

**FINAL REPORT**  
**OF THE**  
**FORUM ON ENHANCEMENT AND PROMOTION OF TRADE**  
**AND INVESTMENT IN COTTON SECTOR AMONG OIC**  
**MEMBER COUNTRIES**  
**ISTANBUL, REPUBLIC OF TURKEY**  
**12-13 NOVEMBER 2007**

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1. The Forum on Enhancement and Promotion of Trade and Investment in Cotton Sector among OIC Member Countries was held in Istanbul, Republic of Turkey, on 12-13 November 2007.
2. The Forum was attended by the representatives of the following Member States of the Organization of the Islamic Conference (OIC):
  1. Republic of Azerbaijan
  2. People's Republic of Bangladesh
  3. Republic of Benin
  4. Burkina Faso
  5. Republic of Cote d'Ivoire
  6. Arab Republic of Egypt
  7. Republic of Indonesia
  8. Republic of Kazakhstan

9. Malaysia
10. Kingdom of Morocco
11. Federal Republic of Nigeria
12. Islamic Republic of Pakistan
13. Republic of Senegal
14. Republic of Sudan
15. Syrian Arab Republic
16. Republic of Tajikistan
17. Republic of Tunisia
18. Republic of Turkey
19. Turkmenistan
20. Republic of Uganda
21. Republic of Uzbekistan

3. The Meeting was also attended by the OIC General Secretariat, the COMCEC Coordination Office (CCO), Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRTCIC), Islamic Centre for Development of Trade (ICDT), the Islamic Development Bank (IDB), Islamic Chamber of Commerce and Industry (ICCI), African Development Bank, BSIC (CEN-SAD). The Forum was also attended by 46 private companies and 17 chambers of trade and commodity exchange in Turkey and representatives of 20 private companies from other member countries. The Forum was also attended by 9 international organizations. A copy of the List of Participants is attached as Annex-I.

4. Following a recitation of verses from the Holy Qur'an, Ambassador Nabika DIALLO, Adviser to H.E. Secretary General of the OIC read out the message of the H.E Prof. Ekmeleddin IHSANOGLU. In his message, H.E Prof. IHSANOGLU expressed his deep gratitude to the Government and people of the Republic of Turkey and particularly Ministry of Industry and Trade, for the successful organization of this important Forum. He mentioned that this cotton forum will look into all the challenges facing the member countries in cotton sector and evolve ways and means to allow for an optimum development of this important sector in the member states. Prof. IHSANOGLU stated that the Third Expert Group Meeting on Enhancing Production Efficiency and

International Competitiveness in OIC Cotton Producing Countries, held in Antalya, Turkey, on 9-12 October 2006, adopted the Action Plan for OIC Cotton Producing Countries' Cooperation Development Strategy (2007-2011) and this Action Plan was approved by the 22<sup>nd</sup> Session of the COMCEC. He hoped that the implementation of this Five-Year Action Plan will increase the cotton production efficiency and the higher competitiveness for this product in the OIC Member States. A copy of the Statement of H.E Prof. Ekmeleddin IHSANOĞLU, Secretary General of the OIC is attached as Annex-II.

5. H.E. Zafer ÇAĞLAYAN, Minister of Industry and Trade of the Republic of Turkey, addressed the meeting. In his statement, H.E. ÇAĞLAYAN welcomed the delegates and expressed his pleasure for hosting the Cotton Investment Forum in Istanbul. H.E. ÇAĞLAYAN emphasized in his speech that the forum developed within the framework of the “OIC 5-year cotton action plan”, which stipulates the strengthening of economic and commercial relations between the member countries and the “OIC ten-year program of action” which provides valuable improvements to the member countries of the organization.

He also emphasized that the forum will directly serves to mobilize the internal and external dynamics of the Islamic world in the field of cotton production and trade where the representatives of the member countries, international and national organizations and the organizations of the private sector would come together in bilateral and multilateral negotiations to enhance cooperation among themselves and investment concrete projects will be established.

The Minister also stressed that Turkey is ready to help and cooperate with its sister Islamic countries by the help of the strong trade and industry infrastructure available in Turkey. In this connection, he mentioned that Turkey is ready to present the products of the Islamic countries via Turkish Stock Exchange System. Moreover and support various activities such as; establishing centers of excellence and using the institutions in our country to this end, implementing expert exchange and training programs, arranging mutual visits between businessmen and experts, arranging a fair for cotton and processed cotton products, establishing common development and investment programs, strengthening the communication channels and improving the network which was formulated for this forum and using it in cotton action plan studies. A copy of the Speech of H.E. CAĞLAYAN is attached as Annex-III.

6. Mr. Halim METE, Vice President of the Union of Chambers and Commodity Exchanges of Turkey, Mr. Tuğrul YEMISCI, member of the Turkish Parliament, Mr. Musa KULAKLIKAYA, Vice President of the Turkish International Cooperation and Development Agency, have addressed the opening speeches.
7. H.E. Alhaji Ahmed Garba BICHI, Minister of State for Commerce and Industry of Nigeria, has made a statement on behalf of guest ministers. H.E. BICHI expressed his deep gratitude to the Government of the Republic of Turkey and particularly Ministry of Industry and Trade, for the organization of this Forum.

8. The Forum elected the Bureau as follows:

- Chairman : Republic of Turkey
- Vice Chairman : Burkina Faso
- Vice Chairman : Arab Republic of Egypt
- Rapporteur : Islamic Republic of Pakistan

9. The forum was chaired by Assoc. Prof. Dr. Yusuf BALCI, Undersecretary, Ministry of Industry and Trade of the Republic of Turkey who started the Working Session of the forum by inviting Mr. Mehmet Vehbi GUNAN, the Director General, Ministry of Industry and Trade, to brief the forum on the achievements since Third Experts Group Meeting, held in Antalya in October 2006. Mr GUNAN mentioned that the Ministry of Industry and Trade of Turkey has developed a website devoted to OIC Cotton Producing Countries and also to facilitate the preparation of the Forum. He also informed the Forum that the Ministry has circulated a questionnaire on the needs and capacities in cotton sector to the concerned Member Countries and, in this regard, he called upon those countries to respond to the said questionnaire as soon as possible.
10. Prof. Dr. Adnan DEGIRMENCIOGLU presented the productivity potentials of the cotton producing areas in the OIC member states. He mentioned analysis of cotton trade among the OIC member countries in his presentation.
11. The representative of MUSIAD, Dr. Erol YARAR, presented the importance of cotton trade and the cooperation opportunities among the OIC member states. He also mentioned in his speech that Cotton Program may be a basis for Cotton Union just like the Iron-Steel Union of Europe that evolved to Economic and Political Union.
12. Mrs. Attiya Nawazish Ali, Assistant Secretary General for Coordination of Islamic Chamber of Commerce and Industry presented a comprehensive paper titled "Cooperation opportunities for energizing Trade and Investment in Cotton Sector among OIC Member Countries" which is in line with the 5-Year Action Plan for Cotton Producing Countries. In her paper she highlighted the importance of Cotton and its critical role in the socio-economic development of many OIC countries, particularly in West and Central Africa. She stated that despite having the comparative advantages, cotton industry in most of the OIC Member Countries are still characterized by several production, processing, institutional and structural weaknesses that jeopardize its viability in an era of increasing globalization and cut throat competition in world cotton marketing.
13. Mr SALL Amadou Ciré, in Charge of Trade & Information System in the Islamic Centre for Development of Trade (ICDT), presented the outcomes of the study on

sales promotion and marketing of cotton and derived products in OIC member states, current state and prospects. He gave an image of intra-OIC trade of the marketing of Cotton and made some concrete proposals likely to create enabling conditions for boosting the existing industrial capacities and infrastructures, promoting foreign direct investments and developing industrial, financial, commercial and technical partnership among the OIC member countries. Expertise exchanging in the areas of cotton processing and training in textile industries is also important. In the context of the follow up of the recommendations of the 'Expansion of trade and investment in the cotton sector in the OIC Member States' organized on the initiative of the OIC, by the government of Burkina Faso, with ICDT and the IDB in Ouagadougou-Burkina Faso, on 18 and 19 April 2005, the ICDT is planning to organize a buyers/sellers meeting on textile industry and cotton processing products and thereof, with the support of ICAC, on the sidelines of the 67<sup>th</sup> ICAC annual Meeting to be held in November 2008 in Burkina Faso.

14. Free discussion on investment and cooperation opportunities for the cotton trade and derived products was moderated by Mr. Mehmet KUMBARACI, Turkish Confection Industry Association-General Secretary and Member of the Board.
15. The representative of SESRTCIC, Mr. Nabil DABOUR, Senior Researcher/Acting Director of Economic Research Department, presented a working paper titled "The Cotton Sector in The OIC Countries: Problems and Possibilities of Cooperation". The paper highlights the importance of cotton in the OIC member countries in terms of production and trade. It investigates the challenges facing the OIC cotton producing member countries, particularly those in West and Central Africa. The paper also provides a brief analysis of the world cotton markets and elaborates on some possible ways of cooperation among the OIC member countries in this important sector. It concluded with the recommendation of establishing an OIC Cotton Alliance among OIC cotton producers, traders and industrialists to coordinate such cooperation.
16. Free discussion on investment and cooperation opportunities for production inputs, production, ginning, storage, thread, cotton fabric, textile and was moderated by Mr. QAZI Zaheer Ahmed, Deputy Secretary of the Ministry of Commerce, Government of Pakistan.
17. Dr. Sebahattin GAZANFER, member of the Advisory Board of International Cotton Advisory Committee (ICAC) made a presentation firstly introducing the ICAC and its activities in the Cotton sector, highlighting the valuable information on statistics, technical information and its work with the Common Fund for Commodities, which co-finances a number of cotton projects which are of immense importance to the cotton producing OIC countries. In the second part of his presentation, he made concise report on the cotton production, consumption, international trade and prices in recent years, emphasizing that price increases can

be expected due to lower stock to use ration as well as due to general trade of price increases in alternative crops, such as wheat, soya, and cocoa.

18. Mr. Nazeem NOORDALI, head of the Sub Saharan Africa Department of Islamic Development Bank presented the role of IDB in the cotton sector in Sub-Saharan Africa.
19. Mr. Touba BEDINGAR, Principal Agricultural Economist of African Development Bank Group made a presentation on the Bank's Cotton program in West and Central Africa. The objective of the program is to contribute to poverty reduction in the cotton producing countries. Four countries have benefited from the program, namely Benin, Burkina Faso, Mali and Chad for a total financing of about US\$52 million. He informed that a round table will be organized in the near future to share the program with other development partners in order to mobilize additional resources for the rest of the program.
20. Mr. David Yuen Hoi LEE on behalf of UNIDO, presented the strategies for national competitiveness: UNIDO Approach on Upgrading Productive and Trade Capacities in Cotton, Textile and Garment Industries. His paper elaborated on the initiatives of UNIDO for the development of the cotton sector.
21. Free discussion on the other dimensions of investment and cooperation was moderated by Mr. Nazeem NOORDALI.
22. During the Forum several bilateral meetings were held on enhancing cooperation in cotton investment and trade among the major cotton producing countries with the participation of the representatives of the private companies in these countries. The outcomes of these bilateral contacts will be published I the forum website (<http://www.oic-cif.org/>).
23. The final report of the Forum will be submitted to the 23rd Session of the COMCEC which is going to be held on 14-17 November 2007 in Istanbul for consideration.
24. **The Forum adopted the following recommendations and proposals:**
  - a. The Forum identified the following Centers of Excellence in the area of Research in Cotton and Textile to represent the three regions, as follows:
    - Africa: Nigeria (Institute for Agricultural Research Ahmadou Bello University Centre) and Senegal (to be designated in due course by the country)
    - Asia: Pakistan (to be designated in due course by the country) and Turkey (Nazilli Cotton Research Institute)
    - Arab: Egypt (Cotton Research Institute) and Syria (Cotton Research Administration).

b. The Forum also designated Nazilli Cotton Research Institute of the Republic of Turkey to coordinate research activities in cotton and textile. The research centers will prepare programs to be submitted to the IDB, international, regional and national institutions for financing.

c. The Forum decided to hold its meetings every two years.

d. The Forum called upon the member countries to provide the Ministry of Industry and Trade of the Republic of Turkey of their web admin for the use of the forum website (<http://www.oic-cif.org/>) in order to use the facilities of this website particularly for the implementation of the OIC Five-Year Cotton Action Plan (2007-2011).

e. The Forum called upon concerned Member States, OIC Institutions, international and regional organizations to host and/or undertake different activities with a view of ensuring the speedy and effective implementation of the 5-Year OIC Plan of Action on Cotton Producing Countries in Islamic Countries.

f. The program of the implementation of the 5-Year OIC Plan of Action on Cotton will be approved by the Steering Committee which will comprises of: Republic of Turkey as the Chairman; while members would be Burkina Faso; Arab Republic of Egypt; Islamic Republic of Pakistan; Secretary General of the OIC or his representative; Islamic Development Bank; SESRTCIC; ICDT; and ICCI.

g. Meeting of the Steering Committee will be held once a year before the Follow-up Committee of the COMCEC. The report of the Steering Committee will be submitted to the COMCEC through the General Secretariat of the OIC for endorsement and guidance.

h. A Project Committee will be established under the authority of the Steering Committee and will review the programs and projects submitted by Member States, Research Centers, OIC Institutions, regional and international organizations in the domain of cotton, textiles and related activities and make a recommendations to the Steering Committee through General Secretariat of the OIC.

i. The Forum designated the following institutions to be members of the Project Committee: IDB, Chairman; General Secretariat of the OIC; SESTRCIC; ICDT; ICCI and two institutions from each Africa, Asia and Arab countries.

j. The Project Committee would identify and/or approve the programs and projects within the 5-Year OIC Plan of Action on Cotton Producing Countries in Islamic Countries.

k. The Forum took note of the initiatives started by ICDT in the field of cotton such as the use of Trade Fair of Islamic Countries; *organizing Buyers-Sellers Meetings; the use of ICDT's Virtual Fair; and helping Member States in construction their website on Cotton Sector.*

l. The Forum called upon the Member Countries to organise and host 'a cotton and cotton-related products fair' on an annual basis. Benin has indicated their intention to host the 1<sup>st</sup> Fair in 2008. Confirmation will be communicated to General Secretariat OIC.

m. The Forum took note of the SESTRCIC recommendation of establishing an OIC Cotton Alliance among OIC cotton producers, traders and industrialists to coordinate such cooperation.

n. The Forum took note of the recommendations of the representative of the IDB on (i) support facilities for sharing experiences and for specialized training in areas like integrated crop/pest management among member countries, (ii) providing assistance for improving training facilities in cotton ginning, (iii) supporting quality farm and ginning machinery manufacturing in IDB member countries and (iv) sponsoring small and short-term research projects related to production and fiber quality.

o. The Forum took note of the MUSIAD recommendation of establishing a "Cotton Union among OIC Countries" to achieve cooperation starting from the cotton fields to the textile markets on technological and economic means between governments, private enterprises and universities and research and development centers.

p. The Forum took note of the proposal submitted by Syria for establishing a centre of excellence in the field of cotton's organic farming and biological control of cotton pest in Syria. The project proposal will be submitted to the Steering Committee for further consideration.

q. The Forum took note of the Izmir Trade Exchange recommendation to the formation a licensed warehousing company acting in OIC Member Countries to facilitate trade.

r. The Forum took note of the readiness of some Turkish private companies to transfer the harvester technology and experience to the concerned OIC member countries.

s. The Forum took note of the recommendation of the UNIDO to create a strong seed system for sustainable development of cotton farming.

t. The Forum took note of the recommendations of the Turkish Cooperatives Unions (TARIS, CUKOBIRLIK and ANTBIRLIK) on providing the Member Countries of experience in the areas of farming management, cotton oil processing and biodiesel.

u. The Forum took note of the proposal of the representative of Bangladesh in cooperation for research on short lives high yielding cotton varieties and enhancing the human resources development and skills in cotton growing (the project proposal will be sent to the OIC General Secretariat in due course).

v. The Forum recommended the cooperation with concerned regional and international institutions for the successful of implementation of program.

w. The Forum requested the Steering Committee and the Project Committee to study these proposals as well as other proposals which will be implemented in the same domain and adopt appropriate measures and actions for the implementation whenever necessary and feasible.

x. Kingdom of Morocco proposed a financial program for optimisation of water for cotton culture . In fact the objective is to permit the cotton producer to have better price for its production. Researches must be done to increase productivity.

25. The Forum expressed its deep gratitude to the Government of the Republic of Turkey and particularly Ministry of Industry and Trade, for the organization of this important Forum as well as for all the arrangements made for the success of this event. The Forum thanked the Secretary General of the OIC for the support he gave for this cotton initiative. The participants also expressed their appreciations to the IDB for the financial support provided to this forum as well as to the all Turkish institutions which sponsored the forum. The Forum called upon the IDB to continue contributing to the financing of the activities related to the OIC Five Year Cotton Action Plan.