

MESSAGE

OF HIS EXCELLENCY

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SECRETARY GENERAL

OF THE

ORGANISATION OF ISLAMIC COOPERATION (OIC)

AT THE

THIRD MINISTERIAL MEETING

OF THE

TRADE PREFERENTIAL SYSTEM AMONG THE MEMBER STATES OF THE OIC (TPS-OIC) - TRADE NEGOTIATIONS COMMITTEE

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Message of

His Excellency Mr. Hissein Brahim Taha, Secretary General of the OIC to the Third Ministerial Meeting of the Trade Preferential System among the Member States of the OIC (TPS-OIC) - Trade Negotiations Committee

Your Excellency Prof. Dr. Ömer Bolat, Minister of Trade of the Republic of Türkiye,

Your Excellences Ministers,

Ladies and Gentlemen,

Assalamu Aleykum wa Rahmatullahi wa Barakatihu

It is indeed a great pleasure and honour for me to address this Third Ministerial Meeting of the Trade Preferential System among the Member States of the OIC (TPSOIC) - Trade Negotiations Committee, holding in this vibrant city of Istanbul, Republic of Türkiye. I would also like to seize this opportunity to extend my sincere appreciation and gratitude to the Government and People of the Republic of Türkiye for the excellent arrangements and warm reception and hospitality extended to all delegates to this Meeting.

As Your Excellences may know, The TPS-OIC is a fundamental element for strengthening economic integration within the OIC Zone, in accordance with the OIC Constitutive Charter. As we know, preferential tariff systems can provide an institutional vehicle for fostering cooperation in developing infrastructure and addressing cross-border externalities. The commitments to liberalize trade contained in preferential tariff systems can also provide policymakers an opportunity to commit to future economic policy reforms. In addition, this system can be a forum to improve diplomatic relations and increased non-trade economic integration to foster friendship, peace and stability.

Besides, the Committees established by this system are an excellent means of sharing different points of view, build synergies, and working out mutually beneficial pathways which crystalises in better cooperation between Member countries.

In this regard, The General Agreement on Economic and Technical Cooperation between the OIC Member States, adopted by the 8th Islamic Conference of Foreign Ministers (ICFM) in 1977, invited all Member States to develop trade exchanges through trade liberalization, by reducing or removing the customs or other restrictions that are applied to export/import activities through bilateral and multilateral trade agreements.

Subsequently, the 6th Session of the COMCEC, held in Istanbul, Türkiye, in October 1990, adopted the Framework Agreement on the TPS-OIC, aiming at the promotion of trade among OIC Member States through the exchange of trade preferences. The Framework Agreement (TPS-OIC) came into force in 2003 and up to now, the progress of implementation is still not up to our expectations due to some pending internal procedures by Member States.

As Your Excellences may know, the trade preferential system is a very important project aimed at expanding intra-OIC trade. It is my hope that the various recent global happens that have led to serious disruptions in the global supply chains of some critical commodities to our Member States are sufficient reminders of the need for us to build a robust intra-OIC trade system that can help us absorb such global supply shocks. Accordingly, this TPS-OIC is meant for this purpose.

The TPS-OIC is important not only to facilitate intra-OIC trade, but also to provide a solid framework for cooperation among the OIC Member States. The System also provides advantages for the participating states to obtain wider market access, increased exports, improved economic welfare and creation of more employment opportunities. It is also a fundamental element in developing the regional value chains and reinforcing the creation of more jobs especially for the increasing number of youths in our countries.

Alihamudulillah, the TPS-OIC became operational on July 1st, 2022, and currently 13 OIC Member States have already submitted to the TNC Secretariat the List of Products for tariff concessions under TPS-OIC and, some of the Participating States are implementing the system. In this context, I wish to invite the other Participating States, to take necessary measures to enhance its implementation that will definitely contribute to further increase in intra-OIC trade.

According to the ICDT, the exports of the 13 TPS-OIC Participating States will increase by a value ranging between 30 million US dollars and 3 billion US dollars per year. Imports could increase by a value of up to 500 million dollars. It is estimated that the implementation of the TPS-OIC will lead to an increase in intra-OIC trade by approximately US\$ 1.8 billion per year. This figure could significantly increase with more products and countries participating in this system.

In this context, I wish to urge the Member States, which have not yet signed or ratified the TPS-OIC Agreements, namely the Framework Agreement, PRETAS and the Rules of Origin, to do so at their earliest convenience and complete other procedures for joining the System.

The Republic of Türkiye, COMCEC Coordination Office and other relevant OIC institutions, in particular, ICDT and the IsDB, contributed significantly to this process. We appreciate their critical role in this matter. I wish also to thank the COMCEC Coordination Office, the ICDT and the IsDB for organizing several Meetings and programs in past years including Webinars and awareness workshops in order to facilitate the operationalization of the TPS-OIC. In this context, I would like to urge all relevant OIC institutions to continue organizing awareness-raising and capacity-building activities with regard to the TPS-OIC and also invite participating countries to attend actively TPS-OIC meetings.

The full implementation of the TPS-OIC will give a strong impetus towards realization of our aspirations to increase intra-OIC trade in conformity with the objectives outlined by OIC-2025: Programme of Action, which decide to push up the intra-OIC trade to a minimum of 25% by 2025. Indeed, more than 27 Countries have already achieved this goal and I encourage other Members to do the same, as we all work together to promote intra-OIC Trade complementarities in strategic sectors.

Before I conclude my remarks, let me remind ourselves that the Ummah is going through extremely challenging times. From the despicable genocide taking place in Palestine on a daily basis, to wars and conflicts that have ravaged many of our countries, huge numbers of refugees and internally displaced persons, natural disasters, climate change effects, global economic recessions, pandemics and many perennial diseases made worse by dysfunctional health systems in many of our countries, rising unemployment of youths who make up more than 70% of the population in some of our Member States, crippling debt burden that is more than 100% of GDP in some of our countries, plus many other challenges and a cocktail of all of them put together. If there has ever been a time in the history of our organization when we needed to have focused unity and cooperation, this is the time. Together, we can build not only strong trading links, but also lay a solid foundation for the survival and development of a thriving Muslim Ummah that is able to fend for itself and guarantee an enjoyable future for its children. I leave it to you to ponder about this reminder.

Finally, I wish to commend our senior officials and institutions, who have proposed concrete recommendations aimed at timely implementation of the TPC-OIC. I am confident that the pertinent recommendations, which they have presented will receive your kind consideration, enrichment and approval.

I wish this meeting successful outcomes.