

**Statement by Amb. Khusrav Noziri, ECO Secretary General,
for the Plenary Session of 21st Annual Meeting of the Board
of Governors of the ETDB**

June 21, 2022 at 14:30 p.m. (Tehran Times-Virtual mode)

**Distinguished Governors,
Honorable President Mr. Yalçın Yüksel,
Respected Participants,**

Good afternoon.

I am privileged to attend this 21st Annual Meeting of the Board of Governors of ETDB. I extend my deep gratitude to the honorable President for inviting me and providing me the opportunity to express my thoughts on this important event. I would also further like to acknowledge the commendable contribution made by the ETDB to contribute in the process of development and socio-economic prosperity of the half a billion people of the ECO region.

The ECO Trade and Development Bank and the ECO Secretariat, have long been endeavoring to enhance the pre-existing cooperation made during yesteryears, to usher in greater cooperation for bolstering socio-economic development of the people of the ECO region. I appreciate the management of the Bank for financing the prioritized projects of the ECO Member States, keeping in view the monetary needs of the ECO Member States.

Distinguished Governors and Mr. President,

We may recall the declaration of the 15th ECO Summit, held in Ashgabat wherein the leaders of ECO entrusted the Secretariat and the Bank to play a more proactive role in supporting and financing ECO projects and programmes, including by forging cooperative ties with international development partners. In the wake of post Covid-19 economic trends the international trade in goods and services has transformed from traditional to virtual mode which necessitates intervention with projects in information and communication technology through allocation of resources by the ETDB to revive the trade in goods and services by reviving MSMEs and SMEs in the region.

If we see trade in goods, 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 of US \$ 391.7 billion. The contribution of the ECO region in global trade has been registered in 2021 (available data) at US \$ 502.6 billion with ECO exports to world at US \$ 227 billion and ECO imports from world at US \$ 275.6 billion.

The intra-regional trade remained around US \$ 56.8 billion in 2020, which was around 7.9 percent of the region's global trade in 2020. The intra-regional trade has been recorded at US \$ 42.9 billion in 2021 (available data) with imports recorded at US \$ 21.5 billion and exports recorded at US\$ 21.41 billion. The reported intra-regional trade is only 8.5 per cent of world trade of the ECO region. ¹

ECO Vision 2025 has set the target of doubling intra-regional trade and increase contribution of the ECO to global trade, especially exports by tapping regional potential.

In trade in goods, trade liberalization through Customs Tariff Reduction under ECOTA has been the pivot for:

- a. Creating regional trade flows and trade diversion from outside region into it on the basis of efficiency and comparative advantage;
- b. Removal of Non-Tariff Barriers (NTBs) to reduce cost of doing business and trade, attracting investors from the region as well across the world, amid a growing demand of half a billion people, endowed with natural endowments like competitive fuel prices, abundance of raw material, low wages;
- c. Incentivize the investment profile of the region by implementing low internal tariffs among the ECO Member States as the foremost factor to attract investors.

A brainstorming session was held in the ECO Secretariat on 23rd and 24th May 2022, in which the Deputy Foreign Ministers of the ECO Member States expressed their full support for implementation of ECOTA at the earliest. The Islamic Republic of Pakistan has announced

¹ Tradema.org , ITC Web tools, accessed on May 12, 2022. The meta data calculated thereof.

the last week of July as the date for 9th ECOTA Cooperation Council Meeting in Islamabad, to find an agreed solution to implement ECOTA.

In addition the Secretariat has initiated some Projects for Trade Facilitation and Trade Capacity Building in collaboration with development partners like UNIDO, UNCTAD and IsDB. The UNGA Resolution A/RES/75/324 on UN-ECO Cooperation, adopted on September 9, 2021, appreciated the “Joint ECO-UNIDO Trade Capacity Building Project” and emphasized the continuing efforts to strengthen the existing cooperation between UNIDO and ECO, especially in the field of Trade Capacity Building of Member States and invited the relevant United Nations institutions and agencies to consider supporting the implementation of the next phase of the project. The Bank has a unique opportunity to join the Secretariat to pursue with these donor agencies/development partners for spearheading resource allocation for the projects with UNIDO, UNCTAD, and IsDB etc.

I would like to mention that Energy is another priority area of cooperation within ECO, which is key contributor to the sustainable development of the region by addressing unique challenges, promote energy innovation, investment and connectivity, as well as enhance capacity building etc. Two flagship projects are clear attempts to realize ECO Vision’s targets: cooperation to consider establishment of Regional Electricity Market and Clean Energy Center. The Bank may be one of key contributors to lead donor partnership in operationalization of ECO Clean Energy Center, which will carry out projects in energy efficiency and renewable energy for ECO region with possible attraction of international donors further. By participation in co-financing the said Project on Regional Electricity Market, the Bank may have spillover effect to involve various levels of public-private partnership in its implementation phase.

In the Services Sector there is a huge potential for growth and diversification in the region and the Ashgabat Consensus for Action, assigned Tourism Ministers of the Member States to take urgent measures in coping with serious challenges of the ECO tourism industry arising from Covid-19 pandemic. The current chairmanship of ECO – Republic of Uzbekistan pays attention to restoration of services sector such as travel and tourism, proposes to adopt a regional programme on developing a safe tourism by widening of geography of aviation links, development of

tourist infrastructure etc., during the Tourism Ministerial Meeting scheduled to be held in Bukhara in 2022. Likewise, there is a need to pursue cooperation among the ECO Member States and the Bank, as documented in the joint ECO Health Action Plan 2021-2022, in the area of data-sharing, technology transfer, smooth mechanisms for intellectual property, vaccine and drug development and cooperation in medical equipment / consumables in the ECO region.

Distinguished Participants,

I had the pleasure to host H.E. the President of the Bank in the Secretariat for a meeting on May 22, 2022 wherein we discussed the matter in detail keeping in view of the mandate of the Bank. I invited the Bank to contribute in the various initiatives of the Secretariat for implementation of regional projects, in collaboration with international partners like ADB, IsDB, UNIDO etc. In this regard, as discussed during our meeting, the role of ETDB will be significant to coordinate with the development partners in project payments and lobbying with donors to finance regional projects for infrastructure in the aforesaid priority areas of the ECO region. The magnanimous sharing of costs of research and feasibility studies in trade and investment will be welcomed, to pave the way for trade expansion leading to economic growth and socio-economic development of the people of the region.

Active cooperation between the Bank and the Secretariat to strengthen the role of the Bank by increasing the membership of the Bank to rope in the remaining four ECO Member States to join a parties to the Bank and increasing the share of the Budget of Banks' contracting parties is the need of hour to support the economic development of the region. While expressing my appreciation on the progress the ECO Bank has made in expanding its membership base and operations, I would like to inform you that the ECO Secretariat is making all out efforts so that the remaining four ECO Member States namely Kazakhstan, Tajikistan, Turkmenistan and Uzbekistan to join the Bank at the earliest convenience.

While concluding, I would like to thank the distinguished President of the ECO Trade and Development Bank for the good organization of the event.

I thank you very much and wish you best of luck.