

Statements made by the Representatives of ECO Specialized Agencies/Regional Institutes:

- 1) The ECO Trade and Development Bank
- 2) The ECO Cultural Institute
- 3) The ECO College of Insurance
- 4) The ECO Consultancy and Engineering Company
- 5) The ECO Chamber of Commerce and Industry
- 6) The ECO Reinsurance Company

**Statement by the President (Mr. Murat Ulus) of the ECO Trade and Development Bank
20th ECO Regional Planning Council (RPC) Meeting
Antalya, Republic of Turkey – 16 February 2010**

**Honourable Chairman
Honourable Secretary General
Distinguished Delegates
Excellencies
Ladies and Gentleman**

It is a great privilege for me to speak at this Planning Council of the Economic Cooperation Organization (ECO). I would like to convey my sincere thanks and gratitude to the Government of Republic of Turkey for their warm welcome and generous hospitality and excellent arrangements made for this meeting by the host authorities and the ECO Secretariat.

Today, I would like to share with you some assessments with regard to the world economy, economic situation in the ECO region and recent developments in financial sector. Also I would like to give you brief information about our activities.

Excellencies,

Over the past two years, policy makers have made great efforts to mitigate the damage being inflicted by the global financial and economic crisis. However, many sectors such as finance, automotive, textile, transportation, construction and tourism have been severely hit by the global turmoil. Overall, fulfilment of certain socio-economic targets set before the crisis such as achievement of Millennium Development Goals (MDGs) by 2015, has now become practically impossible as their realization would most likely be delayed.

Nevertheless, a greater sense of global normalization have started to show signs since second half of 2009. The global economy is expected to grow by 3.9 percent in 2010 and 4.3 percent in 2011, having contracted by 0.8 percent in 2009. The volume of international trade is expected to increase by about 5.5 per cent in current year, only offsetting about half of its decline in 2009. It should be underlined that the global balanced and sustained growth remains fragile. The resurgence in economic activity is being mainly led by the Asian economies. Elsewhere economies are recovering modestly. There is an increasingly pressing need for wise and prudent fiscal policies, particularly on debt management. I believe that the two most important indicators that would determine the sustained future global recovery is growth after phasing out expansionary policies and implementing strong structural reforms that create jobs.

Excellencies,

Financial crises are inevitable part of the business cycle. Indeed, once-in-a-lifetime event seems to happen every five to 10 years. It would be misguided to expect to eliminate them completely and assume that ‘this time it’s different’. However, we do have a responsibility to learn from them and remain vigilant in order to reduce their negative impact and improve resilience. When we look at the combined experience of past two decades and the current global crisis, we may conclude that good macroeconomic policies pay. It is also clear that the basic growth models depending on external demand and the model of dependence on

commodities have been challenged. There is no doubt that the public sector would play an essential role in addressing these challenges. However, any public policy response, without raising moral hazard problem, has to stabilize the short-term situation while accounting for long-term costs.

Excellencies,

The crisis is also affecting the economies of the ECO region substantially. However its impact on each member varies according to their dependence to external demand, reduction in their production and export performances. The elevated unemployment rate in the region surged to 13.2 percent in 2009. The total trade volume of ECO countries dropped by about 35 percent. In 2010, despite the expected recovery in commodity prices and greater demand from trade partners of ECO countries, the trade volume of the region would still remain below its pre-crisis level.

Overall, the economic performance of the regional economies in 2010 will be closely related to international macroeconomic developments. The natural resources and demographic structure of the region are potential assets for economic growth. Realizing their potential requires addressing the structural challenges. The sectors which have trade potential and are labor intensive should be supported. We expect that the coming years would be recovery period for the economies of the region.

Excellencies,

It is clear that the global crisis, with its historic dimensions, would have a lasting impact on the world economy and on banks. Between July 2007 and March 2009, the equity prices of global banks fell by 75 percent. That is a loss of market capitalization of around US\$ 5 trillion. Governments around the globe have had to intervene to prevent collapse of the financial system. The major central banks have promptly and forcefully responded to the crisis with broad measures. Liquidity issue were addressed and interest rates have been reduced to very low levels by historical standards. More generally, they have helped to restore confidence by reducing uncertainty. However, many advanced economic continue to struggle with repairing and reforming their financial sectors.

The crisis revealed weaknesses and gaps in the regulation and supervision of financial institutions and financial markets. In this respect, work at the international level to redesign the global financial system is ongoing at the Financial Stability Board (FSB), the G20 and the Basel Committee on Banking Supervision. Nevertheless, the general principles and global treatments must take into consideration national differences. We must find a new equilibrium. A financial system that truly supports the real economy, encouraging a flow of balanced credit based on the fundamental pillars of honesty, transparency and predictability.

Excellencies,

The direct impact of the global crisis on the banking sector in the ECO region has been relatively modest because of its less exposure to the international credit markets and non-participation in risky activities in the toxic assets and derivatives markets. Although credit growth has slowed and non-performing loans increased relatively.

In order to secure financial sector stability, the relevant regional authorities have taken a proactive approach to reform the financial sector and ease the effects of the crisis.

It is imperative to improve the regional capital markets and financial network. However, it should be underlined that markets need rules, constraints and careful monitoring to capture not only individual risks but system-wide risks as well. These should be maintained for reducing the risk of spillover from financial sector to the real economy.

Excellencies, Distinguished Guests,

I would also like to provide some information about our activities. We are extending credit lines to financial intermediaries for onward lending to SMEs and financing trade in the member states. So far we have selected three FIs from each member state for this purpose. We have provided financing to more than 300 SMEs, mainly in manufacturing, agriculture and construction sectors. Through Trade Finance Facility, we have extended credit lines to 4 FIs in each member state. With this facility, we are supporting traders of the member countries. We are also actively providing finance for feasible projects till now the bank has approved financing amounting to US\$ 535 million for various operations/projects. According to our Business Plan, for project financing we are giving priority to infrastructure, manufacturing, transportation, telecommunication and energy sectors.

I would also like to inform you that our representative offices in Iran and Pakistan are now fully operational.

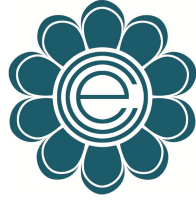
We have also started to cooperate with respective international financial institutions. In this respect, we have signed an MoU with IDB Group to undertake joint operations in common member states. The Bank is in the process of having similar arrangements with other international organizations.

In short, the Bank is well on its way to further intensify its operations. At this point, I would like to underline the importance of accession of new members to the bank. This would certainly signify a major breakthrough in the Bank's aim to become the region's premier development financial institution.

Excellencies, Distinguished Guests,

Let me conclude by saying that major economic changes are taking place on global level. The coming years would determine the transformation and address the failings in regulation, economic policy, and governance that lay behind the crisis. It is time for inclusive knowledge-driven development that promotes innovation, use of technology, new business models that bring job-creation and improved productivity. Therefore, regional countries need to adopt themselves to these transformational processes. The challenges are great. But proactive regional approach is essential for dealing with these threats. The rewards would be achieved by the implementing regional policies that link regional potentials and improve networking of businesses. In this respect, the Bank will do its utmost to support your efforts. I look forward to working with all ECO member states to strengthen our role in the region.

Thank you for your kind attention.



**Statement by the President of
ECO Cultural Institute (ECI)
In the 20th Meeting of the
ECO Regional Planning Council (RPC)
16-18 February 2010, Antalya, Turkey**

Mr. Chairman, distinguished delegates, ladies and gentlemen:

I firmly believe that culture is a window towards all economic and political activities. ECO Member States are part of a large family of civilization enjoying a history of more than some thousands of years. The light of poetry, literature, science and knowledge shined upon the world from this territory. That is why I call ECO Region the “Land of Sun”. I never forget these words of my professor of Political Philosophy in Lyon University of France who used to say: “We live in the West and you in the East. The sun of knowledge and science shines from the East... Here is the land of Hafiz, Molana and Makhtumgolies....”

Europe, which has left the 100-year, 150-year as well as the 1st and 2nd world wars behind, now regards itself one cultural family. But in the Land of Sun, the Masters of literature and science knew no boundaries. If you look at Shams Tabrizi and Molana’s lives, they were born in one country, studied in another and lived and died elsewhere. Therefore, the most important obsession of ECO Cultural Institute is to recreate such common identity and remind this cultural alliance. The day that peoples of this territory believe they are all members of one vast cultural family; the cooperation in political, economic and all other possible fields will reach the peak. In the effort to reach out to such horizon, the following measures have been taken and there are more significant ones on the way:

- 1- Union of National Libraries & Archives held its 2nd session in 2009 in the Republic of Azerbaijan and on 17- 19 Jan. 2010, a very fruitful meeting was held in the National Library of Iran where experts from ECO National Libraries took part in the 2-day workshop of the “Memory of the World” program. In the workshop, prominent experts from UNESCO as well as other countries gathered to learn how to identify the internationally recognized heritage of this region and register them in the lists of UNESCO. I may remind you that we, in this region, are privileged to have the most of World Heritage sites but least registered ones in UNESCO.
- 2- Considering the success reached in forming such unions, necessary arrangements have been made to establish the Union of ECO Broadcasting Organizations and soon the meeting will be held in Tehran. This Union will have a tremendous effect on the cultural cooperation among the Member States.

- 3- In order to have a better knowledge of the tourist attractions of ECO Member States, the 1st edition of ECO Tourist Guide Book was prepared in English language and presented to the embassies of all Member States. Having received all their comments, the book will be published soon. Necessary arrangements have also been made to establish ECO Tourist Guide Website and the Guide Book will be put on display on this site as well.
- 4- The very successful ECO exhibition of printing and packaging industry held in November 2009 in Mash'had, Iran, indicated that there exist a vast capacity for cultural cooperation. In this exhibition, most Member Countries participated and participants established intimate and vocational relations. The exhibition will be held annually from now on. I hope one of the Member States, such as Turkey, will host the next year's exhibition. In no where in the world like our region the poets and masters of literature are so respected and honored. Book decoration and calligraphy are the most important and ancient arts in the region, so printing and publishing industry has great importance.
- 5- I am on the belief that the language of art is the language of ECI. For this reason I will spare no effort to organize different programs and festivals in different fields and now I wish to inform you what has been achieved by ECI during the past months:
 - Successful performance of Qawali, Pakistan's traditional music in three cities of Iran was initiated by ECI ex- president, Dr. Rajabi.
 - The first symphony of ECO in Vahdat Hall in Tehran was performed with presence of a large audience. Peace and friendship was the message which was widely reflected in the media. Due to the success of this program, the symphony will be performed again on 31st March, 2010 in UNESCO with the presence of Director General of UNESCO and respected ambassadors of the Member States. This will be the first international program of ECO in the Headquarters of UNESCO.
 - In Iran's most important international cultural event, the Fajr Festival, ECO Member States were, for the first time, the guests of honor in the fields of music, cinema and theater. Nearly 200 artists in theater, 17 films and 7 music groups performed in these festivals. The festival is an introduction for ECO special festivals that will be held every year in different Member States.
 - The ECO symphonic orchestra project with presence of artists of all the Member States is under study. This is a hope and could be a symbol of ECO nations solidarity and unity. The orchestra could produce the songs of our region and perform them in different countries of the world.
- 6- ECI has established its first coordination unit in Dushanbe, Tajikistan which will be inaugurated shortly. Other units are planned to be established in Pakistan and Afghanistan as well.

- 7- According to the Charter of ECI, the first and second sessions of Institute's CPR were successfully held in ECI. One of my wishes is that ECI-CPR and ECO-CPR will be unified and all members of ECO will become full members of ECI. I take this opportunity to express my thanks to the esteemed Government of Kazakhstan for its decision to join ECI and I do hope that the 6th full member of our Institute will be the host country to Rumi, Turkey.

- 8- Cultural news of ECO region is being regularly published by ECI monthly magazine ECO TIMES, and quarterly magazine ECO HERITAGE. The said magazines play an important role to introduce Economic Cooperation Organization and have been keenly received by people of culture.

- 9- In order to bring ECO Member States closer to each other, we are trying to hold the First ECO Sport Games. Iran Physical Education Organization has expressed its initial readiness to host the games.

- 10- Active participation of ECI in last years Tehran International Book Fair encouraged us to participate in this year Fair in a larger scale.

- 11- Nowrooz is regarded as one of the most important common values of ECO nations. For the coming Nowrouz, different programs are underway: Shiraz will be host to several high level dignitaries of ECO member states and Nowrooz Park, located in one of the most prestigious part of Tehran, is scheduled to be inaugurated with special ceremonies.

- 12- I conclude my remarks with this good news that following our efforts, ECI Headquarters will no longer be a rental place and upon the instruction of Iran's President H.E. Dr. Mahmoud Ahmadinejad, the ownership of an elegant and suitable building in north of Tehran will be transferred to ECI shortly.

Mr. Chairman, distinguished delegates:

In my capacity as someone who has been serving in the fields of culture, art and academic affairs for many years, and familiar with universal experience in this field, allow me to bring this very important point to your kind attention that all roads to cooperation among us pass through culture. Let me repeat it: culture and culture.

As our region's famous poet Rumi says:

Oh Brother! You are all creatures of thought. Otherwise you are nothing except nerves and bones.

Thank you

In the Name of God

Statement by Dean of the ECO College of Insurance

Mr. Chairman, His Excellencies, distinguished delegations of the Member States, ladies and gentlemen.

It's my grate honor to present ECO College of Insurance annual report to the 20th Regional Planning Council.

Initially, I would like to present my warm appreciation to the Governments of Turkey for their hospitality and arrangements provided by ECO Secretariat.

Based on the statute of ECO College of Insurance, training of specialized human resources for the ECO Member States shall be followed in three major grounds comprising education, research and consultancy. Therefore, I would like to take this opportunity to emphasize that we tried to follow our objectives and missions determined by revised version of College statute during last academic year.

I am glad to announce that the College has obtained accreditation of its MSc Actuarial Science degree by the Society of Actuaries, Casualty Actuary Society and the Canadian Society of Actuaries .They have approved four courses as Validation of educational experience (VEE) in three subjects.

Meanwhile, the College continues to cater for the Society of Actuaries examinations which are publicised at the College and Society web sites. These exams usually take place in May and November each year. So far students taking MS Actuarial Science degree at the College have participated in these examinations. However, there are growing interests from outside the College to take part in these exams. Besides, the College tries to become a center for the Chartered Insurance Institute (CII).

Short courses for professionals in insurance industry were conducted with the collaboration of Central Insurance of I.R.of Iran. These courses were carried out according to a Memorandum of Understanding signed between the College and the Central Insurance of I.R.of Iran. Considering their common interests in promoting and enhancing scientific potentials, the MOU focuses on training, research, international cooperation, seminars, workshops, short-term training courses, regional and international scientific congresses and publication services. To follow the MOU orientations, the second course was held for more than 30 insurance agents and another course was held for 100 experts of Central Insurance of Islamic Republic of Iran. Meanwhile, Language improvement and proficiency classes were arranged for fresh and new students.

Mr. Chairman, ladies and gentlemen.

In continuation of efforts at the Secretariat to implement the ECO White Card scheme, Preparations have been made for courses to run at the Secretariat. These programs will, if approved form the main core of capacity building training for Member States for the implementation of the ECO White card scheme.

Distinguished delegations of the Member States, the College's library spends more than 10,000\$ in purchasing books and journals last year. The ECOCI specialized library in Insurance, Area Studies and Actuarial Science is in possession of 6000 English and 2000 Persian books.

To improve the education standards, we invite the ECO Member States to avail several annual Iranian-government scholarships (backed by accommodation arrangements) granted to the ECOCI, exclusively for highly qualified non-Iranian applicants from the ECO Member States.

In addition to the Ministry of Science, Research and Technology approval of scholarships for undergraduate BS Insurance Management degree at the College, a further postgraduate opportunity has been expected to offer by the Islamic Development Bank and

we request ECO Secretariat to provide additional financial resources to allocate as scholarship for training of talented students from Member States.

Mr. Chairman, we request the Member States to follow up the memorandum of understandings already signed between some of their authorities to making its articles operational within the academic through the educational and research collaborations.

As well as, Member States are required to closely monitor ECOCI's progress toward its mission and provide corrective advices where needed.

I avail myself of this opportunity to renew to distinguished delegations of the Member States my highest considerations. Thank you for your kind attention.

Statement by the Managing Director of ECO Consultancy and Engineering Company

HONORABLE CHAIRMAN

ECO Secretarial General,
Delegates, Ladies and Gentleman

ECO-CEC was established in the year 1996 under ECO's Charter with the approval of ECO Council of Ministers. In the 15th meeting of ECO Council of Ministers held at Astana in 2005, ECO-CEC was awarded the status of Regional Institution / Specialized Agency of ECO to provide engineering services to all countries of ECO region.

The founding companies of ECO-CEC are TURKPAK (Comprising of NESPAK from Pakistan, TUMAS and TUSTAS from Turkey) and PIDEK of Iran. Shares of TURKPAK and PIDEK in the company are in the ratio of 2:1.

The purpose of this establishment is to render engineering, surveys, planning, feasibility studies, design and consultancy services for the projects, to be realized mainly in ECO countries as stated in the contract.

The Iranian and Turkish Companies are mainly specialized in performance of EPC grass roots and development and revamping projects in the fields of oil and gas pipelines, refineries, petrochemical and industrial engineering, while the Pakistani partner in all other fields of infrastructural developments and engineering, including communication, power, urban development, public health, telecommunications, water resources development and agriculture.

ECO-CEC provides its expertise in the entire range of consultancy operations, starting from conception, project planning and appraisal, through pre-feasibility, feasibility and financial studies, investigation and exploration, site selection to engineering design, material and equipment specifications, construction supervision, contract management, quality control and preparation of technical manuals for the operation and maintenance of the projects.

ECO-CEC has been trying hard to seek projects; however, only two projects given below were awarded:

- i) Pre-Feasibility study of Nawar Bridge in Afghanistan which was completed satisfactorily.
- ii) Feasibility Study of Electricity Transmission Interconnection between ECO Member States. This project was for Feasibility Study of Electricity Transmission Interconnection between ECO Countries. Comprising of Turkey, Iran, Pakistan, Kyrgyzstan, Afghanistan, Azerbaijan Uzbekistan, Kazakhstan, Tajikistan and Turkmenistan. However, Adequate Data for carrying out study was provided only by Iran, Pakistan and Turkey. Therefore, Project could not continue and had to be & shelved. However as agreed a comprehensive report for Interconnection of the above 3 countries was submitted to ECO in March 2009.

ECO Secretariat is planning some Projects in transportation and communication. We are looking forward to receive details of these Projects.

In the end I will to thank Republic of Turkey and ECO for providing excellent hospitality and arrangement for the conference.

Thank you for your attention.

Statement by the Secretary General of ECO Chamber of Commerce and Industry

Honorable President,

Honorable Secretary General,

Distinguished Delegates,

Esteemed Participants,

As I begin my message on the occasion of the 20th Meeting of the Economic Cooperation Organization Regional Planning Council I want to start by expressing my happiness in being here with you. I want to thank Mr. Maroofi on behalf of the ECO Secretariat and Mr. Madenoğlu on behalf of State Planning Organization for their kind invitations and greet you all with respect. The rich energy resources and its geo-strategic position on the historical Silk Road places the ECO region among the most desirable centers of economy in the world. Enhancing our welfare and wealth through the development of inter regional trade and economic development is without doubt the common desire of us all. The most important contribution for this purpose shall be provided by the private sector and its dynamism.

Within this framework the ECO Chamber of Commerce and Industry has an important mission being the highest level of private sector representation in the ECO region. The fundamental aim of the Chamber is to accelerate the integration of the region with world economy by enhancing the variety and capacity of activity areas of the private sector in the region. Our Chamber has a special interest in ensuring that the economic policies of the region are determined with the contributions of the private sector.

The private sector is the locomotive of economic development whereas commerce is the driving force of the economy. Moving from this point, during the last term the newly restructured and institutionalized ECO Chamber of Commerce and Industry has finalized its Statute in line with its aims and defined the activity framework of the private sector of the ECO region with a comprehensive vision.

At the Executive Committee Meeting held on 28th January 2008, technical working committees in the fundamental areas of activity carried out by the private sector of the ECO region were established and the ECO Chamber activities blazed a trail by bringing experts in the fields of trade development, industry and investment, transport, arbitration and tourism together.

Today when entrepreneurship is being described by concepts such as novelty, flexibility, creativity, risk taking and development focused, one of the keys to economic growth and

development is women entrepreneurship. With this fact in mind, the ECO Chamber of Commerce and Industry, established the Women Entrepreneurs Council, which held both of its meetings in the year 2009, in order to enhance the participation and efficacy of women who form half of the region's population in the business world.

It is important that the increasing opportunities of economic cooperation are transferred in a rapid and correct way to the regional entrepreneurs of the ECO region which is on its way to become the new center of the world in the Eastern geography. Within this framework, ECO Chamber of Commerce and Industry has continued its work to enhance the economic cooperation among its members in 2009 as well and initiated a web site equipped with contemporary data.

The web site has a professionally prepared Trade Portal which provides the means to display the demand and supply needs of the private sector of the region. The ECO announces the needs of the business world, import and export ventures they want to realize, partnership or investment pursuits to the ECO region entrepreneurs from this portal. In addition, work to include a separate section for Fairs, which are the most common tools in developing trade, has reached its final phase.

The ECO Chamber of Commerce and Industry with its mission to develop industry and investments in the region, create a free trade zone for the member countries by abolishing the existing barriers, supporting the Small and Medium Sized Enterprises which are the driving forces of our economies, facilitating highway transport by development of logistic infrastructure, supporting women entrepreneurship and benefiting from the added value of women in economic development, is organizing a training program in cooperation with the Islamic Development Bank for its members this year.

While concluding my remarks, I also want to draw attention to the importance of the organic tie between the ECO and the ECO Chamber of Commerce and Industry. The role of the ECO in establishing relationships between the private and public sectors and transferring the outlooks and proposals of the private sector to economic policy makers is vital. To this end, we need to work in close coordination with the ECO Secretariat. The support by the ECO Secretariat to the activities of ECO Chamber of Commerce and Industry shall contribute to the development of regional cooperation.

I wish you all successful deliberations in the ECO 20th Regional Planning Council and salute you.

