

The 6th Council of Ministers

Statements made by the Heads of Delegations

(Ashgabat, 11-12 May, 1996)

Annex-III

Statement by the Minister for Foreign Affairs of the Islamic State of Afghanistan

In the Name of Allah the Merciful and Compassionate

*Excellencies,
Distinguished Delegates,
Mr. Chairman,*

Allow me to offer my sincere congratulations on your election as chairperson of this important meeting of the 6th Council of Ministers. We are convinced that under your able and experienced guidance our deliberations in this important meeting will be successful.

I likewise wish to avail myself of this opportunity to extend my profound thanks and appreciation to our hosts the Government and people of Turkmenistan for this gracious hospitality and excellent arrangements.

May I also express appreciation to the Secretariat for the excellent documentation and working paper made available for our meeting.

Mr. Chairman,

The current 6th meeting of ECO Council of Ministers constitutes a watershed in the annals of ECO – not only on account of its vastly augmented political and economic potential due to its ten member enlargement but also based on its enhanced effectiveness which has been accomplished through the commendable efforts of the Eminent Persons Group which we are informed have successfully fulfilled their mandate in relation to the revitalization and restructuring of the ECO organization with a view to enhancing its effectiveness. We are sure that the untiring efforts of the Eminent Persons Group will prove to be instrumental in heralding a new phase and more dynamic and enhanced role for ECO not only in the regional but international context.

We are also aware that some significant progress has been achieved in the finalization of the eight important ECO institutions pertaining to the various socio-economic sectors of ECO – the ECO Trade and Development Bank, ECO Shipping and ECO Air – we hope and are convinced that the recent rationalization of ECO's administrative, economic and technical departments based on the EPG mandate will accelerate the establishment of these important institutions to the benefit of all ECO member-States.

Mr. Chairman,

The Islamic State of Afghanistan as a land-locked country naturally attaches great importance to the finalization of the ECO Transit Agreement based on the juridical and

historical right of unimpeded access to the sea with bearing in mind the provision of essential transit facilities including adequate seaport facilities.

Mr. Chairman; since besides the Islamic State of Afghanistan five other mostly Central Asian ECO member States based on historical and geographical limitations happen to be land-locked, the transit and transport issue is of great importance in the overall revitalization of ECO and it is our sincere desire that based on this undeniable truism the four littoral ECO member-States will fully cooperate in the finalization of an equitable and comprehensive Transit Agreement with special focus on the urgent requirements and unique transit and transportation requirements of the six ECO land-locked member-States.

Mr. Chairman;

The importance of the role of the private sector in the context of our regional economic development cannot be denied. I am pleased to say that the Islamic State of Afghanistan has undertaken important initial measures towards the strengthening of the private sector especially in regards to the recent promulgation of a very forward looking Foreign and Domestic Investment Law with very liberal unrestricted and encouraging investment incentives for both the domestic and especially foreign investors.

Our newly enacted Money and Banking Law is also oriented towards the enhancement of privatization and trade liberalization.

Having said this Mr. Chairman, on account of paucity of financial and technical resources the vital role of both regional and international assistance in underpinning reforms, especially in regards to structural adjustment not only for the Islamic State of Afghanistan but even more so for our new Central Asian ECO member-States who on account of their former economic regimes are faced with various problems in their endeavours towards economic privatization is most essential.

Mr. Chairman; The finalization of the Uruguay Rounds culminating in the WTO (World Trade Organization) underlines the evolving trend towards global trade liberalization.

Accordingly, all ECO member States should not confine themselves to a rather narrow concept of tariff preferences but should fully cooperate towards progressive dismantling of all obstacles and impediments to trade and the improvement of the over-all regional and international framework for the conduct of trade – and to these ends, coordinated efforts should be undertaken to solve in an equitable way all trade and economic problems of all member-States taking into consideration the specific and unique trade and transit problems of all the land-locked ECO member States.

Mr. Chairman;

We all realize that recent profound changes on a global scale and ever increasing inter-dependence of nations has steadily propelled us towards new and ever-changing

relations and inter-relations between nations with greater and more pronounced emphasis on socio-economic development especially in the so called third world where our region belongs – in other words profound changes and vicissitudes in world events have placed us on the crucial crossroads of socio-economic destiny – the Islamic State of Afghanistan after a long, arduous, self-sacrificial and heroic struggle against a most formidable enemy is now in urgent need of regional and international economic assistance and the strict and unequivocal observance of the basis principles of the UN and ECO Charter of Izmir – namely peace, stability and non-interference in the fulfillment of our own political and economic destinies.

The delegation of the Islamic State of Afghanistan wishes this important meeting every success.

Thank you, *Mr. Chairman*.

Address of H.E. Hassan Hassanov, Minister of Foreign Affairs of Azerbaijan

*Honourable Chairman,
Honourable Ministers,*

Almost three years has passed since the adoption of the Izmir Treaty which came to define the main principles and directions of development of cooperation of our countries in the framework of ECO.

Treaty of Izmir, signed by the leaders of 10 countries has reflected the tendency to internalization and integration of economic cooperation dominating in the modern international relations. Our foreign economic policy is directed at active involvement of the Azerbaijan to the regional mechanism of economic cooperation and participation in ECO – one of major priorities of a foreign policy of Azerbaijan.

The meeting in Ashgabat, on our view, sums up the results of a stage of development ECO as an extended structure. It is possible to say with reliance that the time during this period was not wasted. The executive bodies of ECO have worked out a number of the fundamental documents to create a basis for mechanism of real actions and to promote multilateral cooperation.

Our goals for today is to set up priorities of our cooperation, to be concentrated on the specific projects. The impact of trade in the development of regional economic cooperation is difficult to overvalue. It is one of main parameters of our cooperation viability.

Now in the world is observed the tendency in development of regional zones of free trade and we need to determine, whether trade in the region ECO can be developed on a way of the gradual introduction of a mode of a free economic zone.

One of main directions of cooperation is a transport. We believe that actually all countries feel keenly the necessity for maintenance of an effective mechanism of functioning of transport systems in the ECO region.

Rather perspective direction of development ECO is cooperation to international and regional economic organizations. We entirely support this direction of activity of organization, enabling to use experience and expert potential of international organizations for study, analysis and support, including financial, regional programs of development and specific projects.

Our Organization is confidently developed, being transformed in a influential economic grouping. In this connection is necessary new legal base for ECO.

In this context some rules of the authorized document of ECO, Treaty of Izmir, require revision for the purpose of reduction it in conformity with reality of a day.

Moreover it is necessary of adequate reorganization of organizational structure and functional methodology for the purposes of strengthening of effect functioning of ECO.

In conclusion I would like to wish all participants well and to express hope, that our meeting will become another step on the path towards turning the ECO region into a region of peace and mutually beneficial cooperation.

Thank you.

Statement by H.E. Dr. Ali Akbar Velayati, Minister of Foreign Affairs of the I. R. of Iran

In the Name of Allah The Beneficent, the Merciful

*Mr. Chairman,
Esteemed Colleagues
Respected Participants,*

It is indeed an honor for me to once again have the Pleasure of the company of my esteemed colleagues in the Council of Ministers Meeting of the Economic Cooperation Organization and I am hopeful that the results of this meeting shall bring in its wake more economic welfare and well being for the people of the member states.

Mr. Chairman,

At the outset, while extending my heartfelt felicitations on Your Excellency's re-election as Chairman, allow me to also sincerely express, on behalf of myself and my delegation, our appreciation for the warm and friendly welcome extended to us from the moment of our arrival in this beautiful Country.

May I use this opportunity to also voice my appreciation for the positive and constant efforts undertaken by Your Excellency during the past year in following up the affairs pertaining to ECO.

Mr. Chairman,

Profound changes have taken place in the economic relations between countries in recent years. The Conclusion of the Uruguay Round Negotiations, the establishment of the World Trade Organization, the formation of big regional groupings and the recent trade negotiations between the leaders of Asian and European states and the inclinations which has emerged, towards economic groupings have presented a clear picture of the role which regional cooperation has played in the development and advancement of countries, and at this present juncture, it seems that the best and most promising way to tackle down prevailing economic disparities and difficulties is for the peoples to come together as one and thus make full use of the latent talent and potentials available in each region. And it is precisely for this reason that our gathering here, in this very sensitive region of the globe, organizing and enhancing of this potentially strong economic organization has been a perfectly timed and well thought deed.

*Mr. Chairman,
Esteemed colleagues,*

All that is needed for the galvanization and continuation of this multilateral economic cooperation is the spirit of common understanding, solidarity and profound feeling of the common and long term interests which are involved because our success depends on the collective thinking and logical arrangements of the natural resources of the region.

I have full faith that each one of us here, can play a constructive and positive role in this respect in our own countries, the ECO region and ultimately the world stage. The progress of ECO in other words means the progress and prosperity of each one of the Member States which naturally, in its wake, will bring about the economic prosperity and well being of the peoples of this region.

*Mr. Chairman,
Esteemed Colleagues,*

The day by day strengthening and enhancement of the Economic Cooperation Organization and the belief in this entity which has evolved among the 10 Member States not only boosts and increases its power and capacity to challenge the difficulties but also encourages the developed and industrialized countries to pursue a more appropriate measures towards the economic and trade exploitation policies in order to protect their long term interests.

Fortunately, the unity which has been formed between the Member States, in the wake of their extensive Cooperation has earned them a worldwide reputation and not only the United Nations Organization but also a number of regional and international organizations have expressed their interests to have close and practical relations with the Economic Cooperation Organization and with this the effective presence of our organization in the international fora and our active cooperation with regional organizations has entered a new dimension and stage.

Last year, in the side lines of the Third ECO Summit Meeting in Islamabad, an MOU was signed with UNDP and UNDCP and signing an MOU with UNESCO in recent months can be counted as some of the positive achievements in this field. The visit of the Sec. General of ASEAN to Tehran, the Joint Meeting of the Foreign Ministers of ECO and ASEAN in New York, the successful passing of the resolution passed by the 50th session of the UN on the cooperation between the UN and ECO attest to the institutionalization of ECO's relations with other international and regional organizations.

*Mr. Chairman,
Excellencies,*

Based on this fact that ECO, in line with changes around the world, should reconstruct itself and become more active, a Seminar on Enhancing the effectiveness of ECO was held in Tehran two years ago and the need to reappraise the Treaty of Izmir and the Organizational Structure of the Organization was thus put forward and eventually followed up by the Eminent Persons Group. This Group in its four meetings and with great diligence, care and attention this Group has carried out its work and by redefining the aims, objectives and priorities and also marking the new strategies for ECO has paved the way for the rebirth of the organization. The results of their tireless and expert endeavor which visualizes a bright horizon for ECO's future is presented for our final consideration and approval.

Here, I deem it necessary to thank, on behalf of myself and my government, the Eminent Persons Group for their valuable and commendable job.

I hope that these new changes will bring about the advancement and progress of the organization, facilitate effective cooperation among Member States and act as an element to invigorate ECO into one of the most efficient, able and strong organizations of the region.

*Mr. Chairman,
Excellencies,*

I would like to take this opportunity to express my please for the activities and achievements of the Organization during the past year. Holding more than 30 meeting sin Member States, holding the First Trade Exhibition of ECO Products in Tehran, launching the ECO Shipping Co, finalizing the process of establishing ECO Air and other tangible results achieved for the formation and the finalization of legal proceeding

of some other ECO projects are some to note. The Islamic Republic of Iran has followed up with great interests all the projects and agreements signed during the last Summit Meeting and at least four instances which includes the Transit Trade Agreement, the Charter of the ECO Cultural Institute and Charter of the ECO Science Foundation have been adopted by the Islamic Consultative Assembly (Majlis) of Iran and the Granting of Visa facilities to Businessmen from ECO countries, is passing through its final stage of approval.

The inauguration of the Tajen-Sarakhs Railway which we shall witness in the coming days in the presence of the regional heads of State and some other Heads of State from other countries can be construed as one of the most important joint project under taken in the region which with no doubt will have a profound and extra ordinary effect in the expansion of trade and cultural relations among Member States. With the completion of this project and reconstruction of the internal rail links in Central Asia, one of the oldest ardent desires of the people of the region will materialize and we shall enter a new era of joint cooperation whose dimensions shall also be felt outside the region and in practical sense link China to Europe.

The Islamic Republic of Iran and the government of Turkmenistan, recognizing this reality, put an all out effort to complete this railway line and fortunately with minute planning this project is now ready, and all interested countries are welcomed to use these facilities and to have access to the Central Asian states via the ports and railway lines of the Islamic Republic of Iran and thus establish trade linked, and develop economic exchanges.

The common interest of the Ministers States for developing and expanding channels of communication especially in the telecommunication sector is also one area which holds great promise for bringing about consolidation and coordination in the economic and trade policies.

In the field of the development of trade arrangements, I must point out that according to the studies which have taken place, and in spite of the available potentials, the scope and dynamics of trade exchanges between Member States is unfortunately not at a satisfactory level in comparisons with countries and other groups outside the Organization. In this regard it would be better if the on going global process for establishing free trade zones and other such matters be thoroughly considered. At the same time by boosting or enhancing the present tariff arrangements and if needed by its realistic reappraisal, establishing and strengthening facilitating institutions and boosting trade like the ECO Trade and Development Bank, ECO Reinsurance Co., etc should be properly utilized as ways and means for new inroads in the expansion of trade in the region.

There is no doubt about the importance of Agriculture and the dependency of most of the Member States on it. Therefore it is imperative that due importance be attached to the cooperation in this sector in the ECO framework and appropriate measures should be taken in this regard. Bringing about uniformity in the Agricultural

markets, promoting level of cooperation from regional to the international level, constructive collaboration and cooperation in marketing and export of agricultural commodities by adopting common trade policies and establishing various markets for agricultural commodities like cotton and wheat with the aim of stabilizing the market prices can be some of the areas of the cooperation.

Exchange of information and data, experiences and imparting educational courses and collaborating in protection of the environment, forests and pastures and promotion of the quality standards of the commodities can also play a major role in the expansion of agricultural cooperation and thus play an effective role in promoting the living standards and economic welfare of the people of the region, the majority of whom are farmers and agriculturists.

I also deem it necessary here to express my appreciation and thanks to H.E. Mr. Shamshad Ahmed the Secretary General of ECO for his four years of service in ECO. His keen insight and perseverance in taking and following up on the agreements and regional affairs was one of the important elements in the rapid development of the Organization in the new era of ECO activities.

In conclusion, I once again extend my thanks to Your Excellency and the respective authorities of the government of Turkmenistan for the excellent arrangements in making our meeting here such a pleased one and pray and wish the meeting the best of success in its endeavor to reach tangible and constructive results (200-4E)

Thank You.

Speech of the Deputy Minister of Foreign Affairs of the Republic of Kazakstan V. Alesin

The results of our cooperation confirm the vitality of those principles which were the basis of forming the Economic Cooperation Organization. We can single out some of the principles. Our economic policy have been clearly defined, Organization is worldwide recognized, which is the basis of the effective integration and cooperation of the economics of our states.

Availing this opportunity I want to note the prominent role of Mr. Shamshad Ahmad on the post of the Secretary General of ECO who made considerable contribution to the formation of our organization exactly at the period when it had grown to the 10 member countries.

Let me also express the gratitude to the leadership of Turkmenia personally to Mr. Shikhmuradov for the wonderful condition of work warm reception and hospitality.

Today we can verify, that the stage of formation of ECO in general came to an end. The process of economic integration of the new member states has already

overcome the period of understanding and received its practical orientation. Particularly, it became noticeable after the last Summit in Islamabad where the package of documents was adopted, which will be the basis for further more effective cooperation of the states of ECO region.

Positive character to the process of regional cooperation was made by successful results of the work of the Eminent Persons Group (EPG), established specially for working out the basics and the proposals on enhancing the effectiveness of ECO which we are going to consider during our meeting and at the fourth coming summit.

We are glad that ECO gained an observer status at the UN and is recognized worldwide. Mutual cooperation agreements with UNICEF, UNFPA, UNIDO, UNDP, UNESCO, ASENA are being implemented. We hope for further fruitful cooperation and interaction in the framework of these structures.

The steps which were taken last time are a good stimulus for further development. Today it is very important to make mechanism of interaction work for the needs of the member states and region in the whole.

At the present stage it is necessary to define what kind of Organization we want to see in the future. Kazakstan is for ECO to be come completely prominent international organization with its headquarters in Tehran.

There is a number of interesting projects in the framework of organization. We managed to find acceptable forms of harmonization of our countries especially in the spheres of transport, communication, trade etc.

Necessary to mark the beginning of realization of Almaty Main Plan of development of transport sector. Here it is necessary to mention the importance of the opening of Tedjen-Serakhs rail line.

In the field of trade we can note signing of the agreements on transit trade and on simplification of visa procedures for businessmen last year. We can witness the progress in establishment of trade and development bank of ECO.

The great amount of work carried out but what is stipulate in the Quetta Plan of Action and Istanbul Declaration is still not realized. A lot of plans are not realistic and not well founded that is why they are not implemented yet.

The main problem is financing of the projects. We have difficulties with state financing and the way out is to attract international financing organizations and private businesses.

What can we suggest?

First. To speed up the formation of the ECO trade and development bank and participation of the member countries in it. We need a reliable financing and investment structure.

Second. To undertake joint efforts to attract international financial institutions for participation in the ECO projects.

Third. To discuss the possibility of convening the meeting of representatives from business and financial structures in the frame of ECO.

Fourth. To concentrate the efforts on the small group of priority projects in every sphere of cooperation taking into consideration the interests of the region in whole.

Fifth. To define the list of priority agreements adoption of which will provide the attraction of investors.

In the course of this meeting we should discuss and make decisions on a large scale of questions: report of the Secretary General of ECO, approval of the budget of ECO, election of the new leadership of ECO and consideration of the documents prepared by Eminent Persons Group (EPG).

The new Charter (Treaty of Izmir) and all other documents, prepared by EPG, reflects the aim of renovation of ECO and are the fundamental instruments of future social-economic strategy of the region. The organizational structure of ECO, its organs and specialized institutions will allow to provide the realization of common plans, programmes and projects.

Taking into consideration the package of agreements signed on the last Summit and documents prepared by EPG we should concentrate our efforts on these aspects, programmes and projects which are of vital importance from the point of view of its urgency, productivity and pragmac. We have to eliminate organizational mistakes by means of raising professional level of the Secretariat, definition of priorities taking into account the regional interests in whole and financial opportunities.

Kazakhstan is elaborating relations with the world community on the principles of good neighbourhood. In the context of integration process and development partnership with the countries of the region all the above mentioned agreements, programmes, plans and projects are of a great importance and will promote integration of Kazakstan into the global economy.

At the present time ECO came to the crucial stage of its development and it is very important to complete transformation from the stage of exchange of information and analysis to practical implementation of the projects.

We hope that the fourth coming summit in Ashgabat and signing of new fundamental documents will be an important step on the way of strengthening ECO.

Statement of the Representative of Kyrgyz Republic

Unofficial translation from Russian by ECO Secretariat

*Excellencies,
Ladies and Gentlemen*

Before I start my statement I would like to present my sincere congratulations to the Chairman of our important meeting on his election to this post. I also would like to extend our deep gratitude to the people of Turkmenistan and its Government for their hospitality and excellent arrangements made for the meeting.

As you know, my country is going through a difficult period of transition. Our President and Government are firm and resolved in pursuing a policy aimed at developing of market economy and strengthening of democracy and stability.

Economic development of Kyrgyzstan in 1995 proved that crisis situations have decreased considerably for the first time during the last five years. Tendency to a macroeconomic stabilization have become more sustainable. The rate of decreasing of GDP was reduced more than to 4 times as compared to 1994. Inflation remained at the rate of 2.3% per month which is twice less as compared to the last year. Total inflation rate amounted to 28% in 1995.

Pursuing of tough monetary and credit policy along with reducing of industrial recession and strengthening of tax discipline have greatly facilitated to decrease budget deficit. If at the beginning of the last year the consolidated budget was more than 19% with respect to GDP, the same was reduced to 11%.

So all on-going economic reforms have started bearing their fruits. Kyrgyzstan is determined to continue the process of reforms.

Overcoming of economic crisis is our most priority target at this stage. In this context our accession to many international organizations is due to our striving for integration with global economic system.

We consider Economic Cooperation Organization as our common house and common market which enable us to enhance our trade and economic relations and have access to the markets of the rest of the world.

A lot has been done and several viable projects have been worked out during the period of our cooperation.

Once Tejen-Serakhs railway is put into operation the development of our trade and economic relations will undoubtedly be given a strong momentum facilitating the implementation of agreed projects.

Special words of thanks are to be addressed to the peoples of Turkmenistan and Iran for their immense work and good will in the construction of this railway.

As far as our joint projects are concerned. I would like to emphasize that we should not proliferate our efforts for the formulation of new projects. Time has come to start taking concrete steps towards the implementation of our approved programmes.

As to our priorities, we have expressed our opinion and made proposals on many occasions. May I submit some views on the existing projects:

Almaty Outline Plan is being implemented, as we believe, in a quite successful way. It would be useful, however, to have a status report for each Member State and to re-set our priorities

As a direct railway communication is going to be put into operation, there is a need for measures to be taken to solve technical, customs, organizational and other problems.

It is necessary to expedite the preparation of a joint study of technical and economic aspects of parallel operation of power grids of EGO Member States and long term development of energy supply and demand in our region. Kyrgyzstan is interested in these activities and is ready to render every kind of assistance in this field.

As you all know, the existence of drug producing areas and drug transportation routes in our country needs the efforts of all ECO Member States to be exerted to eradicate this evil in the ECO region. Drug Coordination Unit of ECO Secretariat formulated several important programmes in this field. We have to start implementing them and we welcome the cooperation of ECO with UNDCP, EU and Interpol.

In our opinion, the role of ECO in promoting of trade among the Member States is not effective enough. ECO Chamber of Commerce could play an important role in this regard. It must make arrangements for gathering and circulating of information on supply and demand in the ECO Member States and this should be done on a permanent basis. Lack of knowledge of partners is a big obstacle in developing trade.

Actually EGO is a major regional entity being recognized by such prominent organization as UN. We welcome the cooperation with other international organizations. Kyrgyzstan stands for the idea of organizing of a "Round Table Meeting" with ESGAP to discuss the possibility of investments in mining and minerals industry and trade within EGO region.

Joint studies of economies of EGO countries should be carried out to develop a common strategy of natural resources development in the region.

Cooperation with UNICEF, UNIDO, ASEAN and other international organizations should be enhanced.

On-going restructuring and reorganization of EGO is a historical point in the life of our Organization. On behalf of Kyrgyz delegation I highly appreciate the important work done by the Eminent Persons Group.

Basic documents of our Organization must provide a realistic framework for furthering of effective cooperation among the Member States.

I wish successful deliberations at the meeting

Thank you

SPEECH OF THE FOREIGN MINISTER OF PAKISTAN, SARDAR ASEFF AHMAD ALI

It is a great pleasure for me and the members of my delegation to be back in the beautiful city of Ashgabat. The renown that Ashgabat has historically enjoyed as a centre of culture and learning has been complemented by its increasingly prominent role as a catalyst for regional economic cooperation. In the past one year Ashgabat has successfully hosted the annual meetings of five out of eight Committees of ECO. It richly deserves to play host to the Fourth ECO Summit, which I am confident would take a significant step forward \ on the road to re- enforcing mutual understanding, economic interdependence and solidarity among ECO member states. May I take this opportunity to convey my warmest felicitations to H.E. Mr. Saparmurat Niyazov Turkmenbashi, President of Turkmenistan for the role that he has played in contributing to the aims and objectives of ECO. I also avail of this opportunity to extend to Your Excellency Mr. Sheikmuradov our congratulations on your election as the Chairman of the meeting. I am confident that with your rich and valuable experience and diplomatic skills you would guide the deliberations of this meeting to a successful conclusion. Kindly also accept our profound gratitude for the warm reception and gracious hospitality that the members of my delegation and I have received since our arrival in your capital.

2. In the Fifth Council of Ministers Meeting held in Ashgabat in January 1995, I had underscored the geo-political centrality of the ECO region and appealed to all of you my brothers for the quick conclusion of certain fundamental agreements in areas essential for any regional economic grouping. We were more than satisfied with the response we received in the Third ECO Summit in Islamabad. I know that some states might have had reservations on certain agreements but in the overall interest of the region and its people, they decided to go ahead and set aside these reservations. Pakistan for one

realizing the crucial importance of the Bank for Trade and Development towards further economic cooperation displayed the necessary flexibility to enable the Articles of Association of the Bank to be signed. Again this year we are confronted with another challenge. While important agreements have been concluded they now await the ratification of the signatories to put them into force. We need to expedite our respective processes of ratification to these agreements so that the next step could be taken towards consolidation and institutional building of ECO.

Excellencies,

3. We are satisfied with the general pace of progress considering that ECO in its present form has been in existence for only three and half years. However, the compulsion to put ourselves on the fast track is prompted by the realization that we have entered the race late and therefore need to make up for lost time. It is when we look around the globe and see the emergence of such economic fortresses as NAFTA, European Union and ASEAN and realizing the tremendous potential of our region that we feel the urge to emphasize action which would transform ECO into a powerful economic entity on the globe.

4. We also note with great satisfaction that ECO, during the year under review, continued to consolidate its relationship with international organizations which are now sponsoring many of ECO's programmes and projects. The most recent events that drew our attention were the two ECO-UNFPA Conferences held last month; for one of them we were the proud hosts in Islamabad. The adoption by the UN General Assembly of a resolution on ECO-UN cooperation in September 1995 is a major step forward in promoting ECO's cooperation with the world body and its agencies. It is also no less gratifying that ECO is now recognized as an important regional entity and was invited both to the 50th Anniversary Commemorative Session of the UN General Assembly and the 25th Anniversary Celebrations of the OIC.

5. In view of the growing trend towards inter-regional cooperation, ECO has taken the right step in seeking cooperation with the European Union as well as the major regional organizations in Asia and the Pacific. With the European Union, as I said earlier, we need to develop a comprehensive economic relationship along the same lines as their cooperation with other major regional organizations. Similarly, the process of on-going annual consultative meetings with Asia's major regional organizations needs to be continued with a view to identifying the possible areas of common interest and modalities of inter-regional cooperation on the basis of comparative advantage and mutuality of benefit. We are confident that our Secretary General will utilize the third consultative meeting of the executive heads of Asia's regional organizations to be held in Tehran next month to explore the possibilities of closer cooperation with ASEAN which not only has a vast economic potential but also shares complementarities with our region in trade and investment. We in the Council should encourage and guide the efforts towards evolving a well-oriented strategy for inter-regional cooperation to the maximum advantage of the ECO region.

6. The proof, if at all required, of the promise that ECO holds and its recognition by the international community would be there for all of us to see when Insha Allah on 13 May 1996, the Meshed-Serakhs-Tejan Railway Line is inaugurated by the President of the Islamic Republic of Iran, H.E. Mr. Akbar Hashemi Rafsanjani and the President of Turkmenistan, H.E. Mr. Saparmurat Nayazov Turkmenbashi in the presence of Heads of States of ECO and other countries and high-level representation from a large number of states. The railway line would have plugged a crucial gap in the east-west and the north-south corridor envisaged in the Almaty Outline Plan of Action for the ECO Region. On this occasion may I extend our warmest felicitation to you Mr. Chairman and your Government as well as to my brother Dr. Ali Akbar Velayati, the Foreign Minister of Islamic Republic of Iran.

7.

8. We owe it to our people to make a success of ECO. The trained manpower, human and material resources, cultural affinities and geo-political importance places ECO in a better position than any other regional bloc to make a success of regional economic cooperation. This I must add would require the consolidation of ECO through an effective implementation of the agreements concluded so far as well as an enlightened approach of the part of ECO members.

9. Another pre-requisite for ECO's continued success is the creation of a peaceful and stable environment which foster mutual trust and understanding and imparts the necessary security and confidence to the people to pursue their economic, social, cultural and scientific activities. Pakistan is, therefore, deeply concerned with the ongoing conflicts in our region. As neighbour and well-wisher of Tajikistan, Pakistan has been full supportive of the UN peace process which seeks to bring about peaceful reconciliation between the Tajik parties in the country. Tajikistan, we all know has a tremendous economic potential which unfortunately has been stymied by continuing hostilities. Similarly, another neighbour of Pakistan, Afghanistan has been in the throes of a fratricidal conflict for the past four years. This has devastated the countryside and made life virtually impossible in the capital Kabul. At time when they should have been reaping the fruits of their historic victory over a foreign aggression, the people of Afghanistan are caught in a tragedy which has prevented over 3 million of their compatriots from returning home from Pakistan and Iran where they sought refuge. Pakistan has an abiding deep interest in peace in Afghanistan and would continue to coordinate its efforts with the OIC and the United Nations and other concerned countries to bring about peace and stability in the country.

11. Azerbaijan a member state of the ECO continues to be the victim of aggression with thousands of its citizens have been made refugees and a significant part of its territory under foreign occupation. Pakistan has strongly upheld preservation of the territorial integrity and sovereignty of Azerbaijan and the immediate vacation of the

aggression for this would enable Azerbaijan to realize its full economic potent and play a still more active part in ECO activities.

11. On our eastern flank 600,000 strong foreign occupation forces continue to brutalize the people of Kashmir and carry a systematic policy of terror in the vain hope that they will be able to break the will of the Kashmiri people to resist and give up their demand for the exercise of the right of self-determination as mandated by UN Security Council resolutions. Kashmir is the core issue which has bedeviled Pakistan-India relations for nearly half a century. We are willing to resolve it peacefully through a meaningful dialogue with India but are not willing to become a party to the Indian game of creating the illusion of a dialogue while its forces continue to kill, torture, rape, imprison, burn and loot without restraint.

12. I have drawn the attention of this august gathering to these conflicts in our region as they undermine the ability of the member states to fully devote their resources to the economic welfare of the people and to regional economic cooperation. Individually and collectively we need to work to resolve these conflicts in a fair and equitable manner so that the immense resources that are presently being diverted to these unproductive channels can be spent on removing poverty and enhancing the economic well-being of the people of the region.

13. My address to the Council would remain incomplete were I not to recognize the immense contribution that has been made in the past four years to the furthering of the aims and objectives of ECO by its Secretary General Mr. Shamshad Ahmad. By his dedication, commitment and hard work Mr. Shamshad Ahmad and his colleagues in the Secretariat have admirably coped with the tremendous work generated by the expansion of ECO as well as equipped the Secretariat with the wherewithal to deal with a fast changing global environment. Mr. Shamshad Ahmad's tenure as ECO Secretary General comes to an end in August. I would like to take this opportunity to assure the Secretary General-designate of ECO Ambassador Onder Ozar of our full cooperation in the discharge of his responsibilities at a time when ECO is entering a very crucial phase in its history.

Thank you.

**STATEMENT BY MR. E.RAKHMATULLAEV, FIRST DEPUTY MINISTER OF FOREIGN AFFAIRS OF
THE REPUBLIC OF TAJIKISTAN**

Unofficial translation from Russian by ECO Secretariat

*Honourable Mr. Chairman,
Distinguished Colleagues,
Ladies and Gentlemen,*

First of all may I express my sincere gratitude to the Government of friendly Turkmenistan for the excellent arrangements made for the meeting and for our stay in Ashgabat. May I also express the confidence that the hospitality rendered to us will greatly contribute to our successful deliberations.

Today's meeting is not an ordinary one in many respects. To be aware of the importance of our task, it is enough to have a look at the list of matters to be discussed at this meeting.

During the time after our last Summit Meeting all the activities of our Organization were aimed at developing of a legal framework of the enhancement of cooperation among our countries and implementation of joint projects and programmes. Documents prepared by the Eminent Persons Group provide the basis for the promotion of mutual understanding, interaction and collaboration. I avail myself of this opportunity to state that the work of EPG deserves the highest appreciation. This Group composed of competent and prominent persons completed successfully the task entrusted to it within a short period of time and worked out a number of documents at a high level which facilitated our Senior Officials to consider them rapidly and to find mutually acceptable options.

Distinguished Colleagues,

Our Organization has gained new prominence and scope which is confirmed by the intensification of our relationship with the United Nations. We believe, the coordination with various specialized UN institutions has brought the results our all aspirations are aimed at.

All this tremendous work has in many respects been facilitated by EGO Secretariat lead by its Secretary General Mr. Shams had Ahmad. It was during his tenure that events of paramount importance had taken place. During this period EGO not only enlarged geographically, but also gained international recognition. Large diplomatic experience, personal qualities and considerable international authority of Mr. Shamshad Ahmad enabled our Organization to achieve these results.

May I, distinguished Secretary General, express on behalf of my Government my sincere gratitude for your successful and fruitful activity at this high post during such an important period of the existence of EGO. I wish you success and achievements in your future activities.

May I also express the confidence that the new Secretary General will reach new achievements during his tenure aimed at consolidating and enhancing of cooperation among our countries and peoples.

We have in our agenda an item related to the approval of COD Reports. Evaluating the activities of second important organ of ECO, it is to be noted that its work becomes

more and more streamlined and constructive. I think, the ideas and opportunities laid down in the new Treaty of Izmir and other documents under consideration will enable the effectiveness of COD re-designated as the Council of Permanent Representatives to be enhanced further.

The leadership of my country gives priority to the development of integration relations within EGO framework and it is interested in strengthening of its potential and opportunities.

During the last Summit three ECO agreements pertaining to the establishment of ECO Cultural Institute, ECO Science Foundation as well on Transit Trade Agreement were signed by the Republic of Tajikistan which approved them in April, 1996 having thus completed all formalities required for their further enforcement. I had the honour to inform distinguished Secretary General about it and to hand over related documents to him. I believe, if all other Member States expedite this process, we shall be able to start their implementation without further delay.

During today's meeting we have to consider both general current and future issues as well as preparatory arrangements for the Fourth ECO Summit.

This Summit Meeting will be preceded by a very important event reflecting the results of our cooperation. I mean the inauguration of a railway communication between Central Asia and Iran. The revival of this part of the Great Silk Road will create favourable conditions and have new broad prospects in regional integration.

Noting our success, we should also mention insufficient effectiveness of EGO activities in the field of implementation of agreed projects and programmes. To my mind, it is because of limited possibilities of EGO Secretariat which was not been able to act to a desirable extent as a coordination unit concentrating efforts of all Member States and to attract resources from outside for the implementation of the projects specified in the Quetta Plan of Action, Istanbul Declaration and Almaty Outline Plan. We can not ignore the fact that necessary legal framework and sufficient financial resources were not made available to the Secretariat. In this regard, newly prepared documents will give the Secretariat large opportunities for its further streamlined activities.

Distinguished Colleagues,

I am confident that the "awareness of the importance of our mission and the spirit of constructivity will prevail while taking decisions on the matters under consideration.

Thank you.

**STATEMENT MADE BY H.E. PROF. DR. EMRE GONENSAY, MINISTER OF FOREIGN AFFAIRS OF
TURKEY**

*Mr Chairman
Honorable Ministers
Mr Secretary General
Distinguished Delegates
Ladies and Gentlemen*

I would like to begin by extending our heartfelt congratulations to my colleague His Excellency Mr. Boris Shikmuradov on his reelection as the Chairman of the Council of Ministers. In the course of last year Turkmenistan achieved an outstanding performance within ECO as attested by the long list of important meetings held in Ashgabad. Under his able guidance, I am confident that the Council of Ministers will have fruitful deliberations.

I also would like to avail this opportunity to express our profound gratitude to the Government of Turkmenistan for the excellent arrangements and for the warm and generous hospitality accorded to us since our arrival to this beautiful and historic city of Ashkabad. We feel home. Thank you very much.

Distinguished Colleagues,

The radical changes taking place in the international arena in recent years compel all nations to pursue realistic economic policies in search of solid and dynamic links with the global economic system. As a result of this, openness, liberalization, competition, greater interaction and other principles of market economy are gradually replacing the ageing institutions of state protectionism and centrally planned command economies. In this environment, Turkey is confident that ECO is well qualified for and getting ready to assume a constructive role in the vital process of linking the countries of this region with the global system.

As we prepare for the 21st century, ECO area has a lot to offer to the global economy. And in return, ECO states shall obtain from the international community inputs in the form of modern technologies, know how and capital investments to better develop and utilize their resources.

Mr. Chairman,

The priority areas identified for ECO in the course of the third Summit meeting, namely, transport, communications, trade and energy are indeed the most suitable sectors in which our organisation can achieve an effective regional role. Turkey attaches great importance to the development of modern transport and communications infrastructures as well as proper legal and administrative arrangements for their effective operation. For us, early development of adequate road and railway networks carry highest. priority. They are the prerequisites to facilitate economic activity and trade in the region. It is in this spirit that we applaud the Tedjan Sarakhs railway project as a big achievement for this region. This railway system not only connects the North of ECO to the South, but

also it constitutes a vital link between East and West within the Euro- asian context. With this new link to the high seas and to continental Europe, seven land locked states of ECO will find themselves in a more secure and less isolated environment to consolidate their independence and build up their economies.

Effective utilization of our region's energy potentials is also of paramount importance. Energy development is a capital intensive area. It requires acquisition of advanced technology through direct foreign capital investments. Maximized development and exploitation of oil and gas reserves without delay is of vital importance for continued stability and development of the producer countries. We think that ECO may serve as a forum to harmonize and converge mutual interests in energy sector instead of competition and confrontation which could undermine regional interests and stability.

In the field of trade we must use every opportunity to facilitate and encourage intra-regional and inter-regional transactions. ECO Trade and Development Bank and ECO Reinsurance Company are two important projects being launched in this area. The Interim Committee formed to activate these two institutions met in Istanbul this week and made significant progress. We have also been informed that several other member states are interested in joining the Bank once it becomes operational. Government of Turkey welcomes these intentions.

Ladies and Gentlemen

Turkey merged its economy with the economies of some of the wealthiest nations of the world through customs union with the European Union. It now constitutes a two way bridge between the Western world and EGO. Naturally, once the parameters and modalities of interaction and cooperation between EGO and the European Union are identified, member states shall greatly benefit from the fruits of this relationship. Turkey stands ready to offer her good offices to the exploration of the possibilities and development of a mutually beneficial cooperative relationship between EGO and the EU.

Esteemed colleagues,

Turkey lent its full backing to the process of enhancing the effectiveness of ECO. We offered political encouragement, technical assistance and logistical support to the process of reappraisal of all the legal, administrative and operational aspects of our Organization. The Group of Eminent Persons formed to recommend ways and means to enhance the effectiveness of ECO has done a commendable job. I extend to the eminent persons a hearty note of appreciation for their contributions.

Government of Turkey is committed to the expeditious implementation of a realistic restructuring plan keeping in view the possibilities and requirements of all member states. This is a unique opportunity to transform EGO into a truly effective instrument operating on the principles of sovereign equality, fair conduct, mutuality of benefits and consensus among member states.

While welcoming and endorsing all the documents prepared by the Eminent Persons Group as finalized by the Senior Officials, we invite all member governments to participate fully and actively in the implementation of the reform package. The Government of Turkey is ready to host the Extraordinary Meeting of the Council of Ministers where the new Treaty of Izmir will be solemnly signed. Meanwhile we would expect the preparation of a viable implementation calendar and a well defined burden sharing arrangement to safeguard the full activation and steady operation of the new organizational structures.

Excellencies,

On this occasion I would like to pay a tribute to His Excellency Mr. Shamshad Ahmad, Secretary General of EGO. He has enthusiastically served ECO throughout his tenure of four years. Thanks to the efforts of the Secretary General, ECO's name is being heard more and more as a promising regional organization. We thank Ambassador Shamshad Ahmad for what he has done for ECO.

On that account I would also like to recall that, in pursuance of Article XXVIII of the Treaty of Izmir, the Republic of Turkey was required to submit its nomination to the post of Secretary General of ECO for the next four year term to take effect between August 1996 and the year 2000. Accordingly I have the pleasure to introduce to the Esteemed Council H.E. Mr. Onder Ozar, presently Ambassador of Turkey to the Kingdom of Morocco who is designated as the next Secretary General of ECO. I am sure that the Council will lend its trust to Ambassador Ozar and that, upon his appointment, he will build on the foundations we are about to lay.

Mr. Chairman,

As I conclude my statement, I would like to reiterate Turkey's full confidence that ECO will enter 21st Century as an effective and functional regional organization promoting the interests of its member states within the community of nations.

I thank you.

STATEMENT BY H.E. MR. A.KAMILOV, MINISTER OF FOREIGN AFFAIRS OF THE REPUBLIC OF UZBEKISTAN

Unofficial translation from Russian au EGO Secretariat

*Honourable Mr. Chairman,
Honourable Mr. Secretary General
Distinguished Guests,
Ladies and Gentlemen,*

May I express my deep gratitude to His Excellency President of Turkmenistan and the Government of Turkmenistan for their warm hospitality and excellent arrangements made for this EGO meeting.

May I also thank the EGO Secretariat and its Secretary General who greatly facilitated the organization and holding of this meeting.

*Honourable Mr. Chairman,
Ladies and Gentlemen,*

Little time passed since we joined the EGO along with other six countries. During these years important perspective plans such as Istanbul Declaration, Quetta Plan of Action and Almaty Outline Plan were formulated and adopted. These plans outlined new modalities of our cooperation and interaction. The consolidation of the potentials of EGO Member States will result in a better and fuller use of immense opportunities of our countries ensuring further progress and economic prosperity of our peoples.

Uzbekistan gives priority importance to the cooperation among our countries within EGO framework. Our Organization going through a period of transition provides for establishing of mutually advantageous business contacts and interaction mechanisms and EGO Secretariat plays an important role in it. I would like to express the hope that the work of EPG aimed at revising of EGO basic documents and at bringing them in line with today's requirements will have tangible results for the effectiveness of our Organization.

In this context, the results of the implementation of some ECO projects such as transport projects, Shipping Company etc. give us hopes. Tomorrow we shall witness the inauguration of Tejen-Mashad railway which, once put into operation and ECO Shipping Company's first ship launched, will provide access to southern sea ports for Central Asian countries. I hope, the activities of ECO will bring tangible results in the nearest future. We are of the view that the possibility of other transport corridors in which countries like Pakistan, Azerbaijan, Afghanistan should also be explored. I mean transport corridors through Afghanistan to sea ports of Pakistan as well as through Turkmenistan and Azerbaijan to sea ports of the Republic of Georgia in the Black Sea. These routes have been under consideration up to now.

Unfortunately, these projects have not been given duly consideration so far. In this context I avail myself of this opportunity to propose the leaders of EGO Member States to jointly develop a set of economic projects involving active participation of Afghanistan and its interest in terms of future benefits such as new employments, increase of income, promotion of well-being of the people etc. Establishment of a solid and sustainable peace in the Islamic Republic of Afghanistan is of a particular importance. I believe, it is in the interest of all EGO Member States too.

In this context, EGO should enhance its relationship with international financial institutions in order to promote investments for the implementation of EGO projects which are advantageous both for our region and the rest of the world.

Issues pertaining to economic integration and interaction should not be based on ideological or political motivation of any kind nor they should limit the freedom of any of its Member to participate in a project outside EGO framework.

Critical revision of ECO basic documents is very opportune and we have already submitted our views in this respect. It is highly important that these documents contribute effectively to ensuring of maximum economic efficacy of the activities of our Organization for the welfare and prosperity of our countries and peoples.

*Honourable Mr. Chairman,
Ladies and Gentlemen,*

In conclusion, I would like to thank once again the host Government and ECO Secretariat for their arrangements and to wish all the best to all participants of this meeting in our future joint activities.

Thank you.