

In the name of Allah

H. E. ECO Secretary General H. E. Rahmanov, President of the Republic of Tajikistan Excellencies Heads of ECO Member States Distinguished guests, Ladies and Gentlemen,

I would like to present my appreciation to H. E. President Rahmanov and the esteemed people of Dushanbe for their warm welcome and holding the ECO Summit Meeting here in this city.

Afghanistan is proud of being a member of this Organization. We are glad the for the first time we hosted a great ECO event in Kabul month ago this current year and duly Afghanistan would be the chairman of the ECO Chamber of Commerce for the next two years.

Our region has vast economic potentials and we have to exploit them together. This would be realized through three means:

- First, we are as a bridge to promote trade in the region.
- Second, we are now on the process of economic reconstruction and ready to attract regional investment.
- Third, we are in a region in which our economic and political interests are bound with the ones of our neighbors. So instability would harm all of us.

The role of Afghanistan as an economic bridge:

Afghanistan has an ancient history as a matter of trade activities. We would like to revive our role as the connecting bridge of the region and meet the needs of the trade markets in this corner of the world. Through the assistance of the friendly countries and the financial international organizations we would rebuild the main roads so to connect all the capitals of the Central Asian countries to the Persian Golf providing the access in less than 32 hours of traveling. From Tashkent to Tehran and from Bishkek to Karachi.

These main roads of Afghanistan would provide access to send goods to the major markets of the region. But these roads are not the only way to promote trade among these countries. We have to harmonize our costumes and tariff policies among each other. Fortunately Afghanistan could establish a facilitated costumes system. We would like to cooperate with our neighbors in order to promote the transparency, potentials and cooperation along the common boarders. Through reinforcement of the security forces in Afghanistan we would be able to secure these roads and remove corruption and insecurity.

The role of Afghanistan in developing investment in the region:

Economic growth of Afghanistan would be in interest of the countries in the region. We expect that in the next seven years we would receive 27.5 billion dollars of international assistance that would be dedicated to investment in different priority areas. This investment would also have positive impact on the neighboring countries.

The challenge we are facing is not just reaching a rapid economic growth but we expect a regional balanced growth the benefits of which would be for all the nations. We would reach this through regional cooperation.

We also know that the key to long term economic development is not just the international aids but these opportunities would be realized through private investments.

Now thousands of simple and experienced workers from countries of the region have come to assist Afghanistan. Great companies from Turkey, China, Iran, Kyrgyzstan, Pakistan and Uzbekistan are assisting the reconstruction of the economic infrastructure of Afghanistan.

We would like to expand the regional trade and prepare the ground to support any actions of such. In order to do so we would like to provide the needed investment guarantee for the merchants, so to promote the dynamic and proper trade in the region.

ECO & its role in regional stability

Development and growth of all the ECO Member States would contribute to strengthening the regional security and stability, even to the world security.

We have to combat terrorism together. We all witness bitter terrorist acts in Kabul, Tashkent, Islamabad, Istanbul and other countries of the region.

Terrorism does not limit to boarders and any shelter for such acts would threaten the security and stability of the region and the glob. So we have to take common action in this regard.

Afghanistan has suffered the most in the past three decades because of direct or indirect foreign interventions and we all know the terrible consequences of an instable Afghanistan in the region. I emphasize that all of us should respect each other's sovereignty and independence as our basic policy so to gift our people with welfare and peace.

Ladies and Gentlemen,

As may be seen in the other parts of the world establishment of such economic cooperation organizations would promote the economic, social and cultural potentials of all Member Countries. So let's take the opportunity and with an all out cooperative spirit take advantage of these advantages.

Thank You.

Statement of H.E. Mr. Artur Rasi-zadi,

<u>Тор</u>

Prime Minister of the Republic of Azerbaijan

Distinguished Mr. Chairman, Distinguished Heads of the Delegations, Ladies and Gentlemen,

First of all, I would like to greet the participants of the 8th Summit meeting of the Organization for Economic Cooperation and express my gratitude to the leadership of the Republic of Tajikistan for the organization of this event at high level and for hospitality.

Azerbaijan believes in the aim and principles of the Organization for Economic Cooperation and makes its efforts to expand mutual cooperation within the framework of this Organization in order to attain general development and prosperity of our states. In the framework of the Organization for Economic Cooperation, we particularly pay attention to the enhancement of cooperation in the fields of energy, agriculture, transport, communication, trade and investments.

We should devote our efforts to mobilization of the existing resources in the priority fields with the object of putting into effect dream of our nations. At the same time, naturally with the development of our Organization, new

fields for cooperation may also come true.

We would also like to emphasize peace, security and stability as the main condition for sustainable economic development and cooperation. Our Organization should take into account existing threats like terrorism and aggressive separatism that damage social-economic condition of our states.

We, at the same time, should express our deep concerns about armed conflicts within the region of the Organization for Economic Cooperation, leading to serious social and economic problems, creating refugees and internally displaced persons. We must particularly stress the increasing threat for social economic life of the Member States originating from drug smuggling, money laundry and other illegal activities in the conflict and uncontrolled zones.

By the way, all these happen even today in Nagorny Karabakh and its surrounding areas of Azerbaijan, which are occupied in the result of Armenia's aggression. Therefore, in order to ensure the territorial integrity and unchangeability boarders of the states of the region, we should try to find complete and prompt solution, based on principles and norms of the international law, of the existing armed conflicts in the area of the Organization of Economic Cooperation in order to attain regional development and cooperation.

Dear colleagues,

As you are aware, thanks to its geo-strategic position, rich natural and human resources, Azerbaijan is drown into international projects like restoration of the Great Silk Way through Europe-Caucasus-Asian Corridor (TRASECA), and transportation of hydrocarbon reserves of the Caspian Sea to world markets.

Besides this, six Member States of the Organization for Economic Cooperation are participants of the UN Special Program for the Economies of Central Asian Countries (SPECA). For this reason, we stress the necessity for linking the activity of the Organization for Economic Cooperation on transport with TRASECA and SPECA programs.

By joining the North-South transport corridor Azerbaijan will become the crossing point of TRASECA through that corridor.

We are supporters of creating favourable environment for the private entrepreneurship, supporting small and medium enterprises (SME) and enhancing the cooperation directed to intensify business relations in the region of the Organization for Economic Cooperation.

Distinguished Ladies and Gentlemen,

Next year we will be the witnesses of completion of the construction phase of Baku-Tbilisi-Jeyhan main export pipeline and transportation of oil resources through this pipeline. Baku-Tbilisi-Arsurum gas pipeline project will also be realized soon. We hope that these pipelines will also serve for the interests of other Member States of the Organization for Economic Cooperation.

At the same time, our country also approves the initiative of the Organization for Economic Cooperation on joining energy systems and their parallel activity.

Dear Mr. Chairman,

Distinguished Summit Participants,

Besides all of these, we also consider necessary to carry out reforms in order to improve efficiency of the Organization for Economic Cooperation. We hope that these reforms process will assist our region to become a centre of important economic activities.

Statement of H.E. Mr. Seyed Mohammad Khatami, President of the Islamic Republic of Iran In the Name of Allah, The merciful the Beneficent His Excellency Emomali Rakhmonov, President of the Republic of Tajikistan, Distinguished Heads of ECO Member States, Excellencies, Ladies and Gentlemen,

I take it as a good omen that 8th Summit Meeting of ECO is convened in beautiful city of Dushanbe. I would like to extend my sincere felicitation to H.E. Mr. Emomali Rakhmonov, the President of the Republic of Tajikistan, for his election to chair our organization. I would also like to express my gratitude to the government and people of Tajikistan for the warm hospitality and excellent arrangements made for this meeting. Let me also take this opportunity to congratulate H.E. Mr. Emomali Rakhmonov, government, and the friendly nation of Tajikistan on the occasion of 9th of September, National Day of the Republic of Tajikistan.

I would like to also avail myself of this opportunity express my gratitude to the Government of Turkey as previous head of ECO for tireless efforts aimed at development and consolidation of cooperation among member states.

Excellencies,

Standing in the midst of the historical Silk-Road and looking at the both ends of the route that for centuries linked East to the West gives us a bright and promising perspective for ECO.

Today, the Republic of Tajikistan is hosting a group of nations who have once again assembled together in order to further solidify their relations and based on their past experience to open the new windows of opportunity for cooperation and realization of their expected objectives and aspiration.

ECO which is now holding its 8th Summit was founded on the basis of the noble objective to accelerate the process of the comprehensive development of its member countries through employing all its material and moral potentials. It also seeks to upgrade the well-being of the people of this region on the basis of its own peculiarities and past experiences. I hope that this 8th Summit meeting would be able to take effective step towards this end.

Dear Participants,

As you are all aware, the world and the region are facing with an alarming trend resulted from a unilateralist approach of exercising power. Thus, different set of relations among the countries and the region are being shaped on new basis. Under these circumstances, it is our duty to further strengthen relations amongst ourselves while taking into consideration characteristic of the region as well as our culture and national tradition and by doing so hinder the realization of all mal-intensions. These elements are abusing subjects such as "combating terrorism" to justify their unfair campaign against the nations. By repeating their old stereotype slogans which have now become very boring, they have employed the most horrifying violence and oppression to undermine the nations and to achieve their own goals while ignoring one of the most important forms of terrorism, i.e. state sponsored terrorism.

Notwithstanding, that those who believe in the noble teachings of Islam and also in the view of all freedom lovers of the world, terrorism in all its forms and manifestation is condemned and it is necessary to fight all forms of it. It is in this context that cooperation and interaction with the aim of reaching a sustainable peace and security, is the dire need of all member countries. Meanwhile, safeguarding "lasting peace and security" as well as "comprehensive development" are the undisputable need of the region. At the same time, prevailing justice together with development at the international arena will lead us to a world free of oppression, injustice and discrimination. Thus, there is no doubt that security and development apply great influence on each other, so that we cannot have "peace without development" or "development without security". In this context, achieving peace and security without justice is too difficult. Therefore, it is expected that ECO would herald these principles into its policies.

Now that after two decades of war and bloodshed in the neighbouring and brethren country of Afghanistan, the people of the country are getting ready to hold the Presidential elections, so that by laying the foundation for establishment of a central government and formation of permanent public institutions, create solid pillars for this member of the ECO family, we too, take this as a good omen and hope that through establishment

of lasting peace and security, the road would be paved for development of the country and by doing so, the process of reconstruction of the ruins and destructions of over two decades of war will be accelerated and will gain a greater impetus. We also wish that by reinforcing the pillars of democracy, a lasting stability which is a prerequisite for development, will be established so that the country in a not too distant future will assume an outstanding role in economic activities of ECO.

The Islamic Republic of Iran which ever since the start of the reconstruction of Afghanistan, in tune with the international community has remained loyal to its commitments towards this country and pledged a 250 million dollars aid for five-year period. In the past two years alone we have granted 120 million dollars financial aim to Afghanistan in the forms of numerous projects including building of the Dogharoun-Heart road, Milak bridge, electrification of Heart and similar projects. May I call upon other ECO member states to assist the noble people of Afghanistan at these difficult but unforgettable times. The Islamic Republic of Iran further hopes that the plan for "Special ECO Fund for assisting Reconstruction of Afghanistan" will be operationalized as soon as possible so that the organization can fulfill its duty and shoulder its historical responsibility in this respect which serves as a prerequisite to securing of peace and stability in that country.

Mr. Chairman,

Honourable Participants,

In today's world the move towards "Harmonization of rules and regulations", "expansion of international interactions and communication", "establishment of trans-national holding companies", "promotion of investment" and "internationalization of trade" are taking place every where. There is no doubt that one can neither ignore these global developments and remain indifferent towards future challenges nor just simply yield to them. Rather, "modern regionalization" should be considered as one of the most effective strategies for preservation of the historical, national and regional identity. We should also create a competitive environment within our regional cooperation and by recognizing the comparative advantages of the member states, expand trade exchanges among the members and by doing so we will be able to add to the national and regional prosperity and be prepared for competition at global level.

For a long time our countries were linked to one another through "Silk Road" and extensive economic, cultural and social relations and interactions have mutually influenced and impacted our nations. If that brilliant historical experience is exploited along with today's excellent potential and valuable talents of the people of our countries, ECO can prove to be far more effective than what it has been so far.

The performance record of ECO through establishment of specialized institutions such as the ECO Cultural Institute, ECO Scientific Foundation and through measures towards establishment of the ECO Trade and Development Bank, Reinsurance Company and signing of agreements such as the ECO Trade Agreement (ECOTA) and the trend of progress of the Transit Trade Framework Agreement (TTFA), reflects significant achievements for our organization. However, we believe that potential resources and abilities of countries and nations of the region on the one hand and the need for convergence in the present world on the other hand, compel us to take even greater strides towards integration and enhancement of these programs.

Setting up regular meetings at the level of the senior officials of ECO, comprising of deputy foreign ministers of the member states for regular review and assessment of the outcome of the activities of the organization and presenting recommendation for improving the effectiveness and efficiency of ECO, shall assist the organization for attainment of its objectives.

This has already been emphasized by the ECO Eminent Persons Group (EPG), and also has been raised in the Tehran and Istanbul Summits. Islamic Republic of Iran has supported the idea. While expressing our satisfaction for its adoption, we expect the Foreign Ministers to take necessary steps for its implementation.

To this end the establishment of a "Free Trade Area" in ECO region by 2015 which has been approved as a priority, will be a step towards our economic integration and will upgrade the quality of organization. This could strengthen the trade mechanisms such as ECOTA and Transit Trade Framework Agreement (TTFA). It also promotes and facilitates people to people contact amongst countries of the region and eventually pave the way for other economic, social and cultural cooperation. We believe that such goal setting is a major step towards further consolidation of ECO regional cooperation and we expect the member countries to take necessary actions for its realization.

Therefore, it is necessary that in addition to establishment of "ECO Free Trade Area", we attach great importance to programs in "Trade and Investment" as well as "Transportation" and "Energy" and their sectoral ministerial meetings.

Since Transportation and Communications sector has a key role in facilitating the movement and trade exchanges among countries, we believe that greater attention should be made to remove the impediments on the way of its implementation. Facilitating the operationalization of the cargo and passenger train between Alam-Ata—Tashkent—Ashghabat-Tehran—Istanbul is indeed one of the most important tasks in this regard.

Before concluding, I wish to take this opportunity to congratulate Mr. Orazbay for assuming the office of ECO Secretary General. I trust that during his tenure ECO would achieve further success towards its goals and objectives.

In conclusion, I pray to the Almighty God for the success of this Summit as well as progress of our organization. Once again, let me express my thanks to the government and people of Tajikistan for their warm and cordial hospitality.

Thank you.

Statement of H.E. Mr. Daniyal Akhmetov,

<u>Тор</u>

Prime Minister of the Republic of Kazakhstan

Esteemed Mr. Chairman! Distinguished heads of nations and governments! Respected Secretary General!

First, I would like to join to congratulations in view of the appointment of H.E. Emomali Rakhmonov as the Chairman of today's meeting and express confidence that under his guidance our work will be successful and fruitful.

Esteemed Mr. Chairman,

Development of regional integration is the proper respond to new challenges and threats of the world civilization.

Republic of Kazakhstan has always been striving for gradual development of regional cooperation, achievement of economic prosperity based on joint actions.

We are sure that there is no alternative for involvement in processes of regional integration. At the same time, the only tool for resolving current problems is development of national economies, creation of workplaces and structural and institutional reforms. In the last several years the economy of Kazakhstan demonstrates high and stable growth. Thus, during the last four years aggregate GDP growth in Kazakhstan totaled to more than 50%.

Kazakhstan was one of the firsts in the CIS who started to elaborate long-term programs for socialeconomic development, the major objective of which is to put living standards and life quality of the nation in accordance with the standards of the most developed countries in the world. The program of industrial-innovative development of Kazakhstan until 2015 has been launched the last year, aiming to diversify the economy and modernize manufacturing sector of the domestic industry.

Social-economic expansions of Kazakhstan at this stage, results of the reforms conducted are the important factors for more active promotion of regional cooperation.

Today the aim of our joint efforts is not only to minimize negative consequences of globalization, but also, in the first instance, to create favorable opportunities for broad-gauge development of our countries under globalization. This is achievable only if we could find effective methods for optimal management of globalization processes in the region, which is impossible without cooperation with international organizations.

In this context, we welcome the expansion of ECO relations with international and regional organizations,

which is the cornerstone of effective work of the Organization.

Despite certain achievements, we have to state that the pace of development of our Organization does not correspond to rapidly changing situation in the world.

Execution of many agreements has been unjustifiably delayed; mandatory execution of decisions principle is being ignored. In our judgment, insufficient effectiveness of the current mechanism for realization of achieved agreements is the reason for that.

It seems, that different economic development levels of ECO Member States is not the last factor here. Apprehension of current geopolitical situation by our countries is also not equal.

Today it is important to consider mistakes made in the work of the Organization. Experience of the past points at the necessity of change the organizational structure of ECO and making relevant amendments into constituent documents. Without this we cannot effectively mobilize available technical and financial resources necessary for realization of various projects. In relation to this, recommendations prepared by the ECO Eminent Persons Group on changing both organizational structure and procedural issues of the Organization, as well as "ECO Perspectives until 2015" are quite crucial and useful.

Considering the development strategy of ECO Member States until 2015, it has to be emphasized, that it needs clear conceptual justification and concrete decisions for the shorter periods of 2-3 years.

Mr. Chairman,

Today the most crucial task for the countries of the Organization is development of transport and power communications.

Only by construction of modern trans-regional and transcontinental pipelines we can withstand strengthening world energy crisis and correct existing disproportions in consumption of energy resources.

Without intensive development of transit-transport potential, creation of modern transport network, formation of new routes for transporting goods to the world markets it is difficult to talk about economic growth of the region. Majority of the ECO Member States are land-locked with no access to sea and, respectively, to the world markets. Therefore, Kazakhstan gives primary importance to development of transit transport in the region, which is the cornerstone of raw materials export.

Kazakhstan is the initiator of the largest regional project – construction of Trans-Kazakhstan railway with European-standard railway gauge, lying through the territory of Kazakhstan, Turkmenistan, Iran, Turkey and leads further to Europe. This project is of strategic meaning not only for these countries, but also for the whole region.

Kazakhstan undersigned more than 60 bilateral and multilateral agreements in the field of international traffic. We have joined to the whole range of important conventions on automobile, sea and internal water transport; we do also actively cooperate with international transport organizations. National program on development of automobile roads is currently being realized in Kazakhstan, which should become some kind of linking bridge between Asia and Europe. There are several agreements with international financial institutions on granting loans for reconstruction of those roads, which considered having international meaning. Works on rehabilitation of Almaty – Bishkek, Astana – Kostanay – Chelyabinsk, Shymkent – Samara road sections has already been started. Modernization of "Dostyk" railway station on the border with China and of "Aktau" international seaport is drawing towards completion. Besides, the works on bringing the infrastructure of the airports, including international airport of Astana, in accordance with the requirements of international standards continues.

For Kazakhstan, which possess substantial oil resources, issues of its transportation for export, determination of the optimal routes of future export pipelines are of great importance. We intend to increase oil production from year to year through intensification of existing and exploration of new oilfields. Therefore, cooperation in the area of oil and gas, as well as interaction of energy systems of ECO Member States is not of lower priority for us.

Expansion of transport-communication cooperation will assist in many ways in more effective promotion of

trade in the region. Trade-economic potential available in the countries of the Organization is not being exploited in full. This depends mainly on existing tariffs and customs barriers, which complicate trade exchange among ECO Member States.

We believe that much more perspectives for promotion of trade lay in establishment of free-trade zones within the framework of the Organization and formation of transnational holdings with participation of interested enterprises and banks of the ECO Member States.

In order to promote regional trade the Member States have to attract private sector, elaborate tangible investment projects in the main areas of industry and agriculture.

It is necessary to pay serious attention to development of agriculture. Here the main attention should be focused not only on production, but also on diversification of food products, reduction of losses by using new technologies.

One of the basic tasks for ECO countries should be the promotion of cooperation in the area of environment. Improvement of living standards and well-being of population of the region requires serious joint actions in this direction.

Mr. Chairman,

The issues of regional trade-economic cooperation among ECO Member States tied up indivisibly with the issues of peace and security in the region. Kazakhstan continuously stresses the attention of international society on the necessity of immediate settlement of Afghan problem. September 11 events and consequent ant-terrorist campaign in Afghanistan have demonstrated that none country of the region can stay out of the war with terrorism and the processes take place in this long-suffering country.

Afghanistan was and continues to be the heart of Central Asia and we think that countries of the region have to switch onto more determined actions on establishment of collective mechanisms for stemming financing flows of terrorist activity, creation of "security zones" around Afghanistan aiming to control drug traffic through Central Asia to Europe thus destroying the fundamentals of international terrorism.

For this goal, it is necessary to exploit unused potential of international and regional organizations such as Shanghai Cooperation Organization, Collective Security Treaty Organization, Organization of Islamic Conference, Conference on Interaction and Confidence-Building Measures in Asia.

Afghan people have to be confident of their future and that there will be no return to the past time, when the country experienced chaos and lawlessness. Only by joint actions, we could render necessary support to Afghanistan including development of our trade-economic interaction within the framework of ECO, for which we have to establish common mechanism for creating favorable conditions for free trade, fair competition, constructive cooperation for the benefit of our nations.

I express my confidence in that today's Summit and decisions made herein will further promote strengthening of broad-gauge relations among our countries.

Thank you for attention.

Тор

Statement of H.E. Mr. Askar Akaev, President of the Kyrgyz Republic

Esteemed Mr. Chairman, Distinguished Heads of States/Governments, Respected Mr. Secretary General, Ladies and Gentlemen,

Allow me, at the outset, to greet H.E. Mr. Emomali Rakhmonov, the President of the Republic of Tajikistan for his having been elected a Chairman of the 8th ECO Summit and express my sincere thankfulness for excellent arrangement of this Summit. Cordial hospitality of Tajik friends proves our meeting to be friendly and

successfully.

After holding the previous Summit in Istanbul, our Organization has made significant step forward both in terms of development of regional cooperation among the ECO member states and in expansion of ties with other international and regional organizations.

Our regular meetings convincingly confirm progressive developments, intention and will of our countries to personify the idea on establishment of common economic area from Central Asia to Persian Gulf and from Black and Caspian Seas' coasts to Indian Sea. This economic area can become a bridge between Europe and Asia. This, in fact, makes up a fundamental semantic platform of our meetings based on universal norms of international laws and economic cooperation on the principals of mutual advantages. Kyrgyz Republic fully understands and supports them, and in its foreign-economic policy, Kyrgyzstan is aware about necessity of harmonized combination of national and regional interests.

I am confident that Dushanbe Declaration to be approved today and ECO vision until 2015 prepared by Eminent Person Group (EPG) responds the interests of all members of Organization, and I hope that this meeting will show our common efforts to come to specific projects of mutually beneficial cooperation. They will promote for supporting high image of organization at the international arena.

Esteemed Mr. Chairman,

Distinguished Ladies and Gentlemen,

At present, Kyrgyzstan's economic development is sustainable. The ground for this development is our new economic mentality and new public-political atmosphere, when public mass has not only accepted the imperatives of market society, but also believe in it.

Having been significantly strong inly we entered this year believing in our future, and it gave strong and tangible outcome. Economic growth of the country for the first half year was 9%. We significantly increased the number of direct investments into country's economy, activated foreign trade and transportation and expanded national entrepreneurship.

Attraction of foreign direct investments in country has become a new dominant of economic policy of Kyrgyzstan. Implementation of investment matrix in Kyrgyz Republic has resulted in increasing foreign investment in the economy of the country.

Gross direct foreign investment in 2003 exceeded the level of 2001 by 65%. This year, direct foreign investment growth is 47% and if we preserve this tendency upon the outcomes of the year, there will be recorded a maximal level of direct foreign investment for all years of development.

It is worth noting here, that foreign trade turnover of Kyrgyzstan for the last years have been increasing. Almost one third of Kyrgyzstan's turnover falls on the ECO member states, which from January to June 2004 was \$205,5, and makes 27% in the total foreign trade turnover volume.

Trade volume with Turkmenistan, Kazakhstan, Uzbekistan, Iran and Turkey has significantly increased.

Esteemed Mr. Chairman,

Distinguished Ladies and Gentlemen,

We all understand that regional security and stability are dominant factors of regional integration development. Important decisions on rendering collective assistance by the ECO member states in reconstruction of Afghanistan by establishing ECO Special Fund were taken in Istanbul Summit and 13th ECO Council of Ministers Meeting. Today, our organization should give special attention to economic revival of Afghanistan. I sincerely believe that ECO Plan of Action on reconstruction of Afghanistan for 2003-2008 approved by the ECO member states in 2003 will become an effective mechanism in assisting Afghanistan.

I think that the ECO member states should not weaken its attention toward reconstruction of Afghanistan. International conference titled "Regional economic cooperation Afghanistan: Central Asia, Iran and Pakistan" held in Kyrgyzstan on May 10-12 2004, has become a real contribution of our country toward strengthening interaction, collaboration and reconstruction of Afghanistan and creation of favorable conditions for successful integration of Afghanistan into regional activities. All spectrums of problems and tasks on Afghanistan's reconstruction were

discussed in the course of the conference.

This forum has shown full understanding and aspiration of the participating member states to give more effectiveness and dynamism to the process of post war revival of Afghanistan.

Bishkek declaration approved by the participants of the conference has become an aspect of collective efforts and intensions toward effective implementation of plans on further strengthening and expanding regional collaboration aimed at well-being and prosperity of our people.

I proceed from principal viewpoint: we help ourselves by assisting Afghanistan. The viewpoint of all world community seems to be the same.

Esteemed Mr. Chairman,

Distinguished Ladies and Gentlemen,

Kyrgyzstan attaches paramount importance to implementation of the priority projects in the field of trade, transport and energy within ECO framework.

It is necessary to ginger up the work on putting ECO Transit Trade Agreement and Transit Transport Framework Agreement into effect for successful regional economic integration and development of trade and economic ties.

Kyrgyzstan has ratified ECO Framework Agreement on Trade Cooperation and supports the idea to gradually remove trade barriers and update trade regime and that will promote for using foreign trade potential, available in the region, completely.

Development of transport and communication infrastructure is the priority trends of cooperation among our countries. It is glad to mention, that the 5th ECO ministerial meeting on transport and communication held in August this year in Cholpon-Ata (Kyrgyzstan) has supported once again the proposal of Kyrgyzstan to include the project on construction of railways on Uzbekistan-Kyrgyzstan-China route in ECO Program of Action for decade on transport and communication. I would like to inform the high meeting, that at present, we have completed a work on preparation of the report regarding implementation of the project, which shows expediency of implementation of this enormous project of the 21 century. Now we are working on signing trilateral Agreement among China, Kyrgyzstan and Uzbekistan. At the same time, we start carrying out feasibility study on the project "New railway traffic between Fergana valley, Bishkek and Kashgar", being performed within TRACEKA program.

We have great expectation on projects on working out and developing the richest fuel-energy potential, mineral resources of the region implementation of some of them needs to be accelerated. Kyrgyzstan attaches great attention to the implementation of the project titled "Interconnection and parallel functioning of ECO member-states' grid powers, which allows to achieve more effective models of production, exchange and trade of energy and to cooperate in the development of new and renewable sources of energy and to increase effectiveness of production and use of energy.

Our country continues increasing its potential in this sphere - export of Kyrgyz electric energy in the first half year of 2004 has increased by 3 times as against last year.

Esteemed Mr. Chairman,

Distinguished Ladies and Gentlemen,

We should not forget the other fields of our future interaction such as health, ecology, agriculture, development of private enterprises, stimulation of investment, development of tourism, science and technique while talking about priority fields of our cooperation – transport and communication energy and trade.

In this context, I would like to draw your kind attention to the problem in relation to radioactive tailing ponds inherited by Kyrgyzstan from the former Soviet Union, which has potential transnational ecological threat, and its speedy solving this problem is of a paramount importance for Kyrgyzstan, littoral states and for all world community. I express my deep hope, that 2nd forthcoming ministerial meeting on environment to be held in December this year will consider this topic, make all-round analysis of the current state, and draw up the plans of regional organization for future.

Kyrgyz Republic is assigned to be a regional focal point of SPECA program on water and energy resources, which is implemented under the aegis of ESCAPE and UN European Commission. ECO could coordinate its actions with these organizations and take active part in implementation of this program.

According to Izmir Treaty, development of tourism is one of the purposes of our organization. Kyrgyzstan calls the ECO Secretariat and the member states to pay due attention to designing regional cooperation program in this field.

I am sure, that ECO ministerial meeting on economy and finance held in Pakistan has become a ground for harmonization of financial and monetary policy of the ECO member states in the interests of deepening regional economic cooperation and speeding economic growth in the region.

Esteemed Mr. Chairman, Distinguished Ladies and Gentlemen,

It is glad to note, that having become a large regional organization comprising 10 member states, the ECO set up close interrelations with many competent international organizations and financial institutions, achieved recognition of international community and obtained UN and WTO observer status.

Kyrgyzstan is in favor of ECO cooperation with United Nations, its regional divisions and other international organizations, which promote for further modernization of ECO as international organization, development of regional projects and coordination of efforts toward implementation of global tasks.

Esteemed Mr. Chairman, Distinguished Ladies and Gentlemen,

In conclusion, let me once again thank H. E. Mr. Emomali Rakhmonov, the President of the Republic of Tajikistan, the government of the Republic of Tajikistan and all Tajik people for hospitality and express best wishes to all participants of the Summit.

Allow me to also mention, that we have to show our political will, desire to take urgent measures toward promoting the objectives enshrined in our Organizations' activity. Let me, being a President of Kyrgyz Republic, assure you, that Kyrgyzstan will take all efforts toward implementation of our objectives.

Thank you for attention.

Statement of H.E. Mr. Shaukat Aziz,

<u>Тор</u>

Prime Minister of the Islamic Republic of Pakistan

Mr. Chairman Excellencies, Ladies and Gentlemen,

It is a great honour for me to address this august gathering of the Heads of the State and Government of the Economic Cooperation Organization. I extend my warmest felicitations to Your Excellency on assuming the Chairmanship of this organization. I am confident that under your able leadership, our quest to transform ECO into a vibrant regional organization, capable of dealing with contemporary economic and related issues, will draw closer to reality.

2. I also take this opportunity to pay a warm tribute to the sagacious leadership of the outgoing Chairman, His Excellency Mr. Ahmed Necdet Sezer, President of the Republic of Turkey.

3. I would also like to congratulate Secretary General Askhat Orazbay and his dedicated staff at the Secretariat for the efficient organization of this Conference.

Mr. Chairman

4. We are living in challenging times. The world is witnessing an interplay of forces of great impact and consequence. Globalization is defining the international landscape. It offers unprecedented opportunities and challenges. Increased transnational movement of capital, goods and services has rendered borders obscure. It has brought countries, communities and individuals closer together. New communication technologies have wrought wonders. The world has been reduced to a global village.

5. It was though that globalization would unleash vibrant market forces, Employment would pick up and levels of prosperity would rise. There would be a fairer distribution of the fruits of economic progress. Regrettably, this has not happened. Globalization has resulted in a unidirectional penetration of world markets. In many instances it has meant more for those already had much and less for those who had little. It has given rise to intense competition. Only the fittest will survive and those, who will, can reap rich rewards.

6. Yet globalization is here to stay – with all that it has in tow. We must make the most of it. We should not be deprived of its benefits. Nor should we let its shortcomings harm us. ECO members have to harness their resources. They must become globally competitive. We have to increase our economic strength and improve the skills of our peoples. We must acquire technological provess and augment the vibrancy of our institutions. We must reform and be able to attract investment and increase imports.

7. An effective response to the challenges of globalization is regional cooperation. This is the norm, which is in evidence in Europe and East Asia. Regional and inter-regional cooperation is the key to unlocking the tremendous potential of the Asia-Pacific Region for growth and prosperity.

Mr. Chairman

8. ECO represents our best hope for the expansion of trade and economic relation. Pakistan, with its geographic proximity to Central Asia, is prepared to pay a key role. Our capital is closer to many of your cities than to some of our own. We offer you the shortest route to the sea. We have put in place all relevant services. These range from transport and trade to business and joint ventures, from banking and insurance to technical expertise.

9. We are developing additional infrastructure facilities. These would serve both our bilateral as well as transit trade with Central Asia. Our Gawadar port is nearing completion. It offers tremendous prospects. It lies outside the traditional choke points and areas of conflict. We are also studying prospects of linking Peshawar with Termez in Uzbekistan and Chaman with Kushka in Turkmenistan. These would make credible trade routes to the markets of the West, the Far East and beyond.

Mr. Chairman

10. ECO has made encouraging progress in institutionalizing sectoral Ministerial meetings. The ECO Trade Agreement signed in Islamabad would usher in a new era in trade cooperation among member states. It would help significant reduction in tariffs and facilitate removing non-tariff barriers. It is also expected to encourage the private sector to pay a greater role in intra-regional trade. We must move with speed to implement this agreement.

11. An important milestone on the road to economic cooperation was the ECO Finance Minister's meeting held in Islamabad in January this year. I had the honour to host it as the Finance Minister of my country. We were able to cover key areas of economic and financial cooperation. We drew up plans and recommendations across a road spectrum. In particular, we emphasized the establishment of ECO Trade and Development Bank and ECO – Reinsurance Company.

12. The meeting of the Industries Ministers in Tehran also gave a fillip to greater economic cooperation among member states. The plan of action they adopted covered important fields of investment, trade facilitation as well as private sector development. Early implementation of these measures will bring us further closer to the ECO goals.

13. Information and Communication Technology is a major factor in the integration of financial markets. We should redouble our efforts to promote cooperation in this sector. A Ministerial meeting on this subject may be held as early as possible.

Mr. Chairman

14. ECO has yet to realize the cherished goal of economic integration. We are still a long way from our aims and objectives. The emergence of economic blocs in other regions offers us important lessons. The growth of the European Union is particularly instructive. It has added ten new members in recent months as has shed the baggage of old conflicts and rivalries. It has successfully emerged as a super bloc of 25 countries, with a clear sense of direction and shared ideals.

15. We see another success to our East. ASEAN started off as a modest grouping of middle-sized, low-tomiddle income countries. They pooled together their talents and resources to make a remarkable vehicle of economic development.

16. ECO should be no less ambitious. It can be as successful as its peers. It has no dearth of resources. It is rich in talent. It covers a broad geographic expanse. Its western extremity touches the European Union. Its eastern end rubs shoulders with SAARC. ASEAN is a close neighbour. ECO has no reason to fall behind. A set of coordinated measures may be needed to give it fresh momentum. I suggest a few:

- (a) Our policies in ECO must be result-oriented. Delay in implementation should be eliminated. A proper implementation mechanism should be devised by member states.
- (b) The ECO Trade Agreement (ECOTA), Transit Transport Agreement (TTFA) and the ECO Trade and Development Bank must be operational zed at the earliest.
- (c) A coordinated strategy should be evolved to develop cross-border road arteries.
- (d) We should fully utilize the dynamism and initiative of the private sector.
- (e) Linkages with other regional economic blocs should be developed on priority.

Mr. Chairman

17. In Pakistan, we have managed to steer our economy to safer waters. With wide ranging structural reforms and prudent policies, we have transformed Pakistan into a stable and resurgent economy. It is poised for growth in excess of 6% this year. Confidence of the private sector has been restored. Industrial production has posted a double digit growth. Debt burden has declined significantly. Current account balance has been in surplus for three years. The stock market remains buoyant. The overall environment was never so investor friendly.

Mr. Chairman

18. Terrorism must be countered in all its forms and manifestations. Pakistan is playing its role in the international campaign against this menace. We are determined not to allow anyone to use our soil for terrorist acts. ECO must address the issue of terrorism, drug trafficking and money laundering.

Mr. Chairman

19. Combating terrorism requires a comprehensive strategy that also focuses on the root causes. These are often centered on political and economic deprivation. It is also important to guard against the abuse of the label of terrorism. It should not be allowed to justify state oppression of people demanding their fundamental and inalienable rights, including the right of self determination. There is need to differentiate between terrorism and legitimate freedom movements. There is need to evolve a clear legal definition of terrorism.

Mr. Chairman

20. It is also mischievous to denote denominations, religious or ideological, to the phenomenon of terrorist violence. No religion sanctions violence against innocent people. It would be a grave mistake to ascribe terrorism to the World of Islam.

21. President Pervez Musharraf's vision of "Enlightened Moderation" at the global and Islamic planes offers the prescription for peace and harmony. Intolerance and extremism have no place in Islam. The West too must play its role. It must address the causes of Muslim frustration and deprivation.

Mr. Chairman

22. We are happy that after two decades of conflict, positive changes are in evidence in neighbouring

Afghanistan. A brotherly country and a fellow member of ECO, it has been able to convene the Loya Jirga and adopt a constitution. It is now poised to hold elections. We welcome these developments and renew our support for the government of President Hamid Karzai. We urged a faithful implementation of the Bonn process. Early release of funds pledged by the international community is necessary. Reconstruction of Afghanistan must proceed unimpeded. The establishment of the ECO Special Fund for Reconstruction of Afghanistan is a positive step. It merits the support of all of ECO member states.

Mr. Chairman

23. Pakistan is sincerely committed to resolution of all outstanding issues including the core issue of Jammu and Kashmir through a serious, sustained a result oriented dialogue with India. We hope that India will reciprocate our sincerity and commitment in equal measure sot that together we can open a new chapter in our troubled relations. We look forward to the early resolution of Jammu and Kashmir dispute in accordance with the legitimate aspirations of the Kashmiri people.

Mr. Chairman

24. We have an impressive array of factors binding us in the ECO family. These can be effectively harnessed to generate necessary synergy for cooperation and collective economic growth. We have a shared history and geography, a great deal in common in languages and literature, in lifestyles and culture. We are endowed with common geo-strategic advantages and diversified natural resources. We stand on the same side of the economic divide, facing common challenges. Most of us are relatively young as independent nations, yet we are heirs to an ancient heritage. We have a common commitment to the vision of the Founding Fathers of our organization. We have the strength and ability to realize it. We must spare no effort to achieve our goal.

Thank you.

Тор

Statement of H.E. Mr. Emomali Rakhmonov,

President of the Republic of Tajikistan

Honourable Heads of the States and Governments, Distinguished heads of the delegations, Ladies and gentlemen, Friends,

Let me once again heartily to welcome you to our ancient land. All our people take Dushanbe 8th Summit of Economic Cooperation Organization as a significant historical event, called to attach a forceful, impulse to multi plan and fruitful economic interaction of ECO State-members.

Dear colleagues,

Instructively and deeply analyzing the ways and mechanism of effective economic cooperation, here – in origin knot of Great Silk Road – it is necessary to emphasize that all our countries and the peoples are historical deeply connected, our great forefathers had passed a social practice of productive, active, respectable interaction and cooperation. We are deeply convinced that all rounded and purposeful economic interaction – it is our day's imperative, it is in the interest all the peoples, it is an opportunity to be an active part of forming global economy.

During the years held after 7th Istanbul ECO Summit several important and positive changes have happened in our macro regional economic interaction and definite success has reached in the realization of strategy aims and tasks of our Organization.

More important fact it is that our economic cooperation is coming actually multi plan and gradually wide: it is more actively is including vital spheres as well as: industry, finance and credit, agriculture and foodstuff, ecology. Developed and decisions taken in Ministerial meeting have a great practical importance.

It is more important appositive and sustainable dynamic of trade-economic interaction of ECO statemembers. Fasten growth of trade turnover with the ECO states were featured for majority state-members of Organization. For example, Tajikistan foreign trade has increased with Azerbaijan twice, with Afghanistan – more than twice, with Kyrgyz Republic about three times, with Iran – in 1.9, with Turkey – in 2.7; the share of ECO states in foreign trade of the Republic of Tajikistan consists about forty percents.

We note with pleasure the signing of ECO Trade Agreement (ECOTA) and express a hope that it will give a new impulse to common regional trade economic interaction. Positive tendency has been shown and also in other main direction of our economic interaction – in infrastructure and infrastructural construction.

It's also glad to note a interaction growth of ECO state-members in the spheres of science, technique, culture, which undoubtedly strengthens a base of multilateral macro regional cooperation.

Dear colleagues,

Present stage of our cooperation and changes in the world insistently dictate the necessity of clear and all rounded strategy of perspective macro regional interaction. In this connection, in our point of view, the document done by professional groups <<ECO perspectives till 2015>> is actual and importance. Basic ideas and conditions of this document could be widely used for above mentioned strategy.

Priority place should be taken by trade economic cooperation at fast realizing and useful direction of our interaction. Sequent realizing adopted documents and taken decision, especially Transit Trade Framework Agreement, straightly eliminate trade barriers and in particular stuffy economic, administrative and unscheduled restraint, we are able quickly increase mutual commodity turnover for several times, that it will not only make our region's market capacious and attractive, but also promotes comparatively quick growth of important sectors of economy and considerably increase of social living standard of our peoples. Achievement of this purpose demands as before the strengthening of other components of infrastructure (banks, trade houses, markets, legal and other mechanisms).

Therefore, in our deep convince infrastructure is an important, perspective and strategically priority of economic cooperation within the framework of our Organization. In nowadays practically in all the countries of the world different infrastructure regional and international objects are building on. Successes of our states are observable in the sphere of communication and modern information system. The importance of infrastructure is more increasing, as far as it is essential condition of sustainable economic growth of ECO states and our macro region at whole; it is vital in view of determinate increase process of the role of regional cooperation; it's most important connecting link of wide global network of inter-regional infrastructural system, connecting developed regions of the world – Europe, Central, Eastern and South-West Asia.

In this view, advancement program of infrastructure is very necessary, in which all priorities; tasks and the mechanism of its realization would be defined. We maintain all supposed conceptual (basic) ideas on mutual connection of energy system and the progress of oil gas network of ECO macro region. However, we consider it important a real strengthening of ECO energy potential by active and direct participation Organizations' statemembers in the establishment of economically profitable and useful hydropower objectives, especially in Tajikistan and Kyrgyz Republic.

The realization of only two projects-Sangtuda and Rogun Hydro Power Stations in our country, coming out with the production of 18 billion Kw per year, will meet the needs of several ECO countries in very cheap and ecologically harmless electrical power. Moreover, the creation of this kind of objects will promote the formation of big regional electrical power market, the rationalization of power systems and the consumption of electrical power, the strengthening of mutual ties and mutual dependence of the countries of our macro-region. Also, it will let us regulate strategic vital water resources better and more reasonable, to develop irrigational system and new lands, to improve meliorative conditions of big areas of lands, notably improve the life of the people, solve serious ecological problems of our macro-region. Besides, hydropower projects will notably strengthen export potential and increase economical attraction of ECO.

As before we highly appreciate the role of main regional and inter-regional automobile and train roads, other transport communication systems. Only the building of Dushanbe-Karakorum highway will let many countries of ECO to get the shortest road links with China and other countries of the Eastern Asia. The creation of modern and rational infrastructure will promote the fast and effective regional and inter-regional cooperation.

The important part of regional cooperation is communication. We positively estimate the results of the first meeting of the heads of postal services in Cholpon-Ata of Kyrgyzstan and consider the wide and mutually benefit

cooperation in all the fields of modern communication and information to be necessary.

Dear colleagues, Ladies and gentlemen,

In conditions of deepening economical interaction at the regional, macro-regional and global levels the topical matter became the close cooperation in real sections of economy, and first of all in industry and agriculture. In this view, we highly appreciate ECO plan of action and Tehran Declaration on industrial cooperation and we share the idea of necessity for formation of long-term industrial strategy of ECO. We think the priority in that strategy must be given to the creation of modern highly effective industrial objects, to the formation and realization of adequate investment and innovative policy, to the cooperation of scientific, technological and experimental constructor structures, to the standardization and rational unification, to the region and a number of other directions and tasks.

In agriculture our interaction must assist the solving of food stuff problem by increasing the level of productivity of agriculture, providing of industry by needed resources, balanced development of most important section of economy. This interaction is aimed at the increase of the export potential of ECO state-members by the use of agriculture and resources.

The formation and realization of coordinated macro-economic policy seems to be very important and perspective. There is a need to active financial and credit interaction, cooperation of fiscal and custom services, and bodies on drugs traffic and conversion of illegal earnings. The struggle against drugs traffic, that is a serious threat to the economy and social life of our macro-region and the whole world, is the imperative of our days. That's why we stress the need to create global anti-drugs partnership, and we consider ECO countries its active part.

Our organization is standing before the historical imperative – taking its deserving and historically perspective place in modern integration structures and in the system of forming global economy. Unfortunately we have to note, that in comparison with other regions, especially with such developed ones as Europe, North America, Asian-Pacific macro-region, the level of our integration interaction is not very high. But, our macro-region possessing enormous natural, human, intellectual, technological and industrial, and socio-cultural resources has the needed potential and opportunities to become in the nearest future an active and dynamic part of modern world.

I'm sure that the leaders and peoples of ECO member-states have the required will, determination, ambition and farsightedness for steadfast and consistent achievement of these great aims.

Thanks.

Statement of H.E. Mr. Recep Tayyip Erdogan,

<u>Top</u>

Prime Minister of the Republic of Turkey

Honourable President of the Republic of Tajikistan, H.E. Mr. Emomali Rakhmonov Honourable Heads of States and Governments, Distinguished Members of Delegations, Ladies and Gentlemen,

It is a great honour for me to represent the Republic of Turkey in this august assembly and address the Eighth Summit Meeting of the Heads of State/Government of the Member States of Economic Cooperation Organization (ECO) in this beautiful city of Dushanbe. At the outset, I would like to convey the greetings of President Ahmet Necdet Sezer and his best wishes for the success of the Eighth Summit.

May I take this opportunity to express my wholehearted thanks to H.E. Mr. Emomali Rakhmonov, President of the Republic of Tajikistan for warm welcome and hospitality extended to my delegation. Allow me Your Excellency to warmly congratulate your election as the Chairman of the Eighth Summit. We are confident that under your wise leadership the Summit meeting will successfully be concluded.

Honourable Chairman, Excellencies,

The enlargement of ECO with the involvement of new members was a crucial and fruitful development. Common historical and cultural ties have constituted a solid ground for Turkey to encourage the new member states in their efforts to integrate with international community. Turkey has always supported their transition to democracy and free trade economy and has advocated their memberships to the regional organizations. In this regard, today we welcome witnessing their active participation in ECO events. From this point of view, holding the highest meeting of ECO in Dushanbe today has of utmost importance. In this connection, I would also like to congratulate H.E. Mr. Askhat Orazbay for his appointment as the new Secretary General of ECO and to assure him, once again, on my Government's full support to him and his able staff.

Honourable Chairman, Excellencies.

We have never been more interdependent. Unfortunately, we are living in a world where conflicts and economic crises rarely stay within national boundaries. Today we face a multitude of threats and risks ranging from micro-nationalistic conflicts to failed systems of government, proliferation of weapons of mass destruction, underdevelopment, poverty-stricken cities and uneducated masses. There is also the serious threat posed by international terrorism nourished on the feelings of alienation and hopelessness.

In order to be on the up-side of globalization, we need to make efficient use of our human resources. This can only be achieved by promoting the creativity of our societies through education. Invoking a sense of confidence and hope for the future is also important. Here lies the fundamental role of democracy, principles of good governance, transparent social structures. Individuals act with hope and confidence to the extent that they have a say in their own future and that of their country.

In this new environment, we cannot provide full security to our citizens by acting alone or without close international cooperation. Regional organizations serve an important function in this regard.

Despite its many difficulties, there are also positive aspects of globalization that we should seize upon. Globalization of trade and giant advances in travel, communication and information technologies have created unprecedented economic and social opportunities for our peoples. In order to reap the benefits of globalization, international cooperation and coordination is a must. In this respect, we consider Economic Cooperation Organization as a highly valuable instrument to accelerate the pace of development in our region.

Honourable Chairman, Excellencies,

Turkey attaches great importance to ECO as a forum for further promoting regional economic cooperation.

It is our firm belief that the volume of trade within ECO region, which is still far from its actual potential, will increase to a large extent if all ECO members could adopt the rules and disciplines envisaged by the World Trade Organization (WTO). Since WTO strives for the establishment of a liberal and a transparent international trade mechanism based on the free market economy rules, Turkey gives high importance to full implementation of WTO rules by the ECO member states. Such an approach will pave the way for the diversification of trade among the member countries. It will also facilitate and assist the realization of crucial projects which may be recorded as the success stories of ECO. Within this understanding, Turkey always encourages all ECO member states to become members of WTO.

We place high priority to liberalization of trade among the member states. We welcome the signing of ECO Trade Agreement towards this end. An early implementation of the Agreement, with the fast-track approach will pave the way for elimination of tariffs and non-tariffs barriers.

The ECO Trade and Development Bank project also provide an excellent opportunity for ECO to become one of the important organization in financing regional and national projects deserving economic feasibility. This will strengthening ECO cooperation, particularly to raise the member's expectations from the Organization.

We are of the view that ECO should find out new mechanism s for better involvement of the private sector

in ECO activities. We strongly believe that the institutionalization of ECO Business Forum will further encourage private sectors in our countries and would give a new momentum for the development of intra-regional trade. During the ECO Business Forum, held in October 2002 in Istanbul, it was also emphasized that the ECO Chamber of Commerce and Industry should have a Permanent Secretariat. The idea was welcomed by the Twelfth Meeting of the Council of Minster. Union of Chambers and Commodity Exchanges of Turkey offered to host the Permanent Secretariat of ECO Chamber of Commerce and Industry in Istanbul. Our offer is still on the table.

Without sufficient infrastructure of transport and communication, it is not possible to increase intra and inter regional trade. The operationalization of the international passenger and cargo trains' project along the Istanbul-Tehran-Turkmenabad-Tashkent-Almaty main line can be regarded as a remarkable achievement in this respect.

Another area of priority should be utilization of the rich energy potential of the region. Turkey is at the cross roads of energy lines from Central Asia, the Caucasus and the Middle Europe and occupies a crucial position in terms of transportation between the continents.

The field Drug Control is of particular significance to the ECO member states. We appreciate the work done with a small but efficient Drug Control Coordination Unit at the ECO Secretariat. Turkey's experience in combating drugs as well as organized crime and elimination of terrorism, which are three contemporary menaces of the world and of the region in particular, may be benefited by the ECO member states.

Honourable Chairman, Excellencies.

Afghanistan has made enormous progress in the past three years. We are pleased to observe that the Bonn Process continues to be on the right track despite the difficulties. The elections to be made soon will contribute a significant step towards the establishment of a permanent democratic political structure in the country. However, many challenges still remain to be overcome. For the peace process to move forward, extremism, factionalism and the illicit drug trade must be addressed resolutely. Although those challenges may seem daunting. Turkey believes that the people of Afghanistan have the courage and the determination to cope with them to establish for themselves a peaceful, stable and prosperous country. To that end, the continued international support is crucial and the ECO should remain committed to stand by the Afghan people in their struggle for a bright future.

Honourable Chairman, Excellencies,

As you aware, the Turkish Republic of Northern Cyprus (TRNC) participates in the economic, technical and cultural activities of ECO. Within this framework, an ECO workshop on "Waste Water Management and Treatment Technologies" held on 5-7 May 2004 in Gazimagosa, TRNC, was attended by delegations from 6 member states and from the ECO Secretariat. This event was the first international event in the TRNC, after the separate simultaneous referenda which were held on 24 April 2004 in the TRNC and South Cyprus on the comprehensive settlement plan of the UN Secretary General.

The Turkish Cypriots should no longer suffer from a situation in which they found themselves through no fault of their own. In view of the fundamentally changes in circumstances in Cyprus, steps in putting an end to the unjust isolation of the Turkish Cypriots should be taken without further delay. It is high time to fully embrace the Turkish Cypriots by engaging in direct economic, commercial, social and cultural contacts with them. Establishing direct air and sea links with northern part of Cyprus and setting up direct commercial relations with them would be a good start to ease their plight. The Turkish Cypriot people now expects ECO to extend a helping hand in easing the restrictions, by providing assistance for the development of TRNC and by promoting trade and investment with ECO member states.

Before concluding, I would like to reiterate that Turkey remains committed to the noble goals and objectives of the Organization, enshrined in the Treaty of Izmir and wishes every success to Tajikistan as the new Chairman.

Thank you.

<u>Тор</u>

Statement of H.E. Mr. Erkin Khalilov,

Chairman of the Oliy Majlis (Parliament) of the Republic of Uzbekistan

Esteemed Mr. Chairman, Distinguished Heads of States/Governments, Ladies and Gentlemen,

It is a great pleasure for me to heartily greet you on behalf of H. E. Mr. Islam Abduganievich Karimov, the President of the Republic of Uzbekistan and wish success while discussing topical issues of economic interactions of our countries. I would also like to express my thankfulness to the government of the Republic of Tajikistan and to H. E. Mr. Emomali Rakhmonov, the President of the Republic of Tajikistan personally for cordiality and hospitality rendered for us and excellent organization of this meeting.

This ECO Summit takes place in the situation of dynamically changing events in the region and world, expansion and strengthening of bilateral and multilateral ties.

Under these conditions, it is very important to define the place of ECO in modern world, its role in the development of our states and ways toward effective utilization of ECO potential in the XXI century. I think, in this context, it is worthwhile to consider, first of all, the outcomes of ECO activities after Istanbul Summit and to digest the achievements and inactions in deepening integration process in the region.

Allow me, esteemed ladies and gentlemen, to remind that from the very beginning main objectives of ECO were to expand mutual trade among the ECO member states by providing free access of goods to the markets of other countries, create favorable conditions for dynamic economic growth and increase living standards of our people, consolidate spiritual and cultural ties of the ECO member states, jointly overwhelm trade barriers and increase the volume of world trade by working out common approaches at the international forums.

In this connection, I would like to emphasize on the fact that the head of our state noted once, that the Republic of Uzbekistan regards the ECO to be an optimal and reliable instrument in solving, first of all, economic, humanitarian and communicational problems of the region. For the last years, certain work has been done in this direction, i.e. comprehensive legal-regulatory base was worked out and approved, institutions and mechanisms for development of multilateral cooperation were set up and relations with many international organizations were established.

Collective efforts of the ECO member states have resulted in strengthening the spirit of understanding and trust, which is an important base for further development of cooperation on the principles of equality and national interests of each member of the Organization. Multiyear functioning of ECO in its enlarged composition is a good proof of the ECO member states' devotion to the principle of mutually beneficial trade and economic relations' development.

We hope that ECO will maximally use its potential in future and increase its role in international community significantly. In the epoch of globalization of economy, expansion and strengthening of integration ties, ECO combining the countries with total area of 7 million square kilometers and population of 320 million people, may and is to become a competent international organization eligible to solve day-to-day problems of economic and humanitarian cooperation in the region.

Today, we are given great opportunities for establishment of effectively functioning mechanisms of mutually beneficial partnership relations and increase the ECO role as international organization. Changes, which are recently taking place both in the region and in the world, produce new requirements both to separate ECO member state and to Organization, as a whole. In this connection, I would like to mention, that consideration of the interests of each ECO member state in taking collective decisions is one of the important conditions for productive activity of the ECO. For this purpose, we are of the view, that it is expedient to modernize reconciliation mechanism of all arising issues and to consider them by the ECO member states collectively.

Another topical task for ECO is to transmit decisions and programs approved earlier into practical way given the fact that institutional and legal-regulatory base, which is necessary for implementation of these measures, has already been set up. We deem it necessary to give special attention to designing and practical

implementation of coordinated program of regional development.

We have also to pay great attention to rehabilitation of Afghanistan's economy. Our help to Afghanistan will demonstrate once again to the world community the actual efforts and ECO format as Organization, which is able to discuss regional development problems and possesses great creative power. It is just now that Uzbekistan renders assistant to Afghanistan in arranging peaceful life and actively supports the efforts of the international community aimed at implementing priority projects on rehabilitation of economy of the neighboring country.

Proceeding from tendencies of world economy development and conditions of high competitiveness at the world markets, it is of a paramount importance for ECO to form developed and plural system of regional trade and provide access for the ECO member states to the world market. In this direction, it is inevitable for the ECO member states to combine efforts and develop regional transport-communicative system, without which it is not possible today to use huge economic potential completely.

A joint effort against drug trafficking, which presents severe threat for our people, is another important trend in ECO activity. Despite the progress achieved in this direction, we have to do much for annihilation of this evil. Positive experience gained by the Drug Control Coordination Unit creates positive prerequisites for it.

The delegation of the Republic of Uzbekistan congratulates Mr. Askhat Orazbai for having been appointed for the high post of ECO Secretary General. We hope that you will make constructive contribution to further development of ECO.

Esteemed heads of delegations

Dushanbe Declaration to be approved during this meeting is called to promote for successful solving objectives of the ECO member states and to give new impetus for the development of multilateral cooperation within this Organization. The spirit and contents of this documents show clearly our intentions to speed up integration process among the countries of the region. We support draft Dushanbe Declaration and believe that it provides an opportunity to create favorable conditions for economic prosperity of our countries and solving topical tasks. Let me, distinguished participants of this meeting, wish you new success toward intensifying regional cooperation, providing peace and prosperity of our countries. Let multifaceted relations of the ECO member states be developed for the well-being of our people in future.

Thank you for attention.

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Тор