

*Annex-V*

*Excellencies,  
Distinguished Delegates,*

I am very happy to participate in this Summit Meeting of the “Economic Cooperation Organization”. I believe this Summit is of historic importance for this organisation, for the member countries and for the region as a whole. It is the first Summit of ECO. It comes at a time when great changes are taking place in the world. The presence of the distinguished leaders of the brotherly Republics of Azerbaijan, Tajikistan, Turkmenistan and Uzbekistan here adds to the significance of this meeting for all of us. I welcome our friends and brothers. I am confident that their valuable contributions will enhance this organization. I am also confident, Mr. Chairman, that we shall have a very constructive meeting under your able guidance.

*Mr. Chairman,*

We have been witnessing momentous changes on the international political and economic scene. With the collapse of the Soviet Empire, the cold war has come to an end. There are now promising grounds for the establishment of a new atmosphere of growing trust and cooperation in international relations. There are new opportunities to enhance human rights, and religious freedom and to achieve economic prosperity in the world and in our region.

In line with these developments, liberal economic policies have also gained a universal momentum. There is now more focus on market-oriented policies which encourage the free exchange of goods, services and capital throughout the world. Current economic programmes call for a strong private sector as well as monetary stability, realistic exchange rates, privatization and human resources development. These basic principles, today, apply not only to the economies of the developed countries but also to the economies of the developing countries.

We cannot dissociate our region from the implications of these dramatic world wide political and economic events. In fact, our region has become one of the centers of international attention, following the disintegration of the Soviet Union. Now the people in the Muslim Republics are free to speak their mind and exercise their religion. This gives us a better chance to deepen our solidarity and to prove to the world that Islam stands for peace, respect for mankind and harmony among the different faiths.

*Mr. Chairman,*

Of course to reach our goal we must first overcome the immediate challenges before us. I believe the challenges in Asia are even greater than they are in Europe. The vast resources of Western Europe are primarily allocated to their neighbours in the East. The relatively developed infrastructure facilities trade and communication among those countries.

Asia on the other hand is a very large continent, its infrastructure needs to be developed and a lot of work is required to reorganize and fully utilize its resources. There are also

dangers of instability in some parts of the region.

In spite of these difficulties, there are reasons for optimism. We all share a common tradition, history and culture. All our countries now believe in the advantages of the free market economy.

*Mr. Chairman,*

Peace stability and economic interdependence are the primary conditions for economic development of our region.

I believe we can all contribute to this goal through the establishment of a web of bilateral and multilateral relations.

The relations between the three founding members of ECO at bilateral and multilateral level have always been exemplary. We now have an opportunity to enrich these relations with the participation of other Republics in our region.

At present the newly independent Republics are struggling hard to consolidate their places in international arena. They exert every effort to establish healthy democratic regimes as well as to upgrade their level of economic development by opening their markets to competition.

Turkey will be doing its best to support the Central Asian Republics and Azerbaijan by sharing with them her experiences in many sectors of economic activity. We have signed economic and technical cooperation agreements to provide them with the necessary assistance on a structured basis.

The presence of the four brotherly Republics in this Summit is a mark of the changing picture in the region. The decision taken on enlargement by the ECO Council of Ministers in Ankara last week has been very timely. It is also my sincere desire to see the Turkish Republic of Northern Cyprus join the activities of this organisation.

ECO has to keep the door open to the other Republics as well. Our common interests and close ties offer us great opportunities for genuine cooperation.

*Mr. Chairman,*

The Economic Cooperation Organization which we founded with our Iranian and Pakistani friends could become an effective instrument in fostering a wider regional understanding. The Treaty of Izmir constitutes a promising framework to this end. It promotes the expansion of trade, the establishment of joint ventures, the encouragement of private sector and the realization of basic infrastructure in such crucial areas as transportation and communication. It calls for the creation of certain institutions to support the joint economic activities. It has a number of organs which has been able to function on a regular basis.

Despite all the positive elements, however, the performance of the organization in the past has fallen short of our expectations.

In our view, time has come to make the ECO function more effectively. There is an imperative need to introduce coherent trade mechanisms and, to integrate new economic concepts into the work of the organisation to ensure the sustained progress and modernization in the region.

In this respect, Turkey's experiences in the implementation of liberal economic policies since the beginning of last decade can be of great help. By creating the conditions for the free play of market forces and adopting an export-led growth model, we have been able to accomplish great strides in our foreign trade.

There is no doubt that trade plays a central role in the development efforts of all nations. It can be the driving force in overcoming the economic bottlenecks. When we take a closer look at the level of intra-regional trade within the ECO, we see that the figures don't reflect our existing capacities at all. That is why, the key issue we should address immediately in the ECO must be how to deepen and broaden our commercial exchanges.

In this connection, the Protocol on the ECO Preferential Trade System deserves some attention. This Protocol foresees a %10 reduction on certain commodities. It is evident that it will gradually help improve our trade relations. However, if we want to open up new vistas for the expansion and diversification of intra-regional trade, the liberalization in this sector has to be rapid and comprehensive. In this context I believe our objective should be across the board tariff reductions leading to freer trade among our countries. Of course we should refrain from measures which could distort the principle of free trade among our countries. In this context I wish to underline non-tariff barriers and subsidies. The products subject to preferential trade among our countries should also have a minimum, for example 50% value added by the exporting countries. The experts who will meet within the framework of the Protocol should be given such a task to carry out a prompt work on this crucial issue.

*Mr. Chairman,*

Let me highlight also the critical importance of the free circulation of services and capital in our region. In this respect, it is of utmost importance to create the favourable conditions for our business communities. We must restore the confidence among the private sectors in our countries so that they can assume full responsibility in the successful implementation of our policies. I am confident that the ECO Chamber of Commerce and Industry which held its first annual meeting last December, in Istanbul, can function as an effective instrument to establish a strong and solid private sector in the Member States.

Furthermore, the establishment of the ECO Investment and Development Bank in the near future can become another determining factor in fostering more trade and investments in the region. Given the increasing inter-connections between the national and global financial, trade and investment issues, this bank needs to be founded on the internationally recognized principles, rules and disciplines. In this respect, I welcome the Memorandum of Understanding which was signed by the Ministers last May, in Tehran.

*Mr. Chairman,*

Before I conclude my statement, I would like to put on the record our appreciation for the decision of the relevant Iranian authorities to establish a Turkish Language Department in

Tehran University. We are prepared to provide this department will all the necessary support for its success. We hope the preparations for the opening of this department could be finalized soon by the Iranian authorities so that it could start accepting students. At present, Iranian language and literature is taught in 4 universities in Turkey. There is an Urdu Department in Ankara University and a Turkish Department in Islamabad.

*Mr. Chairman,  
Distinguished Delegates,*

I have already referred quite extensively to the economic issues and developments in our region. This is a time of great changes, but also of great opportunities in the region. I offered some of my views regarding the reforms and new approaches needed within the ECO. I believe that it is now time to chart a course for their implementation in our organization. The successful execution of the reforms will provide us with a more efficient mechanism. It will also let us address the very real problems which effect all of us in the region.

*Thank you Mr. Chairman.*

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