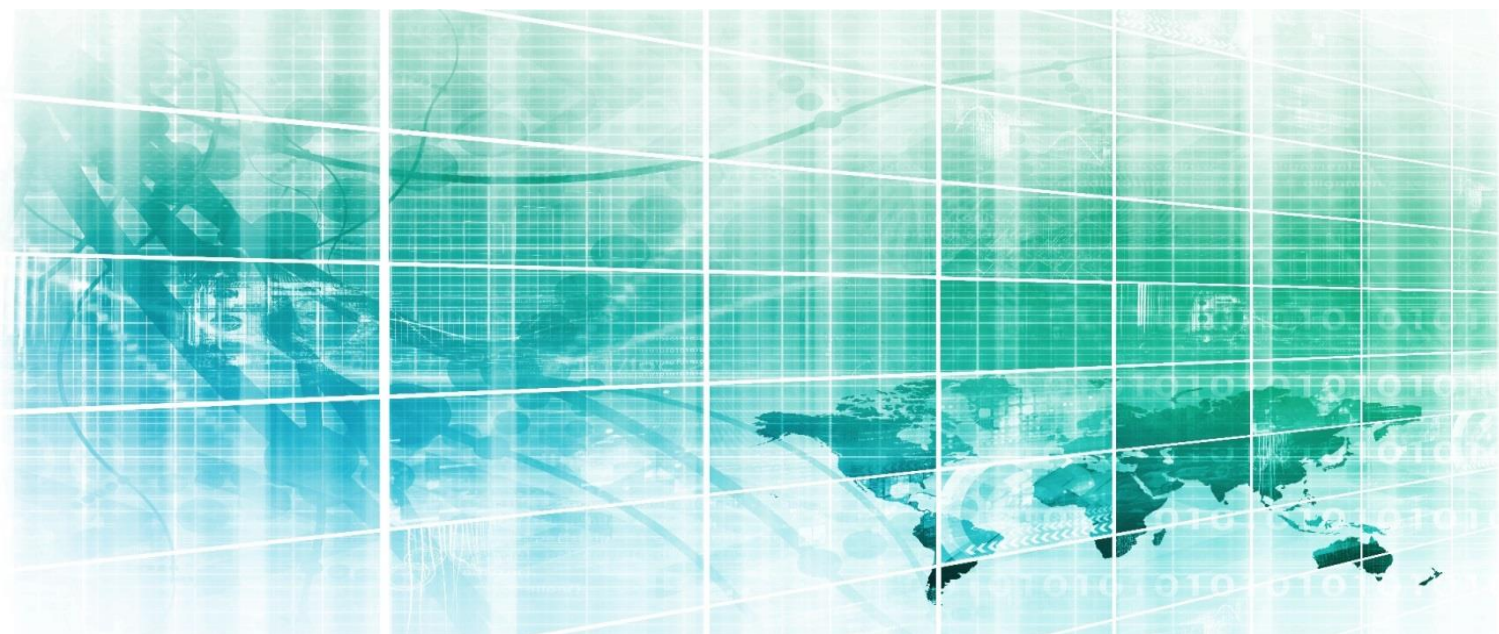




**Standing Committee
for Economic and Commercial Cooperation
of the Organization of Islamic Cooperation (COMCEC)**

**Proceedings of the 13th Meeting of
the COMCEC Agriculture Working Group**

***“Reviewing Agricultural Trade Policies
To Promote Intra-OIC Agricultural Trade”***



COMCEC COORDINATION OFFICE

March 2019



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on
“Reviewing Agricultural Trade Policies
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(21 February 2019, Ankara, Turkey)

COMCEC COORDINATION OFFICE

March 2019

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Introduction

The 13th Meeting of the COMCEC Agriculture Working Group was held on February 21st, 2019 in Ankara, Turkey with the theme of “Reviewing Agricultural Trade Policies to Promote Intra-OIC Agricultural Trade”.

The Meeting was attended by the representatives of 18 Member States which have notified their focal points for the Agriculture Working Group. Representatives of COMCEC Coordination Office, SESRIC, SMIIC, Turkish Exporters Assembly and Food and Agriculture Organization (FAO) have also attended the Meeting.¹

At the outset, the representative of the COMCEC Coordination Office (CCO) made a presentation on “COMCEC Agriculture Outlook 2018”. During the presentation, the participants were informed about the general overview of the agriculture sector in the OIC Member Countries through focusing on macro agricultural indicators.

Afterwards, the Meeting considered the research report titled “Reviewing Agricultural Trade Policies to Promote Intra-OIC Agricultural Trade” which was commissioned specifically for the 13th Meeting with a view to enriching the discussions.

The representatives of the Member States have shared their experiences, achievements and challenges in agricultural trade policies to promote intra-OIC agricultural trade. The participants had the chance to discuss the policy options for enhancing the cooperation in this important field in a moderation session. The Room Document based on the findings of the research report submitted to the Agriculture Working Group Meeting and the answers of the Member Countries to the policy questions sent to the Member States by the CCO were the main inputs for the discussions during moderation session. As an outcome, the Meeting has agreed on a set of policy recommendations on agricultural trade policies to promote intra-OIC agricultural trade.

The efforts exerted by the private sector as well as international institutions on agricultural trade policies were also reflected in the discussions.

¹ The list of participants is attached as Annex 1.

1. Opening Session

In line with the tradition of the Organization of the Islamic Cooperation (OIC), the Meeting commenced with the recitation from the Holy Quran. Afterwards, Mr. Burak KARAGÖL, Director at the COMCEC Coordination Office welcomed all participants. Briefly informing the participants about the programme of the Meeting, Mr. KARAGÖL invited Mr. Sariyang JOBARTEH, Deputy Director General, Ministry of Agriculture of the Republic of The Gambia, to chair the Meeting. Mr. JOBARTEH welcomed all the participants to the 13th Meeting of the Agriculture Working Group and expressed his best wishes for successful deliberations.

2. The COMCEC Agriculture Outlook 2018

Prof. Haluk KASNAKOĞLU, Consultant at the COMCEC Coordination Office, summarized the key features of COMCEC Agriculture Outlook 2018, which was published in August 2018.

Prof. KASNAKOĞLU informed the participants that his presentation addressed three main components, namely macro indicators, selected sectoral indicators and state of food security.

Regarding progress in terms of macro agricultural indicators, he expressed that over the last three decades, OIC's agricultural value added increased to 649 Billion US Dollar with a share of 20 percent from 186 Billion US Dollar with a share of 16 percent. In terms of OIC groups, he emphasized that more than half of the value added in 2016 was made by Asian Group while African Group was the one that increased its share most among these three groups.

Furthermore, Prof. KASNAKOĞLU stated that the top ten OIC member countries produced nearly 80% of the total agricultural value added in the OIC region. He added that Indonesia alone accounted for nearly 20% of OIC agricultural GDP and among these countries, agriculture constituted between 6% to 27% of their total GDP. Regarding trends in growth rates, he highlighted that, over the last two decades, both agriculture (3.4) and overall economy (4.4) of OIC grew faster than the world (2.7 and 2.6). Average annual agricultural growth rate between 1994 and 2016 was highest in Africa, followed by Arab and Asian groups. With respect to overall economic growth, the African group had again highest growth followed by Asia and Arab groups.

Prof. KASNAKOĞLU pointed out that over the last three decades the share of agricultural employment in total employment has decreased substantially from 48% to 27% in the world and from 53% to 36% in OIC member countries. The share of agricultural employment is still 33% higher in OIC member countries than the world average.

Prof. KASNAKOĞLU stressed that, in 2017, OIC agricultural exports amounted to 141 billion USD and were 66% of the imports, which amounted to 215 billion USD. He added that while the volume of trade nearly doubled over the last two decades, export/import ratio which jumped to 80% in the second half of 2000 fell back to its early 2000 level of 66%. The share of OIC in world agricultural exports nearly doubled from 6% to 10% in the first decade of the 21st century and fell gradually to 9% in the second decade. The share of OIC in world agricultural imports increased from 8% to 13.5% from 2000 to 2015 and fell gradually to 12.8% during the last three years.

Prof. KASNAKOĞLU stated that 69% of agricultural exports are realized by Asian Group while Arab and African Groups follow with shares of 21% and 11% respectively. On the other hand, 50% of imports are realized by Arab Group followed by Asian Group with 43% and African Group realizing the remaining 8%. Arab and African Groups registered trade deficit in agriculture, and the Asian Group enjoyed a small trade surplus. The OIC agricultural trade deficit mainly comes from the Arab Group.

Moreover, Prof. KASNAKOĞLU underlined that OIC member countries produce 15% of world cereals, 34% of oilcrops, 19% of fruits and 14% of world vegetables. With the exception of oilcrops shares, production volume, in general, remained the same over the last 15 years. He added that OIC member countries produce 14% of the world's beef and buffalo meat, 37% of sheep and goat meat and 12% of poultry meat. The share of OIC member countries in the world production of beef and poultry have significantly increased during the last decade and a half, while the growth rate in case of sheep and goat meat have been parallel to the world average. OIC member countries are responsible for 20% of world's non-capture fish production and 18% of capture fish production. OIC shares in both capture and non-capture fish production have increased significantly over the last 15 years. The share of non-capture fisheries production in the world has increased from a level

of 31% in 2000 to 53 % in 2015 while the one for OIC showed an increase from 16 to 54 % during the same period.

Prof. KASNAKOĞLU expressed that almost one third of all agricultural area and over one fifth of the arable area in the world are in OIC member countries. While for Africa and Asia total land and agricultural land shares in OIC are similar, for Arab group, share in OIC agricultural land is lower than share in total land.

Regarding the renewable water potential in the OIC by sub-regions, Prof. KASNAKOĞLU informed the participants that OIC member countries have 7,261 km³/year of renewable water resources for the period 2013-2017 that accounts for 13.3% of the world's total. Taking into account the fact that OIC member countries have 28% of the world's total agricultural area, the majority of the member countries face water scarcity. At the sub-regional level, renewable water resources disperse unequally in the OIC. Moreover, the ratio of renewable water resources to the agricultural land varies considerably among its sub-regions. While Asian group has 71% of the renewable water resources in the OIC, it possesses 9,965 m³/ha renewable water per hectare of agricultural land, Arab group owns 4 % of renewable water resources with 554 m³/ha renewable water per hectare of agricultural land.

Prof. KASNAKOĞLU recalled that land productivity is measured as the ratio of agricultural output value added to the agricultural land area. The OIC land productivity reached to a point of convergence to the world average in 2014 and surpassed it slightly in 2015. The significant rate of growth in both OIC and the world in the period of 1995-2015 can be explained by dramatic increases in agricultural value added while arable land areas remained almost the same in the same period. He stated that the Arab Group has the highest level of agricultural land productivity. African group has the lowest land productivity but registered the highest rate of growth in productivity with more than 2 times over the last two decades. Labor productivity is measured by the ratio of total agricultural value added to the number of agricultural employment. The OIC labor productivity started slightly behind the world average in 2000 and caught it in 2005. However afterwards over the last decade although still on the growth track, it fell below the world average as a result of relatively higher rates of growth in non-OIC countries.

Prof. KASNAKOĞLU concluded his presentation by giving information on the state of food insecurity in the OIC Member Countries. Prof. KASNAKOĞLU underlined that, unfortunately, statistics on food security are available only for 25 of the 57 OIC member countries. They also underestimate food insecurity, as countries where data is not available face relatively higher levels of hunger. With these limitations in mind, FAO estimates about 800 million undernourished in the world, slightly down from over 900 million at the beginning of the millennium. 200 million or about quarter of the world's hungry are in the OIC member countries. In the 2014-2016 period, 50% of the OIC's undernourished was in the Asian group, followed by the African group with 31% and Arab group with 19%. Number of undernourished in Asia fell over the last 15 years but those in the Arab and African groups have increased.

Questions and Remarks

Question: What are the key reasons for productivity differences among the OIC groups?

Answer: Prof. KASNAKOĞLU underlined that, in terms of statistics that were presented in his presentation, the most difficult statistics were on productivity. He mentioned that the reasons for productivity differences among the OIC groups have been provided in the Outlook Report in detail.

In productivity measures, we have two factors: one factor in the numerator and the other factor in denominator. In terms of land productivity, since land is not changing much, differences are

probably due to agricultural value added. In case of labor productivity, differences are due to both factors. Both are increasing. We have agricultural value added increasing faster than population on average.

We need to be careful about these productivity measures. Because the output is approximated by agricultural value added. Labor and land are taken as simple summations without giving due attention to quality changes.

3. Reviewing Agricultural Trade Policies to Promote Intra-OIC Agricultural Trade

3.1. Overview of the Agricultural Trade Policies in the World and the OIC Member Countries

Prof. Serdar SAYAN, the head of the team prepared the analytical report of the 13th Meeting of the Agriculture Working Group, made two presentations on agricultural trade policies. The first presentation focused on agricultural trade policies in the world as a whole and in the OIC member countries. In the second presentation, Prof. SAYAN discussed the case study countries and outlined the policy recommendations.

Prof. SAYAN started his first presentation with a background summary on the main purposes and scope of the report. He emphasized that the OIC member countries have significant partnership potential in agricultural trade. He also underlined that the main purposes of the report are to analyze any regularities and patterns emerging from the review, and to precisely identify the right measures needed to let OIC members reach larger volumes of global and intra-OIC trade in a wider range of agricultural products by taking better advantage of their comparative advantages and improving their competitiveness. Regarding the scope of the report, Prof. SAYAN stated that the research report complements the previous report on agricultural trade networks prepared for the 12th Meeting of the Agriculture Working Group focusing on the identification of existing trade networks in agricultural products.

Furthermore, Prof. SAYAN outlined the conceptual framework of the research by focusing mainly on definitions of various agricultural trade policy measures such as tariffs, non-tariff measures (NTMs), and trade agreements. Regarding data sources, Prof. SAYAN briefly mentioned sources used for agricultural trade flows (CEPII BACI database) and agricultural trade policies (WTO RTA-IS, ITC Macmap, and WITS).

Prof. SAYAN also introduced the quantitative and qualitative methodologies used in the analysis. These include the analysis of statistical data on trade flows and trade policy measures, the online survey conducted with stakeholders from the member countries, the key informant interview conducted with stakeholders from 3 OIC member countries that were visited, and a specialized quadrant analysis that allows the determination of key products and product groups.

After presenting these introductory aspects of the research, Prof. SAYAN summarized the main findings of the analysis regarding global agricultural trade policies. First, he highlighted the agricultural export shares of major trade blocs, i.e., NAFTA, EU-28, MERCOSUR, and ASEAN, and compared these shares with that of the OIC in 2016. Prof. SAYAN also summarized how agricultural export shares evolved from 2008 to 2016 in all these five trade blocs.

Prof. SAYAN continued his presentation with treemaps that summarize the product compositions of exports and imports of these trade blocs. This visual analysis helps to identify the commonly important products in the export and import baskets of different regions. Prof. SAYAN then returned to the major findings of the research regarding the tariff rates. He emphasized that the OIC as a whole records the highest within-bloc tariff rates (measured as trade-weighted, ad valorem equivalent tariffs) in agricultural products as a whole as well as in three broad categories, i.e., agri-food products, fish, and agricultural raw materials. Prof. SAYAN also stated that intra-regional agricultural trade share of the OIC is 28% in 2016, placing the OIC at the third rank after EU-28 and NAFTA.

According to the figures, agricultural export and import shares of the OIC remained roughly around 10% and 15%, respectively. After emphasizing that the Asian group has the largest export shares in all three broad product categories and the Arab group has the largest import shares in agri-food and fish products, Prof. SAYAN presented some treemap figures that show the prominent export and import products of the three regional groups of the OIC vis-à-vis the non-OIC countries. He also underlined that, as of 2016, the Asian group's imports largely originated from other Asian group countries (21%), and the Arab group's exports largely destined to other Arab group countries (47%).

As in the case of global agricultural trade policies, Prof. SAYAN emphasized the importance of tariff protection issues. He first summarized trade-weighted average tariff rates of each regional group for each of the three broad product categories (agri-food, fish, and agricultural raw products). Comparing the tariffs imposed on the OIC countries with those imposed on non-OIC countries show that, while there does not exist large differences for any of the product categories, there exists high tariff protection in (i) African markets for agri-food products, (ii) Arab markets for agricultural raw materials, and (iii) Asia markets, again, for agricultural raw materials. Tariff differences are much more pronounced once calculated for all agricultural products and compared with those imposed on all non-OIC countries. Prof. SAYAN emphasized that average tariffs imposed by the African group countries to Arab and Asian exporters exceed the average tariffs imposed on non-OIC exporters. A similar observation was made for Asian and Arab groups such that these two groups on average impose higher than non-OIC tariffs to each other in agricultural products.

Prof. SAYAN drew particular attention to the trade agreements of the OIC member countries. In terms of preferential trade agreements, a large number of OIC members (18) have less than 4 PTAs with fellow OIC countries and no OIC country has more than 20 PTAs with fellow OIC members.

Prof. SAYAN also presented the results of the quadrant analysis that identifies the product divisions that exhibit greatest potential to promote intra-OIC agricultural trade. The analysis identified "Feeding Stuff for Animals," "Meat," "Sugars," "Live Animals," and "Oil Seeds" as the most prominent products. Prof. SAYAN compared the within-bloc tariff rates of these products for the OIC and other trade blocs, highlighting that the situation for the OIC is especially worrisome for "Feeding Stuff for Animals" and "Oil Seeds." He also mentioned that the existing set of trade agreements among OIC member countries covers only a small fraction of all the potential exporter-importer matches for these products.

After sharing some of the results originating from the evaluation of the online survey, Prof. SAYAN focused on the main lessons learned from the overview and analysis of global and OIC agricultural trade policies. He reiterated that low income countries in general need to focus on increasing productivity in agriculture and design appropriate agricultural trade policies. He also touched upon the research findings such as

- the agricultural trade deficit of the OIC as a whole,
- the spaghetti bowl phenomenon caused by the OIC countries' commitments to third parties in terms of trade agreements, and
- data reliability and availability issues.

In conclusion, Prof. SAYAN summarized the main challenges faced by the OIC member countries for policy making in intra-OIC agricultural trade. These include:

- the large number of trade agreements with non-OIC countries,

- widespread smallholder farming practices across the OIC (which means cost disadvantages, barriers against modernization, and other supply chain issues act as significant barriers to access to global markets),
- the limited access to credit and to technical knowledge,
- the competition among OIC members in third party markets due to the similarity of products,
- data limitations (concerning both availability and reliability), and
- lack of evidence on the welfare and growth effects of alternative agricultural trade policies.

Questions and Remarks

Question: Why does there exist a high potential but low intra-OIC shares?

Answer: Prof. SAYAN stated that the research presented in this meeting identifies five particular product divisions as the ones that carry the greatest potential to boost intra-OIC agricultural trade. Four of these product divisions have high average tariffs in general, and two have the highest rates among the major trade blocs. In such product divisions, tariff protection is the main reason. More generally, the OIC member countries do not have a strong degree of agricultural trade integration through trade agreements.

Question: What are the reasons that can be mentioned with regards to the lack of interest in establishing trade agreements within the OIC?

Answer: Prof. SAYAN underlined that the main reason behind the lack of interest in establishing trade agreements within the OIC is the high propensity of the OIC member countries to have trade agreements with the non-OIC countries and non-OIC trade blocs. Besides, as mentioned in the report, the OIC countries have similar factor endowments and export products. The report identifies bilateral and multilateral arrangements in tariff reductions as primary policy actions to promote intra-OIC agricultural trade.

Remark: The report attributes particular importance to trade agreements. Does it include a reference to the recently established Continental Free Trade Area of Africa?

Answer: Prof. SAYAN expressed that the report is indeed referring to the Continental Free Trade Area of Africa, in the final chapter, as a promising case that can serve as an example to potential arrangements that would contribute to the promotion of intra-OIC agricultural trade.

3.2. Selected Case Studies and Policy Recommendations

In the second presentation, Prof. SAYAN presented the main findings of the report on selected case studies. The field visit countries were Turkey (Asia Group), Morocco (Arab Group), and The Gambia (Africa Group), the desk study OIC country was Chad, and the two non-OIC desk study countries were Thailand and Brazil. Prof. SAYAN presented the policy recommendations in the final part of the second presentation.

Turkey

Prof. SAYAN indicated that, as of 2016, the GDP share of agriculture in Turkey is around 6% and that the largest portions of agricultural exports and imports are in agri-food products. He stated that 42% of Turkey's agricultural exports are to the OIC destinations and 16% of imports are from the OIC origins.

Prof. SAYAN also gave information on top agricultural trade partners of Turkey. As of 2016, the top 5 export destinations were Iraq, Germany, USA, Italy, and Syria, and the top 5 import origins were Russia, USA, Ukraine, Brazil, and Germany.

The main messages originating from the key informant interviews conducted in Turkey were as follow:

- Agricultural trade has largely been liberalized in terms of tariff protection.
- There exist export subsidies in agriculture to boost production and exports.
- Small & fragmented farms, inefficient value chains, and difficulties in access to finance are major problem areas.
- That there exist too many cooperatives targeting the entire sector and it is a source of inefficiency.
- Turkey's ability to deliver a relatively large number of agri-food products is a logistic advantage.
- The institutional differences among the OIC member countries represent a challenge on intra-OIC agricultural trade.

Morocco

Prof. SAYAN stated that, as of 2016, the GDP share of agriculture in Morocco is 12% and that the largest portions of agricultural exports and imports are in agri-food products. He expressed that 14% of Morocco's agricultural exports are to the OIC destinations and 9% of imports are from the OIC origins.

Prof. SAYAN shared some information on top agricultural trade partners of Morocco. As of 2016, the top 5 export destinations were Spain, France, Russia, Netherlands, and Italy, and the top 5 import origins were France, USA, Brazil, Argentina, and Spain.

The main messages originating from the key informant interviews conducted in Morocco were as follow:

- Ensuring a certain level of production and protecting farmers especially in arid areas are critical policy objectives.
- There have been significant reductions in tariffs in the past few decades, followed by the 2013 tariff reform, and the US and the EU standards in sanitary and hygiene have been adopted.
- The Green Morocco Plan since 2008 has covered multiple dimensions such as distributing lands, restructuring of farmers into cooperatives, and irrigation projects.

- The lack of entrepreneurship in agriculture, fragmented lands, and continuing irrigation problems are major sources of concern despite the successes.
- Morocco has a great potential as a major fish exporter to serve the OIC markets, and has strong agricultural trade prospects with North Africa and Sub-Saharan Africa.

The Gambia

Prof. SAYAN mentioned that, as of 2016, the GDP share of agriculture in The Gambia is 17% and that the largest portions of agricultural exports and imports are in agri-food products. He stated that 24% of The Gambia's agricultural exports are to the OIC destinations and 33% of imports are from the OIC origins.

Prof. SAYAN also listed the top agricultural trade partners of The Gambia. As of 2016, the top 5 export destinations were China, Guinea-Bissau, India, Vietnam, and Senegal, and the top 5 import origins were Brazil, Malaysia, Indonesia, USA, and Netherlands.

The main messages originating from the key informant interviews conducted in the Gambia were as follow:

- Creating a more favorable environment for producers through productivity increases is a major policy objective.
- The ultimate goal is a commercialized, efficient, and competitive agricultural sector for sustainable development.
- Two major bottlenecks with respect to food security are low productivity- or no-production of staple foods such as rice and farmers' inability to access credit opportunities.
- Several initiatives exist to support the supply chains (with the involvements of FAO, World Bank, etc.).
- The spectrum of agricultural products to be exported is highly restricted (such as peanuts and cashews).
- Major problems that restrict agricultural exports are limited food processing facilities and the lack of accredited laboratories.

Chad

Prof. SAYAN underlined that the desk study OIC country Chad has a high share of agriculture in GDP (almost equal to 50%) and a large agricultural trade deficit. The country has only 2 FTAs with OIC countries currently in force. Prof. SAYAN also stressed that the data reliability problem regarding agricultural trade policy measures is a major problem for Chad.

Thailand and Brazil

The non-OIC desk study countries Thailand and Brazil were also discussed by Prof. SAYAN. He stated that both countries have a similar profile; having low shares of agriculture in GDP (less than 10%) and large agricultural trade surpluses. Prof. SAYAN emphasized that both countries have large numbers of FTAs/PTAs with OIC countries but generally face high tariff rates imposed by the OIC countries in agricultural products.

Conclusions and Policy Recommendations

Prof. SAYAN summarized the key findings of the report before presenting the policy recommendations. These findings are as follow:

- ✓ High tariff protection in certain key product divisions.
- ✓ Low average tariffs coupled with low intra-OIC trade share in another key product division «Meat», indicating that NTMs may be limiting intra-OIC agricultural trade.
- ✓ Low propensity of trade agreements within the OIC (or, symmetrically, high propensity of trade agreements with non-OIC countries).
- ✓ Significance of smallholder farming practices across the OIC, limited access to credit and technical knowledge, little or no interaction with global markets.
- ✓ Common understanding among the stakeholders that cooperation and coordination among OIC member countries in the sphere of agricultural trade would be multilaterally beneficial.
- ✓ Serious problems concerning data availability and reliability in the realm of agricultural trade flows and agricultural trade policy measures (including both the tariff rates and the NTMs).

Prof. SAYAN also summarized the SWOT analysis developed for increasing intra-OIC agricultural trade. The strengths include shared borders, cultural affinity and the existing legal structure of the TPS-OIC. The weaknesses include the lack of experience in finding and entering new markets and the similarity of export products among the OIC member countries.

Based on all these findings, Prof. SAYAN informed the participants on the policy recommendations that were explained in detail in the final chapter of the report and that provide a basis for the room document. These recommendations are

- ✓ Establishing free trade areas (with an understanding that FTAs are difficult to be established),
- ✓ Reducing tariff rates for key product divisions and products,
- ✓ Exploring possibilities for new bilateral trade arrangements in key product divisions and products,
- ✓ Accelerating the processes for Halal certification,
- ✓ Accelerating the implementation of the OIC Trade Preferential System (TPSOIC),
- ✓ Promoting niche agricultural products,
- ✓ Supporting commercial cooperation,
- ✓ Supporting non-commercial cooperation,
- ✓ Building statistical capacity with regard to agricultural trade flows and policy measures,
- ✓ Directing research in agricultural trade policy analysis.

Questions and Remarks

Question: In some countries, Sanitary and Phytosanitary Measures (SPS) measures completely jeopardize trade. How can SPS regulations be reevaluated for fair outcomes?

Answer: Prof. SAYAN argued that this is truly a problematic issue that prevents many countries to have access to the EU and North American markets. The OIC countries exhibit some complementarity in SPS regulations and related infrastructure in laboratories, testing and human capital. This potential motivates non-commercial cooperation among the OIC members.

Remark: Since almost all member countries of the OIC are in the meantime WTO members, tariff reductions and other policy actions must be in accordance with the GATT's Article No. 24.

Answer: Prof. SAYAN stated that they completely agree with this. He added that indeed, all of the policy actions to be taken by the OIC member countries need to be in line with the existing legal framework of the WTO.

Question: Could there be a benchmark or best-practice trade bloc or economic union that may serve as an example for the OIC in terms of agricultural trade policy making?

Answer: Prof. SAYAN highlighted that the research presented in this meeting focused on major trading blocs and economic unions such as the EU-28, NAFTA, MERCOSUR, and ASEAN. These blocs and unions have a regional basis such that the members have close geographical proximity. Besides, as the findings of the research made clear, the EU-28 and NAFTA generally have much lower average tariffs than MERCOSUR and ASEAN. The OIC member countries are dispersed over 4 continents and exhibit significantly higher average geographical distance. Besides, the tariff averages in the OIC are closer to MERCOSUR and ASEAN averages. It is not immediately clear which of these blocs and unions is the closest benchmark to the OIC. But it should also be noted that Brazil is a typical best-practice case for the OIC countries in terms of (i) trade agreements with the OIC countries and (ii) product spectrum covering the potential product divisions identified in the research.

Remark: The two problems The Gambia has been facing in agricultural trade, i.e., the dependency to groundnuts exports and the data availability/reliability issues, pose highly significant challenges as the report identifies.

Answer: Prof. SAYAN mentioned that the EU has recently increased aflatoxin limits in groundnuts significantly affected The Gambia's ability to export in the European markets. While this diverted the country's groundnuts exports to China in recent years, it is of utmost importance for The Gambia to build the relevant testing infrastructure.

4. Policy Debate Session on the Agricultural Agri-food Trade Structures in the OIC Member Countries

The session was moderated by Mr. MD. ABUBAKAR SIDDIQUE, Joint Secretary, Ministry of Agriculture of Bangladesh. At the beginning of the session, Mr. Selçuk KOÇ, Director at the CCO, made a short presentation on the responses of the Member Countries to the policy questions on the agricultural trade policies in the OIC Member Countries that were already sent by the CCO. Afterwards, the policy recommendations provided in the room document were presented.

Later on, the participants expressed their views and comments on each policy recommendations. Following discussions, the participants have agreed on the following policy recommendations:

- ✓ Promotion of Niche Agricultural Products and Halal Certification through product diversification, trademarking, marketing strategies and advertising campaigns.
- ✓ Promotion of Commercial Cooperation (e.g. enhancing agricultural investments, removal of business visas, etc) and Non-Commercial Cooperation (e.g. sharing best practices and technical expertise, developing safety standards, etc.) among the OIC Member Countries in the areas related to agricultural trade.
- ✓ Promotion of Tariff Reductions and Bilateral Arrangements in key products (e.g. sugar, meat, feeding stuff for animals, oil-seeds, live animals).
- ✓ Developing and implementing multilateral trade arrangements (e.g. TPS-OIC - Trade Preferential System among the Member States of the OIC)) with a view to contributing to collaborative and sustainable agricultural trade development.
- ✓ Enhancing the capacity of the Member Countries in collection, management and dissemination of agricultural trade data with a view to designing sound and evidence-based agricultural trade policies.

The policy recommendations are attached to this report as Annex 4.

5. Utilizing the COMCEC Project Funding

Mr. Burak KARAGÖL, Director at the COMCEC Coordination Office, made a presentation on the COMCEC Project Funding. At the outset, Mr. KARAGÖL shared the outline of his presentation. Afterwards, Mr. KARAGÖL informed the participants about the essentials of the COMCEC Project Funding. He emphasized that the supported themes in agriculture can be found in COMCEC website.

Mr. KARAGÖL continued his presentation by sharing information on funded projects in the last 5 years. At the final part of his presentation, he informed the participants on the project submission process. He highlighted the timeline for the project submission. He shared brief information with participants regarding online project submission system. He introduced the COMCEC Project Funding Webpage and invited the participants to frequently visit this webpage.

6. Member Country Presentations

In this section, member country representatives had a chance to present their experiences with regards to agricultural trade policies.

6.1. Malaysia

Dr. Roslina Binri ALI from Malaysian Agricultural Research and Development Institute, made a presentation on Malaysian agricultural and food trade. At the outset, Dr. ALI informed the participants on GDP share of sectors in Malaysia. She underlined that agriculture is not a top sector in terms of GDP share. The share of GDP of agriculture was 8.1% in 2017.

Dr. ALI highlighted that value added in the agriculture sector was decreasing in 2016, but it increased in 2017. She underlined that Malaysia had a trade surplus from 2013 to 2017. She also informed the participants on trade partners of Malaysia and their trade shares in 2017 and 2018.

Moreover, Dr. ALI stressed that there was also a trade surplus for agricultural trade in Malaysia between 2013-2017. She pointed out that there was a trade deficit in food trade between 2013-2017. She continued her presentation by informing participants about Malaysia's agricultural food trade by commodities in 2017.

Dr. ALI underlined that the total trade of Malaysia with OIC Member Countries has been decreasing since 2013. The total trade with OIC member countries was 7.15 billion USD in 2013, 4.9 billion USD in 2017. She informed the participants that Indonesia is the top OIC Member Country with a 2.4 billion USD trade volume in 2017.

Dr. ALI informed the participants regarding the status of Free Trade Agreements (FTAs) of Malaysia. Malaysia has implemented 7 bilateral FTAs and 6 regional FTAs. 2 FTAs are engaged with the OIC member countries (Pakistan-2008 and Turkey-2015). In the last part of her presentation, she gave detailed information on the said FTAs with Pakistan and Turkey.

6.2. Morocco

Ms. Imane REGRAGUI, Head of Department of Trade with Other Markets than UE and USA, Ministry of Agriculture of Morocco, made a presentation on Green Morocco Plan and its results. At the outset, Ms. REGRAGUI informed the participants regarding the objectives assigned to agricultural trade policy under the Green Morocco Plan. She also informed the participants on the adopted trade policy measures in line with the objectives of the Green Morocco Plan. She underlined that 7 indicators were determined to evaluate agricultural policy measures.

Ms. REGRAGUI continued her presentation by sharing statistics on agricultural trade. She underlined that there has been an increase in agricultural trade between 2003 to 2017. She also highlighted that there was a structural agricultural trade deficit in the same period.

Ms. REGRAGUI touched upon the structure of agricultural trade in Morocco. She argued that the dynamism experienced by the export sector of agricultural products in recent years has enabled Morocco to become one of the world's leading exporters.

In the last part of her presentation, Ms. REGRAGUI shared information on tariff reform of agricultural products, which was operationalized in 2013 and evaluation of agricultural trade under trade preferential agreements.

6.3. Turkey

Mr. Aykut ORDUKAYA, Expert, Ministry of Agriculture and Forestry, made a presentation on agricultural trade policies of Turkey.

At the outset, Mr. ORDUKAYA reflected trade related aspects of Turkey's Agricultural Policy. Mr. ORDUKAYA has noted that Turkey produces a wide range of agricultural products but is a leading world producer and exporter of nuts, dried fruits, and some fresh vegetables.

Mr. ORDUKAYA has mentioned about trade costs, trade facilitation efforts for perishable goods of OIC member countries including Turkey, SPS&TBT matters as the non-tariff barriers playing important role in the intra-OIC agricultural trade; and also provided information regarding Turkey's PTAs and Agri-Business Forums already held in the OIC region. Finally, Mr. ORDUKAYA has concluded with the possible contribution the digitalization could make to agricultural trade.

At the very end of his presentation, Mr. ORDUKAYA has presented a couple of policy recommendations to promote agricultural trade in the OIC region. Mr. ORDUKAYA has noted that as an international portal, ICPCEM (Islamic Countries Products Common Exchange Market) needs to be further extended in order to become fully functional and operational Common Market Organization through which up-to-date data on product prices, types and tariffs could be reached in the OIC region.

6.4. Uganda

Mr. Victor Emmanuel KIMBOWA, Economist, Ministry of Agriculture, Animal Industry and Fisheries of Uganda made a presentation on Uganda's agricultural trade.

Mr. KIMBOWA started his presentation by giving general information about the agriculture sector in Uganda. He stated that agriculture was prioritized as a key development sector of Uganda economy. He underlined that 71.9% of Uganda population is employed by agriculture sector and over 40% of the total Uganda exports is in agriculture sector.

Mr. KIMBOWA informed the participants that Uganda had a trade deficit in terms of trade with world as well as trade with OIC member countries. He also informed the participants on the share of blocks in total trade and added that the COMESA trading bloc remained the main destination for Uganda's formal exports with the share in total export earnings of 51.32% (US\$ 1,483.72 million) in 2017/18, followed by EU (19.86%) and Middle East (14.32%). He underlined that the export to import ratio in the Financial Year 2017/18 was 52.66%. In terms of imports, China was leading source of Uganda's imports with 38.3% percent share. Among the OIC countries, Indonesia was the top country with 175.15 million USD import.

Mr. KIMBOWA highlighted that production capacity, cost of trade, institutional efficiency and trade policies were the key impediments to trade among the member countries. In the last part of his presentation, Mr. KIMBOWA mentioned some policy options for sustainable intra-OIC agricultural trade.

7. Contributions Contributions of International Institutions and Private Sector

7.1. Agricultural Trade Policies: Private Sector Perspective

Mr. Erkan KAPLAN, Deputy Secretary General at the Turkish Exporters Assembly (TİM) made a presentation reflecting the private sector perspective on agricultural trade policies.

At the beginning of his presentation, Mr. KAPLAN highlighted briefly the agriculture in the global and the COMCEC context. He stressed that OIC member countries, especially the net-importer Arab countries have high potential for Turkish agricultural exports. However, Turkey has also been competing with them in some prominent products such as olive, tomato and orange.

He informed participants of the evolution of Turkish agricultural policy. He pointed out that agricultural policy has shifted its focus from “Agricultural Production & Farmer” towards “Food Production, Consumer, Rural Factors And Protection of The Environment” As a result of this shift; classical inputs (like price, production, tariffs, quota incentives , etc.) are replaced by Non-market incentives for direct income, environment, food and water health, regional development.

Mr. KAPLAN continued his presentation with the activities of the TİM to increase the value added in the sectors. He mentioned 5 major topics, namely entrepreneurship, innovation, R&D, branding and design.

He concluded his presentation by giving the details of some innovation programs in agriculture sector executed by the TİM such as TIM-TEB Start-up Houses Programs, Turkey Innovation Strategy as well as some global initiatives in this respect.

7.2. FAO Experiences in Agricultural Trade Policies

Mr. Ahmad MUKHTAR, Economist (Trade and Food Security), FAO Liaison Office Geneva, made a presentation on the role of trade for food security. He mentioned that the relationship between trade and food security is attracting increased attention on the trade, agriculture and development agendas. The eradication of global hunger by 2030 is a key goal as per Agenda-2030, and trade is one of the means for achieving this goal.

Mr. MUKHTAR highlighted that, as patterns of consumption and production continue to evolve, global trade in agricultural products is expected to continue to increase over the coming decades. Trade will increasingly influence the extent and nature of food security across all regions of the globe. The challenge, therefore, is how to ensure that the expansion of agricultural trade works for, and not against, the elimination of hunger, food insecurity and malnutrition. This challenge has been at the forefront as governments struggle to negotiate the changes to the current global agreements on agricultural trade needed to ensure that trade results in enhanced food security.

Mr. MUKHTAR stated that the linkages between trade and food security have been subject to intense debate, at the national and global levels, and have become central to many trade-related discussions and negotiations. A key challenge that pervades these discussions is the compatibility between measures intended to address national food security concerns on the one hand, and their effects on the food security of trading partners on the other. FAO's research and analytical work aim to reduce the current polarization of views on the impacts of agricultural trade on food security, and how agricultural trade should be governed, to ensure that increased trade openness can benefit all countries.

He mentioned that there needs to be a linkage between the national agriculture, trade and other complementary policies, such as fiscal, social and competition policies, in order to achieve the policy synergy and make trade work for the food security. At the international level, there needs to be a harmonious linkage between the multilateral system (essential the WTO) and national policies governing the agriculture trade.

Following are the key messages based on Mr. MUKHTAR's presentation and relevant work of the FAO on this topic:

Key message 1 Global trade in food products continues to expand rapidly, but the structure and pattern of trade differ significantly by commodity and by region. Key drivers of production and demand, including trade and related policies, shape these patterns in different ways, with potentially important implications for food security.

Key message 2 Greater participation in global trade is an inevitable part of most countries' national trade strategies. However, the process of opening to trade, and its consequences, will need to be appropriately managed if trade is to work in favor of improved food security outcomes.

Key message 3 Trade affects each of the four dimensions of food security: food availability, access, utilization and stability. The interaction of trade with these dimensions is complex and depends on a variety of underlying factors, producing great differences in country experiences and making it difficult to ascertain a generalizable relationship.

Key message 4 The relationship between the level of engagement in trade and food security is influenced by the way food markets work, by the ability and willingness of producers to respond to the changing incentives that trade can bring, and by the geography of food insecurity, each of which needs to be accounted for in the formulation of trade policy interventions.

Key message 5 Trade and related policy objectives address different dimensions of food security, will differ across countries, and will change over time. The appropriateness of alternative trade policy options is largely determined by longer term processes of economic transformation and the role of the agriculture sector within these.

Key message 6 Episodes of food price spikes are important for their potential negative impacts on food security. Geopolitical and weather uncertainties, as well as government responses, are likely to exacerbate these episodes in the future, with increasing potential for disruptions to trade flows. The likelihood of price spikes, even if episodic, needs to be factored into longer-term decisions related to the management of trade in food and agricultural products.

Key message 7 Trade and food security concerns can be better articulated in the multilateral trading system through improvements to the World Trade Organization's Agreement on Agriculture. However, the right balance needs to be struck between the benefits of collective action brought through disciplines on the use of trade policy, and the policy space required by developing countries, the identification of which needs to be informed by specific country-level needs.

Key message 8 Shifting attention from the pros and cons of specific policies towards addressing weaknesses in the governance processes of agriculture and trade policy making will improve identification of required policy space and its appropriate use. Strengthening these processes requires building synergies to increase policy coherence for food security.

Closing Remarks

The Meeting ended with closing remarks of Mr. Sariyang JOBARTEH, Chairman of the Meeting and Mr. Burak KARAGÖL, Director at the COMCEC Coordination Office.

In his closing remarks, Mr. KARAGÖL informed the participants that Ministerial Exchange of Views session of the 35th COMCEC will be held on 27 November 2019 with the theme of “*Sustainable Food Systems in the OIC Member Countries.*” He stated that the next meeting (14th) of the COMCEC Agriculture Working Group will serve as a preparatory meeting for the above-mentioned Ministerial Exchange of Views Sessions. 14th Meeting of the Agricultural Working Group will be held on September 12th, 2019 in Ankara with the theme of “*Increasing the Resilience of the Food Systems in Islamic Countries in Face of Future Food Crises.*” He mentioned that a research report will also be shared with the focal points and other participants in advance of the meeting.

ANNEXES

Annex 1: List of Participants

A. MEMBER COUNTRIES OF THE OIC

PEOPLE'S DEMOCRATIC REPUBLIC OF ALGERIA

- Mr. M'HAMED TIFOURI
Director, Ministry of Agriculture, Rural Development and Fisheries

PEOPLE'S REPUBLIC OF BANGLADESH

- Mr. MD. ABUBAKAR SIDDIQUE
Joint Secretary, Ministry of Agriculture
- Mr. A.H.M SHAFIQUZZAMAN
Joint Secretary, Ministry of Commerce

REPUBLIC OF BENIN

- Ms. BACO AWAOU
Deputy Director General, Ministry of Finance and Development

REPUBLIC OF CAMEROON

- Mr. ARMAND MICHEL ZOA
Deputy Director, Ministry of Agriculture and Rural Development

REPUBLIC OF COTE D'IVOIRE

- Mr. SOUMAILA TRAORE KOUASSI BREDOUMY
Technical Advisor the Minister, Ministry of Agriculture and Rural Development
- Mr. DRISSA TRAORE
Assistant the Director General, Ministry of Agriculture and Rural Development

ARAB REPUBLIC OF EGYPT

- Mr. AMR SELIM
Deputy Head of Mission, Embassy of Egypt in Ankara

REPUBLIC OF THE GAMBIA

- Mr. SARIYANG JOBARTEH
Deputy Director General, Ministry of Agriculture
- Mr. NUHA NYANGADO
Trade Economist, Ministry of Trade

REPUBLIC OF INDONESIA

- Mr. HARJITO
Deputy Director for Regional Cooperation, Ministry of Agriculture
- Ms. CORDELIA ERVINA
Head of Non-ASEAN Cooperation Sub Division, Ministry of Agriculture
- Mr. HARYADI SATYA
First Secretary, Embassy of Indonesia in Ankara

ISLAMIC REPUBLIC OF IRAN

- Mr. MOHAMMAD KHALEDI
Director General, Ministry of Agriculture

- Mr. MAJID MOGHADDAM HASSANI
Deputy Director General, Ministry of Agriculture
- Mr. JALAL NEZAFAT
First Counsellor, Embassy of Iran in Ankara

MALAYSIA

- Ms. ROSLINA ALI
Dr. Malaysian Agricultural Research and Development Institute

KINGDOM OF MOROCCO

- Ms. FATIMA ZAHRA ELMIRI
Head of Department, Ministry of Agriculture
- Ms. IMANE REGRAGUI
Head of Department of Trade with Other Markets than UE and USA, Ministry of Agriculture

REPUBLIC OF NIGER

- Ms. ZAHARATOU SOULEY
Engineer, Ministry of Agriculture

FEDERAL REPUBLIC OF NIGERIA

- Mr. ZAYYAD HABU ABDUSSALAM
Assistant Director, Ministry of Foreign Affairs
- Mr. NASIR MUAZU ADAMU
Planner, Ministry of Agriculture

ISLAMIC REPUBLIC OF PAKISTAN

- Mr. TAHIR MAHMOOD
First Secretary, Embassy of Pakistan in Ankara

THE STATE OF PALESTINE

- Ms. NAREMAN ABU SOUD
Director, Ministry of Agriculture

STATE OF QATAR

- Mr. MASOUD AL MARRI
Agricultural Advisor, Ministry of Municipality & Environment
- Ms. SARA MOHAMMED AL MALKI
Agricultural Researcher, Ministry of Municipality and Environment

REPUBLIC OF TURKEY

- Ms. AYLIN ÇAĞLAYAN ÖZCAN
General Manager, Ministry of Agriculture and Forestry
- Dr. METİN TÜRKER
Assistant General Manager, Ministry of Agriculture and Forestry
- Mr. A. VOLKAN GÜNGÖREN
Assistant General Manager, Ministry of Agriculture and Forestry
- Mr. AYHAN BARAN
Head of Department, Ministry of Agriculture and Forestry
- Ms. BURÇAK YÜKSEL
EU Expert, Ministry of Agriculture and Forestry

- Ms. SELDA COŞKUN
EU Expert, Ministry of Agriculture and Forestry
- Mr. AYKUT ORDUKAYA
EU Expert, Ministry of Agriculture and Forestry
- Mr. HAKAN ARSLAN
Represented, Ministry of Agriculture
- Mr. MEHMET ALİ ÖZDEM
EU Expert, Ministry of Agriculture and Forestry
- Mr. MELİK AYTAÇ
Engineer, Ministry of Agriculture and Forestry
- Mr. NAZLI ŞİMŞEK
Engineer, Ministry of Agriculture and Forestry
- Mr. YİĞİT ATEŞ
Consultant, TOBB
- Mr. YAVUZ ER

REPUBLIC OF UGANDA

- Mr. PAINENTO CHARLES MUKAMA
Senior Veterinary Inspector, Ministry of Agriculture
- Mr. VICTOR EMMANUEL KIMBOWA
Economist, Ministry of Agriculture

B. THE OIC SUBSIDIARY ORGANS

STATISTICAL, ECONOMIC, SOCIAL RESEARCH AND TRAINING CENTER FOR ISLAMIC COUNTRIES (SESRIC)

- Mr. CIHAT BATTALOĞLU
Researcher, SESRIC

C. AFFILIATED ORGANS OF THE OIC

STANDARDS AND METROLOGY INSTITUTE FOR ISLAMIC COUNTRIES (SMIC)

- Mr. İHSAN ÖVÜT
Secretary General
- Ms. EMEL GÖNÇ
Assistant to Secretary General

D. CONSULTANTS

- Prof. Dr. SERDAR SAYAN
TOBB ETU
- Prof. Dr. SEDEF AKGÜNGÖR
DOKUZ EYLÜL UNIVERSITY
- Dr. M. AYKUT ATTAR
HACETTEPE UNIVERSITY
- Prof. Dr. LERZAN ÖZKALE
ISTANBUL TECHNICAL UNIVERSITY
- Ms. AYŞEGÜL TAŞÖZ DÜŞÜNDERE
TEPAV

E. COMCEC COORDINATION OFFICE

- Mr. SELÇUK KOÇ
Director
- Mr. BURAK KARAGÖL
Director
- Mr. Mehmet ASLAN
Director
- Prof. Dr. HALUK KASNAKOĞLU
Consultant
- Ms. AYLİN ŞENOL GÜN
Expert
- Mr. OKAN POLAT
Expert

Annex 2: Agenda of the Meeting



AGENDA
13TH MEETING OF
THE COMCEC AGRICULTURE WORKING GROUP
(February 21st, 2019, Ankara)

“Reviewing Agricultural Trade Policies to Promote Intra-OIC Agricultural Trade”

Opening Remarks

1. The COMCEC Agriculture Outlook
2. Overview of the Agricultural Trade Policies in the World and the OIC Member Countries
3. Selected Case Studies and Policy Recommendations
4. Policy Debate Session on the Agricultural Trade Policies
5. Utilizing the COMCEC Project Funding
6. Member Country Presentations
7. Contributions of Private Sector and International Institutions

Closing Remarks

Annex 3: Programme of the Meeting



**PROGRAMME
13TH MEETING OF
THE COMCEC AGRICULTURE WORKING GROUP
(February 21st, 2019, Ankara)**

“Reviewing Agricultural Trade Policies to Promote Intra-OIC Agricultural Trade”

08.30-09.00	Registration
09.00-09.05	Recitation from Holy Qur’an
09.05-09.15	Opening Remarks
	COMCEC Agriculture Outlook 2018
09.15-09.35	Presentation: <i>Prof. Dr. Haluk KASNAKOĞLU</i> <i>Consultant</i> <i>COMCEC Coordination Office</i>
09.35-09.45	Discussion
	Overview of the Agricultural Trade Policies in the World and the OIC Member Countries
09.45-10.25	Presentation: <i>Prof. Dr. Serdar SAYAN</i> <i>Consultant</i>
10.25-10.55	Discussion
10.55-11.10	Coffee Break
	Selected Case Studies and Policy Recommendations
11.10-11.50	Presentation: <i>Prof. Dr. Serdar SAYAN</i> <i>Consultant</i>
11.50-12.30.1	Discussion
12.30-14.00	Lunch

Policy Debate Session on Agricultural Trade Policies

There will be a moderation session under this agenda item. Participants are expected to deliberate on the policy options/advices for improvement of agricultural trade policies and promotion of intra-OIC trade in agriculture. At the beginning of the session, the CCO will make a short presentation on the responses of the Member Countries to the policy questions as well as the Room Document.

14.00-14.10 Presentation: *“Responses of the Member Countries to the Policy Questions on Agricultural Trade Policies in the OIC Member Countries”*
Mr. Selçuk KOÇ
Director
COMCEC Coordination Office

14.10- 15.15 Discussion

Utilizing the COMCEC Project Funding

15.15-15.30 Presentation: Mr. Burak KARAGÖL
Director
COMCEC Coordination Office

15.30-15.45 Discussion

15.45-16.00 **Coffee Break**

Member Country Presentations

16.00-17.00 - Presentations
- Discussion

Contributions of International Institutions and Private Sector

17.00-17.15 Presentation: *“Agricultural Trade Policies: Private Sector Perspective”*
Mr. Erkan KAPLAN
Deputy Secretary General
Turkish Exporters Assembly

17.15-17.30 Presentation: *“FAO Experiences in Agricultural Trade Policies”*
Mr. Ahmad MUKHTAR
Economist (Trade and Food Security)
FAO

17.30-17.50 Discussion

17.50-18.00 **Closing Remarks and Family Photo**

Annex 4: The Policy Recommendations

POLICY RECOMMENDATIONS OF THE 13TH MEETING OF THE AGRICULTURE WORKING GROUP

The COMCEC Agriculture Working Group (AWG) has successfully held its 13th Meeting on February 21st, 2019, in Ankara, Turkey with the theme of “*Reviewing Agricultural Trade Policies to Promote Intra-OIC Agricultural Trade.*”

During the Meeting, AWG made deliberations on sound agricultural trade policies to promote intra-OIC agricultural trade. Room Document, prepared in accordance with the main findings of the research report conducted specifically for the 13th Meeting of AWG and the answers of the Member Countries to the policy questions were the main input for the discussions. During the Meeting, the participants agreed on the policy recommendations included in the Room Document. The existing document includes these policy recommendations highlighted during the Meeting.

Policy Recommendations I: Promotion of Niche Agricultural Products and Halal Certification through product diversification, trademarking, marketing strategies and advertising campaigns.

Rationale:

The OIC Member Countries face competition from each other in certain agricultural products and in certain markets around the globe. This makes the promotion of intra-OIC agricultural trade a particularly challenging issue. Trade facilitation policies, which range from product diversification and trademarking to marketing strategies and advertising campaigns, need to be designed and implemented in the member countries. More specifically, the OIC Member Countries need to promote the niche agricultural products of their fellow OIC countries under a reciprocal understanding of benefits.

There exist key product groups that can be critical in promoting intra-OIC agricultural trade, but are not subject to high tariff protection. For these products, standardization and certification issues are of prime importance for the policy makers. As such, the process of establishing Halal certification for meat products, across the OIC region is a critical policy dimension that could be used effectively to promote intra-OIC agricultural trade in meat products. Halal certification issue also needs to be tackled within a broader perspective of labelling, advertisement and standardization. In this respect, OIC Member Countries need to think of efficient marketing and promotion strategies for niche and halal agricultural products since producing these products requires special effort.

Policy Recommendations II: Promotion of Commercial Cooperation (e.g. enhancing agricultural investments, removal of business visas, etc) and Non-Commercial Cooperation (e.g. sharing best practices and technical expertise, developing safety standards, etc.) among the OIC Member Countries in the areas related to agricultural trade.

Rationale:

The OIC member countries differ in relative abundance of land and natural resources and of financial resources. This type of diversity is a source of complementarity and opens a window of opportunity in commercial cooperation. There already exist some joint ventures among the OIC countries. Policies should be designed and implemented to incentivize commercial cooperation among the OIC member countries in the field of agricultural investment as it directly increases trade among at least two OIC member countries. Removal of business visas, for instance, may be a concrete policy action that could contribute to commercial cooperation.

Non-commercial cooperation among the OIC member countries in terms of technical expertise, skills, and safety standards would also facilitate intra-OIC trade in agricultural products. Naturally, the OIC member countries have a diverse set of safety standards, market information systems, market institutions and human capital stocks. For this reason, the OIC member countries should pay particular

attention to policies that would support the effective sharing of best-practice cases in agriculture and agricultural trade.

Moreover, this topic is in line with the rules in the WTO Agreement on Agriculture (AoA-WTO). Therefore, all OIC member countries who are also members of the WTO need to pay attention to the aspects of Commercial and Non Commercial Cooperation.

Policy Recommendations III: Promotion of Tariff Reductions and Bilateral Arrangements in key products (e.g. sugar, meat, feeding stuff for animals, oil-seeds, live animals)

Rationale:

In accordance with the WTO agreement, tariff reduction is a necessity for multilateral, regional and bilateral trade. With a view to achieving a more conducive trading system, OIC member countries need to comply with the global rules of trade.

High tariff protection is observed within the OIC for the key product divisions and products (identified in the research report as sugar, meat, feeding stuff for animals, oil-seeds, live animals) that would otherwise be highly effective in boosting intra-OIC agricultural trade. The OIC member countries would benefit from tariff reductions, particularly in key product divisions and products identified based on both the growth of the intra-regional demand and the existing low intra-regional trade share.

In the research report, it is pointed out that a large fraction of exporter-importer country pairs matched as potential partners for mutually beneficial trade does not have trade agreements with each other yet. There is therefore significant room for improvement in trade performance of, and associated benefits for member countries through bilateral agreements to be initiated to cover the products (live animals, meat, sugars, feeding stuff for animals and oil-seeds) identified in the analysis.

Policy Recommendations IV: Developing and implementing multilateral trade arrangements (e.g. TPS-OIC - Trade Preferential System among the Member States of the OIC)) with a view to contributing to collaborative and sustainable agricultural trade development.

Rationale:

Developing and implementing preferential market access schemes, as well as to concluding more intra- and cross-regional trade agreements/arrangements can help member countries benefit from the strong intra-regional dynamics of agricultural trade by collaborating with regional partners to liberalize agricultural trade on a preferential basis while reducing the potential for trade diversion costs that can arise from the use of preferences or regional agreements. In this regard, Trade Preferential System among the Member States of the OIC (TPS-OIC) gives an important opportunity to initiate such a basis for liberalizing agricultural trade among the OIC Member States.

Policy Recommendations V: Enhancing the capacity of the Member Countries in collection, management and dissemination of agricultural trade data with a view to designing sound and evidence-based agricultural trade policies.

Rationale:

Limited availability of timely, reliable and consistent data on agricultural trade hampers evidence-based decision making by both public and private sector actors in the Member Countries. There are some important initiatives under the OIC umbrella such as the OIC Statistical Commission (OIC-StatCom) and ICDT's web portal called "OIC Trade Map." Besides utilizing more effectively from the existing instruments, new projects may be designed and conducted to identify the data availability and reliability problems in agricultural trade policy measures all across the OIC.

Instruments to Realize the Policy Advices:

COMCEC Agriculture Working Group: In its subsequent meetings, the Working Group may elaborate on the above-mentioned policy areas in a more detailed manner. COMCEC Agriculture and Trade Working Groups may conduct joint meetings/ research on agricultural trade policies.

COMCEC Project Funding: Under the COMCEC Project Funding, the COMCEC Coordination Office calls for projects each year. With the COMCEC Project Funding, the member countries participating in the Working Groups can submit multilateral cooperation projects to be financed through grants by the COMCEC Coordination Office. For the above-mentioned policy areas, the member countries can utilize the COMCEC Project Funding and the COMCEC Coordination Office may finance the successful projects in this regard. These projects may include organization of seminars, training programs, study visits, exchange of experts, workshops and preparing of analytical studies, needs assessments and training materials/documents, etc.

SMIIC and SESRIC: The facilities of SMIIC and SESRIC (e.g. OIC Statistical Commission, Technical Committees of the SMIIC, etc.) can be utilized.

