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ANNUAL REPORT ON TRADE AMONG THE OIC MEMBER STATES

EXECUTIVE SUMMARY

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ANNUAL REPORT ON TRADE AMONG THE OIC MEMBER STATES

EXECUTIVE SUMMARY

I. THE WORLD ECONOMIC OUTLOOK:

a) World Economy between 2016 and 2017:

The global recovery in economic activity is strengthening between 2016 and 2017 due to the growth of domestic demand in industrialized countries and in China, as well as a performance improvement in other major emerging economies and a sustained recovery in global investment in the manufacturing sector.

According to IMF data of January 2018, this situation allow the upturn of the growth of the global production which stood at 3.2% in 2016 and could rise to 3.7% in 2017 thanks to the acceleration of growth of 120 countries amounting a total of three quarters of the world's GDP. This situation can be explained, among other things, by the economic recovery of countries such as Germany, Korea, the USA, Japan, South Africa, Brazil and China.

Moreover, the extension of the OPEC + Agreement limiting oil production and the geopolitical situation in the Middle East have contributed to increase the price of a barrel on the international market between August and December 2017 to stabilize at $ 60 in January 2018. The oil consumption has risen in all countries.

The US economy has recorded a growth by 2.5% at the end of 2017 driven by household consumption expenditure and business investment, despite the negative contribution of foreign trade and stock variation.

The euro zone experienced strong growth in 2017 (2.5% after 1.8% in 2016) thanks to good financial conditions, increased economic confidence and a brighter labor market.

The Japanese economy grew until December 2017 and Japanese production rose by 1.6% in annualized rhythm after 2.4% in the third quarter of 2017, driven by household consumption and business investment. Annual growth for 2017 was vigorous (1.7% after 0.9% in 2016), supported by a dynamic job market, strong budget support, favorable financial conditions and strong global demand.

In China, the economy recorded robust growth in 2017 (6.9% after 6.7% in 2016), driven by strong domestic demand and dynamic external demand. Industrial production increased by 7.2% in January-February after 6.2% in December 2017. Private sector activity continues to grow, as shown by the composite PMI Index (53.3 in February after 53, 7 in January). The Chinese trade balance improved in February, following a strong expansion of exports (44.5% after 11.1% in January) and slower growth of imports (6.3% after 36.9%).

In India, economic growth accelerated in the fourth quarter of 2017, with GDP increase of 7.2% after 6.5% in the third quarter. Thus, Industrial production increased by 7.5% in January after 7.1% in December 2017.

In Brazil, the gradual recovery of the economy is established, with GDP growth of 2.1% in the fourth quarter of 2017 after 1.4% in the third quarter. For the whole year 2017, the Brazilian economy grew by 1% after a reduction of 3.5% in 2016, which confirms its exit from the recession situation.

The GDP of the OIC Member States increased from USD 14.9 trillion in 2012 to USD 18.3 trillion in 2016. As a group, the OIC countries produced 15.3% of the world production on the basis of PPP and 26.3% of that of developed countries in 2016. In current prices, the share of OIC countries in world global GDP is only 8.4%.

b) World Trade:

- According to the WTO report of 2017 and the IMF data of October 2017, world trade grew by 2.4% in 2016 in a similar volume as in 2009, due to weak growth in advanced, emerging and developing countries. The slowdown in trade growth in emerging countries is linked to lower investment and inventory adjustment.

In developing countries, continued weakness in trade growth is linked to a sustained slowdown in China's trade and a severe contraction of imports in some commodity-exporting countries which face macroeconomic difficulties, particularly in Latin America, sub-Saharan Africa and the Commonwealth of Independent States.

- In 2017, growth in world trade enhanced significantly in the first half, due to a recovery in global demand and in particular capital expenditure. As a result, global trade growth reached 2.4% in 2017 and in the medium term, i.e. 1% more than GDP growth at market price.

This situation is due to fluctuations in the global economic environment and countries' trade policies (lower investment spending) and commodity prices.

In 2016, average merchandise trade increased slightly in volume but declined in value due to lower export and import prices.

Slow economic growth in world trade in 2016 was accompanied by weak real GDP growth of 2.3% at market price, compared to 2.7% the previous year and an annual average of 2.8% since 1980.

In general, trade growth is much more volatile than GDP growth at the global level, although they tend to increase or decrease simultaneously.

- In 2017, it is expected to rise partly, but the continued slowdown in trade compared to GDP remains a matter of concern. Indeed, trade is expected to be boosted by the implementation of the WTO Trade Facilitation Agreement (TFA), which entered into force in February 2017. The objective of the TFA is to streamline customs procedures and speed up the movement of goods across borders. According to estimations, the full implementation of the TFA could lead to an increase of 2.7% per year in global trade growth by 2030.

The first quarter of 2017 was marked by financial turbulence that affected China and its regional trading partners, resulting from a fear of a sudden economic slowdown and escalation of currency depreciation.

World trade growth slowed in the second quarter of 2017 after a very strong expansion in the first quarter of 2017 and rose in the third quarter following the increase in domestic demand of the advanced countries.

As a matter of fact, in the United States, investment continued to grow, partly as a result of a recovery in the energy sector and in the euro area and Japan, the consolidation of private consumption, investment and external demand boosted overall growth in the first half of 2017.

❖ ***Exports:***

World merchandise exports were estimated at US $ 15.460 billion in 2016, a decrease of 3.3% compared to 2015 due to lower exports of fuels and mining products (-14%) in 2016 .

Exports grew modestly, by 1.4% in the developed economies and by 1.3% in the developing economies.

This decrease was however less pronounced than in 2015 (-36%). Exports of manufactured goods decreased slightly (-2%), while exports of agricultural products increased slightly (+1%). In 2016, total exports of manufactured goods amounted to US $ 11,200 billion, accounting for more than 70% of total world exports.

All regions recorded a decline in merchandise exports in 2016, with Europe recording the smallest decline (-0.3%) and the Commonwealth of Independent States with the most significant decrease (-16.2%).

Despite increased merchandise exports and imports in 2016, North America was largely responsible for the slowdown of last year's trade growth.

❖ ***Imports:***

In 2016, imports from developed economies increased by 2.0% while those of developing economies stagnated at 0.2%.

Regarding imports, Europe recorded a slight increase (0.2%), while all other regions recorded a decrease. Europe's exports and imports rose faster than those in North America, which have generally stagnated since the beginning of 2015.

Imports from developing economies fell by 3% in the first quarter of 2016, before rebounding in the second quarter and returning to their previous level at the end of the year. In contrast, imports from developed economies remained weak throughout the year. Asia imports outperformed other regions even more (with growth of 2.6%).

North America contributed only by 0.1% to the 1.2% growth in world imports in 2016.

This is much less than in 2015, when North American imports added 1.2 % to world import growth of 2.9%, i.e. 42% of the total increase.

Asia and Europe are the only regions that contributed to a significant positive impact on global import demand in 2016, Europe by 1.6% (i.e. 39% of the total increase) and Asia by 1.9% (i.e. 49% of the total upsurge).

Among all categories of primary products, fuels recorded the largest price decrease in 2016 of 16.5%. Lower declines were recorded for agricultural commodities (-5.7%) and metals (-5.4%).

On the other hand, food prices increased slightly (1.3%). Overall, commodity prices fell by around 10% in 2016.

This is far less than the 35% drop recorded in 2015, especially for resource-producing countries whose export earnings continued to decline, but at a slower pace.

Since the beginning of 2016, oil prices have stabilized and partially recovered, but a return to levels reached few years ago is unlikely as long as oil stocks remain high in major economies.

❖ ***Trade in Services:***

The value of world exports of commercial services nearly stagnated (0.1%) in 2016, totaling US $ 4.770 billion after a very sharp decline of 5.5% in 2015, and largely due to the appreciation of the US dollar.

All regions recorded similar growth levels, with the best result obtained in Asia (0.9%).

- The weakest component of services was transportation, which tends to reflect changes in merchandise trade.

Therefore, exports of transportation services, which are closely linked to merchandise trade, fell by 4.7% in 2016 to reach US $ 853 billion, following a 9.5% decline in 2015.

The largest decreases were registered in Africa (-9%) and Asia (-7%). The Middle East is the only region with positive growth driven by burgeoning transportation services exports.

In fact, maritime and air transport services have suffered from the slowdown in trade due to economic stagnation and surplus of capacity.

On the one hand, world exports of maritime freight services decreased by 13% in 2016 due to overcapacity in the shipping industry and weak demand following the stagnation of the economy.

In particular, dry bulk transport had the worst year ever recorded. Maritime freight prices remained exceptionally low, before rising again in the last quarter of 2016, due to the increase in demand.

- Despite security and safety concerns and health issues in many parts of the world, global revenues from travel increased by 2% reflecting the 3.9% increase in international tourist arrivals in the world. World travel exports increased by 2% in 2016, reaching US $ 1,205 billion. These exports measure travelers' spending on goods and services during their stay abroad.

Despite continuing health and safety issues in many parts of the world, international tourist arrivals reached 1,235 million in 2016.

- Exports of other types of services grew modestly last year, especially those of other commercial services (0.9%), a category that includes financial services. World exports of other commercial services increased by 1% in 2016, reaching US $ 2,584 billion, compared with a 5% decline in 2015.

A significant decline was noted in the Commonwealth of Independent States countries and South and Central America.

The Middle East, Europe and Asia regions recorded the strongest growth in 2016 (+5%), due to the increase in exports of computer services and research and development services.

Computer services (related to hardware, software and data processing services) accounted for about 72% of ICT services exports, i.e. US $ 353 billion.

In addition, at the end of 2016, a slowdown in commercial services exports was observed due to the contraction of services exports in Europe while imports from North America and Asia remained fairly strong during this period.

II. RECENT DEVELOPMENTS IN THE FOREIGN TRADE OF THE OIC MEMBER STATES:

a) The New OIC Ten Year Program of Action (OIC-2025):

The OIC Ten Year Program of Action (TYPOA) 2005-2015 implemented by all OIC Institutions and Member States under the direction of the General Secretariat has achieved the target set by leaders to reach 20% in 2015.

At the 13th Islamic Summit of April 2016 held in Istanbul in the Republic of Turkey, a New Ten-Year Program of Action was adopted aiming at achieving 25% of intra-OIC trade share by 2025 (OIC -2025) covering the period 2016-2025.
In this regard, the OIC General Secretariat has initiated an Annual Coordination Meeting of the OIC Institutions every December starting from 2015.

During this first meeting in December 2015, two subcommittees were created: a subcommittee on Trade and Investment (TISC) under the chairmanship of the Islamic Centre for Development of Trade (ICDT) and another on the development of the private sector and finance under the direction of the Department of Resource Mobilization and Cooperation of the Islamic Development Bank.

The TISC Subcommittee organized 3 meetings of the OIC institutions in charge of trade and investment affairs in Morocco (16-17 March 2016 in Marrakech; 6 March 2017 in Casablanca and 9-10 March 2018 in Marrakech) and two technical meetings in Jeddah at the ITFC headquarters to coordinate the activities of the Member Institutions (27 May 2016 and 9 February 2017).

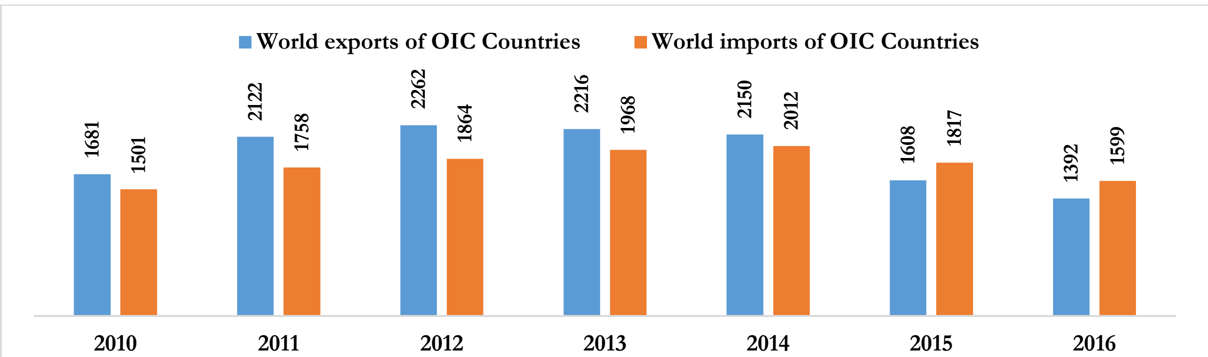
Five integrated projects were adopted namely: the industrial development of Halal, the Single Window Initiative and Trade Facilitation, the development of strategic products; Investment Promotion and Support for Investment Promotion Agencies of Member States, Private Sector Development and SMEs, Concept Notes and integrated activities Matrix of Institutions were finalized between 2017 and 2019.

b) World trade of OIC countries:

The trade share of the OIC countries decreased between 2015 and 2016, as a result of fluctuating commodity prices, the existence of tariff and non-tariff barriers to trade and investment and the fragile environment of the global economy and trade.

The world trade of the OIC countries decreased from 3.4 trillion USD in 2015 to 3 trillion USD in 2016 i.e. a 12.7% decline. The trade share of the OIC Member States accounted for around 9.3% in 2016 against 10.3% of world trade in 2015, i.e. a 10% decline.

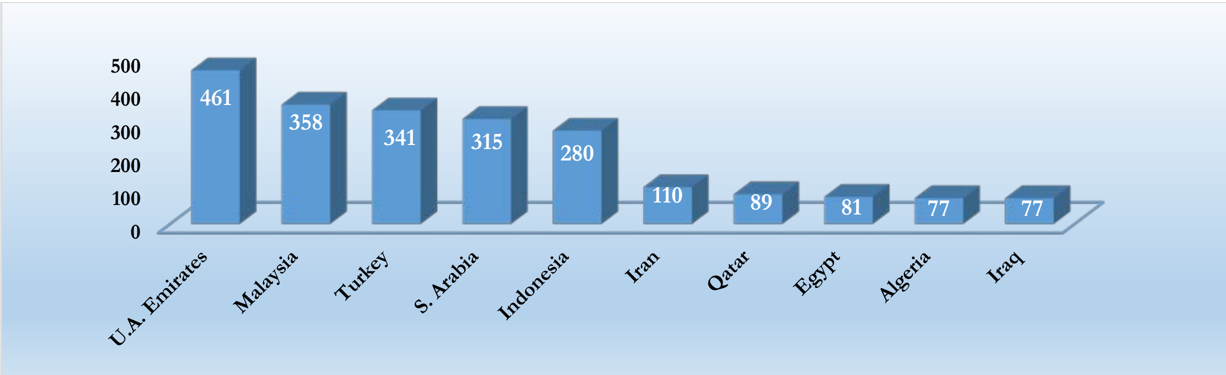
Graph n° 1: Evolution of foreign trade of the OIC Member States between 2010 and 2016 in billion US dollars



This situation can be explained by the decrease of foreign trade of the following countries: UAE (-82 billion USD), Turkey (-56 billion USD), Egypt (-36 billion USD), Pakistan (-26 billion USD), Morocco (-19 billion USD), Algeria (-17 billion USD), Iran (-17 billion USD), Lebanon (-16 billion USD), Jordan (-12 billion USD), Bangladesh (-11 billion USD), Yemen (-7 billion USD), Afghanistan (-6 billion USD), Tunisia (-6 billion USD) and Syria (-5 billion USD), despite the increase of some Member States foreign trade such as: Saudi Arabia (+35 billion USD), Qatar (+25 billion USD), Malaysia (+21 billion USD), Iraq (+16 billion USD), Kazakhstan (+11 billion USD), Kuwait (+10 billion USD), Indonesia (+9 billion USD) and Nigeria (+7 billion USD).

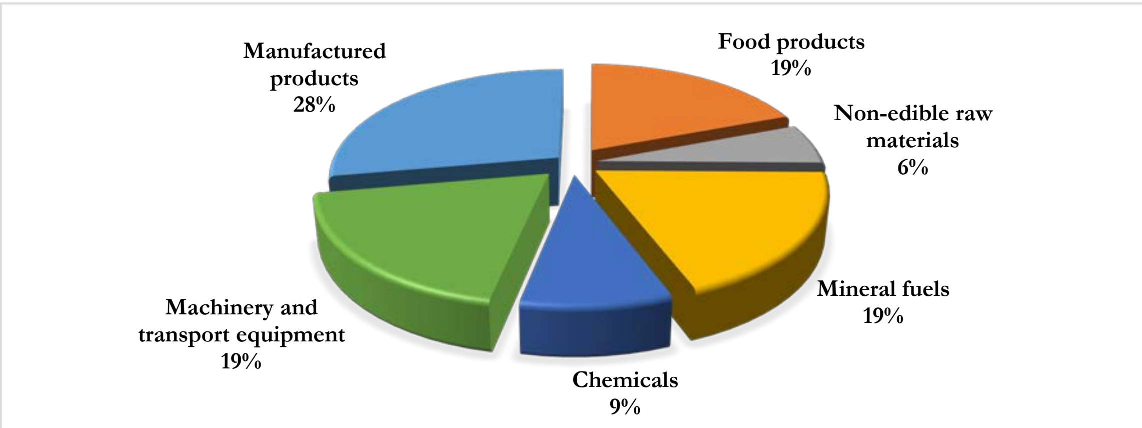
The main foreign trade actors of the Member States in 2016 are: The UAE, which totalled 461.2 billion USD or 15.4% of the total trade of the OIC countries followed by Malaysia (358 billion, 12%), Turkey (341 billion, 11.4%), Saudi Arabia (315 billion, 10.5%), Indonesia (280 billion, 9.4%), Iran (110 billion, 3.7%), Qatar (89 billion, 3%), Egypt (81 billion, 2.7%), Algeria (77 billion, 2.6%) and Iraq (77 billion, 2.6%). These ten countries accounted for 73.2% of the world trade of Member States corresponding to a total value of 2.2 trillion USD.

Graph n° 2: Main actors of Foreign trade of the OIC Member States in 2016 (billion USD)



The main traded products are: various manufactured goods (28%), food products; machinery and transport equipment and mineral fuels 19% each, chemicals 9% and non-edible raw materials 6%.

Graph n° 3: Trade Structure of the OIC Countries (Average 2011-2016) in %



c) Trade in Services of OIC Member States:

According to UNCTAD data of October 2017, the global trade of commercial services of the OIC countries reached in 2016 a value 807.8 billion USD against 822.30 billion USD in 2015 corresponding to a 1.8% decline.

Trade in services accounts for 27% of the total trade of the OIC countries. This trade is composed of 24.3% of transportation services followed by travel (26.5%) and other services (49.2%).

Other services to citizens and businesses consist of 80% of trade services (finance, insurance and construction), 11%, telecom, computer and information services, 6% of government services and 2% of personal, cultural and leisure services.

The main players in trade services are: UAE, Saudi Arabia, Malaysia, Turkey, Indonesia, Qatar, Kuwait, Egypt, Lebanon and Iran.

These ten countries accounted for 72.50% of the total trade of the OIC countries in 2016.

d) Intra-OIC trade:

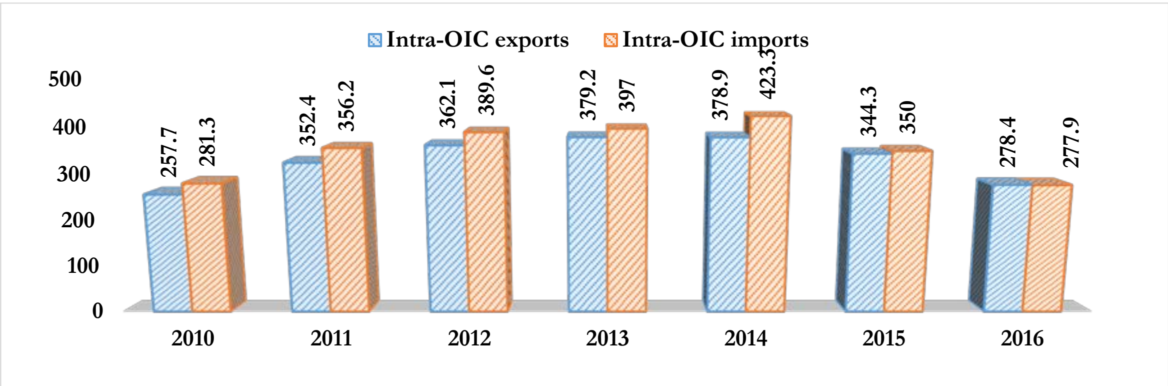
Intra-OIC trade volume (intra-OIC exports + intra-OIC imports) was established at 556.3 billion USD in 2016 compared to 694.42 billion USD in 2015, i.e a decline of almost 20%. The share of intra-OIC trade decreased from 20.3% in 2015 to 18.7% in 2016, corresponding to a decline of 8%.

This drop in intra-OIC trade can be explained, among others, by the decline of commodity prices, the appreciation of the US dollar and the economic environment of the OIC countries.

The main decrease were unregistered in the following countries: Iran (-44 billion USD), Pakistan (-27 billion USD), Iraq (-25 billion USD), the Afghanistan (-9 billion USD), Bangladesh (-9 billion USD), Oman (-8 billion USD), Yemen (-7 billion USD), Jordan (-5 billion USD), Syria (- 4 billion USD), Morocco (-4 billion USD), Lebanon (-4 billion USD) and Tunisia (-3 billion USD).

Other countries recorded an increase of their intra-OIC trade between 2015 and 2016 namely:
United Arab Emirates (+66 billion USD), Turkey (+38 billion USD), Saudi Arabia (+29 billion USD), Indonesia (+12 billion USD), Bahrain (+8 billion USD), Malaysia (+7 billion USD), Qatar (+6 billion USD), Kazakhstan (+5 billion USD).

Graph n° 4: Evolution of Intra-OIC trade of the OIC Countries in billion USD between 2010 and 2016



The main intra-OIC trading partners countries in 2016 are: The UAE, which accounted for 99.7 billion USD or 18% of intra-OIC trade followed by Turkey (64.0 billion USD, 11.6%), Saudi Arabia (54 billion, 9.8 %), Malaysia (35 billion, 6.3 %), Indonesia (35 billion, 6.3 %), Iran (32 billion, 5.8 %), Egypt (24 billion, 4.3%), Oman (22 billion, 4%), Pakistan (20 billion, 3.6%) and Qatar (16 billion, 3%).

These ten countries accounted for 72.4% of the intra-OIC trade of the Member States, for a total of 403 billion USD.

Graph n° 5 : Main actors of Intra-OIC trade in billion USD in 2016

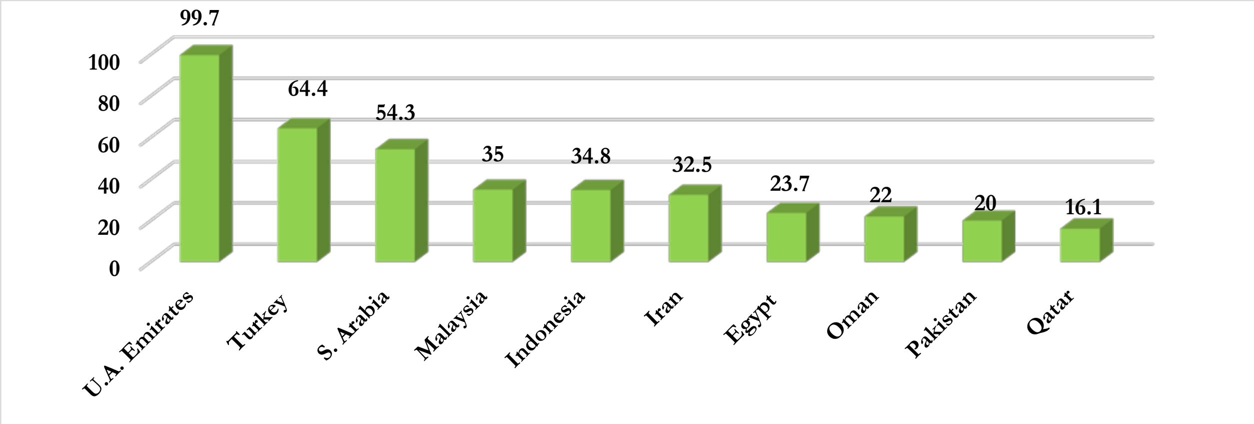
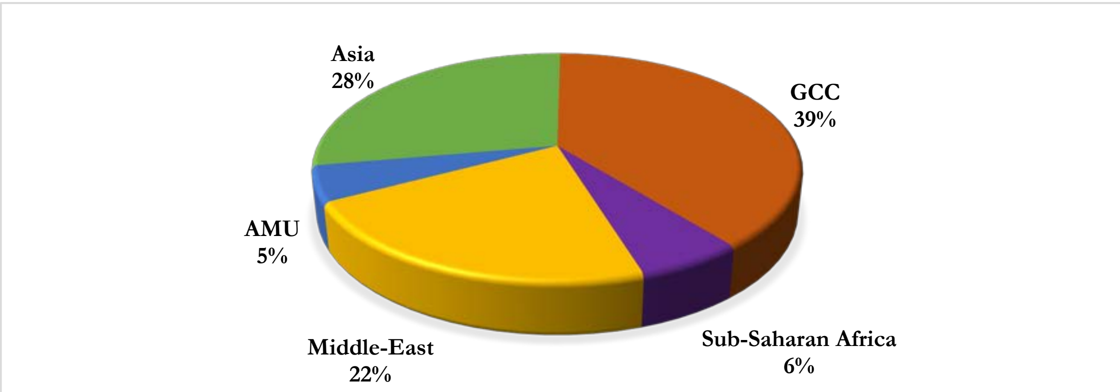


Table 1: Evolution of Foreign and Intra-OIC Trade between 2010 and 2016 ($US billion and in %)

	2010	2011	2012	2013	2014	2015	2016	Evolution 2015/2016	Evolution 2010/2016
World exports of the OIC Countries	1 680.77	2 122.48	2 261.77	2 215.79	2 149.80	1 608.43	1 391.73	-13.47%	-17.20%
Intra-OIC Exports	257.71	325.41	362.1	379.15	378.91	344.25	278.38	-19.13%	8.02%
Share	15.33%	15.33%	16.01%	17.11%	17.63%	21.40%	20.00%	-6.54%	30.45%
World imports of the OIC Countries	1 501.35	1 757.68	1 864.24	1 968.29	2 012.45	1 816.58	1 599.44	-11.95%	6.53%
Intra-OIC Imports	281.29	356.17	389.58	396.98	423.34	349.98	277.94	-20.58%	-1.19%
Share	18.74%	20.26%	20.90%	20.17%	21.04%	19.27%	17.38%	-9.80%	-7.25%
Volume of overall trade	**3 182.12**	**3 880.16**	**4 126.01**	**4 184.08**	**4 162.25**	**3 425.01**	**2 991.17**	**-12.67%**	**-6.00%**
Volume of intra-OIC Trade	**539.0**	**681.58**	**751.68**	**776.13**	**802.25**	**694.23**	**556.32**	**-19.87%**	**3.21%**
Net Intra-OIC Trade	**269.5**	**340.79**	**375.84**	**388.065**	**401.125**	**347.115**	**278.16**	**-19.87%**	**3.21%**
Share of Intra-OIC Trade	**17.03%**	**17.80%**	**18.45%**	**18.64%**	**19.33%**	**20.33%**	**18.69%**	**-8.09%**	**9.72%**

In 2016, Gulf countries ensured 39% of intra-OIC trade followed by Asian countries (28%), Middle East countries (22%), Sub-Saharan African countries (6%) and AMU countries (5%).

Graph n° 6: Geographical distribution of intra-OIC trade in 2016 and in %



In 2016, about 26 countries reached the 25% target of intra-OIC trade set up by the New Ten Year Program of Action (TYPOA) OCI-2025, which are in descending order: Syria (76.4% of its trade carried out with the OIC countries), Sudan (68.94%), Somalia (65.75%), Afghanistan (63.03%), The Gambia (45.82%), Togo (44.27%), Oman (43.54%), Djibouti (42.20%), Yemen (41.84%), Tajikistan (41.3%), Jordan (39.89%), Benin (39.08%), Bahrain (37.85%), Lebanon

(36.76%), Egypt (36.72%), Senegal (34.48%), Mali (34.33%), Libya (32.54%), Sierra Leone (30.78%), Guinea (29.87%), UAE (28.38%), Pakistan (28.10%), Niger (28.00%), Uzbekistan (27.95%), Kyrgyzstan (27.71%) and Comoros (24.62%).

Intra-regional trade decreased from USD 142.6 billion in 2015 to USD 118.1 billion in 2016, i.e. a decline of 17.2% due to the significant decline in intra-regional trade exchanges in the Middle East, Asia and Africa between about 3 to 10 billion USD. The intra-regional trade remains concentrated between the GCC countries, the Middle East and Asia up to 91% in 2016. Intra-regional trade accounted for 42.5% of intra-OIC trade in 2016 compared to 37.6% in 2016 testifying the revitalization of trade between the OIC regions during this period.

Table 2: Evolution of Intra-regional Trade between 2015 and 2016
($US billion and in %)

OIC Area	Intra-regional trade			Share in intra-OIC trade		
	2 015	2 016	Variation 2015-2016	2015	2016	Variation 2015-2016
AMU	5 225.76	3130.85	-40.09%	1.38%	1.13%	-18.35%
GCC	55 805.74	53677.61	-3.81%	14.73%	19.31%	31.08%
MIDDLE-EAST	31 600.37	21013.61	-33.50%	8.34%	7.56%	-9.38%
ASIA	40 084.55	33136.20	-17.33%	10.58%	11.92%	12.66%
SUB-SAHARAN AFRICA	9 848.63	7132.94	-27.57%	2.60%	2.57%	-1.30%
TOTAL	**142565.06**	**118091.20**	**-17.17%**	**37.62%**	**42.47%**	**12.89%**

- Interregional trade experienced the same downward trend, considering the international trade environment between 2015 and 2016 of 20.6%, decreasing from 201.7 billion USD to 160.1 billion USD. The regions involved in this interregional trade in 2016 are the GCC, Asia and the Middle East. Inter-regional trade accounted for 57.6%.

Table 3: Evolution of Inter-regional Trade between 2015 and 2016
($US billion and in %)

OIC Area	Inter-regional trade			Share in intra-OIC trade		
	2 015	2 016	Variation 2015-2016	2015	2016	Variation 2015-2016
AMU	6 879.81	6 763.61	-1.69%	1.82%	2.43%	33.98%
GCC	103 615.67	71 550.90	-30.95%	27.34%	25.73%	-5.89%
MIDDLE-EAST	43 913.77	41 312.98	-5.92%	11.59%	14.86%	28.21%
ASIA	39 568.57	31 773.42	-19.70%	10.44%	11.43%	9.43%
SUB-SAHARAN AFRICA	7 704.77	8 690.87	12.80%	2.03%	3.13%	53.72%
TOTAL	**201682.58**	**160 091.78**	**-20.62%**	**53.22%**	**57.58%**	**8.18%**

e) Tools and trade initiatives developed by OIC Member States:

As part of the development of Member States, several initiatives have been taken, especially in the area of trade facilitation in terms of road and airport infrastructure during the period 2010-2016, whose growth has exceeded 10%. These countries are the United Arab Emirates, Malaysia, Turkey, Iran, Egypt, Brunei Darussalam, Kuwait, Senegal, Sierra Leone, Maldives, Burkina Faso, Algeria, Saudi Arabia, Lebanon, Morocco, Chad, Tajikistan, Indonesia and Cameroon.

According to UNCTAD data, other countries have also improved their maritime connectivity rate by more than 25% between 2005 and 2016, namely: Maldives, Bahrain, Togo, Sudan, Bangladesh, Jordan, Benin, Somalia, Djibouti, Guinea, Turkey, Cameroon, Egypt, Sierra Leone, Morocco and Cote d'Ivoire. The average maritime connectivity rate of Member States improved by 18.6% between 2005 and 2016.

Other measures have also been taken including:

- ✓ The submission and electronic processing of commercial transactions: Albania, Saudi Arabia, Bahrain, Bangladesh, Benin, Brunei, Burkina Faso, Cameroon, Comoros, Côte d'Ivoire, Djibouti, Egypt, United Arab Emirates, Indonesia, Gabon, The Gambia, Guinea, Guinea Bissau, Guyana, Indonesia, Jordan, Kazakhstan, Mali, Malaysia, Maldives, Morocco, Mauritania, Mozambique, Niger, Nigeria, Uganda, Uzbekistan, Pakistan, Palestine, Qatar, Senegal, Sierra Leone, Sudan, Suriname, Syria, Tajikistan, Togo, Tunisia, Turkey and Yemen;
- ✓ The establishment of national single windows: Malaysia, Indonesia, Morocco, Brunei, Turkey, Senegal, Egypt, United Arab Emirates, Tunisia, Azerbaijan, Burkina Faso, Benin, Cameroon, Bangladesh, The Gambia, Jordan, Mozambique, Uganda, Uzbekistan, Pakistan, Sierra Leone, Qatar, Saudi Arabia, Kuwait, Bahrain, Kazakhstan, Kyrgyzstan, Tajikistan, Cote d'Ivoire, Togo, Lebanon, Guyana, Sudan, Iran, Oman, Gabon, Nigeria, Algeria, Libya, Albania, Maldives, Niger, Mali, Mauritania and Suriname;
- ✓ Improvement of the logistics performance index by more than 10% between 2010 and 2016 for: Sierra Leone, Malaysia, the United Arab Emirates, Turkey, Egypt, Brunei, Iran, Kuwait, Senegal, Algeria, Lebanon, Morocco, Indonesia, Qatar, Maldives and Saudi Arabia through the construction of new logistics infrastructure during this period to better handle international trade operations;
- ✓ Improvement of customs performance by more than 20% between 2010 and 2016 for: the United Arab Emirates, Turkey, Sierra Leone, Malaysia, Lebanon, Brunei, Egypt, Comoros, Qatar, Pakistan, Algeria, Egypt, Indonesia and Burkina Faso as the government authorities have invested considerably in the equipment of national customs (scanners, risk management ...);
- ✓ Improvement of national infrastructures by more than 15% between 2010 and 2016 for: the United Arab Emirates, Malaysia, Turkey, Iran, Egypt, Brunei, Kuwait, Senegal, Sierra Leone, Maldives, Burkina Faso, Algeria, Saudi Arabia, Lebanon, Morocco, Chad and Tajikistan which have invested in improving national roads, ports and airports to boost the mobility of goods and persons;
- ✓ Improvement of the distance to the border by more than 10% between 2010 and 2016 in some countries, this is the case of: Uzbekistan, Tajikistan, Chad, Kazakhstan, Togo, Niger, Sierra Leone, Kyrgyzstan, Burkina Faso, Benin, Côte d'Ivoire, Guinea, Guinea-Bissau, Senegal, Uganda and Mali in order to facilitate cross-border trade in these mostly landlocked countries;
- ✓ The improvement of the maritime connectivity rate for coastal countries by more than 20% between 2010 and 2016: Maldives, Bahrain, Togo, Sudan, Bangladesh, Jordan, Benin, Somalia, Djibouti, Guinea, Turkey, Cameroon, Egypt, Morocco, Côte d'Ivoire, Pakistan, Saudi Arabia, Malaysia and Suriname indicating that efforts have been made by the various governments to increase the maritime service rate with trading partners;
- ✓ The creation of Trade and Investment Promotion Organs in several OIC countries which ease direct contact between OIC Businessmen and who have developed tools of export and investment incentives to facilitate cross-border trade and Foreign Direct Investment.

According to Doing business 2016, the main countries with a high index of cross-border trade in terms of the border of compliance time to trade, cost and obtaining documentation are: Albania, Malaysia, Jordan, Turkey, Oman, Suriname, Comoros, Mali, Kyrgyzstan and Palestine.

Between 2006 and 2016 more than 2500 reforms were applied by countries around the world including 750 concerned the OIC countries to facilitate the implementation of international trade operations

Among these, there are 97 measures on facilitation of cross-border trade of OIC countries, most of which come from the following countries with at least 3 reforms: Benin, Egypt, Jordan, Mali, Uganda, Pakistan, Djibouti, the United Arab Emirates, Morocco, Mauritania, Uzbekistan, Senegal, Tunisia and Albania.

f) ICDT activities:

The implementation of TPS/OIC Agreement and its protocol, including PRETAS, and the project of Single Window of the OIC Member States and an observatory of non-tariff barriers by ICDT are aimed at reducing the obstacles to intra-OIC trade and hence will help bring the share of intra-OIC trade in global trade to 25% by 2025.

ICDT has organized several awareness-raising seminars on the importance of the TPS-OIC Agreement and its protocols in the Gulf countries and in North Africa, particularly in Saudi Arabia, Oman, Kuwait, Libya, Morocco, in Burkina Faso with WAEMU, in Istanbul for ECO countries in collaboration with the COMCEC and the IDB's Department of Cooperation and Integration, in Suriname with the participation of Guyana and recently in Amman, Jordan, for executives from the State of Palestine and the Hashemite Kingdom of Jordan and for Indonesia in presence of ASEAN countries representatives.

These activities will contribute to the operationalization of this important agreement. Currently, 42 countries have signed the Agreement, among which 32 have ratified it, 33 have signed the PRETAS, 18 of which have ratified it.

The rules of origin have been signed by 32 countries, 17 of which have ratified. Only 13 countries submitted their concession list to the Trade Negotiating Committee.

Moreover, since its creation, the Centre has organized 15 general trade fairs, more than fifty specialized fairs, about twenty Business Forums, a large number of buyers-sellers meetings, hundreds of seminars and training workshops in the international trade businesses and at the end of 2013 a business center to boost intra-OIC trade.

ICDT also organized in May 2016 in Riyadh on the sidelines of the 15th OIC Trade Fair; the 2nd forum of the Trade Promotion Organs (TPOs) and a Forum of the Investment Promotion Agencies (IPA), the 3rd Forum of TPOs in Casablanca on October 2017 and the Workshop on Non-Tariff Barriers to Trade of the OIC Member States held in Rabat in October 2017 and the Special Edition of the Trade Fair of the OIC Member States, in February 2018, in Kuwait City, in order to identify these obstacles to trade and investment between the OIC countries and seek solutions to gradually dismantle these barriers will certainly contribute to boost intra-OIC trade in the near future.

In this regard, ICDT has launched the TPOs website which will relay commercial information directly from the OIC Countries (http://tpo.oicinvest.org/) and the Non-Tariff Barriers to Trade website (http://ntb.icdt-oic.org/survey).
A login and password have been sent to all TPOs and OIC Ministries of Trade to register and update their commercial information.
On the other hand, ICDT, in collaboration with the IDB Group, organized several seminars on the role of the Commercial Single Window in facilitating intra-OIC trade, and their interoperability to reduce the time and cost of cross-border transactions in Casablanca and Dubai between 2015 and 2017.

- At the bilateral level, ICDT organized missions of Saudi, Malaysian, Indonesian Pakistani, and Gabonese businessmen respectively between 2015 and 2017 in Casablanca to promote trade and investment between OIC countries.

The Centre also organized the Asia Africa OIC Forum in Kuala Lumpur in September 2017 in collaboration with OIC International Business Center Malaysia and a Buyers-Sellers Meeting of Pharmaceutical Products and medical services between African and Arab OIC countries in Abidjan from 2 to 3 November 2017 in collaboration with the ITFC.

On the other hand, we have to further improve maritime connectivity among OIC Member States through the creation of shipping lines between African, Asian and the Gulf countries and raise awareness among OIC Member countries to establish Single Windows and to analyze their interoperability to better promote intra-OIC trade

In addition, the operationalization of the WTO Trade Facilitation Agreement (TFA) since 22 February 2017 is of great importance for facilitating trade (following its ratification by two-thirds of WTO Members). The latest countries that have ratified the TFA are: Namibia, Djibouti, New Guinea Papua, Cuba, Benin (28 March 2018) bringing to 135 the total number of ratifications out of the 164 WTO members.

Among the Member States that have ratified the TFA, 27 may be mentioned: Malaysia, Niger, Togo, Pakistan, Guyana, Côte d'Ivoire, Brunei Darussalam, Mali, Turkey, the United Arab Emirates United, Albania, Kazakhstan, Saudi Arabia, Afghanistan, Senegal, Bahrain, Bangladesh, Gabon, Kyrgyzstan, Mozambique, Nigeria, Oman, Chad, Jordan; Sierra Leone, Qatar, The Gambia, Mali, Malaysia, Niger, Sierra Leone and Togo.

It should be noted that 112 countries have notified the category A of the TFA including 36 OIC countries. 61 countries notified category B and 51 in category C of the Agreement according to WTO data of 28 March 2018. 15 OIC Member States have notified Category B, namely: Albania, Chad, Guyana, Mozambique, Nigeria, Pakistan, Afghanistan, Bangladesh, Bahrain, Brunei, The Gambia, Mali, Malaysia, Niger, Sierra Leone and Togo.

14 OIC Member States have notified Category C of the TFA, namely: Albania, Chad, Guyana, Mozambique, Nigeria, Pakistan, Afghanistan, Bangladesh, Bahrain, Gambia, Mali, Niger, Sierra Leone and Togo.

We recall that 44 OIC Member States are WTO Members with Afghanistan which acceded on 29 July 2016. Eleven OIC Member States are in the process of accession to the WTO.

Furthermore, ICDT organized awareness-raising seminars between 2015 and 2017 with the IDB's Department of Economic Integration on the WTO Trade Facilitation Agreement to encourage them to ratify this agreement, to notify its categories A, B and C and to contribute to the development of the trade of the OIC countries with the rest of the world.

g) Persistence of tariff and non-tariff barriers:

Despite of the considerable efforts made by the Member States, OIC General Secretariat and its Institutions to promote intra-OIC trade and reduce bottlenecks, many obstacles remain.

According to the latest study conducted by ICDT, the difficulties faced by exporting companies are related to customs services (76%), then logistics and legal aspects with 33% each. However, against the common belief, financial issues are mentioned in only 10% of cases.

The difficulties are summarized as follows:

- The first challenge is logistics, especially interstate transport. Transport costs (freight) are very high between African ports. Land transport of goods between these states is sometimes disrupted or even halted for months for political reasons.
- Financial difficulties including pre-financing, insurance / export guarantee and especially the payment. Difficulty concerning repatriation of foreign currency from several countries. Having different currencies is a challenge.
- The bureaucracy of the entities responsible for facilitating access of products to the market
- High taxation related to the entry of goods in the exporting countries.
- Although being in the same sub-regional space, countries made measures that restrict exports, they only accept that the product would be transported from the border or by national carriers in their countries, and once on their territories they request to sell to a wholesaler in their country who will resell to retailers in their markets.
- Obtaining import permits
- Export conditions at the level of obtaining documents by a relevant Public Authority.
- Authentication of the certificate of origin. In addition, non-recognition of certain certificates of origin with an HS code from an earlier version.
- Unpredictable delivery times
- Goods badly reconditioned after visit.
- Harassment and withdrawal of the carrier often towards some OIC countries
- Dispute concerning value of the product
- Control and inspection time considered too long.

Related to the place where these complications were encountered, 75% of respondents report meeting them abroad against 58% who point fingers at the authorities and organizations of their own country.

Some of the solutions suggested by companies include the following:

The suggestions proposed by the respondents are highly varied. We compiled them in the following main points:

- Promote intra-OIC trade and harmonize procedures between countries to facilitate trade.
- Strengthen banks and encourage them to facilitate operations for exporters.
- Make customs services more available and more accessible to operators.
- Strengthen the management and control of the agents involved in the export process and improve their motivation.
- Improve the conditions of transport between the OIC countries.
- Give the chambers of commerce responsibility in order for them to carry out some export-related tasks by themselves.
- Reduce ancillary costs related to export.
- Reduce the number of checks and whenever practicable to automate the process. For example, systematization of the use of scanners to activate control and streamline the passage of goods.
- At the import, the difficulties are relating to products whose importation requires obtaining a license, or even an approval, or for new products not yet listed in the customs nomenclature of the importing country.

ANNEXES

THE EXPORTS OF THE OIC MEMBER STATES (IN MILLION US $)

	2015			2016			
COUNTRY	TO OIC Countries (1)	Total Exports (2)	1/2 in %	TO OIC Countries (3)	Total Exports (4)	3/4 in %	الـــدول
AFGHANISTAN	335.03	571.40	58.63%	348.33	611.43	56.97%	

THE IMPORTS OF THE OIC MEMBER STATES (IN MILLION US $)

COUNTRY	2015			2016			الـــــدول
	From OIC Countries (1)	Total Imports(2)	1/2 in%	From OIC Countries (3)	Total Imports(4)	3/4 in %	
AFGHANISTAN	5 449.01	7 722.87	70.56%	4 532.05	6 558.91	69.10%	