Inaugural statement of H.E. Ahmet Necdet Sezer President of the Republic of Turkey

Annex-II

Distinguished Presidents, Mr. Speaker, Distinguished Heads of Delegation, Honorable Ministers, Dear Guests,

I have great pleasure to host you in Istanbul on the occasion of the Seventh Summit of the Heads of State and Government of the Economic Cooperation Organization. I greet you all with warmest regards.

The historic developments occurred in Eurasia in the beginning of the 1990's have led to a relative freedom environment for the international community. These new conditions allowed the newly independent countries, Azerbaijan, Turkmenistan, Uzbekistan, Kyrgyzstan, Kazakhstan and Tajikistan, as well as Afghanistan, to join the Economic Cooperation Organization. I would like to thank to Your Excellencies for the pleasure you gave me by sharing the pride I feel in celebrating the expansion of our organization in 1992 towards the East and the North.

Since the last two decades, our world has been going through the globalization process and this phenomenon has gained momentum. Rapid developments in the communication and intelligence technologies, the Trans boundry movement of the capital, require interdependence and solidarity in international relations. We believe that we should further develop the regional economic cooperation mechanisms in order to profit from the opportunities offered by the globalization process, while minimizing its negative effects.

Our sincere wish is to make sure that the globalization affects developing nations in a fair and socially balanced way. Today there are rightful concerns regarding the unsuitable distribution of the benefits and the burdens of the globalization. We think that the sharing of the economic possibilities, by developing countries in particular, and the development of regional cooperation through an exchange of experience, would be an efficient method to be protected against the negative effects of globalization.

Distinguished Guests,

The Economic Cooperation Organization, bringing together 10 members and covering a surface of 8 million square kilometres, possesses a 350-million population and important natural resources. This geography, extending from the Western borders of the People's Republic of China to the eastern parts of the Balkans, provides the member countries with vast opportunities in terms of regional economic cooperation.

The enlargement of the Economic Cooperation Organization, offers new opportunities, while bringing new obligations. The landlocked members have legitimate demands and expectations from the Organization, in the context of their development.

I would like to underline the special position of Afghanistan among new members. We all know that Afghanistan had lost a large amount of its human resources. Almost half of its infrastructure had been destructed as a result of the quarrels among brothers and of the foreign intervention in the last twenty years.

Five of the member countries of our Organization share common borders with Afghanistan, Albeit remote, Turkey shares a common history and culture with this country. Turkey, at the bilateral level, contributes to the restructuring of Afghanistan, with the best of its means. Undoubtedly, the restoration of peace and stability in Afghanistan is closely connected with the eradication of poverty and securing of sustainable development in this country. We believe that the establishment of a lasting peace in Afghanistan will contribute not only to regional but also to the world peace.

We sincerely want that the Economic Cooperation Organization contribute in concrete terms to the work aimed at the reconstruction of Afghanistan. For this reason, we believe that the Organization should act with sensibility and care on the issue of assistance to Afghanistan.

In the projects to be implemented by the Organization in Afghanistan the approval of the Afghan Government should be taken into, account and the priorities of the Afghan people should not be disregarded. Economic Cooperation Organization, should first of all implement those projects within its competence. The projects of the Organization and the work of the international community, already underway in this country, should be complementary. It is also important that these projects should be feasible and bankable. We believe that prior contacts with donor countries and international finance institutions on these projects will be useful. I would like to reiterate that Turkey is ready to help Afghanistan, on the basis of the abovementioned priorities.

Distinguished Presidents, Mr. Speaker, Distinguished Heads of Delegation, Honorable Ministers.

There are criticisms that the Economic Cooperation Organization has proved to be insufficient in meeting the expectations of the member, countries despite the fact that it possesses rich natural resources and vast possibilities. It is also argued that economic and commercial activities of the Organization fell short of the determined objectives. We cannot deny that these criticisms are right to a certain extent.

Increasing the efficiency and productivity of the Organization is important in order to reach the objectives we set forth in the areas of economy and trade. We hope that the related work of the Senior Officials Group will yield successful results.

Turkey considers the Economic Cooperation Organization as a forum able to develop regional economic cooperation and gives a special importance to its work. We also consider that making the Organization capable of responding the expectations of the member countries by meeting their demands is a prerequisite. An effective and productive organization will ensure the increasing of the level of prosperity of the member countries and secure the peace and stability in our region.

The establishment of the Trade and Development Bank of the Economic Cooperation organization as foreseen by the three founding members, Turkey, Iran and Pakistan, will give a new dimension to our regional economic cooperation.

The fact that the trade level among regional countries is below their possibilities should lead us to deploy more efforts in this area. We support the efforts aimed at gradually reducing tariffs and non-tariff barriers, the method of gradual reduction provided by the founding document, the Izmir Treaty, should be carefully observed. In this framework, we expect that the Economic Cooperation Organization Trade Agreement be signed without further delay.

We thought that it would be useful to organize the Economic Cooperation Organization Business Forum, in the margin of the Istanbul Summit, taking into account that the private sector representatives of the member countries are able to give a new impetus to the augumentation of the intra-regional trade and to this end new mechanisms are required. I have happily learned that the forum organized with the contribution of Turkey and in cooperation with the International Trade Centre has been successfully completed its work and submitted its final reports and proposals to the Foreign Ministers Meeting.

Encouraging our private sector institutions and companies With a view to giving institutional and continuous character to this activity, organized for the first time, will provide us with new opportunities.

The importance of the development of the cooperation in the field of transportation within an organization embodying 7 land-locked countries is obvious. We appreciate that the Economic Cooperation Organization countries, who have tried to reactivate the Silk Road, forgotten until recently, started passenger and cargo train operations on the Trans Asia Railroad, connecting Istanbul, Teheran, Turkmenabad, Tashkent, Almati. We wish that member countries intensify their efforts in order to operate this service on a regular basis. Regular train services will contribute to the improvement of trade as well as our tourism ties among our countries.

The member countries of the Economic Cooperation Organization located in a geography' rich in energy resources, can both increase their prosperity level and contribute to the political and economic stability of the region, by promoting cooperation in this field. Turkey is a transit country in terms of the transportation by pipelines of the oil and gas produced in its neighbourhood to the world markets. The work related to the projects we have been implementing together with our neighbours is being continuing. It is our primary objective to make sure that Turkey, also a growing energy market, assumes the predominant energy corridor function in the near future.

Turkey appreciates the grant made by the Islamic Development Bank, to be used in the feasibility studies of the electrical power grids interconnection projects.

Distinguished Presidents, Mr. Speaker, Distinguished Heads of Delegation, Honorable Ministers.

Turkey's aim is reaching the objectives embodied in the Izmir Treaty. Turkey, will deploy every effort during its presidency, to make the Economic Cooperation Organization an active and

dynamic institution, which meets the demands and expectations of its members.

With the belief that the Istanbul Summit will be a turning point in the development process of our Organization, and that the Organization, with the active support and contributions of Your Excellencies, will assume important functions in the development and prosperity of our region, I extend you -my best wishes.