

**STATEMENT BY H.E. AMBASSADOR DR. SHAMIL ALESKEROV,
ECO SECRETARY GENERAL
AT THE 4TH ECO MINISTERIAL MEETING ON FINANCE AND ECONOMY
(MAY 23, 2014, ASTANA, KAZAKHSTAN)**

**Mr. Chairman,
Excellencies the Ministers,
Distinguished Heads of Delegation,
Ladies and Gentlemen.**

It gives me immense pleasure to address the 4th ECO Ministerial Meeting on Finance and Economy. At the very outset, please allow me on behalf of the ECO Secretariat to extend my sincere thanks and profound gratitude to the Ministry of Finance of the Republic of Kazakhstan for hosting the Meeting in this beautiful city of Astana. I would like also to thank the distinguished Ministers and Heads of delegation for their participation in this important Meeting.

The two decades of economic cooperation of the Member States have laid strong foundations for the realization of goals and objectives of the ECO, as envisaged in the Treaty of Izmir. The achievements pertaining to the economic cooperation have particularly been creditable in transport, trade, investment and energy sectors.

Cognizant of their crucial role in economic development of the region, ECO from the outset has given priority to promoting cooperation in the field of trade and investment. In pursuance of this, ECO has institutionalized and Ministerial Meetings on Finance and Economy and on Foreign Trade to provide strategic guidelines and take major decisions for economic development and integration of the region. The fifth Ministerial Meeting on Foreign Trade will be held in the current year and it is a matter of immense satisfaction that the 4th Ministerial Meeting on Finance and Economy is being held now, since almost 5 years have elapsed after the 3-d ministerial meeting held in December 2008 in Tehran, where a lot of attention was given to the situation which

emerged as a result of the unfolding world economic and financial crises. The economies of ECO member states were affected by the crises, but, fortunately, showed resilience to the external shocks and as whole the ECO region has continued to develop at a satisfactory pace, posting an annual average real GDP growth rate of more than 5 percent over the last decade. The overall nominal GDP of the region reached 1.88 trillion US dollars in 2013, according to the ETDB.

Excellencies and Distinguished Participants,

I am pleased to mention that the share of intra- ECO trade in the global trade of the Member States has doubled within last ten years, showing positive trend last years. The Intra-regional trade increased from 8 % in 2011 to 10% in 2012. However, we have to admit that the current level of intra-ECO trade is still well below its potential. ECO region, despite its rich natural resources, enormous human capital, and strategic location, still accounts for less than 3 percent of the world merchandise trade. The total volume of foreign direct investment into the ECO region in 2012 has reached US\$ 44.5 billion. While appreciable, this figure is also below the potential of the region.

The region needs to substantially upgrade its trade and investment profile. This includes overcoming supply-side constraints, moving towards greater value addition and implementing the agreed legal and institutional frameworks, such as the ECO Trade Agreement (ECOTA) and the ECO Agreement on Promotion and Protection of Investment (APPI). The APPI is open for signature by the Member States during this meeting. The signatory Member States are requested to expedite ratification of the Agreement. Taking this opportunity, I will underline the need for early implementation of ECOTA by the five Contracting Parties as well as request the remaining Member States to consider joining the Agreement. The first meeting of the Heads of ECO Investment Promotion Agencies also needs to be convened this year(in Pakistan)

Excellencies and Distinguished Delegates,

Keeping in view that promotion of trade and investment in the region needs availability of financial facilities, we should give due consideration to strengthening the ECO Trade and Development Bank. It is a welcome development that the Republic of Azerbaijan has joined the Bank, while the Islamic Republic of Afghanistan and the Kyrgyz Republic are in process of completing their membership of the Bank. The other four ECO Member States, namely the Republic of Kazakhstan, the Republic of Tajikistan, Turkmenistan and the Republic of Uzbekistan are urged to join the Bank as well. Establishment of the ECO Reinsurance Company will also contribute to enhanced economic cooperation the region. The ECO Chamber of Commerce and Industry (ECO-CCI)'s programme for enhancing the role of private sector also needs to be supported.

Excellencies and Distinguished Delegates,

The third phase of the ECO-UNIDO Trade Capacity Building Project in the areas of standardization and quality policy has recently been started. The completion of the project will go a long way in eliminating non tariff barriers in the region and enhancing the competitiveness of exports from member states in world markets.

As it may be recalled that the 4th Ministerial Meeting on Agriculture requested the ECO Ministers of Finance to formally approach the Islamic Development Bank (IDB) to use its pledged financial assistance for implementation of the ten national projects under the ECO Regional Programme and Food Security (ECO-RPFS). The ECO Ministers of Finance who have not received approval from IDB are requested to kindly formally approach the IDB to use its pledged financial assistance for implementation of their National Projects under the ECO-RPFS. The ECO Ministers of Finance may also consider to provide country financial contribution and approach possible donor institutions for financial assistance for the implementation of the ECO-RPFS.

While concluding, I would like to reiterate my thanks to the Ministers, Heads of Delegation and all delegates, for their participation and to the Ministry of Finance of Kazakhstan for the excellent arrangements made for hosting the Meeting. The deliberations to be conducted and implementation of decisions to be taken by this august body will contribute a lot to significantly strengthening economic cooperation in the ECO region. I wish a great success to the meeting.

Thank you.