambers with respective governments would accelerate its effective implementation by removing impediments. These meetings will deliberate how to implement this agreement without further loss of time and upgrade its mechanism, if required so. In the meantime, the National Chambers may persuade their governments to explore ways for possible cooperation.

We need innovative approach to implement ECOTA as well as upgrade its mechanism to deliver its aims in the light of the observations of the contracting parties which will come under discussion in the 8th ECOTA Cooperation Council Meeting

scheduled 18-19 August, 2019 at the ECO Secretariat, Tehran and Ministerial meeting thereafter.

As regards upgrading implementation mechanism, member countries at the preliminary stage may consider application of the tariff reduction regime/modalities on few specific sectors, may be one or two, where they consider trade more beneficial for their national economies. In the meantime, make it more pragmatic and acceptable to all the contracting parties. By this, cooperation will be result-oriented and bring dividend to all member countries. It will be more productive where their main concerns are adequately addressed and convergence of national interests is achieved.

ECO considers that with more active role of the private sectors through its national chambers and closer liaison with their governments will help in removing the impediments without further delay and moving forward on regional integration we all are endeavoring for. I believe that more attention and professional approach embedded with data towards this aspect will be more useful leading to tangible and visible results.

It needs to be underlined that "Agreement on Promotion and Protection of Investment (APPI)", will help increase trade and economic activities reaching its potential. It will come in to force upon ratification of 4th member state.

Distinguished Delegates

Let me share good news. "The Agreement on Establishment and Operation of **ECO Smuggling and Customs Offences Databank**" signed by six Member States and has been ratified by four Member states, has started its operation in Ankara. The

establishment of the Bank is a landmark achievement aiming to help boost revenue of the Member States and reducing its pilferages.

Likewise, the “Articles of Agreement of the Economic Cooperation Organization Reinsurance Company” signed by three Member States, namely, the Islamic Republic of Iran, the Islamic Republic of Pakistan and the Republic of Turkey, has entered into force in December 2017. It will be based in Karachi and the **ECO Reinsurance Company** primarily aims to augment retention/underwriting capacities and to support business activities in the region. National Chambers may persuade their respective governments to early operationalize it and also join these new Forums for increasing commercial activities in the region.

Distinguished Participants

Connectivity is increasingly play its critical role in ensuring regional development, prosperity, social well-being, cohesiveness and resulting in reducing the transport costs which ultimately is leading to enhanced trade in the region. In this regard, we are going to priorities our agenda based on Turkmenbashi Declaration adopted in 2018, in Turkmenbashi. Within the declaration the priority was given to the projects and corridors for which the infrastructures are already in place and ready to be commercialized and have the capacity to be transformed from transport corridors to the economic corridors like the one between China and Pakistan (CPEC).

Another important activity of ECO for facilitating the transport and trade in the region is modernization of border crossing points. We are also planning to develop a network designed to connect

ECO's seaports with its dry ports and to establish ECO Gates in all ECO Member States to facilitate trade in the destination ports of the ECO. To enrich the said Idea, any proposal from the ECO Chamber of Commerce is welcomed.

Honourable Chairman

We sincerely hope that today's meeting would be a productive and result-oriented considering the recommendations of the Sectoral Committees Meetings. Deliberations and decisions will further strengthen the foundations of the private sector cooperation, improve the capacities of the national institutions and would pave the way for bright future of the people of the region. We deeply appreciate ACCI and Turkish Chamber (TOBB) for their excellent arrangements and traditional hospitality. While wrapping up, I on behalf of ECO assure the business community of its possible cooperation to ECO-CCI as per priorities of ECO Vision 2025 for their lead role in furtherance of prosperity in the region. I thank you all for kind attention.