The 14th Council of Ministers

Statement of Minister/Heads of delegation

(Dushanbe, 12 September, 2004)

Annex-V

Statement of H.E. Mr. Zalmay Aziz,

Deputy Minister of Foreign Affairs of Afghanistan

Excellency Mr. Nazarov, Honourable Foreign Ministers, Excellency Secretary General, Mr. Askhat Orazbay, Ladies & Gentlemen,

It gives me great pleasure, Your Excellency, to congratulate you on your election that you so richly deserve. I am confident that under your capable stewardship this meeting will be crowned with success.

It is always inspiring to be in this unique city of Dushanbe, and among our Tajik brothers and sisters, with whom we share ancient ties and whose friendship we cherish.

Allow me, Sir, to convey to Your Excellency our gratitude for the warm and gracious hospitality being accorded to us. Let me also present our deep appreciation to H.E. Mr. Askar Aitmatov our outgoing Chairman for his leadership.

Mr. Chairman,

Afghanistan is emerging from more than two decades of conflict, capped by a severe nationwide drought in 1999-2001, and faces a complex, interrelated set of political, administrative, economic and social challenges. The energy and resilience of the Afghan people, which served them well during this period, is now being channeled into securing their livelihoods, rebuilding a credible state, and restoring the country's economy. Their efforts, with Government leadership and political, financial and military support from the international community, have already borne fruit in the form of rapid economic growth and rising incomes. There is a near-universal popular sentiment for peace, security and prosperity.

Afghanistan's re-emergence as a free, stable and developing entity in this region of the world after years of war imposed from the outside and internal conflict that shattered the country's infrastructure, is good news to millions of our people and for boosting regional economic integration and reviving up the engines of growth.

For centuries, and in particular up to the 16th century and pre-colonial times, this country and its neighbours provided a route for trade and communication of ideas, knowledge and skills, irrespective of cultural or ethnic distinctions. We were part of a vast network of bazaars stretching from Europe to Turkey, Arabia, Persia, Central, South and East Asia.

Can we once again re-create this bazaar in the modern sense? I am confident that with vision, hard work, reform of our systems and new management tools we can use our God given wealth and talents to give our people a better standard of living and position ourselves to complete with more vigour on the global economic scene.

It is important to develop our own model for regional integration and cooperation, not necessarily adopted from other regions that have their own unique characteristics. We can learn from others and from each other, but our region is potentially rich and resourceful in its own way. We need to nurture and promote these skills and resources to serve us best, while linking our regions to others beyond us and maximize our gains.

In order for our vision to come true, security and stability in our region is a must. We are doing everything in our power with the help of the international community and our partners to improve the security conditions in this country. We are confident that with small exceptions, we are gradually overcoming most of our security challenges. However, we continue to combat the remnants of terrorism in some parts of the country as we pursue our goal of demobilizing and disarming thousands of irregular fighters across the country and build national security institutions in its place.

Our relations with our neighbours have always been of utmost importance, and continue to be so. With the fall of the Taliban and Al-Qaida, a new era of solid relations based on a new set of principles in the context of good neighbourliness was developed, and today we enjoy growing ties and new opportunities with all of our neighbours. The last two decades has proven that stability and prosperity in Afghanistan are intertwined with the region's own stability and economic growth. The choice is ours to move forward with a clear and reformed vision of the future or to remain stagnant and regressive.

In our view, the potential of mutuality of economic interests is obvious in fostering regional cooperation among the ECO member states. For instance, the economic impact of enhanced regional trade and economic cooperation brought about by improved road corridors connecting Central Asia and South Asia and the ports of Arabian sea and the Persian gulf would be considerable in terms of creating employment opportunities, savings on transport cost and time, increase in GDPs, fostering competition for transit trade and reducing duties, excises and surcharges of traded commodities.

In the pursuit of peace and security in the region in December 2002, Afghanistan signed the Kabul Declaration on good neighbourly relations with the neighbours. The spirit and intent of the Declaration are mutual respect for the principles of territorial integrity, friendly relations, cooperation and non-interference in each others internal affairs.

The Declaration is a beacon that can guide us toward honest amicable relations and genuine cooperation.

Mr. Chairman,

Allow me to offer my congratulations and appreciation to our Secretary General, H.E. Askhat Orazbay, for his concise and yet comprehensive report. I would like to say a few words about a couple of points in the report.

It is welcome news that the Drug Control Coordination Unit at the Secretariat is now operational. We need DCCU's assistance in our efforts to combat drug related issues. The opium economy has profound adverse implications for security, politics and state-building in Afghanistan. It contribute to a vicious circle, adversely affecting the state and security, thereby perpetuating an environment in which the drug industry can continue to thrive whereby the state remains ineffective. There is also evidence of linkages between drug money and terrorist networks. Drug interest and terrorist work together to promote insecurity and weaken the state. In sum, the security and political implications of Afghanistan's opium economy present a grave danger to the country's entire state-building and reconstruction agenda.

There is also rich international experience with supply-side interventions to reduce drug production, primarily eradication of poppy fields. A key lesson is that eradication alone will not work and is likely to be counterproductive, resulting in perverse incentives for farmers to grow more drugs as in Colombia, displacement of production to more remote areas, and fueling of violence and insecurity as in Peru, Bolivia and Colombia, which in several cases forced the eradication policy to be reversed and led to adverse political outcomes. Neither does the approach of making eradication a condition for development assistance work – without alternative livelihoods, premature eradication damages the environment for rural development.

Afghanistan hosted the Second ECO Regional Trade and Investment Conference on 18-19 April 2004. We are fully committed to open markets and private sector-led economy to attract investment and trade. To facilitate private economic activities, we are building a transparent and simple regulatory framework. We are experiencing a fairly good economic recovery. The growth rate was estimated by the International Monetary Fund at 30% for the year 2003.

I would like to draw the attention of this meeting to paragraph 43 of the Secretary General's report. The paragraph reads "ECO Chamber of Commerce and Industry, established in 1993, remained inactive for years. Efforts are being made to reactivate it after the meeting of its 7th General Assembly in Kabul-Afghanistan on 20 April 2004. Member states may kindly extend their technical support to Afghan CCU to make ECO-CCI a vibrant institution". I hope the member states would positively respond to the please of the Secretary General.

I would also like the member states to heed to the conclusions of Bishkek Conference on Afghanistan that was held from 10 to 12 May 2004.

Excellency,

In our region, there is also great potential for trans-boundary trade in energy. We hope that ECO would support a regional study on energy issues that could provide an additional platform for cooperation.

Mr. Chairman,

The agriculture sector in Afghanistan has suffered severely due to the destruction of most of its irrigation system, and six consecutive years of drought. Both Ministerial and Senior Officials' meetings on agriculture discussed the needs of Afghanistan for technical assistance in the field of agriculture especially in irrigation system, suitable financing for farmers, alternative crops to replace poppy cultivation etc. I would emphasize that the meetings called on member states to intensify their assistance to Afghanistan for the rehabilitation of its agriculture sector.

Afghanistan appreciates ECO's participation in its reconstruction and commends the establishment of ECO Special Fund to finance some priority projects in Afghanistan. I hope the modalities for the establishment and operation of the Fund proposed by Financial Experts, could be approved by this meeting. It is only the contribution of member states that makes the Fund operational and a meaningful institution.

Mr. Chairman,

We strongly believe that the consolidation of peace, security and stability largely depends on the regional and international community's sustained engagement in providing the necessary assistance for the rehabilitation and reconstruction of Afghanistan's economic and social infrastructure.

Events of the recent past illuminated the dark fact that the presence and atrocious activities of the Taliban and Al-Qaida did not limit themselves within the confines of Afghanistan. We witnessed the disturbance of tranquillity in the region and the global reach of terrorism.

Afghanistan become the prime victim of terrorism and frontline in the fight against it. The country was devastated under Al-Qaeda and the Taliban rule. Violations of human rights reached un-proportional dimensions which aggravated the destruction of cultural and socio-economic value of our country. Afghan women were practically put under house arrest and degraded to human beings. The cultural heritage of the country was destroyed or plundered. Summary executions became order of the day. Al-Qaeda and its criminal partners made Afghanistan the center of their heinous schemes.

Terrorism became a direct and long term threat to peace, stability and interests of all states. The civilized world is united in this war against terror, but let me remind ourselves that the campaign against international terrorism has just begun. The terrorist threat is multi-faceted, determined and global in scope. The response of the world community must also be multi dimension, steadfast and comprehensive. The campaign will be long and hard, and should not be measured in weeks and months, but in years, and fought with every available tool on many fronts.

The people and the government of Afghanistan have stretched their hands of friendship towards the people and governments in the region. Establishing and maintaining amicable relations with all peoples and nations, and promotion of regional cooperation for the cause of peace and security, constitute central components of our political thinking.

Let us concentrate on our common interests and walk together towards radiant horizons of peace, security and prosperity for all.

Thank you.

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Statement of H.E. Mr. Abbasali Hasanov,

Ambassador of Azerbaijan to Iran

Mr. Chairman, Honorable Ministers and Heads of Delegations, Ladies and Gentlemen.

May I at the outset welcome all the participants of the meeting on behalf of the delegation of Azerbaijan, and express our deep gratitude to the Government of Tajikistan for excellent organization of this event and their generous hospitality. It is my honor and privilege to attend this meeting and to share with you my views on the ways of developing our mutually beneficial cooperation and strengthening the Economic Cooperation Organization itself.

Distinguished Colleagues,

In the era of globalization, the cooperation within the framework of regional economic groupings has acquired a special importance for it facilitates the integration of the countries into the world economy in a more harmonized way making use of their comparative advantages. In view of this, Azerbaijan takes an active interest in the ECO activities and wishes to enhance the regional economic cooperation within this framework, particularly in the field of transport, energy, trade and agriculture.

Noting the contribution of the Economic Cooperation Organization in social and economic development of our countries and in regional economic cooperation, we believe that given the existing potential of Azerbaijan, we can increase our country's participation in this cooperation based on our common interests and values. We should, therefore, review the global and regional environment in the light of new challenges, which require the ECO to be more active, effective and flexible.

We are of the view that the basic condition to realize the ECO Member States' potential is the compliance with the principles and norms of the international law, the respect for the sovereignty and territorial integrity of our states, the settlement of conflicts in the ECO region and the elimination of the risks of international terrorism and aggressive separatism in all their forms and manifestations, which threaten the economic stability and cooperation. Bearing in mind that the realization of the region's potential is closely related to security issues, we should take it into account while carrying out our cooperation strategy.

In this respect, we would like to emphasize on the harmful consequences of the continued aggression of Armenia against Azerbaijan, which resulted in one fifth of our territory being occupied and over one million of our citizens becoming refugees and displaced persons. We call upon the Member States to strongly support the position of Azerbaijan in the settlement of this conflict based on the principles and norms of the international law. Such an approach will, in our view, not only facilitate the early settlement of the conflict, but also contribute to the enhancement of our country's economic development, thus increasing our contribution to the ECO activities.

At the same time, we are convinced that one of our main goals is to improve the institutional and professional potential of our Organization. The ongoing ECO activities have clearly proven that organizational matters often hamper our development; therefore, they need to be dealt with effectively. We should focus on those fields of cooperation where the region has comparative advantages, and expand our institutional and professional framework in the interest of all member countries.

We would like to also stress that the current ECO Website does not meet the requirements of the objectives that we intend to achieve in our Organization. This website should not only reflect *post factum* the outcome of ECO events already held, but also prepare the delegations for these events. The agenda and working papers should be

placed in the website well in time, before the events take place. This will improve the quality of the decisions to be taken as well as increase the number of the events, many of which, as it is known, are often postponed due to the lack of quorum.

Mr. Chairman,

One of the weak points of our Organization is the lack of funds needed for a full-fledged use of our region's opportunities. In view of this, we support the expansion of cooperation between ECO and other international and regional organizations and financial institutions.

While assessing the ongoing situation, it becomes obvious that the time has come for reforms. We endorse the process of restructuring of ECO aimed at removing the above mentioned shortcomings and increasing the effectiveness of the Organization. We hope that this exercise will continue further. We suggest that in the process of reforms, such factors should be taken into consideration as increasing the role of the incumbent Chairman of the COM, capacity building of the ECO Secretariat, restructuring the existing working groups, introducing the coordinating countries in specific sectors as well as improving the mechanism of recruitment of the ECO Secretariat staff.

Honorable Delegates,

A number of important ECO events and initiatives have been implemented since the last meeting of the Council of Ministers in Bishkek.

We welcome the results of the first ministerial meetings on industry and on finance/economy held in Tehran and Islamabad accordingly in January this year. We hope that the documents adopted by these meetings will be instrumental for the promotion of cooperation in the related fields. The outcome of the 5th ECO Ministerial Meeting on Transport and Communications held in Bishkek on 11-12 August 2004 is quite optimistic in terms of future cooperation in this important sector.

Since the majority of the ECO Member States are or intend to become members of the Basic Multilateral Agreement on Europe-Caucasus-Asia Transport Corridor (TRACECA), we deem it relevant to consider formulating a draft MOU between ECO and this body shortly in order to coordinate joint activities in the field of transport.

We welcome the ECO activities in the context of reconstruction and rehabilitation of Afghanistan, and we are ready to take part in this process within our possibilities. We also appreciate the outcome of the meetings held in Kabul last April, including the 2nd ECO Regional Investment Conference and the 7th General Assembly Meeting of ECO CCI.

Azerbaijan finds it necessary to formulate and implement measures to strengthen private sector, which is a motive force for ensuring the economic progress and expanding economic cooperation. The Organization should support and promote initiatives to develop collaboration among the representatives of the Member States' private sector with a view of sharing experience and coordinating efforts to increase industrial and export potential of the countries of the region. In this regard, it would be relevant to enhance the interaction among the national chambers of commerce. Furthermore, it is necessary that the ECO Trade and Development Bank should be established at the earliest, as it may play an important role in mobilizing funds for the development of intra-regional trade and infrastructural as well as investment projects of the ECO Member States.

A certain progress has been made recently in the implementation of the project of interconnection and parallel functioning of ECO countries' energy systems, and we believe that this activity should be continued. We hope that the consultant for the feasibility study of the project will be selected shortly taking into account the views of all the member countries.

During the last Summit Meeting we initiated the idea of establishing an ECO Economic Research and Statistical Center in Baku to support interesting ideas and translate them into concrete projects. We are confident that this institution would strengthen the capacity of our Organization to identify and formulate its programs and

projects and facilitate raising funds and technical assistance for the ECO activities. We call upon all the member countries to support the establishment of this Center.

Honorable Delegates,

Azerbaijan is expanding the production of its hydro-carbon resources, and we are going to witness the project of the development of regional pipeline infrastructure to export these resources to world markets. The main Baku-Tbilisi-Jeyhan oil pipeline and Baku-Tbilisi-Erzurum gas pipeline will have a positive impact on the integration process among the countries involved in this project. A solemn ceremony of the celebration of the 10th Anniversary of signing the Contract of the Century will be held 20 September 2004. It is my pleasure to inform you that next year we expect the completion of the construction of the main Baku-Tbilisi-Jeyhan oil pipeline, and the transportation of the "big oil" through this pipeline will start. We hope that all ECO concerned countries will ripe the fruits of this large scale project.

In conclusion, Mr. Chairman, I would like to reiterate that Azerbaijan considers the ECO cooperation as a major instrument to promote progress in the region, and is resolved to exert every effort to facilitate this process.

Thank you for your attention.

Statement of H.E. Mr. Seyed Kamal Kharrazi,

Minister of Foreign Affairs of Iran

In the Name of Good the Compassionate, the Merciful

H.E. Talbek Nazarov, Honourable Minister of Foreign Affairs of the Republic of Tajikistan Honorable Ministers of Foreign Affairs Ladies and Gentlemen.

May I begin by extending my congratulations to you, Mr. Chairman, on your election to preside over the 14th Meeting of the ECO Council of Ministers. I'm confident that under your leadership this meeting will make considerable progress towards the attainment of the lofty objectives of ECO.

I would like to assure Your Excellency that the Islamic Republic of Iran's delegation is prepared to render any cooperation, contribution and help to ensure the success of this meeting under Your Excellency's chairmanship.

I wish, Mr. Chairman, on behalf of myself and the Government of Islamic Republic of Iran, to thank the Government of the Republic of Tajikistan for hosting this important event as well as for the warm and sincere hospitality accorded to us.

Distinguished Participants,

We are all aware of the importance of regional cooperation in our present world and I deem it not necessary to further elaborate on that. But, I wish to take this opportunity to share with you some observations on the need for integration within ECO, which stands out as the oldest regional organization in this part of the world.

Though globalization process and IT advances have given rise to new opportunities for developing countries, they have created certain challenges to them as well. Formation of regional organizations and groupings as well as region-oriented approaches are among the most appropriate tools to reduce the adverse impact of this phenomenon. Undoubtedly, closer cooperation and coordination among states within regional organizations will enhance their power to confront the issues and problems of the modern world.

I should note that despite all the efforts made in the past years, the results are, unfortunately, far from meeting the expectations of the member states and has not been satisfactory.

Heads of the states and you colleagues have addressed this issue on various occasions during ECO meetings. It was on the basis of these expressed views that Eminent Persons Group (EPG) with the objective of exploring ways and means for promoting the effectiveness and of the organization and to face the current challenges in front of us all was formed with approval of the COM and the support of the Heads of States.

Now, EPG's recommendations are before us to consider and decide upon. I would like to draw your attention to the following points in this regard:

1. Noting EPG's recommendations that the organization should draw its future vision, set necessary goals for its activities and bearing in mind that expansion of trade has always been one of our priorities and trade also constitutes the prime basis for regional integration, as well as the fact that we have all shown interest in the facilitation and expansion. We believe it is high time for ECO to form a "Free Trade Area" (FTA). So far, ECO has had a little portion of the intra-regional trade which has not been satisfactory at all. ECOTA has been signed by many of us but it is yet to be implemented.

Taking into consideration all of these developments, we propose that ECO should define specific time frame, say, ten year for integration of this objective. Starting 2005, member states are called upon to begin

voluntarily decrease of their tariffs so as by 2010 tariffs would be 50% of current ones and FTA will be established by 2015.

2. EPG has also come up with recommendations for promotion of the effectiveness of the functioning of ECO. While confirming the EPG's proposal for holding meet at the level of Senior Officials between the Summit and COM meetings, we suggest through endorsement of 14th COM such meeting be convened regularly to review current development within ECO and discuss principle guidelines of the organization.

Dear Colleagues,

Trade development can not be achieved without active participation of the private sector. Therefore, one would expect the greater participation of the private sector throughout the region. To this end the outcome of the first meeting of ECO Heads of the Privatization Organization, which was held in Tehran some months ago, can be beneficial and provides some food for thought.

Another prerequisite for economic growth and facilitation of trade is the establishment of effective and appropriate infrastructures. This is especially true for transport and telecommunications given that seven ECO members are land locked, this becomes doubly important. Against I draw your attention to the results of the recent meeting of ECO Ministers of transport and telecommunication held last month in Kyrgyzstan.

We all appreciate the increasing importance of transportation and telecommunications and their role in expanding regional trade. To this effect the fifth meeting of the ECO Ministers of transport and telecommunication referred to a need for a political will - at the highest decision making levels - by member states to overcome the obstacles in the way of the implementation of the important cargo and passenger train project that would run between Almaty and Istanbul. Obviously once the project is operational it will become a regional hub and as such, greatly contribute to the promotion of trade and tourism.

Dear Participants,

Our region is blessed with abundant energy resources, including oil gas and minerals. Such riches provide us with another opportunity for cooperation. We must intensify our efforts to tap such resources. Connecting the national electricity grids is the most accessible project in this field and in view of the available international assistance it has become very possible.

Member states must intensify collaborations on this sector and relevant national organizations must closely follow-up such ventures. Aside from financing such projects, member countries must attract foreign investment and the transfer of technology for them as well. The transport of energy from the region to international markets is one of the goals of the organization and as such, member countries must work towards its realization. Having said that, I also point out that disorganized and environmentally unsound usage of natural resources has creased numerous problems. This is especially true for water and shared natural resources. The regional nature of such problems requires a unified and coordinated response by member states — one that will lead to the optimal usage of these riches. Again I draw your attention to the final communiqué of the first conference of ECO ministers of environment as held in Tehran. The conference was a major step towards the strengthening of cooperation in that sector.

Greater industrial cooperation between member states will undoubtedly contribute to regional economic growth. The implementation of the plan of action and Tehran declaration on industrial cooperation between member states issued by the first conference of ECO ministers of industry, held last January in Tehran is recommended.

Increasing populations require greater amounts of foodstuff. ECO members must come up with a plan to provide sustainable regional food security.. Increasing agricultural cooperation and benefiting from the experiences of others can be beneficial. Once again I refer to the first meeting of ECO ministers of agriculture as held in Islamabad. The implementation of the recommendations of the meeting – especially the fields that have priority – will be beneficial.

Dear Colleagues,

In view of the destructive effects of narcotics and its increased production in recent years, greater cooperation amongst member states to uproot this monstrous plague has become very necessary. The Islamic Republic of Iran propose that a Committee comprising of Senior Officials of Interior Ministries of Member States be established with a view of cooperation on the issues such as drug trafficking, smuggling, money laundering, borders security and cross border movement of citizens.

Before closing my statement I would like to mention that, Culture and an appreciation of the traditions and customs of member states are extremely important. Such matters create a conducive atmosphere for cooperation in other sectors. Including different cultural and scientific fields. These include the exchange of professors and students, cultural festivals, and facilities in order to appreciate cultural diversities. The ECO cultural institute was established to foster such goals and we must assist the institute in meeting its objectives. We are hoping that interested countries will sign up to the institute and by doing so turn it into an active regional cultural organization.

Dear Participants,

I would like to once again congratulate Mr. Orazbay as the new Secretary General for his efforts to promote the standing of the organization and its lofty goals and we wish him every success. I also thank all ECO Secretariat staff for their contributions to the organization of these meetings.

Before I bring my comments to an end, I would also like to thank the Government and people of Tajikistan for their warm hospitality.

Thank you.

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Statement of H.E. Mr. Kasymzhomart Tokaev,

Minister of Foreign Affairs of Kazakhstan

Dear Mr. Chairman! Dear Mr. Secretary General! Your Excellencies!

First of all, I would like to express my gratitude to the Government of the Republic of Tajikistan for the hospitality extended to me and my delegation, as well as an excellent organization of this meeting.

Mr. Chairman!

In today's rapidly changing world with its all challenges and threats such as poverty, international terrorism and drug trafficking the regional cooperation becomes a major way of addressing these issues. That is the reason we attach a big importance to the ECO which is a priority for my country. We believe that ECO is a good international forum for an open dialogue that provides an opportunity for promoting economic development of the region. In this regard, we are convinced that all the member countries of the ECO must be interested in undertaking joint efforts to achieve prosperity and stability of our vast region.

Our countries have achieved a a considerable success in a number of areas, including economy, investment and trade. Also, it is necessary to underscore the fact that positive dynamics of the regional economic development has become more sustainable.

To reach this goal the Government of Kazakhstan have been pursuing large-scale economic reforms that resulted in constant growth of economy and improving the living standards of our people.

Given the specific geographical location of Kazakhstan, developing transport and communication infrastructure is a matter of big importance for us. We also believe that this sphere must be seen as a top priority for the ECO. Otherwise, there is no change to further facilitate the cooperation within the ECO. So, in the long term, we plan to construct a new railway that will connect China, Kazakhstan, Gulf countries and Europe. The Government of my

country plans to implement another ambitious project – to set up a chain of seaports in the Caspian Sea. Kazakhstan also carries out the reconstruction of Almaty-Bishkek highway that will create condition for increasing trade and exchange commodities. Another promising project that can play a key role in developing the transport network in the region is the reconstruction of Kungrad-Beineu-Aktau highway. At present Kazakhstan carries out the feasibility studies of this project and reconstruction of "Aktau" seaport that is expected to meet all the requirements of shipping companies.

I wish to draw your attention to another promising project that will substantially contribute to the regional cooperation, it is the launching of the cargo and passenger trains between Istanbul and Almaty via Tashkent, Turkmenabad, Tehran on a regular basis. This project unfortunately has been delayed although there was practical interest in facilitating economic ties and trade using a network of railroads. Taking this opportunity I express my hope that all the relevant countries would be involved in implementing of this project.

Kazakhstan has a unique opportunity to provide a viable transit infrastructure for many countries of Europe and Asia. The transit transport has special importance for landlocked countries, including Kazakhstan. That is why my country hosted the United Nations Conference on this issue last year. The Almaty Action Program and Almaty Declaration adopted at the conference have become a solid basis for cooperation in this are.

Development of energy export routes is another important task for the ECO member countries that posses substantial reserves of energy resources. From my point of view, the economic development and energy security of the ECO member states to the large extent depend on this issue. The success of the ECO itself also depends on whether we will be able to build up feasible projects including oil and gas pipelines.

Another question that requires our close consideration is trade. In this regard I have to note that the present volume of trade does not meet the existing opportunities of the member states of the ECO. Kazakhstan's trade turnover with the ECO countries reached 1.5 billion US dollars. Meanwhile the regional trade could be broader if the ECO Secretariat could provide us with the appropriate information and recommendations on the regular basis. I am hopeful the Secretariat will focus on really important and practical issues that are in the agenda of the ECO. We need a breakthrough in our cooperation, we need recognition from the international community as an efficient organization able to respond to economic needs and address the most acute problems. For that we have everything – human resources, natural resources, willingness and expectations of the people, what unfortunately we lack is a practical and businesslike approach to the concrete projects.

We need a good teamwork and good cooperation. We should gain a better insight of what is taking place in the region. We need to comprehend the current realities that will make possible reviewing the past experience of the Organization and defining new approaches.

We need the fulfillment of the financial obligations from all member states of the ECO. We also need more commitment to the Organization from member states.

While assessing the ECO activities and defining its future outlook, we should keep in mind the general tendency of the international situation which is very complicated and is far from being stable. In this respect the elaboration of the ECO Action Plan on joint participation of our states in reconstruction and development of Afghanistan and "The prospects of the ECO till 2015" drafted by a group of experts was well-timed and topical. Kazakhstan expresses its strong commitment to contribute to political and economic recovery of Afghanistan. Taking into account the potential of each ECO member state I am convinced that our joint efforts will be successful and beneficial for our good partner Afghanistan.

Finally, I wish to express our confidence that the upcoming Summit of the ECO will substantially contribute to strengthening of the potential and the record of our Organization, will serve as another impetus to the regional cooperation. It is our common goal and it is in our common interest to take concrete and efficient measures to respond to this challenge.

Thank you for your attention.

Statement of H.E. Mr. Askar Aitmatov,

Minister of Foreign Affairs of Kyrgyzstan

Your Excellency Mr. Talbak Nazarovich Nazarov, Minister of Foreign Affairs of the Republic of Tajikistan and Chairman of the 14th Meeting of ECO Council of Ministers, Your Excellencies, Your Excellency Mr. Secretary General, Ladies and Gentlemen!

Let me avail myself of this opportunity to welcome you once again in this wonderful city of Dushanbe. I would like once again to congratulate you sincerely, esteemed Talbak Nazarovich Nazarov, with appointment to the position of the Chairman of the meeting and express gratitude to the Government of brotherly Tajikistan for rendered hospitality and cordiality. I am sure, that this meeting will be fruitful and beneficial under you wise guidance.

I would also like to express gratitude to the Secretariat of ECO lead by Secretary General Mr. Askhat Orazbay for an immense work done to prepare our meeting and wish him good luck on such a responsible position.

Kyrgyzstan considers ECO as a factor of regional integration, within the framework of which the Member States combine their efforts and resources to resolve topical issues of social-economic development of the region. During its chairmanship at the ECO Council of Ministers Kyrgyz Republic, following the idea of regional integration, made every effort to develop effective cooperation among our friendly countries.

In light of decisions of the 13th meeting held in Bishkek, the process of reconsideration of the role of ECO from the viewpoint of enhancing its effectiveness and practical output continues. This was mainly achieved by the activities of Eminent Persons Group (EPG), which operates on the instructions of the Council of Ministers and which from the moment of its establishment have already conducted two meetings and provided us with valuable recommendations. We hope, that Eminent Persons Group, functioning as some kind of catalyst of the activities of our Organization, will further continue to be a good tool for in time and effective monitoring.

Signature of new understanding and cooperation memoranda with international and regional economic organizations such as World Customs Organization, UN European Economic Commission, UN Program on Environment and Colombo Plan deserves our endorsement. Of course, the foreground task of the Secretariat should be to stir up international relations of ECO in order to obtain technical and financial support for the projects and programs of our Organization. In this context, I would like to propose to esteemed Secretariat to convert cooperation of ECO with ASEAN, the biggest and successful organization of Asia and Pacific, into the practical implementation.

Esteemed participants,

In order to achieve progress and success in the regional integration ECO Member States have to focus their efforts and attention on realization of the most high-priority economic projects in the area of trade, transport, communication and energy. Here I would like to emphasize the necessity of concentration of efforts primarily on the economic cooperation, which creates the basis for development of cultural-humanitarian relations. In our judgment, while choosing such projects, we should not base our choice on some kind of national and one-sided principals, rather we have to be driven by mutual benefit of the projects and equality of Member States.

The range of continuous economic reforms in Kyrgyzstan, as well as entry of the Republic into the WTO has strengthened its foreign trade regime liberalization and preclusion of trade barriers. This, along with other measures, provided necessary prerequisites for successful development of trade between the Republic and ECO Member States, the volume of which today comprises one third of the total foreign trade turnover of the Republic. Kyrgyzstan supports soon realization of ECO Trade Agreement and conducts all necessary procedures for joining to this important agreement.

As it was mentioned in the report of the ECO Secretary General, the volume of intraregional trade in the ECO region in 2002 comprised 11 billion US dollars or 5.6% out of total foreign trade turnover of the ECO Member States. This statistical data does not conform to the trade potential among our countries, which is, according to the international specialists' estimates, totals to 16 billion US dollars. It is widely known, that development of trade and investment is the major factor for successful development of any country, therefore we support elaboration of ECO Agreement on protection and development of investments, efforts undertaken by the ECO Secretariat for effective involvement of private sector into trade programs and projects of the Organization, establishment of ECO information trade network, which will connect all organizations in the ECO region involved in foreign trade operations with each other. There is no need to repeat our common interest concerning the soonest establishment of the ECO Trade and Development Bank and promotion of more active operation of the ECO Chamber of Commerce.

Along with that, today development of trade-economic relations, establishment of solid connections inside the region and with international society is impossible without developing transport infrastructure. ECO countries situated in the center of worldwide transport and communication flows with directed to "North–South" and "East–West", which puts transport and communication in line with the most top-priority tasks within the framework of cooperation among ECO Member States. The significant events of this year were the 5th meeting of Transport and Communication Ministers held in Cholpon-Ata, as well as the 8th meeting of the chiefs of ECO Member States railway authorities in the course of which Memorandum on ECO railway tariff policy in the field of international cargo transportation was approved.

Dear colleagues,

As it was mentioned in the report of esteemed ECO Secretary General, from the moment of the 13th meeting of the Council of Ministers in Bishkek, 4 sectorial ministerial meetings, particularly the 2nd meeting of Trade Ministers (Islamabad, 17 July, 2003), the 1st meeting of Industry Ministers (Tehran, 25-28 January, 2004), the 1st meeting of Finance Ministers (Islamabad, 29-30 January, 2004) and the 5th meeting of Transport and Communication Ministers (Cholpon-Ata, 11-12 August, 2004) were conducted.

It is of no doubt that regular sectorial meetings of ministers, especially in high-priority areas, will help towards the attainment of our objectives. Along with this, it should also be stated that there is a need for practical realization of decisions made on those meetings. The time for change from words to practical realization of concrete projects has come. Long-term delay in realization of important ECO projects, particularly the Almaty–Tashkent–Tehran–Istanbul Trans Asian Railway Road is a matter for regret. As the result of painstaking work during the last several years, as you remember, we succeeded to start Almaty–Tashkent–Tehran–Istanbul container train and sign memorandum on launch the experimental passenger train service from Almaty to Tehran. So far, as you know, ECO Framework Agreement on Transit Transport and ECO Agreement on Transit Trade were still not brought into operation.

Grand-scale project on interconnection and alongside operation of energy systems of ECO Member States was initiated away back in 1997. The mountain country Kyrgyzstan owns 37% of the total water reserves of Central Asia and, consequently, immense hydro energetic opportunities. Rich resources and profitableness, cheap and ecologically clean electric power generated in the Kyrgyz Republic comprise big potential of interaction among our countries within the framework of ECO. We hope sincerely, that by the next meeting our Organization will progress substantially in realization of the Project on interconnection of energy systems of ECO Member States with proper evaluation of the results of tender held to conduct feasibility study of the project.

Esteemed participants, ladies and gentlemen,

Broad-gauge social-economic development of the region, free trade and cooperation are indivisible with political stability and regional security. I think you all would agree with me, that welfare of both Central Asian and other neighbor countries depends directly on stability in Afghanistan. Therefore, today it is crucial for ECO to participate in rehabilitation of Afghanistan. Unfortunately, so far from the moment of the decision made on Istanbul Summit in October 2002 concerning establishment of ECO Special Fund aiming to finance priority projects in Afghanistan, the mechanisms for its establishment were still not approved.

Realization of the Action Plan on participation of ECO in the rehabilitation of Afghanistan proceeds with slack pace, so far among the practical measures of its realization there is only decision approved by the 88th CPR on conducting feasibility study of Nawar bridge construction in Nangahar province by ECO Consulting and Engineering Company.

We also hope, that chairmanship of Afghanistan at the ECO Chamber of Commerce will expedite practical participation of ECO in social-economic rehabilitation of this long-suffering country and development of regional trade.

Certainly, the leading role in promotion of restoration process in Afghanistan should be played by neighboring states including our country. I would like to remark, that Bishkek conference called "Regional economic cooperation of Afghanistan, Central Asia, Iran and Pakistan" held in May, 2004, was a real contribution of Kyrgyzstan in strengthening interaction and cooperation among countries of the region in the area of post-conflict restoration of Afghanistan and creation of favorable conditions for its successful integration into regional affairs. All participants of the conference were at one in thinking about the necessity of consolidation of efforts for strengthening stability in Afghanistan and in whole region.

Dear friends,

Concluding my speech, I would like to address to my esteemed colleagues to exhibit political will and provide maximum support to realization of abovementioned projects, which have been already started, since success and prestige of ECO as a regional organization in many ways depend on them.

Geopolitical changes in the region, economic rapprochement of countries, which have common historical background and cultural values, as well as aspiration of these countries for gradual integration of their economies into worldwide economic system laid the foundation of our Organization. Beginning stage of cooperation have been already passed, and now it is time for transition from the stage of simple information exchange and making ideas to their thorough analysis and selection aiming at further realization of the highest-priority regional projects for prosperity of our nations.

Esteemed participants,

I am sure, that Dushanbe Forum will become the new milestone on the way of further promotion of long-century relations and neighborliness among our countries.

Let me again express gratitude to the Government of Tajikistan for accorded warm hospitality and excellent organization of our meeting and wish all ministers and heads of delegations, as well as all participants good luck in their further endeavors.

Thank you for attention.

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Statement of H.E. Mr. Khurshid M. Kasuri.

Minister of Foreign Affairs of Pakistan

Your Excellency Mr. Talbet Nazarov
Minister for Foreign Affairs of the Republic of Tajikistan,
Chairman of the 14th meeting of the ECO Council of Ministers,
Mr. Secretary General,
Excellencies,
Distinguished delegates,
Ladies and gentlemen,

It is a great pleasure for me and the members of my delegation to be in the delightful city of Dushanbe. We are grateful to the government and people of Tajikistan for the warm reception and generous hospitality extended to us. We appreciate the excellent arrangements made for this meeting.

- 2. Allow me, Mr. Foreign Minister, to offer you my felicitations on your assumption of the Chairmanship of the Council of Ministers. Your personal commitment to ECO, its goals and ideals would undoubtedly inspire us in our deliberations today.
- 3. I would also like to take this opportunity to express my appreciation for the valuable contributions made by His Excellency, Mr. Askar Aitmatov, the distinguished Foreign Minister of Kyrgyzstan, in his capacity as Chairman of the 13th Session of the Council of Ministers.

Mr. Chairman,

4. I must extend my greeting to His Excellency, Mr. Askhat Orazbay, the Secretary General of ECO. We wish him every success in his new assignment.

Mr. Chairman

5. The common bonds of history and heritage, of faith and geography bind our peoples in abiding ties of friendship. The Treaty of Izmir is a manifestation of this brotherly relationship. We have been able to lay an institutional framework for cooperation among our peoples. Several important agreements have been signed by the ECO. Our cooperation is expanding. We have to pace it up. Regional integration demands more intense efforts.

Mr. Chairman,

- 6. Today's world is becoming smaller and increasingly inter-dependent. Regional integration has become an economic imperative. Progress is linked to our ability to integrate regionally. Pakistan believes that ECO has full potential to meet this challenge. It can harness the region's vast human and material resources. It can lead us to economic integration. The examples of the more successful organizations are inspiring. We can learn from the experiences of the European Union and ASEAN.
- 7. The ECO has taken some very positive initiatives. We appreciate the good work of the Eminent Persons' Group.

Mr. Chairman

8. Since our Council met last in June 2003, important sectoral meetings have been held. These include Ministerial Meetings on Commerce and Trade, Finance and Economy, Industry and Transport as well as communications. Important decisions were taken at these meetings. We hope these are implemented without delay. There is also need for early convening of the first ECO Ministerial Meeting on Information Technology and second Meeting on Energy.

Distinguished delegates,

- 9. Free trade is a high priority of the ECO. It is indeed central to the success of any regional economic cooperation organization. I am pleased to note that the ECO Trade Agreement was signed in Islamabad in July 2003. The ECO Ministerial Meeting on Foreign Trade held there set the goal of barrier-free trade.
- 10. Developments fallowing the Ministerial Meeting on Trade have been encouraging. The High Level Experts Group which met in January 2004 accelerated the process of dismantling trade barriers. We welcome this development.

Mr. Chairman,

11. The momentum generated by these steps necessitates early convening of the Third Ministerial Meeting on Commerce and Trade. We also hope that the Second High Level Experts Group Meeting, postponed on the request of some member states, would be convened soon in Islamabad. May I take this opportunity to call on states which have signed ECOTA to ratify it. I would request those who have not yet signed it to put their signatures to it.

Mr. Chairman,

12. Transit Trade Agreement is an important landmark on the road to economic integration. It has been in force for six years now. However, it is yet to be operationalized. Perhaps some procedural impediments are holding back progress. We need to resolve them at the earliest. Things must get going in this important sector.

Mr. Chairman,

- 13. Regional integration is our prime objective. Unfortunately, it will remain elusive in the absence of a well developed regional infrastructure of transport and communications. We need to pay due attention to the construction of missing road and rail links in our region. We are happy at the completion of the railway link on Kerman-Bam segment of the Kerman-Zahidan sector.
- 14. In Pakistan, we are nearing completion of the Gawadar deep sea port and the Coastal Highway linking Gawadar to Karachi. We are also studying prospects of linking Peshawar with Termez in Uzbekistan and Chaman with Kushka in Turkmenistan. We hope these and similar projects would contribute significantly to regional integration.
- 15. Linkages of this kind, important no doubt, cover only one aspect of enhanced commercial interaction. They will not be complete without proper institutional underpinning. Early ratification and enforcement of the Transit Transport Framework Agreement is imperative to facilitate the flow of goods in the region (So far, Pakistan, Azerbaijan, Kyrgyz Republic, Kazakhstan and Tajikistan have ratified the agreement). I would urge all member states to kindly complete the ratification process as early as possible.

Mr. Chairman,

- 16. Another important step to promote intra-regional trade would be the early establishment of ECO Trade and Development Bank and the ECO Reinsurance Company. This was rightly recognized at the First Ministerial Meeting on Finance and Economy held in Islamabad in January this year. The meeting stressed early establishment of these institutions. There is need to implement it without delay.
- 17. Equally relevant is the functioning of the ECO Shipping Company. The proposal has been under consideration for some time. We hope that issues relating to this proposal can be settled soon. The Shipping Company should take an early start on a sound profitable basis.

Mr. Chairman,

18. The role of the private sector in enhancing intra-regional trade cannot be over-emphasized. Active involvement of the private sector would bring new dynamism to regional cooperation. I am happy to note that the Seventh General Assembly Meeting of the ECO-CCI was held in Kabul in April 2004. Although convened after a long break, it was a great success. We hope such meetings would be held more regularly.

Mr. Chairman

- 19. Pakistan remains committed to the Bonn Process. We have been extending full support to the Government of President Hamid Karzai. We reiterate the call we made in the First Ministerial Meeting on Finance and Economy. ECO should fully participate in the reconstruction of Afghanistan. Pakistan has pledged US\$ 100 million for that purpose. We are reengaged in projects prioritized by the Afghan Government. These include such areas as health, education, capacity building and infrastructure. We have also agreed to contribute US\$ 5 million to the ECO Special Fund for Reconstruction of Afghanistan. I would urge generous contributions to the Fund by all members.
- 20. It is indeed gratifying that preparations are going apace for Afghan presidential elections next month. Parliamentary elections would be held in April 2005. Pakistan is extending full cooperation to the United Nations in the holding of out-of-country elections in Pakistan. We are confident that elections will strengthen democracy in

Afghanistan. They would also promote peace and stability in the region. We wish our Afghan brethren every success.

Mr. Chairman.

- 21. Terrorism is a threat to peace and progress. Pakistan has been in the forefront of the fight against this menace. We have been its victim and know its horrors first hand. We strongly condemn it in all its forms and manifestations. Pakistan shall continue cooperating fully with the international community and with our brothers in Central Asia to eliminate this scourge.
- 22. ECO must address terrorism together with drug trafficking. They are our common enemies. They imperil all our development. We must put up joint efforts to eliminate them. I am glad that we have developed a consensus on combating terrorism in all its forms and manifestations. It is equally heartening that we have agreed to coordinate policies against the menace of drugs, smuggling and money laundering.
- 23. We believe that in the long run, the success of the fight against terrorism hinges on identifying and addressing the root causes. To focus only on symptoms and overlook the disease it not the answer. It is equally important that a clear distinction be drawn between terrorism and genuine freedom struggle.

Mr. Chairman.

24. A tragic outcome of 9/11 has been the cultural and religious overtones that many a political problem has assumed. The gulf between the West and the Islamic world has been widening. The drift is ominous. We must avert it. President Pervez Musharraf has envisioned an effective solution. His vision of "Enlightened Moderation" calls for rejection of intolerance and extremism. It stresses pursuit of modern knowledge by Muslims. It urges the West to help with trade and aid as well as early settlement of long festering problems.

Mr. Chairman

25. Pakistan believes that a sincere and sustained dialogue presents the best way to peace and stability in South Asia. We hope that India will reciprocate our sincerity and commitment in equal measure. We look forward to the early resolution of the Jammu and Kashmir dispute in accordance with the legitimate aspirations of the Kashmiri people. This will lead to durable peace in South Asia.

Mr. Chairman

- 26. I assure you of Pakistan's abiding interest in an efficient and effective ECO, capable of playing a significant role in realizing the aspirations of our peoples. We are firm in our commitment to the ideals that inspired the creation of this organization and to the objectives enshrined in its charter. We remain equally unwavering in our resolve to endeavour hand-in-hand for the realization of ECO's full potential.
- 27. I have no doubt, Mr. Chairman, that ECO has bright prospects ahead. We will realize them jointly. Progress and prosperity shall be the common destiny of our people.

Thank you.

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Statement of H.E. Mr. Talbak Nazarov,

Minister of Foreign Affairs of Tajikistan

Dear colleagues, Distinguished Mr. Secretary General, Ladies and Gentlemen, First of all, I would like to express hope that today we can render fruitful discussions and share opinion on wide range of issues related to evaluation of present conditions and specification of further ways of development of regional cooperation in the framework of our Organization.

Dear colleagues,

In the epoch of globalization and rapid development of information technologies, increase of interdependence economic development of countries of the world, Economic Cooperation Organization is given the role of effective instrument to achieve regional integration which would allow our countries to occupy worth place in the world community and foster prosperity of our nations.

As you are all aware, strategic importance of ECO region is expressed, first of all, by its territory situated between the West and the East, between Asian and European cultures. In this region, ancient civilizations of the world came into existence, representatives of which made a great contribution to science and culture. During past centuries, the Great Silk Road was established across the region and its importance increases nowadays. ECO region possesses huge natural, economic and labor potential which gives possibility to turn it into one of the most attractive zones of the world for investment and international economic cooperation in near future.

For the recent years, in the framework of the Organization we have been able to take serious steps for creation of reliable mechanisms of cooperation by working out and signing various regional agreements. Realizing the necessity of acceleration of the process of regional cooperation, we, during the past period, once against have specified priorities for cooperation in such crucial fields like transport, communications, trade, energy, etc.

At the same time, we are aware that our integration process in the ECO framework is facing certain difficulties, particularly in the sphere of practical realization of already adopted decisions on the main directions of ECO activity.

Regrettably, I would note that many adopted documents of ECO are not being realized satisfactorily. Therefore, we have to put maximal efforts to achieve sustainable economic cooperation, and to intensify interaction of ECO with other international organizations, first of all with international financial institutions on proceeding and realization of programs and projects of the Organization.

I guess, in this regard, issues expressed in the document "ECO Vision 2015" are very actual and well-timed for strengthening regional cooperation in the ECO framework. Visions represented in this document would contribute to improvement of Secretariat activity and specification of new priorities in different field of cooperation. In this document, visions of the Organization for this decade are defined by taking into account aims for development specified by United Nations Organization for new millennium; priority fields of cooperation, development of human resources and reducing poverty level, as well as interest of ECO in vitalization of relations with all international and regional organizations are taken into consideration.

Future economic prosperity of the region closely depends on how fast and adequately we manage to adapt the activity of our Organization to requirements of present time and to increase its real effectiveness.

Distinguished Ladies and Gentlemen,

For all of us, the market of the ECO member countries is accessible and profitable. At present ECO member countries occupy a leading place in external trade of the Republic of Tajikistan. It would be enough to mention that in 2003 the share of ECO region countries comprised about 40 per cent in external trade turnover of Tajikistan, or 633 million of US Dollars. For the first half of 2004, these indices comprise 416.6 million US Dollars, or 38 per cent of external trade turnover of the country for this period.

The analysis of integration of the country in the ECO framework shows that in near future cooperation between member countries will expand more and more. Today already an agreement to reduce custom barriers has been reached. According to program documents, special attention would be paid to the development of trade relations between member countries.

At the same time, it is necessary to mention that because of series of reasons the course of implementation of some programs and projects of ECO is far from expected results. First of all, it concerns projects in fields of trade, transport, and telecommunications. Regrettably, we should admit that today external economic relations within the region are mainly limited by export and import operations.

Hence, not only elaboration of legislation base and mutually agreed tariff and trade policy, without which the use of acting reserves and realization of projected tasks will lose its economic importance, is of great importance. Effective implementation of already adopted documents also needs to be taken into consideration.

Tajikistan deeply believes that it is high time to give priority importance to urgent ratification and realization of ECO Trade Agreement (ECOTA) with; the purpose of expansion of cooperation between member states in the field of creation of ECO zone of free trade in future, as well as active works on further liberalization of trade policy,, harmonization and simplification of custom rules and procedures, including harmonization of tariff nomenclature of goods and standardization of custom documentation.

Distinguished Ladies and Gentlemen,

Social, economic and trade development of any region mostly depends on conditions of its infrastructure, which plays a leading role in provision of multi-planned interaction between the countries of the region. Adopted in the framework of the Organization the General plan of development of transport sector and communicational infrastructure in the ECO region is highly actual for all member countries in general and for Tajikistan which is situated in a deadlock, in particular.

Operationalization of Trans-Asian railway line on the route Sarakhs – Tejen – Meshad connection Europe with Asia will provide the region not only with the shortest access to the sea, but it also remarkably increases potential possibilities of ECO member countries in foreign trade. This route is only one part of the main Trans-Asian railway line based on the General plan for development of transport sector. Further development of this railway line with existed railway branches of Tajikistan and Kyrgyzstan will comprise one of the priorities of the General plan in the forthcoming period.

The General plan includes construction of automobile road Kulob-Kalaikhumb-murghab with access to Karakarum highway, and the Program for the decade of transport and communication of ECO 1998-2007 includes construction of the road Dushanbe-Gharm-Jirgatal-Saritash (Kyrgyzstan), reconstruction of automobile road Dushanbe-Aini-Uratybue-Bekabad (Uzbekistan), Bekabad-Now-Khudjand-Konibodom-Kokand, railway line Penjikent-Samarkand, etc. Tajikistan continues to take necessary steps for completion of construction of the tunnel on Anzob pass, bridges on Panj River, as well as connection of transport highways of our country with Afghanistan and Iran.

The next serious problem is acceleration of ratification by the member countries Transit Transport Framework Agreement. Provision of transport movement through existed transport corridors and reducing custom duties would allow the member countries of ECO to develop transit trade on the, and minimize expanses for transportation of goods and passengers.

Dear colleagues,

As you are aware, cooperation in the field of energy is one of the important directions in activities in ECO framework. Possessing rich hydro-energy resources, Tajikistan at present renders activities on attracting foreign investment to renew construction of Roghum Hydro-Electric Power Station, and further construction of the electricity line which will connect Tajikistan with Afghanistan and Pakistan. This project has already been included in the plan for creation United Energy system of ECO region. Along with all this, construction of Sangtuda Hydro-Electric Power Station, which will become an important part of the United Energy-System of ECO, is continuing.

In this regard, the Government of Tajikistan takes measures on reconstruction of the electricity line of 110 kilowatt to Afghanistan, which was constructed in the Soviet period. At the end of last year, Iran and Tajikistan signed a Memorandum on completion of Sangtuda Hydro-Electric Power Station. This is not only the sign of good intention, but it also demonstrates how the countries of the region are interested in development of mutually fruitful cooperation.

One of the options for reducing tension in provision of electric energy in some countries of the region is to establish an international consortium with participation of ECO member states, which are the potential consumers of exported electric energy.

At present, the Republic of Tajikistan remains as an importer of oil and gas. This, without doubt, gives importance and actuality for field of energy, the majority members of which are producers and exporters of cheap gas and oil products. In this regard, active participation of Tajikistan in creation of boring company of ECO will solve many existing problems in this highly important sector of the country's economy.

Distinguished Ladies and Gentlemen,

I would like to say some words about assistance in reconstruction of Afghanistan. Taking into account good neighboring relations, community of cultures and historical ties with Afghanistan, Tajikistan undoubtedly supports quick stabilization of situation, reconstruction and economic revival of Afghanistan. We believe that ECO has to take the most active part in this creative process, including activities in the framework of Special Fund of ECO for Reconstruction of Afghanistan, as well ad adopted plan of action of ECO on reconstruction of Afghanistan.

We deeply believe that participation in reconstruction of Afghanistan and attracting attention of the world community to problems of the country will bring long-awaited stability to this long-suffering land. The Government of Tajikistan is ready to render feasible assistance to Afghanistan in such complicated and crucial period of its development. Therefore, we have created intergovernmental Tajik-Afghan Commission on Trade and Economic Cooperation, established the Group for organization of trade on the border; we are constructing bridges and many other important sites.

I am sure that complete settlement of the situation in Afghanistan with the assistance of international community and more active involvement of ECO in this process would became a key precondition for achieving security and stability in Afghanistan, and in the region as a whole.

Distinguished Ladies and Gentlemen,

I would like to focus on some issues, which are in interest of not only the Republic of Tajikistan but of all ECO member countries.

In our opinion, besides cooperation in above mentioned priority fields of economy, interaction in such spheres as agriculture, industry, environment, health, tourism, etc. For instance, in the field of agriculture, processing of agricultural products, particularly cotton fiber would be a long term direction for cooperation. Tajikistan possesses potential for production of one million tons of cotton of medium and fine-fibre types. In this regard, we fully support the suggestion of Azerbaijan concerning creation of an association or forum of producers and exporters of cotton in the framework of ECO which would allow the member countries to occupy their proper place in textile industry of the world.

Experiences in the development of silk production also needs to be mentioned. Soil and climatic conditions of the country are very favorable for production of high-quality and environmentally clean fruits and vegetables, as well as other high-profitable agricultural products. It is worth mentioning that in Tajikistan modern industrial base for processing agricultural products is not developed enough; there is no modern technologies for keeping, packing, and transportation of agricultural products. This sector would become an important sphere for further mutually beneficial cooperation between our country and ECO member counties.

Dear colleagues,

Today, the world community is facing with new challenges and threats, and it is necessary to take quick and effective measures, particularly toward increasing scope of terrorism, illegal trafficking of drugs and weapons, as well as human trafficking.

In this regard, I would like to focus on a very actual problem for ECO region – the problem of drug production and smuggling. Cooperation in the field of combating illegal drug trafficking is our common concern and requires from us to take collective measures. Considering the creation of reliable barrier on the way of trafficking of narcotic and psychotropic drugs as first priority task, we welcome the activity of the Drug Control Coordination Unit of ECO, which continues to contribute to initiatives for combating this evil. A good example of it is establishment of data bank of ECO on smuggling and custom violations, the draft agreement of which was supported by Tajikistan.

In this regard, it is worth mentioning that organization of regional seminars with participation of representatives of national services on drug control for working out a single strategy to combat this evil is very appropriate. It is also necessary to put an effective mechanism to control supply precursors, narcotic and psychotropic drugs.

Distinguished Ladies and Gentlemen,

Tajikistan welcomes the efforts to increase effectiveness of activity of the Organization. We believe, today, it is necessary to render key reforms, which have to be directed to further increase of effectiveness of ECO activity, rational selection of cadres, as well as actualization of the agenda of the Organization. "We fully realize the importance of activities in this direction and support the efforts of ECO Secretariat.

I would like to emphasis that systematic rendering of ministerial meetings is one of the crucial measures for increasing effectiveness of activities of the Organization. Successful organization of ministerial meetings on economy and finance, industry, environment, transport and communication this year, undoubtedly, will contribute further development of cooperation in above mentioned fields.

In conclusion, let me express hope that the results of our today meeting will give us additional possibility for further strengthening and reforming of the Organization taking into account the reality of the 21st century. I believe that, as before, the first priority task of ECO will remain mobilization of our joint efforts and resources for achievement of well-being and prosperity of all nations in our region.

Thank you for attention.

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Statement of H.E. Prof. Dr Besir Atalay,

Minister of State of Turkey

Mr. Chairman, Honorable Ministers, Distinguished members of delegations, Ladies and Gentlemen,

It is a great pleasure and privilege for me to address the Fourteenth Meeting of the Council of Ministers of the Economic Cooperation Organization (ECO) in this beautiful city of Dushanbe. I wish to express my sincere thanks to H.E. Mr. Talbak Nazarov, Honourable Minister of Foreign Affairs of the Republic of Tajikistan for warm hospitality extended to my delegation as well as excellent arrangements made for convening this important meeting. I am confident that under his wise Chairmanship our deliberations will be successfully completed and the realization of our goals within ECO will gain a new momentum.

I would also like to thank to H.E. Mr. Askhat Orazbay, Distinguished Secretary General of ECO and his able staff for their valuable contributions in organizing this meeting. Taking this opportunity, once again I congratulate H.E. Mr. Orazbay for his appointment as the new Secretary General of ECO. We attach high importance to his appointment and wish him every success.

Mr. Chairman, Excellencies,

Turkey, as one of the founding members of Economic Cooperation Organization perceives this organization as a multilateral platform for economic cooperation, which in time, will contribute to the achievement of economic stability and prosperity in the region.

Over the past 12 years, the member states have been collaborating to accelerate the pace of regional development through their common endeavors. Besides shared cultural and historical heritage, they have been able to use the existing infrastructure and business links to further fortify their resolve to transfer their hopes and aspirations into a reality. We believe that the ECO region is a land with promising trading prospects and it has a great potential to actively participate in the world economy.

Turkey is confident that implementation of the projects in the priority areas of ECO, namely trade, transportation and communication and energy will be beneficial to all member states.

We place high priority to the liberalization of trade regimes and the adoption of the rules and principles of the market economy within the ECO region. In this context, Turkey encourages all ECO member states to become members of World Trade Organization (WTO).

We are confident that ECO could be one of the significant chains of the integrated world economy and its importance in the global economy, will continue to increase in the future.

We fully support the liberalization of trade among the member states and the efforts towards the gradual elimination of non-tariff barriers and reduction of tariffs, which will help increase the volume of trade in the ECO region. In this regard, we welcomed the signing of ECO Trade Agreement (ECOTA) by five ECO member states, namely Afghanistan, Iran, Pakistan, Turkey and Tajikistan in July 2003 in Islamabad. We expect the early implementation of ECOTA. We are also of the opinion that the fast track approach within the context of ECOTA will be very beneficial to all signatories.

We with to express our appreciation of the steps taken so far for the establishment of the ECO Trade and Development Bank. When the Bank becomes operational, it would be instrumental in realization f concrete, bankable projects thus contribute to the welfare of ECO countries. We have already sent a list of the leading Consultant Firms in Turkey for the feasibility study of the Bank as per decision of the trilateral meeting.

We are of the opinion that ECO should find out effective mechanisms for involvement of private sector in ECO activities. In this regard, the ECO Chamber of Commerce and Industry should be more active in bringing together business communities of the ECO region. During the ECO Business Forum, on the sidelines of the Seventh Summit, held in Istanbul in October 2002, it was emphasized that the ECO-CCI should have a permanent location. The recommendation of the Business forum was presented to the Council of Ministers and the idea was welcomed at that time. In this regard, the Union of Chambers and Commodity Exchange of Turkey (TOBB) offered to host the permanent secretariat of ECO-CCI in Istanbul. However, we observe that the General Assembly of the ECO-CCI in their Kabul meeting did not take into account the said recommendation.

The core of our economies are still small and medium sized enterprises. The more cooperation among the SMEs has utmost importance. In this regard, Turkey will host a workshop on SMEs in Ankara on 29 November – 3 December 2004. We believe that through the active participation of the member states in this workshop, the role of the SMEs in our development efforts will be enhanced.

Mr. Chairman, Excellencies,

Trade is, naturally related with transport and communication matters. We attach great importance to the implementation of projects and programs of ECO for the development of physical and legal infrastructure in the field of transport and communications, which will provide the ECO landlocked countries with greater mobility.

In this regard, we are confident that Almaty-Tashkent-Turkmenabad-Tehran-Istanbul cargo and passenger train will enhance both international trade and socio-cultural interaction among the countries of the region.

Cooperation in the field of energy is yet another subject that could contribute to well-being of ECO member states, thus be conducive to the political and economic stability in our region. Turkey is a transitional country through which major oil and gas pipeline projects have been developed to transport oil and natural gas form hydrocarbon rich countries situated in the region to the world markets. Turkey as a dynamic energy market in the region, will be a pivotal energy corridor in the near future.

Turkey is of the view that economic cooperation organization is a structure that unifying the goals of member states to implement the millennium development goals by establishing effective cooperation on environmental issues. In this context, we believe that the Plan of Action for Cooperation among the ECO member states on environment adopted during the First Ministerial Meeting on Environment in Tehran from 13 to 15 December 2002 and revised at the meeting of First Working Group on Environment held in Ankara on 7-8 April 2004 is one of the basic tools to further strengthen the spirit of cooperation.

Mr. Chairman, Excellencies,

We happily observe that the Ministerial meetings in different fields of cooperation, such as transport and communication, trade, agriculture, environment, industry, economy and finance have also brought a new dynamism. The institutionalization of the ministerial meetings will provide better interaction to the effective and efficient working of our organization. I am glad to announce here that Turkey will host Second Ministerial Meeting on Environment and Agriculture on 4-6 October 2004 in Istanbul and on 6-7 December 2004 in Antalya respectively. Turkey will also host the Third Ministerial Meeting on Commerce/Foreign Trade and the Second Ministerial Meeting on Finance/Economy in the year 2005. I kindly invite all the member states to actively participate in these important meetings.

We also attach high importance to the cooperation in the field of combating narcotic drugs in the region. In this respect, the successful implementation and continuation of the project for establishing and strengthening the Drug Control Coordination Unit at the ECO Secretariat in cooperation with the United Nations Drug Control Programme in a decisive manner is of paramount importance. The achievements of success in this field will positively contribute to the overall success of ECO and will provide it a respectful place among the international community.

We also uphold the establishment of relations between ECO and other international and regional institutions. We believe that cooperation between ECO and various international organizations will undoubtedly assist the member states to catch the trends of globalization. Within this understanding we welcome the MOU between ECO and UNEP to be signed today at the end of our session. In fact, the potential of ECO is a reality and this potential has been recognized by other international organizations.

Mr. Chairman, Excellencies,

The return to normalcy in Afghanistan has brought about new challenges as well as opportunities for our Organization. ECO is expected to play an active role in reconstruction of Afghanistan. Turkey's contribution to reconstruction of Afghanistan in the political economic and security fields are continuing within a favorable way.

Mr. Chairman, Excellencies,

The last but not least, I would also like to express my gratitude to the Eminent Persons Group for their valuable works to find out ways and means to increase effectiveness and efficiency of the Organization. I am confident that the council will seriously take into account the recommendations of the Group for our future endeavors.

Before I conclude my remarks, I wish the Council all success in its meeting.

Thank You.

Esteemed Mr. Chairman! Esteemed Mr. Secretary General! Dear ladies and gentlemen!

Let me welcome the Heads of delegations and participants of this forum from all Member States.

I would like to note, that there is a growing understanding among Member States, that the actual goal of the Organization should be the establishment of the economically developed and modernized region and solution of, primarily, economic, humanitarian and communication problems of the region.

I would like to note with satisfaction, that in recent years the Economic Cooperation Organization obtained recognition of various international organizations and institutes.

At the same time, ECO has not yet achieved that level of consolidation and integration for full realization of its opportunities.

In this situation, in our judgment, the excessive dispersion of efforts may weaken the effectiveness and fecundity of those initiatives adopted within the ECO framework.

In this context, we do not see real necessity for establishment of any additional institutes or bodies within the Organization on this stage.

In order to avoid this, it is necessary to concentrate our attention and efforts on realization of basic programs and projects, which are relevant and foreground for our region.

The desire to cover all the areas of economic cooperation presses heavily on the Organization, when the dispersion of efforts and funds leads to absence of tangible results.

If we all want to see ECO as a dynamic organization, we have to concentrate on the most important areas of our cooperation.

Dear participants,

Certainly, the most perspective area of our cooperation is development of transport networks and other communication systems, construction of oil and gas pipelines, which will connect not only ECO Member States, but also band them to other countries as without this it is difficult to implement all the industrial, energy and labor potential of the region.

The Republic of Uzbekistan lays much stress on introduction of any transit transport mains and development of equal trade relations.

Esteemed Mr. Secretary General!

Assistance for economic rehabilitation of Afghanistan and its active involvement into international transnational communications became one of the most important cooperation areas within the framework of ECO. Virtually all the members of the Organization have welcomed the initiative of establishment of Special Support Fund for Afghanistan within the Organization.

The Republic of Uzbekistan repeatedly expressed its active position for recovery of Afghanistan. We think that immediate and large-scale support for recovery of the economy and infrastructure of Afghanistan, elaboration of effective regional cooperation mechanisms in this area is our common priority and moral liability.

Particularly, the good example of regional cooperation is the trilateral agreement on establishment of International Trans-Afghan Transport Corridor, signed among governments of Iran, Afghanistan and Uzbekistan in June 2003.

In this context, again I would like to highlight readiness of the Republic of Uzbekistan for cooperation with the countries of the region, aiming to contribute to recovery of transport infrastructure and economy of Afghanistan.

Esteemed colleagues,

Control of drug production and contraband, as well as fight against terrorism remain a painful problem of our region.

However, it is inappropriate to resolve problems related to terrorism within the framework of our Organization, since concentration of attention of ECO on such kinds of problems could, as it was mentioned above, dilute the basic goals of the Organization and change the priorities of ECO, which are the basis of our cooperation.

Dear ladies and gentlemen,

Concluding my speech, I would like to repeat, that, which was continuously highlighted by the government of Uzbekistan – ECO is being considered by us as regional organization, striving to enhance prosperity of people in the region and development of their economies, assist in resolving other important and urgent problems lying on the path of economic development of our countries.

Along with this, it is necessary to take into account, that all decisions of ECO should cover the interests of all Member States and should not go beyond those goals we integrated for.

Let me on behalf of the delegation of the Republic of Uzbekistan congratulate Mr. Talbak Nazarov with his appointment on the position of Chairman of the ECO Council of Ministers and wish him good luck in his work. Also, let me express sincere gratitude to the government of the Republic of Tajikistan for rendered hospitality and cordiality.

Thanks for attention.

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