

**KEY NOTE SPEECH BY THE D-8 SECRETARY GENERAL,
AMBASSADOR ISIAKA ABDULQADIR IMAM, AT THE
EGYPTIAN COUNCIL ON FOREIGN RELATIONS, CAIRO, EGYPT MONDAY, 30
MAY 2022**

YOUR EXCELLENCIES,

MEMBERS OF EGYPTIAN COUNCIL OF FOREIGN RELATIONS

DISTINGUISHED GUESTS

LADIES AND GENTLEMEN

It is a great honour for me to be here today in this historic city of Cairo and let me express my profound appreciation to the Egyptian (Director-II may confirm this) Council of Foreign Relations for finding me worthy of inviting me for this event. My appreciation also goes to the Ministry of Foreign Affairs of Egypt for arranging this important engagement during my official visit to the Arab Republic of Egypt, which one of founding members of my organization.

This visit is my first in many years to this great city of Islam and also the first since I assumed duty as the fifth (considering the previous SGs only it is fifth, but if you consider the 1st Executive Director as SG then it is Sixth) Secretary General of our noble organization in January this year. I want to begin by telling you that the city of Cairo is important not only to me but to my entire family, and I would tell you why. My father, who by the blessing of Almighty Allah will turn 90 this year, is a distinguished Nigerian diplomat and had served here in Egypt first as an Officer and later as an Ambassador for many years, and I was with him all through the period. Besides that, I, also had my university education here in Cairo, at the prestigious American University; so therefore, my family and I have fond memories of this great historic city and we would always be grateful for the period we lived here, as a memorable one.

Excellencies,

Distinguished Invited Guests,

Ladies and Gentlemen,

The issue am asked to speak on today, International Economic Order and the D-8 Organization is quite topical and have far more relevant implications to the global trade and economy, given the myriad of challenges the world faces today. Indeed, if we have to confront those challenges head-on, the importance of cooperation amongst nations are very crucial. Let me also say that the combined effects of Covid 19 pandemic, the ongoing Russian / Ukraine war and the persistent threat from climate change, put the world at risk, as it faces the biggest threat since Second World War.

Before dwelling further into the topic of today's discourse, permit me to give a humble introduction of my organization. The Developing-Eight Organization for Economic Cooperation, is an intergovernmental organization founded in 1997 by eight developing countries namely- Bangladesh, Egypt, Indonesia, Iran, Malaysia, Nigeria, Pakistan and Turkey. The Organization was primarily established to enhance economic and trade cooperation among the Member States in order to enhance the well-being of its citizens. Amongst others, the following statistics of the Organization, are noteworthy:

- i. D-8 member countries have a combined population of over 1.1 billion people or 15% of the world population.
- ii. The Group's GDP is about 4 trillion US dollars and accounts for almost 5% of the global GDP.
- iii. The total trade volume of the D-8 member states is USD 1.6 trillion, which entails almost 4.5% of the total trade volume of the whole world. In the last 20 years, D-8 intra-trade has increased more than six-folds
- iv. Almost 50% of OIC's total trade comes from the eight member states of the D-8.
- v. Member states are investment hubs for foreign investors as they host a share of 10 percent of the total foreign investments in the world. The macroeconomic indicators have clearly depicted our organization as potential "Economic Powerhouse".

It would also be useful to highlight the basic objectives of the D-8, especially within the context of today's topic of discussion. Accordingly, the basic objectives of the D-8 include:

- To improve member countries economic position in the world economy.

- To promote joint efforts towards achieving sustainable socioeconomic development through effective utilization of economic and social potentials of D-8 member states.
- To promote welfare and alleviate poverty and improve the quality of life of the people of D-8 countries.
- To promote private sector activity and encourage joint investment between private companies and public-private partnership in the D8 countries.
- To strengthen cooperation with other countries, regional and international organizations as well as NGOs with a view to promoting the concern and interest of the developing countries.
- To work towards playing an effective role in the global economy commensurate with the collective potential and capacity.

At inception in 1997 D-8 had 6 major areas of cooperation, namely- Agriculture & Food Security, Trade, Industry & SME, Transportation, Energy & Minerals and Tourism. In recent time and in response to the new global challenges the areas of cooperation have been expanded to include health & social protection, education and human resource development, climate change, digital economy and e-governance and payment system. We have also deemed it necessary to promote private sector engagement and therefore included some private sector initiatives among the areas of cooperation of the organization.

Ladies and Gentlemen,

The term international economic order is a broad term that refers to the set of proscribed rules, norms, and procedures that regulate the cross-border exchange of goods, services, and capital. While economists have persistently preached the virtues of an Open Economy since David Ricardo (1772–1823), leaders have been warier because of a combination of ideological concerns, domestic politics, and realpolitik. At present, the idea of an international economic order seems inextricably linked to Globalization and multilateralism. The global economic landscape has undergone profound changes since the end of the Cold War. After the global financial crisis in 2008, the world economy entered a “new normal,” and there are mounting challenges that need to be managed. Unfortunately, the global governance system has not kept pace with the scale and complexity of these challenges.

The post-war architecture of world economy was to a large extent fashioned by the United States, with the hope of reconstructing a liberal international economic system. The International Monetary Fund (IMF), the World Bank, and the General Agreement on Tariffs and Trade (GATT) laid the foundation for the post-war global economic order, and international trade and capital flows gradually started to resume. The rise of economic globalization expanded the assigned tasks of the International Financial Institutions (IFIs) to include everything from advising transition economies, to establishing common financial codes and standards, to promoting democracy, to combating corruption and discrimination. The leverage of the IFIs in these areas, however, has been limited to countries that cannot borrow from private capital markets. A partial response to the gridlock within the WTO has been a proliferation of regional and bilateral trade agreements outside the WTO's purview.

However, I don't want to revisit the detail history of International Economic Order and Neo International Economic Order. That is another dimension of theoretical discussion and I am sure you all are aware of that. For the purpose of this discussion therefore it will suffice to state that the international economic order comprises two sets of economies, namely developed and developing. In the dichotomy between the two economic worlds, virtually all the indices or parameters of development and welfare takes a wide gap between the two economies. Even the distribution of global wealth, technology acquisitions and gains of international trade and relations have remained extraordinary unequal.

For example, the average income in the richest 20 countries was reported as being 37 times the average in the poorest 20 countries. Consequently, the pervasive feeling was that the prevailing economic order, which is biased against the developing economies, is one of the critical reasons for the inequality. Therefore, there has been a growing demand for a new economic order that will help remedy the problem of inequality between the two economies in the world. At the start of the twenty-first century, the international economic order remains relatively open for trade and finance, though there are no clear rules for e-commerce, digital finance and e-governance as well as migration and other humanitarian issues. Increasingly, the focus of international economic negotiations has shifted to questions about business and social regulation. As China begins to

challenge the United States as the economic hegemon, the stability of the current system will soon be open to question.

Ladies and Gentlemen,

Allow me to now brief you on how D-8 has been responding to the New International Economic Order in the wake of recent supply shock and economic crisis, stimulated by Covid-19 and Russia-Ukraine conflict. I would be doing this, however, within the backdrop of the objectives for which the organization and the was established and its priority areas of focus in economic cooperation.

TRADE

Trade has been identified as the most important priority area of cooperation of the D-8 as the organization was established to enhance intra-trade among the member countries as opposed to dependence with the West. For this purpose, the D-8 Preferential Trade Agreement and the D-8 Multilateral Agreement on Administrative Assistance in Customs Matters were signed 2006. One decade since the D-8 PTA came into force (2011) this instrument is yet to be fully implemented by all member states. However, we are close to the full implementation of this Agreement as most of the outstanding issues including the DSM have now been concluded after series of negotiations. The current intra-trade between the D-8 Member States is 110 billion USD. This is expected to increase to about 500 billion USD after the full implementation of this agreement.

AGRICULTURE

Agriculture and Food Security is another major plank of our economic cooperation. The sector is the main stay of the economy of D-8 member countries, accounting for about 14% of the GDP growth of member countries as at the end of 2020. However, it is expected that D-8 agricultural activity would achieve at least 25% annualized pace. D-8 Member States have total combined

274.25 million hectares of Agricultural Land area and the aggregate value of our Agri-Production is \$531.76 billion. To ensure the Food safety and Food Security, we have set some targets contained in our ambitious plan called “Decennial 2030 Road Map”, to contribute to Global Value Chains, increase food supplies, and advance sustainable agriculture-led growth to improve the productivity of small farmers and the rural population by the 2030.

To this end, we have embarked on a number of initiatives, including the following:

- i. Established the D-8 Research Centre for Agriculture and Food Security in Faisalabad, Pakistan which will contribute greatly towards our efforts to attain food security in the D-8 Member States.
- ii. The D-8 is discussing with FAO regarding possible cooperation to arrange joint programme for capacity building and sharing best practices.
- iii. We are in the process of establishing a seed bank to promote the wide varieties of food crops and vegetables among the member states.
- iv. Developed a D-8 Animal Feed Information Center aimed at enhancing cooperation in Animal Feed Production.
- v. Established a Working Group on Fertilizer to explore amongst other, the possibility of establishing a D-8 Fertilizer Plant.
- vi. Established a Working Group on Marine Affairs and Fisheries for cooperation in fisheries development.

In addition to the foregoing, we are also exploring innovative ways to promote ‘Climate Smart Agriculture’ to ensure sustainable Agricultural Development in our Member States. We emphasize on the promotion of “Smart farming” as a leap forward from traditional farming because it brings certainty and predictability, using Internet of Things (IoT) such as Robotics, sensors, drones, automation, and cloud software system.

Ladies and Gentlemen,

MANUFACTURING

D-8 intends to strengthen industrial linkages by establishing a framework to promote joint manufacturing and industrial activities between companies operating in the D-8 countries in the hope of fast tracking the development of our industrial base and to reduce dependence on manufactured goods from the West. For this purpose we have established 14 Task Forces on Industrial Cooperation which namely Task Force on SMEs, Task Force on Automotive, Task Force on Technology Cooperation, Task Force on Electronics & ICT, Task Force on Chemicals & Petrochemicals, Task Force on Pharmaceuticals & Medical Equipment Etc. We are also considering establishing D8 Special Economic Zones in each member countries to further develop our industrial base and encourage local manufacturing goods in each of the member countries.

TRANSPORTATION

Transportation and connectivity is another key area of priority of D8 which is regarding a sine qua non to facilitate intra-trade in D8. To this end, D-8 is focused on providing policy direction and guidance to move forward the D-8 cooperation in transportation, especially civil aviation and shipping. We have established a Working Group for Cooperation in Civil Aviation in 2007, while we are looking into the possibility of doing a feasibility for the establishment of a D-8 shipping service for enhancement of cooperation and connectivity for development. We are also working on other modes of connectivity such as cyber connectivity, pipeline connectivity, corridor connectivity etc. Furthermore, 5 Airports have been designated to provide special Airport facilities and services for the D-8 citizens.

Ladies and Gentlemen,

HEALTH

In the area of public health, we took the initiative of establishing D-8 Health and Social Protection (HSP) Programme to enhance the resilience of the health systems of the Member States. The HSP is based in Abuja, Nigeria and has the mandate to- expand access to basic primary care services;

improve health governance, quality of care and human resources for health; unlock the market potential of the health sector; enhance prevention and control of Non-Communicable Diseases; and provide social protection for the poor. HSP prioritizes Universal Health Coverage for the attainment of the SDGs for the D-8's one billion population. The D-8, through the HSP Programme office, has established two working groups namely the Implementation Working Group (IMWG) and Resource Mobilization Working Group (RMWG) for emergency pandemic response.

Ladies and Gentlemen,

TOURISM

One of the low hanging fruits in our identified priority areas of focus is Tourism cooperation. We are closely working to revive this industry in the post-covid era. In the last Ministerial Meeting on Tourism held in Malaysia in November 2019, we came up with two outcome documents namely, *The D-8 Tourism Strategy* and *Crescent Moon Initiative*. *We have also* signed a Letter of Intent (LOI) with the World Tourism Forum Institute (WTFI) for capacity building programmes to train relevant stakeholders in the tourism industry of member states on how to grow the tourism industry to support economic development. The Tourism industry in D8 countries like in most other parts of the world was worst hit during pandemic. According to the UN World Tourism (UNWTO) Organization the global tourism industry lost over 1.1 billion tourist market, while loss of export revenues from tourism was said to be around US\$ 910 billion to US\$ 1.2 trillion. Over 100 million jobs were reportedly lost during the period.

Ladies and Gentlemen,

E-COMMERCE

In the past few years, enterprises across the globe have experienced significant changes in their business information system. Huge investments were made in enterprise resource planning system implementations. E-commerce, E-business, e-procurement, e-sales, e-payment, e-banking, e-CRM, e-CAD, e-delivery are just a few. The explosion of E-commerce has created new phenomena in our lifestyle especially in shopping activities. COVID-19 has spurred a seismic shift in the business model as well as the global value chain. It has meaningfully changed the buying

behaviour of the consumers as they have avoided stores and got used to shopping online, causing e-commerce sales to skyrocket. Based on U.S. Commerce Department data released in December 2020, consumer spending through non-store channels grew 31.3% over November 2019. This crisis presents opportunities to firms for digitization and essentiality of products and services combined with information intensity. Given the rising importance of E-commerce and Digitization of the government services, D-8 started working closely with United Nations Department of Economy and Social Services on the Digital economy and E-governance. The D-8 Organization for Economic Cooperation organized a two-day joint workshop in coordination with the United Nations Department of Economic and Social Affairs (UN DESA) titling “Capacity Building Workshop on New Approaches to e-Government for SDG Implementation” from 15-16 March 2022. Participants of different levels (Senior, Mid and Operational level) of relevant ministries/authorities from the D-8 Member States participated in this meeting. This workshop aims to raise awareness on innovative approaches in e-government policies & implementation strategies and increase the capacities on how to use them for the achievement of the Sustainable Development Goal. The Secretariat is also working with UNDESA to arrange a tailored training on e-crimes in e-commerce.

Ladies and Gentlemen,

HUMAN RESOURCE DEVELOPEMNT

Technology is the key driver of the business strategy and global value chain in this new era. Therefore, Technological collaboration in the developing world is inevitable for the survival and meaningful participation of the developing economies in global value chains. Considering this with extreme importance we formed '**D-8 Network of Pioneers for Research and Innovation (D-8 NPRI)**'. This aims to bring D-8 Member States researchers, government and semi-government research institutes, industrial research institutes and research in D-8 universities under one umbrella. Through this network, D-8 will expand the level of innovation in the D-8 Member States to enable the economic growth essential for sustainable development in the D-8 region, identify research and development capabilities, conduct joint research, exchange the research results with industries in the Member States. It will also facilitate research fellow exchange programs among universities in the D-8 Member States and the D-8 International University. To

promote research and development, the D-8 is providing financial assistance in the name of 'Project Support Fund' to conduct the feasibility and pre-feasibility studies.

Furthermore, the D-8 Secretariat partners with KOMEPS Fintech from Malaysia to develop a Digital Payment Card that will allow the Member States to transact with local currency. This project envisaged the development of a new arrangement that would offer the citizens, business community of the D-8 in particular, a better choice to make financial transactions.

Challenges:

As the international trade landscape is continuing to evolve, bilateral and multilateral collaborations for improving business to business (B2B) interactions have become imperative. Both the context and coverage of trade agreements have been expanding from tariff liberalization to increasing harmony in doing business. However, the tariff rate on agricultural products implemented by the D-8 within its bloc is even higher than the tariff rates implemented by NAFTA and the EU-28 to third parties. The high tariff rate that is implemented by the D-8 within the bloc is an obstacle hindering the smooth flow of agricultural trade within the bloc. Not only that, the Member States could start discussion on the possibility of signing Free Trade Agreements or other possible trade agreements that are not limited to goods but include services and investments.

Ensuring food security for 1.1 billion population of the D-8 Countries is getting challenging that needs extra efforts. Because commodity prices are reaching record highs across the board. Food prices are 34% higher than this time last year and have never been this high since. Similarly, crude oil prices have increased by around 60%, and gas and fertilizer prices have more than double. Vulnerable populations in developing countries are particularly exposed to these price swings, as they dedicate the larger share of their income to food and energy. At current price levels, FAO worst-case estimates of increases in under-nourishment and food insecurity are also highly likely.

Concluding remarks:

Ladies and Gentlemen,

The world is changing faster than ever before. Globally, the political landscape is shifting and is becoming more unpredictable, technology is changing everything, every step of life,

environmental pressures are reaching to the alarming levels, and tensions in the society are rising almost in every part of this world. It's a universal phenomenon and occurs throughout the world, even though the speed and scale may vary from one society to another. Given these rapid changes, the D-8 is changing its dynamics to play critical role out of its traditional periphery. Apart from its conventional areas- trade, agriculture, industry, transport, the D-8 is innovating and renovating itself to contribute significantly in the emerging areas like- health and social protection, research & development, technology, e-commerce, e-governance, climate change and various other projects. We are committed to engineering our each and every effort and potential to strengthen the position of the member countries in the world economy and ensure wellbeing our citizens.