

**Statement by the ECO Secretary General Amb. Khusrav Noziri
at 19th General Assembly and 29th Executive Committee of ECO-CCI
7 March 2022 (virtual mode)**

**Honourable Chairman, Excellencies,
Members of the Executive Board,
Distinguished Participants & Delegates,**

At the outset, I would like to express my profound gratitude to H.E. Mr. Gholam Hussein Shafie, President of ECO-CCI & President of ICCIMA, for scheduling important Meetings of the Specialized Committees, the Executive Committee and the General Assembly. We really appreciate the ECO-CCI for their sincere efforts for enhancing private sector cooperation among ECO Member States and their commitment for integration of the ECO region.

I would also like to express our thanks to H.E. Mr. Rifat Hisarciklioglu, President of the Union of Chambers and Commodity Exchanges of Turkey (TOBB), being host of this important Executive Committee Meeting.

Excellencies,

Private Sector act as engine of growth and an efficient and motivated private sector is a great asset for any country and region. The ECO Secretariat has always attached great importance to the collaboration with private sector in the region and always took concrete steps to involve business communities of the Member States through their representative body - ECO CCI. The regional private sectors have an important role to act as a driver of sustainable economic growth through expansion of regional trade & investment, leading to job creation and poverty alleviation, as set forth in the ECO Vision 2025.

It is heartening to share with distinguished guests that the leadership of the Member States has always affirmed their commitment to regional integration and during the 15th ECO Summit, held in Ashgabat in November 2021, the leaders of the Member States reaffirmed their commitment to integrate ECO economies through various initiatives, including those in the fields of trade creation, trade facilitation, investment promotion, and private sector cooperation.

I would like to bring to your kind attention some of the trade indicators in the ECO region:

- World merchandise trade contracted by 2.9% in 2019 over 2018 (year on year basis) from US \$19.662 trillion to US \$ 19.080 trillion and 8.1 % in 2020 over 2019, to US 17.551 trillion in 2020.¹
- The contribution of ECO to world trade was registered at US \$ 711.3 billion in the year 2020, with regional exports to the world of US \$ 319.6 billion whilst the imports are US \$ 391.7 billion.²
- The intra-regional trade remained around US \$ 56.8 billion in 2020 which is around 7.9% of the region's global trade. There are several reasons for this low share. For example, lack of complementarities among the economies of the Member States and high costs of starting and doing business and high costs involved in intra-regional trade.³
- ECO region's trade in the global trade in goods was less than 3% as against ECO region's population of 6.2% in the world population.
- Global Trade in Services share of the ECO region - US \$ 115.03 billion in 2020 with ECO exports (\$ 55.48 billion) 48.2% of imports (\$ 59.55 billion) made around 51.8%.⁴

Post Covid-19 economic recovery and socio-economic development of half a billion people in the ECO region, primarily depends upon expanded regional trade through greater trade related investment to build industrial capacity in the region to achieve diversification through value addition. The trade facilitation measures will further convert these diversified productions, more competitive in global markets. On this point, cooperation among the private sectors of ECO Member States to create synergy in the policies and procedures related to incentives to investment is important.

Distinguished Delegates,

At this point, I would inform this Forum about ECO activities, especially in 2021. The 5th Ministerial Meeting on Finance/Economy was held in May 2021 which, inter alia, stressed the need to operationalize the ECO Trade Agreements, like ECOTA, Agreement on Protection and Promotion of Investment (APPI), ECO Reinsurance Company,

¹ ICT Web based tools, COMTRADE

² Trade map data

³ Meta data calculated from ICT web based tools, COMTRADE

⁴ ICT data Trade map.

Networking of the Sovereign Wealth/National Development Funds of the ECO Member States, networking among the Special Economic/ Free Trade Zones of the ECO Member States, Setting up a Regional Payment System, among the nominated commercial banks of the ECO Member States as a pilot project to ECO Clearing Union etc.

The Secretariat conducted a feasibility study titled ‘Regional Payment System in the ECO’ to facilitate financial transactions among selected commercial/private banks in our region, using local currencies to the extent possible, and the prospects of creation of ECO Clearing Union among Central Banks of the Member States which would be beneficial for payment related issues in the coming years on a multilateral basis as well as making these transactions more transparent, predictable, uniform and safe with less pressure on the Foreign Exchange Reserves by using local currency swap arrangements for financing imports is important.

The 4th ECO Business Forum was held on the sidelines of 15th ECO Summit on November 25, 2021 in Ashgabat, Turkmenistan in hybrid mode. It was attended by the delegates from the ECO countries including Chambers of Commerce and Industry, high-level representatives of different Ministries of Turkmenistan as well as representatives from the International Organizations and International Financial Institutions namely UNESCAP, UNECE, UNIDO, ADB, IDB, and ETDB etc.

Let me also inform you that the role of private sector in development of transport is acknowledged by the ECO Transport Ministers during their 11th Meeting held on February 2, 2022, and for this purpose, they have approved the proposal of the Secretariat to establish “ECO Transport Excellence Award” in recognition and appreciation of the best performing transport companies, associations and other stakeholders in road, railways, maritime and civil aviation. The ECO-CCI can also contribute to the implementation of the “ECO Transport Excellence Award” through allocation of necessary funds and in coordination with the ECO Secretariat. The Secretariat will soon circulate the Modalities of the said Award to the Member States and the ECO-CCI.

Distinguished participants,

We look forward to a more proactive role of the private sectors through National Chambers with a closer liaison with their governments,

to remove the impediments in regional trade integration by trade liberalization to reduce customs tariffs and eliminate Non-Tariff Barriers (NTBS) through trade facilitation measures in customs procedures, trade related payment systems etc.

In this context, I would allude to ECO Trade Agreement (ECOTA) which has been ratified by five ECO Member States and not operationalized due to divergence of opinions of the Parties to the Agreement. The Agreement can play instrumental role in enhancing intra-regional trade and the ECO-CCI, National Chambers of the ECO Member States and the Businesses Communities; can play a pivotal role in bequeathing the understanding among the policy makers to expedite its effective implementation for long term economic benefits of the region. In this regard progressive and comprehensive trade liberalization through operationalization of ECOTA and negotiation of an FTA, as envisaged in the ECO Vision 2025 needs concerted efforts by all of us.

There are other agreements pending signing/ratification by the Member States to facilitate trade in the region, namely Agreement on Simplification of Visa Procedures for Business Persons and the Additional Protocol to the Agreement on Simplification of Visa Procedures for Businessmen and Transit Drivers, the Agreement on Establishment and Operation of ECO Smuggling and Customs Offences Data Bank etc. where the business community can play its role.

I am pleased to inform you that the Agreement on Promotion and Protection of Investment (APPI) has been ratified by four ECO Member States and it will be operationalized very soon to bolster the confidence of the investors in the ECO region.

Operationalization of the ECO Reinsurance Company (ERIC) is also expected soon giving rise to the prospects of secure trade in the region. The Secretariat has already suggested the national chambers of the non-signatory Member States to consider joining these two forums for increasing 'secure' investment and secure trade.

We appreciate ECO-CCI efforts for planning to hold ECO-ASEAN Joint Business Forum and ECO-SAARC Joint Business Forum with the aim to strengthen inter-regional trade. Hope that these events will be held in 2022.

**Honourable Chairman and
Distinguished Delegates,**

ECO-CCI regular meetings and interaction of the business communities are a clear manifestation of the desire and commitment for improving inter-regional trade. We hope that the specialized meetings, Executive Committee and General Assembly meetings would be a productive and result-oriented and would benefit the Member States in improving the capacities of the institutions and professionals and would certainly pave the way for bright future. As already proposed by the Secretariat, the ECO-CCI may consider setting up a regional task force to coordinate with private sectors and business communities across the ECO region and identify:

1. Gaps in policies and procedures and recommend more realistic and uniform set of actions to plug the gaps to regulate and expand trade and investment;
2. Identify incentives and areas for support for a long-term development of RVCs and establish their linkages with GVCs;
3. Potential for harmonization of standards like testing and certification for Covid-19, measures on Sanitary and Phyto-Sanitary (SPS) and Technical Barriers to Trade (TBTs) to regulate movement of goods and services;
4. Identify priority sectors for assistance of private sector by the Secretariat for trade promotion and participation in ECO Business Forums, as requested earlier;
5. Identify the possibilities and proposals for facilitation of businessmen in the region.

**Honourable Chairman, Excellencies,
Members of the Executive Board,**

In conclusion, I want to assure you that the ECO Secretariat would provide possible assistance in the realizing the goals of this Organization and highest cooperation.

I thank you all for attention.