



**REPORT ON
STATUTORY MEETINGS OF
ECO CHAMBER OF COMMERCE AND INDUSTRY (ECO-CCI)
BY
INTERNATIONAL RELATIONS (IR) WING - FPCCI**



**March 3-5, 2018
at Tehran, Iran**

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Statutory Meetings of ECO-CCI

Brief Introduction:

ECO Chamber of Commerce and Industry (ECO-CCI) is one of the important organ and affiliated body of ECO; was founded by the Union of Chambers and Commodity Exchanges of Turkey, Iran Chamber of Commerce, Industries and Mines, and the Federation of Pakistan Chambers of Commerce and Industry, in 1990, in order to promote commercial, industrial and economic cooperation among the member states. It has been established as the representative of the ECO in the private sector, based on the Article 30 of Izmir treaty. Today, ECO-CCI comprises 10 members. Apart from the founding members the other 7 members respectively are the Chambers of Commerce and Industry of Afghanistan, Azerbaijan, Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan and Uzbekistan. Since its inception, the ECO-CCI is working for the long term benefits related to economy, trade, investment, industry, business etc instead of short term achievements and produces concrete projects in accordance to the mutual interest of member nations.

As per the Statute of ECO-CCI, the Presidency and Secretariat of ECO-CCI was handed over to Pakistan on September 4, 2014 for three years period. Prior to Pakistan, the Presidency and Secretariat of ECO-CCI was given to Turkey and Iran for three years period each respectively.

ECO-CCI Meetings at Tehran, Iran (3-5 March 2018):

The Specialized Committees, 24th Executive Committee and 16th General Assembly Meetings of ECO-CCI held from March 3-5, 2018 at Tehran, Iran which were first time attended by all 10 Members Countries. Iran Chamber of Commerce, Industry, Agriculture and Mines (ICCIMA) hosted all these meetings at their premises. Besides the Members Chambers, the Secretary General ECO and his team, Vice President Trade and Development Bank, Foreign Mission of ECO Countries in Tehran including Pakistan and Representatives of the Concerned Ministries of Iran actively participated in the 24th Executive Committee and 16th General Assembly Meetings of ECO-CCI held on March 5, 2018. The press and electronic media were also present in the meeting. The meetings were graced by Minister of Roads and Urban Development of the Islamic Republic of Iran Dr. Mahmoud Abbas Al Khoundy as Chief Guest while the second session of statutory meeting was presided over by President ECO-CCI Mr. Ghazanfar Bilour and were attended by the Office Bearers/Representatives of all Members Nations.

Inauguration Session of Executive Committee and General Assembly Meeting on March 5, 2018:

- In his welcome remarks, **H.E. Eng Gholam Hossein Shefei President Iran Chamber of Commerce, Industry, Mines and Agriculture (ICCIMA)** Welcomed and thanked to the delegates of ECO Countries for participating in ECO-CCI Statutory meetings. He hoped that these meetings 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 exchanged US\$ 625 b worth of goods with the world out of which US\$ 48b was the share of intra ECO trade. 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. He 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. He added that 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. 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. 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. He also appreciated ECO CCI Secretariat within the last 3 years at the FPCCI for their efforts hoping the next President of the ECO CCI will success.

- In his statement, **Mr. Ghazanfar Bilour ECO-CCI & FPCCI** emphasized on the sustainable development, cooperation and promotion of mutual trade and investment among ECO countries. He also highlighted the intra-ECO trade statistics which indicates the minuscule share of ECO trade i.e. 7 to 8 percent in total trade of ECO region as trade is the most important determinant of economic growth and development and significantly contributes in regional integration. He urged all the member states particularly Pakistan, Turkey, Iran, Afghanistan and Kazakhstan for taking significant and effective measures for the enhancement of intra-regional trade as these nations contributes 94 percent in trade of ECO region. He stressed the member nations for early implementation of ECOTA (a preferential trade agreement), Agreement on Protection and Promotion of Investment (APPI), ITI and

KTAI train, Iran Pakistan Gas pipeline, Visa sticker scheme etc. Economic relations in the ECO region should be strengthened through isolation of the root causes of lower intra-regional trade and investment, removal of trade barriers, harmonization in trade and investment regulations, and gradual integration of the member states, he added. He stated that ECO should realize the core principles of economic sustainability, integration and favorite environment. He also urged to improve tourism industry, and recognize the importance of SMEs in the economic growth in the region. He added that 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.

- **The Vice President of the Union of Chambers and Commodity Exchanges of Turkey (TOBB) H.E. Mr. Selcuk Ozturk** extended his gratitude to ICCIMA for the hospitality and hosting of the ECO-CCI meetings. He stated that the global order has been going through a drastic change where almost all of the economic 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.
- **The Secretary General of ECO Secretariat Ambassador Halil Ibrahim Acka** thanking 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 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 that 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 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. He also appreciated the leadership of ECO-CCI and said that trade has been a major driver of the economic development and private sector has always assumed leading role in boosting economic activities in national, regional and global economies. The ECO has always attached importance to private sector cooperation and has undertaken initiatives towards this end.

- **Minister of Roads and Urban Development of the Islamic Republic of Iran H.E. Dr. Mahmoud Abbas Al khoundy** stated 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 proposed that establishing a common currency and also boost inter-national 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.

2nd Session of Executive Committee and General Assembly Meeting:

Some Salient features of decisions taken in the Second session of General Assembly and Executive Committee are given here.

1. The Secretary General ECO-CCI presented three years reports on activities of ECO-CCI (copy of report enclosed).
2. All Members countries emphasized on the need of enhancement of trade and economic relations by early implementation of ECOTA
3. The house also emphasized that a proper infrastructure is the need of the hour to promote trade among the members countries particular with respect to roads, rail and air connectivity ease of doing business for improving investment climate.
4. The meeting also emphasized to ease the visa procedures among the ECO members by issuing visa exemption sticker scheme at the same pattern of SAARC.
5. During the meeting, ECO Trade and Development Bank also informed the house about its latest operations and its future plans with respect to providing financial facilities to private sector of ECO Countries.
6. The house also approved the FPCCI proposed logo of ECO-CCI and approved the amendment suggested by FPCCI in the Statute of ECO-CCI.
7. The Presidency of ECO-CCI was handed over to Afghanistan Chamber of Commerce and Industry and Vice President-ship to Iran Chamber of Commerce, Industry, Mines and Agriculture under Article 1 and 2.1 of Statute of ECO-CCI.
8. The Founding Members of ECO-CCI decided that the Secretariat of ECO-CCI will continue rotating amongst the founding members (Turkey, Iran and Pakistan) three years each; initially by Turkey (TOBB), followed by Iran (ICCIMA) and Pakistan (FPCCI).
9. TOBB offered to host the exhibition of Women Entrepreneurs in Kayseri, Turkey.
10. The Kyrgyz Republic and Uzbekistan invited the members countries for participation in their Annual Exhibitions.
11. TOBB suggested the creation of Working Group for promotion and facilitation of SMEs among Members nations.
12. It was decided that the next meeting of Executive Committee along with Specialized Committees of ECO-CCI will be held in Kabul, Afghanistan in the month of October or November, 2018.
13. The ECO Secretariat appreciated the efforts of President ECO-CCI and ECO-CCI Secretariat for making ECO-CCI active, significant and vibrant organ contributing to enhancement of intra-ECO trade, investment and economic relations.
14. The house appreciated ECO-CCI (Pakistan Chapter i.e. FPCCI) for their outstanding work and efforts during their three years tenure and successful holding of its statutory meetings regularly.

Prior to the Executive Committee and General Assembly Meetings, the Specialized Committee Meetings of Trade Facilitation, Industry, Investment and SMEs Promotion, Arbitration, Tourism, Transportation, Women Entrepreneur Council and Business Rating Program were held and their recommendations presented in the Statutory Meetings of ECO-CCI.

Specialized Committees Meetings (3-4 March 2018):

In his opening remarks, **the Secretary General of ECO-CCI Mr. Maher Alam Khan** highlighted the historical achievements of ECO region; whose apex trade body is going to

complete its 27 years of journey. He informed the house that the Presidency and Secretariat of ECO Chamber of Commerce and Industry were handed over to the Federation of Pakistan Chambers of Commerce and Industry (FPCCI) in September 2014 for three years period.

Since then, the ECO-CCI is working hard for strengthening economic ties and establishing business activities among member countries for achieving the trade-led economic growth objective as well as enhancing intra-region trade and investment. At present, the main task of the ECO-CCI is the implementation of ECOTA, establishment of custom union, linking of proposed Gwadar-Kashgar motorways, harmonization in business and financial regulations, simplification of visa among member countries, enhancing the regional connectivity and removing the trade impediments etc. He further stated that the World today is passing through an era of mutual trade which offers enormous opportunities regarding the expansion of trade which is the major thrust of every country. However, without sharing information regarding trade, investment, industry and interaction among businessmen, the multilateral trade can't be augmented up to the potential available. Despite significant efforts and availability of huge potentials, the trade of ECO region is flourishing towards the non-members countries. The intra-regional trade among the members' nations is less than 10 percent while the contribution of ECO region in world trade is just 2 percent. He also highlighted that ECO region has tremendous resources in term of human resource (449 millions) and natural resources like; Pakistan has strong textile base, Iran and Azerbaijan, Kazakhstan, and Turkmenistan have Oil & Gas reserves while Afghanistan enriched with precious and semi-precious gems and famous for hand-woven carpets. Uzbekistan has gold and mineral resources. Kyrgyzstan is naturally endowed with Uranium and precious metal. Tajikistan blessed with minerals and Turkey is one of the largest exporters of transport equipment.

- 1. Women Entrepreneur Council:** The Women Entrepreneurs stated that the participation of women in the economy of ECO member countries is lower than the developed countries. In this respect, they suggested to adopt policies and take steps to promote women entrepreneurship and increase their participation rate in the economy highlighting the importance of ECO 2025 vision. Regarding pending events to be held in turkey, the TOBB stated that they are ready to provide free stall for hosting of women exhibition in Kayseri, Turkey if members countries are willing to attend. On the sideline of next meeting, the ECO-CCI will organize a seminar for Women Entrepreneurs. Moreover, the ECO-CCI secretariat informed about the creation of web portal of Women Entrepreneurs Council of ECO-CCI and urged the women entrepreneurs of ECO-CCI to register themselves on the portal.
- 2. Tourism Committee:** In this meeting, the representatives of the members countries stated that there is huge potential of tourism in ECO region as members nations have variety of adventure tourism, culture tourism, leisure tourism and Health tourism. The representative from TOBB submitted the updated concept paper on Tourism to have the view of the member countries but due to no comment from any side, it was decided that all member should submit their views to ECO-CCI as early as possible. The representatives from Iran announced the tentative date for holding 2nd Confobition (Conference + Exhibition) on Health Tourism at Tehran in the

month of October 2018. He also mentioned that the first Forum of Hotel Owner and Tour Operators will also be organized on the sidelines of 2nd Confobition and requested for active participation of the heads of the hotels owners and tour operators associations and the different airline officials in ECO member countries. The ECO informed the house that they are taking up the matter of low flight connectivity with the Pakistani and Turkish Airlines. The less number of direct flights in ECO countries is due to the fact of lower traffic of passengers. The ECO Secretariat also updated the house about the latest progress on 11th International Exhibition on Tourism, 4th International Silk Road Festival and preparation of ECO Tourism Strategy.

- 3. Transportation Committee:** The Chairman of the Committee stated that the logistical perspective needs more emphasis at the establishment of strong road/rail/sea networks and should not only be taken into account within the region itself but also interconnections to other regions such as Black Sea, Europe, Arab World and Africa. The ECO Secretariat briefed the house about the latest status of operation of the Islamabad-Tehran-Istanbul (ITI) and KTAI cargo train project and added that these should be made viable and feasible in terms of freight and the governments of three countries should subsidize the freight. The house also stressed the importance of marketing and commercializing the ITI and KTAI rail routes. It was discussed that the successful implementation of TIR Convention will be possible, if the awareness is created among the concerned quarters of all ECO member countries. The representative of, Turkey informed that TOBB is ready to organize training sessions on TIR conventions and will intimate the schedule of trainings through diplomatic channels upon demand from the member states.
- 4. Arbitration Committee:** The Arbitration Committee meeting highlighted the significance and usefulness of the arbitration system and its necessity within ECO region giving his own perspective and personal experience in industrial and banking sectors. The Chairman of the Committee stated that the ECO-CCI is eager to establish ECO Arbitration Center for the last couple of years and recalled that a technical sub-committee has been established of two persons each from Iran, Turkey and Pakistan who will work on the modes operandi of arbitration. Nor any development has been made in introduction of legal and IT experts of member chambers for uploading information on the ECO CCI Arbitration website. He suggested that the founding chambers namely Iran, Pakistan and Turkey should collaborate to design and finance the ECO CCI Arbitration Center website. He explained that the draft rules of arbitration is inconsistent and outdated and need to be updated in the lights of recent development. He also called on the member chambers to revisit the ECO CCI Rules of Arbitration as well as the Internal Rules of the ECO CCI Arbitration Center and provide their comments three months from this meeting as after this period the documents will be deemed as finalized and can be acted on duly on which the house agreed.
- 5. Industry and Investment and SMEs Promotion:** In the meeting, the representatives of member states highlighted the vitality of promoting the investment environment, enhancing infrastructure, reduction of bureaucracy and

development of incentive systems in attracting foreign investment deeming application of market economy rules as a necessity. During the last meeting, the scope of this Specialized Committee expanded with the inclusion of SMEs sector. They also suggested the follow up of esteemed countries to complete the steps of the APPI agreement among the ECO and stated that progress in the region can be only attained through qualified human resources, vision of physical infrastructure and enhancement and legal infrastructure. The ECO Secretariat also updated the house about the status of second meeting of Investment Promotion Organization of ECO Countries, 4th ECO investment Conference, Second ECO Energy Consortium meeting and ECO investment portal etc. The TOBB suggested the creation of Working Group for promotion and facilitation of SMEs among Members nations.

- 6. Trade Facilitation Committee:** In this meeting the representatives of the members countries underlined the importance of the implementation of ECOTA for removal of trade barriers and boosting the intra-regional trade. The house agreed that ECO Vision 2025 should be adopted as its future road map. While discussing the visa issue, the house emphasized on the arrangement for simplification of visa formalities in ECO region without which the intra-regional trade of ECO cannot be flourished. Moreover, the banking channels should be opened because without intra-regional banking channel the intra-regional business cannot be flourished. The ECO Secretariat updated the house about the ECOTA, ECO Visa Sticker Scheme, ECO Trade Facilitation Agreement and Strategy, ECO Trade Fair, ECO Business Forum, ECO-ASEAN Business Forum and ECO-SAARC Business Forum. The house agreed for the promotion of trade in Halal sector. The ECO secretariat also informed the house about the enforcement of Agreement on the Establishment and Operation of ECO Smuggling and Customs Offences Databank and Articles of Agreement of the EO Reinsurance Company by Iran, Pakistan and Turkey.
- 7. Business Rating Programme:** The representative from Iran elaborated the Concept paper on Business Rating Programme (BRP) that was previously disseminated to the member chambers and explained that there is going to be a platform to share business related information among the ECO member states to facilitate match making among the pairs of the respective countries. The house invited the member chamber for their review. There was no further progress.

At the end, The ECO-CCI thanked the Trade Missions of ECO Countries in Tehran and Iran Chamber of Commerce, Industry, Mines and Agriculture (ICCIMA) and Pakistan's Trade Missions in ECO Countries for facilitating the delegates to attend the meetings in Tehran, Iran. ECO-CCI also appreciated the efforts of ECO Secretariat, Tehran and founder members (TOBB & ICCIM) for making the meetings successful.

At the end, the heads of all members countries delegation offered their thanks to the FPCCI and ECO-CCI for the excellent arrangements made to hold these important meetings and for the warm hospitality extended to the participants during their stay in Tehran.

Glimpses of ECO-CCI Meetings







