

A GLOBAL ECONOMIC GROUP

FIFTH SUMMIT - BALI 2006

13 May 2006



FIFTH SUMMIT MEETING

Bali

13 May 2006

OFFICE OF THE EXECUTIVE DIRECTOR

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FIFTH SUMMIT MEETING

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Bali

13 May 2006

OFFICE OF THE EXECUTIVE DIRECTOR
Istanbul, June 2006

PART I

STATEMENTS

BY THE HEADS OF DELEGATIONS

STATEMENT

BY

H.E. DR. SUSILO BAMBANG YUDHOYONO

PRESIDENT OF THE REPUBLIC OF INDONESIA

WELCOMING STATEMENT BY

**H.E. DR. SUSILO BAMBANG YUDHOYONO
PRESIDENT OF THE REPUBLIC OF INDONESIA**

**AT THE OPENING SESSION OF
THE FIFTH SUMMIT OF THE DEVELOPING EIGHT**

BALI, 13 MAY 2006

Bismillahirrahmanirrahiim

Assalamu'alaikum Warahmatullahi Wabarakatuh

*Excellencies Presidents, Prime Ministers, and Ministers of the D-8 member
Countries,*

Distinguished Delegates,

Ladies and Gentlemen,

Let me begin by extending a warm welcome to all of you to Bali, Indonesia.

Bali is known the world over for its artistic people, breathtaking landscape and wonderful culture. But recently, Bali is also known for its resilience and courage, which you can see in the valiant way the Balinese people coped with 2 devastating terrorist attacks, one in 2002, and another in 2005. I have found the strength and wisdom of the Balinese to be truly inspiring.

We are here today to advance a common vision that was declared in Istanbul in 1997 when our Developing 8 grouping of nations was established.

Back then, we were very clear about how we wanted to go forward. That is, through : Peace not war; Dialog not confrontation; Cooperation not exploitation,

Justice not double standard; Equality not discrimination; Democracy not oppression.

As we crossed into the Third Millennium, where we still find ourselves in a volatile world still trying to find balance, these principles remain as critical as ever to our endeavors.

Our D-8 gathering here is significant on many accounts.

It is a testament to our belief that our peoples need to do more to help one another, to cooperate with one another.

It reinforces the conviction that we need to play an active part as subjects, not objects, of a globalized world.

It reaffirms our strategic conviction that we must be able to embrace modernity by becoming forward-looking, by becoming knowledge-driven, by advancing a culture of excellence.

And of course, our meeting here in Bali, a predominantly Hindu island, reaffirms our commitment to promote tolerance as a bedrock of world peace in the third millennium.

And so here we are today. Bangladesh. Egypt. Indonesia. Iran. Malaysia. Nigeria. Pakistan. Turkey. We are all proud nations on the march towards democracy, modernity, and progress.

We are about half a billion people, with a total GDP of US\$ 1,218 billions. We are a growing market with rising buying power, and our grouping also consists of energy producers and consumers.

Our potentials are enormous. Our resources vast. Great opportunities lie await.

Since our Group was established nine years ago, we have sought to develop and carry out practical measures to improve the position of our member countries in the world economy. Thus, we have been promoting diversification and creating opportunities for expanding our trade relations, while enhancing our participation in international decision making.

With member countries from Asia, Africa and Europe, the Developing Eight represents an innovative and modern economic grouping that serves as an alternative model for relations among developing countries in the global economic system.

And we have had some positive accomplishments. During the period 1999-2004, D-8 intra-trade grew by US \$ 33 billion for a 127 percent increase in 5 years.

I know that we could do better than these figures. And I know that our Governments are keen to facilitate greater engagement of the private sector. You will notice, for example, that at the sideline of this Bali Summit, we have been holding, for the first time, a Trade Fair participated by all D-8 countries and also a Business Forum that gathered prominent members of our business communities. We can help them be more productive by accelerating the implementation of the visa agreement for D-8 countries.

Actually, we could have achieved more in our intra-trade, but there were problems that stood in the way. Some of these problems are not economic but are political and security-related. Some of them do not even originate within our borders but outside, yet they can have a severely adverse impact on our economies.

But, like all of you, I am an optimist who seek a solution in every problem rather than a pessimist who see a problem in every solution.

That is why our Summit today is going to consider and, I hope, adopt the draft Bali Declaration. It will lay down new strategies, policies and concepts for our cooperation that are more focused and feasible, that are more certain to lead to concrete benefits for our peoples. And it expresses our renewed commitment to sustain and enhance our cooperation. Of course, to give life to the Bali Declaration we need to substantiate it with a strong political will.

And we can make our cooperation more comprehensive so that it effectively addresses the problem of poverty. Thus, we can help each other attain our Millennium Development Goals by 2015.

We must also address the global energy crisis by enhancing our cooperation in the field of energy. We can work together to research and develop renewable and alternative sources of energy.

We must intensify our cooperation in combating infectious diseases—such as avian influenza, HIV/AIDS, malaria and tuberculosis.

We must do our share in promoting dialogue among civilizations to help strengthen the unity and solidarity of our communities. We must therefore support the “Alliance of Civilizations” under the aegis of the UN Secretary General.

We must also improve our access to the world market for our products and services in accordance with the spirit of free trade—while we continue to strengthen our intra-trade.

This is why I keenly welcome our scheduled signing of two important Agreements, namely: the Preferential Trade Agreement and the Agreement on Administrative Assistance in Customs Matter. This achievement greatly adds to the significance of our Summit, as the operation of these two Agreements will enhance D-8 intra-trade.

We need to get on with follow-up measures to ensure their speedy implementation. Here, I welcome the fact that some of our Central Banks have begun to touch base.

And I hope that this will be the beginning of a series of concrete achievements that will lead us to an easier and higher path to socioeconomic development.

Excellencies Ladies and Gentlemen,

Today, more than ever before, we feel the need to make the D-8 an even more effective instrument of our common struggle to deal with the challenge of development.

This means that we must bring the D-8 to a higher level of organizational maturity through, among other ways, the enhancement of our Secretariat so that it can give more substantive support to our work.

Indonesia is humbled and honored to become Chairman of the Developing-8. Indonesia stands ready to do its part in enhancing collaboration among D-8 countries. I trust that we will be able to count on the continued cooperation and guidance of all our D-8 partners.

This is where I extend my highest appreciation to H.E. Dr. Mahmoud Ahmadinejad, President of the Islamic Republic of Iran, and our Iranian colleagues for their perseverance in making D-8 cooperation more concrete and relevant during Iran's Chairmanship of the past two years.

I also wish to thank our Executive Director, Ambassador Ahyan Kamel, and his staff for working so hard and doing a good job of supporting and facilitating our meetings.

So let us now begin our work.

I wish you all a productive deliberation and a happy stay in our beloved home, Indonesia, and hope that you will come back here over and over again.

By saying *Bismillahirrahmanirrahiim*. With that expression of hope and prayer, I declare this Fifth Summit of D-8 Countries open.

I thank you very much.

Wassalamu'alaikum warahmatullahi wabarakatuh.

Bali, 13 May 2006

PRESIDENT OF THE REPUBLIC OF INDONESIA

DR. SUSILO BAMBANG YUDHOYONO

STATEMENT

BY

H.E. DR. MAHMOUD AHMADINEJAD

PRESIDENT OF THE ISLAMIC REPUBLIC OF IRAN

*In the Name of God,
The Compassionate, the Merciful*

*His Excellency Mr. Yudhoyono
Honourable President of the Republic of Indonesia
Honourable Heads of State and Government
Ladies and Gentlemen,*

I thank God, the Almighty, for having the opportunity to be among you in this august gathering.

I wish to begin by expressing my appreciation and gratitude to H.E. President Yudhoyono, the Government and people of the Republic of Indonesia for the generous hospitality accorded us during my three-day memorable visit to the Republic of Indonesia and also for the excellent arrangements made for this D-8 Summit meeting.

I hope that through the active participation and constructive interaction of the member states, we will manage to take longer strides towards the objectives of D-8 and bring greater welfare and prosperity to our nations.

This Iranian calendar year has been designated as the year of the Noble Prophet of Islam (P.B.U.H) in my country to underline our commitment to better appreciate and promote his teachings, traditions and practices. The Noble Prophet of Islam (P.B.U.H) stands as the best example of the perfect human being, an example to be followed by all human generations at all times; He epitomizes goodness and virtues; He is the prophet of peace, fraternity, justice and mercy; His message is the message of all other prophets before Him; He is the Guiding Light for all

human race to lead them out from darkness into light and perfection. He is caring for all humanity and satisfies the thirst of those who long for faith, knowledge, justice and dignity.

Today, the only way out of the problems besetting humanity is a return to the teachings of Divine Prophets and faithful believers. The noble Prophet of Islam (P.B.U.H) is the greatest asset to the entire humanity and the Muslim Ummah.

Excellencies, Distinguished Participants,

The 5th D-8 Summit meeting is being held at a point when the bullying powers are imposing unequal conditions on other nations to impede their economic, technological and scientific development. Under such circumstances new configurations emerging as homogenous regional and trans-regional groupings can work more effectively in global interactions. In that context, closer bilateral and multilateral cooperation among our countries within D-8 can enhance the positive role of the member states in internal, regional and international developments.

The immense potentials and capacities of the member states with a population of around 900 million and the rise in the intra-group trade from \$14.5 billion in 1999 to \$33 billion in 2004 and the total value of trade of D-8 with the rest of the world which stands at \$730 billion and the existing ample opportunities for cooperation among the member states in the economic, scientific and technological areas coupled with rich natural and well-developed human resources have imparted D-8 a significant strength and synergy which can be utilized in the interest of the economic, scientific and technological development of the member states, the Muslim world and other members of the international

community. These strengths will also enable D-8 to play an important role in consolidating of the regional and global peace and tranquility based on justice spirituality and human dignity.

Undoubtedly, D-8 can play a significant part in promoting the position of the member states in the international arena and correcting the rather unjust and unfair interactions prevailing at present in international relations.

Moreover, closer collaboration and greater economic integration among the member states of D-8 can significantly contribute to the economic stability and absorbing the shocks of external economic and financial crises on these states and help enhance their influence in the world markets.

Since its foundation, our grouping has, fortunately, managed to take good steps in putting in place the required institutions, instruments and plans to remove the existing obstacles to effective cooperation among its member states. In this context, mention can be made of the conclusion of the two agreements on trade preferences and administrative assistance on customs issues.

The Islamic Republic of Iran stands ready to cooperate with other member states on new projects in the areas of environment, tourism, optimal energy consumption, new technologies of energy generation and exchange of experts and specialists in various fields including financial markets. We do hope to increase our cooperation in such areas with the interest shown by these states.

Distinguished Participants,

Another important issue which requires the serious attention of the member states at this point is the strengthening of the Secretariat of D-8 which is responsible for coordinating the overall activities of our grouping. In view of the importance of this issue, the Islamic Republic of Iran expresses its readiness to assume greater responsibility in this connection.

I personally believe that through greater efforts and solidarity based on the principles of justice and entente, our grouping is able to take longer strides towards its goals.

During its chair over D-8, the Islamic Republic of Iran did its utmost to advance the goals and objectives of this grouping and strengthen cooperation among the member states. Now, we have the honour to hand over the chairmanship of D-8 to H.E. Yudhoyono, the Honourable President of the brotherly Republic of Indonesia.

In conclusion, I wish, once again, to thank the Government and people of the Republic of Indonesia for the warm hospitality extended to us and the excellent arrangements made for this summit meeting. I hope that through the active cooperation of all the member states, D-8 will manage, under the chair of the Republic of Indonesia, to take greater steps towards the attainment of its goals and objectives in line with the interests and welfare of the member states.

STATEMENT

BY

H.E. MR. CHIEF OLUSEGUN OBASANJO, GCFR

PRESIDENT OF THE

FEDERAL REPUBLIC OF NIGERIA



STATEMENT BY
H.E. CHIEF OLUSEGUN OBASANJO, GCFR,
PRESIDENT OF THE FEDERAL REPUBLIC OF NIGERIA
AT THE SUMMIT MEETING OF THE D-8 COUNTRIES
BALI, INDONESIA, 13TH MAY, 2006

Your Excellency, Dr. H. Susilo Bambang Yudhoyono

President of the Republic of Indonesia,

Your Excellencies,

Distinguished Ladies and Gentlemen,

On behalf of my delegation, let me express our profound thanks and appreciation to the Government and people of Indonesia, for the warm hospitality that has been extended to us since our arrival. Your splendid welcome, typical of the well-known traditional Indonesian hospitality, confirms the fraternal and historic bonds of friendship between our peoples.

Indonesia is a country of great historic value and importance to us the developing world. As the birth place of the Non-Aligned Movement more than half a century ago, Indonesia continues to represent in more ways than one, the epi-centre of the bold and collective efforts of the countries of the South, including members of the D-8 Forum, to confront our development challenges.

Your Excellencies, you will recall that 51 years ago, leaders of some developing nations, including the very few from independent Africa at that time, enacted a Declaration that became the platform for neutrality between the East and the West in international politics, the mantra for the struggle against colonialism, apartheid and racial discrimination, and the veritable instrument for economic emancipation and development for the developing countries. The solidarity engendered from that Declaration achieved its objectives and

continues to guide our efforts and inspire our peoples. It is therefore imperative that we continue to act in solidarity to advance our collective interests.

I am pleased to note the significant strides that we are making in Africa to move our nations forward in the quest for economic growth and development. Within the framework of the New Partnership for Africa's Development (NEPAD), development targets have been set and strategies mapped out for the realisation of our goals. Since its inception in 2001, this programme has achieved considerable success, and happily, has also continued to receive the overwhelming support and encouragement of the international community, including from D-8 group of countries. I wish to take this opportunity to thank the countries concerned for their support, and to appeal for the sustenance of the programme.

Our Summit today in Bali is taking place at a time when development issues such as poverty reduction and poverty eradication, unfavourable terms of trade, the fight against HIV/AIDS, Tuberculosis, Malaria and other infectious diseases, are still very much in the front burner of our preoccupations as leaders.

Indeed, only last week in Abuja, Nigeria, under the auspices of the African Union (AU), we hosted an important Summit dedicated exclusively to reviewing the progress and challenges confronting Africa in the fight against HIV/AIDS, Tuberculosis, Malaria and other infectious diseases. That review exercise, which brought together an array of Statesmen and Specialists on the issues, made clear that whilst significant progress had been made in the battle against the diseases, much more remained to be done.

Consequently, far-reaching decisions were taken on the issues. I am confident that here at the D-8 Summit, imaginative ways and means could be explored, to see how best this Forum can make a unique contribution.

Your Excellencies, it is pertinent also to mention the growing concerns being expressed concerning the realisation of the Millennium Development Goals (MDGs), as they relate in particular, to many Sub-Saharan African countries. These fears are not all together unfounded, given the statistics of low trade, incidence of political strife and conflicts; and depressing human development indices that give limited room for optimism.

In spite of these negative trends, we cannot but acknowledge a few recent developments which have occurred on the international scene which have impacted positively on our

development efforts. In this connection, the adoption in 2005 of the Gleneagles Agreement was a watershed in the global effort to accelerate progress in the achievement of some aspects of the Millennium Development Goals. The initiatives on the innovative finance for development, which include the International Finance Facility for Immunization, Air ticket Solidarity Levy and International Finance Facility, demonstrate renewed commitment to finding predictable and stable mechanisms for raising development funds.

Equally significant was the debt relief granted recently to many of our countries by the Paris Club, amounting to billions of dollars. For decades, the debt overhang had become an impediment to progress. This explains the commitment of Nigeria and the AU to working for debt relief and post-relief support in order to build new opportunities for growth, development and prosperity in Africa.

Let me once again, express appreciation for the understanding shown by the creditor nations of the Paris Club.

Your Excellencies, as members of the D-8 Forum, we have already agreed on a number of areas of cooperation among Member States. These include areas as diverse and as important as trade, industry, information and communication, finance, science and technology; agriculture, energy, environment, health, tourism, culture and sports.

At this Summit, we have the task and responsibility to continue in the tradition of our past efforts, to explore new vistas and opportunities to maximise cooperation in these fields. Collectively, we are duty-bound to continue to strengthen our cooperation in these critical areas for the mutual benefit of our countries and peoples.

We must never forget that the key to accelerated development lies in standing tall together in amity and solidarity.

I thank you for your attention.

STATEMENT

BY

H.E. MR. DATO' SERI ABDULLAH AHMAD BADAWI

PRIME MINISTER OF MALAYSIA

**STATEMENT BY
THE HONOURABLE ABDULLAH AHMAD BADAWI
PRIME MINISTER OF MALAYSIA
AT THE FIFTH D-8 SUMMIT
BALI, REPUBLIC OF INDONESIA
13 MAY 2006**

MR. CHAIRMAN,

**DISTINGUISHED HEADS OF STATE
AND GOVERNMENT,**

EXCELLENCIES,

LADIES AND GENTLEMEN,

**FIRST OF ALL, PLEASE ALLOW ME TO CONVEY MY OWN
AND MY DELEGATION'S SINCERE APPRECIATION AND
GRATITUDE TO HIS EXCELLENCY PRESIDENT SUSILO
BAMBANG YUDHOYONO, TO THE GOVERNMENT AND THE
PEOPLE OF THE REPUBLIC OF INDONESIA FOR HOSTING
THIS MEETING* WE WISH TO THANK THEM FOR THE
WARM RECEPTION AND GENEROUS HOSPITALITY
ACCORDED TO ALL OF US DURING OUR STAY IN THIS
BEAUTIFUL RESORT ISLAND OF BALI* WE APPRECIATE
ALSO THE GREAT CARE TAKEN TO ENSURE AN EFFICIENT
AND SMOOTH ORGANIZATION OF THIS SUMMIT***

2. BEFORE PROCEEDING FURTHER, I WISH TO PUT ON RECORD MALAYSIA'S APPRECIATION TO HIS EXCELLENCY PRESIDENT MAHMOUD AHMADINEJAD AND THE GOVERNMENT OF THE ISLAMIC REPUBLIC OF IRAN FOR ITS DYNAMIC LEADERSHIP OF OUR GROUP AS THE LAST CHAIRMAN* UNDER IRANIAN STEWARDSHIP, THE GROUP ORGANIZED VARIOUS MEETINGS TO DELIBERATE ON PROJECTS ENDORSED AT THE PREVIOUS SUMMIT* MOST IMPORTANTLY, IT WAS DURING THIS PERIOD THAT THE DELIBERATIONS ON THE PREFERENTIAL TRADE AGREEMENT BEGAN*

3. I WOULD ALSO LIKE TO TAKE THIS OPPORTUNITY TO EXPRESS OUR GRATITUDE TO HIS EXCELLENCY AYHAN KAMEL, THE EXECUTIVE DIRECTOR OF D-8, AS WELL AS TO HIS STAFF IN ISTANBUL, FOR THEIR SUPPORT IN COORDINATING ALL THE D-8 ACTIVITIES*

3a. LET ME EXPRESS MY CONDOLENCES TO PRESIDENT OBASANJO ON THE TRAJEDY THAT TOOK THE LIVES OF SOME 200 PEOPLE IN THE OIL PIPELINE EXPLOSION IN LAGOS.

MR. CHAIRMAN,
EXCELLENCIES,
LADIES AND GENTLEMEN,

4. AMONG THE MAIN OBJECTIVES OF THE D-8 GROUP IS TO IMPROVE THE ECONOMIES OF THE MEMBER COUNTRIES, GIVEN THE MANY CHALLENGES AND OPPORTUNITIES IN THIS ERA OF GLOBALIZATION* WE NEED TO MUSTER ADEQUATE RESOURCES AND ENHANCE COOPERATION BETWEEN MEMBER COUNTRIES TO MEET THESE CHALLENGES AAND AVAIL OURSELVES OF THE OPPORTUNITIES* FOR US IN D-8, OUR CURRENT COOPERATION MUST BE ENHANCED TO ENABLE FURTHER COLLABORATION BY SHARING TECHNICAL EXPERIENCE AND FOCUSING ON EXPANDING TRADE AND ECONOMIC TIES BETWEEN AND AMONG OURSELVES*

5. IT REQUIRES NO REPEATING TO RECALL THAT THERE WAS A TIME WHEN MUSLIMS EXCELLED IN VARIOUS FIELDS, INCLUDING POLITICS, PHILOSOPHY, THE MILITARY, SCIENCE, THE ARTS AND, HAD IN FACT, DOMINATED THE WORLD TRADE SCENE* OUR SHARED HISTORY IS IN STARK CONTRAST TO THE CURRENT CONTEXT, WHERE

MUSLIMS ARE WEAK, WITH MANY LIVING IN ABJECT POVERTY AND DEPLORABLE CONDITIONS* THE AVERAGE PER CAPITA INCOME OF THOSE LIVING IN ISLAMIC COUNTRIES NOW IS ROUGHLY \$1,100, COMPARED TO THE REST OF THE WORLD AVERAGE WHICH IS \$5,133* ABOUT 50% OF THE POPULATION OF ISLAMIC COUNTRIES LIVE ON LESS THAN \$2 A DAY, AN AMOUNT BARELY SUFFICIENT FOR SUBSISTENCE LIVING* POVERTY FOR MANY IN THE ISLAMIC WORLD HAS CREATED OTHER PROBLEMS SUCH AS ILLITERACY, MALNUTRITION, DISEASE AND CRIME* THE VICIOUS CIRCLE MUST BE BROKEN* POVERTY SHOULD NOT BE THE HALLMARK OF THESE ISLAMIC COUNTRIES*

6. THE FIGURES FOR TRADE BETWEEN AND AMONG D-8 COUNTRIES REMAIN UNINSPIRING* THE ANSWER FOR CHANGING THIS SITUATION LIES IN CONCRETE, CONCERTED AND COORDINATED ACTIONS BETWEEN OURSELVES*

7. I AM PLEASED TO NOTE, HOWEVER, THAT SOME OF OUR EFFORTS ARE STARTING TO BEAR FRUIT*

MALAYSIA WELCOMES THE SIGNING OF THE PREFERENTIAL TRADE AGREEMENT AND THE MULTILATERAL AGREEMENT ON ADMINISTRATIVE ASSISTANCE IN CUSTOMS MATTERS DURING OUR GATHERING HERE IN BALI* IT MARKS A MAJOR ACHIEVEMENT FOR THE GROUP* IT SHOWS THAT WITH POLITICAL WILL AND COMMITMENT, WE CAN INDEED MOVE FORWARD IN OUR DEVELOPMENT AGENDA* THESE AGREEMENTS MUST SPUR US TO REACH FOR GREATER HEIGHTS OF COOPERATION*

8. ALTHOUGH THE OFFER OF TARIFF CONCESSIONS AT THE INITIAL STAGE, UNDER THE PREFERENTIAL TRADE AGREEMENT, IS LIMITED TO ONLY 217 PRODUCTS, I HOPE THE ADVANTAGES DERIVED FROM ITS IMPLEMENTATION WILL INSTILL CONFIDENCE AND PROVIDE INVENTIVES FOR THE REMAINING ISLAMIC COUNTRIES TO JOIN THE AGREEMENT* I WISH TO CONGRATULATE OUR SENIOR OFFICIALS FOR THEIR HARD WORK AND PERSEVERANCE OVER THE PAST TWO YEARS WHICH HAS ENABLED THE AGREEMENT TO BE NOW FINALIZED*

**MR. CHAIRMAN,
EXCELLENCIES,
LADIES AND GENTLEMEN,**

9. ANOTHER STRATEGY WHICH WE SHOULD SERIOUSLY PURSUE IS TO ENGAGE THE PRIVATE SECTOR AGGRESSIVELY* I NOTE THAT THE RESPONSE OF OUR PRIVATE SECTOR TO THE BUSINESS FORUM AND TRADE FAIR IS ENCOURAGING* THIS SIDE EVENT MUST BE CONTINUOUSLY PROMOTED DURING FUTURE SUMMITS* WE SHOULD ALSO LOOK AT THE POSSIBILITY FOR US, AS HEADS OF STATE AND GOVERNMENT, TO DIALOGUE DIRECTLY WITH THE CORPORATE LEADERS AND DISCUSS THEIR CONCERNS*

10. THE FINANCIAL SERVICES INDUSTRY IS ONE AREA THAT WE, AS MUSLIM COUNTRIES, SHOULD CAPITALIZE AND SPEARHEAD ITS GROWTH AND DEVELOPMENT* WITH 1.8 BILLION MUSLIMS AROUND THE GLOBE, THERE IS A READY MARKET FOR ISLAMIC FINANCIAL SERVICES IN COMMERCIAL ACTIVITIES* MALAYSIA HAS SEEN STEADY PROGRESS IN THE ISLAMIC FINANCIAL SERVICES INDUSTRY* THERE IS DEFINITELY MUCH PROSPECTS FOR

ITS FURTHER GROWTH THROUGHOUT THE WORLD* IT WAS FIRST DEVELOPED AS AN ALTERNATIVE FORM OF FINANCING* HOWEVER, WITHIN A SPAN OF 40 YEARS IT HAS NOW GROWN INTO A VIABLE AND VIBRANT TOOL OF FINANCING* ALREADY, IT IS BEING PRACTICED IN OVER 60 COUNTRIES, INCLUDING THE MAJOR WORLD ECONOMIES*

11. I AM PLEASED TO INFORM THIS AUGUST BODY OF THE ESTABLISHMENT OF THE INTERNATIONAL CENTRE FOR EDUCATION IN ISLAMIC BANKING (INCEIF) IN MALAYSIA, WHICH WAS LAUNCHED IN MARCH 2006 WITH A TWO-PRONG OBJECTIVE, NAMELY:

- TO PRODUCE ISLAMIC FINANCE PROFESSIONALS AND EXPERTISE IN ORDER TO ADDRESS THE HUMAN CAPITAL NEEDS OF A RAPIDLY EXPANDING INDUSTRY; AND
- TO BE AT THE FOREFRONT IN DEVELOPING INNOVATIVE ISLAMIC FINANCIAL PRODUCTS*

THE GOVERNING COUNCIL OF I.N.C.E.I.F COMPRISES EXPERTS AND SCHOLARS IN THEIR RESPECTIVE FIELDS*

12. I THEREFORE CALL ON ALL D-8 COUNTRIES TO TAKE THE OPPORTUNITY OFFERED BY I.N.C.E.I.F* LET US ALL WORK TOGETHER NOT ONLY TOWARDS ENHANCING OUR RESPECTIVE CAPACITIES IN ISLAMIC FINANCE BUT ALSO TO JOINTLY SPEARHEAD THE FURTHER GROWTH OF THIS IMPORTANT SECTOR*

**MR. CHAIRMAN,
EXCELLENCIES,
LADIES AND GENTLEMEN,**

13. WE HAVE ALSO TAKEN COGNIZANCE OF THE VAST POTENTIAL OF HALAL PRODUCTS AND SERVICES* MALAYSIA HAS THEREFORE EMBARKED ON A PROGRAMME TO MAKE OUR COUNTRY A HALAL HUB FOR THE PRODUCTION AND DISTRIBUTION OF HALAL PRODUCTS AND SERVICES* BASED ON SIMPLE CALCULATION AND BY LOOKING AT THE PER CAPITA EXPENDITURE ON FOOD AMONG THE MUSLIM POPULATION AROUND THE WORLD, WE ESTIMATE THAT THE HALAL

FOOD MARKET IS WORTH AT LEAST USD 580 BILLION A YEAR* THIS AMOUNT DOES NOT INCLUDE THE LIKES OF LOGISTICS AND OTHER NON-FOOD ASPECTS OF THE INDUSTRY, WHICH IF ADDED ON, WOULD BE A MUCH BIGGER AND STAGGERING FIGURE* IN RECOGNITION OF THESE PROSPECTS AND POTENTIALS, MALAYSIA HOSTED THE FIRST WORLD HALAL FORUM LAST WEEK* THE FORUM SERVED AS A PLATFORM IN ADDRESSING VARIOUS ISSUES RELATED TO THE ESTABLISHMENT OF AN INTERNATIONALLY RECOGNIZED HALAL STANDARD TO ESTABLISH CONFIDENCE AND ACCEPTABILITY BY THE INTERNATIONAL COMMUNITY AS A WHOLE* MALAYSIA HAS ESTABLISHED THE HALAL INDUSTRY DEVELOPMENT CORPORATION (HDC), SO THAT IT COULD PLAY A LEADING ROLE IN DEVELOPING THE HALAL INDUSTRY IN MALAYSIA*

14. TO-DATE, MALAYSIA HAS ESTABLISHED THE STANDARD MS1500:2004 AS AN INTERNATIONAL BENCHMARK FOR THE CERTIFICATION OF HALAL PRODUCTS* I INVITE ALL D-8 MEMBERS TO LOOK INTO THE POSSIBILITY OF ADOPTING THIS STANDARD* I WOULD WELCOME THE AUTHORITIES RESPONSIBLE ON

THIS MATTER IN ALL D-8 COUNTRIES TO DISCUSS AND FAST-TRACK THE ESTABLISHMENT OF AN ACCEPTABLE INTERNATIONALLY RECOGNIZED STANDARD*

15. WE MUST NOT DELAY SECURING THE NICHE MARKET FOR HALAL PRODUCTS AND SERVICES WITHIN THE INTERNATIONAL TRADING AND INVESTMENT NETWORK*

**MR. CHAIRMAN,
EXCELLENCIES,
LADIES AND GENTLEMEN,**

16. IN OUR QUEST FOR ECONOMIC PROSPERITY, WE MUST NOT HOWEVER NEGLECT OUR CULTURE AND TRADITIONS* WE MUST NOT NEGLECT THE BASICS OF OUR RELIGION* IN OTHER WORDS, WE MUST RETURN TO THE TRUE TEACHINGS OF ISLAM, WHICH PREACH PEACE, JUSTICE AND COMPASSION* WE MUST NOT NEGLECT THE RESPONSIBILITY ASSIGNED UPON OUR SHOULDERS BY THE ALMIGHTY* WE MUST CONTINUOUSLY STRIVE TO FOSTER THE NOBLE VALUES AND IDEALS OF ISLAM, PROGRESSIVELY AND HOLISTICALLY*

17. IT IS IN THIS CONTEXT THAT THE GOVERNMENT THAT I NOW LEAD IN MALAYSIA HAS EMBARKED ON A

PROGRAMME TO COMMUNICATE A PROPER APPRECIATION AND UNDERSTANDING OF ISLAM AS A FORCE FOR GOOD, FOR PROGRESS, FOR DEVELOPMENT* WE CALL THE APPROACH ISLAM HADHARI, WHICH HAS THE OBJECTIVE OF ACHIEVING A PROGRESSIVE COMMUNITY THAT IS COMPATIBLE WITH MODERNITY AND YET FIRMLY ROOTED IN THE NOBLE VALUES AND INJUNCTIONS OF ISLAM* I HAVE SPOKEN ON THIS SUBJECT IN MANY COUNTRIES, INCLUDING NON ISLAMIC COUNTRIES, AND EXPLAINED THAT ISLAM HADHARI OR CIVILIZATIONAL ISLAM IS A COMPREHENSIVE APPROACH FOR THE DEVELOPMENT OF MANKIND, SOCIETY AND COUNTRY BASED ON THE PERSPECTIVE OF ISLAMIC TEACHINGS AND ISLAMIC CIVILIZATION*

EXCELLENCIES,
LADIES AND GENTLEMEN,

18. OUR COUNTRIES WILL NOT BE ABLE TO ACHIEVE THEIR FULL ECONOMIC POTENTIALS IF WE DO NOT ADDRESS ONE OF THE MOST FUNDAMENTAL ISSUES PERTAINING TO GOOD GOVERNANCE* I AM REFERRING TO THE ERADICATION OF CORRUPTION IN THE

MANAGEMENT OF OUR RESPECTIVE ECONOMIES*
CORRUPTION BENEFITS ONLY A FEW AT THE EXPENSE OF
THE MANY* CORRUPTION DISRUPTS THE ENTIRE
GOVERNMENTAL PROCESS, UNDERMINES MORALITY AND
ERODES ETHICAL BEHAVIOUR* AS A CONTRIBUTION TO
THE CAMPAIGN AGAINST CORRUPTION, I AM PLEASED TO
INFORM YOU THAT MALAYSIA WILL BE ORGANIZING A
FORUM ON ANTI-CORRUPTION AND ENHANCING INTEGRITY
INITIATIVES EXCLUSIVELY FOR O.I.C COUNTRIES, LATER
THIS YEAR IN AUGUST* INVITATIONS HAVE BEEN SENT
OUT AND I LOOK FORWARD TO THE ACTIVE
PARTICIPATION FROM D-8 MEMBERS*

MR. CHAIRMAN,
LADIES AND GENTLEMEN,

19. LET ME CONCLUDE BY CONGRATULATING THE
REPUBLIC OF INDONESIA ON ITS ASSUMPTION OF THE
CHAIRMANSHIP OF THE D-8* IT IS MY EARNEST HOPE
THAT THE D-8 WOULD BE TAKEN TO NEW HEIGHTS AND
ACHIEVE MANY SUCCESSES UNDER INDONESIA'S ABLE
LEADERSHIP* WITH STRONG SUPPORT FROM ALL D-8
MEMBER COUNTRIES, I AM CONFIDENT THAT INDONESIA

WILL SUCCEED* MALAYSIA LOOKS FORWARD TO
HOSTING THE SIXTH D-8 SUMMIT IN 2008, INSYA ALLAH*
IN THE MEANTIME, LET US PRAY TO ALLAH THE ALMIGHTY
TO BESTOW UPON US WISDOM, STRENGTH AND
DETERMINATION TO BETTER SERVE THE UMMAH, NOT
ONLY IN OUR RESPECTIVE COUNTRIES BUT ALSO
THROUGHOUT THE ISLAMIC WORLD*

THANK YOU*

STATEMENT

BY

H.E. MR. SHAUKAT AZIS

PRIME MINISTER OF THE

ISLAMIC REPUBLIC OF PAKISTAN

ADDRESS BY PRIME MINISTER OF PAKISTAN
MR. SHAUKAT AZIZ
AT THE FIFTH D-8 SUMMIT IN BALL,
ON 13 MAY 2006

Your Excellency
President Susilo Bambang Yudhoyono

Excellencies,

Ladies and Gentlemen,

Our organization, the Developing-8, represents the collective will of the most populous Muslim nations in the world to join together for promoting the larger interests of the Ummah. It was and remains our belief that collectively we can be the engine for growth in the Muslim world. We have the necessary human and material resources, the geographic size, the demographic capacity, and of course the potential economic power to fulfill these objectives.

Over the last nine years, the D-8 has made steady progress. However, this progress is far below our true collective potential. Indeed our organization represents a microcosm of the Muslim and the developing world. The D-8 has tremendous human talent with its industrious and ingenious people. Some of us have great material resources such as oil and gas. The Muslim world, which stretches from Africa to the Pacific Ocean, has a central and geo-strategic location. Our peoples comprise a fifth of humanity. Many of us feel that we have not been able to leverage these advantages to our benefit. We therefore, need to ask ourselves as to what are the challenges before us that have prevented us from achieving our true potential.

Mr. President,

Allow me to share with you my views as to what these challenges are and how we need to overcome them in order to benefit from the opportunities that are within our grasp.

Most importantly, we need to ensure greater unity within the Muslim world. We must recognize that it will be only through sharing of our best practices and resources, and collectively responding to global challenges that we can help each other to help ourselves.

We must build interdependencies and complementarities to create a win- win situation for all. No matter how wealthy and powerful be any nation amongst us, individually it will always be at a disadvantage. Our strength lies in unity and collective action.

Another challenge before us is the negative image that exists about Islam and Muslims in the rest of the world. Unfortunately the actions of a few extremist elements have been wrongly used to tarnish the entire Muslim community. It is our responsibility to change this image. We need to project Islam in its correct perspective as a religion of peace, harmony and tolerance. We need to emphasize that the overwhelming majority of Muslims around the world are peace loving, hard working and law abiding people.

It is, therefore, incumbent upon us to project the true values of Islam to our detractors. This must be done through an inter faith and inter cultural dialogue which promotes better understanding and empathy for each other.

Muslim societies must also learn to reform themselves. We need to provide our people with better governance, economic prosperity and social justice. This is essential to ensure progress and to unleash the potential of our people.

We must revive the spirit of learning and enquiry which had laid the foundations for the glorious Islamic civilization. We must focus on modern disciplines, enhancing the acquisition of scientific and technological knowledge amongst our people. We must be in the lead to push the boundaries of knowledge in areas such as information technology, genetic engineering and nano-technology.

The D-8 should set an example for promoting greater trade and investment opportunities within the Muslim world. Over the last five years, inter D-8 trade has increased from 14.5 billion to 33 billion dollars. This demonstrates that we have the capacity to augment trade even further. This growth can be enhanced by extending our trade relations with the rest of the Ummah as we are obliged to do as members of the OIC.

Mr. President,

We need to reform and restructure our economies to benefit from international capital flows and Foreign Direct Investment. In particular, we should encourage and promote investment from energy rich countries to the capital deficient nations. There should be a greater emphasis, therefore, on investments and transfer of capital amongst our members.

Mr. President,

Cooperation in the defence sphere is another area which could be explored to promote the collective interests of the Muslim world. For instance several of our countries, including Pakistan, have made significant strides in indigenous defence production capability. We must share our capabilities to enhance our individual and collective security interests.

Cooperation in other areas such as tourism, especially eco-tourism, cultural and student exchanges, people to people contacts should be increased between our countries and the Islamic world as a whole. This will require a more liberal visa regime amongst ourselves which is also necessary to facilitate trade and commerce between us.

Excellencies, Ladies and Gentlemen,

The Developing-Eight provides the institutional framework for achieving our shared vision that I have laid before you. I am glad that we have reached agreement to strengthen the Secretariat by upgrading the post of Executive Director to the Secretary General level. The Executive Director has done a very efficient job, but we need to move forward. In my view it will be imperative to further strengthen this institution in order to achieve our common objectives.

I also welcome the signing of the Preferential Trade and Customs Agreements. We must now make focused efforts to ensure the implementation of these agreements. We will be happy to host the first meeting for finalizing an agreement on the Rules of Origin which will be an important enabling step in our trade facilitation regime.

I am happy to announce that Pakistan has now ratified the visa facilitation agreement for businessmen. We hope that other countries will also ratify this agreement at the earliest so that it can be made effective.

We welcome the holding of the D-8 Business Forum and a Trade Exhibition to coincide with the Bali Summit. I am confident that the involvement of the private sector with the D-8 activities will enrich our cooperation in diverse fields. We are, therefore, encouraged by the enthusiastic participation of entrepreneurs, investors, traders and business-executives in this Forum.

Mr. President,

I would like to briefly share with you our efforts to reposition and revitalize Pakistan as a dynamic, progressive and modern Islamic state in a fast changing global environment.

Over the past six years, our government has implemented wide-ranging and broad-based structural reforms. We have improved governance through transparency and accountability; empowered the people from the grassroots to the provincial and federal levels, in particular women and minorities. We have a proactive opposition and a vibrant free media.

Our economic reforms have been based on the principles of deregulation, liberalization and privatization, which have ensured a sustained, upward growth trajectory. Pakistan's growth rate was one of the highest in the world last year. All sectors of our economy are open for Foreign Direct Investment. Our exports are increasing and diversifying into new areas. Foreign exchange reserves are growing. The fiscal deficit has been reduced. Per capita income has increased.

In the social sector, we have initiated wide ranging poverty alleviation programmes, including micro-financing, food support and rural and urban development programmes. A major focus of the Government is on improving the quality of education and the health delivery services. We want to invest in our human resources, our greatest asset, which is the focus of our next generation reforms. We are committed to building a knowledge based

economy.

Mr. President,

Another area of high priority for my government is the IT sector. The total value of some of the ongoing IT projects in the public and private sector exceed US\$ 100 million. But there is tremendous room for increase.

We are also promoting a nation-wide programme of technical education and vocational training to evolve a highly skilled workforce as well as promote greater employment opportunities for our people.

Mr. President, Sir,

Pakistan is playing pivotal role to ensure international peace and security. We are strategically located at the cross-roads between three vital regions of the world – South Asia, Central Asia and West Asia. We are developing our road and rail infrastructure as well as air links to serve as a bridgehead connecting all these regions through corridors of cooperation, involving oil and gas pipelines, electricity grids, trade and tourism.

These growing linkages will generate intra-regional growth and development, thus creating the conditions for greater peace, stability and progress.

Mr. President,

In South Asia, Pakistan is pursuing a composite dialogue process with our neighbour India to resolve all outstanding issues especially the core dispute of Jammu and Kashmir in accordance with the wishes of the Kashmiri people.

Mr. President,

Terrorism is a menace that affects us all. Pakistan is playing a key role in the international campaign against terrorism. As a victim ourselves, we condemn terrorism in all its forms and manifestations. We also believe that a durable solution of this problem requires addressing the root causes of terrorism. Moreover, we must reject the malicious linkage that is

being drawn between terrorism and Islam.

Mr. President,

I would like to express my deep appreciation for the warm welcome and generous hospitality extended to myself and my delegation in the true traditions of your beautiful country, It is a pleasure to be in this enchanting island of Bali.

Our two countries have a rich history of friendship and cooperation dating back to the support extended by your leaders for our freedom movement. Pakistan was also in the forefront of supporting the Indonesian freedom struggle.

We in Pakistan greatly admire the tolerant and inclusive manner in which Indonesia's multi-ethnic identity has been preserved. Your experience provides a valuable lesson for all of us, especially in today's world. As a country with the largest Muslim population, Indonesia has a major role in the Muslim Ummah.

Mr. President,

Under your dynamic leadership which enjoys the overwhelming support of the Indonesian people, remarkable progress has been made as a result of your far reaching reforms. This has ensured impressive growth in the country. We are encouraged by your progress and admire your achievements. We wish you every success in the future.

Mr. President,

Before concluding, on behalf of the Government and people of Pakistan I want to assure you of our full support for the efforts that you will be making as the Chairman of the D-8 in the coming two years. I am confident that under your sagacious and inspiring leadership, our organization will be able to make unprecedented progress. The task before us is to energize the organization and pursue its activities in a focused and result oriented manner. We need to build complementarities in order to create a win-win for all members. Our multidimensional cooperation must achieve tangible results in the areas of D-8 activities, especially to promote trade and investment among member states. It is imperative for us to create synergies in these fields. I am confident that we can make a difference which

will contribute towards changing the future of the D-8 and enable us to achieve the goals to which we have dedicated ourselves nine years ago when this organization was established.

Our Organization has great potential. We need to work together to influence our destiny. We must demonstrate the resolve to ensure unity amongst us, open up our minds, learn to collaborate, cooperate and coexist in a rapidly changing world. This will eventually ensure the attainment of peace, progress and prosperity for our people.

Mr. President,

I would also take this opportunity to express our condolences for the tragic event in Nigeria yesterday. We pray for the departed and for the people and Government of Nigeria to have the fortitude to overcome this suffering.

Thank you.

STATEMENT

BY

H.E. MR. RECEP TAYYIP ERDOĞAN

PRIME MINISTER OF THE REPUBLIC OF TURKEY

Statement of H.E. Recep Tayyip ERDOĞAN,
Prime Minister of the Republic of Turkey
at the Fifth Summit of D-8
(13 May 2006, Bali)

Honorable Heads of State and Government
Distinguished Colleagues

I have the pleasure to address the distinguished Heads of State and Government of the Member States of the D-8. Using this opportunity, I would like to congratulate our host, the Government of the Republic of Indonesia, for successfully organizing this important meeting and I extend my thanks and appreciation for their warm hospitality.

Turkey attaches great importance to the cooperation among the members of the D-8 and remains committed to the goals and objectives of the İstanbul Declaration. We are all aware of the great potential of D-8 with its vast natural and human resources. When we initiated the D-8, our common purpose was to strengthen our economies and prosperity of our Nations through cooperation. Today, it continues to be our main target.

However, we should admit that in the first 9 years, we have not been able to realize most of the projects which we envisaged, when we signed the İstanbul declaration in 1997. Yet, we should not expect the D-8 to perform fully its functions in such a short period of time, and with such limited financial means, as well as organizational shortcomings. There is no international body that could achieve this in the world.

The secretarial services of the D-8 have been conducted by the Office of the Executive Director with a very small but dedicated staff. In my view, gradual expansion of the activities of the D-8 has recently led us to establish a small and effective Permanent Secretariat with an adequate number of experts.

Dear Colleagues,

I firmly believe that we should continue to pursue our targets with dedication and patience. Trade and investment should be two priority areas of the D-8. Progress in these two areas will be the driving force in furthering our cooperation. As you know, trade is the most important nexus among nations. Trade has been central to the evolution of international relations. The modern

market economy makes international trade still important, even more so in the global world. Because there are no boundaries in the world now, regarding the flow of goods and services. Firstly, international companies were replaced by the transnational companies. Now, from my point of view, the best description, would be the “global companies”. This is a new situation. This process, which started with the revolution in communication technologies, gained acceleration since the end of the Cold War. Furthermore, we should admit that globalization has transformed into a wave in which it has its own opponents. We should not forget that under these circumstances, only those who are capable of adaptation and transformation can survive, and those, who can not cope with them, face a difficult process. Therefore I would like to say that “let there be liberalization”. We should not limit ourselves only to refresh our internal dynamics through freedom of entrepreneurship, belief and thought. Moreover, we should update all the parameters of our foreign policies. For instance, let’s quit the expressions of old era such as “foreign investment” and consider the concept of “global investment”.

In this context, I would like to share our experience with you. Turkey was relatively late in capturing the benefits of international trade. Only after the 1980s, Turkey adopted export oriented growth policies and international trade has become a priority. We see that our companies have been quite successful in competing in the world markets when we have cleared away the obstacles they have had. In the last three years, since we came to power, our foreign trade increased by more than two times from USD 87.6 billion to USD 189.9 billion. In this process, Turkey became the 17th biggest economy in the world. Our target is to be among the top ten biggest economies of the world in 2012. Until the year 2003, the total flow of global investment (I am not saying “foreign investment”) that came to Turkey, excluding exceptional situations, has never been more than USD 1 billion on annual basis. But, this figure reached to USD 9.7 billion with a record in 2005. So, Turkey has become a country of opportunities in such a short time of three years by our policy of openness.

For this reason, Turkey fully supports the liberalization of trade among the D-8 member states and the efforts towards the gradual elimination of non-tariff barriers. We believe that this will increase the volume of trade among the D-8 members.

Today, I am happy to see that we have been successful in concluding two important Agreements. Today, we are signing “Preferential Trade Agreement” and “Multilateral Agreement on Administrative Assistance in Customs Matters”. We are now looking forward to a speedy ratification of the Agreements. As you all know, Preferential Trade Agreement can be meaningful only with the completion of Draft Rules of Origin. Therefore, we should keep this positive

momentum with respect to the negotiations in that field. We assess that it is high time to carry trade to the levels that actually reflect the true potentials of the member countries of D-8.

In the time-frame ahead of us, we should give special importance and precedence to trade promotional activities such as trade missions, tradeshow participations, and through seminars, conferences and meetings to create awareness among our business communities. The role of our private sectors is of crucial importance to enhance trade and investment among us. Therefore we should continue to encourage activities such as D-8 Trade Exhibition and Business Forum, which took place during our Summit meeting. I believe that such events are important opportunities for creating concrete cooperation projects.

At this point I would also like to draw your attention to the "Agreement on the Simplification of Visa Procedures for Businessman" which we signed long time ago but not yet ratified. If we want to give our private sectors a positive sign we should expedite the ratification process of this Agreement.

Turkey also attaches importance to other areas of cooperation in D-8 such as industrial research and development, finance-banking and privatization, environment, tourism and shipping. We should urge our relevant bodies to intensify their work on D-8 projects and to actively participate in D-8 meetings.

Distinguished Colleagues,

While we try to cope with the dangers and risks of globalization, we should seek together to use the opportunities and chances offered by it. The point we reached on October 3rd 2005, in our relations with the EU, is a strong response to those who argue that there is unbridgeable divergence between different cultures and beliefs. We will pave the way for the globalization of our common values by developing economic, humanitarian and politic relations with the EU. Turkey's membership to the EU will consolidate our role between Islamic World and the West and will provide economic and cultural benefits for the both sides. Our experience shows that, peace and cooperation can be possible by harmonizing our traditional values with universal principles. Our membership to the EU will be the most striking example of this.

I believe that at this critical juncture in the history of mankind, it is the collective responsibility of all nations to work towards dispelling the misperceptions and doubts that may exist between different cultures and religions. Therefore the "Alliance of Civilizations" initiative which we co-sponsor with Spain under the aegis of the UN Secretary General has particular

importance. I think that the initiative will lead the way to a peaceful and prosperous world by bringing different cultures around universal values. This is a significant chance for making peace a global value, instead of war. I count on your support for this initiative. We should never forget that the driving force for progress in the 21st century will not be war and conflict but positive competition and conciliation.

Distinguished Colleagues,

We attach great importance to the Doha Development Agenda and believe that timely and fair conclusion of the negotiations is important for all countries. However, after intensive negotiations in the last five years, we are far from a successful outcome in Doha Round, mainly because we still could not find a way to balance our domestic legislation with international norms. It seems that domestic policies have become pressing more than ever. This inevitably affects the way trade talks go. The result is, usually, slowing down of further liberalization in trade.

The Hong Kong Ministerial Conference certainly did not meet all the expectations, specifically in defining all the steps that should be taken for a successful conclusion of the Doha Development Round, but it provides a basis to achieve a compromise. Before the Hong Kong Ministerial, there have been certain arguments suggesting that the regional integration initiatives would take priority over the WTO system, in case of any failure with regard to Hong Kong Ministerial Conference.

Contrary to these expectations, the successful completion of the meetings proved the members' commitment to the multilateral trading system. However, like many other countries, regional integration arrangements still continue to be one of the key elements of Turkish foreign policy. We assess that regional integrations, on condition that they do not constitute separate blocks, have positive overall impacts on international trade, and are complementary instruments to the multilateral trading system.

Distinguished Colleagues,

Last but not least, I would like to express our sincere thanks to the President of Iran, H.E. Mahmoud Ahmedinejad, for his valuable contributions to the D-8 during the presidency of Iran.

Let me also wish every success to Indonesia for their presidency of the D-8. I would like to express our readiness to render every support during Indonesia's term of presidency.

I believe that this Summit will contribute to the development of our countries and to the well-being of our people.

Thank You

STATEMENT

BY

H.E. MR. M. MORSHED KHAN

FOREIGN MINISTER OF THE

PEOPLE'S REPUBLIC OF BANGLADESH

Statement by His Excellency Mr. M. Morshed Khan, Foreign Minister of Bangladesh, at the 5th D-8 Summit, 13 May 2006, Bali, Indonesia

Mr. Chairman, President Dr. Haji Susilo Bambang Yudhooono,
Honourable Heads of States and Governments of the D8 countries
Distinguished Guests,
Excellencies,
Ladies and Gentlemen,

Assalamu Alaikum wa Rahmatullahi wa Brakatuhu

I am delighted to be here in this beautiful island of Bali to attend the 5th D-8 Summit. Prime Minister of Bangladesh Begum Khaleda Zia was looking forward to attend this Summit. However, urgent preoccupations at home prevented her from attending this very important event. She has asked me, to convey on her behalf, her good wishes to you all and to the success of the Summit.

Mr. Chairman,

Allow me to express my felicitations to the Government of the Republic of Indonesia for assuming the leadership of D-8. We are confident that under the dynamic and farsighted leadership of your great country, our organization would get much needed momentum in order to fulfill the high expectations of our peoples.

I would be remiss, if I do not record our deep appreciation to the Government of the Islamic Republic of Iran for the leadership provided during the last two years.

Mr. Chairman,

We have always believed that D-8 held out great prospects. Indeed, D-8 has made some progress in identifying areas of cooperation, concluding some basic agreements and networking our peoples and institutions. But for an organization that is nearing the completion of almost a decade of existence, the achievements are few and far between. The onus remains on us, the member states, to take a hard look at where things are and what could have been done better. Let us all focus on making the D-8 an organization that touches our peoples and makes a difference in their lives.

Mr. Chairman,

The Bali Summit is a step towards fulfilling the goals and objectives we had adopted in the Istanbul, Dhaka, Cairo and Tehran Summits. In doing that, trade and investment, I believe, should top our list of priorities. Intra D-8 trade and investment, though growing, are far from their potentials. My delegation is happy that today we are concluding two important D-8 agreements on preferential trade as well as customs cooperation. No doubt they would provide a fresh impetus towards increasing the intra D-8 trade. However, it would be in their implementation that we, the member countries, would prove our commitment to take the D-8 forward.

In the rapidly globalizing post-WTO world, we must create the enabling environment for unlocking the potential of our private sectors by acting as catalysts and playing the role

of a facilitator and helping them to forge sustainable partnerships. In this context, I welcome the commendable initiatives of the host country in organizing the Business Forum and the D-8 Trade Exhibition parallel to this Summit. I have noticed over the last three days that these events have generated much enthusiasm among the private sector participants and promoted better understanding of the market opportunities existing in the member countries.

Mr. Chairman,

The D-8 member countries are not contiguous. Our economies do not compliment each other all the time. But each one of us has success stories in the area of economic and social development that others can replicate and benefit from. Bangladesh is prepared to share her home grown ideas and experiences in the areas of micro-credit, disease prevention and primary healthcare, women empowerment, girls' education, sanitation and disaster management. All these have contributed to rural development in Bangladesh. I hope the forthcoming D-8 workshop on rural development in Dhaka will provide a forum for exchange of many good practices.

Mr. Chairman,

In today's world new challenges confront us as we strive to achieve national development. The widening of the digital divide between the developed and the developing countries, the spread of pandemic diseases and vulnerability to natural disasters all require concerted efforts and partnerships to overcome. We in the D-8 can effectively collaborate in addressing these challenges by jointly developing high technology projects, by providing affordable medicine and health care and by putting in place an effective early warning system to reduce the loss of life and property in times of natural disaster. We hope the Bali Summit Declaration will appropriately address these and other important issues.

The post 9-11 world has brought another challenge to our doorsteps. Many of our countries have painful experiences of acts of terrorism, which not only affect our daily lives, but also tend to portray a detrimental image of Islam. Terrorism affects us all and affects us indiscriminately. From their sad experience, the friendly people of Bali and others in many parts of the world know all too well that there could never be any justification for acts of terrorism under any pretext. I assert that a terrorist must be identified as a terrorist only, irrespective of his or her color, creed and religion. Bangladesh condemns terrorism in all its forms and manifestations. In this context we welcome the call in the Bali Summit to further promote dialogue and communications among different cultures and civilizations.

Mr. Chairman,

Before I conclude, let me thank our host, the government and the brotherly people of Indonesia, for the warm welcome and gracious hospitality extended to me and to my delegation and the excellent arrangements made for this Summit.

I thank you, Mr. Chairman.
Teri Makasi Baniak.

STATEMENT

BY

H.E. MADAM FAYZA ABOULNAGA

MINISTER FOR INTERNATIONAL COOPERATION OF

THE ARAB REPUBLIC OF EGYPT

**Egyptian Statement
At the Fifth D8 Summit
Bali, Indonesia- 13 May 2006**

In the name of Allah the Merciful and the Compassionate,

You Excellency, the President of the Republic of Indonesia,
Your Excellencies, the Presidents of the D8 Countries,
Your Excellencies Heads of Governments,
Your Excellencies Ministers and Heads of Delegations,
Your Excellencies the Executive Director, and the D8 Commissioners,

Let me start by conveying to your Excellencies the warm greetings of President Mohammed Hosni Mubarak, who is unable to participate in this summit, as he is leading the Egyptian delegation today to the High Level Joint Committee with Morocco that has been scheduled a long time ago.

President Mubarak also wishes to convey to his Excellency the President of the Republic of Indonesia and the Indonesian people and government his appreciation for hosting this summit. President Mubarak is confident that under the wise leadership of President Susilo Bambang Yudhoyono, the D8 will play a crucial role in shaping the rapid global developments.

It is my honour and privilege to relay to your excellencies President Mubarak's message to the summit:

Dear brothers,
Excellencies, Heads of State and Governments of the D8 countries,

You will all recall that, when we had established the D8 Group in 1977, our objective was to promote stronger relations and economic ties among our eight countries. This group was envisioned as a vehicle for strengthening cooperation throughout the Islamic world, and enable us to interact with international entities and cope with global challenges.

Indonesia has always embraced new initiatives in the developing world, and shared with Egypt the honour of creating the Non-aligned Movement in Bandung. Today, the Bali summit holds the promise to be a landmark event with the adoption of the Preferential Trade and Customs Cooperation Treaties. With these treaties, I believe that we laid the foundations for creating a dynamic group which truly promotes trade liberalisation. As this becomes a reality, it will play a decisive role in helping to meet our people's aspirations of development, prosperity and poverty alleviation.

Your Excellencies,

Throughout the past two decades, the world has undergone profound changes, with immense effects on countries and societies.

The world's growing interdependence and more intensive interaction through ever-increasing trade liberalisation, free mobility of goods, services, people and, more importantly, ideas, have left a lasting imprint on our countries.

I do believe that through concerted efforts, the D8 has the potential to become the locomotive for socioeconomic development in both the Islamic and developing worlds.

An important accomplishment of the D8, over the past few years, has been the doubling of our intra-trade volume. However, as the report of D8's Executive Director notes, such an increase remains modest, particularly when contrasted to the significant potentials of our countries. It is therefore my sincere belief that the conclusion of both these new treaties lays the ground for a better performance in our trade relations.

Excellencies,

Within the D8, we certainly recognise that realising our full potential requires greater momentum in our efforts to further integrate our economies. We must also seek to institute measures that would allow us to fully harness the benefits of an increasingly globalised world economy.

Our cooperation in the areas of trade facilitation and economic integration must also serve the all-important objective of ensuring our nations' realisation of the principles enunciated in the Millennium Development Goals.

Excellencies,

The challenges we are facing in restructuring the world order, either politically or economically, come at a time when all our countries are involved in serious and restructuring efforts. Yet, on the other hand, we all enjoy a common ground of values that binds us together in our endeavour to achieve development and prosperity, and facilitates cooperation in different spheres and at different levels.

Thus, by bringing our efforts together, we can build an effective framework of cooperation that should not only be limited to trade, but rather to a wider frame that encompasses investment, and joint ventures in leading economic sectors.

Egypt is unwavering in its commitment to the objectives and principles of the D8. We are also dedicated to the creation of an environment conducive to fostering harmonious relations among our countries.

Our common cultural heritage supports the growth potential of our activities in all spheres of development within the D8 Group and throughout the Islamic world.

Finally, I would like to wish the Bali summit success in bearing a fruitful outcome that would benefit our people; and I pray for God's guidance to pursue the right path to serve our nations.

Thank you

This concludes the President's message.

PART II

DOCUMENTS ADOPTED

AGENDA OF THE V. SUMMIT

AGENDA
FIFTH D-8 SUMMIT
(Bali, Indonesia)
13 May 2006

1. Welcoming Statement by H.E President of the Republic of Indonesia
2. Statement by H.E. President of the Islamic Republic of Iran to hand over the D-8 Chairmanship
3. Adoption of the Draft Agenda
4. General Statements by the Heads of State/Government/Delegate
5. Presentation and Consideration of the Report of the IX Session of the Council of Foreign Ministers
6. The Signing Ceremony of the Preferential Trade Agreement and the Multilateral Agreement on Administrative Assistance in Customs Matters (by D-8 Ministers in the presence of the Heads of State/Government/Delegate)
7. Retreat Meeting of Heads of State/Government/Delegate
8. Consideration and Adoption of the Bali Declaration
9. Closing Remarks

BALI DECLARATION

BALI DECLARATION OF THE DEVELOPING EIGHT COUNTRIES

1. We, the Heads of State/Government of the People's Republic of Bangladesh, Arab Republic of Egypt, Republic of Indonesia, Islamic Republic of Iran, Malaysia, Federal Republic of Nigeria, Islamic Republic of Pakistan and Republic of Turkey met in Bali, Indonesia on the 13th of May 2006 for the Fifth Summit of the Developing Eight (D-8). We reaffirm our commitment to continue pursuing the goals and objectives set out in the Declarations of Istanbul, Dhaka, Cairo and Tehran.
2. We welcome the signing of the Preferential Trade Agreement (PTA) and the Multilateral Agreement Among D-8 Member Countries on Administrative Assistance in Customs Matters at this Summit in Bali, as a milestone to achieve the objectives of promoting and enhancing D-8 intra trade cooperation.
3. Having reviewed the global economic developments and current progress of the D-8 cooperation, we underline the need to formulate new strategies, policies and measures to effectively enhance D-8 cooperation as our common efforts in overcoming basic problems of poverty to achieve sustainable development.
4. We note with great concern the ever increasing economic disparities between developed and developing countries in the current era of globalization. This prevailing imbalance should be overcome through closer collaboration between development partners, international development agencies, multilateral financing institutions, and related cooperation mechanisms. In this regard, we call for greater international support for the development efforts of the developing countries. We also commit ourselves to work together to solve the problem of economic disparities within our countries.
5. We call upon the international community to undertake concerted actions in achieving the Millennium Development Goals, in particular to halve the world poverty by 2015.
6. We emphasize the need to address the problems of debt of developing countries by adopting an effective, comprehensive, equitable, durable and development oriented solutions, particularly through debt cancellation, debt rescheduling, debt swaps for development and alternative mechanisms for debt management, as well as the fulfillment of commitment of 0.7% of the GNP of the developed countries as Official Development Assistance, and increased financial flows to the developing countries.
7. We note the positive development during the 6th WTO Ministerial Conference in Hong Kong, on 13-18 December 2005, particularly concerning the negotiation of agricultural products of the developing countries. We further urge all WTO member states to continue supporting any measures and practices that will allow the improvement of market access for products and services from developing countries in accordance with the spirit of free trade for the benefit for all states.

8. We recognize the need for universal membership of the WTO and call on members of the WTO to accelerate the application and accession process of all developing countries, based on non-discriminatory principles. In this context, we express our full support for a speedy accession process of the Islamic Republic of Iran to the WTO.
9. In addressing the global energy crisis caused particularly by the unstable oil price, we reaffirm our commitment to enhance cooperation in the field of energy to develop alternative and renewable energy resources, among others bio-fuel, biomass, hydro, solar, wind and the use of nuclear energy for peaceful purposes.
10. We note the digital divide between the developed and developing countries. We also note the fact that the new millennium is being driven by the emerging technologies of ICT, space technology and bio-technology. We therefore urge member countries of the D-8 to redouble their efforts to be key participants and evolve cooperation in these technologies. We also give particular importance to develop high technology projects among the members.
11. We note with deepest concern the threat of the spread of pandemic diseases, such as avian influenza, HIV/AIDS, malaria and tuberculosis, which have claimed many lives and caused adverse social and economic impact. We urge the international community, especially the World Health Organization, to undertake concrete measures and actions to overcome the spread of the diseases, as well as to develop a cure and provide affordable medicine for the poor.
12. We express our concern over the crisis following the publication of insulting caricatures of Prophet Muhammad Peace Be Upon Him, which has deeply offended Muslim populations worldwide. We underline that the right for freedom of expression must be exercised responsibly and not to be used as a pretext for incitement to hatred or insult towards any belief or religion. We call upon the international community to promote dialogue among civilizations in establishing deeper understanding of values and beliefs and strengthen the unity and solidarity amongst communities. In this respect, we welcome the "Alliance of Civilizations" initiative under the aegis of the United Nations Secretary General as a direct and timely response to this challenge.
13. We are cognizant of the need to improve coordination and cooperation among our member countries in order to enable us to participate more actively in the process of globalization, and to support our respective national development.
14. We emphasize the need for the strengthening of cooperation among our member countries in all international organizations relevant to the D-8 scope of cooperation.
15. We emphasize the importance of D-8 in contributing to the economic development of its member countries, and ensure that it promotes global trade.

16. We recognize that the expansion of D-8 intra trade has emerged as the most promising area of cooperation and has given a stimulus to the other sectors in the D-8 economies, and as such is expected to create a synergy for their overall development.
17. Having signed the Preferential Trade Agreement (PTA) and the Multilateral Agreement on Administrative Assistance on Custom Matters, we instruct the High Level Trade Officials (HLTO) through the Commission to finalize the draft text of Rules of Origin for the implementation of the PTA. We invite the member countries to ratify these two Agreements speedily so that they enter into force at an early date.
18. We take note with satisfaction that the D-8 intra trade achieved a significant growth from USD 14.5 billion in 1999 to USD 33 billion in 2004 which represents an increase of about 127% in five years, a rate which is much higher than the 84% growth of overall trade of the members with the rest of the world. We believe that there is a greater scope for the expansion of trade, given the fact that the D-8 overall trade reached USD 730 billion in 2004. We strongly believe that with the entry into force of the two Agreements mentioned above, the D-8 intra trade will further expand in the coming years.
19. In this connection, we reiterate our call to the D-8 Governments who have not done so to expedite the ratification on the Agreement of Easing Visa Procedures for D-8 Businessmen so that this agreement, which had been signed at the Cairo Summit, will enter into force without further delay in view of the indispensable role of the businessmen in the field of commerce.
20. We instruct the Commission to explore the possibilities of initiating result-oriented projects especially in the field of industry, meeting the criteria of technical, financial and commercial feasibility. To this end, we also instruct the Commission to develop mechanisms and methodologies designed to identify specific projects of common interest by prioritizing and concretizing them.
21. We take note of the recommendations of the Meeting of D-8 Central Bank Officials which discussed common problems of the members in the field of banking, in particular those related to trade, and encourage them to meet again as required alongside the conferences of international financial institutions.
22. In view of the crucial role of SMEs in the overall development of D-8 economies, we call upon the member countries to take further steps to enhance cooperation in this field, including through the promotion of micro-financing.
23. Taking into account the importance of shipping in the expansion of intra-trade in view of the wide geography of D-8, we welcome the step taken to establish a Shipping Business Forum and call upon the members to exchange information on the capacity of ports, cargo services and cargo requirements through a dedicated desk which would act as a focal point pending the creation of an infrastructure for the Shipping Business Forum.

24. We call upon the member countries to enhance tourism cooperation, and give particular attention to the development of Eco-Based Tourism that will enhance the contribution of tourism to economic development and poverty reduction, particularly to promote local economic activities.
25. To address the problem of the looming energy crisis we instruct the Commission to study its implications for D-8 member countries and develop long-term strategies to address this problem, including the development of alternative and renewable energy resources, promotion of energy efficiency and sustainability of supply.
26. We call upon the member countries to follow up the recommendations earlier adopted in the field of poverty alleviation, to exchange their experience and best practices and to develop as well new poverty alleviation programmes especially for the rural population.
27. We encourage member countries to take new initiatives in developing technical cooperation and capacity building programme to support the development efforts in D-8 countries.
28. We endorse the following activities as part of events of the current year and 2007:
 - a. The first of the series of HLTO Meetings to conclude the Draft Rules of Origin and other related instruments to implement the PTA (by Pakistan),
 - b. Third Working Group Meeting on Energy (by Indonesia),
 - c. Seminar on Olive and Saffron Cultivation (by Pakistan),
 - d. Capacity Building on Micro Financing (by Indonesia),
 - e. The Commission Meeting some time after the Summit (by Indonesia),
 - f. Working Group Meeting on Industry (by Malaysia),
 - g. Workshop on Data Collection and Classification Systems and Management of SMEs (by Pakistan),
 - h. Expert Meeting on environmental questions including Nature-Based Tourism (by the Islamic Republic Iran),
 - i. Workshop on new specific projects in the field of industry such as Digital Microscope, DNA Typing, Finger Printing Technology, Compressed Natural Gas (by the Islamic Republic of Iran and other member countries),
 - j. A meeting to initiate cooperation between D-8 scientific institutions, research institutes and universities (by Egypt and Nigeria),
 - k. Workshop on Financial Infrastructure Development in Takaful (by Egypt),
 - l. Workshop on Emerging Threats and Opportunities of Globalization for Rural Development: Defining the D-8 Future Rural Development Agenda (by Bangladesh)
29. Recognizing the important role of the private sector in our economic development, we continue to encourage D-8 businessmen to participate in D-8 activities and generate closer interaction between governments and private sectors for achieving the objectives of D-8 cooperation.

30. We therefore consider the D-8 Trade Fair and Business Forum as an important vehicle to achieve such an interaction. We welcome the convening by the Government of Indonesia of the D-8 Trade Fair and the Third D-8 Business Forum, alongside with the Bali Summit, and call upon member countries to continue such business activities and interaction. We take note of the recommendations of the Business Forum and call upon the member countries to give serious consideration to their recommendation.
31. We invite the coordinating member countries to closely follow up the decisions and recommendations made in connection with various projects so that maximum benefit will accrue to member countries.
32. We appreciate the endeavors of the Executive Director and his staff to provide effective services for promoting the objectives of D-8 cooperation.
33. Reviewing the existing arrangements for the Secretariat, we agree to upgrade its status in order to strengthen its structure in view of the tasks to be conferred upon the Secretariat, especially by the PTA and new projects, and to better project the image of D-8. In this regard, we welcome and endorse the new arrangements as proposed by the Council of Foreign Ministers.
34. We express our deep appreciation to the Honourable President of the Islamic Republic of Iran and his Government for providing able leadership and effective guidance for the promotion of D-8 objectives during its Chairmanship.
35. We congratulate the Honourable President of the Republic of Indonesia and his Government for assuming the Chairmanship of D-8 for the next two years and assure our full support and collaboration in furthering the aims and objectives of D-8 Grouping, and extend as well our profound gratitude to the people and the Government of the Republic of Indonesia for their warm hospitality and the excellent arrangements for the success of the Fifth Summit.
36. We deeply appreciate the generous offer of the Government of Malaysia to host the Sixth Summit in the year 2008.

PART III

PREPARATORY MEETINGS

A) IX. SESSION OF THE COUNCIL OF MINISTERS

STATEMENT

BY

**THE FOREIGN MINISTER OF THE
REPUBLIC OF INDONESIA AS THE NEW CHAIRMAN**

Welcoming Remarks by

**H.E. Dr. N. Hassan Wirajuda
Minister for Foreign Affairs
Republic of Indonesia**

**At the 9th Session of the Council of Foreign Ministers of
The Developing Eight
Bali, 11 May 2006**

Excellencies Ministers,
Distinguished Delegates,
Ladies and Gentlemen,

On behalf of the Government and the people of Indonesia, I am pleased to extend our warmest welcome to all of you to this beautiful island of Bali.

We are indeed very honoured to host this Session of the Council of Foreign Ministers and we hope that your brief stay in Bali will bring about a harvest not only of useful ideas but also of a renewed commitment to the work of our group in the years ahead.

Let me take this opportunity to extend Indonesia's highest appreciation to Iran for chairing our Group for the last two years with dedication and skill. Under Iran's able leadership we successfully carried out a relevant programme of cooperation that has benefited our peoples.

My sincere appreciation also goes to the Executive Director and his staff for their unremitting support and the hard work they carried out in preparing for our meetings.

Excellencies,

Our meeting today takes place at a challenging time, as globalization continues to render developing countries more vulnerable to the growing volatility in the international economic situation. The Summit that we are going to hold this time provides us the opportunity to find new ways of tapping the vast potential of D-8 cooperation.

We should seize this opportunity so that D-8 will continue to expand its cooperation and carry out concrete measures that will enhance our trade and investment relations. Our Group has the resources and the internal synergy to become an economic power, but to realize that, we must now begin to optimize our capabilities as a group.

That is why we adopted the theme of "Enhancing D-8 Intra-trade" for our forthcoming Summit, to be sure that our cooperation is going in the right direction.

After so many years of our cooperation, we are finally going to conclude two major Agreements: the Preferential Trade Agreement and the Administrative Assistance in Customs Matters. I am therefore greatly pleased to know that we will be signing these two Agreements during the Summit. If we make full use of them, there is no reason the D-8 cannot transform itself into an effective trade mechanism.

Another important issue that we should discuss thoroughly is the strengthening of the D-8 Secretariat. We do need a secretariat that is capable of facilitating our cooperation in a substantive way. We have been nurturing that idea for quite some time. Our meeting today should be able to decide on measures and modalities for the improvement of the capacity of the D-8 Secretariat.

In this regard, several alternatives have been proposed by member countries. But before we take any decision, it is necessary that we agree on a set of criteria and parameters. Our aim should be to establish a simple but effective Secretariat without having to radically increase the financial contribution of each member country.

Excellencies,

In sum, what we need now is to take concrete measures that will flesh out our strategy and make use of our resources to realize the tremendous potential of our Group.

I fervently hope that the Summit following our meeting will be able to adopt a Bali Declaration that is designed to strengthen

our vision and our commitment while guiding us in the hard work that we must carry out to realize our goals.

The long-term welfare of our peoples is at stake in that endeavour.

Thank you.

STATEMENT

BY

THE FOREIGN MINISTER OF THE

ISLAMIC REPUBLIC OF IRAN

AS THE FORMER CHAIRMAN

In the Name of Allah
The Compassionate, the Merciful

Excellencies,
Esteemed Colleagues,
Ladies and Gentlemen,

I am very pleased to have this opportunity to be present among you, my dear colleagues, and address, on behalf of my country, this meeting of the council of Ministers of D-8.

I wish to begin by extending my thanks and appreciation to the Government of the Republic of Indonesia for the excellent arrangements made for this meeting

It is my hope, indeed, that this meeting will succeed in taking a greater step towards the attainment of the lofty objectives of D-8.

Esteemed colleagues,

In the present world in which national and international political and economic processes are interwoven and the turbulent international conditions characterized by rapidly-changing developments including the globalization process have confronted us with numerous challenges, we are bound unavoidably to feel and face the thrust of such challenges which are affecting the different aspects of human life.

Meanwhile, in the current international setting in which a new world order is said to be in the making and some powers are trying to exploit it to expand their hegemony, the interests of nation-states will be best ensured only when they come together within homogenous groupings to have a louder voice in international interactions.

To avoid being marginalized on the world scene, the member states of D-8 have to play a more active role in world affairs in order to influence the globalizations process and tilt the balance in favour of developing countries.

Given the immense natural and human resources as well as the diverse and complimentary economies of its member states, D-8 which looks small in terms of its limited membership can play a significant role in the world economy as an efficient organizations

Undoubtedly, D-8 as a newly established grouping backed by the strong political will of its member states has acquired the necessary strength and tools to achieve its objectives.

Eight Muslim member states of D-8 which have many commonalties as well as shared interests and concerns can defend their individual and collective interests against the challenges and threats of globalization and the domineering policy of certain powers which try to dictate their own political, economic and cultural views to others, through regular consultation and exchange of views on how to develop their potentials & preserve their historical identities and national independence and ensure an honourable life for their nations.

Honourable Ministers,

Now that approximately 9 years have passed since the foundation of D-8, I'm happy to state that our grouping has managed to complete its institutionalization process by putting in place the necessary frameworks and instruments to achieve its objectives and has so far made significant progress in promoting cooperation among its member states in some sectors.

Of such achievements mention can be made of the establishment of the D-8 industrial and technological data web site and removal of trade barriers among the member states by concluding such agreements as the "Agreement on facilitation of Issue of Visas for Business People of Member states", "Agreement on Customs Cooperation" and "Preferential Tariffs Agreement and also holding four D-8 summit meetings, eight formal foreign ministerial meetings, 19 formal meetings of the commission of Senior Officers as well as many expert meetings in areas of energy, trade, industry, shipping, banking and Islamic insurance held either within working groups or training workshops.

However, D-8 needs now to review and restructure its plans and reset its priorities to ensure that its decisions in different areas are translated into concrete actions and the necessary mechanisms are put in place to enhance its efficacy in various sectors.

It goes without saying that without reviewing the past performance of D-8 we can not draw up an appropriate framework for our future cooperation, as the Persian proverb reads: "past is the guide to the future".

A glance at the activities of our grouping reveals that its has been progressing gradually. Yet, I am confident that this progressive trend will gain more momentum in the future.

Excellencies,

As I stated earlier, the process of institutionalization of D-8 has already been completed and this grouping has managed to develop the necessary vehicles for its constructive engagements with similar groupings.

It is time for D-8 to reflect on such other important issues as establishing relations with international organizations and agencies with a view to promoting its standing with such bodies and exploiting their capacities and experiences to enhance technical cooperation among its member states.

In this context, more attention is to be given to our cooperation in the field of information technology to facilitate exchanges among the member states in industrial, trade, technical and other fields. It can also assist us in exchanging technical information and know-how, increasing links among our private sectors and organizing trade fairs

I'm please to note that my country has recently declared its preparedness to cooperate with other member states on projects related to environment tourism (eco-tourism), optimal fuel consumption digital technologies such as digital microscopes and finger-printing technology. We do hope that the other member states will be interested in such projects and our joint cooperation within such projects will bear positive fruits for all of us.

I also wish to note that the Islamic Republic of Iran strongly suggests that the member states make every effort to strengthen the coordinating body of D-8 that is, the Secretariat in terms of both manpower and financial resources. In one word, I am convinced that all the member states have come to realize that D-8 is in need of some fresh blood to achieve its objectives.

Mr. Chairman,

Ladies and Gentlemen,

In conclusion, I am pleased to state that during its presidency over D-8 my country made its outmost effort to strengthen cooperation among the member states in keeping with the objectives of our grouping

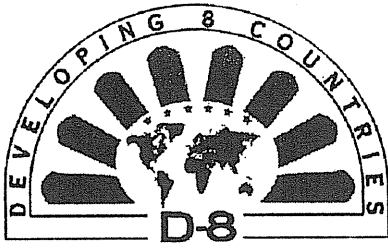
and now stands now ready to make every contribution to promote our cooperation within D-8 in the new world economic conditions and help realize its objectives. So, it is my honour to hand over the presidency of D-8 to the brotherly Republic of Indonesia. I am confident that under the leadership and presidency of the friendly and brotherly Republic of Indonesia, and through the cooperation of the member states D-8 will take longer strides towards the attainment of its goals.

Thank you

STATEMENT

BY

THE EXECUTIVE DIRECTOR



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**STATEMENT BY THE EXECUTIVE DIRECTOR
IX. SESSION OF THE COUNCIL OF FOREIGN MINISTERS
(11 May 2006, Bali)**

Mr Chairman, the Honourable Foreign Minister of the Republic of Indonesia
Honourable Ministers,
Excellencies, Ladies and Gentlemen,

Allow me, Mr. Chairman, to briefly touch upon first, certain international issues, also of direct concern for D-8 members.

It is indeed very regrettable that after the horrifying acts of 11th September 2001, an important part of the media in the western world launched a campaign against the Muslim world, labeling it as a breeding ground and source of terrorism and vilifying its image. Thereupon came the publication of repulsive caricatures of Prophet Mohammad, Peace be upon Him, which profoundly offended all the people in the Muslim world and rightly provoked sharp reactions. Such acts insulting the moral values of the Muslims all over the world can in no way be condoned under the freedom of expression. I earnestly hope that western media

and governments will rightly interpret the just reactions from the Muslim world and that this serious incident would lead to a dialog among civilizations to promote a better understanding of different values and beliefs, thus creating an atmosphere of peace and spirit of conciliation which would ensure full respect of these values.

* * *

Honourable Ministers,

As new power of centers are emerging in the world, the conflicts of interest and competition amongst them are getting sharper, also with repercussions on developing countries. This is the case especially in the field of energy and trade.

With fast increasing demand for energy coupled with serious political crises in various parts of the world, the prices of gas and oil have already shot above USD 70 per barrel, creating an extremely big financial burden on weak economies of developing countries. Taking into account the depletion of the resources of the fossil fuel, energy security, including ensuring stability of the energy market, development of alternative energy sources and energy conservation measures becomes in my view a problem of highest priority in the international agenda.

On the other hand, in the global trade talks, the major players especially the United States and the European Union seem to be reluctant to move faster on reducing their farm protections. According to the OECD sources, the support given by the United States to livestock and crop production was about USD 46 billion in 2004 while the support by the European Union nearly USD 132 billion. If they persist to drag their feet longer on this subject, I am afraid, the global trade talks to reduce agricultural subsidies are going to flounder and that the deadline to conclude these talks will not be met.

The gap of income and wealth is getting wider between industrialized and developing countries. Hundreds of millions in several parts of the world are living under the most serious conditions of famine, coupled with hazardous problems of health. A comprehensive and concerted action has to be taken by the international community, including financial institutions and major economies, to remedy this situation and to reduce the extent of poverty. The cancellation of the outstanding debts of the least developed countries certainly constitutes a right step to alleviate their debt burden. However, what is really expected from the industrialized world is to help developing countries in their efforts to revive their economies. The success of global trade talks is also of crucial importance in this respect. As the community of D-8, we should collaborate and coordinate our efforts to achieve above-mentioned objectives.

Now turning to the D-8 Cooperation: since the Tehran Summit nearly ten projects have been realized. The major achievement has been the conclusion of the Preferential Trade Agreement and the Multilateral Agreement on Administrative Assistance on Custom Matters. On this occasion, I would like to express my appreciation to HLTO for their hard work to finalize the texts and to make them ready for signature by the Honourable Ministers at the Summit. I would also like to take this opportunity to thank to those member countries for offering to act as the hosts for the six meetings of HLTO. The first of these two Agreements is designed to gradually reduce tariffs on the categories of goods defined in the text while the second foresees cooperation amongst the members for effective application of customs laws, for prevention, investigation and combating of customs offences as well as for facilitating, simplifying and harmonizing customs procedures. The entry into force of these two Agreements is expected to strongly encourage the expansion of D-8 intra-trade. Taken into

account that the overall trade of the members with the whole world amounted to USD 720 billion in 2004 and USD 850 in 2005, there is indeed a great scope for the fast increase of D-8 intra-trade. Even without enjoying any support measures yet, the trend of the intra-trade is steadily moving upwards. In a period of five years, it has grown 127% from USD 14,5 billion in 1999 to USD 33 billion in 2004. Thus, the D-8 intra-trade has grown at a rate much faster than the overall trade of the members, the increase of which remained at 84% during the same period.

As the Honourable Ministers are aware, the implementation of PTA also requires the adoption of a set of rules of origin. The HLTO have already started to discuss the draft rules. I earnestly believe that they will also finalize them soon.

In view of the wide geography of our grouping, cooperation in the field of shipping is also of vital importance for the expansion of the D-8 intra-trade. To this effect, the Shipping Business Forum is to be established. Pending the creation of its infrastructure, a dedicated desk is going to soon become operational to act as a focal point for exchange of information on the capacity of ports, cargo services and requirements.

Another subject directly linked with trade is related to the Agreement on Simplification of Visa procedures for D-8 Businessmen, which had been signed at the Cairo summit. This Agreement which is designed to facilitate and encourage the contacts amongst D-8 Businessmen has not yet entered into force since the requirement of ratification by at least four member countries could not be met.

Working Group on Industry is now exploring the possibilities of initiating a new project in the industrial sector. Then again, the member countries are also planning to start during the year and 2007 new projects in the fields of

agriculture, energy, tourism and environment, SMEs, micro financing, science and technology, rural development, etc. Since the elimination of poverty is a subject of priority in D-8 cooperation, we could also conceive new projects in this field.

As your Excellencies would recognize, the D-8 Cooperation has gradually expanded and deepened throughout the years. Now, the conclusion of PTA will increase the workload both on the part of the members and the mini D-8 Secretariat. I firmly believe that the status and the structure of the Secretariat should be strengthened so that it would be able to cope with new and additional responsibilities conferred upon it. As requested at the Tehran Summit, the Commission undertook extensive discussions on this matter at its past sessions as well as at this one. The outcome is submitted in its report for consideration and approval by the Honourable Ministers.

I thank for your kind attention.

REPORT OF THE COUNCIL



REPORT OF THE COUNCIL OF D-8 FOREIGN MINISTERS

IX. SESSION

(11 May 2006, Bali)

1. The IX. Session of the Council of Ministers met on 11 May 2006 in Bali/ Indonesia. H.E. Dr. Hassan Wirajuda, Minister for Foreign Affairs of the Republic of Indonesia, after having greeted his colleagues, stated that this meeting of the Council was taking place at a time as the globalization continued to render developing countries more vulnerable to the growing volatility in international economic situation and that the Summit therefore provided an opportunity to find new ways of tapping the vast potential of D-8 cooperation. He added that D-8 should, to this end, take concrete measures that would enhance trade and investment relations and optimize as well the capabilities of the D-8 Group. Referring to the Preferential Trade Agreement and the Multilateral Agreement on Administrative Assistance in Customs Matters which are planned to be signed in the course of the Summit, he pointed out that these Agreements would make a significant contribution to the expansion of D-8 intra-trade. In this context, he also said that the strengthening of D-8 Secretariat would be needed to cope with new and additional responsibilities to be conferred upon.
2. In his statement, to hand over the Chairmanship of the Council to his Indonesian colleague, H.E. Mr. Manouchehr Motaki, Minister of Foreign Affairs of the I.R. of Iran, referred to a number of challenges confronted by the D-8 Group in view of the turbulent international conditions and the process of globalization. He said that given the immense natural and human resources as well as diverse and complimentary economies of its members, the D-8 Group should play a more active role in world affairs to avoid being marginalized. Evaluating the progress achieved by the Group since its inception, he cited the establishment of D-8 Industrial and Technological Web-Site, the signature of the Visa Agreement, recently

concluded Agreements of Preferential Trade and Customs Cooperation together with a significant number of expert meetings and workshops convened in several areas such as energy, trade, industry, shipping, banking, agriculture, environment etc. On the other hand, he also emphasized the importance of establishing relations with international organizations and agencies in order to seek their financial and technical assistance and cooperation. Finally, he underlined the need to strengthen the D-8 Secretariat in order to expand and deepen D-8 cooperation.

The Ministers while appreciating the efforts of the I.R. of Iran to enhance D-8 cooperation during his tenure of Chairmanship congratulated at the same time the Indonesian Foreign Minister for assuming the Chairmanship of the Council.

3. The Council adopted the draft Agenda as recommended by the Commission.
4. The Executive Director Ambassador Ayhan Kamel delivered his statement, covering certain international issues also of direct concern for the member countries and D-8 activities undertaken since the Tehran Summit.
5. The Chairman of the XIX Session of the Commission Ambassador Ali Reza Sheikh Attar and the Chairman of the XX. Session Ambassador Slamet Hidayat presented the reports of these meetings.

A-Concerning the subject of the Strengthening of the Secretariat as referred to in the Report of the XX. Session of the Commission, the Ministers undertook extensive discussions and reached the following conclusions:

- a- For the first two years term, the Secretary General will be appointed by the Council of Foreign Ministers from among candidates of the interested members on a secondment basis. All costs for the Secretary General will be borne by the seconding member country. So far, three member countries have indicated their interest. It was also decided that these interested countries will have consultations among themselves to produce one candidate.
- b- The Secretary General will be assisted by a Director and an Economist. All costs for them will be borne by the seconding member countries concerned.

- c- Secretary General, Director and Economist will not be from the same country.
 - d- After two years, Secretary General will be elected by the Council of Ministers. He will be elected by the Council from among the candidates nominated on his merits for a period of four years. The salaries of the Secretary General, Director and Economist will be covered from the budget of the Secretariat with the understanding that the existing contributions will accordingly be adjusted.
 - e- The Turkish Government will continue to provide the existing facilities in Istanbul for the use of the Secretariat. The Secretary General will offer his services at the headquarters.
- B-** In the context of the Report of the Commission, the Ministers reiterated the importance of facilitating the contacts between businessmen for the expansion of the trade and economic relations. They stated that the ratification of the Visa Agreement by those countries, which have not done so, should therefore be expedited for the entry into force of the Agreement at an early date.
- 6- The Ministers approved the Provisional Agenda and Program of Work of the Summit to be submitted to the Heads of State and Government.
 - 7- Mr.Mohammad S. Hidayat, President of the Indonesian Chamber of Commerce and Industry, presented the Report of the Third Business Forum.
 - 8- The Ministers considered and approved the draft Bali Declaration to be submitted to the Summit.
 - 9- Side Events: The D-8 Trade Fair and Balinese Bazaar, which was organized by the Republic of Indonesia on 9-13 May 2006, was inaugurated by the Indonesian Trade Minister. The members of the Council paid a visit to the D-8 Trade Fair.

B) XX. SESSION OF THE COMMISSION

STATEMENT
BY
THE COMMISSIONER OF THE
REPUBLIC OF INDONESIA AS THE NEW CHAIRMAN

WELCOMING REMARKS
by
H.E. Ambassador Mochamad S. Hidayat
Commissioner of Indonesia
At the 20th Session of the D-8 Commission
Bali, 9 May 2006

Excellencies,
Distinguished Delegates,
Ladies and Gentlemen,

Good morning. It gives me great pleasure as the D-8 Commissioner of the Republic of Indonesia to host and welcome you all in this 20th Session of the Commission on this exquisite Island of Bali. I fervently hope that our work and deliberation in the next two days can achieve our common objectives to enhance our trade cooperation as we expected.

Allow me to extend my highest appreciation to H.E. Mr. Ali Reza Sheikh Attar, the D-8 Commissioner of Iran, for his excellent Chairmanship and undertaking in our past Commission's meetings.

My heartfelt gratitude also goes to H.E. Ambassador Ayhan Kamel, the Executive Director of the D-8 and his staff for their unwavering support in ensuring the works of our group effectively.

Excellencies,
Distinguished Delegates,
Ladies and Gentlemen,

Our task within the next two days will be very crucial as we are going to make final preparation for the Summit. First, we have to agree upon the Agenda and Programme of Work of the Summit. Then, we have to prepare ourselves for the signing of the two most important Agreements, namely the *Preferential Trade Arrangement* and the *Multilateral Agreement among D-8 Member Countries on Administrative Assistance in Custom Matters*. I hope that all D-8 member countries will sign these two major Agreements. This is the beginning of our concrete cooperation. We must work harder to accelerate the implementation of these two Agreements. Therefore we should encourage our trade officials to

continue their work in concluding the rules of origin and other related instruments to support the implementation of the Preferential Trade Agreement.

Another crucial work is finalizing the draft Bali Declaration to be further submitted to the meeting of the Council of Ministers before its adoption by the Summit. As you know, we have submitted the first draft of Bali Declaration during the last Commissioner's session in Tehran. We have also received the second part of the Declaration from the Executive Director. I understand that there have been inputs and suggestions from member countries to improve the draft Declaration. I certainly hope that our meeting today will be very productive in finalizing the draft Bali Declaration and will pave the way for its adoption in the Summit.

We should also be able to find the best solution for our effort in strengthening of the D-8 Secretariat, particularly now that we will sign the two major cooperation Agreements. We take note that in principle all of us agree to enhance the capacity of the Secretariat, but we have not come to any agreement on how we are going to achieve this goal. I hope that during our meeting today we could have a consensus on this matter, so that we would have a better support for our ongoing and promising cooperation.

Distinguished Commissioners and Delegates,

We just took part in the opening ceremony of the D-8 Trade Fair. It is encouraging that during our Summit this time we are able to organize the D-8 Trade Fair and Business Forum as a way of enhancing D-8 intra trade. These side events will provide the best opportunity for the private sectors of D-8 countries to interact and discuss issues related to trade, investment and other potential areas of cooperation. And that's why we choose the theme of *Enhancing D-8 Intra Trade* for our Summit today.

After this Summit, Indonesia will hold the Chairmanship of our Group for the next two years. We need your full support in making our cooperation more productive and tangible. We have our agenda for this year as already indicated in the calendar of events for this year. Our planned programmes will focus on practical technical cooperation in order to share development experiences and best practices, as well as to improve the national capacity of each member

countries. We hope other member countries would come up with new initiatives to develop more capacity building programmes for our future cooperation.

Finally, I hope our meeting today would be fruitful and the Summit would be successful. Should we be able to finalize our work today, then you would have spare time tomorrow to enjoy the sightseeing in this beautiful Island of Bali.

Thank you.

STATEMENT

BY

THE COMMISSIONER OF THE ISLAMIC REPUBLIC OF IRAN

AS THE FORMER CHAIRMAN

**Statement by Outgoing Chairman
H.E Ambassador Ali Reza Sheikh Attar
Commissioner of Islamic Republic of Iran
to hand over chairmanship to Indonesia
At the 20th Session of the D-8 Commission
Bali, 9 May 2006**

**Excellencies,
Honourable Commissioners,
Dear Colleagues,
Ladies and Gentlemen,**

It is a great pleasure for me to be among you in the 20th D-8 Commission and do our best to prepare the 5th Summit Agenda and its work programme in this beautiful Island of Bali.

Let me at the beginning thank our new Chairman, Commissioner of brother country Indonesia, Excellency Slamet Hidayat, for the warm hospitality extended to the delegations and excellent arrangement for the organization of the current session. I deem it necessary to appreciate all sincere efforts of my dear colleagues, helping us during last two years of chairmanship. My special thank also goes to Ambassador Ayhan Kamel, our Executive Director, and his staf for their brilliant job they have done during all these years.

Dear Colleagues,

Though our group is rather new and young, we have been able to attain reasonable achievements during last nine years, especially finalizing PTA and Agreement on Administrative Assistance in Customs Matters, which we earnestly hope to bring about expansion of trade and economic cooperation among member states.

We repeatedly stressed in different sessions on the role of private sector's to assist us in our cooperation. Organizing Trade Fairs in Iran and here in Bali demonstrates our intention for this end.

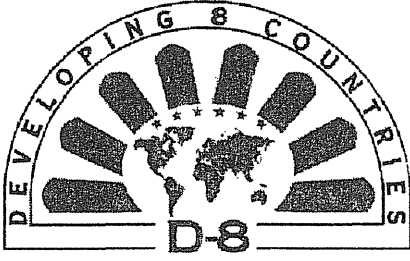
We think it is also necessary to devise a follow-up mechanism for monitoring the implementation of our proposed projects.

At the end I would like to add, in spite of our achievements, our group possesses strong potentials and much more capacity for progress. Our population with about 900 million people and rich natural and human resources dictate us to look forward to a brighter prospect.

I hereby have the pleasure to hand over Chairmanship to Excellency Hidayat and let us wish him great success.

Thank you.

STATEMENT
BY
THE EXECUTIVE DIRECTOR



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STATEMENT BY THE EXECUTIVE DIRECTOR XX. SESSION OF THE COMMISSION (9-10 May 2006, Bali)

Mr. Chairman,
Dear Colleagues,

I congratulate you Mr. Chairman for assuming the Chairmanship of the D-8 Commission. I am sure, under your able guidance, our work will yield fruitful results. On this occasion, I would also like to welcome Ambassador Hagar El Islambouly, the new Commissioner of the Arab Republic of Egypt.

Since the last meeting of the Commission, the meeting of the HLTO of Bali has been the only event. I am pleased to take note that the text of the PTA has been approved by all the members. The report of the meeting together with the final version of the Agreement has been circulated in the attachment of our letter No.TR-HLTO/06/78 dated 6 April 2006. It would be a major achievement for D-8 cooperation. The Commission would endorse this Agreement together with the Multilateral Agreement on Administrative Assistance on Custom Matters and submit them to the Council of Foreign Ministers. On the other hand, the HLTO is

expected to continue its work on the draft rules of origin and come up with an agreed text of the rules, a requirement for the implementation of the PTA. Therefore the Commission may also consider the venue of the next meeting of HLTO.

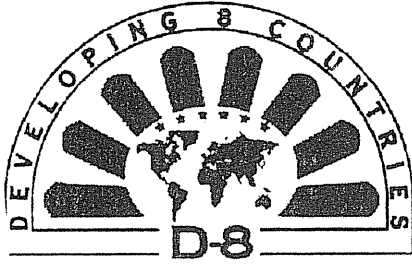
As requested by the Commission, a new revised text on Strengthening of the Secretariat has been circulated in the attachment of our letter No. COM/06/82 dated 13 April 2006. In order to facilitate the discussions at the Commission and to prepare the ground for reaching a consensus, it would perhaps be wise first to hold informal consultations on this subject. As a matter of fact, the existing arrangements had also been discussed in an informal format during the Chairmanship of Bangladesh five years ago and then the Commission had given its formal approval to the outcome.

The discussion of the Draft Bali Declaration is the most important and time-consuming item in the agenda. The first part covering international economic issues had already been circulated in the course of the last meeting of the Commission. The second part addressing D-8 activities was circulated in the attachment of our letter No. COM/06/64 dated 17 March 2006. Recently, a revised version of the whole text has been circulated with our letter COM/06/99 dated 26 April 2006.

In the context of the Draft Bali Declaration, the Commission has to also consider the events for the current year and 2007. I have already included in the Draft Declaration the activities enumerated in Paragraph 15 of the Report of the last session of the Commission. Certainly, the Commissioners may wish to make other new proposals to be included in the calendar of the events. In this connection, I would like to remind that recently, Egyptian Insurance Supervisory Authority has communicated that they intend to organize a meeting on Financial

Infrastructure Development under the Takaful Scheme as a follow-up of the recommendations of the meeting of Takaful and Insurance Regulatory and Supervisory Authorities held in Kuala Lumpur in June 2004. This proposal could also be reflected in the calendar of events.

REPORT OF THE COMMISSION



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THE REPORT OF THE XX. SESSION OF THE COMMISSION

(9-10 May 2006, Bali)

1. The Chairman of the Commission, welcoming the Commissioners to the XX. Session of the Commission, explained the work to be done concerning various agenda items. In this connection he referred to the crucial importance of the two Agreements to be signed at the Summit, namely the Preferential Trade Agreement and Multilateral Agreement on Administrative Assistance in Customs Matters.
2. As the outgoing Chairman, the Commissioner of the Islamic Republic of Iran handed over the Chairmanship of the Commission and congratulated Ambassador M. Slamet Hidayet for assuming the Chairmanship.
3. The Commission then adopted the draft Agenda as amended.
4. The Executive Director briefly referred to various agenda items, namely the work of the HLTO, the Strengthening of the Secretariat and the draft Bali Declaration including the events planned for the current year and 2007.
5. The Commission considered the draft Bali Declaration, covering international events, D-8 activities since the last Summit as well as planned activities for the current year and 2007. The Commission then adopted the text with amendments to be submitted to the Council of Foreign Ministers for approval.

6. The Commission undertook extensive discussions on the strengthening of D-8 Secretariat in view of the additional tasks conferred upon and reached the following conclusions as a recommendation to the Council of Foreign Ministers :
 - a. The status of the Head of the Secretariat will be upgraded to become Secretary General
 - b. Secretary General will be seconded. However, a consensus could not be reached as to whether he should come from the incoming or outgoing chair country. Therefore, the final decision on this point is left to the Council of Foreign Ministers.
 - c. Deputy Secretary General will be seconded by Turkey on a permanent basis in order to ensure continuity.
 - d. An economist will also be seconded. He will first be recruited for a term of three years by drawing lot among the member countries (excluding the chair country and the country seconding Deputy Secretary General) and then on rotation in alphabetical order, on the basis of the criteria set out by the Secretary General. (*)
 - e. The scale of contributions: According to the new arrangements mentioned hereabove, the annual budget of D-8 Secretariat is estimated to be around USD 100.000. This amount will be shared on an equal basis.
7. The Commissioners also considered the draft Agenda of the Council of Foreign Ministers and the Summit and recommended them for approval.

(*) One Delegation needed to consult with its Minister on the issue of Secondment.

C) THIRD D-8 BUSINESS FORUM

Report of the Third D-8 Business Forum
May 11th, 2006 Bali, Indonesia

Members:

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

The Third Business Forum was convened by the active participation of all member countries in Bali on May 11th, 2006. In this forum after the speeches delivered by Excellencies Muchamad S. Hidayat, distinguished President of the Indonesian Chamber of Commerce (next chair), Alinaghi Khamoushi, distinguished President of Iran Chamber of Commerce (current chair), Dr. Mari Pangestu, Honourable Indonesian Minister of Commerce and Fahmi Idris, Honorable Indonesian Minister of Industry, and a distinguished panel of five chamber leaders namely Mr. K. K. Modi, Mr. Melih Yurter, Dr. Ausbeth Ajagu, Mr. M.A.Rouf Chowdhury, and Mr. Joop Ave.

The members of the Business Forum unanimously approved the below mentioned proposals to be presented to the D-8 Council of Foreign Ministers for the creation of the necessary facilities and arrangements to expand intra-trade among the eight member countries.

Recommendations:

* Establishment of a committee for survey of joint venture projects in member countries, as well as multinational companies at regional level to increase the attraction of foreign investment and participation of developing states in

global economy and promotion of economic objectives of the Group.

- * Creation of a direct banking cooperation system to decrease banking expenditure for the expansion of trade of D8 member countries.

- * The need to access the benefit from technological assistance of UNCTAD in elimination of difficulties arising from non-competitiveness of developing countries especially in supply and trade of goods and also aviation and marine infrastructure.

- * Establishment of the harmonization of customs' codes and trade tariffs, simplification of the Rules of Origin, elimination of custom barriers, as well as facilitation of trade rules and regulations in member countries, and withdrawal of double taxation, in a bid to elevate the level of trade between them.

- * Foundation for the creation of a trust fund to finance the initiative capital for feasibility study of new projects introduced by member countries.

- * Benefiting from the experiences of the member countries, as well as states such as China and India in the field of promotion of Small and Medium Enterprises (SMEs) such as facilitation of their access to bank loans, credits, more important advanced technologies, and effective marketing strategy.

- * The forum also insisted on the need of the creation of facilitation to improve and expand B2B and P2P contacts and cooperation among member countries.

* The members emphasized the importance of commercial and tourism visa facilitation to expand the volume of trade and socio-cultural relations within the D-8 member countries.

* The private sector of D-8 member countries urges the governments to facilitate cooperation among members in the field of shipping and seaport.

* The business forum appreciates the governments' efforts to establish PTA. The forum also emphasizes the need to speed up the process of the implementation of PTA and urges the governments to move towards FTA in a gradual process.

* The business forum urges the governments to include its representatives in all workshops and other deliberations that are held in the G2G level.

The forum expressed its vote of thanks to H.E. Khamoushi, the President of the Iran Chamber of Commerce, who chaired the D-8 federation of Chamber of Commerce and also Mr. Hanjani, the Secretary General of The D-8 federation of chamber of Commerce for his enduring contribution to the D-8 Secretariat and H.E. Hidayat, the new Chair for his kind efforts to arrange the Third Business Forum of The D-8 Federation of Chambers of Commerce in Bali on May 11th, 2006