

SIXTH MEETING OF THE OIC–COMCEC CENTRAL BANKS FORUM

29-30 September 2024, İstanbul, Türkiye

COMMUNIQUÉ

1. We, the Governors of the Central Banks and the Heads of Delegations, met on 29-30 September 2024 to discuss the global economic and financial outlook, focus on post-pandemic inflation dynamics and exchange views on the potential uses of artificial intelligence in central banking within the framework of the Standing Committee for Economic and Commercial Cooperation of the Organization of Islamic Cooperation (COMCEC) financial cooperation agenda.
2. We mourn the loss of innocent Palestinian lives due to Israeli military aggression in the Gaza Strip since last year. We call for an immediate, permanent and effective ceasefire and reaffirm that all parties must adhere to their obligations under international law.
3. Despite geopolitical tensions around the world, the global economy has shown resilience and managed to avoid a sharp downturn. It is expected to grow by 3.2% in 2024, below the pre-pandemic average of 2010-2019, and keep this pace almost stable between 2025 and 2029. Growth in the OIC countries is projected to strengthen in 2024 and 2025, and to remain closer to its pre-pandemic average over the medium term. Global trade is projected to recover in 2024, following the higher-than-expected decline in 2023. However, trade restrictions and increased uncertainty in trade policies may adversely affect economic activities. The risks around the global economic and financial outlook remain high, including tight global financial

conditions, climate change, volatile commodity prices, and geopolitical tensions.

4. Recent data suggest that the alignment of supply and demand in labor markets has improved and inflation persistence in the services sector has started to weaken. Global headline inflation is expected to continue to decrease from its 2022 peak. This decline has been primarily driven by well-calibrated monetary policies, lower energy and food prices, and recovery in supply chains. In the OIC region, inflationary pressures have been declining in a noticeable way too. Against this backdrop, most of the central banks have ended their tightening cycle, but remain cautious in light of the upside risks to inflation and policy uncertainties.
5. We discussed the developments in Artificial Intelligence (AI) and its use in central banks. AI has huge potential to transform economies by improving financial systems, boosting growth and productivity, and reshaping labor markets. Yet, it also carries multiple risks. AI applications may amplify existing biases in the data, which may perpetuate unfair outcomes. AI may potentially impact the labor market negatively and increase income and wealth inequality. Thus, we recommended that countries prepare to maximize the positive impacts of AI while mitigating its potential risks through prudent use of technology. Central banks use AI for data collection and statistical analysis; macroeconomic and financial assessment; as well as the oversight of payment systems and the supervision of financial institutions. As AI technologies become increasingly integrated into central banking operations, the need for accurate, clean, and reliable data as well as high-skill human capital is paramount to maintaining the integrity and quality of these analyses.
6. We acknowledged the importance of the training, capacity-building and expert-sharing programs among OIC countries. We commend the efforts of the Statistical, Economic and Social Research and

Training Centre for Islamic Countries (SESRIC) for its Central Banks Capacity Building Programme and call upon the Central Banks and Monetary Authorities of the OIC countries to cooperate with SESRIC in the implementation of this important program. In this regard, we reiterated our active commitment to strengthening cooperation among the Central Banks and Monetary Authorities of the OIC countries.

7. We welcomed the efforts under the COMCEC Financial Cooperation Working Group towards the implementation of the COMCEC Strategy.
8. Finally, we thanked the Central Bank of the Republic of Türkiye for organizing the sixth OIC-COMCEC Central Banks Forum and its warm hospitality.