



TIJARIS



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**“THE FUTURE OF
INTRA-OIC TRADE
INTEGRATION MUST
BE REFLECTED IN
STRONG POLICY
INITIATIVES”**

PHILIPPE ISLER,
DIRECTOR OF GLOBAL
ALLIANCE



**Regional Economic Hubs Contribute
To the Development of Neighbouring
Countries**



**BANGLADESH,
a Future Asian Tiger**

Morocco: The New Investment Charter
Makes the Kingdom an Attractive
Investment Destination Par Excellence

Tourism, A Catalyst for Economic
Development in Bahrain

The Cotton Industry, a Strategic
Sector

The Islamic Centre for Development of Trade (ICDT)

is the subsidiary organ of the Organisation of Islamic Cooperation, which has been entrusted with trade promotion among the OIC Member States.



Its main objectives are as follows :

- To encourage regular trade exchanges among Member States ;
- To promote investments likely to develop trade flows ;
- To contribute to the promotion of Member states' products and encourage access to foreign markets ;
- To promote trade information ;
- To assist Member States in the fields of Trade Promotion and international negotiations ;
- To extend assistance to enterprises and economic operators.
- To participate in the trade fairs organised by ICDT.

Trade Promotion :

- To promote contacts between Member States' Businessmen ;
- To ensure the promotion of Member States' production by regularly holding the Islamic Trade Fair and specialised showrooms ;
- To assist Member States with creating and organising Export Promotion Centres ;
- To extend consultancy and expert services to Member States in the field of trade promotion.

Trade Information :

- To collect and disseminate trade information ;
- To Develop Trade data bases and facilitate their remote access ;
- To Assist Member states with setting up and organising documentation and information centres and Trade Information Networks.

Investment Promotion :

- To encourage intra-O.I.C investments ;
- To promote foreign investments in the O.I.C Member States ;
- To encourage partnership between Member States' economic operators ;
- To provide consultancy and expert services to Member States in the area of investments promotion and in particular export oriented investments.

Studies and research :

- To publish an annual report on Intra-OIC Trade ;
- To undertake sectorial product and market studies ;
- To examine the ways and means likely to alleviate obstacles to trade among Member States.

Training :

- To organise seminars and training sessions ;
- To help Member States establish expert groups in the various fields of trade development.

International Negotiations :

- Assist Member States in trade negotiations ;
- Prepare and organize the Intra-OIC Trade negotiations.

EDITORIAL



TRADE FACILITATION: THE FAST TRACK FOR BETTER INTRA-OIC ECONOMIC INTEGRATION

The WTO Trade Facilitation Agreement (TFA) is one of the key instruments for reducing trade barriers. Studies have shown that every extra day spent on administrative procedures to move goods across borders results in a %4.5 decrease in trade. Therefore, non-tariff barriers hinder the flow of international trade, and it is high time to work on reducing or eliminating these obstacles.

At the level of the OIC, despite the conclusion of multiple Free Trade Agreements between member countries, intra-OIC trade remains limited. In fact, it does not exceed %20 of the foreign trade of the member states.

This can be attributed to several factors, including the transportation and logistical challenges encountered in reaching the landlocked countries of sub-Saharan Africa and Central Asia, the administrative delays resulting from red tape as well as the insufficient use of new information and communication technologies in the management of trade operations.

The adoption of the Trade Facilitation Agreement is not the ultimate goal per se. This initiative should lead to the implementation of best practices that reduce trade barriers. Indeed, the goal is to foster trade development and strengthen regional integration among OIC member countries and investment flows.

The Islamic Centre for Development of Trade is fully conscious of the paramount importance of boosting intra-OIC trade and partnership; therefore, it works with its partners to assist countries in adopting the appropriate approaches to facilitate the removal of non-tariff barriers to trade. Besides, the Centre provides training and expertise to strengthen the capacity of concerned institutions in the Member States on various administrative and customs issues.

In this regard, the Centre has recently signed a collaboration agreement with the Global Alliance for Trade Facilitation to support OIC Member States in the implementation of the commitments made under the Trade Facilitation Agreement.

The Global Alliance is the leading provider of assistance to countries in this area worldwide. Launched at the 10th WTO Ministerial Conference in December 2015, the Alliance works with developing and least developed country governments to enable them achieve measurable, targeted trade reforms that reduce the time and cost of doing business.

In addition to this partnership, ICDT encourages cooperation and exchange of experience between advanced Member States in the field of trade facilitation and other OIC countries. All these efforts are intended to enhance the competitiveness of enterprises in international markets and to promote the role of trade as a vehicle for wealth creation and prosperity.

Latifa Elbouabdellaoui
Director General of ICDT



ICDT jointly organized with IDB and UNCTAD, a workshop on the conventions relating to international road transport (TIR) and the contract for the international carriage of goods by road (CMR) for the benefit of sub-Saharan African member countries of the OCI on June 28 and 29, 2022 in Casablanca.

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ICDT FORTIFIES COOPERATION WITH UNCTAD

Mrs. Latifa Elbouabdellaoui, Director General of ICDT was received by Mrs. Rebeca Grynspan, Secretary General of UNCTAD on 18th July 2022 in Geneva. This meeting was an opportunity to discuss their joint actions in providing technical assistance for the benefit of the OIC Member States in the field of trade and investments.

The two officials have emphasized the importance of making further efforts to implement specific capacity-building programs for public and private actors in the member countries of the organization. These programs will assist them in addressing the challenges of the current international circumstances. The discussion covered several topics, including the implementation of the WTO Trade Facilitation Agreement, especially the measures of category C; the support of candidate countries for accession to the WTO; the empowerment of rural women; the use of new technologies in trade; the support of investment and trade promotion institutions; and the modernization of bilateral investment agreements. In the same vein, the two parties discussed the possibility of launching a training program for customs officers of the member states on the use of UNCTAD's Automated System for Customs Data Entry, Control, and Management (ASYCUDA).



ICDT TAKES PART IN THE 15TH COOPERATION MEETING BETWEEN OIC AND UN INSTITUTION

Within the framework of fostering cooperation between the OIC and UN institutions, the two parties held their fifteenth meeting in Geneva, Switzerland, from 18 to 20 July 2022. More than 15 OIC Institutions and 21 UN organs took part in this meeting.

The discussions focused on the aspects of political, economic, scientific, cultural, social, and humanitarian cooperation as well as the way forward to improve coordination between the Members of these institutions. In this respect, the Islamic Centre for Development of Trade highlighted the excellent cooperation between the Centre and the UN organs operating in the field of trade and investment and recommended pursuing the coordination of their respective actions to facilitate the implementation of joint programs, while setting up follow-up and monitoring mechanisms.

ICDT PARTNERS WITH UNA TO PROMOTE ITS ACTIONS IN THE FIELD OF TRADE AND INVESTMENT



Ms. Latifa El Bouabdelaoui, Director General of the Islamic Centre for Trade Development, held a working session with Mr. Mohammed bin Abd Rabbo Al-Yami, Director General of the Union of News Agencies of OIC Member States (UNA) on Friday, October 7 in Rabat.

On this occasion, the two officials signed an MOU between the two institutions to lay the foundations of cooperation to cover the Centre's events and initiatives, as well as to disseminate information on trade and investment in the OIC space.

ICDT LENDS AFRICAN SMES A HELPING HAND

The Islamic Centre for Development of Trade (ICDT) participated in the 7th edition of the Africa SME Champions Forum in Kampala, organized by the Arab Bank for Economic Development in Africa (BADEA) and AfricSearch, in Kampala, Uganda from 6th to 7th October 2022. The Forum brought together more than 400 of Africa's top SMEs, institutional financing and trade promotion organizations, venture capitalists, and international investors. One of the Forum's objectives is to support the growth of SMEs, which are considered the engine of African economies. During these two days of the Forum that has been held since 2014 participants discussed new practical and operational solutions to address the financing and growth challenges facing SMEs in Africa. Participants shed light on the importance of innovation in the bu-

siness management process while stressing the need for the development of value chains and the use of new technologies in the service sector. Furthermore, the participants invited the States and international organizations to empower women's entrepreneurship and the solidarity

economy in order to meet the economic development needs of African society. It is worth noting that ICDT places the support of African enterprises among its priorities. Therefore, it will organize jointly with BADEA, an exhibition dedicated to the promotion of SMEs.



MOROCCO: THE NEW INVESTMENT CHARTER MAKES THE KINGDOM AN ATTRACTIVE INVESTMENT DESTINATION PAR EXCELLENCE



Given the challenging international context and the importance of foreign direct investment (FDI) in boosting the economy, Morocco has adopted a new investment charter. On top of the main objectives of creating massive employment, equitable territorial development, and promotion of high value-added productive sectors, this charter aims at improving the positioning of Morocco on the international level, as a production and export hub. The new charter, which represents a legal and institutional tool to facilitate the process of investment, includes rules advocating the principles of fairness, the neutrality of public authorities, transparency, and simplification of procedures through the digitalization of administrative formalities related to investment. The promising initiative is designed to direct investment toward the State's strategic priorities while

encouraging micro, small and medium-sized enterprises to compete internationally. Following the High Directives and Direct Guidance of His Majesty Mohammed VI, King of Morocco, the new Investment Charter promises to improve the business climate by acting on three levels: the creation of appropriate investment support mechanisms; the implementation of comprehensive measures to improve the business climate; and the promotion of unified and decentralized governance around the National Investment Commission, placed under the presidency of the Head of Government. Through an in-depth review of incentive mechanisms, Morocco has chosen to make private investment the main driver of sustainable job creation and the reduction of disparities between regions, provinces, and prefectures. This charter is intended to reverse the current imbalance between

public and private investment by 2035. Private investment, which currently accounts for a third of the investments made in the country, is expected to be doubled. For this purpose, it is projected to achieve 550 billion dirhams of private investment by 2026. For a prosperous investment landscape, the «Mohammed VI Fund» for investment has been created, in the form of a holding company, with a board of directors chaired by the Minister of Economy and Finance. It has a budget of 45 billion dirhams, including 15 billion dirhams, entirely financed by the State. The World Bank and the International Finance Corporation (IFC) will also be involved. The Fund will contribute to the financing of sectoral funds designed to support government strategies for the development of vital sectors of the Moroccan economy, such as tourism, agriculture, infrastructure, ecology, and digital technology. This new charter has been approved by both houses of parliament and should see its first enforcement texts operating from the second half of 2023. It constitutes an encouraging regulatory framework for choosing the Kingdom as a host country for partnership projects, especially with OIC member states. This new framework will develop the attractiveness of Morocco, knowing that it already offers access to a huge market of more than one billion consumers in more than 60 countries, thanks to its Free Trade Agreements and geographic location near Europe, the sub-Saharan African market, and the Arab region.

BANGLADESH, A FUTURE ASIAN TIGER

Bangladesh's economic growth held the country in high regard in Asia. It is now preparing to join the coveted Asian tiger club.

This OIC member country located in South East Asia has recorded annual growth rates of over 6% since 2006. These rates, which would make all developing countries in the area envious, are correlated with a low population growth rate. This has led to an increase in wealth which is clearly reflected in the purchasing power of the Bangladeshi people.

This economic upswing stems from several structural societal and economic changes, including the empowerment of women, greater financial inclusion, and flexible labor laws that attract FDI, especially in the garment sector.

Whether through recent government measures or commendable initiatives such as the Grameen Bank or the Bangladesh Rural Development Commission, the role of women in the public and private sectors has been greatly enhanced. The current Prime Minister, Her Excellency Sheikh Hasina Wazed, is the longest-serving Prime Minister in Bangladesh's history, having served for a combined total of over 18 years. As of October 23, 2022, she is the world's longest-ser-



ving female head of government in history. The country's efforts to improve girls' education have had a positive impact on children's health and life expectancy, a fact that helped

developing a competitive and qualified young human capital.

The Bangladeshi government's conscious policy of financial inclusion is also behind the inclusive nature of

this growth. In the same vein, the Bangladesh Bank has launched several initiatives. These include concessional refinancing of Nano, Micro, Small, and Medium Enterprises, increasing the num-

ber of bank branches in rural areas, and opening bank service outlets in areas lacking agencies or sub-agencies. Additionally, Bangladesh has encouraged the provision of non-branch financial ser-

vices through microfinance institutions and mobile phone/smart card banking. Today, the number of automated teller machines (ATMs) per 1,000 square kilometers has increased from 16 in 2010 to 108 ATMs by 2021. Rural areas will account for 48% of commercial bank branches in Bangladesh by June 2022.

Another factor that has contributed to Bangladesh's economic progress is the resounding success of the garment sector. The textile industry is by far the most important sector in the country, often described as the nation's «oil». Indeed, over the past 20 years, Bangladesh has become one of the main production bases for the global ready-made garment industry. Its 5,000 garment factories supply the world's biggest brands. More than 4 million employees, mostly women, work there. The export of textile products has become the first source of foreign exchange for the country. Bangladesh will bring in more than US\$ 35 billion by 2020 which makes it the second largest supplier of garments in the world, behind China and ahead of Vietnam.

OIC MEMBER STATES GAIN GROUND IN THE NEW GLOBAL ENERGY LANDSCAPE



As the Russian-Ukrainian conflict continues to cause disruptions in the supply chains of hydrocarbons and natural gas, the OIC Member States are already playing a leading role in the new global energy landscape. In addition to their status as reliable and responsible fossil fuel suppliers, OIC countries are taking part in the new dynamics of clean energy promotion. The new options for regulating the international energy

market will, no doubt, be influenced by the threat of natural gas shortages in Europe. The potential socio-economic impacts of this situation have led to the emergence of new partnerships, particularly between the OIC energy-producing countries and the major industrial countries in Europe.

The United Arab Emirates has signed agreements with France to promote joint investment projects in the fields of

hydrogen, renewable energies, and nuclear energy, to name but a few of the OIC member states. This agreement will lead to the creation of a joint venture «NT Energies», between Technip Energies and NPCC, capable of meeting the challenges of the Emirates' energy transition.

It is worth noting that this country is among the first countries in the Gulf region that have ratified the Paris Agreement. In this context, it

has launched the «Net Zero» strategy to reduce greenhouse gas emissions by 2050, which will catalyse the acquisition of new technologies, new skills, and therefore new jobs in the field of renewable energy.

Qatar, another OIC Member State, has announced the signing of a major \$1.5 billion contract with French oil and gas giant Total Energies aimed at developing the world's largest natural gas field with about 10% of the world's known natural gas reserves. This announcement comes as His Excellency Saad Sherida Al-Kaabi, Minister of Energy and CEO of «Qatar Energy» (QE), began a series of meetings with his German and British counterparts. It should be noted that Qatar, which is one of the main producers of liquefied natural gas (LNG) in the world, aims at increasing its production by more than 60% to reach 110 million tons by 2027.

In the same spirit, Azerbaijan is targeting Europe, as it seeks to diversify and secure its supplies. In this context, a Strategic Partnership Agreement in the field of energy was signed by His Excellency Ilham Aliyev, President of the Republic of Azerbaijan, and Mrs. Ursula von der Leyen, President of the European Commission. Consequently, this Agreement doubles the capacity of the South European Gas Corridor to supply at least 20 billion cu-



bic meters annually to the European Union (EU) by 2027. Some other OIC member countries, such as Egypt, Morocco, and Saudi Arabia, are also planning to become a global energy hub given their geographical position at the

junction between Europe, Africa, and the Middle East. Taking into consideration that renewable energies are among the pillars of the OIC Ten-Year Plan of Action which advocate sustainable development and environmental protection.



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PHILIPPE ISLER, DIRECTOR OF GLOBAL ALLIANCE



Légende photo :
Philippe Isler, Director of Global Alliance

AGREEMENT ON TRADE FACILITATION

WTO members concluded negotiations at the 2013 Bali Ministerial Conference on the landmark Trade Facilitation Agreement (TFA), which entered into force on 22 February 2017 following its ratification by two-thirds of the WTO membership.

The objective of the Agreement is to reduce or eliminate the Bureaucratic delays and formalities that hinder the movement of goods across borders for traders. Trade facilitation, i.e. the simplification, modernization, and harmonization of export and import processes, has thus become a fundamental issue for the development of international trade.

The TFA includes provisions aimed at expediting the movement, release, and clearance of goods, including goods in transit. It also includes measures to ensure effective cooperation between customs and other competent authorities on trade facilitation and customs compliance issues. Furthermore, it provides technical assistance and capacity building in this area.

Question 1: The Global Alliance for Trade Facilitation (the Alliance) helps streamline cross-border trade in dozens of developing and least-developed countries (LDCs). From your perspective, what are the challenges and the way forward for these economies in achieving the goals of the Trade Facilitation Agreement (TFA) of the World Trade Organization (WTO)?

The disruption of global supply chains caused by the COVID-19 pandemic and the inefficiencies in international trade in recent years have demonstrated the strategic importance of trade facilitation to businesses and communities around the world. Many countries feel the urgency of achieving smooth and unimpeded trade to address economic and social challenges. Documented supply chain pressures affecting all sectors, including agri-food and health, call for urgent solutions. As shareholders, customers, employees, and consumers are clamoring for inclusive and sustainable development, there is an opportunity to amplify the potential of trade facilitation to achieve environmental, social, and governance objectives.

In this context, the TFA as a mechanism to address major development challenges is often overlooked. When conducted properly and on a large scale, trade facilitation can be a highly transformative force in the fight against endemic poverty, a fact that touches the core of the Alliance's mission.

By working in a public-private partnership, our consistent efforts assist countries in meeting their TFA commitments. We strongly believe that collaboration between govern-

ments and businesses is the best way to achieve results that reduce the time and cost of trade and ultimately reduce poverty. Trade reform should not be a matter of government alone - the private sector has to play an active role in providing its expertise, tools, and methodologies while advocating for positive and sustainable changes to enable more inclusive trade.

This participatory approach is the bedrock of our projects around the world, providing an opportunity for the private sector - locally and internationally - to work with governments in implementing solutions to trade issues.

Question 2: ICDT and the Alliance signed a Memorandum of Understanding (MoU) in Casablanca last July. Could you elaborate on the background and objectives of this MoU?

ICDT has a solid institutional base covering no less than 57 countries on three continents. It is an institution recognized for its commitment and expertise in terms of trade issues, with several resources and networks established to highlight the challenges and ways to overcome them.

This MoU represents an important step for the Alliance, allowing us to strengthen and expand our ties with OIC member countries, which constitute an important part of our project portfolio.

ABOUT THE ALLIANCE

The Global Trade Facilitation Alliance is a public-private partnership for trade-led growth that assists governments in developing and least-developed countries implement the World Trade Organization's Trade Facilitation Agreement. Its projects aim at cutting red tape and eliminating costly border delays by uniting governments and businesses of all sizes as equal partners in implementing targeted trade reforms.

With a focus on digitalization and other beneficial practices, the Alliance's projects enable businesses to trade more easily through simplified and more predictable processes. Governments save time and resources by modernizing trade procedures while preserving their borders.

Ultimately, its projects boost trade competitiveness and business conditions, which are key drivers of inclusive economic growth and poverty reduction. The Alliance is led by the Center for International Private Enterprise, the International Chamber of Commerce, and the World Economic Forum, in cooperation with the Gesellschaft für Internationale Zusammenarbeit (GIZ). It is funded by the governments of the United States, Canada, Germany, and Denmark.

For example, the Alliance has assisted Morocco in digitalizing its phytosanitary certification process, saving exporters time and money and enhancing the country's economic competitiveness. In Mozambique, we worked with the government and importers to digitalize the import licensing process for life-saving health supplies, reducing the time and cost of getting childhood vaccines and rapid test kits for HIV and malaria to vulnerable populations. Then in Bangladesh, we are currently engaged in a project to digitalize and streamline border processes at the busy Bhomra Port land crossing on the border with India.

This combination of ICDT's institutional outreach along with the Alliance's operational expertise and knowledge in implementing trade facilitation projects will create crucial public-private synergies, both locally and internationally, in assisting to overcome the most difficult barriers to trade facilitation faced by developing economies.

This new agreement addresses some key elements of our trade facilitation projects, including:

- Identifying trade barriers and defining priority projects
- designing projects
- Mobilizing partners and resources for project deployment
- Executing implementation through a public-private partnership

• Measuring quantitative and qualitative impacts and manifesting the benefits of projects in terms of tangible reductions in trade time and cost. ICDT and the Alliance have already begun focusing on combining their efforts and energies to explore potential projects in several countries.

Question 3: The Alliance is already implementing trade facilitation projects in several OIC member countries. In your opinion, how do you see the way forward for the development of intra-OIC trade?

In addition to the aforementioned three countries, we are also active in several other OIC member states, with projects in Cameroon, Indonesia, Jordan, Nigeria, Senegal, and Tunisia. Although geographically disparate and facing different

ABOUT PHILIPPE ISLER

Philippe Isler is the Executive Director of the Global Facilitation Alliance, a public-private partnership for trade-led growth. Previously, Mr. Isler was Vice President of the SGS Group, in charge of community trade systems development, e-government, telecommunications monitoring, and port and customs operations. Mr. Isler has broad experience in the design and deployment of solutions aimed at digitalizing supply chain processes in developing economies through public-private partnerships. He has also been involved in the development of traceability solutions aimed at tracking shipments moving through LDCs. Mr. Isler holds a Bachelor of Science degree in Aerospace Engineering from the University of Bristol.



challenges, our projects have at least two features in common, namely the weakness of regional trade flows and the difficulties of integration, especially for landlocked countries.

Regardless of the country or region, the TFA provides both a theoretical framework and a practical guide for addressing identified barriers to trade. The Alliance was pleased to contribute to a recent workshop organized by ICDT and IsDB on the operationalization of the TFA's «Category C» measures in Dubai in March 2022. In fact, dialogues such as these are essential to understanding the needs of developing and least developed countries.

Public and private sector engagement is crucial in the implementation of its recommendations. For a project to reach its full potential, political, economic, cultural, and social considerations must also be fully taken into account.

Given all these factors, I believe that the future of intra-OIC trade integration must be reflected in strong policy initiatives that support trade facilitation efforts. For example, the African Continental Free Trade Area (AfCFTA) and other regional groupings and sub-groupings across the African continent are creating opportunities for projects that will increase competitiveness and bring tangible benefits to countries and their people.

The websites of the OIC and the Institutions relating to it

NAME OF INSTITUTIONS	WEBSITES
GENERAL SECRETARIAT OF THE ORGANISATION OF ISLAMIC COOPERATION (OIC)	www.oic-ooi.org
SUBSIDIARY ORGANS	
Statistical, Economic, Social Research and Training Center for Islamic Countries (SESRTC)	www.sesrtoio.org
Research Center for Islamic History, Art and Culture (IROICA)	www.iroica.org
Islamic University of Technology (IUT)	www.iutoio-dhaka.edu
Islamic Centre for Development of Trade (ICDT)	www.icdt-oic.org
International Islamic Fiqh Academy	www.fiqhaacademy.org
Islamic Solidarity Fund (ISF) and its WAQF	www.isf-fai.org / www.isf-fai.com
The Real Estate Union in Islamic States (REUOS)	www.reuos.org
SPECIALIZED INSTITUTIONS	
Islamic Development Bank (IDB)	www.idb.org
Islamic Educational, Scientific and Cultural Organization (ISESCO)	www.isesco.org.ma
Islamic Broadcasting Union (IBU)	www.isboo.org
International Islamic News Agency (IINA)	www.islamionews.org.sa
Islamic Committee of the International Crescent (ICIC)	www.icic.oic.org
The Science, Technology and Innovation Organization (STIO)	www.stio.comstech.org
Islamic Organization for Food Security	www.oicfao.org
AFFILIATED INSTITUTIONS	
Islamic Chamber of Commerce, Industry and Agriculture (ICCIA)	www.icciaonline.com
Organization of Islamic Capitals and Cities (OICC)	www.oicc.org
Islamic Solidarity Sports Federation (ISSF)	www.avalnet.net.sa
Organization of the Islamic Shipowners Association (OISA)	www.oisaonline.com
World Federation of Arabo-Islamic International Schools (WFAIIS)	www.wfais.org
Islamic Conference Youth Forum for Dialogue and Cooperation (ICYF-DC)	www.icyf.com
International Union of Muslim Scouts (IUMS)	www.iums.net
Federation of Consultants from Islamic Countries (FCIC)	www.fcic-org.com
Islamic World Academy of Sciences (IAS)	www.ias-worldwide.org
OIC Computer Emergency Response Team (OIC-CERT)	www.oic-cet.org
Standards and Metrology Institute for Islamic Countries (SMIIC)	www.smiic.org
International Islamic University Malaysia (IIUM)	www.iium.edu.my
Association of Tax Authorities of Islamic Countries (ATAIC)	-
Organization of Islamic Cooperation Broadcasting Regulatory Authorities Forum (IBRAF)	www.rtuk.org.tr
STANDING COMMITTEES	
Alquds Committee	www.bmaq.org/eng/page/al-quds-committee
Bayt Mal Alquds Agency	www.bmaq.org
Standing Committee for Information and Cultural Affairs (COMIAC)	-
Standing Committee for Economic and Commercial Cooperation (COMCEC)	www.comceo.org
Standing Committee for Scientific & Technological Cooperation (COMSTECH)	www.comstech.org
ISLAMIC UNIVERSITIES SPONSORED BY THE OIC	
Islamic University of Technology (IUT)	www.iuiu.ac.ug
Islamic University in Uganda (IUIU)	www.universite-say.ne
Islamic University Niger (IUN)	www.universite_say.ne
International Islamic university Malaysia (IIUM)	www.iium.edu.my

SAUDI ARABIA, DJIBOUTI SIGN JOINT COOPERATION AGREEMENT ON MARITIME TRANSPORT

The Kingdom of Saudi Arabia and the Republic of Djibouti signed on June 24, 2022, a Cooperation Agreement in the field of maritime transport. The agreement covers the development of cooperation between the two countries in the field of maritime transport and logistics. It addresses, among other things, the mechanisms of entry, berthing, and departure of ships of both countries in their various ports, as well as maritime emergencies and incidents in the territorial sea. This partnership is intended to facilitate port access procedures for vessels serving both countries, and promote the sharing of experience and technology between companies, institutions, and maritime institutes. Djibouti's particular attractiveness lies in the fact that it currently acts as a key gateway for trade between the Horn of Africa states, notably landlocked Ethiopia, and the coastal countries on the other side of the Red Sea. This, in addition to the political stability, is indeed a considerable advantage. Djibouti has invested heavily in transport infrastructure (deepwater port, dry port, and railroad). Currently, trade between Saudi Arabia and Djibouti amounts to \$1.86 billion, achieving a growth rate of 103% in 2021 compared to 2020.

AFGHANISTAN IS DEVELOPING ENERGY RESOURCES TO BOOST ITS ECONOMY

The Turkish company «77 Insaat» has completed the construction of a new hydroelectric power plant at the Kajaki dam in the southern province of Helmand in Afghanistan, an investment worth 160 million US dollars. Considered the second of its kind in the region, the plant will increase the dam's power generation capacity from 33 to 51.5 megawatts, with a target of 100 megawatts in the future. This project aims at supplying electricity to an estimated one million Afghan families and 3,000 small and medium-sized enterprises, in addition to 200 large facilities. Furthermore, it is worth mentioning that 76 Turkish companies are established in Afghanistan operating in the sectors of energy and mining, construction, health, logistics, and consulting, carrying out more than 701 projects between 2003 and 2018. Overall, Afghanistan offers significant investment opportunities. Its subsoil is rich in mineral resources, including precious



stones (emeralds, rubies, sapphires, turquoise, and lapis lazuli), gold, platinum, silver, copper, iron, chromite, uranium, and aluminum.

TOURISM, A CATALYST FOR ECONOMIC DEVELOPMENT IN BAHRAIN



The Kingdom of Bahrain is an archipelago of several islands, its Arabic name means «between the two seas». With a population of 1,748,295 and a GDP per capita of around 22,232 USD, the kingdom is distinguished by an economy mainly based on oil (60% exports, 30% GDP), ICT, Aluminium (28% exports, 12% GDP), the financial sector (17% GDP) and construction (7%). The tourism sector is becoming an increasingly important contributor to the Bahraini economy, accounting for 7% of GDP in 2019, compared to 4% in 2015. This progress is the outcome of the strategy put in place by the kingdom to revitalize this sector. As part of its economic recovery plan in response to the pandemic's negative effects on the sector, the kingdom has launched a new 2022-2026 strategy that aims at making the tourism sector an integral part of its socioeconomic development. This strategy aims to increase tourist arrivals to 14.1 million by 2026. It also seeks to increase the average tourist expenditure to 74.8 Bahraini Dinars (BHD) and guaranteeing a minimum stay of 3 days for each visitor. To turn vision into reality, the Kingdom has carried out a communication and promotion campaign of the Bahraini tourist product in partnership with international actors. Within this framework, the Bahrain Tourism and Exhibition Authority (BTEA) has signed several agreements with tourism operators in several OIC member countries, notably Egypt and Turkey. It has established facilities at Bahrain International Airport to welcome tourists upon their arrival. Furthermore, the Kingdom of Bahrain has launched several tourism projects including the construction of the International Exhibition Center in Sakhir as well as the establishment of luxury resorts on the coastline including «Bahrain Bay beach» and Qalali Coast Waterfront. The kingdom has also been promoting the following three UNESCO world heritage sites: Dilmun Burial Mounds, Pearling Path & Qal'at Al Bahrain. These initiatives have enabled the kingdom to record an increase in tourist arrivals of about 38% for the second quarter of 2022 compared with the first quarter. Similarly, an increase in tourism receipts of around 562% was recorded for the same period. According to the latest statistics, the sector has now recovered 82% of its pre-pandemic activity. With the Bahrain Tourism Strategy 2022-2026, the authorities aspire to make the Kingdom one of the leading tourist destinations in the Gulf countries, increase competitiveness and attract investment to the Kingdom. For more information, please visit the BTEA website at the following link: www.btea.bh

REGIONAL ECONOMIC HUBS CONTRIBUTE TO THE DEVELOPMENT OF NEIGHBOURING COUNTRIES

Economic integration is a rational alternative approach to solidarity-based development between neighbouring countries. In Africa, we have witnessed a growing number of market integration initiatives in recent years. Efforts in this direction aim at reshuffling the roles; indeed, industrializing the continent enables Africa to relinquish its status as a supplier of raw materials, which currently restricts it to the lower end of the global value chain.

The industrialization of Africa can be achieved through the development of regional hubs capable of

boosting the continent. Through their function as regional trade hubs and as «magnets» for foreign direct investment, these hubs can contribute to the diffusion of growth over a territory that includes several neighbouring countries.

To understand the role of a regional economic hub, it is, therefore, necessary to define its specific characteristics and possible forms. Indeed, a hub requires a combination of different factors, including connection to global trade routes, logistics infrastructure, proximity to major consu-

mer markets, the existence of financial networks, and the development of information and communication technologies.

Besides disseminating knowledge, hubs help facilitate capital flows by mobilizing foreign direct investment and private equity funds and by brokering funds from development finance institutions. This will allow local companies in the same region to benefit from better access to financial resources and increase their capacity to establish functional relationships with large national and multinational com-



panies, particularly in the form of subcontracting.

The stability of the institutional and regional investment environment is a prerequisite for maximizing the benefits of hubs for the regional economy. The existence of a continental African Free Trade Area (AfCFTA) and eight Regional Economic Communities on the continent, four of which are on the right track to becoming effective Customs Unions. Furthermore, the strategies implemented to lay the foundations for regional development will certainly help foster the emergence of growth poles that will serve as catalysts for the development of the countries of the same region.

Among the African OIC member countries that are making great strides towards achieving the status of «regional hub», one can cite Côte d'Ivoire. It plays the role of trade hub of ECOWAS thanks to the port of Abidjan where most of the region's trade is transited. As for Nigeria, it represents a mixed pole both commercially, through the port of Lagos, and financially through the capital flows issued in the region, which accounted for 90% of the new investments announced in West Africa in 2019 (UNCTAD, 2020). In North Africa, Egypt is a promising financial hub with a growing fintech sector in the region thanks to the creation of a regulatory framework. Morocco is also a

growing commercial, industrial, and financial hub, particularly thanks to the Tanger Med port, the automotive industry, and the Casa-finance city. There are other growth hubs in the OIC-Africa zone, notably Senegal.

The aspiration of the OIC, within the framework of its Ten-Year Economic Development Plan for 2025, is to multiply such hubs, to promote harmonious growth among the member countries. The Islamic Centre for Development of Trade is committed to supporting all national and regional initiatives for innovative trade and economic cooperation policies that promote value creation and generate economic growth at the regional level.

THE COTTON INDUSTRY, A STRATEGIC SECTOR

Cotton fiber is a strategic product for several Member States of the Organization of Islamic Cooperation (OIC), particularly in Sub-Saharan Africa and Asia. This sector represents more than 20% of the export earnings of these countries and employs more than 30% of their active population. Therefore, the Cotton-Textile sector occupies a preponderant place in the economic and social development of the OIC Member States. The volume of world cotton trade amounts to 114.5 billion USD in 2021 compared to 106.2 billion USD in 2017, i.e. a growth of 7.8% owing to the fluctuation of its prices on the world market. The OIC Member States have totaled a cotton trade volume of about 26.6 billion USD in 2017 against 32.6 billion USD in 2021, i.e. an increase of 22.6% during this period. Besides, more than a quarter of the world cotton trade comes from OIC countries between 2017 and 2021, especially from Sub-Saharan African countries and Central Asian countries.

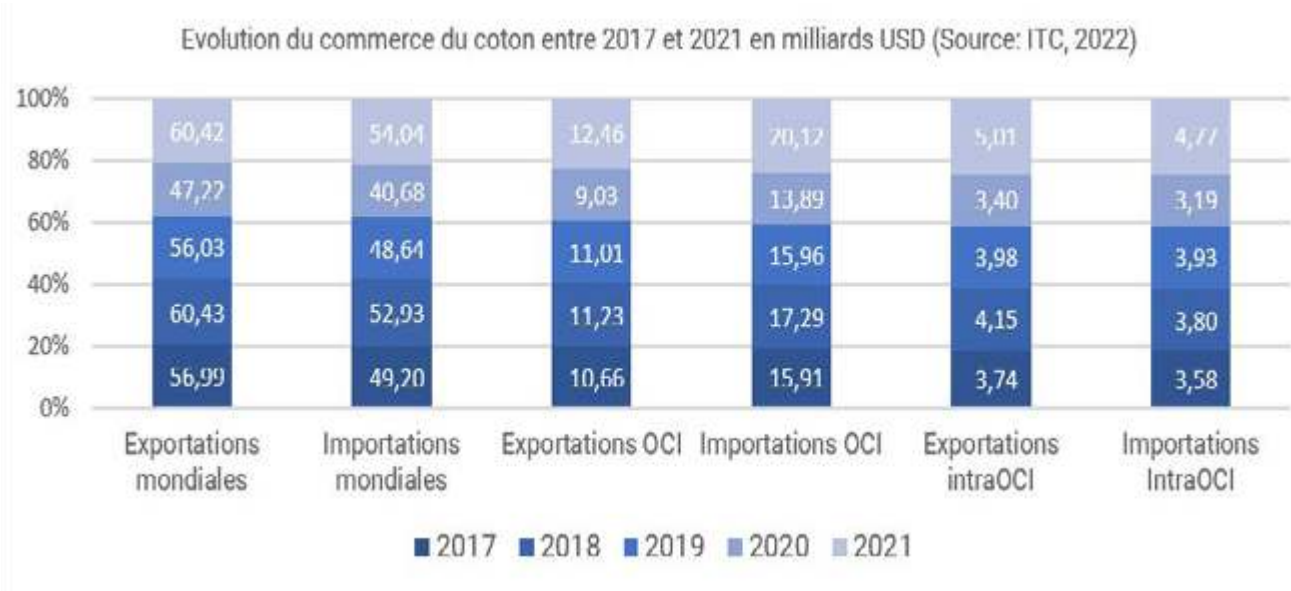


On the other hand, intra-OIC cotton trade reached 7.3 billion USD in 2017 and 9.8 billion USD in 2021, i.e. an increase of 33.5% during the last four years thanks to the growth of trade of African and Asian countries. Between 2017 and 2021, the share of the intra-OIC cotton trade is around 30%. The main exporters of cotton in 2021 to the OIC space are Pakistan, Uzbekistan, Türkiye, Benin, Turkmenistan, Azerbaijan, Côte d'Ivoire, Egypt, Tajikistan, and Indonesia, which have totalled more than 87% of the world exports of Member States, i.e. a value of 4.4 billion USD. Regarding the importers of the OIC countries, we can mention Türkiye, Bangladesh, Pakistan, Tunisia, Iran, Morocco, Egypt, Indonesia, United Arab Emirates, and Malaysia for their textile industries and manufacturing needs. This top ten recorded a value of 4.6 billion USD in 2021 or 97% of the world imports of the OIC Member States. The main products marketed are cotton (67%) and processed textile products (33% in 2021). In this context, the processing of cotton fiber and its derivatives through the creation of sustainable value-added activities in the cotton-textile-clothing value chain is becoming a major issue at the core of the economic and social development of our countries. The promotion of income-generating activities for women and young people should be placed at the heart of this issue to generate a sustainable impact on the inclusive

development of our economies. However, the subsidies applied to cotton by certain countries, particularly the most developed ones, are likely to lower the price of the fiber on the international market and thus drastically reduce the revenue from these exports. Indeed, more than 70% of the world's supply receives public assistance in the form of direct aid, input and transport subsidies, crop insurance, border protection, or minimum support prices. In the 2020/2021 production season alone, government support for the global cotton industry reached \$6.95 billion, according to the International Cotton Advisory Committee (ICAC). China, the United States, and India account for about 62% of the global fiber supply and have released \$6.2 billion in 2020/2021, equivalent to 90% of the total amount (China: \$4.1 billion, United States \$1 billion, India

\$989 million). In this respect, 4 OIC Member States, namely Benin, Burkina Faso, Mali, and Chad have formed a group at the WTO, to defend their cotton producers together. These countries are calling for the reduction or even the elimination of these subsidies, which are considered discriminatory and contrary to the principles of international trade. The «Cotton-4» group has consistently affirmed in the WTO Cotton Sub-Committee that it is necessary to support locally designed cotton development assistance projects, including the «Cotton Road» project, which aims at promoting the cotton sector by improving local processing capacities and developing cotton-textile value chains at the regional level. The World Trade Organization, the United Nations Conference on Trade and Development, and the International Trade Centre are wor-

king to develop technical assistance programs to improve the cotton sector in these countries, although productivity levels remain low. It should be noted that the average regional cotton yield in Sub-Saharan Africa is approximately 370 kg/ha, compared to the world average of 800 kg/ha. The Islamic Centre for Development of Trade (ICDT) contributes to the development of this sector through the organization of exhibitions on Cotton, Textile, and Clothing of OIC Member States. The next edition will be held in Abidjan, the Republic of Cote d'Ivoire. These events include technical training workshops on marketing and production techniques for the benefit of the operators of this sector as well as business meetings that constitute an opportunity to increase trade and investment flows between the OIC Member States.



ICDT IS ORGANIZING IN ASSOCIATION WITH THE STANDARDS AND METROLOGY INSTITUTE FOR ISLAMIC COUNTRIES (SMIIC), THE LARGEST EVENT IN THE HALAL SECTOR.



The certified Halal economy is estimated to be worth \$2.2 trillion in 2021. It includes food, pharmaceutical and lifestyle sectors, that are influenced by ethical principles and expectations derived from the Muslim faith. These consumption figures reflect a significant 5.2% year-on-year growth and are estimated to reach \$3.2 trillion by 2024, considering a compound annual growth rate («CAGR») of 6.2%. In addition, assets placed in Islamic finance reached an estimated \$2.5 trillion in 2018. In order to promote this industry which is rich in trade and investment opportunities, ICDT is organizing in association with the Standards and Metrology Institute for Islamic Countries (SMIIC), the largest event in the Halal sector. The OIC Halal Expo is set to open its doors to exhibitors and visitors

from all over the world on 24-27 November 2022 at Istanbul Expo Center, Istanbul, Türkiye, in conjunction with the World Halal Summit under the theme «For a Sustainable Trade: Explore All the Aspects of the Growing Global Halal Industry» also organized by ICDT and SMIIC. The previous edition of the OIC Halal Expo was held from November 25 to 28, 2021, on more than 13,137 sqm and hosted 354 exhibitors representing more than 32 countries, with 31,067 professional visitors from 96 countries. The objectives of the exhibition are:

- To promote products and services related to the Halal industry;
- To enable the actors of the Halal industry to promote their products and services;
- To provide an opportunity for decision-makers and experts to exchange their experiences on the Halal industry;

- To develop partnerships and strategic alliances between the actors of the Halal industry;
- To create a platform for meetings between professionals;
- To facilitate the access to innovative products and know-how in the field of new techniques related to the Halal industry.

It is worth noting that the Islamic Centre for Development of Trade exhibition launches the annual report on Halal industry in the OIC Member States. Furthermore, a Halal dashboard enabling to follow the evolution of the Halal sector will also be shared with all the stakeholders of the industry. It will cover the 6 sub-sectors namely Halal food, Islamic finance, modest fashion, Halal tourism, Muslim media/leisure, and Halal pharmaceutical and cosmetic industry.

CALENDAR

Activity	Date	Venue
9th OIC Halal Expo	24-27 November 2022	Istanbul, Republic of Türkiye
OIC Coffee meet	7-8 March 2023	Kampala, Republic of Uganda
Bahrain Halal Expo	4-6 May 2023	Region of Mubayyah – Kingdom of Bahrain
10th OIC Halal Expo	31 May – 4 June 2023	Tunis, Republic of Tunisia
18th Trade Fair of the OIC Member States	16-18 June 2023	Lahore, Republic of Pakistan
5th Health Fair of the OIC Member States	28 June – 02 July 2023	Dakar, Republic of Senegal
Cotton textiles and clothing Expo	19-22 July 2023	Abidjan, Republic of Côte d'Ivoire



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