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A GLOBAL ECONOMIC GROUP FIRST SUMMIT MEETING 15 June 1997



FIRST SUMMIT MEETING

Istanbul

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8

OFFICE OF THE EXECUTIVE DIRECTOR
Istanbul, May 1999

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PART I

STATEMENTS BY THE HEADS OF

DELEGATIONS

STATEMENT

BY

H.E. MR. SÜLEYMAN DEMİREL,

PRESIDENT OF THE REPUBLIC OF TURKEY

FIRST D-8 SUMMIT

STATEMENT BY THE PRESIDENT OF THE TURKISH REPUBLIC

Istanbul-15 June 1997

Your Excellencies Mr. Presidents,
Your Excellencies Madame and Mr. Prime Ministers,
Your Excellencies Mr. Ministers,
Distinguished members of the Delegations,

I have the honour of hosting Your Excellencies on this happy occasion in Istanbul, the pearl of Turkey and one of the most beautiful cities of the world.

In the last nine years, we have witnessed very important developments emanating from Europe and Central Asia, but affecting the whole world.

World balances are being restructured and the factors of balance are changing. The societies have been redeemed from the mortgage of the 40 years of Cold War. Lust for peace and solace has been voiced more strongly than ever in the recent years. A great political transformation has emerged in Europe. Most of the nations in the Caucasus and Central Asia have enjoyed gaining independence. Pleasing developments for all of us have been witnessed in South Africa. China and the South East Asian countries were able to use their economic potentials more efficiently. The winds of globalization are affecting all the countries in a positive manner.

However, sad developments in Bosnia-Herzegovina, Caucasus, Middle-East and some other parts of the world could unfortunately not be prevented. The societies need to be closer, to show more respect to each other and to enter more co-operation in the new century we are about to enter. The immense technological developments of our time provide us the necessary facilities for the development of mutual understanding and communication. We, as the leaders, are responsible for making the most use out of such facilities for the welfare of our nations and co-operation among our countries.

The issues such as economic development, technology and co-operation which are of close interest to us, as well as the common lust for peace and solace in the restructuring of the world, are the basic factors that led the way for this happy occasion.

International co-operation is a basic vehicle of the modern world, for acquiring faster national economic development and welfare. Nearly all the countries have embarked upon bilateral and multilateral co-operation initiatives.

Turkey already has close bilateral relations with each of the countries represented at the highest level in this Room. Within the new D-8 mechanism we are about to establish, we will join our forces to expand co-operation among us and to jointly overcome the barriers that prevent our economic growth. We will develop new methods which will serve the common interests of our countries. We will try to find ways and means to improve our place and role in the world economy.

In your respective regions in Asia and Africa, you are demonstrating noteworthy achievements in the field of economic development. We have also scored important successes in our own region, as a country who is Asian and European. However, these are not good enough. We ought to provide ourselves a wider and more respectful place in the globalizing world. Turkey's geographic location has given her a bridging role between Europe and Asia on one hand, and Europe and Africa on the other. Such location and role are crucial elements in our joint efforts to globalize our economies.

Turkey is, in the context of her bridge-role, ready to serve for the development of East-West and North-South trade. My country wishes to make common use of her wide experience gained through her long-standing relations with the Western institutions and countries with her D-8 partners.

Since several years, Turkey maintains the highest GDP increase rate with a big margin over all the countries of the OECD, of which she is a full member and also among the countries of the EU, with whom she is in a Customs Union. Turkey's increase in exports in the last 10 years has reached 210 % and in the last 6 years 78 %. In the field of telecommunications, an increase of 700 % has been achieved in telephone subscription in the last 10 years. Two Turkish telecommunication satellites are currently in operation and a third one is programmed to be launched soon. No village remains in Turkey without telephone, electricity and road any more. An increase of 78 % has been achieved in tourism revenues in the last 3 years. Turkey is on the way to

become one of the major energy producers in Europe. She is placed 15th in world iron and steel production. Turkish economy is the 17th biggest economy in the world according to the World Bank standards.

I pointed out these data in order to summarize Turkey's current potential with a view to reflecting how realistic and sincere we are on the basis of D-8 co-operation.

Distinguished Guests,

We have every possibility to expand co-operation among ourselves. Our common cultural values are our most precious asset. We have valuable experiences to share with each other in the field of economic growth. Our domestic markets are in an unprecedented dynamism. We own significant natural resources. We are in position of taking advantage of covering a large geographical area. We have the potential to reach the important markets of the world. Along with the financial, economic and political organizations we are members of, each of us are involved in different other regional organizations.

It is an exultation for us all to see that this initiative we have started with the purpose of establishing an environment of a new and efficient co-operation among our countries, has come to a level as to enable us to hold this Summit in such a short period of time. D-8 has already started to work well before its establishment and very significant steps have been taken towards the development of concrete projects. Using this opportunity, I would like to extend my appreciation and thanks to our bureaucrats who have undertaken this work in an utmost seriousness and a common approach. The scene today shows that our unity does not only depend on common interests, but also on common hearts. We should continue to work on concrete and result-oriented projects without going into too much detail and thereby losing our momentum. D-8, the formal establishment of which we will declare today, should be an exemplary model for other organizations as well.

The very fact that we are starting with a limited number of countries at this initial stage of D-8 should not offend our friends. We have no ulterior motives. After the consolidation of the necessary dynamism and the establishment of regular operations, accession of new members will certainly come on the agenda.

Anyone who comments that D-8 is being established as an alternative or competitor or even reaction to any other organization, is making a wrong assessment. Each country represented here in this Room is individually or

collectively member of various international organizations and has responsibilities and commitments related to them. In other words, D-8 membership will not conflict with our other obligations. That is why, all these criteria have been carefully inserted in the Declaration we will hopefully adopt today.

Our common purpose is to improve the economic welfare and happiness of our peoples. The more concrete results we obtain out of this togetherness, the better we will have served our countries. That is what is expected from us. The existing close friendship among our peoples is our biggest support and guarantee.

I open the D-8 Summit with these sincere feelings and thoughts and wish success in our deliberations.

STATEMENT

BY

H.E. MR. SHOERTO,

PRESIDENT OF THE REPUBLIC OF INDONESIA

UNOFFICIAL TRANSLATION



PRESIDENT
REPUBLIC OF INDONESIA

Mr. Chairman,

Excellencies,

Ladies and Gentlemen,

It is a great pleasure and privilege for me and the Indonesian delegation to be able to join you here today at this inaugural Summit of the D-8. Allow me therefore at the outset, Mr. Chairman, to express our deep appreciation to you and the Government of Turkey for taking the momentous initiative of convening this Summit that has brought about the birth of the D-8.

The world has long been nursing its hopes for a more just and prosperous international order, hopes that once soared high when the Cold War came to a close and a more propitious climate for cooperation among nations seemed to be on the horizon. Instead, what has settled upon us is a new world

disorder marked by instability, tension, conflict and confrontation as well as by the persistence of the inequities and imbalances in the economic relations between developed and developing countries. Many of the latter, especially the poorest among them, remain saddled with a crippling debt burden, fluctuations in commodity prices and declining terms of trade which keep them mired in poverty and backwardness.

Although there are international forums where the plight of the developing countries should be earnestly addressed, the agenda of these forums have come to be dominated by extraneous issues such as the social clauses and intellectual property rights. The core issues of economic cooperation and development have thereby been edged out and the interests of developing countries effectively sidetracked. Consequently, the developing countries are constrained to work in an unfavourable external environment that militates against their assiduous efforts to lay the basis for future growth.

We cannot escape from the effects of the world economy, particularly the sharpening of competition in markets everywhere. Whether we like it or not, whether we are prepared for it or not, we will be drawn into that implacable arena of global competition. We must prepare for the inevitable.

The time has indeed come for us to muster the synergy that is inherent to the combination of our globally indispensable resources, our geo-strategic locations in our respective regions as well as the technologies we have individually developed or acquired. From these, we must now draw the strength and the unique competencies that will enable us not only to hold our own in any theatre of the global economy but also to stave off the scourge of poverty among our peoples.

By coming together in this Summit and establishing the D-8 as the mechanism for our development cooperation, we must summon our political will and our capabilities for coordination and concerted action to make that mechanism work.

In striving for coordination, we must avoid adopting projects that are identical with or markedly similar to those being implemented by other international organizations or even by ourselves in the context of our work in other organizations. We should plan with realism and pragmatism so that our endeavours are not hampered by over-ambitious goal-setting, lack of commitment and insufficiency of funds. I am therefore in full agreement with the criteria adopted for the selection of projects, including the considerations of feasibility and practicality, potential for concrete results within a reasonable time frame and serviceability to our common interests.

I am also glad that we are bringing our private business sectors early into the work of the D-8 through the establishment of a Joint Business Council. It is the private sector, after all, that serves as the economic engine of growth while the Government provides facilitation, policy support and incentives. Moreover, the private business sector can generate and mobilize larger amounts of capital necessary for infrastructure development than any government can. By sharing our vision with our business and industrial leaders and enlisting them as partners in the planning and implementation of our projects, we have made that vision even more viable.

The contributions of our private business sectors will be crucial in the fight against poverty. The eradication of poverty through accelerated economic growth and social development on a sustainable basis has indeed become the core issue of our time. The rapid deterioration of the global environment is largely because the poor are compelled by the demands of immediate survival to over-stress the resources on which the survival of future generations depends. The struggle against poverty is therefore a responsibility shared by all countries.

We in the D-8 must take our share of that responsibility by intensifying our respective national programmes to alleviate poverty, and by working together and sharing insights and experiences in this vital endeavour. At the same time, through

our collective advocacy, we must vigorously work for the creation of an international environment that is truly supportive of national endeavours to combat poverty, an environment in which the developed countries honour their commitments to extend development assistance and transfer technology without oppressive and irrelevant conditionalities

But the reality today is that we cannot expect the developed countries to voluntarily share their technology with the developing world. Every technology that we need must be purchased at a price we can barely afford and on terms that are scarcely acceptable.

And yet we are by no means helpless. Today, after exerting tremendous efforts, developing countries have achieved considerable technological progress. Among ourselves, we already have the capability to manufacture our own automobiles, rolling stock, sea-going vessels, factories for machine tools, machinery and even rocket and aircraft manufacturing plants with cutting-edge technology. Some of these could be one-third less expensive than those produced in the developed countries. What we need to do is to more fully mobilize our combined technological capabilities to ensure our common progress, welfare and advantage. We can also share the cost together or it may come from the international money market.

Technology, however, even in tandem with the abundance of our natural resources, will be unavailing unless we have the human resources capable of adding value to them. Hence, another area of cooperation that we should particularly focus on is the development of our human resources through education, training and social development. There is no wealth that can match the intelligence, the creativity and resourcefulness as well as the industry of the human person who is at once both the end and the means of development. Of this wealth, we have an abundance. Let us make the most of it.

Mr. Chairman.

I am heartened by the emphasis that has been given to cooperation with other countries and organizations regardless of whether they belong to the developed or developing world. Convinced that the fates of developed and developing countries are inextricably intertwined, we have repudiated the adversarial approach to international economic relations. Instead, we have adopted as basis for our cooperation a set of principles that correspond with the ideals and tenets embodied in the United Nations Charter, in the declarations of the Non-Aligned Movement and in the *Dasa Sila* or Ten Principles of International Relations laid down by the historic Asian-African Conference held in Bandung, Indonesia in 1955. Indeed, if all nations faithfully adhered to the principles of dialogue instead of confrontation, cooperation instead of exploitation, justice instead of double-standards, equality instead of discrimination, and concern for other human beings instead of oppression-- the inequities and imbalances of international economic relations would have been rectified a long time ago and there would be durable peace among nations today.

So long as we can hold on to these principles and strive to live by them, it is never too late and never futile to work for the shaping of a new international order of peace, social justice and equitably shared prosperity. In the ultimate analysis, that is what we in the D-8 are working for.

We have no illusions that we can achieve that overnight. For the solution to the economic problems of the world requires a global partnership for development that will take years and patient negotiations to form.

We must promote cooperation to become more competitive in the global economy and thereby solve many of our social and economic problems in a way that will make a difference to our peoples. And every success that we achieve in this endeavour will be a step forward in the cause of South-South cooperation

and a step nearer toward that North-South partnership for development that will save humanity from dividing against itself.

I am aware that we still have a long way to go but, with this Summit, let us take that all-important first step.

May Almighty God bestow His divine blessings on all of us.

Thank you.

STATEMENT

BY

H.E. MR. AKBAR HASHEMI RAFSANJANI,

PRESIDENT OF THE I.R. OF IRAN

Text of the Statement by
H.E. Ayatollah Akbar Hashemi Rafsanjani
President of the Islamic Republic of Iran
at the First D-8 Summit, Istanbul, Turkey, 15 June 1997

In the name of Allah, the Compassionate, the Merciful

Your Excellency, President Suleiman Demirel,
Your Excellency, Prime Minister Necmettin Erbakan,
Distinguished Colleagues,

It is a pleasure for me to have the opportunity to participate at this auspicious gathering which is a clear manifestation of the political will of the friendly Muslim countries gathered here to enhance their cooperation. Although, cooperation among Muslim countries in the framework of regional and international groupings, specially the Organization of the Islamic Conference, dates back a few decades, the initiative of Prime Minister Necmettin Erbakan to establish a forum for cooperation and coordination among Muslim countries in the field of development at the global scale merits our full support.

The initiative for the establishment of a forum for political, economic, scientific and technical coordination at macro level among developing Muslim countries has emerged in light of the realities of new international environment and the collective needs of Muslim countries. It aims at strengthening and complimenting existing institutions and organizations, especially Organization of the Islamic Conference (OIC), Economic Cooperation Organization (ECO) and Association of South East Asian Nations (ASEAN). I wish every success for this Summit and the Group of Eight Muslim countries, and seize the opportunity to express my appreciation to the brotherly government and people of Turkey for the kind hospitality accorded to us and the excellent preparations made for this meeting. I assure you that the Islamic Republic of Iran is fully prepared to expand and strengthen cooperation with other member countries of this new forum in the realization of our common Islamic objectives.

Creation of the D-8 is particularly important because it has emerged in an evolving international political and economic scene. We hope that this forum opens new dimensions for cooperation among Muslim countries, including the formation of advanced scientific and technological units, and enhances the role of Islamic countries in international political and economic decision-making.

We note that the primary objective for creating D-8 was to expand economic cooperation and policy coordination among developing Muslim countries in the international economic domain. Meanwhile, systematic and consistent coordination in the economic and technical issues among member-states can and will strengthen their political ties. Therefore, in our view, D-8 is a forum which creates opportunities for members to adopt coordinated positions thus assuming a more effective presence in the international economic arena, while at the same time leading to enhanced bilateral relations of the member countries.

Dear Colleagues,

Current economic developments have created new prospects for developed and developing countries. However, Islamic developing and less developed countries, while taking full advantage of existing achievements and expertise in the field of development, must make

a sober assessment of their own economic situations and employ existing development models with prudence and foresight, as they may lead to undesirable consequences if employed without proper attention to the economic and social conditions of the target societies.

Unfavorable international economic conditions have inhibited the ability of many developing countries for debt servicing. In the same context, certain new trends are emerging which reflect the tendency of a number of developed countries to dominate world markets, prevent access to development resources by developing countries, utilize economic means as instruments of political pressure, apply national laws beyond their borders to international trade and create barriers to the accession of developing countries to international or regional organizations.

During the past decade, developing countries have been able to enhance the pace of their economic development and balance their trade through coordinating policies and regional integration. However, their trade volume has not increased at the same rate.

Since mid 90's, Islamic countries have been able to improve their balance of trade, but they have not been able to expand their intra-trade. In spite of a Plan of Action to Strengthen Economic and Commercial Cooperation Among OIC Member States approved by the Organization of the Islamic Conference, the OIC members still encounter a low intra-trade volume. In mid 90's, the volume of trade between Islamic countries was slightly higher than 10 per cent of their total trade. These figures are alarming if compared with export of OIC members to industrialized countries which amounted to 63.5 per cent of their export. Similarly, their imports from industrialized countries amounted to 58.5 per cent of their total import during the same period.

It is evident that purchasing power in industrialized countries makes their markets vital for the manufactured goods of developing countries. Yet vast and potentially powerful markets created through economic integration of Islamic developing countries coupled with their comparative advantages could provide these countries with more secure prospects for balanced and sustained development. Fortunately, developing members of D-8 possess considerable potentials in enhancing economic and technical cooperation and joint investments through supporting their private sectors, and expanding their trade by removal of tariff and non-tariff barriers and access to markets.

Furthermore, various projects presented by member-states and studied by technical working groups as well as the decision to choose six priority projects of D-8 for immediate follow up and implementation constitute an important step in our common effort to solidify and enhance this valuable forum and implement collective economic and industrial projects of the eight Muslim countries. This decision deserves our wholehearted support. Meanwhile, we believe that the Working Group on Industry should also consider on priority basis larger joint industrial manufacturing projects and present its conclusions to our next Summit, including inter alia:

- Civil Aircraft;
- Rapid Passenger Trains;
- Locomotives;
- Communication Satellites; and
- Oil Industry Equipment.

Successful experience of some members of the group in the field of economic and technical development could provide suitable models for others. Free trade zones in most D-8 countries could improve potentials for greater economic progress. Connecting these zones through unification of legal and administrative regulations, and encouraging the private sector of these countries to invest in these zones would pave the way for further economic integration of these countries on the one hand and expansion of industrial and technical cooperation and exchange of technical know-how on the other.

Distinguished Colleagues,

I wish to express my deep concern over the recent adoption of a resolution by the United States Congress concerning the transfer of American Embassy from Tel Aviv to Quds, declaring Al-Quds al-Sharif as the capital of the Zionist occupying regime. This constitutes a flagrant violation of the inalienable rights of the Palestinian people, and a further irrefutable indication of unjustifiable American bias, which automatically disqualifies the United States from mediating the Palestinian Crisis. Furthermore, this decision illustrates once again that U.S. policy is completely dedicated to serving the illegitimate interests of Israel.

The decision to transfer the embassy from Tel Aviv to Al-Quds requires appropriate reaction from the Islamic world and from this forum of countries encompassing the majority of Muslim population worldwide.

Excellencies,

All D-8 countries are also members of the Organization of the Islamic Conference, which possess considerable administration and structure for economic cooperation. A majority of D-8 members are actively participating in economic groupings. Concurrently, most of our countries are members of regional organizations in their respective regions; which have gained increasingly effective role in recent years. In this context, three founding members of ECO, major members of ASEAN and SAARC are now gathered in D-8.

While D-8 signifies the beginning of a new strategy for cooperation, it should complement and support existing regional and international groupings.

In our view the main function of D-8 is to provide a flexible, transparent and effective forum without a cumbersome bureaucracy to facilitate coordination at macro level for implementation of large-scale industrial and economic projects requiring resources of more than one member-state. It should also concentrate on the adoption of collective strategies to participate more actively and take their rightful place in international economic decision-making.

We are convinced that precise definition of the objectives of this forum will enable us to launch an innovative valuable endeavor which will safeguard the interests of all members of the Islamic Ummah. The Islamic Republic of Iran is fully prepared to actively participate in this sacred common endeavor.

Thank You.

STATEMENT

BY

**H.E. MADAME SHEIKH HASINA,
PRIME MINISTER OF BANGLADESH**

Bismillahir Rahmanir Rahim

**Mr. Chairman,
Excellencies,
Ladies and Gentlemen,**

Assalamu Alaikum.

I convey the greetings and good wishes of the people of Bangladesh to our brothers and sisters in Turkey, Egypt, Indonesia, Islamic Republic of Iran, Malaysia, Nigeria and Pakistan.

The links between Turkey and Bangladesh date back to the early days of Islam. Modern Turkey greatly inspired the movement for freedom in our subcontinent. Father of the modern Turkey, Mustafa Kemal Pasha is a household name in Bangladesh. Schools and avenues have been named after him. Our national poet Kazi Nazrul Islam composed poems depicting his heroic struggles and commending his achievements.

We find a similarity in the history of independence of Bangladesh and Turkey. The long arduous struggle spanning over a period of 23 years led by our great leader Father of the Nation Bangabandhu Sheikh Mujibur Rahman culminated in our Independence in 1971. Likewise, struggle for Independence of Turkey was spearheaded by its great leader Kemal Ataturk.

I place on record our sincere thanks to His Excellency Prime Minister Necmettin Erbakan for his pioneering role and initiative in organising the summit. I deeply appreciate the contribution made by President Suleyman Demirel, a statesman of outstanding qualities, to strengthening Islamic solidarity. I recall with gratitude his visit to Bangladesh to attend the ceremony of the celebration of the Silver Jubilee of our Independence and placement of the "Flame Eternal" to commemorate the event.

I am happy to be in this historic city of Istanbul which bears a rich testimony to a great civilization. It is, therefore, befitting to hold the historic First Summit of the Developing-8 in this city. I take this opportunity to thank the government of Turkey for bringing us together for the formal launching of D-8.

Mr. Chairman,

I hope, the full potential of the D-8 countries in all possible fields including trade, economy, culture, sports, education could be jointly harnessed for the benefit of all member countries.

We have some experience in micro credit management. Our great leader Father of the Nation Bangabandhu Sheikh Mujibur Rahman had first introduced interest-free small loan without collateral. I would like to mention here that Bangladesh happily consented to chair the Working Group on Rural Development at the experts level. In this sector Bangladesh achieved success mainly for the role of Grameen Bank and the massive initiation of micro credit in the country.

Within the purview of D-8 Bangladesh has already initiated steps to further consolidate cooperation. This includes several areas like investment, privatization, transfer of technology, transportation, Trade, telecommunications, energy, culture, education and industrial cooperation.

Bangladesh has created a favourable climate for investment. The economic and industrial reforms in the country have developed a firm base for sustainable growth. Bangladesh is now enjoying macro-economic stability as a result of comprehensive adjustment measures for short and medium run stabilisation of the economy. Investments are

increasing, reserves are being fully utilized and progress has been achieved in the area of human resources development. The foreign investors and companies could invest in Bangladesh independently on the basis of 100 per cent ownership or through joint ventures, with public or private sectors. Incentive packages are being provided such as tax holidays and full re-patriation of investment, profit and dividend. There exists an excellent potential for D-8 member countries to collaborate with Bangladesh in the fields of telecommunication, generation, distribution and transmission of energy, ports, roads and development of other infrastructures.

Mr. Chairman,

The world has now become more interdependent. Cooperation among nations is the order of the day. The international scenario has significantly changed. We are now better placed to try and forge mutually beneficial cooperation not only within the developing world but also between the developing and the developed countries. The D-8 should make special efforts for enhanced cooperation with the seven most powerful economies of the developed world, the G-7. As coordinator of the LDCs, I have recently urged the G-7 leaders to make the global trading regime more responsive to the realities in the developing countries, particularly the LDCs.

Mr. Chairman,

The emergence of nearly 60 Regional Economic Arrangements since the mid-80s demonstrate the growing interest of the countries towards economic integration. Being the latest entrant in the league, I believe D-8 can well draw from the experiences of these arrangements. Overcoming our economic limitations would be the biggest challenge. In the present international environment where foreign assistance is on the decline, it is imperative to mobilize our own resources. We must, therefore, encourage trade creating joint ventures, smooth flow of capital, services and technology and promote investment within the D-8 countries in right earnest. We must demonstrate that D-8 is a serious forum in the international arena.

In the uplift of eight economies, the D-8 can play a substantive role because it comprises more than 800 million people and represents 8.5 per cent of the world GDP. I note with great satisfaction that the Group has identified 10 areas for cooperation. A number of expert level meetings have already taken place in this connection. There are deep-rooted historic, religious and cultural affinities and abundance of human and natural resources within the Group. I have reasons to believe that frontiers of cooperation among our countries can be expanded for our mutual and collective benefit.

Mr. Chairman,

Fostering close cooperation and friendship with the Islamic Ummah has a significant place in our foreign relations. Bangladesh is happy to be a founding member of the D-8. We fully subscribe to the principles of the Group. Bangladesh has taken up the task of coordinating projects on 'Rural Development'. This is in clear recognition of our achievements in rural development. Poverty alleviation is one of the basic aims of D-8. I am happy to recall that small loans have been given to hundreds of thousands of borrowers, mainly women without collateral in Bangladesh. Our micro credit programmes have been amongst the most successful ones and duly recognised as such.

The vision of the Father of the Nation Bangabandhu Sheikh Mujibur Rahman was to establish a society free from poverty, hunger and exploitation. But the Father of the Nation was brutally killed when he was leading the war-ravaged country to sustained progress and prosperity. His vision of a 'Sonar Bangla' thus Golden Bengal remained unfulfilled. It is our turn now to fulfill his dream. With this end in view, we have struggled for long to establish people's right to vote freely. Now we are consistently working towards economic emancipation of the people and to establish their right to food.

This experience in rural development, particularly in the field of micro credit has earned world wide acclaim.

During the recently held Micro credit Summit in Washington D.C., we tried to play a vital role. It was decided in the summit that by the year 2005 an amount of 20 billion US dollar would be made available for self-employment through micro credit for 100 million of the poorest families of the world. We would be happy to share our experience in poverty alleviation programmes through micro credit with all of you.

Mr. Chairman,

Let me reflect upon some of the priority concerns of my country in brief. After assuming the responsibility of running the country precisely a year ago, my government undertook a major restructuring programme towards establishing a market economy with major thrust on the private sector. Ours is a country of 120 million people, with mainly an agrarian economy. But recently there has been a strong effort to accelerate industrialization. Our relatively large population offers a potential market as well as an inexpensive labour force. Our commitment to curb inflation, avoid excessive deficit spending, provide full guarantee against expropriation of revenue or assets of foreign concerns in Bangladesh is deep rooted. Attractive tax incentives and open investment policies have already started bearing fruits. We would welcome fellow members of the D-8 to visit our country and assess for themselves the vast potential that exist for trade and investment in Bangladesh.

**Mr. Chairman,
Excellencies,
Ladies and Gentlemen,**

On this historic occasion, let us commit ourselves to take meaningful steps in realising our common endeavours to develop and expand cooperation among ourselves for the common benefit of our peoples and for global peace and prosperity. I am confident, we would march into the next millennium with confidence and dignity. What we need now are extended hands of cooperation and not simply hand-outs.

Mr. Chairman,

Before I conclude, I would like to take the opportunity to convey our sincere thanks to the Government and the people of Turkey for according us a warm hospitality and for the excellent arrangements made for this conference. We also extend special thanks to the Government of Turkey for hosting the Coordination Center of the D-8.

Long live Group of D-8.

Thank you all.

Joi Bangla, Joi Bangabandhu
May Bangladesh live forever
Khoda Hafez

.....

STATEMENT

BY

H.E. DR. KAMAL EL-GANZOURI,

PRIME MINISTER OF THE ARAB REPUBLIC OF EGYPT

Your Excellency President Soleiman Demerell
Your Excellency Prime Minister Necmettin Erbakan
Your Excellencies the Heads of State or Government
Ladies and Gentlemen

On behalf of His Excellency President Hosni Mubarak, I wholeheartedly take pleasure in conveying to you his profound thanks and appreciation for the kind invitation he received to take part in the First Summit Conference of the "Developing Eight".

Before I read out His Excellency President Mubarak's address on his behalf, I can but express the Egyptian Delegation's sincere thanks and gratitude for the Turkish warm welcome and generous hospitality accorded to us since our arrival in this historic city, Istanbul.

Mr. President,

Egypt has positively responded to the Turkish initiative to establish the "Developing Eight" Group out of her growing concern to contribute actively to crystallizing this initiative and placing it on the right path. This is because the Turkish initiative is really distinguished from all those taken by the other Developing World Groups.

This initiative is based on sublime principles and ideals for achieving positive objectives and laying the foundation of a better future for all. These objectives are peace, dialogue, justice, equality

and democracy in which Egypt believes and upon which the core of our policy is based.

In a world witnessing a remarkable information revolution, a world of major economic blocs and groupings, a world where values of globalization and interdependence prevail, there is an immediate need, capitalizing on our authentic Islamic civilization and rich cultures, that we embark on creating a strong, cohesive nucleus that would revitalize the economic and social fields, in preparation for establishing a larger economic group capable of aspiringly looking forward to the coming century and assuming an effective role in forming its features.

The concept of cooperation among developing economies is vital for the reunification of their ranks and joint actions. The recent changes witnessed by the economic and political world arena are a striking evidence of the credibility of this rationale. The growing interdependence in international relations prompts us to ponder further over such a phenomenon and work out some effective cooperation devices in terms of mechanism, form or content.

The endeavour to concert efforts in the world of today has gained much more significance in an attempt to establish international economic relations aiming at realizing: joint development, mutual benefit and integrated development.

This concept is highlighted as a prominent feature of Egypt's economic foreign policy at the present time, as Egypt attempts to share her development experience with other developing countries,

and also to benefit from the experiences of other countries which have undergone or are still undergoing similar transition phases towards economies of prosperity.

Through consulting, coordinating and identifying areas of integration among ourselves, mobilizing our resources, on the basis of equity, equality and respect to each other, we can forge ahead towards enhancing our collective capacity, maximizing self-reliance and securing a better future for our peoples.

Mr. President,

The world is now going through radical and rapid changes characterized by greater economic liberalization and globalization in all aspects from which we can benefit to open wide vistas for our economies, though presenting us with further challenges.

Some developing countries, including some friendly countries member of this group, have recently realized a substantial economic and developmental breakthrough. Most of the developing countries are more vulnerable to global economic strategies, especially after the adoption of further economic liberalization policies and measures by most of those countries. It is incumbent upon us to consider this fact thoroughly and coordinate our actions to achieve as much benefit as possible.

Mr. President,

The countries of D8 have a common destiny: common human heritage, historical bonds and identical problems and aspirations.

Despite the differences in the economic growth rates of D8 countries, they are rich in human and natural resources. Most economies of such countries are emerging, with diversified industrial and agricultural base, developed infrastructure and high technological capabilities. Integrated inter-trade structure is also there.

Though not major exporters of capital, some of the D8 countries have become overseas investors. Most have advanced service sectors. Although adopting different approaches of development, all follow outward economic development strategies placing them on the proper path of growth, thus paving the way for their integration into the world economy.

Mr. President,

Since 1991, Egypt has witnessed radical changes in the implementation of her ambitious program of economic reform and structural adjustment. This aims to entrench the economic transformation process including liberalization and privatization and raise domestic performance in such a manner as to enable our economy to compete globally.

In this context, some economic measures have been taken with a view to realizing stability, developing the financial sector, enhancing production abilities, reducing the budget deficit, strengthening the balance of payments, removing impediments to the flow of trade, boosting exports and creating an investment friendly environment .

The implementation of this programme has achieved tangible results whose positive impact has multiplied recently, thus our economy has become more stable and capable of competing globally.

Mr. President,

The scope of cooperation as determined by our experts covers a wide spectrum of priorities as set by our countries. Many of the projects underway now, in the sectors of industry, agriculture, tourism, trade and finance, human development or health are practical and applicable, which is just a beginning for a wider future cooperation.

I would also like to stress the role of the private sector as a main aspect of this cooperation. This calls for enhancing the abilities of our business sectors in our developing countries to fruitfully and intensively interact among each other rather than having full recourse to advanced countries. Actually we are capable of dealing with each other in such a way as to realize our common interests.

I wish also to emphasize that the mechanism for cooperation to be established does not run counter to any other regional or bilateral arrangements in which the D8 countries are participating. For instance, Egypt is exerting tremendous efforts to create an Arab free trade zone, in addition to implementing the African Economic Group agreement and boosting the economic cooperation relations with the United States of America and concluding the partnership agreement with the European Union.

Mr. President,

This strenuous effort we are making now and this constructive cooperation our peoples are seeking, for the good and sake of our citizens and the enhancement of our abilities, would undoubtedly require fulfillment of our commitments in dealing actively, constructively and on equal footing within the context of the globalization we are witnessing while on the threshold of the coming century.

The effective and constructive partnership in re-steering world economy by this emerging system whose first summit meeting is being held today requires some economic, social and environmental prerequisites and other all-embracing development fundamentals reflecting the ability of such communities to efficiently take part in and contribute to such activities worldwide. This would necessarily require creating an international, regional and political environment that would achieve stability for the Islamic countries and their communities away from any feelings of suspicion, conflict, clash schemes which will certainly have grave

consequences frustrating our efforts and any other efforts made for development and prosperity.

We have to benefit from this favorable environment by tackling all our political issues in a spirit of friendship, justice and commitment.

If we agreed upon this and if we, together with our brothers in the OIC, take a new promising course towards development and progress, we have to trust ourselves, secure stability and respect laws, each in his own region and in the world at large.

Mr. President,

The D8 structure would provide a distinct forum for cooperation at different levels. At the Summit level it would provide a good opportunity to regular exchange of views at the top political level.

This will also create an appropriate institutional framework for the ministers of foreign affairs and high officials gathering. On the other hand, the D8 countries have relations with several regional groups which participate in taking decisions at the global level. This will enable the D8 countries to express their visions more clearly in the world arena.

Before I conclude President Mubarak's message, I wish to extend our profound appreciation to you esteemed government for its kind offer to undertake the coordination of the D-8 work and provide the Executive Director, who will be appointed by the D-8 Summit Chairman, with all necessary facilitates.

Mr. President,

There has been much talk today about the importance of concerting our actions and mobilizing our efforts. This certainly stems from our conviction that the will for partnership and change should be the driving force of our future trends, since we are persistent to revitalize our Islamic economies and resurrect our civilization so as to contribute on equal footing with all other major economic groups to giving impetus to international development and progress.

Thank you.

STATEMENT

BY

**H.E. DATO SERI DR. MAHATHIR BIN MOHAMAD,
PRIME MINISTER OF MALAYSIA**

**STATEMENT BY THE PRIME MINISTER OF MALAYSIA
THE HONOURABLE DATO SERI DR MAHATHIR BIN MOHAMAD
AT THE SUMMIT LEVEL MEETING
ON "COOPERATION FOR DEVELOPMENT" OR D-8
AT ISTANBUL, THE REPUBLIC OF TURKEY
ON SUNDAY, 15 JUNE, 1997**

I wish at the outset to thank President Demirel for the warm words of welcome and for the gracious Turkish hospitality extended to me and members of my delegation. May I also express my appreciation to Prime Minister Erbakan for the excellent work he has done to move the D-8 initiative forward.

2. We meet here in Istanbul, a historic city which has been the seat of Empires. The Ottoman Empire has now been replaced by modern Turkey, a dynamic country which I'm sure will reclaim its past glory. The vision for that has already been set by its founder and it remains only for the successor Governments to strive towards it. I am sure that the people and the leaders of Turkey will not fail in their duty to their motherland.

3. We are glad to be associated with Turkey and other nations, in the long struggle to achieve our common visions. The members of the D-8 have two things in common. We are all developing countries wanting to lift our countries and peoples to a higher stage of development.

4. We are, secondly, countries with large Muslim populations. Other countries could also fall into this category but we are conscious that large memberships tend to slow down the process of cooperation. So Malaysia subscribes to the initial small membership. It is not, I am sure, a desire to be exclusive. It is merely the need to be manageable. Once progress or success has been achieved we should open our membership to others. By confining ourselves to the 8 countries we are not doing anyone any disservice. I am stressing this because I would not like to create misunderstanding or to offend anyone.

5. Cooperation between countries is now the accepted formula for accelerating progress and development. Even the developed countries are forming unions in order to grow their economy. It is now recognised that most important thing to any Government or country is the well-being of its own people. And economic development would contribute much to that well-being.

6. Certainly for developing countries like ours, cooperation for economic development is even more important. Our people are in need not so much for affluence as they need just the basic necessities of life in order to live with dignity as befitting members of the human race.

7. It is true that there is strength in numbers. But numbers can also weigh us down. In the 8 countries of this group there are almost 800 million people. Whether they will contribute to strengthening us or whether they will weigh us down depends very much on us i.e. the Governments responsible for the development or otherwise of our countries.

8. Malaysia with a population of only 20 million is the smallest member. We have succeeded in overcoming some of our problems because our numbers are small. We cannot claim to know how to handle large populations especially now when we are expected to become more democratic and to give voice and power to our people. More people must mean more different views which may become difficult to reconcile. Our experience with such a system is not long enough. Yet unless we can handle the democratic system and achieve political stability, economic progress will evade us.

9. I am not suggesting for one moment that we should discard democracy. But I do want to suggest that since we cannot wait for years of experience to teach us and

does not work simply because it is good. Good people are still needed in order to make a good system work.

10. In many of our countries the freedom of democracy simply leads to irresponsibility. Governments are elected which are not given a chance to govern. Newly elected Governments are brought down through democratic strikes and democratic demonstrations and new Governments put in place, only to suffer the same fate. And so despite the virtues of democracy what we get from it is anarchy. And anarchy cannot help us to develop. Developed countries may not need Governments for them to advance. But developing countries in a state of permanent turmoil cannot be expected to lift themselves out of the economic morass they are in.

11. We are being harassed into accepting democracy as interpreted by those who are mature and strong and can survive perpetual crises. We have a need to formulate our own form of democracy, a democracy in which the most important thing is that Governments can be brought down through the ballot box and not by other means. Between each election the Governments must be allowed to govern. If they fail to satisfy the people, then they should be voted out of office at the next election. Everyone of us must accept that our office is not permanent. The important thing is public good, not our political survival.

12. We, the D-8 have come together in order to cooperate. The first thing that we should cooperate on is the defence of our system of democracy. We must be democratic but democratic in our own mould. Liberal democracy may be good for some, but not for everyone. And I don't think from what I have observed it will work for everyone of us. The welfare of our people is more important than the right of a few to disrupt peace in order to promote themselves. We have seen time and time again how their accession to power accomplishes nothing. Our countries continue to slide backwards despite the changes in Government.

13. The democratic system is not divine law. It is concocted by very human and fallible people. We cannot be accused of heresy if we disagree and reject some of the interpretations of the new prophets.

14. We, the developing countries, need political stability more than ever before. Empires may be a thing of the past. But political and economic hegemony is very much alive. If we don't put our houses in order, if we remain weak politically we will all revert to being colonies, in fact if not in name.

15. Without political stability even the economically strong will become weak. Certainly the economically weak will become totally paralysed. And we are economically weak and often politically unstable.

16. I would like once again to make it clear and to emphasise that I am not advocating authoritarian rule. I am advocating democracy as it was practised by the Western democrats during their democratic infancy. When they were less liberal democratically no one condemned them or threatened them. We are asking that we be allowed to evolve our democracy at our own pace without harassment and threats. That is all.

17. Once we are politically stable then only can we focus seriously on economic growth and the welfare of our people. We can probably manage to grow on our own. But growth would be made easier if we cooperate, if we exchange information and learn from each other. No country is so capable that it can know everything about the management of its own self. Malaysia has copied openly and unashamedly from others. We copied from the West and when the East did well we initiated our Look East policy. We even learn from the failures of others for then we would know what to avoid. And still we are looking around in order to learn from others.

18. That is why we welcome membership in the D-8. We hope to learn from the other members and to cooperate and trade with them. It is believed that poor countries are not good trading partners. But what is a fact is that the rich have always traded with the poor. Obviously they benefited from this trade. If they can extract some benefit from the poor, we should be able to do the same from each other. Only with us the extraction and benefits should be mutual.

19. Since we launched South-South Cooperation for example, the trade between the members of the G-15 and with other developing countries has grown by leaps and bounds. Similarly trade between the developing countries of South East Asia has trebled in just five years.

20. The D-8 countries can increase trade between them as well if we put in place the necessary policy and legal framework. For this we need to exchange information. I am glad that various working groups have been set up to look into these matters. There will be delays and obstruction but if there is political will, I am sure, we can overcome them. Again I would like to stress here the need for strong political leadership. Political will is going to be very necessary if we are going to make any progress at all.

21. As I have said just now, apart from being developing countries, we all have large Muslim population. Islam has been blamed by Muslims and non-Muslim alike, for the backwardness of our countries. I happen to think that this is not true. Islam had not only inspired the feuding primitive Arab tribes to unite and build the greatest empire in history but it has also enriched materially, spiritually and in terms of human knowledge all those who accepted the faith. If today's Muslims are backward it cannot be due to Islam. It is most likely to be due to erroneous interpretation of Islamic teachings.

22. There are in our countries many who are learned in Islam. The majority of them wish to see the return of past greatness. We should call upon them to

sincerely study and interpret the teachings of Islam. In the first 100 years of the Hijrah Islam changed primitive tribes, united them and built a great civilisation. It is illogical to think that a religion that brought greatness to such people could be the cause for a great civilisation to decline and fall. It is not Islam which is wrong. It is the ummah who have failed the religion. How else can we explain the quarrels and wars between Muslims when Islam enjoins us to be brother? Yet there are many among us who blatantly preach enmity between us and not brotherhood. Is Islam wrong or are those who interpret the religion wrong?

23. The D-8 must serve as a purposeful forum of like-minded countries to exchange views and devise specific programme of action for effective cooperation among themselves. At the initial stages, we should not become overly ambitious. It is more prudent to be cautious and to plan our moves. But we must move, deliberately and positively. Development doesn't just happen. It has to be made to happen.

24. If the D-8 is going to gain credibility, we must show results, results which are irrefutable, on a yearly basis. If we fail then we should not make a pretence of being useful. We should fold up rather than hold meaningless meetings. That is the challenge that we have to face.

25. May Allah the Merciful and the Compassionate give us guidance, so we may not fail in our quest.

Prime Minister's Office
Kuala Lumpur.

STATEMENT

BY

**H.E. MR. MOHAMMAD NAWAZ SHARIF,
PRIME MINISTER OF THE I.R. OF PAKISTAN**

ADDRESS BY H.E. MR. MOHAMMAD NAWAZ SHARIF
PRIME MINISTER OF PAKISTAN AT THE FIRST
D-8 SUMMIT, ISTANBUL ON 14-15 JUNE, 1997

Mr. Chairman,
Distinguished Heads of State and Government,
Your Excellencies,
Ladies and Gentlemen.

Assalam-o-Alaikum!

This ancient city of many splendours is, yet again, witness to history. We are here today on the occasion of the First D-8 Summit. An idea of uncommon brilliance is transforming into reality.

As we embark on this historic Summit, we are overwhelmed by the hospitality of the Government and the people of the Republic of Turkey. The unfailing courtesies that we have received have made our stay a pleasure. The warmth and affection bestowed upon us have touched us deeply. All this and much more, are in the highest traditions of hospitality, for which the people of Turkey are renowned.

It is great privilege to be present for this auspicious event. Turkey is a country of special importance for Pakistan. The friendship between our two countries is deep and abiding. The love and affection among our peoples find expression in close cooperation between our governments in diverse areas of endeavour. For me, a visit to Turkey is always like a homecoming.

Mr. Chairman.

I would like to take this opportunity to extend my warmest felicitations to you on assuming the chairmanship of this important Summit. You are a statesman of great vision and I am confident that under your enlightened guidance this meeting will be a resounding success.

It is here that I must also pause to pay a special tribute to His Excellency Dr. Necmettin Erbakan, the Honourable Prime Minister of the Republic of Turkey. We felicitate him for articulating a new visionary concept of greater cooperation between Muslim countries. It has now come into its own in the form of the D-8 Group.

Though the eight founding members are all from the Muslim world, the D-8 Group is neither narrow nor parochial in its outlook. Its membership is diverse and stretches from the shores of the Atlantic, across three continents and onto East Asia. It brooks no discrimination of race, colour or creed and is universal in its approach.

Mr. Chairman.

It is said that ideas are more lasting than empires. Those that are humane are eternal. We have identified six guiding principles to realise the vision of D-8. The first is "peace instead of conflict". Unfortunately, the bitter experience of human existence is that conflict is endemic to history. Peace is alien to it. This has been a blood-soaked century. In the fifty-year period alone that the Cold War lasted, the ideological conflict of the superpowers found expression in proxy wars.

These were fought in what became known as the killing fields of the Third World. According to research scholars, in the 2,340 weeks that passed between 1945 and 1990, the earth enjoyed a grand total of only three weeks that were truly war-free. If we, the members of the D-8 Group, want to benefit from the blessings of growth and prosperity, we must eliminate war and conflict.

The second guiding principle of the D-8 Group is "dialogue instead of confrontation". Dialogue pre-empts conflict and confrontation. Its failure ignites the flames of war and perpetuates global and regional tension.

The end of the Cold War generated the hope that peace would finally triumph. The hope proved to be short lived. The dream of peace continues to be as elusive as ever as is evident from the number of post-Cold War conflicts. The potential flash points, particularly in the developing world, highlight the importance and the urgency of constructive dialogue. The developing world can ill-afford the outbreak of confrontation and conflict which, the absence or the failure of dialogue, entails.

Mr. Chairman.

The third of our guiding principles of "cooperation instead of exploitation" is particularly relevant to our times. At the global level not even lip service has been paid to this concept. An overwhelming majority of the countries of the world are beset by poverty, disease, illiteracy and exceptionally high population growth rates. Whether in Africa, or Asia or in any other developing area of the world the story continues to be the same - cheap raw materials in exchange for finished products and expensive capital goods. Stringent standards are applied by the affluent world for import of value-added products from developing countries.

The playing fields of international commerce, trade, and capital flows are anything but level. Technology is jealously guarded. Three-quarters of the world's population suffer in poverty. The obstacles in the way of growth and development are many. These have to be encountered squarely. The vicious cycle of poverty must be broken. This is what the fourth and fifth principles of the D-8 Group uphold namely, "justice instead of double standards" and "equality instead of discrimination".

The sixth and last of our guiding principles is "democracy instead of oppression". This is the trend of our times. The world is now characterized by a new openness in which freedom is the wave of the future. In Pakistan, I am happy to say, democracy has been strengthened. My government which was given an overwhelming mandate has taken decisive measures to strengthen the parliament.

Mr. Chairman,

The powers that be impose new rules of the game without any reference to us. These rules cover security, economic and social issues. If the rules are applied for the common benefit of mankind, one can gladly accept them. Just rules have a moral force. They command obedience. Unjust rules that are detrimental to the security and economic well-being of states, invite defiance. Very often the rules are not applied equitably, but with discrimination and prejudice.

Pakistan knows from bitter experience that its security interests are not considered at par with other countries. This has impressed upon us the paramount importance of self-reliance in advanced technology for defence and economic development as the world does not show compassion for the weak.

In the vital area of international trade, new unfair conditions affecting social behaviour are being imposed. Alongwith existing non-tariff barriers, such rules are aimed at denying developing countries the comparative advantage that they enjoy. In effect, they are being prevented from selling their goods in the international market.

Mr. Chairman,

A fundamental reason why South Asia has lagged behind in economic development is the existence of long-standing disputes. This has forced the countries in the region to expend enormous resources for ensuring their security. South Asia's potentials have, for decades, been squandered by hostilities and conflicts.

One such dispute is that of Jammu and Kashmir which has bedeviled relations between Pakistan and India for half-a-century. We seek a peaceful solution of this dispute in accordance with numerous resolutions of the UN Security Council under which the international community assured the people of Jammu and Kashmir of their inalienable right of self-determination. This solemn pledge must be redeemed.

Earlier this year I took the initiative of resuming the stalled dialogue with India at the level of the Foreign Secretaries of the two countries. We are

determined to sustain this process so that all issues, including the core issue of Jammu and Kashmir can be resolved. India must, however, reciprocate our sincerity of purpose and create a climate conducive for meaningful talks by ending massive human rights violations in the occupied Kashmir and by withdrawing its military and para-military forces from there.

As we pursue peace with India, we are deeply concerned that India has deployed short range missiles, the Prithvis, along the border with Pakistan. While Pakistan does not wish to embark on a ballistic missile race in South Asia which the region cannot afford, it cannot remain indifferent to its legitimate security concerns. We appeal to the international community to impress upon India to desist from actions that endanger peace and security in South Asia.

Mr. Chairman,

Afghanistan continues to be ravaged by conflict. We, in Pakistan, have a vital interest in durable peace in that country. No nation in the world has suffered more from the turmoil in Afghanistan than Pakistan. We have resolutely supported the intra-Afghan peace process under the auspices of the UN and the OIC. This continues to be our position. We are ready to host an intra-Afghan dialogue under the auspices of the United Nations. We are committed to the territorial integrity of Afghanistan. We want to see an Afghanistan that is at peace with itself.

Mr. Chairman,

The establishment of the D-8 Group is a novel experiment in international cooperation. It is neither a regional grouping like ASEAN, SAARC, ECO, nor is it a universal international organization because of its limited membership. Unlike the G-7 which confines itself primarily to economic issues, the D-8 Group has social, economic and political points of references. In this sense the challenges before it are daunting.

The foremost challenge before us is the eradication of poverty. Economic growth leads to political stability and reinforces democracy. Economic growth, political stability and democracy, in turn, reduce the chances of war. This is as true of the affluent West as it is for East Asia. The latter provides a particularly instructive model. In the past, East Asia was

riven with conflict but now phenomenal economic growth has resulted in peace and political pluralism. The lesson that we have drawn from this is that the benefits of economic growth are too precious to be squandered away by regional instability.

Mr. Chairman,

This clearly demonstrates that by focusing on the most serious of our challenges, which in this instance is rapid economic growth, we will be able to move forward towards achieving our social and political goals. It is here that we have to concentrate. We have the manpower, we have the resources and we have technological know how. Let us harness these assets and channel our energies to growth and development. With sincerity of purpose and unyielding determination, we shall succeed, Insha Allah.

Thanking you.

STATEMENT

BY

**H.E. PROF. DR. NECMETTİN ERBAKAN,
PRIME MINISTER OF THE REPUBLIC OF TURKEY**

FIRST D-8 SUMMIT

STATEMENT BY THE PRIME MINISTER OF TURKEY

Istanbul-15 June 1997

Your Excellencies, Mr. Presidents

Your Excellencies, Madame and Mr. Prime Ministers

Distinguished Members of the Delegations

Honorable Guests,

It is a great pleasure for me to greet on this particular date Your Excellencies here in Istanbul. When we had met at this very hall on the occasion of the Conference "Cooperation for Development" in October 1996, we had already laid the foundation to create D-8 Grouping. I am profoundly gratified at the fact that we have achieved this happy outcome in such a short span of time as eight months. Moreover, we should all feel proud that D-8, unlike some other similar groupings, started to function and took concrete steps of cooperation even before its creation.

We hoped that the period of cold war would finally end as the oppressive systems were falling down one after another following the disintegration of the former Soviet Union, and free and pluralistic democratic regimes were taking their places. It was expected that the peace would after all prevail over hostilities, the dialogue over the politics of tension, the cooperation over exploitation, the justice over the practices of double-standard, the equality over discrimination, and the democracy over oppression. Yet, our expectations were not fulfilled. Injustices, oppression, the practices of double standard, the use of force continued unabated.

The human tragedy which hit the people of Bosnia-Herzegovina deeply shook our faith in justice and human values. It is impossible to erase from our minds the sufferings of those innocent people who lost their lives from starvation and misery. Those who have lectured the world on human rights chose not to hear the cries of the people of Nagorno Karabag who fell victim in their own land as refugees.

Though some positive signs are seen in international economic relations, we however are now passing through a critical period which requires serious attention. WTO is established with a new structure in order to promote international trade. Nevertheless, we all know that the expansion of foreign trade is as important as its increase. Therefore, in endeavoring to increase our share in growing world trade, we have to deepen cooperation amongst us for mutual benefit.

We shall fulfil our objectives in an atmosphere of constructive dialogue and cooperation but not that of confrontation and tension. Our goal is to seek the right place in world economic platforms.

While explaining the reasons which brought us today around this table, I do not wish to go into details of certain adverse economic developments taking place in the world. In fact, developing countries have already made known their positions, individually or collectively in various fora, on injustices and discriminatory practices with which they have been confronted for years. It is now high time to take effective action. I would like to draw your attention to the word “effective” here used.

The most important motto of our Grouping must be “effectiveness”. If we want to motivate other developing countries and want as well to be taken seriously by the industrialised world, we have to prove that D-8 is functioning as an effective Grouping. D-8 being a small cohesive Group, coupled with the fact that some amongst us have high performance of development under the market economy while others possess rich natural resources, set the necessary conditions for achieving tangible results, thus for ensuring the success of this Grouping.

Our main goal should be to promote action-oriented projects within D-8, to develop common positions on world economic issues and to initiate close collaboration with all developing countries, be it islamic or non-islamic, while at the same time try to strengthen other regional organisations of which we are also the members. Certainly, in our work, we should not attempt to reinvent the wheel and not waste our efforts. We should endeavour to obtain under most suitable conditions technology, knowledge and know-how we need from those countries who have them, and should to this end collaborate with these countries. In this endeavor, the vast

market of D-8 with a population of 800 million presents an important asset, strengthening our hands at the negotiating table.

The total Gross Domestic Product of D-8 countries is about 600 billion USD. This represents % 2,4 of the World Gross Product which is about 25.000 billion USD. We have the potential to increase our total Gross Domestic Product even ten fold. If we can raise D-8 GDP to reach a level of %15 of the world total and can also raise our total foreign trade from the present level of 400 billion to 1.000 billion USD, we shall then be able to have a stronger voice in international economic fora.

So far, we have made genuine efforts to create D-8 Grouping. We have all the means at our disposal to achieve a fruitful cooperation amongst us. Our common bonds are the most valuable treasure and asset in this respect. We have wide experience and knowledge which we can all share for our economic development. In this, we can also benefit from the advantages of D-8 being a Group extending to different parts of the world in quite a wide geography. We have the potential and means to have access to important world markets. While we belong to the same international financial, economic and political organisations, moreover, we each are the members of different regional groupings. D-8 already came into life and started to function before this Summit. It is now high time to develop projects and start their implementation. We do not have time to lose. We can enlarge our Grouping by admitting our midst some other countries who share with us common values and bonds, as we progress on the ongoing projects and initiate new ones. The activities within D-8 should in no way affect the commitments undertaken in other groupings. To the contrary, we should try to explore the ways and means to utilise our membership in these other groupings for the success of D-8. Since we do not conceive D-8 as something against, or alternative to, anyone or any other grouping and since we do not have the intention to be in confrontation with them, we should adopt transparency in our activities, and we shall only gain from it. In the final analysis, our common goal is to raise welfare and prosperity of our nations.

With these thoughts and sentiments, I greet you all and wish all the success to the Summit.

STATEMENT

BY

**LT. GEN. MOH. BALARABE HALADU,
MINISTER OF INDUSTRIES & MEMBER OF
PROVISIONAL RULING COUNCIL OF THE
FEDERAL REPUBLIC OF NIGERIA (*)**

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PART II

DOCUMENTS ADOPTED

ISTANBUL DECLARATION

ISTANBUL DECLARATION

We, the Heads of State/Government of Bangladesh, Egypt, Indonesia, Iran, Malaysia, Nigeria, Pakistan and Turkey having met in Istanbul on 15th day of June 1997, and,

having reviewed the international political scene and concluded that the post Cold War international situation including rapid globalization of the world economic structure, has created both opportunities and challenges for developing countries,

conscious of the deep-rooted and sincere aspirations of mankind for peace, dialogue, co-operation, justice, equality and democracy,

having observed with deep disappointment and concern that instead of achieving these goals, new causes of tension, instability, conflict and confrontation have developed in various parts of the world and old policies of double-standards, discrimination and oppression have continued and in some cases intensified,

having confirmed that close and effective co-operation and consultation among developing countries is essential for world peace,

having exchanged views on the current global economic situation and its impact on our countries,

recognizing that the eradication of poverty requires ensuring universal access to economic opportunities that will promote sustainable livelihood and making basic efforts to facilitate access to opportunities and services for the disadvantaged,

noting that people living in poverty and vulnerable groups must be empowered through organization and social life, in particular in the planning and implementation of policies that affect them, thus enabling them to become genuine partners in development,

recognizing the need for a stable international macro-economic framework, open markets, enhanced financial resource support and infusion of technological dynamism to sustain the competitiveness of our economies and to overcome their problems of integration to the world economy,

stressing the necessity for the international community to promote and implement policies to create a supportive external economic environment, through consultation and coordination in the formulation and implementation of macro-economic policies,

stressing the need for a sound macro-economic management with emphasis on industrialization and human resources development and a constructive partnership between public/government and private sector,

considering the obstacles before our countries' economies for a faster and healthier growth,

recognizing the need to overcome the existing trade barriers facing our countries,

having noted the insufficient share of our economies in the global trade activities as well as the inadequate role of our countries in the global economic decision-making,

convinced that through our joint efforts, revitalization of our mutual co-operation and co-ordination with the rest of the developing world, we can increase our contribution to the decision-making process at the international level and become partners in shaping world economic relations,

desirous of enhancing the insufficient volume of trade among our countries, as well as increasing the Group's exports to the outside world,

expressing the resolve of our Governments for a wider use of modern technology and its effective contribution to the economic and social development of our countries,

committed to fostering a global partnership in the world economy based on a constructive dialogue through a democratic and participatory process,

expressing the immediate needs and expectations of our respective nations for a higher level of development in all its aspects,

being aware of our vast common potential and the proven benefits of closer economic co-operation,

stressing the crucial role of the business community in fostering co-operation among developing countries,

having acknowledged that the deep-rooted historical affinities provided a strong basis and framework for mutually beneficial co-operation,

underlining the imperative of respect for the purposes, principles and objectives of the United Nations Charter,

subscribing to the principles of consultation, coordination, transparency, equity, equality and respect for each other,

1. *hereby decide* to establish a mechanism for development co-operation which will be called Developing-8 (D-8),

2. *further decide* that D-8 will be a forum with no adverse effect on bilateral and multilateral commitments of the member states emanating from their membership to other international or regional organizations,

3. *declare* the main objective of D-8 to be socio-economic development in accordance with the following principles :

- Peace instead of conflict
- Dialogue instead of confrontation
- Co-operation instead of exploitation
- Justice instead of double-standards
- Equality instead of discrimination
- Democracy instead of oppression

4. *decide* that co-operation will encompass all areas, including political consultation and co-ordination at the international fora, and *agree* on a number of non-exhaustive areas of co-operation such as :

- Trade,
- Industry,
- Communication and Information,
- Finance, Banking and Privatization,
- Rural Development,
- Science and Technology,
- Poverty Alleviation and Human Resources Development,
- Agriculture,

- Energy,
- Environment,
- Health,
- Tourism,
- Culture and Sports,

5. *approve* the Report of the Council which agreed on six priority projects to be launched immediately,

6. *encourage* the establishment of Joint Business Councils among the Chambers of Commerce and Industry and other related bodies of the member countries with a view to initiating action-oriented projects of co-operation and promoting concrete transactions within the business community in accordance with the principles and objectives of D-8,

7. *decide* that D-8 be a global forum whose membership will be open to other developing countries, subscribing to the goals, objectives and principles of the group and sharing common bonds,

8. *express* our collective resolve to co-operate with both the developing and economically developed countries in the realization of the above-mentioned goals,

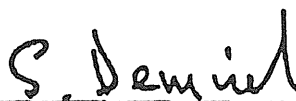
9. *decide* that an appropriate mechanism be established to liaise with other relevant international organizations, particularly with the Organization of Islamic Countries,

10. *approve* the Council document on the Structure and Functioning of D-8,

11. *welcome* the decision of the Government of Turkey to appoint an Executive Director to provide co-ordination during its Chairmanship of D-8, and express deep appreciation for the generous offer by Turkey to provide facilities for Executive Director in Istanbul and meet its expenses during that period,

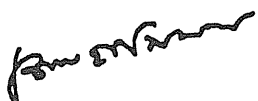
12. *decide* that the next meeting of the D-8 Summit will be held in Dhaka, Bangladesh in November/December 1998.

Signed in Istanbul on 15 June 1997



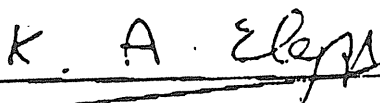
H.E.Mr.Süleyman Demirel
President
of the Republic of Turkey
Chairman of the Summit

Bangladesh



H.E.Sheikh Hasina
Prime Minister
of the People's Republic of Bangladesh

Egypt



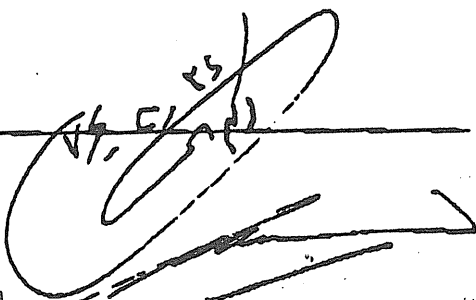
H.E.Dr.Kamal Ahmed El-Ganzoury
Prime Minister
of the Arab Republic of Egypt

Indonesia



H.E.Mr.Soeharto
President
of the Republic of Indonesia

Iran



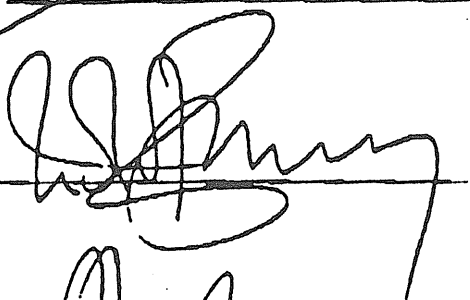
H.E.Ayatollah Akbar Hashemi Rafsanjani
President
of the Islamic Republic of Iran

Malaysia



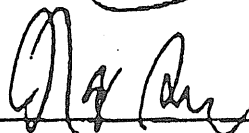
H.E.Dr.Mahathir bin Mohamad
Prime Minister
of Malaysia

Nigeria



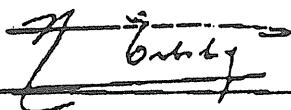
H.E.Lt.Gen.Moh.Balarabe Haladu
Minister of Industries & Member of
Provisional Ruling Council
of the Federal Republic of Nigeria

Pakistan



H.E.Mr.Mohammed Nawaz Sharif
Prime Minister
of the Islamic Republic of Pakistan

Turkey



H.E.Prof.Dr.Necmettin Erbakan
Prime Minister
of the Republic of Turkey

STRUCTURE AND FUNCTIONING OF D-8

*FIRST SUMMIT MEETING OF THE HEADS
OF STATE/GOVERNMENT OF THE D-8 COUNTRIES
15 June 1997 - Istanbul*

STRUCTURE AND FUNCTIONING OF D-8

1. *Principal Organs*

1.1. D8 will be composed of the following principal organs:

The Summit;
The Council;
The Commission.

1.1.1. Standing Committees may be established if necessary by the Summit upon the recommendation of the Commission and the Council.

1.1.2. Ad Hoc Groups may be established by the Commission or the Council in order to deal with specific issues.

1.2. *The Summit*

1.2.1. The Summit of the Heads of State/Government is the supreme organ of D-8.

1.2.2. The Summit is composed of the Heads of State/Government of member-states of D-8.

1.2.3. The Summit is convened once a year in one of the member countries, by rotation. The Summit decides, through consultations, the date and venue of its next meeting.

1.3. *The Council*

1.3.1. The Council is the political decision-making organ of D-8.

1.3.2. The Council composed of the Ministers in charge of Foreign Affairs of the member-states.

1.3.3. The Council functions in accordance with the guidelines and policy directives of the Summit. It acts as a forum for thorough and comprehensive consideration of the issues.

1.3.4. The Council shall present reports on its work to the Summit.

1.3.5. The Council shall examine the reports submitted by the Commission and adopt the necessary decisions or make necessary recommendations to the Summit, as appropriate. It will delegate the Commission with the tasks it deems necessary.

1.3.6. The Council shall review and approve the draft Work Programme for each Summit, and prepare all the draft decisions, recommendations and declarations which are to be submitted to the Summit for consideration.

1.3.7. Each Summit will be preceded by a meeting of the Council.

1.4. *The Commission*

1.4.1. The Commission is the executive organ of D-8.

1.4.2. The Commission is composed of senior officials appointed by their respective Governments as Commissioners.

1.4.3. The Commission is responsible for preparation of the Work Programme and Agenda of the Council as well as the draft decisions to be submitted to the Council for consideration. The Commission shall also draft and submit to the Council the Provisional Agenda, Work Programme, decisions and declarations for the Summit.

1.4.4. The Commission shall examine and approve the reports of Standing Committees and Ad Hoc Groups, and supervise their activities.

1.4.5. The Commission shall present annual reports on its activities to the Council.

1.4.6. The Commission will meet twice a year; once immediately before the Council and once between two Summits. The Commission may have more meetings to consider issues as mandated by the Summit or the Council.

1.4.7. The Commission shall adopt its own Work Programme and Agenda on the basis of the decisions and directives of the Summit and the Council.

2. *Meetings*

2.1. The presence of a simple majority of member-states (5) constitute the quorum for the meetings of the Summit, Council and Commission .

2.2. Extraordinary meetings of any of the principal organs can be held upon the request of a member-state and the consent of the majority of the members of D-8.

3. *Decision-making*

3.1. All D-8 decisions are made by consensus.

4. *Co-ordination Among Member-States*

4.1. In order to service the D-8 in a co-ordinated and organized manner and maintain regular contacts with member-states, the host of each Summit will act as the Chairman of D-8 until the following Summit, and shall appoint an Executive Director.

4.2 Executive Director shall ensure efficient communication between member-states, expedite the flow of information, and supervise the provision of services to the meetings.

4.3 Each Commissioner will be responsible for national co-ordination in his/her respective country.

4.4 The Government of Turkey, as Chairman of the First Summit, has decided to provide Executive Director with facilities in Istanbul, Turkey and cover the expenses.

4.5 The Second D-8 Summit shall review the arrangements for co-ordination in order to adopt a decision on the modalities, including the establishment of a Co-ordinating Center in Istanbul. The modalities shall be reviewed and as necessary adjusted periodically by future Summits.

PART III

PREPARATORY MEETINGS

A. MEETINGS

OF THE

COUNCIL OF MINISTERS

**JOINT STATEMENT
OF THE
FIRST SESSION OF THE COUNCIL**

D-8/C/Stat.
04/01/1997

**COUNCIL MEETING
OF THE (PROSPECTIVE) D-8 GROUP
First Session
04 January 1997 - Istanbul**

JOINT STATEMENT

We, the Representatives of Bangladesh, Egypt, Indonesia, Iran, Malaysia, Nigeria, Pakistan and Turkey having met in Istanbul on 4th day of January 1997, at Ministerial level, and,

having reviewed and taken note the Report and the recommendations therein of the Meeting of the Senior Officials (Commission) held in Ankara on 09 November 1996,

having noted and discussed the Set of Ideas concerning the scope and objectives of the prospective D-8 Group, as outlined at his opening speech by H.E.Prof.Dr. Necmettin Erbakan, Prime Minister of Turkey,

having exchanged views on the world political and economic situation and their impact on our countries,

considering the obstacles before our countries' economies for a faster and healthier growth,

recognizing the need to overcome the existing trade barriers in front of our countries,

having noted the insufficient role and place of our countries' economies in the global trade activities and in the global economic decision-making processes,

desirous of enhancing the insufficient volume of trade between our countries,

expressing the resolve of our Governments for a wider use of modern technologies and their effective contribution in the economic and social development of our countries,

stressing the immediate need and expectations of our respective nations for a higher level of development in all its aspects,

emphasizing the globally indispensable importance of the economic resources of our countries,

conscious of the vital geo-strategic locations of our countries in their respective regions,

being aware of the vast common potential made up by our countries,

stressing the proven benefits of closer economic co-operation,

having acknowledged that the deep-rooted historical affinities provided a strong basis and framework for mutually beneficial co-operation,

emphasizing that the prospective D-8 Group will be a forum with no adverse effect and prejudice to bilateral and multilateral commitments of the member states emanating from their membership to other international organizations,

1. *decided to propose* to our Governments to establish a co-operative mechanism which will be called D-8 Group,

2. *qualified* the main objective of the proposed D-8 Group to be socio-economic development of our countries and of the developing countries as a whole to be achieved through the following principles :

- peace instead of conflict
- dialogue instead of confrontation
- co-operation instead of exploitation
- justice instead of double-standards
- equality instead of discrimination
- democracy instead of oppression

3. *bearing in mind* that co-operation will encompass all areas, including political consultations, *agreed* on the number of non-exhaustive areas of co-operation identified by the Commission of Senior Officials such as :

- Co-operation among private sectors through the establishment of a Joint Business Council between the Unions of the Chambers of Commerce of the member countries,
- Consultation and collaboration at the international fora,
- Finance and Banking,
- Central Banks,
- Stock Exchange markets,
- Promotion of Investments,
- Joint investments in third countries,
- Privatization,
- Scientific research and development and administrative reforms,
- Technological and industrial co-operation, joint ventures, consortia,
- Technical co-operation inter alia on trade, human resources, development and poverty alleviation,
- Transport and telecommunications,
- Medium and Small Size Enterprises,
- Free Trade Zones and ports and trade promotion,
- Fairs and exhibitions,
- Tourism,
- Energy,
- Environment, development of human resources,
- Health,
- Culture and sports

4. *decided* that the prospective D-8 Group be a global organization whose membership will be open to other developing countries, subscribing to the goals, objectives and principles of the Group and sharing common bonds,

5. *agreed* that an appropriate mechanism be established to liaise with other relevant organizations, particularly with the OIC,

6. *decided* to establish a co-ordinating secretarial mechanism in Istanbul to be co-ordinated by the Turkish Ministry of Foreign Affairs, to be expanded and reinforced as necessary by the Summit.. The expenses of the Secretariat will be met by the Turkish Government in the first year,

7. *approved* the decision-making method and the organizational structure for the prospective D-8 Group as suggested by the Senior Officials (Commission) in the Report of their First Session,

8. *resolved* to recommend to our Governments to convene a Summit Meeting of Heads of State/Government in Istanbul within the first half of 1997, preceded by a meeting of the Commission of Senior Officials, with a view to officially establishing the D-8 Group,

9. *entrusted* the Commission with the task of undertaking necessary administrative work in order to convene the Summit and to prepare the draft Declaration to be submitted to the Summit.

**REPORT
OF THE
SECOND SESSION OF THE COUNCIL**

***COUNCIL OF THE (PROSPECTIVE) D-8
Second Preparatory Meeting
14 June 1997 - Istanbul***

REPORT OF THE MEETING

1. The Council of the Ministers of the (prospective) D-8 in charge of Foreign Affairs held its second preparatory meeting on 14 June 1997 in Istanbul.
2. The Meeting was chaired by H.E.Prof.Dr.Necmettin Erbakan, Prime Minister of Turkey, who made an opening statement and wished success to the Council.
3. After the adoption of its Agenda (D-8/C.2/AG) the Council noted the remarks of the participating Ministers.
4. Under Agenda item No.3, the Council considered and took note of the Report of the Commission of Senior Officials (D-8/COMM.4/WP-4/Rev.2).
5. The Council further considered the document on the Progress Reports of the ad hoc Working Groups (D-8/COMM.4/WP-1/Rev.3) and approved the recommendations of the Commission contained therein. The Council decided to submit these recommendations to the consideration of the Summit for their approval.
6. The Council reviewed the document on the Draft Structure and Functioning of the D-8 (D-8/COMM.4/WP-3/Rev.2) and agreed to submit it to the consideration of the Summit for approval.
7. Under its Agenda item, the Council also approved the Draft Declaration for the Summit and submitted it for the approval of the Summit. (D-8/COMM.4/WP-2/Rev.3)

**B. MEETINGS
OF THE
COMMISSION**

REPORT
OF THE
FIRST SESSION OF THE SENIOR OFFICIALS

**MEETING OF THE SENIOR OFFICIALS
OF THE (PROSPECTIVE) D-8 GROUP
First Session
9 November 1996 - Ankara**

REPORT OF THE MEETING

1. The Senior officials of Bangladesh, Egypt, Indonesia, Iran, Malaysia, Nigeria, Pakistan and Turkey have met in Ankara on 9th November 1996, in accordance with the decisions taken at the Conference on "Co-operation for Development" held in Istanbul on 22-23 October 1996. The Senior Officials Meeting started its deliberations with the opening remarks of the Turkish Prime Minister, H.E. Prof. Dr. Necmettin Erbakan, who briefly outlined the objectives of the Group and wished them success in their deliberations.

2. The Senior Officials adopted the agenda of the meeting as attached herewith.

3. The Senior Officials :

*exchanged views on the world economic situation and its impact on the developing countries as well as the obstacles before their economies for a faster and healthier growth,

*recognized the need to overcome the artificial trade barriers against their countries,

*also noted with concern the insufficient role and place of their economies in the global trade and stressed the immediate need and expectations of their respective nations for a higher level of development in all its aspects,

*expressed the resolve of their Governments for a wider use of modern technologies and their effective contribution in their development,

*emphasized the globally indispensable importance of their economic resources and their vital geo-strategic locations in their respective regions with their vast common potential,

* acknowledged that the deep-rooted historical affinities provided a strong basis and framework for mutually beneficial co-operation.

4. RECOMMENDATIONS

The Senior Officials made the following recommendations :

I) Establishment of the D-8

The establishment of a co-operative mechanism to be called D-8, involving the following eight founding member countries :

- Bangladesh
- Egypt
- Indonesia
- Iran
- Malaysia
- Nigeria
- Pakistan
- Turkey

II) Objectives and Principles

The main objective of the proposed D-8 shall be the socio-economic development of their countries to be achieved through the following principles :

- peace instead of conflict,
- dialogue instead of confrontation,
- co-operation instead of exploitation,
- justice instead of double-standard,
- equality instead of discrimination,
- democracy instead of oppression

III) Areas of Co-operation

Bearing in mind that co-operation will encompass all areas, including political consultations, the Senior Officials identified the following areas :

- Co-operation among private sectors through the establishment of a joint Business Council,
- Consultation and collaboration at the international fora,
- Finance and Banking,
- Central Banks,

- Stock Exchange markets,
- Promotion of investments,
- Joint investments in third countries,
- Privatization,
- Scientific research and development,
- Technological and industrial co-operation
- Transport and telecommunications,
- Medium and Small Size Enterprises,
- Free Trade Zones and ports,
- Fairs and exhibitions,
- Tourism,
- Energy,
- Environment,
- Health,
- Culture and sports

IV) Membership

The prospective D-8 should be a global organization whose membership will be open to other developing countries, subscribing to the goals, objectives and principles of the Organization and sharing common bonds.

The prospective D-8 will not prejudice the bilateral and multilateral commitments of the member countries.

V) Decision-making

All decisions will be made by consensus.

VI) Organizational Structure

D-8 should have the following organizational framework :

- Summit comprising of Heads of Government/State to meet annually as the highest level forum,

- Council of Ministers comprising of Ministers in charge of Foreign Affairs as the principle policy and decision-making body of the D-8, which will also meet annually and report to the Summit of Heads of Government/State.

- Commission comprising of designated Senior Officials which will have a permanent Secretariat and will report to the Council. The Commission may have standing Committees in different areas of cooperation as deemed necessary.

- Member countries will establish a focal point in their Ministries of Foreign Affairs, for purposes of co-ordination.

VII) Headquarters

The Headquarters of the D-8 will be in Istanbul.

5. TIMETABLE

A meeting of Foreign Ministers to be held in the first week of January 1997 to consider the above recommendations and to finalize the date and the agenda of the first summit meeting to be convened in Istanbul within the first quarter of 1997. The exact date of the Foreign Ministers meeting will be determined within two weeks, through diplomatic channels.

The Meeting of the Foreign Ministers should be preceded by a meeting of the Senior Officials.

The Senior Officials expressed their gratitude to the Government of Turkey for the warm hospitality and excellent arrangements.

The report was unanimously adopted by the Senior Officials.

**REPORT
OF THE
SECOND SESSION OF THE COMMISSION**

**COMMISSION OF THE (PROSPECTIVE) D-8 GROUP
Second Meeting
13-14 March 1997 - Antalya**

REPORT OF THE MEETING

1. The Second Meeting of the Senior Officials (Commission) of the D-8 Group convened on 13-14 March 1997 in Antalya. The Meeting was chaired by H.E.Dr.Abdullah Gül, State Minister of Turkey, and attended by the Commissioners of Bangladesh, Egypt, Indonesia, Iran, Malaysia, Nigeria, Pakistan and Turkey. The List of Participants is enclosed.

2. Following the adoption of the Agenda (D-8/COM.2/AG.), the Parties submitted a number of draft projects to the Commission for consideration. After merging, a total of 56 projects were identified and are listed according to a sectoral distribution. (D-8/COM.2/WP-1). These sectors are, Trade, Industry, Telecommunications & Information, Finance & Banking and Privatization, Rural Development, Science & Technology, Human Resources Development, Agriculture, Energy and Health.

3. The Commission decided that ad hoc Working Groups of experts of the participating countries be established for each sector. The Working Groups of experts will review and examine by the end of April 1997 the draft projects in line with the guidance given by the Commission in D-8/COM.2/WP-4.

4. The following sectors were offered by the Commission to various member countries to establish, host and chair the ad hoc Working Groups with the participation of experts from the D-8 member countries :

Bangladesh : Rural Development
Egypt : Trade
Indonesia : Human Resources Development
Iran : Telecommunications & Information; Science & Technology

Malaysia : Finance & Banking and Privatization
Nigeria : Energy
Pakistan : Agriculture
Turkey : Industry; Health

5. The Commission also reviewed the Draft Declaration (D-8/COM.2/WP-3) to be submitted to the Summit. Various delegations expressed their views in general terms and it was decided to set up a Drafting Committee at the next meeting of the Commission.

6. The draft document on structure and functioning of the D-8 Group (D-8/COM.2/WP-2) was also discussed in the meeting. Amendments proposed by some countries will be taken into account during further deliberations of the Commission.

7. The proposal of Turkey to hold the Summit on 14-15 June in Istanbul was confirmed by the Turkish Delegation. It was decided that the member countries would communicate their confirmation as soon as possible.

8. The Commission decided to hold its next meeting on 12-13 May 1997 in Turkey.

**REPORT
OF THE
THIRD SESSION OF THE COMMISSION**

COMMISSION OF THE (PROSPECTIVE) D-8 GROUP
Third Meeting
12-13 May 1997 - Izmir

REPORT OF THE MEETING

1. The Third Meeting of the Senior Officials (Commission) of the D-8 Group convened on 12-13 May 1997 in Izmir. The Meeting was chaired by H.E.Dr.Abdullah Gül, State Minister of Turkey, and attended by the Commissioners of Bangladesh, Egypt, Indonesia, Iran, Malaysia, Nigeria, Pakistan and Turkey. The List of Participants is enclosed.

2. After the adoption of the Agenda (D-8/COM.3/AG.), the Commission considered and adopted the following documents :

- The Draft Declaration of the Summit (D-8/COM.3/WP-1/Rev.3)
- Structure and Functioning of D-8 (D-8/COM.3/WP-4/Rev.1)
- Guidelines for Project-Oriented Co-operation Among D-8 Countries (D-8/COM.3/WP-3/Rev.1)

3. The Commission was briefed on the Reports of the ad hoc Working Groups on Industry and Science & Technology and Telecommunications & Information s before the Summit. It agreed to study these reports in conjunction with the other Reports to be prepared by various Working Groups before the Summit.

4. The Commission decided to hold its next meeting on 12-13 June 1997 in Istanbul.

**REPORT
OF THE
FOURTH SESSION OF THE COMMISSION**

COMMISSION OF THE (PROSPECTIVE) D-8
Fourth Preparatory Meeting
12-13 June 1997 Istanbul

Progress Reports of the ad hoc Working Groups

Introduction

1. The Senior Officials (Commission) of the D-8, at its Second Meeting in Antalya, decided to establish ten ad hoc Working Groups to examine the possibility of co-operation in ten identified sectors.
2. Countries hosting the meetings of the ad hoc Working Groups and the ten sectors assigned to them are as follows:

Bangladesh	Rural Development
Egypt	Trade
Indonesia	Poverty Alleviation and Human Resources Development
Iran	Science & Technology Telecommunications & Information
Malaysia	Finance, Banking & Privatization
Nigeria	Energy
Pakistan	Agriculture
Turkey	Industry Health

3. The ad hoc Working Groups, conducting their business under the guidelines and criteria adopted by the Commission, met in different D-8 capitals before the 4th Meeting of the Commission.

4. All the ad hoc Working Groups, except the two on “Energy” and “Rural Development”, concluded their meetings and submitted their initial reports to the Chairman of the Commission.
5. The Commission noted with satisfaction that the meetings of the Working Groups were held in a professional manner and in a cordial atmosphere. Certain areas/projects were identified for co-operation and various recommendations were made.

Summary of the Progress Reports

6. The ad hoc Working Group on *Trade*, chaired by Egypt, recommended establishment of a private sector driven international marketing and trading company after the evaluation of a pre-feasibility study in a joint conference of private sector and relevant bodies and institutions’ representatives. This pre-feasibility study will be prepared by national professional firms of each interested country and will be consolidated by a designated focal point company.

The Working Group further recommended that D-8 countries may consider having a general Framework Agreement for the establishment of General Trading Companies to promote trade and economic linkages. The Framework Agreement will, inter alia, define the types of privileges and facilities to be provided by respective participating D-8 countries, as well as criteria and *modus operandi* required to enjoy the privileges and facilities contained in the framework.

7. The ad hoc Working Group on *Human Resources Development*, under the chairmanship of Indonesia met in Jakarta and selected certain priority projects. These are:

Training in various strategic sectors, including “livestock and fisheries”, “poverty alleviation” and “water resources management”;

- Enhancement of the role of women in development;
- Education programs, including “graduate and Post-graduate studies in technology, business and finance”, “Scholarship Exchange Program” and “Courses for Diplomats”.

The Working Group also cited in its reports several projects ready for immediate implementation. These are:

- Training on animal production, laboratory technology and veterinary management;
- Training course on livestock artificial insemination;
- Refresher course on veterinary laboratory and disease investigation techniques;
- Women Technical Training Programme;
- Scholarship Exchange Programme;
- Courses for Diplomats

8. The ad hoc Working Group on *Science & Technology*, chaired by Iran, advised the Commission that establishment of a “D-8 Council on Science & Technology” is a priority project in their agenda.
9. The ad hoc Working Group on *Telecommunications & Information*, also chaired by Iran, recommended that the following projects could be selected for cooperation among D-8 countries:
 - Information Technologies and Telecommunications.
 - Establishment of an Industrial and Technological Data Bank Network.
 - Software Development.
10. The ad hoc Working Group on *Finance, Banking and Privatization*, chaired by Malaysia, studied various proposals as possible areas of co-operation. Technical co-operation and information exchange among member countries to study the possibility of establishing Takaful schemes

(insurance), including joint ventures between companies of member countries, are recommended. Secondly, member countries are advised to take effective measures to strengthen their capital markets. Furthermore, member countries are encouraged to initiate measures to promote savings depending on the stage of development of their capital markets through various funds. Then, establishment of a mechanism for co-operation amongst member countries in the areas of investment and finance is recommended. Finally, establishment of a technical co-operation program to enable the sharing of experiences in privatization is also suggested. A study on the possibility of co-operation in the areas of banking, monetary/payment systems and central banks, in a separate session, is among the subjects that were discussed.

11. The ad hoc Working Group on *Agriculture*, under the chairmanship of Pakistan, agreed to select the following projects for future cooperation in this field.

- Sugar Crops
- Joint ventures in the Establishment of Integrated Feed-Lot-Units and Poultry Complexes.
- Promotion of Pressurized Irrigation Systems for Efficient Water Use and Management.
- Collection, Evaluation and Conservation of Plant Bio-diversity.
- Soil and Water Conservation.
- Joint Venture in the Field of Agricultural Machinery.
- Technical Cooperation among D-8 countries for Improvement and Development of Integrated Pest Management (IPM).
- Control and Eradication of Animal Diseases.
- Technical Cooperation for the Development of Inland and Coastal Aquaculture.
- Role of Women in Agriculture.

12. The ad hoc Working Group on *Industry*, under the chairmanship of Turkey, recommended co-operation for the design, development, manufacturing and marketing of products in the areas of “Aerospace”, “Automotive” and “Electronics”. The group enumerated detailed sub-categories and elaborated on them. The Group also recommended to hold conferences on these three areas with the participation of public and private sector organizations of interested D-8 countries. Iran and Turkey offered to host a conference for automotive industry after the Summit.
13. The ad hoc Working Group on *Health*, chaired by Turkey, met in Ankara and recommended cooperation in the following areas:
- Promotion of Public Health
 - Exchange of Information
 - Establishment of an Institute for Environment and Public Health Training
 - Establishment of Cooperative Development Strategies on Family Medicine among D-8 countries
 - AIDS Prevention and Control Programme in D-8 countries
 - Population and Family Research
 - Health Investment and Research Programmes
 - Food Safety and Nutrition
 - Environmental Health Impact Assessment in Development Programmes
 - Cancer Prevention and Control Programmes
14. The Commission expresses its appreciation to the Chairmen of the ad hoc Working Groups who have submitted their progress reports for its consideration. The Commission further urges the ad hoc Working Groups on “Energy” and “Rural Development” to meet as soon as possible and produce their initial reports.
15. The Commission, after having reviewed the possible areas of co-operation, decided to recommend one project from six different sectors, as “D-8 priority project”. The countries which assume the chairmanship of the relevant sectors will coordinate the overall implementation of these projects.

Recommendations

16. These projects and the sectors they belong to are as follows:

- a) Establishment of an International Marketing and Trading Company (TRADE)
- b) Workshop on poverty alleviation (HUMAN RESOURCES DEVELOPMENT)
- c) Establishment of an Industrial and Technological Data Bank Network among D-8. (TELECOMMUNICATIONS & INFORMATION)
- d) Establishment of Takaful Schemes (Insurance) including joint ventures between the companies of the D-8. (FINANCE, BANKING & PRIVATISATION)
- b) Co-operation for the development of inland and coastal aquaculture. (AGRICULTURE)
- f) Design, development, production and marketing of agricultural aircraft. (INDUSTRY)

17. Notwithstanding the six projects identified under the various sectors, D-8 members are encouraged to extend, where appropriate, participation in existing programmes related to ten sectors to the other D-8 members.

18. A mechanism for co-operation in microcredit, suggested by Bangladesh, deserves to be considered as another priority project. However, as in the case of "Energy", the Working Group on Rural Development should also hold its first meeting as soon as possible and submit its report to the Commission.

19. The Commission noted with satisfaction other projects recommended by the Working Groups and asked their Chairmen to continue their work and act as Co-ordinators in pursuant of all their projects.

**C. MEETINGS
OF THE
WORKING GROUPS**

**Working Group Meeting
on
Industry**

Ankara, Turkey

2-3 May 1997

**INDUSTRIAL PROJECTS WORKING GROUP
OF THE (PROSPECTIVE) D-8
First Meeting
2-3 May 1997 – Ankara**

REPORT OF THE MEETING

1. The first meeting of the Industrial Projects Group of the D-8 Countries was convened on 2 - 3 May 1997 in Ankara to identify the priority projects of cooperation for submission to the D-8 Summit. The meeting started its deliberations with an opening speech of the Turkish State Minister, H.E.Dr.Abdullah Gül, who stated the objectives of the working group and wished them success in their deliberations. The meeting was attended by representatives of Bangladesh, Egypt, Indonesia, Iran, Malaysia, Nigeria, Pakistan and Turkey . A list of participants is enclosed.
2. The participants adopted the agenda of the meeting as attached herewith.
3. Evaluations were started with the opening remarks of General Co-ordinator of the D-8 Industrial Projects Group, Dr. Sedat Çelikdoğan, who briefed the group on the philosophy, principles of co-operation, industrial sectors to be considered and procedural steps.
4. The group discussed approximately 50 projects presented by the representatives of member countries within the scope of Industry Sector including those listed in document no: D-8/COM.2/REP. Participants also attended audio-visual presentations given by various delegations and private sector representatives, and made the following recommendations:
 - I. Priorities be given to the common immediate needs of the member countries.
 - II. The principles of co-operation are as follows;
 - Efforts would be made to ensure, as far as possible, exchange of products between participating countries, so as to minimize cash outflow.
 - The private sector would be encouraged to participate actively in identified projects in order to maximize the overall benefit of the D-8 countries.
 - The projects may be started with the participation of two or more member countries. Other member countries may join subsequently.
 - Any non-member country may also participate in the projects, subject to the consensus of the D-8 countries participating in the project.
 - Industrial design and R&D projects are also welcome in addition to manufacturing based industrial projects.
5. The group recommends the following areas/fields and the projects for consideration of the Commission of the D-8 Group. The delegates agreed to study the possibilities of cooperation in the following categories:

I. Aerospace;

To design, develop, manufacture, overhaul (if applicable) and market the following;

- Regional transport aircraft,
- Civil jet transport aircraft,
- Multipurpose agricultural aircraft,
- Utility helicopter,
- Aero-engines,
- Satellites.

II. Automotive;

To design, develop, manufacture and market the following;

- light transport vehicle.
- passenger car,

III. Electronics;

To design, develop, manufacture and market the following;

- Integrated Circuit (IC),
- Personal Computer (PC),

Governments of member countries would encourage production of the above items in terms of financing, R&D, incentives to private sector, joint ventures, so as to achieve not only self sufficiency in this sector but also to produce exportable surplus.

IV. Others;

To design, develop, manufacture and market the following;

- Fertiliser industry,
- Textile machinery,
- Mining industry,
- Steel industry,
- Cement industry,
- Rail vehicles for urban railway systems,
- Thermal and hydro-electric power plant equipment,
- Telecommunication equipment,
- Color picture tubes,
- Vegetable oil industry,
- Palm oil industry,
- Food packaging industry.

6. It was further decided that conferences and meetings of public and private sector organisations of interested D-8 countries would be held in the near future. Iran and Turkey made their offers to host a conference for automotive industry after the Summit of the Heads of State/Government.

7. The Group decided to hold its next meeting two months after the Summit of the Heads of State/Government.

8. The participants expressed their gratitude to the Government of Turkey for the warm hospitality and excellent arrangements.

**Working Group Meetings
of
Telecommunication & Information
and
Science & Technology**

Tehran, I.R. of Iran

7-8 May 1997

First Meetings of D-8 Working Groups on
Telecommunication & Information
and
Science & Technology
7-8 May 1997, Tehran

Report

The first meetings of D-8 Working Groups on Telecommunication & Information, and Science & Technology were convened on 7-8 May 1997 in Tehran to identify and select priority projects for cooperation among D-8 member countries to be submitted to the Commission of Senior Officials. The meeting started by the opening remarks of the Chairman, H.E. Mr. Bozorgmehr Ziaran, Ambassador and Deputy Permanent Representative of the Islamic Republic of Iran to the United Nations Office in Geneva. The Chairman, underlined the importance of access to new technologies and promotion of cooperation among D-8 countries in the field of telecommunication and information. He recognized science and technology as the driving force for social and economic development. He also expressed the hope that the working groups achieve concrete results.

The Meetings were attended by representatives of Bangladesh, Egypt, Indonesia, Iran, Pakistan, Malaysia, Nigeria and Turkey. A list of Participants is enclosed.

The provisional agenda of the meetings was adopted after some modifications.

A- Telecommunication and Information

1- The WG continued its deliberations by presentation and consideration of projects proposed by delegations of Turkey, Iran and Pakistan.

2- The WG agreed that the following priorities and objectives should be pursued for cooperation on telecommunication and information :

I) To enhance and develop infrastructural capacities of the D-8 Countries, and meet their requirements in telecommunication and information technology ;

II) To promote human resource development in D-8 Countries in order to obtain required skilled manpower in Telecommunication and information fields ;

III) To provide for systematic exchange of information and know-how among D-8 Countries ;

IV) To encourage collaboration among private sectors of D-8 Countries in order to facilitate their active participation in telecommunication and information technology ;

V) To promote public access to services provided by telecommunication and information sectors ;

VI) To improve governance through application of information technology;

3- The WG, after extensive discussion on the submitted project proposals, selected the following projects as the priority for cooperation among D-8 Countries :

** Information Technologies and Telecommunication .*

** Establishment of an Industrial and Technological Data Bank Network .*

** Software Development.*

4- The WG recognized the importance of the proposal on " Satellite Connectivity of the D-8 Countries " presented by Pakistan . However, the WG felt that more supporting and detailed information on this proposal was needed and invited Pakistan, in consultation with other members, to provide the information for its further consideration.

5- The delegation of Pakistan raised the necessity of " Reactivating the Inter - Islamic Networks " . The WG , while welcoming the idea , agreed that this issue needs further study .

6- The WG agreed to hold its next meeting two months after the Summit, with a view to exploring modalities for implementation of proposed priority projects.

B- Science and Technology

1- Two projects entitled " Establishment of D-8. Center for Science & Technology " and " Committee for Science and Technology Policies " were presented respectively by Iran and Turkey. The WG expressed its support for the projects and , in order to avoid duplication, requested the two delegations to merge their proposals into one consolidated project called " D-8 Council on Science and Technology " .

2- The delegation of Turkey presented several proposals on establishing R & D centers for various specializations. The WG took note of the proposals and agreed to discuss further these issues at its next session .

3- The delegation of the Islamic Republic of Iran submitted a project on " Application of Solar Energy " . In order to avoid duplication, the WG proposed that the project be referred to the Working Group on Energy which would consider a similar project at its first session.

4- The delegation of the Islamic Republic of Iran introduced a project on Cooperation among the D-8 Countries for of Fabrication of Fiber Optic Waveguides. There was a general support for the proposal. However , given the nature of the project the WG proposed that it should be referred to the Working Group on Industry for its due consideration.

5- The WG agreed to hold its next meeting two months after the Summit, with a view to exploring modalities for implementation of proposed priority projects.

The participants expressed their gratitude to the Government of the Islamic Republic of Iran for the warm hospitality and excellent arrangements.

**Working Group Meeting
of
Finance, Banking and Privatisation**

Kualalumpur, Malaysia

19-20 May 1997

**REPORT OF THE WORKING GROUP FOR FINANCE,
BANKING AND PRIVATISATION
OF THE D-8 GROUP
19-20 MAY, 1997
KUALA LUMPUR, MALAYSIA**

A. INTRODUCTION

1. The Working Group For Finance, Banking and Privatization of the D-8 Group met from 19-20th May, 1997 at Kuala Lumpur, Malaysia.
2. The Working Group was chaired by The Honourable Datuk Dr. Aris bin Othman, Deputy Secretary General (Policy), Ministry of Finance, Malaysia and co-chaired by Mr. Abu Salihu Hj. Mohamed Shariff, Deputy Secretary, Finance Division, Ministry of Finance. The meeting was attended by representatives from Bangladesh, Egypt, Indonesia, Iran, Malaysia, Nigeria, Pakistan and Turkey. The list of delegates appears as Annex 1.

B. BUSINESS ARRANGEMENTS

3. In his opening remarks, the Chairman welcomed all delegates and reiterated that this meeting of the Working Group is being held ensuing from the decision of the Ministerial Level Meeting on the proposal to form the D-8 Group. The senior officials had decided that an Ad Hoc Working Group of Experts from participating countries be established for 10 sectors; and the conclusions be reported to the meeting of the Commission of the D-8

scheduled to be held from 12-13th June 1997.

4. The Working Group entrusted with the Finance, Banking and Privatization sector, agreed that the deliberations of this Working Group meeting would result in concrete proposals for the consideration of the Commission.
5. The Working Group adopted the Provisional Agenda as in Annex 2. The Working Group was held in plenary. The Working Group agreed that a Drafting Committee be set up to formulate the report of the meeting of the Working Group.

C. RECORD OF PRESENTATIONS & DISCUSSIONS

(I) WORKING PAPER ON "TAKAFUL BUSINESS IN MALAYSIA"

6. The Working Group considered the Working Paper on "Takaful Business in Malaysia" presented by Mr. Yahaya Hj. Besah, Head of the Insurance Department, Bank Negara Malaysia (Central Bank of Malaysia). The Working Paper, which appears as Annex 3 covered the various aspects of Takaful Business in Malaysia, including the concept, types of business, performance of the Takaful business as well as the further development and prospects of the Takaful business.

7. The Working Group discussed the following issues and viewpoints:-

(i) Concept of the Takaful Operations

The Takaful business in Malaysia exists together with the conventional insurance business. Due to the Malaysian socio-political set-up, the Takaful business is meant to serve as an alternative insurance cover based on Islamic Principles.

(ii) Contribution of Takaful Business

The Working Group noted that the Takaful business in Malaysia amounted to 2% for the family Takaful and 1.3% for the general Takaful in comparison with conventional insurance. In terms of growth, however, Takaful business recorded a significant increase since its inception 12 years ago (as illustrated in Annex 3a) compared to conventional insurance which had a longer head-start. Furthermore, there are currently only 2 Takaful companies compared to more than 50 conventional insurance companies in Malaysia.

(iii) Ownership of Takaful Business

The Working Group noted that in Malaysia, both the 2 Takaful companies are majority owned by Muslims. However, non-Muslims are also allowed to purchase or acquire equity of Takaful companies, which are listed on the Kuala Lumpur Stock Exchange.

(iv) Technical Assistance

- (a) The Working Group noted that Malaysia had provided technical assistance to Indonesia and Brunei in the setting-up of Takaful companies in those countries. Syarikat Takaful Malaysia Sdn. Bhd. (STMB), one of the Malaysian Takaful companies, has also an equity stake in a Takaful company in Indonesia.

- (b) The Working Group was informed that the Malaysian Insurance Institute, which is sponsored by the insurance companies in Malaysia, provides training facilities in both Takaful and conventional insurance. The Working Group noted Malaysia's willingness to share its experience and extend its expertise to all OIC member countries which are interested in developing the Takaful business.

(v) Takaful Business In D-8 Countries

- (a) The Working Group noted that other D-8 countries such as Indonesia, Pakistan, Iran and Turkey have a similar form of Takaful business.

- (b) Iran also expressed its willingness to provide technical assistance to other OIC member countries.

(II) WORKING PAPER ON " COLLECTIVE INVESTMENT SCHEMES - THE MALAYSIAN EXPERIENCE"

8. The Working Group considered the Working Paper on "Collective Investment Schemes - The Malaysian Experience" presented by Ms. Tengku Umizar Ubaidillah, Senior Executive Officer of the Policy and Development Division, Securities Commission. The Working Paper, which appears as Annex 4, has the following salient features and issues:-

(i) The Malaysian experience in developing collective investment schemes, which includes provident and pension funds, unit trust funds, insurance funds and pilgrims fund. As at end of 1996, assets of these schemes totalled approximately RM 225 billion (USD 90 billion) .

(ii) Malaysia has taken various measures to promote and liberalise the collective investment industry, which, among others, include the following:

foreign fund management companies are allowed to carry out their business activities in Malaysia. As at May 1997, there were four licensed foreign fund management companies and four application approved to establish foreign fund management

companies.

- setting up of the third national unit trust fund (Vision 2020 Fund), with an approved fund size of RM 3 billion.
- the Employees Provident Fund ("EPF") is allowed to invest up to 20% in equities.
- eligible EPF contributors are allowed to withdraw part of their contributions for investment in 29 approved fund managers.
- major companies are allowed to manage their own approved provident funds.

(iii) Malaysia has further taken a four-pronged approach to promote the collective investment industry, i.e. developing new funds, further developing the fund management industry, streamlining the regulatory framework and de-regulating institutional funds.

9. The Working Group considered the following issues:-

- (i) The role of collective investment schemes in mobilising savings to accelerate economic development.
- (ii) Even though Islamic unit trust funds are relatively new, OIC member countries may draw on the experiences of other established funds, like provident and pension funds, insurance funds, pilgrims fund and conventional unit trust funds, to

develop their own industries.

(iii) Countries planning to establish collective investment schemes need to ensure adequate investor protection through regulations and guidelines.

(iv) The type of scheme that is to be established needs to be carefully selected according to the stage of development of the capital market and other macro considerations of the country concerned.

10. The representative from Bangladesh also explained their micro-credit and savings scheme of the Grameen Bank and other investors' schemes. Similarly, the delegate from Iran enlightened the Working Group on the Qardul Hasanah as a savings, investment and loan scheme.

(III) WORKING PAPER ON "PRIVATISATION IN MALAYSIA"

11. The Working Paper on "Privatisation In Malaysia", which appears as Annex 5, was presented for the consideration of the Working Group by Mr. Zainuddin Abdul Rahman, Deputy Director, Privatisation Section, Economic Planning Unit, Prime Minister's Department, Malaysia.

12. The Working Group considered the Malaysian experience as follows:-

- (i) legal issues facing various countries which inhibit the privatisation process. A governing law on privatisation may be introduced in some countries to facilitate the implementation of privatisation.**
- (ii) the need to institute an effective mechanism to monitor privatised entities not only to ensure certain policies and standards are complied with after privatisation, but more importantly to protect the public interest by establishing an effective regulatory mechanism.**
- (iii) the need to safeguard the welfare of the employees by way of providing employment guarantees, for example for a period of five years after privatisation, besides the provision of terms and conditions of service which are no less favourable than those enjoyed before privatisation, except for disciplinary reasons.**
- (iv) the mode of privatisation depends on the nature and type of projects to be privatised. The basis of selection of concessionaires for privatisation includes the programme for future development and the technical, financial and management strength of the companies.**

- (v) in the case of selected industries including strategic industries, the government either retains majority equity after privatisation or holds a Golden Share. The Golden Share enables the government to control major policy decisions affecting the government and the public.

- (vi) the scope and definition of privatisation differs from one country to another and in Malaysia, the mode of privatisation covers a wide scope to include the sale of government companies and the implementation of new projects through the modes of Build, Operate, Transfer (BOT) and Build, Own, Operate (BOO).

- (vii) that Malaysia limits its foreign participation to a maximum of 25%. Foreign participation can be considered in the following cases:
 - a) where their expertise is needed to upgrade efficiency and such expertise is not available locally;

 - b) where their participation is necessary to promote the export market;

- c) • where the supply of local capital is insufficient to absorb the shares offered; and
 - d) where the nature of business requires global linkages and international exposure.
- (viii) for privatisation to be successful, various conducive factors should be in place. They include the level of economic development of member countries, their political, legal and institutional framework as well the level of efficiency and productivity between the private and the public sectors.
- (ix) to address the monopolistic issues after privatisation, versus the objective to safeguard public interest, the function of the regulatory authority is crucial to ensure that the consumers interest is protected especially in terms of prices and charges imposed as approved by the government as well as the quality and availability of services.
- (x) on environmental and social obligations to be undertaken by the concessionaire, companies in Malaysia are required to observe environmental standards as imposed by the government and to undertake social responsibilities, including training of entrepreneurs, and provision of services to rural

areas, as in the case of postal and telecommunications services. In order to ensure the viability of projects, and to reduce the impact of charges to the public, government may consider the provision of support through soft loans or advance for land acquisition.

13. The Working Group received a paper circulated by the Egyptian delegation entitled "The Egyptian Experience in Privatization" as in Annex 6.
14. Other participants including those from Iran and Turkey also highlighted their experiences in the privatisation sector in their respective countries.

D. RECOMMENDATIONS

15. The Working Group identified the following areas as possible cooperation projects among the OIC member countries and recommended them for the consideration of the D-8 Commission:
 - (i) Technical Cooperation and information exchange among member countries to study the possibility of establishing Takaful schemes including Joint Ventures between member countries.
 - (ii) Effective measures be taken to strengthen the capital markets of the member countries.

- (iii) Member countries be encouraged to initiate measures to promote savings depending on the stage of development of the capital markets, through various funds/instruments including national unit trust fund, pilgrims fund, pension fund or an investor's scheme.
- (iv) To establish a mechanism for technical cooperation amongst the OIC member countries in the areas of investment and finance.
- (v) To develop a programme for technical cooperation among member countries to enable the sharing of experiences in privatisation. The technical cooperation program would facilitate further cooperation and indepth understanding of the privatisation policy and program as applied in individual member countries.

E. ACKNOWLEDGEMENT

16. The Chairman, on behalf of Malaysia, thanked all participating countries for their fruitful contributions towards the successful deliberations of the meeting of the Working Group for Finance, Banking and Privatisation of the D-8 Group.

Kuala Lumpur,
Malaysia

20 May 1997

**Experts Group Meeting
on
Agriculture**

Islamabad, Pakistan

28-29 May 1997

FIRST MEETING OF THE D-8 EXPERTS GROUP ON AGRICULTURE
(ISLAMABAD: 28-29 MAY 1997)

The First Meeting of the D-8 Experts Group on Agriculture was convened in Islamabad from 28-29 May 1997 in order to identify priority projects for cooperation among member States. The meeting was attended by delegates/experts from all the D-8 member countries, viz Bangladesh, Iran, Egypt, Malaysia, Indonesia, Nigeria, Pakistan and Turkey. A list of the delegates is attached.

2. The Meeting was inaugurated by Syeda Abida Hussain, Minister for Food, Agriculture and Livestock of the Islamic Republic of Pakistan. In her inaugural address, the Minister identified Agriculture as the mainstay of the economies of all the D-8 member States. She asked delegates to identify complementarities in terms of available resources on one hand and pressing requirements on the other. This would enable member states to match needs and priorities within the existing pool of expertise in the agricultural sector.

3. The Minister underscored the importance of sharing and pooling of knowledge. Countries that had made good strides in certain sectors of agriculture should not hesitate to share their knowledge on a reciprocal basis to the benefit of all countries of D-8. Free sharing of technology in agriculture would strengthen D-8 collectively and individually, enabling member States to provide more abundant and better quality nourishment to their peoples.

4. In his welcome address, Mr. Anwar Kemal, Commissioner for the D-8 (who co-chaired the meeting along with Mr. M.A.H. Qureshi, Agriculture Development Commissioner, Ministry of Agriculture, Pakistan, briefed the delegates on the organizational set-up of the D-8 and the guidelines established by the D-8 Commissioners for the selection of projects in different sectors, including Agriculture. As agreed, those projects should be preferred that would produce concrete results within a reasonable time-frame and likely to prove beneficial to the common interests of the D-8 countries. The key objectives were to promote economic cooperation among the D-8 countries, ensure complementarity, contribute poverty alleviation

and avoid unnecessary duplication.

5. The delegates/experts visited the National Agricultural Research Centre (NARC), Islamabad, in order to acquire first-hand information relating to the ongoing agricultural research in Pakistan, as well as the important role of the Centre as a depository of duplicate collection of germ plasm from different countries in the region.

6. The Experts Group convened its first working session in the afternoon of 28 May 1997 to review the projects for prospective mutual cooperation.

7. The presentation and evaluation of the various projects was resumed on 29 May 1997. In the afternoon, an informal drafting group chaired by the Commissioner D-8 prepared the drafts of the various projects, which were subsequently submitted to the main committee of experts. Delegates/experts from all member countries took an active part in the proceedings, which finalized a list of 10 recommended projects to be submitted to the meeting of the Commission of Senior Officials preceding the First D-8 Summit on 14-15 June 1997.

8. The final draft of 10 projects for prospective mutual cooperation, as approved by the experts, is attached herewith. The titles of projects are listed below:-

(1) Sugar Crops

(a) The Integration and Development of Natural Sweetener Crops-Egypt.

(b) High Quality Sugarbeet Seed Production - Iran.

(2) Joint ventures in the Establishment of Integrated Feed-Lot-Units and Poultry Complexes.

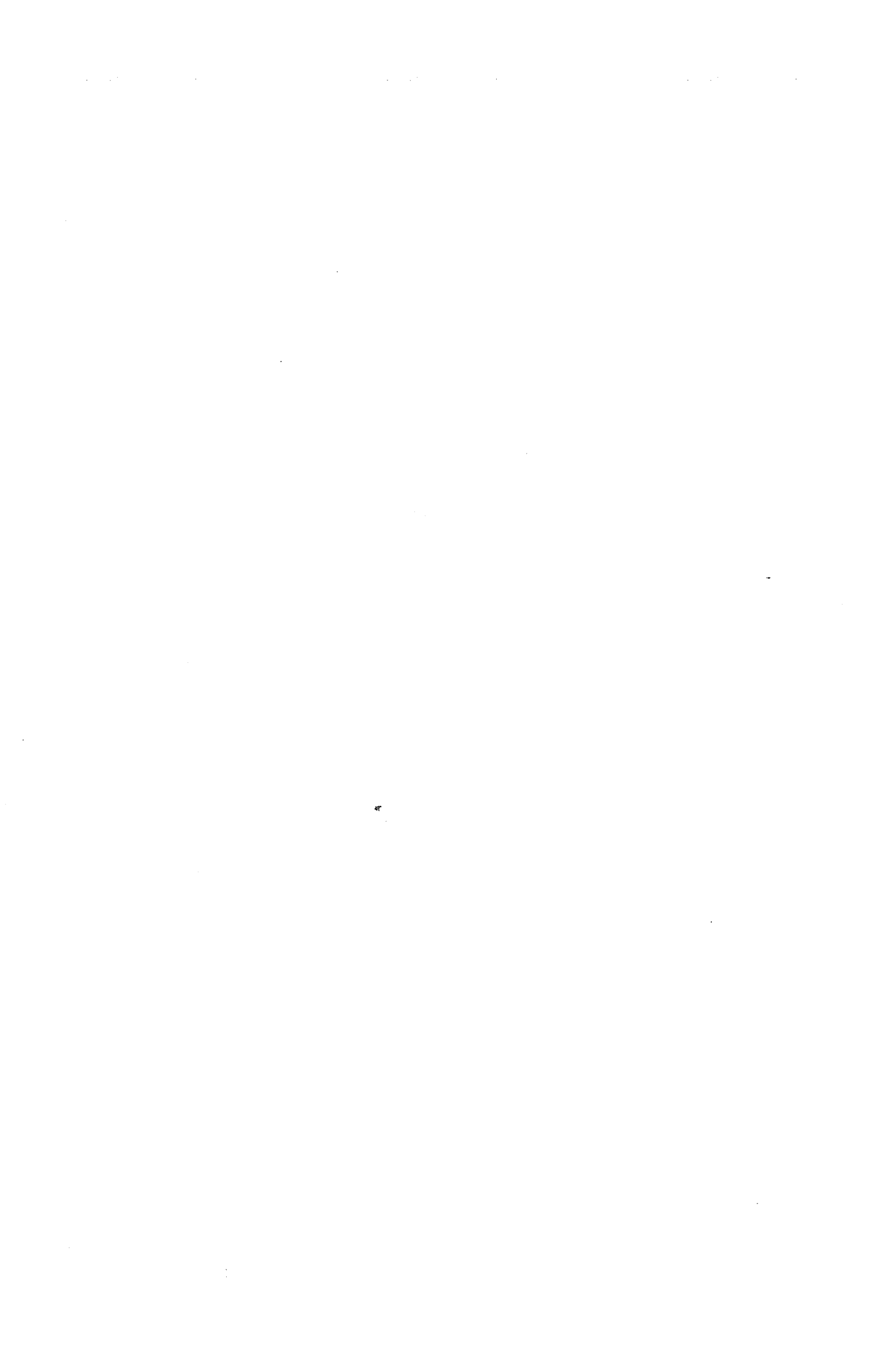
(3) Promotion of Pressurized Irrigation Systems for Efficient Water Use and Management.

- (4) Collection, Evaluation and Conservation of Plant Bio-diversity.
- (5) Soil and Water Conservation.
- (6) Joint Venture in the Field of Agricultural Machinery.
- (7) Technical Cooperation among D-8 countries for Improvement and Development of Integrated Pest Management (IPM).
- (8) Control and Eradication of Animal Diseases.
- (9) Technical Cooperation for the Development of Inland and Coastal Aquaculture.
- (10) Role of Women in Agriculture.

**Working Group Meeting
on
Trade**

Cairo, Egypt

4-5 June 1997



**First Meeting of D-8 Working Group on Trade
4-5 June 1997, Cairo**

Report

I- INTRODUCTION:

1. The first meeting of D-8 Working Group on Trade was convened on 4-5 June 1997, in Cairo to discuss and identify projects for cooperation among D-8 member countries to be submitted to the D-8 Summit through the Commission of Senior Officials.

The meeting started its deliberations by the opening remarks of the Chairman, H.E. Mr. Sayed El Massry, Ambassador and Assistant Foreign Minister of Egypt for Multilateral Relations and International Co-operation.

The Chairman stressed the importance of D-8 as a mechanism for cooperation, and underlined the necessity to promote inter country trade through the adoption of a number of measures and projects. He wished the expert group success in their deliberations.

The meeting was attended by representatives of Bangladesh, Egypt, Indonesia, Iran, Pakistan, Malaysia, Nigeria and Turkey.

A list of participants is enclosed.

II - ADOPTION OF THE AGENDA :

2. The participants adopted the Agenda of the meeting as attached herewith.

2.1. The following documents were before the meeting:

- Provisional agenda for the meeting contained in Doc. No. (D-8/TR.W.G./1.Rev.1)
- Proposed programme of work contained in Doc. No. (D-8/TR.W.G./2.Rev.1)
- A document containing the distribution of projects by sectors in Doc. No. (D-8/Com.2/WP.1) dated 14/3/1997.

- Selection Criteria of the Projects Doc. No. (D8/Com.2/WP-4 Rev.) dated 14/3/1997.
- Guidelines for project-oriented co-operation among D-8 countries (Doc. No. D-8/Com.3/WP-3/Rev.-1) dated 13/5/1997.
- A paper entitled "Establishing of an International Marketing Company among the D-8 Countries" containing an outline of the Egyptian proposal. Doc. No. (D-8/TR.W.G. (1)/3) dated 4/6/1997.
- A document entitled "Topics for Discussion" regarding the proposed Marketing Company, Doc. No. (D-8/TR.W.G.(1)/4)

III- CONSIDERATION OF PROJECTS:

3. The Working Group started its deliberations by considering projects proposed by delegations of Egypt and Turkey. It agreed to concentrate on a very few projects that are feasible, practical and expected to produce concrete results within a reasonable time frame.

4. The Working Group agreed to give priority to the discussion of the proposal of establishment of an International Marketing and Trading company among D-8, and Free Trade Zones.

5- The Working Group referred to other projects contained in doc (D-8/Com.2/WP.1) dated 14/3/1997 and emphasized their importance. They agreed to defer consideration of Free Trade Zones and Establishment of a Cotton Union to a future meeting of the Working Group.

Concerning the two projects regarding:

- Harmonization of Bilateral Agreements on Prevention of Double-Taxation (TR).
- Conclusion of a Multilateral Agreement for the Promotion and Protection of the Investments (TR).

the Working Group concluded that their consideration should be conducted through inter-governmental competent agencies.

IV - RECOMMENDATIONS :

A- INTERNATIONAL MARKETING AND TRADING COMPANY

The Working Group agreed to submit the following recommendations:-

- (1) The proposed company should deal with marketing and trading of goods and services among 178 countries as well as increasing their exports to the outside world.
- (2) The proposed company should be private sector driven.
- (3) A pre-feasibility study for the establishment of the proposed company should be carried out including inter alia legal status, structure, functions and means of financing at the earliest time after the Summit.

To this end each interested member country will designate a national professional firm to conduct the study, and will bear its expenses. One firm will be designated as focal point, entrusted with the responsibility of undertaking the necessary consultations with other firms in order to finalize the prefeasibility study.

- (4) To convene a Conference of D-8 private sector representatives along with relevant bodies and institutions to consider the prefeasibility study. This Conference may recommend measures to be taken by the governments to remove impediments to the flow of trade and facilitate its promotion.

B- FRAMEWORK AGREEMENT ON GTCs

The Working Group recommend that D-8 countries consider having a general Framework Agreement for the establishment of General Trading Companies (GTCs) to promote trade and economic linkages.

The Framework Agreement will inter alia, define the following:-

1. types of privileges and facilities to be provided by respective participating D-8 countries;
2. criteria and modus operandi that are required for a company in order to enjoy the priveleges and facilities contained in the framework.

It is being understood that the Framework Agreement on GTC is not a pre-condition for the establishment of the International Marketing and Trading Company.

V- The working Group expressed its appreciation to the government of the Arab Republic of Egypt for hosting the meeting.

CAIRO
June 5, 1997

**Working Group Meeting
on
Human Resources Development**

Jakarta, Indonesia

4-5 June 1997

**REPORT OF THE MEETING OF THE WORKING GROUP ON HUMAN
RESOURCES DEVELOPMENT OF THE (PROSPECTIVE) GROUP OF D-8
JAKARTA, 4 - 5 JUNE 1997**

1. Meeting of the Working Group on Human Resources Development of the D-8 was held on 4 - 5 June 1997 in Jakarta, Indonesia, to identify the priority projects of cooperation for submission to the Senior Official Meeting of the D-8 (Commission) for consideration and adoption by the Summit, scheduled to take place in Turkey on 15 June 1997. The meeting was inaugurated by H.E. Nana S. Sutresna, Ambassador at Large for the Non-Aligned Movement Affairs and Personal Representative of the President of the Republic of Indonesia to the D-8.
2. The meeting was attended by the representatives of Egypt, Iran, Indonesia, Malaysia, Nigeria, Pakistan and Turkey. The list of participants is in Annex I.
3. At its opening session, the Working Group adopted the provisional agenda for the meeting contained in document D-8/WG-HRD/01 (Annex 2). In his opening remark the Chairman, Mr. Gembong Priyono of Indonesia, stressed the importance for the Working Group to observe the guidelines and criteria for the D-8 projects as recommended by the Commission. He also urged the participants to give due attention to the capacity of the member countries in implementing the proposed projects.
4. Aware of the cross-sectoral nature of the human resources development activities, the participants suggested to take into consideration the Report of other Working Groups. There were proposals on the need for close coordination in the implementation of projects carried out under the Working Group on Human Resources Development and other Working Groups. It was also apparent in the discussion that the Working Group wished to avoid duplication or overlapping of projects either those proposed by member countries or those developed in other

Working Groups. In all 37 projects were proposed by participants, and out of those 20 projects were discussed. It also suggested to defer the submission of the 17 project proposals, including 4 which were earlier submitted to the Commission in its second meeting in Antalya, March 1997, to other relevant Working Groups. The list of the proposed projects is in Annex 3.

5. There was understanding among participants that Human Resources Development projects activities be carried out through: Fellowship; Training and Apprenticeship; Workshops; and Exchange of Experts.

6. After a thorough discussion, the Working Group considered that some proposals have met the criteria for selection and recommended them as priority projects for D-8 cooperation in the area of Human Resources Development. The selected priority projects are :

(i). Training in various strategic sectors

a. Livestock and fisheries :

- Training course on animal production, laboratory technology and veterinary management;
- Training course on livestock artificial insemination;
- Refresher course on veterinary laboratory and disease investigation techniques;
- Training course on aquaculture;
- Training course on animal food handling technology;

b. Poverty alleviation.

c. Water resources management :

Training Course on Management of water and soil preservation.

(ii). Enhancement of the role of women in development :

- International Course on Home Economics Housework Extension and Homebased for Rural Women
- Women Technical Training Programme.
- Training at Women Development Center

(iii). Education programme :

- Graduate and Post-graduate studies in technology, business and finance
- Scholarship Exchange Programme
- Courses for Diplomats

7. While the Working Group recognized that some of the proposals still need further elaboration, at the same time however, the Group considered that several projects ready for immediate implementation. These are:

- Training on animal production, laboratory technology and veterinary management;
- Training course on livestock artificial insemination;
- Refresher course on veterinary laboratory and disease investigation techniques;
- Women Technical Training Programme;
- Scholarship Exchange Programme;
- Courses for Diplomats.

8. At its closing session, the Working Group adopted the draft report. The Meeting authorized the Chairman to finalize the report as appropriate for submission to the Commission's meeting.

9. The participants expressed their gratitude to the Government of Indonesia for the warm hospitality and excellent arrangements.

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**Working Group Meeting
on
Health**

Ankara, Turkey

9-10 June 1997

REPORT
First Meeting of D-8 Working Group on Health
9- 10 June 1997, Ankara

I. INTRODUCTION

The first meeting of D8 Working Group on Health was convened on 9- 10 June 1997, in Ankara to discuss and identify projects for cooperation among D8 member countries to be recommended to the Commission of Senior Officials.

The meeting started by the opening remarks of the coordinator Dr. Cihanser Erel, Director General of Primary Health Care Services, Ministry of Health, Turkey. Dr. Erel emphasized the importance of D8 as a mechanism for cooperation.

The meeting was co-chaired by Prof. Dr. Osman Hayran, the Dean of the Faculty of Health Education of Marmara University, and Prof. Dr. Ayşe Yalın, the Department of Child Psychiatry, Ankara University Medical School.

The meeting was attended by representatives of Egypt, Indonesia, Iran, Malaysia, Nigeria, Pakistan and Turkey.

A list of participants (Doc. No. D8/H.WG(1)/3) is enclosed.

II. CONSIDERATION OF PROJECTS

It was agreed to concentrate on a very few projects that are feasible, practical and expected to produce concrete results within a reasonable time frame.

In addition to four projects under Health Group section of Doc. No. (D8/Com.3/WP.1) dated 14/3/1997, other proposals were discussed and evaluated.

III. RECOMMENDATIONS

A. Promotion of Public Health

The group recommends that:

Preparation of a project aiming to increase the quality of healthy life-styles and promotion of the family psycho-social health, to help identifying the crisis of the family life cycle and preparation of the families to cope with the problems of individual, family and community.

B. Exchange of Information

For the determination of joint strategies in any of the projects the information is needed about the health care systems of the member countries. The group recommends:

1. Preparation of a country health care profile on Health Systems.

2. Preparation of a health database updated periodically for the member countries.
3. Establishment of a network on health among the D-8 countries.
- C. Establishment of an Institute for Environment and Public Health Training.**

It was agreed that the members of D8 countries have similar public health, environmental and health manpower training problems. The group recommends:

1. Establishment of an institute for environmental and public health training. Turkey offered hosting such an institute.
2. Establishment of regional centers specialized in their own interest areas in member countries. The country/regional center will serve as a resource and reference center in the identified areas for all the D-8 countries.
3. Collaboration of the institute and regional centers on pre-service training, in-service training and continuous medical education programmes for the health staff as well as the production of common public health and environmental policies.
4. The language of instruction and communication within these centers and the institute is suggested to be English.
- D. Establishment of Cooperative Development Strategies on Family Medicine among D-8 countries.**

The group recommends the preparation of a joint project among the countries in this field.

E. AIDS Prevention and Control Programme in D8 countries:

It is clear that AIDS is a growing, global public health problem and every country has some efforts towards prevention and control of this epidemic. Within this context the group recommends to:

1. Exchange the produced educational materials,
2. Exchange the statistical data and information about the reported cases,
3. Exchange the results of local researches,
4. Exchange the prepared scientific curricula on educational and training programmes,
5. Exchange the experience on case management,
6. Exchange the experience and information about the roles of NGO' s, GO' s and policy makers,
7. Exchange the experts,
8. Produce and distribute periodic newsletters.

A detailed project concerning the above mentioned recommendations will be prepared and proposed.

F. Population and Family Research:

The group recommends, the preparation of a collaborative joint project on problems of population and poverty

G. Health Investment and Research Programmes:

The group recommends, cooperation for the opportunities on common health investments and research programmes.

H. Food Safety and Nutrition:

The group recommends that, collaborative activities on food safety and nutrition should be encouraged.

I. Environmental Health Impact Assessment in Development Programmes:

The group emphasized the importance of Environmental Health Impact assessment in Development Programmes in all D8 countries.

J. Cancer Prevention and Control Programmes:

The group recommends that, exchange of information on cancer prevention and control programmes will be shared among the D8 countries.

IV. The participants expressed their appreciation to the government of the Republic of Turkey for the warm hospitality and excellent arrangement of the meeting.