



DRAFT REPORT

**24th EXECUTIVE COMMITTEE
AND 16th GENERAL ASSEMBLY
MEETING**

ECO CHAMBER of COMMERCE and INDUSTRY

March 5, 2018
Tehran, Islamic Republic of Iran

**Draft Report of
24th Executive Committee and 16th General Assembly Meeting of
ECO Chamber of Commerce and Industry (ECO CCI)
Tehran, Islamic Republic of Iran – March 5, 2018**

The 24th Executive Committee and 16th General Assembly meeting of ECO Chamber of Commerce and Industry (ECO CCI), hosted by the Iran Chamber of Commerce, Industry, Mines and Agriculture (ICCIMA) was held on March 5, 2018 in Tehran, Iran. The Presidents/Vice Presidents/ Representatives of the member Chambers as well as representatives from ECO Secretariat and ECO Trade and Development Bank (ETDB) participated in the meeting.

Agenda Item-1: Inauguration of the Meeting

The Inaugural Ceremony of the meeting was held on March 5, 2018.

After Recitation of verses from the Holy Quran, the President ECO-CCI presided the meeting.

Agenda Item-2: Adoption of the Agenda of the 24th Executive Committee and 16th General Assembly Meeting

The agenda, already circulated to Member States and given below adopted:

- 1- Inauguration of the Meeting
- 2- Adoption of the Agenda
- 3- Appointment of the Drafting Committee
- 4- Welcome speech by H.E. ENG Gholam Hossein Shefei President ICCIMA (Host Country)
- 5- Statement by H.E. Mr. Ghazanfar Bilour, President ECO-CCI & FPCCI
- 6- Statement by H.E Rifat Hisarciklioglu, President TOBB
- 7- Statement by the H.E. Ambassador Halil Ibrahim Acka, Secretary General ECO
- 8- Address by Minister of Road and Rural Development of the Islamic Republic of Iran H.E. Dr. Abbas Ahmed Alkhoundi Iranian Minister
- 9- Statement by heads of delegations
- 10- Activity report by Secretary General ECO CCI
- 11- Briefing on the decisions taken in the meetings of each ECO CCI Specialized Committees by Heads of Respective Committees
- 12- Report by the Representative of the ECO Secretariat regarding the decisions taken in the 28th Regional Planning Council Meeting in December 2017
- 13- Report by the ECO Trade and Development Bank on the latest operations and implementations of the ECO TDB and its future plans for 2018-19 particularly with respect to providing financial facilities to private sector of ECO Countries
- 14- Handing over of President-ship of ECO-CCI to Afghanistan
- 15- To discuss the Establishment of Permanent Secretariat
- 16- To review, consider and approve the ECO-CCI Statute
- 17- To consider and approve the separate logo of ECO-CCI
- 18- To review the financial matters and subscription fee of the ECO CCI
- 19- Any Other Business

- 20- Date and Venue of the Next Meeting
- 21- Adoption of the Report
- 22- Vote of Thanks

Agenda Item-3: Appointment of the Drafting Committee.

A Drafting Committee consisting of the following members was appointed to prepare the draft Report of the Meeting:

1. Mr. Mahdi Razzaghshoar (Iran)
2. Ms. Shahla Ali Hasan (Turkey)
3. Mr .Aneeq Ali Malik (Pakistan)
4. Ms Amber Fatima (ECO-CCI)

Agenda Item No-4: Welcome speech by H.E. ENG Gholam Hossein Shefei President ICCIMA (Host Country)

H.E. Eng Gholam Hossein Shefei President ICCIMA stated that he hope this meeting will play an efficient role in development of trade and economic ties among the ECO member states and finding proper ways for paving the path for development of Economic ,Trade and Investment ties within the framework of the ECO .The ECO member states are of such very significant characteristics in terms of rich natural and human resources can expand their collaborations in all areas.These countries according to the statistics in 2016 exchanged US\$ 625 b worth of goods with the world out of which US\$ 48b was the share of intra ECO trade.In 2017 they exchanged US\$ 490 b worth of trade with the world out of which only 3.9 % i.e US\$ 19 b was the share of the intra ECO trade demonstrating a significant decrease compared to its previous year he continued.

The question arising here is that why when there have been no major developments within the global economy in the previous year, the volume of the global trade and as a result, the intra ECO trade volume of the member states has decreased about 22% the President ICCIMA asserted .

H.E Shafei said nevertheless, in the face of the neighborhood of the member states and the common borders which decrease the transit and transportation costs , the member states have not been able to grow the intra ECO trade .It seems that lack of bilateral Preferential Trade Agreements (PTA's) among the member states as well as non implementation of the ECO Trade Agreement (ECOTA) are of the major reasons for the reduction of the intra ECO trade for which due measures have to be adopted to deal with these issues Mr Shafei Asserted.

The President ICCIMA said :according to these statistics unfortunately the current volume of trade and investment is not in proportion with the capabilities of this deep rooted international organization and it is necessary to adopt a new approach and a novel methodology to define programs and a vision and implement it within the ECO. Mr Shafei added:in this relation, Iran, Pakistan and Turkey as the founding members of the ECO should be put on the focal point of the economic developments and elevation of the trade and commerce relations in line with the emerging opportunity in terms of the implementation of the new ECO Vision , conducting the necessary implementations in collaboration with other ECO member states which will come true by cooperation of government and private sectors especially the ECO CCI.

President of ICCIMA stated :in line with realization of the development of the intra Eco collaborations in the areas of joint investments, cooperation with the private sector enterprises in the field of the car industries has been on the agenda of the Ankara meeting of the ECO CCI and is being pursued for which we hope to reach desirable and palpable results such as joint manufacturing of electric cars and motorcycles in the framework of developing the industrial

and investment collaborations in the region. It seems that it is now the time to translate the potentials of the region into action and strive for real development of cooperation. The private sectors require the support of their respective governments and once the necessary infrastructural grounds are prepared, we can be optimistic about the future of the regional cooperation Shafei added. To achieve this objective, we need a new approach in interactions among the region's countries as the experience of the last two decades necessitates us to welcome the third decade of ECO with a new perspective which is the ECO Vision 2025. Mr Shafei hoped that through implementing such an inclusive program, we will be witnessing the increasing growth of intra regional trade and investment and in the region.

Non realization and non implementations of the agreements signed among the member states in the framework of the ECO including the ECO Trade Agreement (ECOTA), the Agreement on Visa simplification and the Visa Sticker scheme, non utilization of the capabilities of the ECO Trade and Development Bank and unavailability of proper grounds in the area of opening L/Cs among the member states are among the problems causing the low level of intra ECO trade compared to the total foreign trade of member states which continues to decrease on which given the will of the member states for solving the problems ahead, were among the problems asserted by him whereafter he expressed hope in sha Allah we will have a brighter prospect on the path in front of us. He continued asserting that in the coming term of the ECO CCI activities, in light of the termination of the rotational chairmanship period after 9 years, it will be necessary to prepare the grounds for establishment of the Permanent Secretariat of the Eco CCI for which we will take steps for realization of ECO objectives duly.

Mr Shafei Once again I would like to thank and appreciate ECO CCI Secretariat within the last 3 years at the Federation of Pakistan CCI's for their efforts hoping the next President of the ECO CCI success.

Agenda Item No-5: Statement by H.E. Mr. Ghazanfar Bilour, President ECO-CCI

H.E. Mr. Ghazanfar Bilour, President ECO-CCI & FPCCI welcomed the delegates and thanked to ICCIMA for hosting ECO-CCI meetings and rendering excellent hospitality to all delegates making their stay comfortable in Tehran, Iran. He also highlighted the achievement done by ECO-CCI in the tenure of Pakistan. He added that this is my conviction that the Specialized Committee meetings held in last two days were fruitful and meaningful particularly in terms of identifying the root causes of low trade and investment among ECO Countries. He informed that they have organized five times its statutory meetings in last three years and always give equivalent importance to all countries in policy advocacy. We are happy that most of the Central Asian States has started participation in the activities of ECO-CCI but there is much more to be done particularly with respect to bringing the Central Asian States into active net of the private sector activities for trade and investment promotion. he indicated that trade is the most important determinant of economic growth and development and significantly contributes in regional integration. During 13th ECO Summit held in March 2017 in Pakistan it was resolved to double the current level of intra-regional trade of ECO within next 3 to 5 years. In this respect, huge responsibility lies on Turkey as they contribute more than 50 percent in ECO trade while Pakistan, Iran, Turkey, Kazakhstan and

Afghanistan collectively contribute 94 percent in trade of ECO region. All these five nations come forward and take effective measures for enhancing of intra-regional trade.

He also stressed on the implement of ECOTA, APPI and other agreements. Regarding transportation, he informed that is one of the areas to be focused to underline the importance of the ECO. Regional efforts made by the ECO members on improving trade and transportation through implementation of infrastructural project such as the North-South Transport Corridor, the Trans-Caspian Transportation Route, the China - Pakistan Economic Corridor, Chabahar and Gwadar ports complement each other. Moreover, The TIR Convention should be speedily implemented in all member countries and proper training sessions should be arranged in all countries for the traders and transporters of the region under the patronage of ECO Secretariat. In order to facilitate the drivers and transporters we should also consider White Card Scheme for smooth transportation among ECO region.

Agenda Item No-6: Statement by H.E. Selcuk Ozturk; Vice President of TOBB

The Vice President of the Union of Chambers and Commodity Exchanges of Turkey (TOBB) H.E. Selcuk Ozturk began his statement by extending his gratitude to ICCIMA for the hospitality and hosting of the ECO-CCI meetings.

He also stated that the global order has been going through a drastic change where almost all of the economical and political developments are being shaped around the ECO region in this aspect, he stressed upon the importance of evaluating this process of change and increasing our cooperation in order to benefit from it.

He highlighted that even though the ECO region has been blessed with immense natural resource, economical opportunities and advantageous geopolitical location, its share in the world trade and its intra regional trade stands at 2% 8.7 %respectively. He also stressed upon the importance of the ratification and implementation of ECOTA to increase the respective countries wealth , intra regional trade and consequently there share in the world trade. He also underlined the importance to remove the barriers to trade and enhancement of intra regional cooperation to increase the level of trade. He also requested the member countries political support in achieving goals related to increase to enhancement of international and intra regional trade.

Agenda Item No-7: Statement by H.E. Ambassador Halil Ibrahim Akca Secretary General ECO Secretariat

H.E. Ambassador Halil Ibrahim Akca Secretary General of ECO Secretariat started his statment by thankinking H.E. Mr. Ghazanfar Bilour, President ECO-Chamber of Commerce and Industry (ECO-CCI), Pakistan, for organizing ECO-CCI Meetings and the leadership of the ECO-CCI and Presidents of other national chambers of the member states for their earnest efforts for enhancing private sector cooperation among member countries and their commitment for integration of the ECO region.

He also asserted that the collaboration of the National Chambers in line with the ECO Vision 2025, shows the importance that the National Chambers give to these efforts.

He stressed upon the importance assigned by ECO private sector cooperation and that necessary initiatives undertaken initiatives in this regard. He further added that the leadership of the ECO has worked to integrate the ECO economies via enhanced cooperation in many areas such as trade, investment, trade facilitation, customs cooperation, etc.

He highlighted ECO's inception has devised the necessary legal frameworks, developed and strengthened the existing institutional arrangements, improved capacities of the Member States and initiated projects/ programs and expanded scope of the policies for furtherance of Organization's defined goals. In this framework end, a number of agreements have been signed by the member countries in the areas of trade and investment, transport and communications, energy, etc.

He informed the house that the total trade of the ten ECO countries amounted to US\$ 626 billion in 2017 which has registered a marginal decline by decrease of 3.4 percent in comparison with 2015. He also added that this was mainly due to the global recessionary trends and decrease in oil prices where as exports account for 46 percent while imports constitute about 54 percent of total volume of merchandize trade. He also stated that the intra-regional ECO trade accounts for 7.64 (2016) percent of the total trade of the ECO member states which is far below than its potential and other regional economic blocs like EU, ASEAN, etc meaning thereby we are the least integrated region which was a pending concern.

He also highlighted that the ECO Trade Agreement (ECOTA) is the flagship preferential trade agreement requested the National Chambers may play their role for its early operationalization. He informed the house regarding the latest developments pertaining the Agreement on ECO Smuggling and Customs Offences Databank' ECO Reinsurance Company (ERC) , ECO Trade and Development Bank (ECO-TDB), membership of ECO members to WTO and the 3rd ECO-UNIDO Project on Trade Capacity Building He concluded by congratulating the members of ECO-CCI for their efforts and effective and efficient interactions and extended his full support to the ECO CCI.

Agenda Item No-8: Address by the Minister of Roads and Urban Development of the Islamic Republic of Iran H.E. Dr. Mahmoud Abbas Al khoundy

H.E. Al Khoundy pointed at the 50 years of experience within the ECO and futher added that there was a lack of technology within the region for which most of us are depended for its acquirement from the outside. He further stated that there was a requirement of civilization of dialogue within the ECO given the experience of the other blocs such as the EU which will lead to thriving economic boost in the region.

He continued by proposing that of establishing a common currency and also boost international marriages between the nationals of ECO member states to fortify our civilization contingency. The Minister said that we had to boost the convergences and move away from divergences. He further proposed that an ECO desk to be established in

the respective ministry as all agreement relevant to transportation will be followed up at this desk.

He stated that his Ministry's readiness for all kinds of cooperation in the area of transportation, for logistics domain in particular with other member states in order to establish the ECO logistics network. He also asserted his readiness to connect all ports, special zones etc to this network.

He concluded by calling for stepping up hardware and software collaboration among the ECO member states and putting it on the agenda of the meetings within the ECO.

Agenda Item No-9: Statement by heads of delegations.

No comments were made by the head of the delegations.

Agenda Item No-10: Activity report by Secretary General ECO CCI.

Secretary General ECO CCI presented their activity report (enclosed in Annex 1).

The house noted and thanked the ECO CCI Secretary General for their efforts and activities carried out.

Agenda Item No-11: Briefing on the decision taken in the meetings of each ECO CCI Specialized Committees by Heads of Respective Committees

Heads of each Specialized Committee of ECO CCI briefly explained the decisions taken in the meetings of each Specialized Committees of ECO-CCI. The report of all the meetings are enclosed at Annexed 2).

- Tourism Committee Meeting
- Industry and Investment Committee Meeting
- Transportation Committee Meeting
- Arbitration Committee Meeting
- Trade Facilitation Committee Meeting
- Women Entrepreneurs Council Meeting

The house unanimously adopted the report and commissioned the ECO CCI Secretariat to carry to the necessary follow up actions.

Agenda Item No-12: Briefing on ECO Business Rating Program by ICCIMA

ICCIMA informed the house regarding the decisions adopted in the ECO BRP Committee meeting held on 4th March 2018.

The house adopted the report of the meeting of the aforementioned committee.

Agenda Item No-13: Report by the Representative of the ECO Secretariat on the agenda item of specialized committee meetings ad related issues.

The representative of ECO Secretariat informed the house that this topic was discussed during the specialized committee meetings.

The house welcomed the report.

Agenda Item No-14: Report by the ECO Trade and Development Bank on the latest operations and implementations of the ECO TDB and its future plans for 2018-19 particularly with respect to providing financial facilities to private sector of ECO Countries

The representative of ECO Trade and Development Bank (ECO TDB) presented the report to the house. (Attached annex).

The house took note of the report.

Agenda Item No-15: Handing over of President ship of ECO-CCI to Afghanistan

The Presidency of ECO-CCI was handed over to Afghanistan Chamber of Commerce and Industry for the year 2018 and 2019 under the Article 1 and Article 2.1 of the Statute of the ECO-CCI.

The Vice Presidency of ECO CCI was handed over to Iran Chamber of Commerce, Industry, Mines and Agriculture for the year 2018 and 2019 under the Article 1 and Article 2.1 of the Statute of the ECO-CCI.

Agenda Item No-16: To discuss the Establishment of Permanent Secretariat

Under this agenda item, as per the discussions carried out between the founding chamber.

The house decided that the ECO-CCI Secretariat will be rotated for another nine years between the founding members three years each in the following order:

1. Turkey
2. Iran
3. Pakistan

The house also decided to discuss the issue of the permanent secretariat after completion of 9 years (3 years each to three founding member countries).

Agenda Item No-17: To review, consider and approve the ECO-CCI Statute

ECO-CCI presented the proposed amendments decided by the founding members' chambers in ECO-CCI Statute meeting which were approved and adopted by the house.

The house asked the founding members to sign the final version of the Statute.

Agenda Item No-18: To consider and approve the separate logo of ECO-CCI

The house adopted the logo design prepared by the ECO- CCI Secretariat (Attached annex) with the condition of rearranging the flags of the members in alphabetical order starting from the top clockwise.

Agenda Item No-19: To review the financial matters and subscription fee of the ECO CCI

The house decided to discuss the matter of collection of subscription fees from the member countries in the near future. while the existing setup will continue.

Agenda Item No-20: Any Other Business

No matter was discussed.

Agenda Item No-21: Date and Venue of the Next Meeting

Afganistan Chamber of Commerce and Industry offered to host the next 25th Executive Committee and 17th General Assembly meeting along with the meetings of all specialized Committees in the month of October in Kabul, Afganistan. However, final date will be announced by ECO CCI Secreteriat after counsultation with hosting country.

The house also commisioned the ECO CCI Secreteriat to follow up and ensure that the 25th Executive Committee and 17th General Assembly of the ECO CCI to be held in the month of October 2018.

Agenda Item No-22: Adoption of the Report

The report of the 24th Executive Committee and 16th General Assembly Meeting of ECO CCI was adopted.

Agenda Item No-23:Vote of Thanks

The President of ICCIMA congratulated ACCI for the presidency and TOBB for assuming the General Secretariat of the ECO CCI. He also stated that the full participation by the entire member chambers was attained in this meeting.

He stated that 70% of our needs could be covered if all the member countries effectively and efficiently utilized their resources.

The Afghani delegate extended his gratitude to ICCIMA for the services and hospitality.

The Turkish delegate stated its appreciation to Pakistan for their outstanding work and efforts during their term as the Secretariat General of ECO CCI and thanked ICCIMA for hosting the meetings and their hospitality.

The Uzbekistan delegate stated his appreciation to ECO- CCI for their efforts and extended his gratitude to ICCIMA and their staff for their efforts and hospitality in organizing the ECO

CCI meetings. He also stated that he would convey the decisions taken in the meeting to the upper management and his willingness to participate in the upcoming ECO CCI meetings.

The Secretary General of the ECO CCI thanked ICCIMA for their hospitality.