

## The 15<sup>th</sup> RPC Meeting

Inaugural statement of H.E.Mr. Hamid Riza Shoraka,  
Vice-President and Head of State Planning and Management Organization of the Islamic Republic of Iran  
( Tehran, 14-17 February, 2005 )

*Annex-II*

In the Name of God

*Excellencies,  
Distinguished Guests,  
Ladies and Gentlemen,*

It's a great honor for me to welcome you on behalf of the Islamic Republic of Iran to the 15<sup>th</sup> Meeting of Regional Planning council (RPC) in Tehran.

Holding such meetings is considered as an essential step for confidence building among member states and a good opportunity to show the capabilities, limitations and common interests of member states to achieve economic integration in the region. I hope that with active participation of distinguished participants, this meeting would bear fruitful results for fulfillment of the goals of Organization and accelerate the pace of cooperation.

The core issue of this year's meeting of the Regional Planning Council is determined as "Globalization and ECO". As you are well aware, the globalization process is coincided with the trend of regional economic integration in different parts of the world. The current developments including the expansion and growth of NGOs along with governments, promotion of shared human values, emergence of information societies, faster and easier flow of information among nations and states and also transformation in traditional concepts such as space, geography, territory, security, power, sovereignty and national interests have fostered novel grounds for regionalization in the globalization age.

In this context, regionalization is seen as a process through which a group of states in the framework of accepted policies and institutions agree to cooperate to further enhance their economic relation. ECO like many other regional arrangements is established to achieve such a goal and secure the benefits that are provided through better use of the principle of economic complementarity and saving resulting from a greater integrated market.

*Distinguished Audiences;*

On the third millennium, globalization of the economy, has created new challenges and opportunities for the developing countries, strives toward economic growth, and has forced them to look into better solutions to take advantage of opportunities and overcome challenges. Though the globalization process has afforded new opportunities such as increased production and global exchanges, it has presented developing countries with such challenges as erosion of independent decision making power, greater vulnerability to external events, the pressure of international competition and the possibility of the escalation of regional economic crises to other parts of the world.

Regionalization and regional arrangement can be an appropriate alternative to extreme approaches of confrontation or total submission to the phenomenon of globalization and ease its negative impact on the development process of nations. Undoubtedly, greater cooperation and coordination among states within regional organization will enable them to better face the new world challenges. Regionalization or regional integration may act as a shield against the turbulent currents of globalization and, at the same time, serve as an opportunity and a middle phase for entering into the world economy.

Given the current regional and international circumstances and the geographical conditions of our own region, the Islamic Republic of Iran is deeply convinced that ECO can provide the conducive ground for cooperation among the states of the region.

*Distinguished Guests,*

Economic Cooperation Organization (ECO) during the first decade of its existence has taken positive steps towards achieving the objectives envisaged in the Treaty of Izmir, such as signing agreements and providing necessary conditions for the establishment of its Specialized Institutions.

I wish to note that in spite of the efforts made in the past years, the results on the ground are, unfortunately, far from the expectations, which can not certainly satisfy the member states and necessitates efforts by these states to promote cooperation among themselves. At the same time, we should also note that the prospects of future cooperation among the member states are numerous and promising.

Since, development of trade, which has been designated as one of the priorities of ECO, will significantly influence the living standards of the nations in the region, it is necessary to take meaningful steps for the promotion of trade within this region.

ECO's share of international trade has so far been meager. To promote intra-regional trade, the member states should take measures to remove the existing trade barriers and complete and rationalize their trade rules and procedures. The trade figures relating to 1990 through 2001 indicate that ECO's trade internal trade posted a 53% growth rate, increasing from 108.75\$ billion 1990 to 166.76\$ billion in 2001. But, ECO's share of total international trade, during the same period, declined from 1.58% in 1990 to 1.34% in 2001. It is now necessary to take the required measures to remove the existing obstacles to promote first regional and then trans-regional trade.

It is expected that, ECO, which has passed the decade of feasibility and capacity building and has now entered into the stage of enhancement and progress, would seek the assistance of all member states to operationalize its agreements. This would enable the organization to acquire a proper status in the international trade and economy.

In order to take successful steps towards the set objectives, ECO needs the assistance and cooperation of its member states. One of the main challenges in this regard is disharmony between the members national plans with the multilateral plans and projects within the organization. So, it is expected that the member states should overcome these challenges through the establishment of a better harmonization between their national plans with the plans, activities and goals of the organization.

Here, I would like to propose some recommendations to the distinguished guests and delegates for enhancing the efficiency of the organization:

- The need to review the past programmes and projects in order to draw future plans;
- Priority should be given to the intra-regional exchange of goods and services;
- Taking the necessary measures for active participation of private sector in the activities and projects of the organization;
- The need for preparing an MOU on the standardization of the national accounts in the region and its implementation by the members;
- Preparation of the regional input-output table to help economic planning in the region; Enhancement of tourism in the region;
- Planning for the continuation of the Dialogue among Civilizations;
- Taking advantage of the experiences and effective cooperation with other regional and international organizations;
- Establishment of the transportation network and efficient and organized communications systems among the members considering the lack of access to the Open Seas for landlocked members;
- ECO/UNESCAP cooperation for the preparation of a plan of action on north-south corridor which is one of the most important routes considering the elements such as speed, security and profitability and the utilization of several cross roads existing in Central Asia and Europe.

*Distinguished Guests;*

The conclusion of ECO Trade Agreement (ECOTA) in the Second Ministerial Meeting of Commerce and Foreign Trade of the member states is considered, with no doubt, as the most important and comprehensive measure for trade liberalization in the region but more important than that is the implementation of this agreement. In this regard, the Islamic Republic of Iran is prepared to implement this agreement with the cooperation of those member states which are ready to start the process of its implementation even earlier than the scheduled time frame.

The Regional Planning Council, which has been mandated to consider the general policies, strategies and plans of ECO and ensure their consistency with the principles and purposes of this organization, can play a significant role in the promotion of the activities of ECO both in terms of quantity and quality.

Under the procedures and practices in place, the Planning Council is responsible for setting the priority areas of cooperation in ECO, review the process of implementation of the approved plans and programmes, considering and evaluating the activities of the Secretariat, preparing the annual calendar of ECO events and drafting the regional economic report. The success of the Planning Council in the fulfillment of the tasks entrusted to it in an effective manner, will significantly contribute to the efficiency of the entire organization.

*Respected Audience;*

Given the changes and developments which have occurred, ever since, at the global and regional levels and within ECO as well, and also considering the failures of our organization with regard to the enforcement of some of its agreements, it is time to revise ECO's Economic Cooperation Strategy which has been formulated in 1997 and make it more consistent with the needs of our time so that it can be utilized as a general mechanism to deal with the problems and challenges ahead of us. We hope with the finalization of the "ECO Vision 2015", ECO member states will embrace bright horizons for development.

We are also of the view that regularly holding the meetings of ECO Senior Officials and other organs of the Organization, and active and high level participation of the member states in these bodies can help to achieve this goal.

While emphasizing on the importance of priority areas including transport and communication, trade and investment, energy, mines and environment, I would like to draw the attention of the meeting to the importance of other sectors in Regional Planning Council. Making appropriate and efficient policies in ECO region needs scientific research. Compiling and executing economic research projects and also utilization of information and up-to-date accurate statistical data as one of the important apparatus for the promotion of cooperation among member states are of paramount importance to this end. Strengthening the scientific capacity of Secretariat and also benefiting from the regional and international prominent consultants are very constructive in this regard.

*Distinguished audience;*

On behalf of the Government of the Islamic Republic of Iran, I would like to announce the readiness of my country to cooperate in all aspects of ECO activities to execute the joint agreements and projects. Our country is in a position that could cooperate with all its partners in different fields such as providing technical and engineering services.

One of the most important pillars of the "Fourth Economic, Social and Cultural Development Plan of the Islamic Republic of Iran" which will be executed between 2005-2009, is the creation of a "knowledge-based economy" to interact with the global economy and increasing competitiveness to utilize regional and global opportunities. In this regard, aiming at extension of markets in the region and forming regional and global trade interactions, the following policies are forecasted in the 4<sup>th</sup> development plan:

- Cooperation in foreign relation aiming at expansion of regional and global links;
- Removal of non-tariff barriers and establishing proper tariff system;
- Establishment of a suitable administrative, customs and judiciary facilities to accelerate the foreign trade.

*Ladies and Gentlemen;*

In conclusion, I wish to take this opportunity to extend my appreciation to His Excellency Orazbay, the Honorable Secretary General of ECO and his esteemed colleagues in the Secretariat for all the efforts they have made to materialize the goals and objectives of ECO and also for organizing this meeting. I hope they will be successful in their efforts.

I wish you all the esteemed guests, a pleasant stay in Tehran.

Thank you.

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