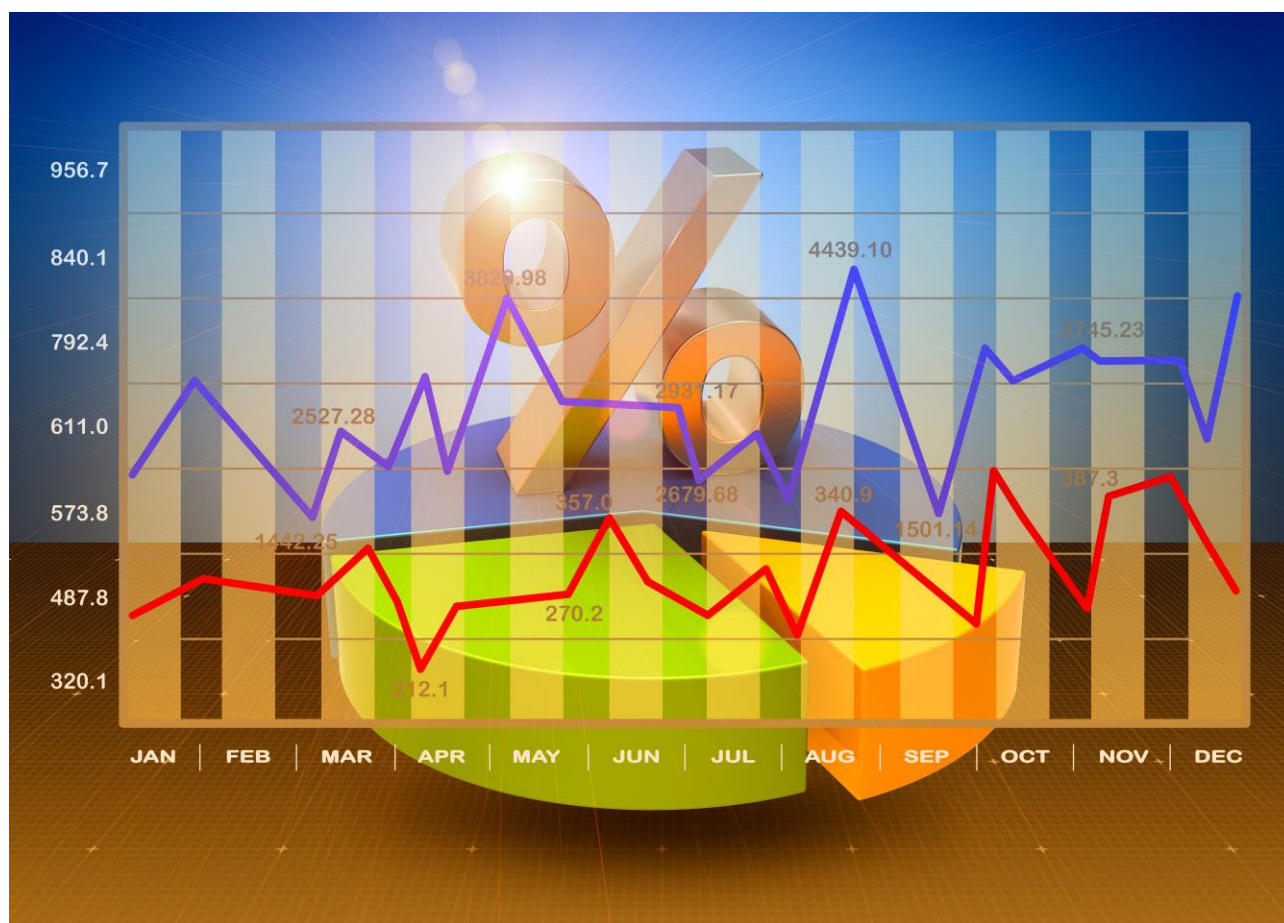




**Standing Committee
for Economic and Commercial Cooperation
of the Organization of Islamic Cooperation (COMCEC)**

COMCEC TRADE OUTLOOK 2019



**COMCEC COORDINATION OFFICE
October 2019**



COMCEC

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

COMCEC TRADE OUTLOOK 2019

**COMCEC COORDINATION OFFICE
Ankara, October 2019**

For further information please contact:

Mr. Mustafa Adil SAYAR
Expert

COMCEC Coordination Office
Necatibey Caddesi No: 110/A
06100 Yücetepe
Ankara/TURKEY
Phone : 90 312 294 6101
Fax : 90 312 294 6177
Web : www.comcec.org
e-mail : comcec@comcec.org
msayar@comcec.org

ACKNOWLEDGEMENT

The COMCEC Strategy, adopted during the 4th Extraordinary Islamic Summit held in Makkah Al-Mukarramah on 14-15 August 2012, envisages Working Group Meetings as one of the main instruments for its implementation. Through the Working Groups, country experts get the chance of elaborating the issues thoroughly in the respective cooperation areas and sharing their good practices and experience. The Working Groups are established for each cooperation area defined by the Strategy, namely Trade, Transport and Communication, Tourism, Agriculture, Poverty Alleviation, and Finance.

The COMCEC Outlooks are prepared in each cooperation area of the Strategy with a view to exploring the global trends and current situation in the OIC Member Countries in the respective area and enriching the discussions during the Working Groups Meetings by providing up-to-date data.

The COMCEC Trade Outlook has been prepared by Ms. Vildan BARAN and Mr. Mustafa Adil SAYAR, experts at the COMCEC Coordination Office and its 2019 version has been updated by Mr. Ercan SAKA, Consultant of the COMCEC Coordination Office and Mr. Mustafa Adil SAYAR expert from the COMCEC Coordination Office with the objective of providing an overview of international trade of the Organization of the Islamic Cooperation (OIC) Member States. It focuses on trends and characteristics of intra-OIC trade and attempts to identify the major common obstacles hindering trade.

Views and opinions expressed in the report are solely those of the author and do not represent the official views of the COMCEC Coordination Office or the Member States of the Organization of Islamic Cooperation. The designations employed and the presentation of the material in this publication do not imply the expression of any opinion whatsoever on the part of the COMCEC/CCO concerning the legal status of any country, territory, city or area, or of its authorities, or concerning the delimitation of its political regime or frontiers or boundaries. Designations such as “developed,” “industrialized” and “developing” are intended for statistical convenience and do not necessarily express a judgement about the state reached by a particular country or area in the development process.

Excerpts from the report can be made as long as references are provided. All intellectual and industrial property rights for the report belong to the COMCEC Coordination Office. This report is for individual use and it shall not be used for commercial purposes. Except for purposes of individual use, this outlook shall not be reproduced in any form or by any means, electronic or mechanical, including printing, photocopying, CD recording, or by any physical or electronic reproduction system, or translated and provided to the access of any subscriber through electronic means for commercial purposes without the permission of the COMCEC Coordination Office.

TABLE OF CONTENTS

List of Figures	iii
List of Tables	iv
List of Boxes	iv
INTRODUCTION	1
1. DEVELOPMENTS IN GLOBAL MERCHANDISE TRADE.....	3
1.1. Recent Trends in World Merchandise Trade	5
2. MERCHANDISE TRADE BETWEEN OIC AND THE WORLD.....	10
2.1. Main Characteristics of Total OIC Merchandise Exports	15
2.2. Main Characteristics of Total OIC Merchandise Imports	21
3. INTRA-OIC MERCHANDISE TRADE	23
3.1. Intra-OIC Merchandise Exports	25
3.2. Intra-OIC Merchandise Imports	27
3.3. Intra Trade Balance	27
4. TRADE IN COMMERCIAL SERVICES	29
4.1. Trends in Global Trade in Commercial Services	29
4.2. Trade in Commercial Services in the OIC Member Countries	31
5. TRADE ENVIRONMENT IN THE OIC MEMBER STATES.....	37
6. THE ROLE OF THE COMCEC IN INCREASING INTRA-OIC TRADE	54
7. CONCLUSION.....	68
8. REFERENCES.....	70
9. APPENDIX:.....	74

List of Figures

Figure 1: Global Trade in the Last Decade	3
Figure 2: World Export Volume	4
Figure 3: Evolution of the Commodity Prices	4
Figure 4: Tariffs and Non-tariff Measures	6
Figure 5: Evolution of RTAs (in force excluding accession) in World	7
Figure 6: Evolution of the Share of Developing Countries in World Exports.....	9
Figure 7: Evolution of Value Added in Global Trade, 1990-2017 (trillions of USD and per cent).....	9
Figure 8: Total OIC Exports and Imports	10
Figure 9: Monthly Oil Prices (nominal).....	11
Figure 10: Evolution of OIC Fuels and Non-Fuels Exports versus Oil Prices	11
Figure 11: Contributions (Positive) to Change in Total OIC Exports.....	12
Figure 12: Share of OIC in Global Trade.....	13
Figure 13: Export Value versus Export Volume Indices for the World and the OIC	14
Figure 14: OIC Exports to World (Top Exporters, 2018)	15
Figure 15: Evolution of OIC Exports to World- Top 5 Items.....	16
Figure 16: Evolution of Herfindahl-Hirschmann Index (Product HHI)	16
Figure 17: Herfindahl-Hirschmann Index (Product HHI) by OIC Countries (2018)	18
Figure 18: Figure 18: Share of Fuels in Total Exports, 2018 (Fuels SITC 3).....	19
Figure 19: Share of Commodities in Total Exports for Selected Countries.....	19
Figure 20: Share of Basic Food (SITC 0+22+4) in Total Exports, 2018	20
Figure 21: OIC Exports by Degree of Manufacturing, 2018	20
Figure 22: OIC Imports from World-2018.....	21
Figure 23: OIC Imports from World - Top 10 Items in 2018.....	22
Figure 24: Evolution of the Intra-OIC Trade	23
Figure 25: Major Players in Intra-OIC Trade in 2018	23
Figure 26: Member States Having the Lowest Share of Intra-OIC Trade in Their Total Trade.....	24
Figure 27: Member States Having the Highest Share of Intra-OIC Trade in Their Total Trade	24
Figure 28: Intra-OIC Trade Shares of Top OIC Traders* (2018).....	25
Figure 29: Intra-OIC Exports in 2018	25
Figure 30: Evolution of the shares of sectors in Intra-exports	26
Figure 31: Contribution of Sectors to the Change in Intra OIC Exports.....	26
Figure 32: Intra OIC Imports in 2018	27
Figure 33: Intra Trade Balances (ratio of intra-exports to intra imports) of the OIC Countries.....	28
Figure 34: Share of Services Sector in Total GDP	29
Figure 35: Global Goods and Commercial Services Export Values (Index 2005=100)	30
Figure 36: Annual Growth of Merchandise and Commercial Services Export 2007-2018.....	30
Figure 37: Total OIC Commercial Services Exports and Imports	31
Figure 38: Share of OIC in Global Commercial Services Trade	32
Figure 39: Top Commercial Services Exporters among the OIC Member Countries, 2018	32
Figure 40: Share of Sectors in Total Commercial Services Exports, 2018.....	34
Figure 41: Top 5 Commercial Services of the OIC with the Highest Share in the World Total Commercial Services Exports	35
Figure 42: Top Commercial Services Importers among the OIC Member Countries, 2018	35
Figure 43: WTO Membership Status of the OIC Countries	37
Figure 44: Number of RTAs including one or more OIC Member States	38
Figure 45: The 20 Highest Simple Average Applied MFN Tariffs among the WTO Members	39

Figure 46: Simple Average Applied MFN Tariffs in the OIC Countries (2018)	39
Figure 47: Simple Average Applied Tariffs on Agricultural Products in OIC Countries-2018	40
Figure 48: Simple Average Applied Tariffs on Non-Agricultural Products in OIC Countries.....	40
Figure 49: Evolution of the Openness Ratio	41
Figure 50: Member States Having the Lowest and Highest Openness Ratios in 2017	41
Figure 51: Comparative DTF Scores	42
Figure 52: Time and Cost for Complying Documentary and Border Compliance	43
Figure 53: Trading Across Borders- Distance to Frontier Scores (DTF) and Ranks in the OIC	44
Figure 54: OIC Countries that Improved the Most at Trading Across Borders	44
Figure 55: Trading Across Borders (Border / Documentary Compliance Costs)	45
Figure 56: Trading Across Borders (Border/Documentary Compliance Times).....	45
Figure 57: World Foreign Direct Investment Inflows and Shares of Country Groups	50
Figure 58: Top OIC Countries Receiving the Highest FDI Inflows in 2018	50
Figure 59: OIC Countries Receiving the Lowest FDI Inflows in 2018.....	51

List of Tables

Table 1: Trade Volume and GDP, Annual % change	5
Table 2: Oil Production thousand barrels daily.....	14
Table 3: Major Destinations of Total Extra-OIC Exports	15
Table 4: Top Ten Manufactures Exporters by Degree of Manufacturing, 2018 (per cent)	21
Table 5: Major Countries of Origin of Total Extra-OIC Imports	22
Table 6: Top Commercial Services Exporters in the World	31
Table 7: Best Performing OIC Countries According to the LPI 2018	46
Table 8: OIC Countries with the Lowest LPI Scores According to the LPI 2018	46
Table 9: Timeline of the TPS-OIC Negotiations	56

List of Boxes

Box 1: Regional Trade Agreements.....	8
Box 2: WTO Agreement on Trade Facilitation	47

INTRODUCTION

International trade can play a key role in generating economic growth, employment and development. However, many countries fail to benefit from international trade due to many challenges, including their undiversified economies and high trade costs. Having high levels of heterogeneity and divergence in terms of geography, size, population and economic development, the OIC Member Countries have demonstrated significant differences with regards to trade performances. Moreover, many OIC countries' exports depend heavily on primary commodities. As a result, lowering of oil prices and other commodity prices negatively affected not only their export revenues but also growth and development. Hence, the need for pursuing policies aimed to diversify exports and to expand export markets intensified in order to increase OIC countries' resilience to external shocks and sustain their growth.

The Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Cooperation (COMCEC) is the responsible platform within the OIC for enhancing economic and commercial cooperation among the Member States. Since the commencement of its activities in 1984, COMCEC has initiated numerous programs and projects towards increasing intra-OIC trade (trade among the Member States), addressing the problems faced in trade liberalization, trade facilitation, trade promotion and trade financing in the Member States. Among these programs and projects, the Trade Preferential System among the OIC Member States (TPS-OIC), which is the flagship project of the COMCEC on trade liberalization, is close to become operational.

In order to address the development challenges of the Member Countries more efficiently, the COMCEC Strategy was adopted by the Fourth Extra-Ordinary Islamic Summit Conference held on 14-15 August 2012 in Makkah Al-Mukarramah. Trade is one of the cooperation areas in the Strategy, with the strategic objective of increasing trade among the Member States. Identifying trade liberalization, trade facilitation, trade promotion and trade financing as the output areas, COMCEC aims at achieving strategy's targets through its implementation instruments namely Trade Working Group and COMCEC Project Funding.

The present document aims at providing a general outlook of the trade of OIC Member States and identifying common challenges they face in increasing their trade. Despite their economic and social differences, these countries also face some similar obstacles such as protectionist trade regimes, dependency on commodity exports, burdensome customs procedures increasing the cost of trade, limited access to overseas markets, inadequate financial resources and underdeveloped financial systems.

Besides giving background information on the activities of the COMCEC for increasing intra-OIC trade, the document also introduces the COMCEC Strategy for increasing trade and addressing the common obstacles faced by the Member States towards reaching this goal.

This Outlook has **six** sections: **The First Section** provides the latest trends and developments in global merchandise trade.

The Second Section gives a general overview of the total merchandise trade of the OIC Member States. It outlines the characteristics of trade between the Member States and the rest of the world by highlighting the composition, direction and the volume of the OIC Member States' trade.

In the Third Section a general overview of the intra-trade of the OIC Member States is provided in terms of composition and origin.

The Fourth Section gives a snapshot about the trade in commercial services in the World and the OIC Member Countries.

The Fifth Section provides a general overview of the trade environment in the OIC Member States. It summarizes the basic challenges commonly faced by many Member States regarding trade liberalization, trade facilitation, trade promotion and trade financing.

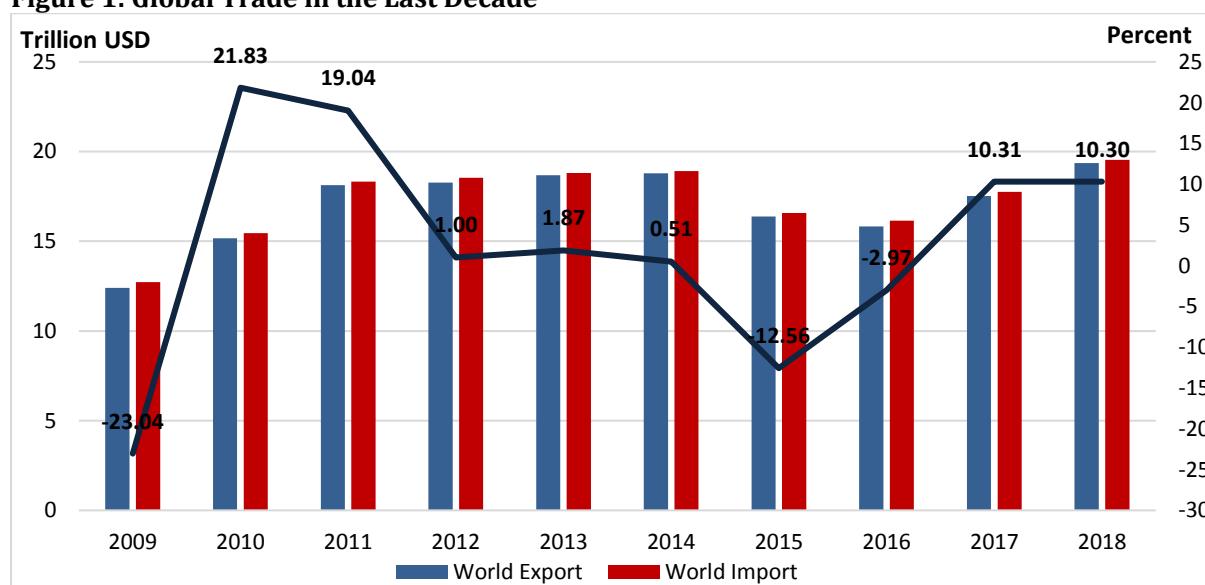
The Sixth Section concentrates on the role of the COMCEC in improving the trading environment in the Member States and enhancing intra-OIC trade.

Finally, the Seventh Section concludes.

1. DEVELOPMENTS IN GLOBAL MERCHANDISE TRADE

World merchandise trade as measured by the average of world exports and world imports (in current USD) grew at an annual average rate of 12.2 per cent between 2000 and 2008 period. After contracting sharply in 2009 due to global crisis, world trade rebounded rapidly in 2011, but remained weak between 2012 and 2016 period. 2017 marked the first year that the world trade increased significantly both in value and volume terms since the global crisis. With 10.30 per cent increase and 39.8 trillion USD, the same pace continued in 2018.

Figure 1: Global Trade in the Last Decade

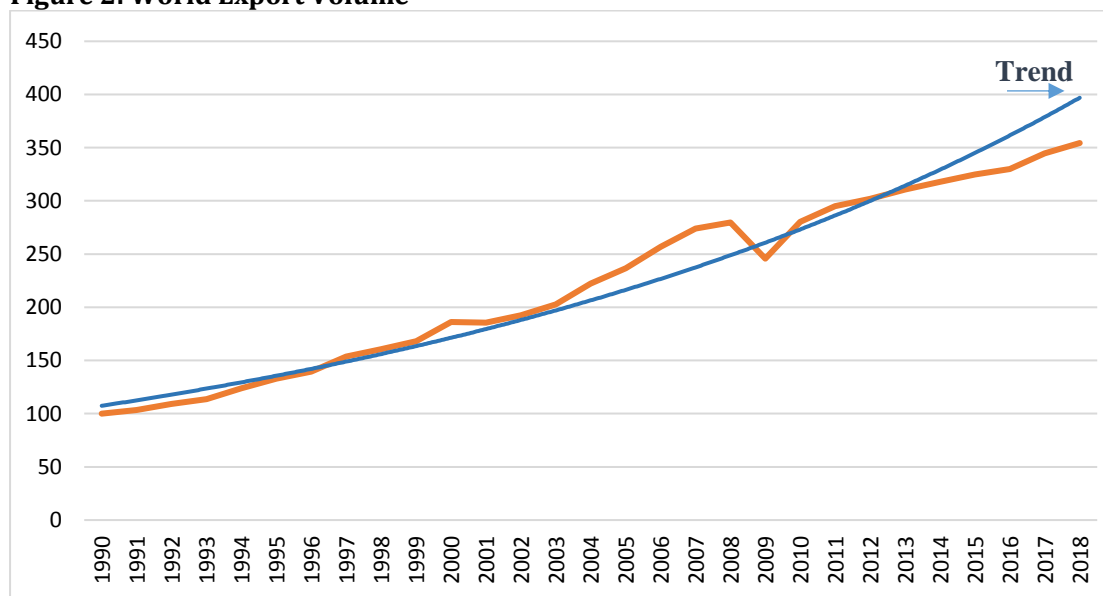


Source: IMF Direction of Trade Statistics

Nominal trade values rose in 2018 due to a combination of volume and price changes. World merchandise exports totalled to 19.37 trillion USD, an increase of slightly over 10 per cent from the previous year. The rise was partly due to higher oil prices, which were up roughly 20 per cent for the whole of 2018. However, oil prices fell 25 per cent between October and December as negative economic news and economic uncertainty reduced expected demand for energy in the near future.¹

According to the experts, exchange rates probably had a minimal impact on nominal trade values in US dollar terms in 2018. Despite fluctuations over the course of the year, the value of the US dollar was little changed between 2017 and 2018. The nominal effective exchange rate of the US dollar against a broad basket of currencies was only down 1.0 per cent year-on-year. The euro registered a 4.3 per cent appreciation in nominal effective terms while the Chinese yuan and the UK pound rose 1.4 per cent and 1.5 per cent, respectively. The Japanese yen was mostly unchanged in 2018, with an average appreciation of 0.2 per cent in 2018.

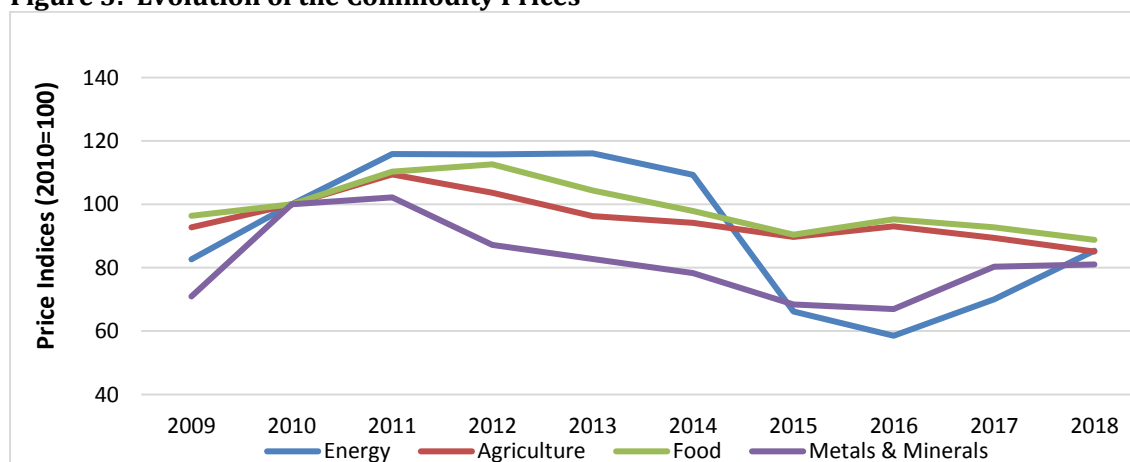
¹ WTO World Trade Report, 2018

Figure 2: World Export Volume


Source: WTO

On the export side, the slowdown was mostly due to reduced shipments from developed countries, which contracted year on-year in three out of the four quarters of 2018.

On the import side, developed countries recorded slow growth throughout the year, particularly in the first half. Meanwhile, developing economies and the Commonwealth of Independent States (CIS) saw imports fall 2.1 per cent in the final quarter of 2018 despite stronger growth earlier in the year.²

Figure 3: Evolution of the Commodity Prices


Source: World Bank Commodity Price Data

² World Trade Development, https://www.wto.org/english/res_e/statis_e/wts2019_e/wts2019chapter03_e.pdf

The increase in exports was mostly driven by high energy prices while Asia was the main contributor to an increase in global imports.

World merchandise exports of fuels and mining products, manufactured goods and agriculture grew by 23 per cent, 8 per cent and 5 per cent respectively. Developing economies exported a total of US\$ 8,779 billion in 2018, of which US\$ 193 billion were from least developed countries³.

According to the World Bank, the slowdown in the growth of merchandise trade volume in 2018 was broad-based, reflecting weaker import and export shipments globally, although some country groupings were more affected by the slowdown than others.

Weaker trade growth was most evident in the fourth quarter of 2018, when export volumes declined by 0.1 per cent and import volumes dropped 0.5 per cent due to the several factors, including new tariffs and retaliatory measures affecting widely-traded goods, weaker global economic growth, volatility in financial markets and tighter monetary conditions in developed countries, among others.

Table 1: Trade Volume and GDP, Annual % change

	2016	2017	2018
Volume of world merchandise trade	1,6	4,6	3,0
Exports			
Developed Economies	1,0	3,6	2,1
Developing Economies	2,3	5,6	3,5
North America	0,3	4,2	4,3
Europe	1,2	3,7	1,6
Asia	2,3	6,8	3,8
Imports			
Developed Economies	2,0	3,3	2,5
Developing Economies	1,3	6,8	4,1
North America	0,1	4,0	5,0
Europe	3,1	2,9	1,1
Asia	3,6	8,3	5,0
World output (real GDP at market exchange rates)	2,4	3,0	2,9
Developed Economies	1,7	2,3	2,2
Developing Economies	3,7	4,3	4,1
North America	1,6	2,3	2,8
Europe	2,0	2,7	2,0
Asia	4,1	4,5	4,3

Source: WTO

1.1. Recent Trends in World Merchandise Trade

The World Bank highlighted that mounting trade tensions, an increase in trade-restrictive measures and continuing economic uncertainty created real challenges for world trade in 2018. These factors and a deceleration in overall economic activity slowed momentum in global trade, restricting merchandise trade growth to 3 per cent compared with 4.6 per cent in 2017. This

³ World Trade Statistical Review 2019

downward trend is expected to continue in 2019, with trade projected to grow by just 2.6 per cent⁴.

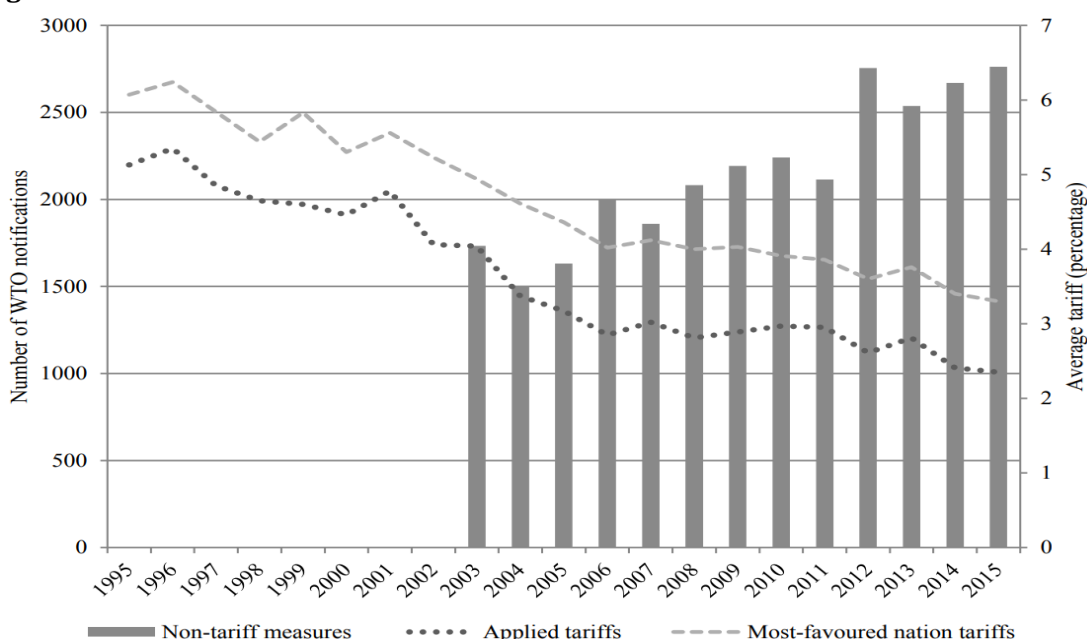
Heightened trade tensions cannot be the only cause of the trade slowdown in 2018 but they undoubtedly played a significant role as slower trade growth coincided with announced or anticipated trade actions, such as tariff raising, by governments.

“Heightened trade tensions cannot be the only cause of the trade slowdown in 2018”

Trade and output were also influenced by temporary shocks, such as the federal government shutdown in the United States and production problems in the automotive sector in Germany towards the end of the year. These incidents were likely to have transitory effects, causing consumers and businesses to postpone purchases and production decisions rather than cancelling them

outright⁵.

Figure 4: Tariffs and Non-tariff Measures



Source: Reprinted from “Evolution of the International Trading System and Its Trends from a Development Perspective” UNCTAD, Trade and Development Board, TD/B/64/5, Sixty-fourth session, 3 July 2017. Retrieved from http://unctad.org/meetings/en/SessionalDocuments/tdb64d5_en.pdf.

There have been some emerging patterns shaping the global trading environment recently. **First trend** is the proliferation of non-tariff barriers. The Figure above which is taken from UNCTAD (2017) provides data for 1995-2015 period and illustrates that while tariffs have declined considerably in the 2000s, little progress was achieved in terms of further declines in tariffs since the global crisis.

The number of non-tariff measures continue to rise especially in the aftermath of the crisis. Slower pace of trade liberalization and increased protectionist measures are considered among factors which constrain world trade. According to WTO⁶, WTO members introduced more trade-

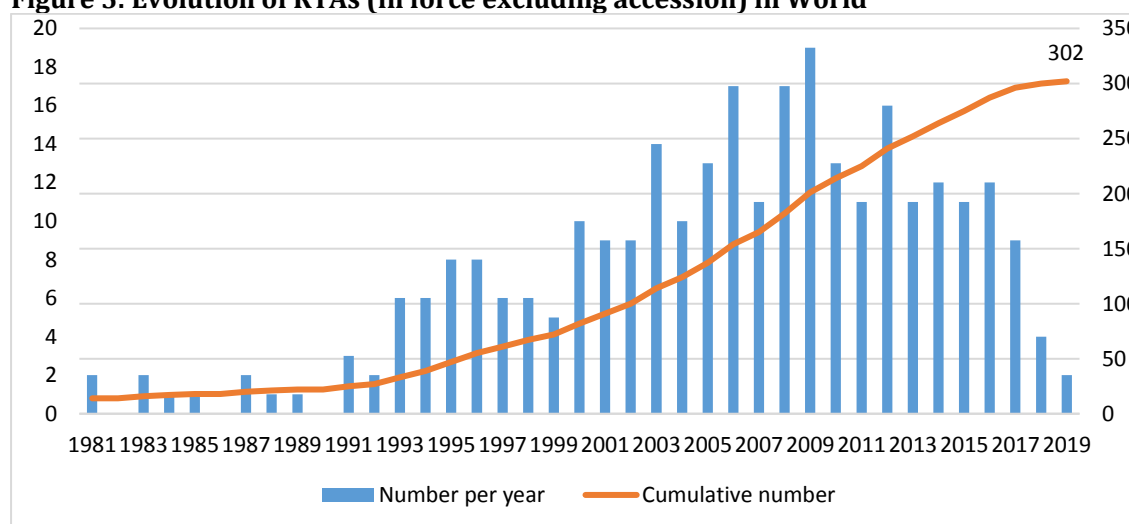
⁴ https://www.wto.org/english/res_e/booksp_e/anrep_e/anrep19_chap1_e.pdf

⁵ World Trade Statistical Review 2019, https://www.wto.org/english/res_e/statistics_e/wts2019_e/wts2019chapter03_e.pdf

restrictive measures (tariff increases, stricter customs procedures, imposition of taxes and export duties) in mid-October 2017 to mid-May 2018 period compared to the previous review period.

Second major pattern is the continuation of the proliferation of Regional Trade Agreements (RTAs). While the World Trade Organization (WTO) expanded, reaching 164 Members by July 2016, all members participate to the existing RTAs or initiate new ones. The European Union, The European Free Trade Association (EFTA), The North American Free Trade Agreement (NAFTA), The Southern Common Market (MERCOSUR), The Association of Southeast Asian Nations (ASEAN) Free Trade Area (AFTA), and the Common Market of Eastern and Southern Africa (COMESA) are among the best known RTAs. WTO notes that most of both the existing RTAs in force and the new negotiations are bilateral. However there is a new trend for plurilateral RTAs involving several WTO members. Among these are the Asia-Pacific Region for a Comprehensive and Progressive Trans-Pacific Partnership (CPTPP) Agreement, the Pacific Alliance in Latin America and the Tripartite Agreement between parties to COMESA, EAC and SADC in Africa⁶. As of October 2019, 302 RTAs were in force (excluding accession). Figure 5 shows the increasing number of RTAs since 1980.

Figure 5: Evolution of RTAs (in force excluding accession) in World



Source: WTO database

⁶ https://www.wto.org/english/tratop_e/region_e/region_e.htm

Box 1: Regional Trade Agreements

Table A: Intra and Extra Trade in Selected Preferential Trade Agreements – 2018

Table-A below could be used to evaluate whether the steady increase in the number of regional agreements in recent years affected the trade between member countries. As may be observed from the table, the EU has the largest intra-trade shares, with intra-export and intra-import shares were 63.6 percent and 59.3 percent respectively. For NAFTA, intra-export was 49.4 percent while intra-imports was 33.1 per cent. However in ASEAN, most of the export (75.9 per cent) was with the countries out of the agreement. On the other hand, when some RTAs where some OIC member countries participated evaluated; intra-export shares in total trade remained small for GCC, ECOWAS and WAEMU ranging between 8.1 to 12.7 per cent.

Table A: Intra and Extra Trade in Selected Preferential Trade Agreements – 2018						
	World (Billion Dollars)		Intra-PTA Share in Total (%)		Extra-PTA Share in Total (%)	
	Export	Import	Export	Import	Export	Import
ASEAN (Association of Southeast Asian Nations)	1,448	1,437	24.1	22.3	75.9	77.7
CEMAC (Economic and Monetary Community of Central Africa)	29	17	2.9	5.1	97.1	94.9
CIS (Commonwealth of Independent States)	595	360	12.8	21.2	87.2	78.8
COMESA (Common Market for Eastern and Southern Africa)	115	196	11.9	6.5	88.1	93.5
EAC (East African Community)	14	36	18.7	7.7	81.3	92.3
ECOWAS (Economic Community of West African States)	109	99	8.1	8.8	91.9	91.2
EFTA (European Free Trade Association)	437	377	0.5	0.7	99.5	99.3
EU28 (European Union)	6,446	6,389	63.6	59.3	36.4	40.7
GCC (The Cooperation Council for the Arab States of the Gulf)	865	497	9.9	13.2	90.1	86.8
MERCOSUR (Southern Common Market)	351	278	12.2	14.8	87.8	85.2
NAFTA (North American Free Trade Agreement)	2,566	3,536	49.4	33.1	50.6	66.9
SAARC (South Asian Association for Regional Cooperation)	399	680	7.9	5.1	92.1	94.9
WAEMU (West African Economic and Monetary Union)	27	37	12.7	9.9	87.3	90.1

Source: UNCTADSTAT

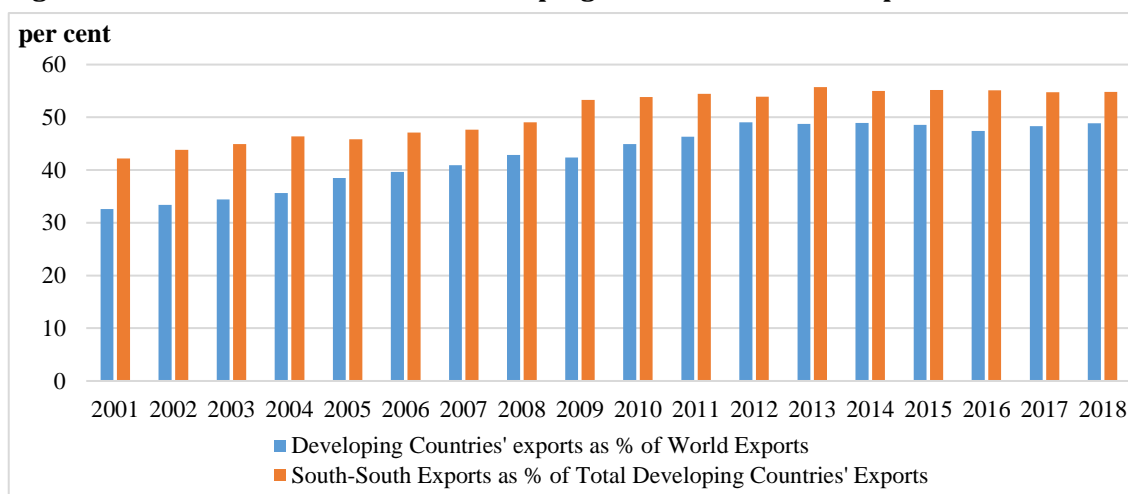
Though the value of exports of goods and services from developing countries has increased notably since 2000, this growth has not outpaced the developed world. Developing countries' share in global exports has not grown since 2012. The growth of global exports has levelled off since 2012 and the same is true for the developing economies. In 2018, the total value of exports originating from developing countries was 4.3 times higher than in 2000. Developing countries' share of global exports of goods and services has risen from 29.7 per cent in 2000 to 41.5 per cent in 2012 and has levelled off since.

Looking at the trade in goods, developing economies' share in world exports of goods has plateaued at just above 44 per cent since 2012 (see figure 1). In the developing economies of Africa, the 2017 upswing in world trade manifested itself in export growth; African exports increased by 18 per cent compared with the previous year, and by 14 per cent in 2018.

As shown in figure 1, in 2018, developing economies' share of world services exports (US\$5.8 trillion) was 29.7 per cent (US\$1.7 trillion), while exports from developed economies were valued at US\$4.0 trillion. Since 2000, growth has been significant when they accounted for 21 per cent (US\$0.35 trillion).

The top five services exporters, China, India, Singapore, Hong Kong SAR and the Republic of Korea, account for half of developing economies' services exports⁷.

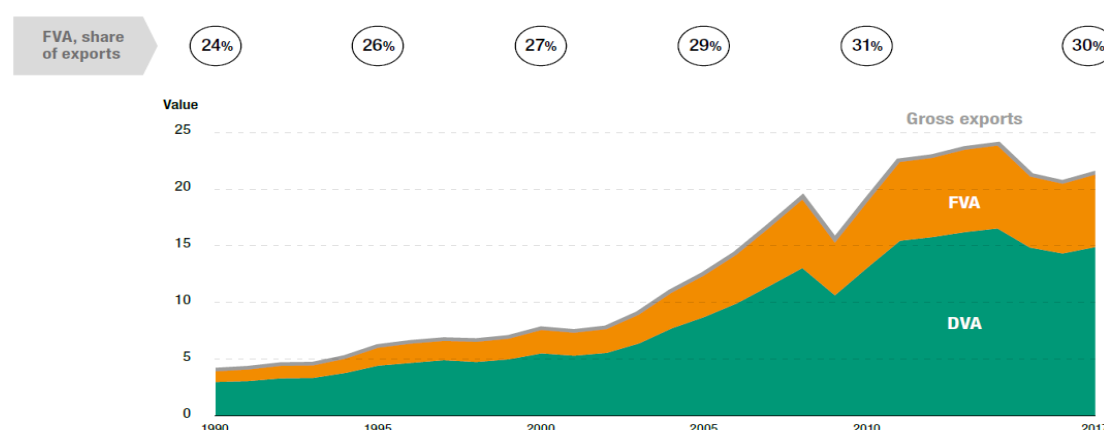
⁷ Developing countries share in World trade, <https://sdgpulse.unctad.org/developing-economies-in-international-trade/>

Figure 6: Evolution of the Share of Developing Countries in World Exports

Source: ITC Trade Map

Fourth pattern in global trade is the maturation of global value chains (GVCs). Increasing participation to the GVCs in particular of the developing countries was a key factor driving the dramatic increase in developing countries' trade and in turn the world trade in the period prior to the global crisis. However, a recent trend has been the slowing pace of global value chains, which has negative impacts on world trade growth. The shift to domestic production of intermediate inputs by China, Japan and US firms contributed to the slowdown in GVCs.

Figure 7 below illustrates evolution of foreign value added in production (FVA) and domestic value added in production (DVA) as a percentage of exports. FVA which is considered as a key measure of GVCs increased steadily until 2010. However growth of FVA declined in 2015-2016 period and remained weak in 2017 where the share of FVA in total exports declined to 30 per cent. This represents a reversal in increasing trend of FVA.⁸

Figure 7: Evolution of Value Added in Global Trade, 1990-2017 (trillions of USD and per cent)

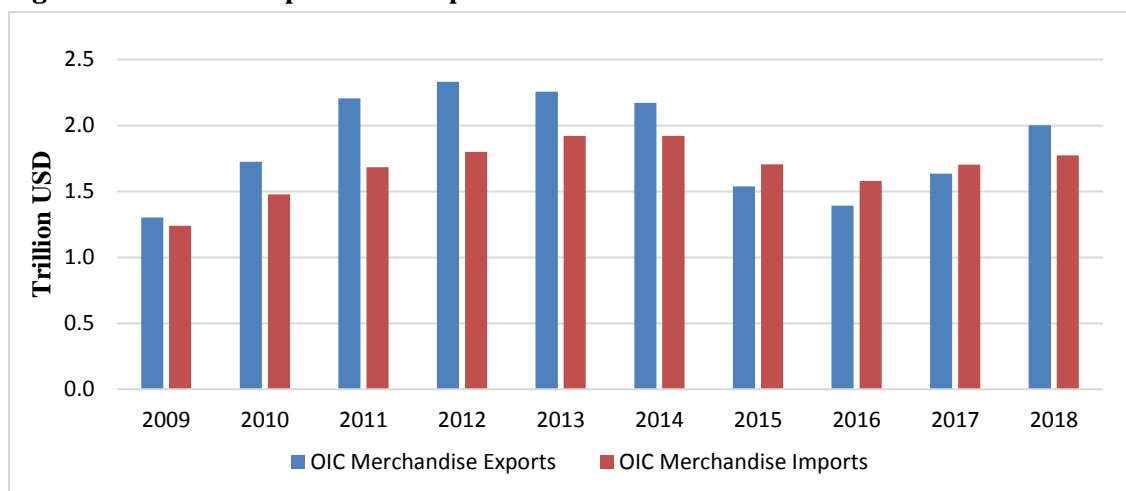
Source: Reprinted from "World Investment Report, 2018, Investment and New Industrial Policies" UNCTAD.
Retrieved from https://unctad.org/en/PublicationsLibrary/wir2018_en.pdf.

⁸ UNCTAD, World Investment Report 2018

2. MERCHANDISE TRADE BETWEEN OIC AND THE WORLD

As indicated in the Figure 8 below, the total OIC exports which have been on a downward trend since 2012 contracted severely in 2015 and 2016. However, in 2018 total OIC exports recorded an increase and amount to 2 trillion USD. Compared to the previous year (2017), the total OIC exports increased 22 per cent. Meanwhile total OIC imports increased 4 per cent in 2018. It was 1.7 trillion USD in 2017 and amounted to 1.77 trillion USD in 2018.

Figure 8: Total OIC Exports and Imports



Source: IMF Direction of Trade Statistics

Several factors accounted for the strong performance in total OIC exports in 2018 including the revival of global economic activity and rising commodity prices. On the other hand, ongoing political developments in many countries in the Middle East constrain further increases in the OIC trade. Rising commodity prices, in particular oil prices led to increased export revenues of resource based countries which in turn resulted in more import demand.

Growth performance and rebalancing of Chinese economy away from manufacturing and investment to services and consumption being the main export market for OIC countries is particularly important as further slowdown in Chinese growth might have negative implications on OIC exports. Chinese economy maintained a remarkable growth by growing 10.3 per cent annually between 2000 and 2010 which led the surge in commodity prices in 2000s. However the pace of growth has slowed down since 2011 and recorded as 6.9 per cent in 2017. It is estimated to be slowing further in the coming years⁹. This could have negative spillovers on OIC exports via downward pressure on commodity prices and lower import demand.

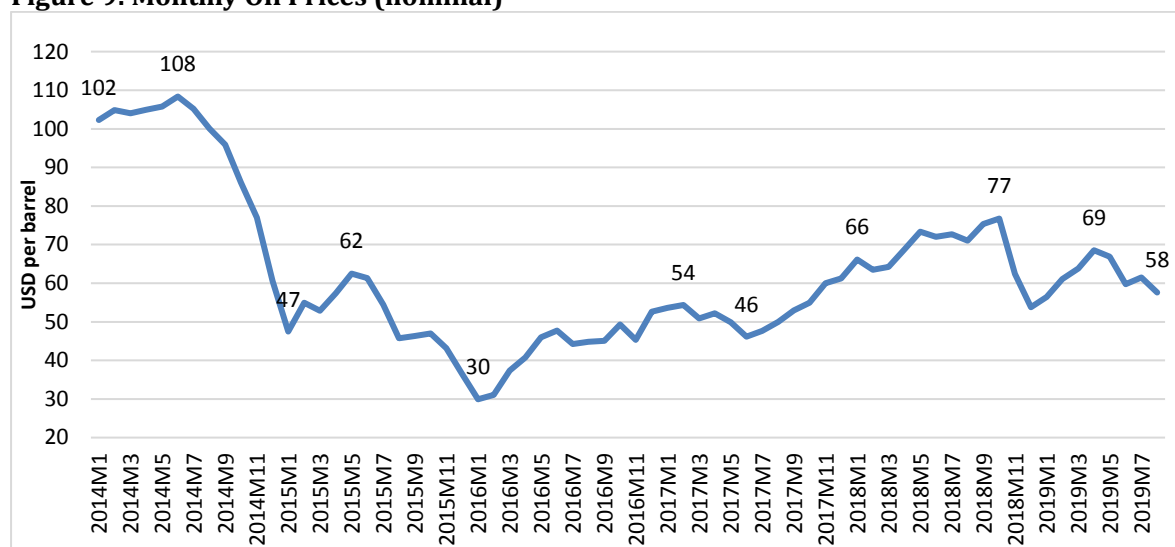
Commodity prices, in particular fuels, declined sharply starting from July 2014. Oil prices almost halved from 96.2 USD per barrel in 2014 to 50.8 USD per barrel in 2015 mainly due to the shale oil production in US and oversupply in global oil markets. Although oil prices bottomed out 30.8 USD per barrel in January 2016, they averaged 42.8 USD per barrel in 2016. Oil prices were on an increasing trend between August 2017-November. OPEC and non-OPEC oil exporters including Azerbaijan, Kazakhstan and Russian Federation agreed to curb oil production from January 2017 to March 2018 to 1.8 million barrels per day.¹⁰ They had further agreed to extend

⁹ IMF WEO April 2018 Database.

¹⁰ UN World Economic Situation and Prospects, 2018

these cuts until the end of 2018. Thus, oil prices which averaged to 52.8 USD per barrel in 2017 recovered strongly to 77 USD per barrel in November 2018 which was the highest price since December 2014. However, oil prices are still well below their peak levels of 118 USD achieved in March 2012.

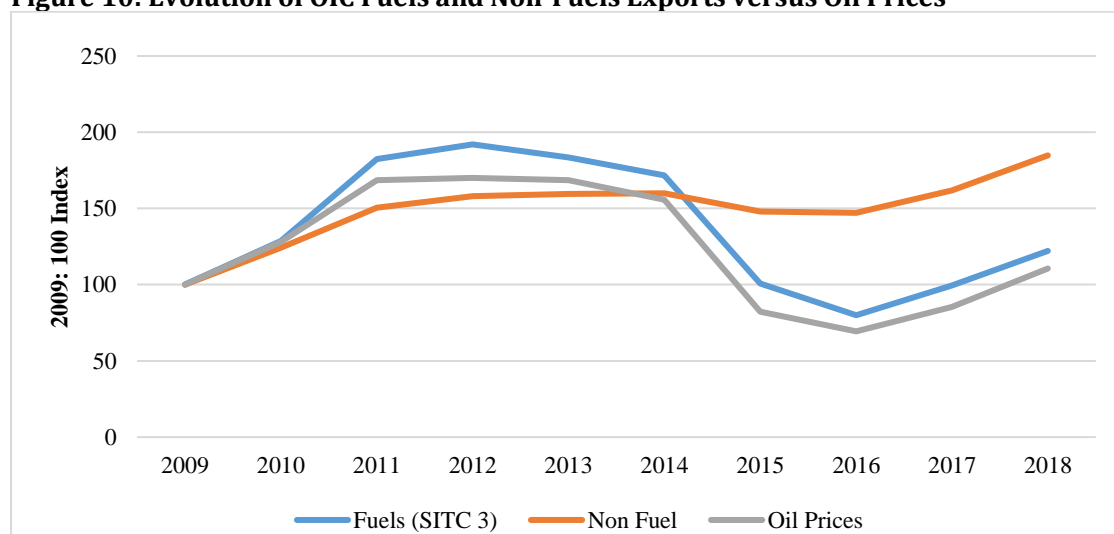
Figure 9: Monthly Oil Prices (nominal)



Source: World Bank Commodity Prices database Note: Average of Brent, Dubai and WTI.

Figure 10 shows the evolution of total OIC fuels and non-fuels exports versus oil price developments. Fuels exports are highly volatile depending on the oil price movements. As a result, OIC fuels exports contracted severely in 2015 following the oil price collapse but bounced back in 2017 as oil prices increased. However it should be noted that OIC fuels exports in 2017 and 2018 are almost half of their levels in 2012. Meantime, OIC non fuels exports continued to increase in 2018 as the global activity increases.

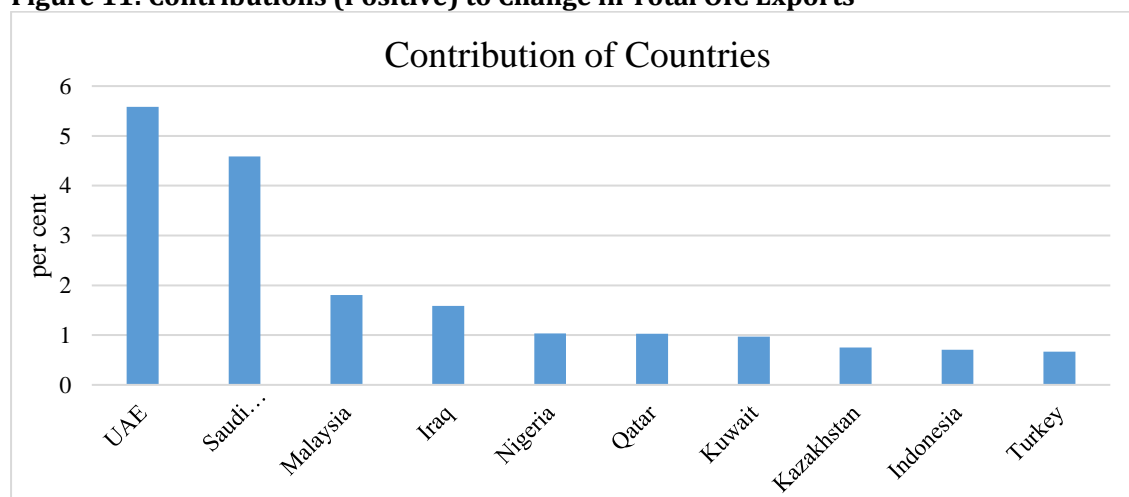
Figure 10: Evolution of OIC Fuels and Non-Fuels Exports versus Oil Prices



Source: UNCTAD STAT Database and IMF Primary Commodity Prices

Figure 11 below shows the OIC countries having the largest positive impact on the percentage increase in the total OIC exports in 2018 in descending order. The increase in exports of Indonesia, Malaysia, Saudi Arabia, UAE and Iraq accounted for 60 per cent of the increase in total OIC exports.

Figure 11: Contributions (Positive) to Change in Total OIC Exports



Source: IMF Direction of Trade Statistics.

“OIC countries’ share in global trade increased to 9.5 per cent in 2017”

Although the share of OIC countries in world exports peaked at 12.8 per cent in 2012, it declined between 2013-2018. However, in 2017 OIC countries’ share of world exports increased by 0.5 percentage and 1.0 per cent in 2018 while OIC’s share in world imports decreased slightly

by 0.18 and per centage points to 0.53 per cent during 2017 and 2018 respectively. As a result, the share of OIC countries in global trade increased slightly to 9.7 per cent in 2018.

Moreover, the case of Palestine also needs to be specifically mentioned in the Trade Outlook of the OIC region.

Palestine is the 185th largest export economy in the world. In 2017, Palestine exported 94.8 million USD and imported 935 million USD, resulting in a negative trade balance of 840 million USD. In 2017 the GDP of Palestine was 14.5 Billion USD and its GDP per capita was 4.890 USD. Palestine exported 94.8 million USD and imported 935 million USD, resulting in a negative trade balance of 840 million USD.¹¹

The top exports of Palestine are Tropical Fruits (14.2 Million USD), Scrap Iron (13.4 million USD), Packaged Medicaments (8.69 million USD), Building Stone (8.5 million USD) and Pure Olive Oil (7.52 million USD), using the 1992 revision of the HS (Harmonized System) classification. Its top imports are Cars (163 million USD), Cement (40.1 million USD), Baked Goods (39.8 million USD), Chocolate (29.6 million USD) and Frozen Bovine Meat (27 million USD).

¹¹ https://oec.world/en/profile/country/pse/#Trade_Balance

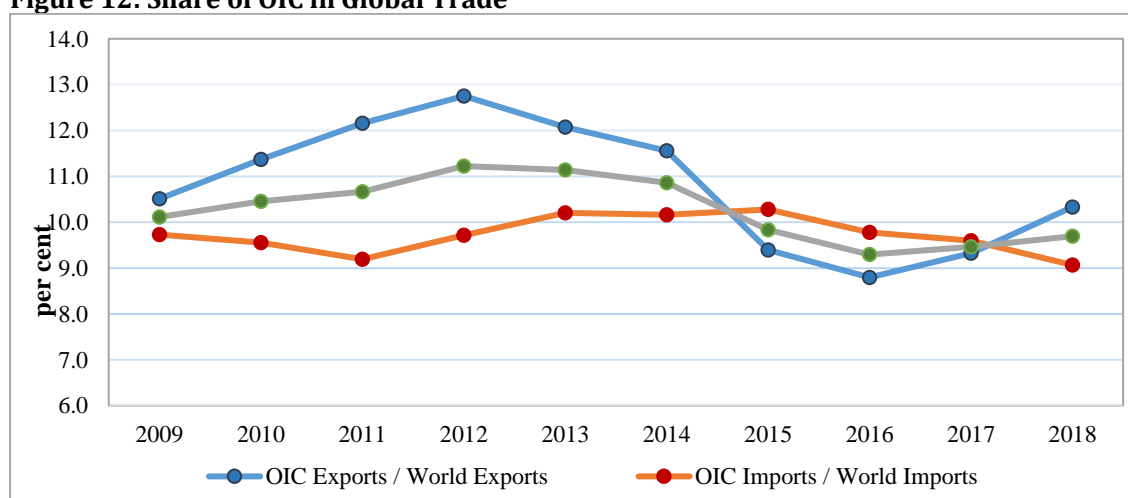
Major hindrances from the Israeli side seriously impede the realization of Palestine's true trade potential especially its export potential. As a result, Palestine suffers a huge trade deficit. The Israeli closure and blockade have significantly hampered the Palestinian exports and caused economic dependence to Israel.

Palestine's trade deficit widened to USD 414 million in April 2019 from USD 382 million in the same month of the previous year.

This was the largest trade gap since January, as imports rose while exports fell. Imports increased 7 percent to USD 504.7 million, with purchases from Israel accounting for 58 percent of total imports. Meantime, exports declined 1 percent to USD 90.7 million. Sales to Israel represented 87 percent of total exports. Considering the first four months of the year, the trade deficit widened to USD 1.57 billion from USD 1.47 billion in the same period of 2018. Balance of Trade in Palestine averaged -257.98 USD Million from 2001 until 2019, reaching an all time high of -66.79 USD Million in April of 2002 and a record low of -429.10 USD million in March of 2011¹².

Therefore, such impediments cause substantial damages to the Palestinian trade and need to be alleviated.

Figure 12: Share of OIC in Global Trade



Source: IMF Direction of Trade Statistics

“Most of the increase in total OIC exports was driven by rising export prices in 2017 and 2018”

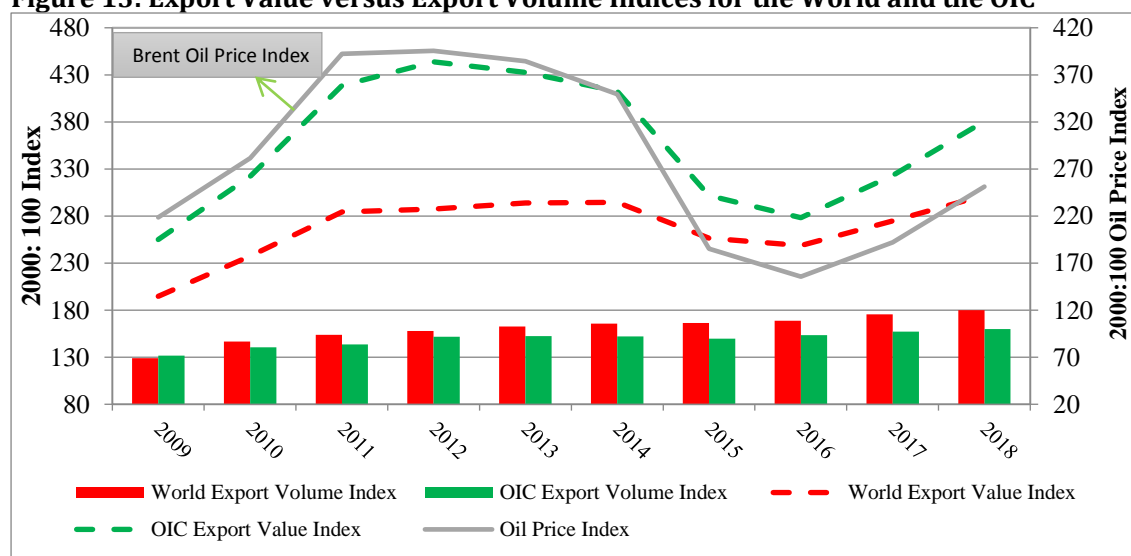
Figure 13 below demonstrates evolution of the value versus volume (i.e. eliminating the effects of prices and exchange rates) developments in total OIC and world exports. In value terms (i.e. in USD), OIC exports yielded higher growth rates than that of world exports which was more prominent during the oil price boom period between 2003 and 2012. Total OIC exports move closely with oil

prices due to heavy dominance of oil in OIC exports. As a result, OIC exports in USD have been on a declining trend mainly due to the recent slump in oil prices over the last four years. On the other hand total OIC exports in volume terms (i.e. eliminating the effects of prices and exchange rates) which increased by 0.86 per cent in 2017 increased further by 0.84 per cent in 2018. The

¹² <https://tradingeconomics.com/palestine/balance-of-trade>

slight increase in OIC export volume indicated that the most of the increase in total OIC exports was driven by rising export prices in 2018. It should also be noted that oil production curbs in some oil exporters of OIC limited quantity exported.

Figure 13: Export Value versus Export Volume Indices for the World and the OIC



Source: IMF, UNCTADSTAT

Table 2 illustrates that OPEC countries oil production decreased by 0.4 percent in 2017 and 0.8 per cent in 2018. Saudi Arabia, UAE, Kuwait, Qatar, Algeria were among the major oil exporting OIC countries that decreased their oil production in 2017 and 2018 compared to the previous year (2016).

Table 2: Oil Production thousand barrels daily

Thousand barrels daily	2011	2012	2013	2014	2015	2016	2017	2018	Growth Rate Annual (%) 2018	Share (%) 2018
Saudi Arabia	11079	11622	11393	11519	11998	12406	11892	12287	3.3%	13.0%
Iran	4452	3810	3609	3714	3853	4586	5024	4715	-6.1%	5.0%
Iraq	2773	3079	3103	3239	3986	4423	4533	4614	1.8%	4.9%
United Arab Emirates	3303	3440	3577	3603	3898	4038	3910	3942	0.8%	4.2%
Kuwait	2909	3164	3125	3097	3061	3141	3001	3049	1.6%	3.2%
Nigeria	2461	2412	2279	2276	2201	1900	1991	2051	3.0%	2.2%
Kazakhstan	1684	1664	1737	1710	1695	1655	1838	1927	4.8%	2.0%
Qatar	1824	1928	1991	1975	1933	1938	1874	1879	0.3%	2.0%
Algeria	1642	1537	1485	1589	1558	1577	1540	1510	-2.0%	1.6%
Libya	516	1539	1048	518	437	412	929	1010	8.7%	1.1%
Total World	84009	86228	86647	88736	91547	91822	92502	94718	2.4%	100.0%
OPEC	36724	38292	37293	37228	38601	39736	39673	39338	-0.8%	41.5%
Non-OPEC	47285	47936	49354	51508	52946	52086	52828	55380	4.8%	58.5%
memo item:										
US	7870	8910	10073	11773	12773	12340	13135	15311	16.6%	16.2%
Russian Federation	10533	10656	10807	10860	11007	11269	11255	11438	1.6%	12.1%
Canada	3515	3740	4000	4271	4388	4451	4798	5208	8.5%	5.5%

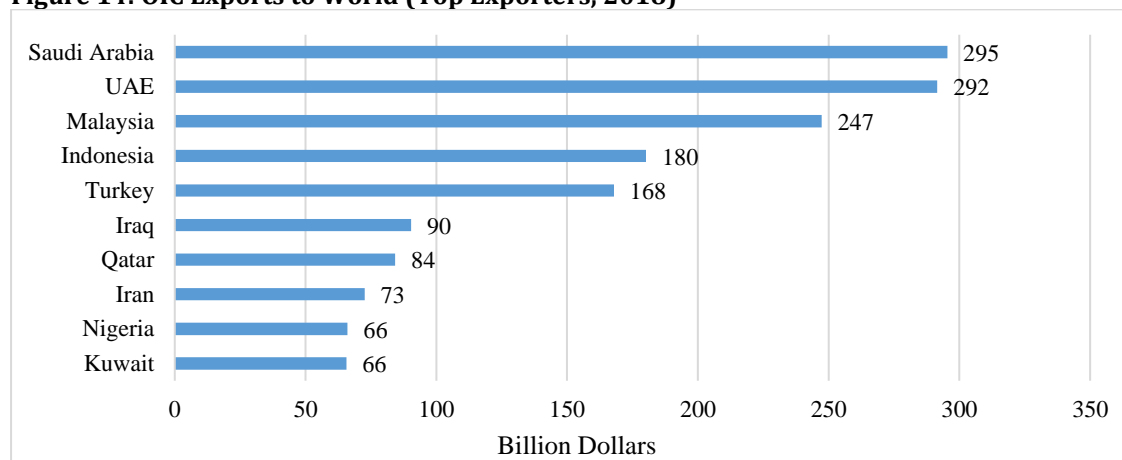
Source: Source: Reproduced from BP Statistical Review of World Energy 2019

Note: Includes crude oil, shale oil, oil sands and natural gas liquids.

2.1. Main Characteristics of Total OIC Merchandise Exports

The top performers in total OIC exports were Saudi Arabia, Malaysia, UAE, Malaysia, Indonesia, and Turkey which together accounted for 59,1 per cent of total OIC exports in 2018.

Figure 14: OIC Exports to World (Top Exporters, 2018)



Source: IMF Direction of Trade Statistics

The OIC export markets are highly concentrated (Table 3). China is the top export destination with 11.8 per cent of extra-OIC exports destined to China in 2018. Apart from China OIC exports are mainly shipped to developed countries in recent years. The top ten countries account for 53.6 per cent of extra-OIC exports. This points to a high-country concentration in total OIC exports which makes OIC countries vulnerable to external shocks that might result from decreasing demand in these countries and/or falling commodity prices.

“The OIC export markets are highly concentrated”

Appendix Table A4 which provides the top three destinations for each OIC member state reveals that the top three destinations constitute around half or above half of exports in thirty member states. This again points to dependence on a few markets for exports and underscores the case for policies aimed to broaden export markets.

Table 3: Major Destinations of Total Extra-OIC Exports

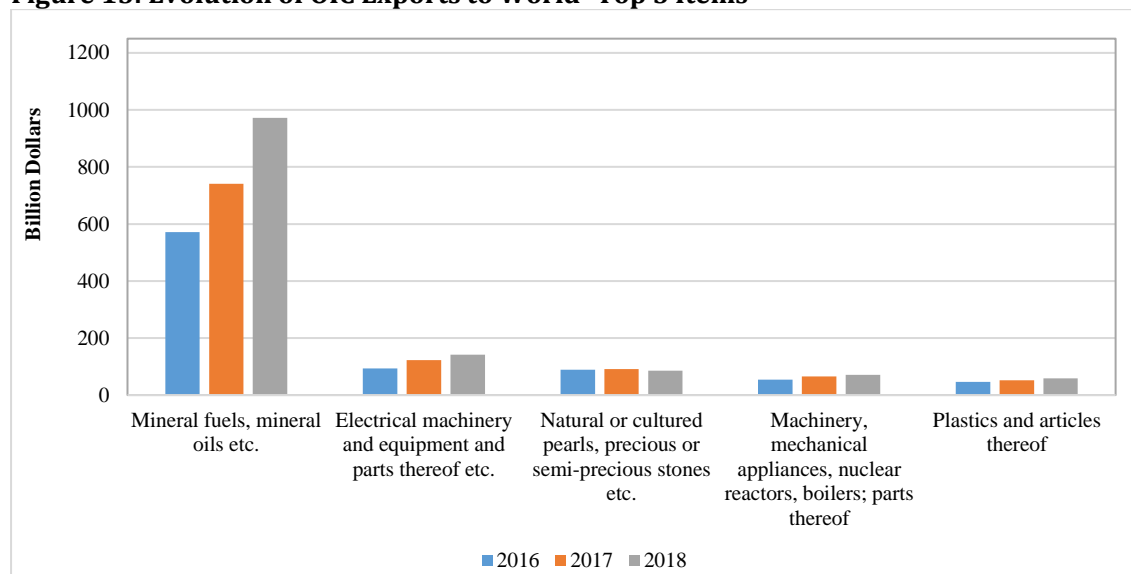
Countries	(Billion USD)			Share %		
	2016	2017	2018	2016	2017	2018
China	146,3	180,7	236,2	10,5	11,1	11,8
India	107,9	131,0	167,6	7,7	8,0	8,4
Japan	102,0	110,4	131,2	7,3	6,8	6,6
United States	97,0	111,3	124,0	7,0	6,8	6,2
Korea	69,2	82,7	101,9	5,0	5,1	5,1
Singapore	64,2	77,0	87,3	4,6	4,7	4,4
Italy	48,8	60,0	71,6	3,5	3,7	3,6
Netherlands	31,1	42,6	53,6	2,2	2,6	2,7
France	35,7	43,4	51,1	2,6	2,7	2,6
Spain	31,7	38,8	48,2	2,3	2,4	2,4
Total of Top Ten Countries	734,0	877,9	1.072,6	52,7	53,7	53,6
Total OIC Export	1.392,6	1.634,6	2.001,4			

Source: IMF Direction of Trade Statistics

Product concentration of total OIC exports is very high. The exports of mineral fuels, oils and distillation products in total OIC exports has been leading sector or groups of commodities during 2016, 2017 and 2018. This is particularly due to the rise in oil prices since 2017. This sector was followed by electrical machinery and equipment, pearls, precious stones, ores, slag and ash and machinery, mechanical appliances. These five sectors as a whole accounted for 64 per cent of total OIC exports in 2018.

“Product concentration of total OIC exports is also very high”

Figure 15: Evolution of OIC Exports to World- Top 5 Items



Source: ITC Trade map

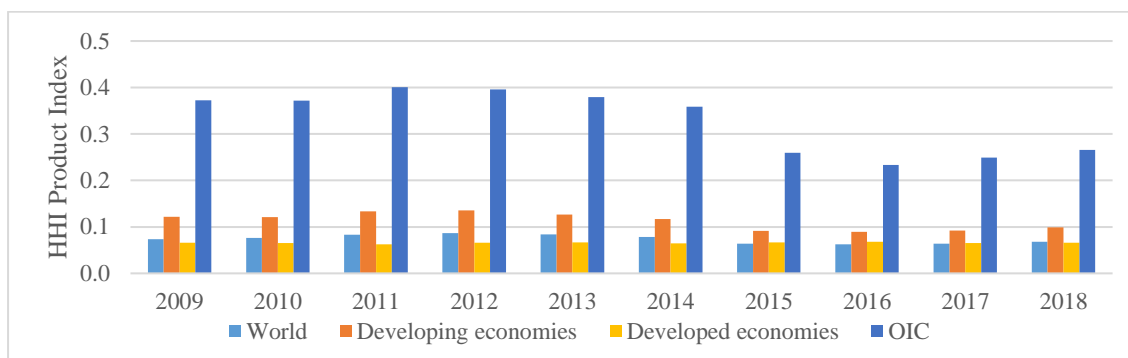
The resilience of a country against external economic shocks varies depending on among others the degree of export diversification. One common measure of concentration is Herfindahl-Hirschmann Index (HHI)¹³ which can take values between 0 and 1 where being close to 0 indicates well diversified exports while a higher value indicates greater concentration of exports on a few commodities.

Figure 16 illustrates the evolution of product diversification in the OIC compared to world and developed and developing countries for the period 2009-2018 measured by HHI. Developed countries export product diversification has not changed much as these countries have more stable and mature export structures¹⁴. This measure shows a modest tendency towards increasing product diversification in the OIC countries whereas developing countries achieved a more diversified exports structure in the same period. Moreover, the product concentration in the OIC countries exports are well above than those of world and developing countries. OIC has a HHI of 0.27 whereas world and developing countries have HHI of 0.07 and 0.10 respectively in 2018.

Figure 16: Evolution of Herfindahl-Hirschmann Index (Product HHI)

¹³ The Herfindahl-Hirschmann Index (HHI) is calculated by taking the square of export shares of all export categories in the market: This index gives greater weight to the larger export categories and reaches a value of unity when the country exports only one commodity. <http://unctadstat.unctad.org/wds/TableViewer/tableView.aspx?ReportId=120>

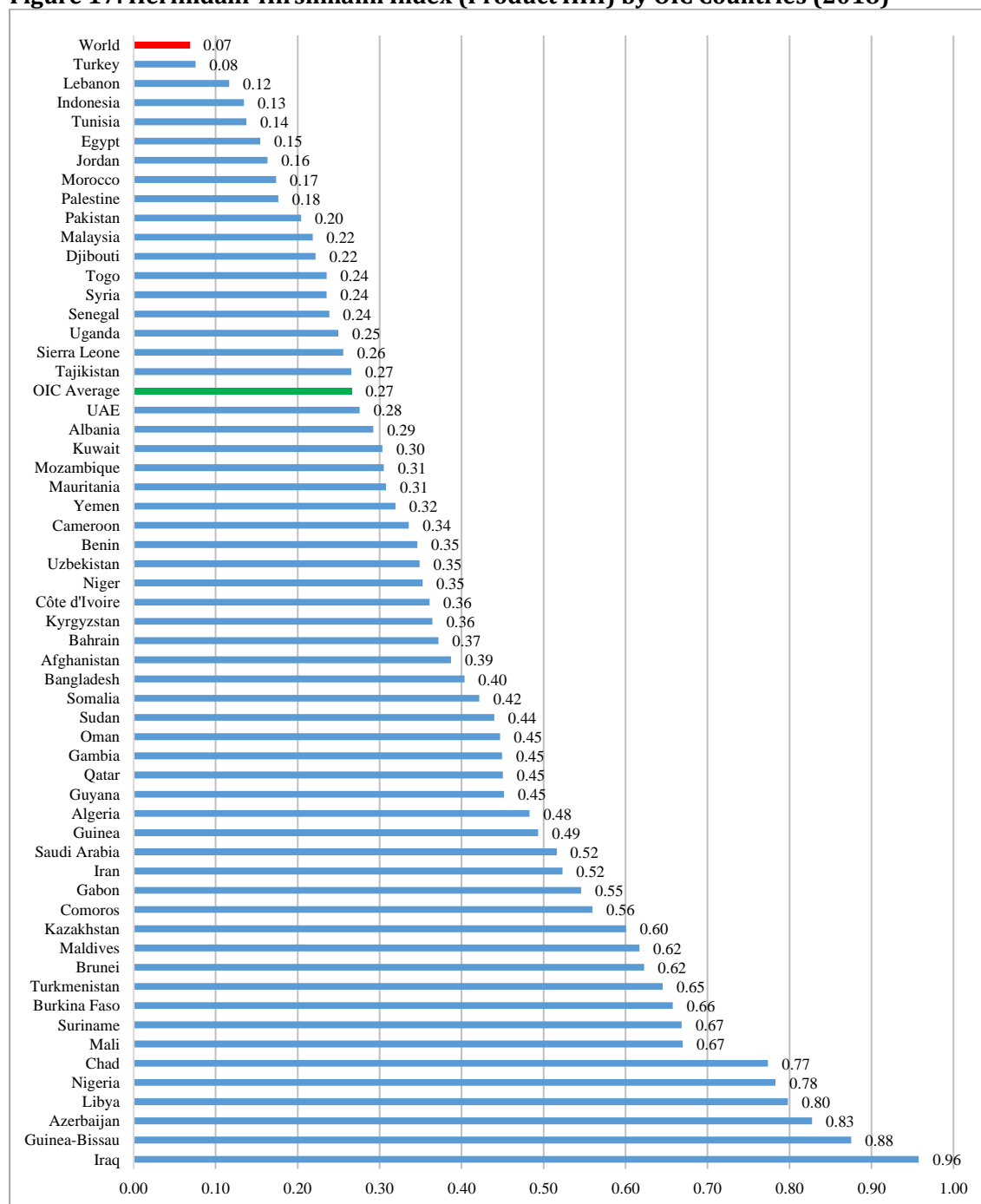
¹⁴ WTO World Tariff Profiles, 2018



Source: UNCTAD STAT

Figure 17 illustrates product diversification of OIC countries' exports in 2018 measured by Herfindahl index. All OIC countries has a more concentrated export product structure compared to world averages. According to the Herfindahl index Turkey has the most diversified export product structure amongst the OIC countries with a HHI of 0.08 followed by other manufactures exporters of OIC as Lebanon, Indonesia, Tunisia, and Egypt. On the other hand some major oil exporters have a very concentrated export product structure such as Iraq (HHI: 0.96), Azerbaijan (HHI:0.83), Kuwait (HHI: 0.30) and Saudi Arabia (HHI:0.49).

Figure 17: Herfindahl-Hirshmann Index (Product HHI) by OIC Countries (2018)



Source: UNCTADSTAT database

The commodity concentration could also be observed when countries looked into specifically. Due to their undiversified economic structure many OIC countries rely upon a few primary products for their exports or depend heavily on natural resources which might result in a severe export revenue loss in case of either foreign demand and/or commodity price shocks or drought

for agricultural commodity exporters. Recent oil price collapse underlies the importance of policies aiming to step up export diversification to enhance resilience to commodity price volatilities.

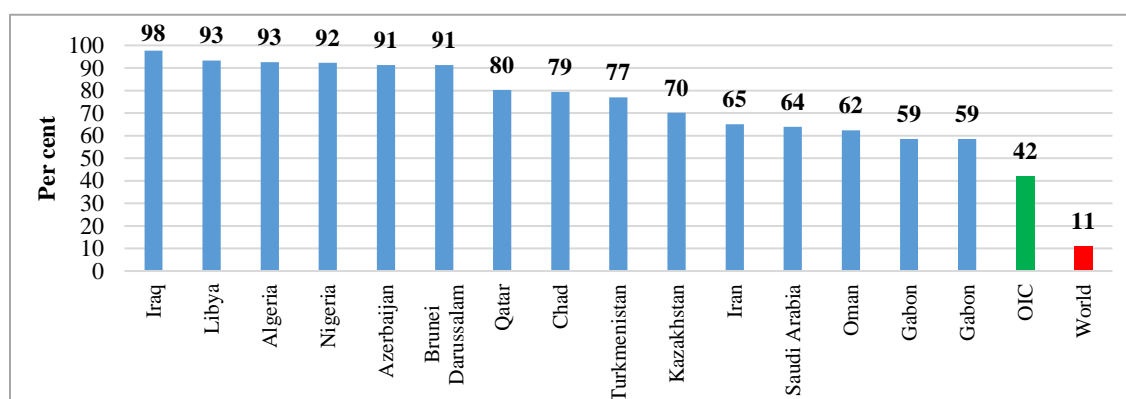
Figures 18 and 19 illustrate the share of the basic commodities in total exports of some member states. **Fuels** (SITC 3) was the main exported item in many members ranging between 42 to 98 per cent of total exports.

On the other hand, the share of **non-monetary gold** reached 66.6, 65.9 and 64.0 per cent of total exports in Suriname Mali and Burkina Faso respectively.

The share of **textile** related items in exports reached 89.3 per cent in Bangladesh, 59 per cent in Pakistan. **Basic metals** constituted a noticeable place in exports of some member states such as Mauritania and Niger where the share of **metalliferous ores** and **coal, coke** constituted 32.3 and to 33.1 per cent of exports.

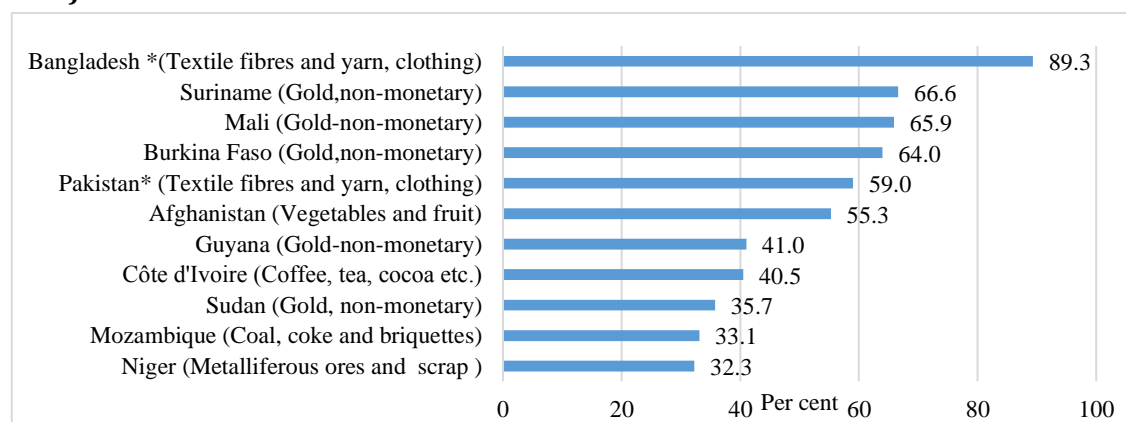
“Dependence on a single commodity is still common among OIC members”

Figure 18: Share of Fuels in Total Exports, 2018 (Fuels SITC 3)



Source: UNCTADSTAT Note: Fuels includes petroleum, petroleum products, natural gas, coke and electric current

Figure 19: Share of Commodities in Total Exports for Selected Countries (latest available data)

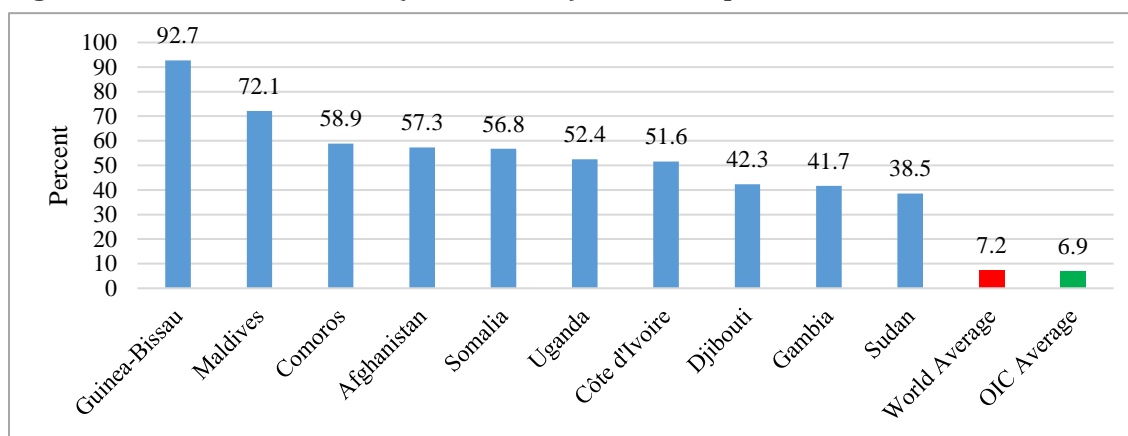


Source: UN Comtrade <https://comtrade.un.org/db/mr/daReportersResults.aspx?bw=G>

Note: Latest available data were used. *Includes SITC Rev 4 sectors 65 and 84.

As shown in Figure 20 the share of basic food items **such as food and live animals, oil seeds and animal and vegetable oils** constituted as much as 38.5 to 92.7 per cent of exports in Guinea Bissau, Maldives, Comoros, Afghanistan, Somali, Uganda, Cote d'Ivoire, Djibouti, Gambia and Sudan.

Figure 20: Share of Basic Food (SITC 0+22+4) in Total Exports, 2018

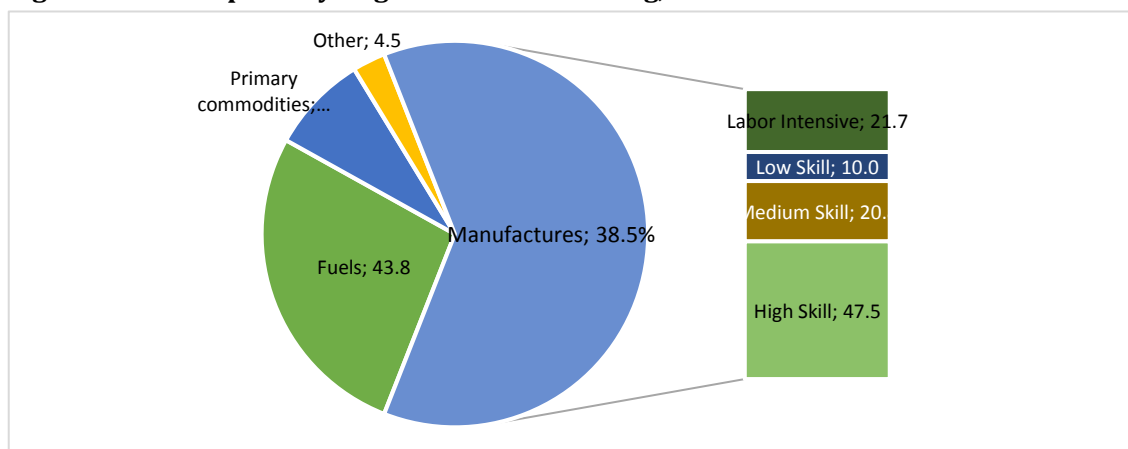


Source: UNCTADSTAT

Although the share of **manufacturing** in total OIC exports is 38.5 per cent in 2018, manufactured products constitute a considerable part of exports in some OIC countries such as Bangladesh, Pakistan, Turkey, Morocco and Malaysia where the share of manufactured goods exports in total exports ranged between 67 to 95 per cent (see Table 4).

Figure 21 illustrates the sectoral breakdown of OIC exports along with the breakdown of manufacturing exports by degree of manufacturing in 2018. Of the total OIC manufacturing exports 47.5 per cent is high-skill and technology-intensive manufactures, 21.7 per cent is labor-intensive and resource-intensive manufactures, 20.8 per cent is medium-skill and technology-intensive manufactures and 10 per cent is low-skill and technology-intensive manufactures.

Figure 21: OIC Exports by Degree of Manufacturing, 2018



Source: UNCTADSTAT

Table 4 provides the details of the largest manufactured goods exporters of OIC by degree of manufacturing in 2018. Malaysia, Turkey, UAE, Saudi Arabia, and Indonesia as being the largest

manufactured goods exporters realized as a whole 71.8 per cent of total OIC manufactured goods exports. Labor-intensive and resource-intensive manufactures make up 97.2 per cent of the manufactured exports in Bangladesh and 85.2 per cent in Pakistan. This is due to the high share of textile fibers, yarn, fabrics and clothing in total manufacturing exports in Bangladesh and Pakistan. The share of high-skill and technology-intensive manufactures in Saudi Arabia, Iran and Kuwait ranges between 60 to 82 per cent.

Table 4: Top Ten Manufactures Exporters by Degree of Manufacturing¹⁵, 2018 (per cent)

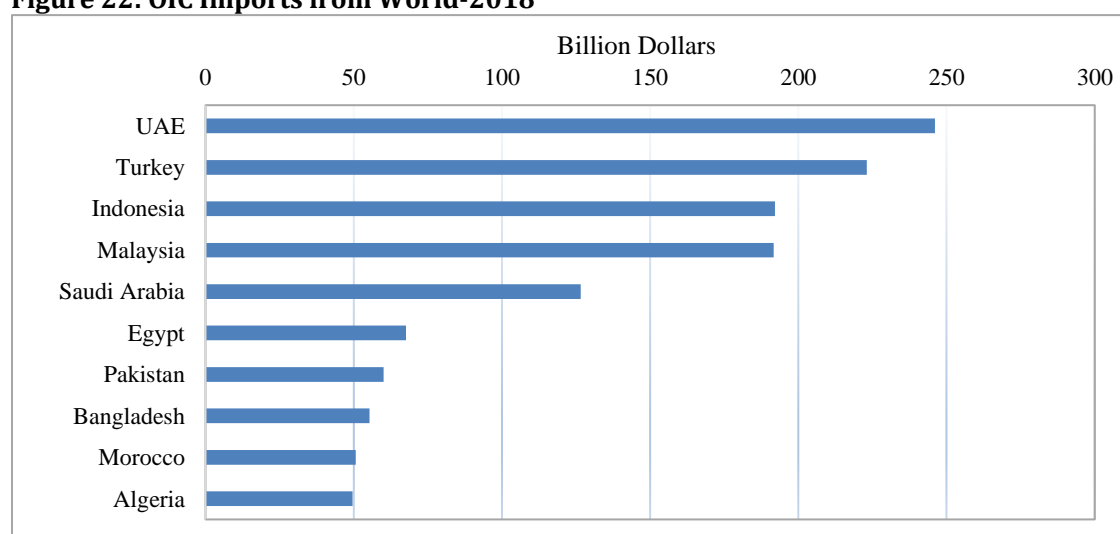
	Share of Manufacturing in Total OIC Manufacturing	Share of Manufacturing in Country's Total Exports	Labour-intensive and resource-intensive manufactures	Low-skill and technology-intensive manufactures	Medium-skill and technology-intensive manufactures	High-skill and technology-intensive manufactures
Malaysia	20.9	68.6	9.0	4.7	17.3	68.9
Turkey	16.5	79.4	28.8	16.5	40.9	13.8
United Arab Emirates	13.5	31.7	9.5	10.4	25.3	54.8
Saudi Arabia	11.4	31.3	3.5	7.0	5.6	83.9
Indonesia	9.6	43.1	37.7	13.1	23.5	25.8
Kuwait	5.1	57.0	1.5	4.0	22.2	72.3
Bangladesh	4.5	95.0	97.2	0.7	0.9	1.1
Iran	2.6	19.4	13.8	17.2	9.0	60.0
Morocco	2.6	70.8	27.9	2.0	37.5	32.6
Pakistan	2.2	74.2	85.2	1.7	4.1	9.0

Source: UNCTADSTAT

2.2. Main Characteristics of Total OIC Merchandise Imports

The leading five exporters in total OIC exports were at the same time the main importers: United Araba Emirates, Turkey, Indonesia, Malaysia and Saudi Arabia.

Figure 22: OIC Imports from World-2018



Source: IMF Direction of Trade Statistics

¹⁵ Classification of products by degree of manufacturing is available at UNCTADstat, <http://unctadstat.unctad.org/EN/Classifications.html>

As in the case with total extra-OIC exports, total extra-OIC imports originated mainly from developed countries except China, which was in the first place as 16.6 percent of extra-OIC imports made from this country in 2018. Top ten countries accounted for nearly half of total extra-OIC imports in this year (Table 5). Among these markets, the USA, India and Germany were the top three importing partners of the OIC member States.

Table 5: Major Countries of Origin of Total Extra-OIC Imports

Countries	(Billion Dollars)			Share %		
	2016	2017	2018	2016	2017	2018
China	238.5	281.5	293.7	15.1	16.5	16.6
United States	107.4	113.3	101.5	6.8	6.7	5.7
India	62.9	73.0	83.0	4.0	4.3	4.7
Germany	81.6	81.1	80.2	5.2	4.8	4.5
Japan	66.2	70.5	74.3	4.2	4.1	4.2
Russian Federation	45.7	54.1	62.1	2.9	3.2	3.5
Singapore	41.5	49.1	58.8	2.6	2.9	3.3
France	48.8	53.1	53.6	3.1	3.1	3.0
Italy	48.5	52.2	52.7	3.1	3.1	3.0
Korea	50.8	56.2	44.6	3.2	3.3	2.5
Total of Top Ten Countries	791.9	884.1	904.6	50.1	51.9	51.0
Total OIC Export	1,579.7	1,703.4	1,772.2			

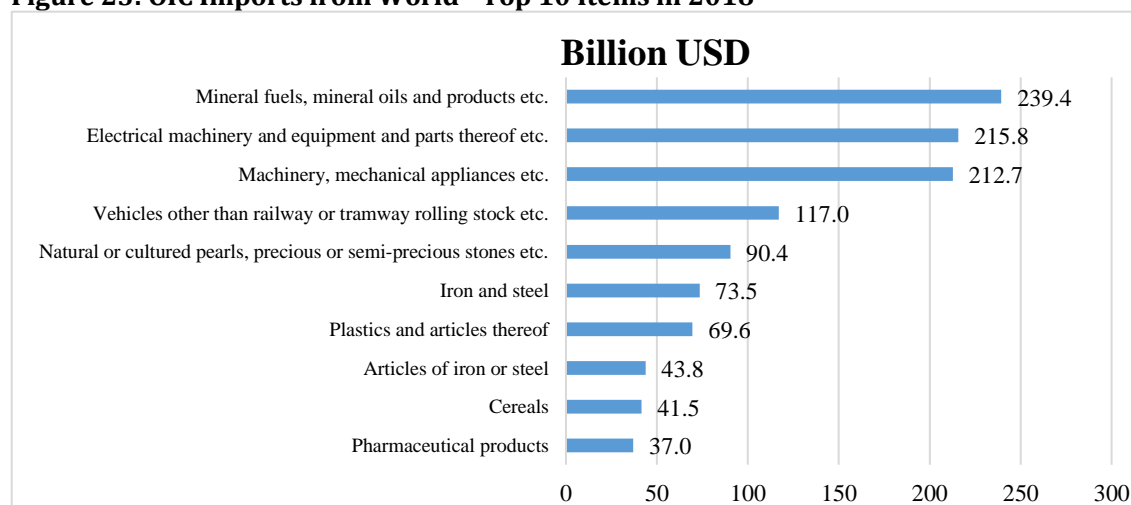
Source: IMF Direction of Trade Statistics

“The total OIC imports is more diversified than the total OIC exports”

Total OIC imports was more diversified than the total OIC exports in that manufactured items such as machinery, electrical and electronic equipment, vehicles other than railway, tramway, and natural or cultured pearls and precious stones-metals also constituted an

important part of total imports.

Figure 23: OIC Imports from World - Top 10 Items in 2018



Source: ITC Trade map

3. INTRA-OIC MERCHANDISE TRADE

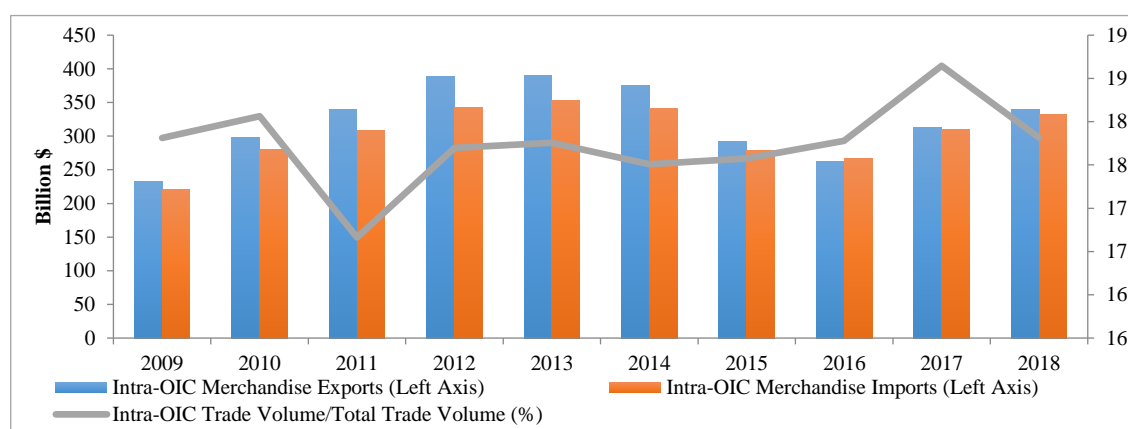
“Share of intra-OIC trade in total OIC trade peaked at 19.0 per cent in 2017”

Although the intra-OIC trade (average of intra-OIC exports and intra-OIC imports) remained weak since 2014, it slowly started to move up and reached to 528 billion USD in 2016, 623 billion USD in 2017 and then 673 billion USD in 2018. It should be noted however that intra-OIC trade is still 69 billion USD below its peak levels achieved in 2013.

At the 13th Islamic Summit held in April 2016, in Istanbul/Turkey, the OIC 2025: Programme of Action was adopted. According to the Programme, it was aimed to achieve 25 per cent of intra-OIC trade share in the total OIC trade by 2025.

In 2018, intra-OIC exports accounted for 17 percent of total OIC exports while intra OIC imports accounted for 18.8 percent of total OIC imports.

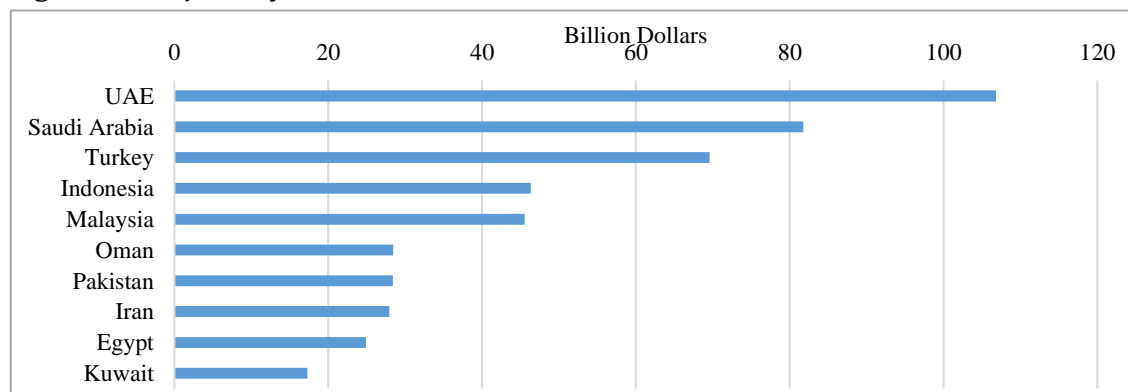
Figure 24: Evolution of the Intra-OIC Trade



Source: IMF Direction of Trade Statistics

Among the leading countries in intra-OIC trade in 2018, UAE ranked first and followed by Turkey, Saudi Arabia, Indonesia and Malaysia. Top ten countries accounted for the 76.3 per cent of the intra-OIC trade.

Figure 25: Major Players in Intra-OIC Trade in 2018

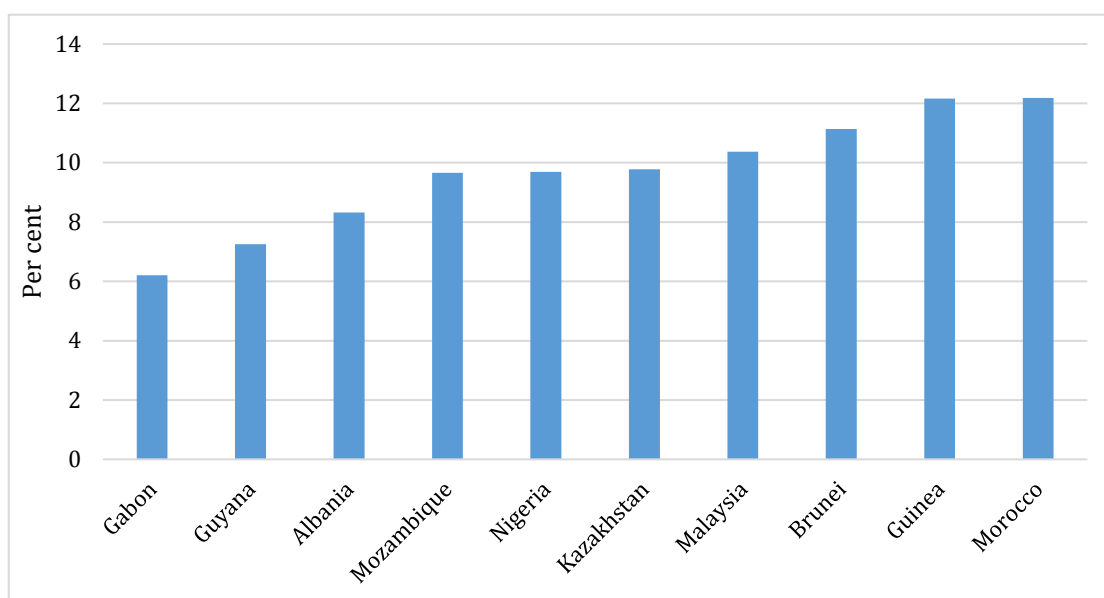


Source: IMF Direction of Trade Statistics

“A great diversity among the OIC countries in terms of intra trade shares remained.”

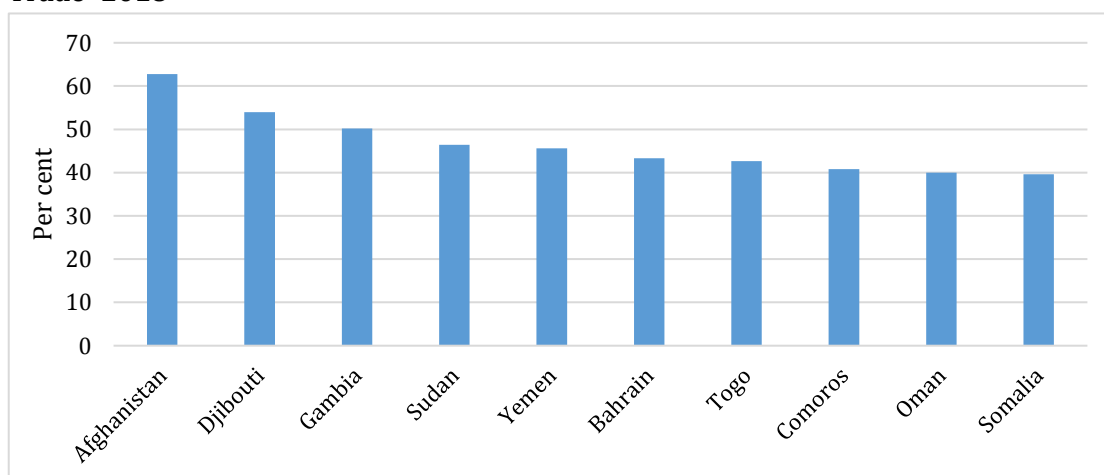
As the Figure 26 and 27 illustrate, there is a great diversity among the Member States with regards to the share of intra-OIC trade to their total trade. For example, while the share of intra-OIC trade was 62.8 percent in Afghanistan, 42.6 per cent in Togo, 24.8 per cent in Uzbekistan, the share of intra-OIC trade was as low as 6.2 and 7.3 per cent in Gabon and Guyana.

Figure 26: Member States Having the Lowest Share of Intra-OIC Trade in Their Total Trade- 2018



Source: IMF Direction of Trade Statistics

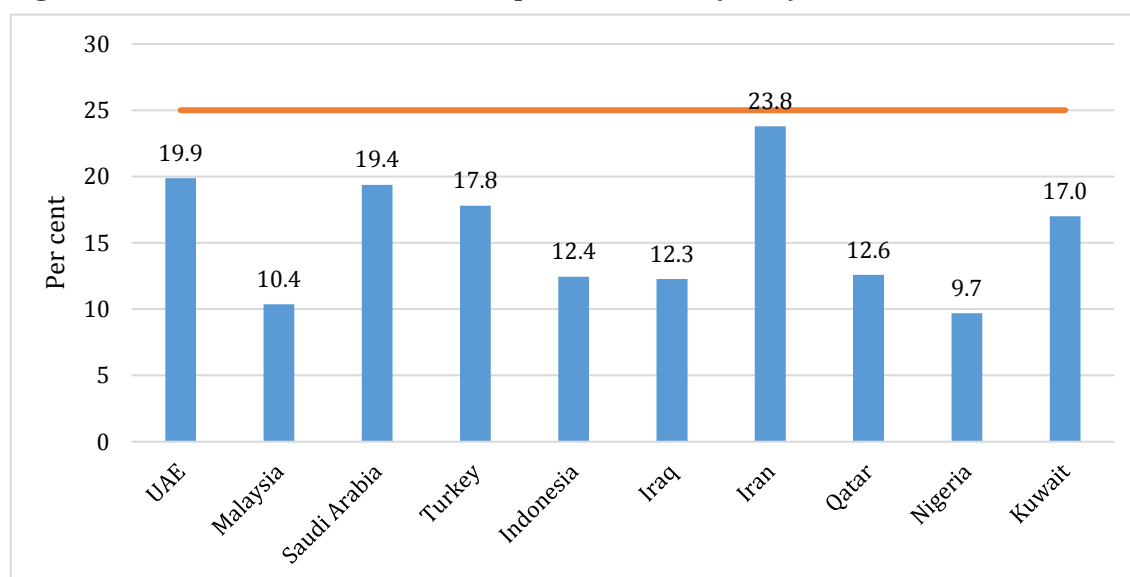
Figure 27: Member States Having the Highest Share of Intra-OIC Trade in Their Total Trade- 2018



Source: IMF Direction of Trade Statistics

With regards to the top 10 leading Members in total OIC trade, intra-OIC trade share of Iran was very close to 25 per cent in 2018. On the other hand, UAE, Turkey, Saudi Arabia and Kuwait, had intra trade shares between 17 to 20 per cent while the share of intra-OIC trade remained relatively low in Malaysia (10.4), Indonesia (12.4) and Nigeria (9.7).

Figure 28: Intra-OIC Trade Shares of Top OIC Traders* (2018)

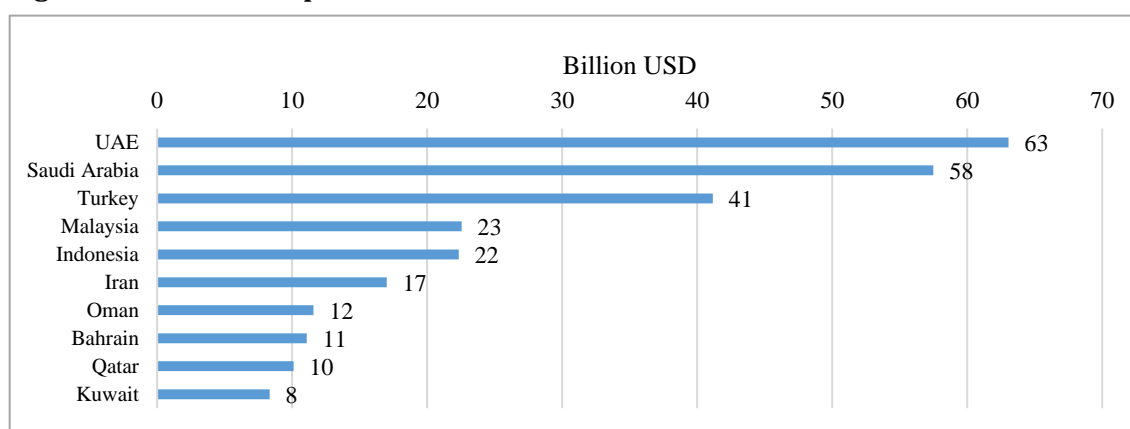


Source: IMF Direction of Trade Statistics (*): Countries are ranked based on their share in total OIC trade.

3.1. Intra-OIC Merchandise Exports

The UAE took the lead in intra-OIC exports in 2018 by realizing 63 billion USD total intra-OIC exports and was followed by Saudi Arabia (58 billion USD) and Turkey (41 billion USD). These three countries as a whole accounts for almost half of intra-OIC exports (47 per cent).

Figure 29: Intra-OIC Exports in 2018

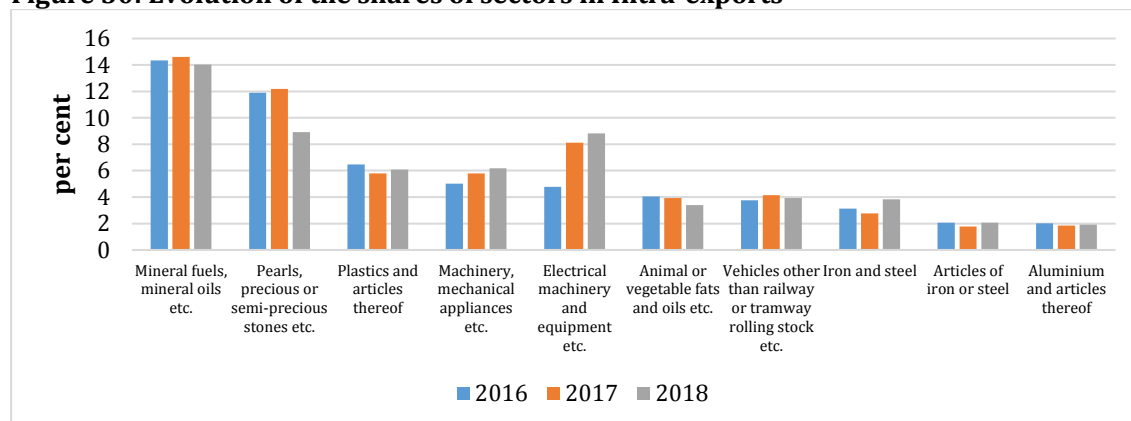


Source: IMF Direction of Trade Statistics

Although the sectorial breakdown of intra-OIC exports is similar to that of total OIC exports which is dominated by mineral fuels, its share is not as high as in total OIC exports (Figure 30). Of the total intra-OIC exports, share of mineral fuels, oils and related products was 14 per cent,

followed by pearls, precious stones¹⁶ (9 per cent), electrical machinery (9 per cent), and machinery and mechanical appliances (6 per cent).

Figure 30: Evolution of the shares of sectors in Intra-exports

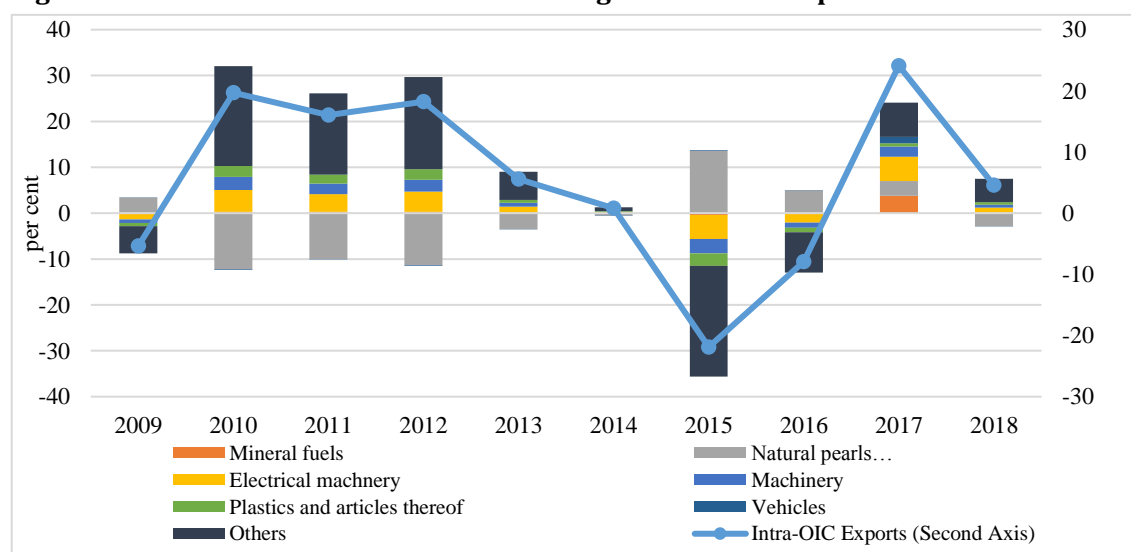


Source: ITC Trade map

Figure 31 illustrates the contribution of sectors to the change in intra-OIC exports. Compared to the year 2017, in-intra OIC exports decreased in all sectors (exports of electrical machinery, natural or cultured pearls, precious stone, machinery and mechanical appliances and tobacco) between -2.86 to 5.07 per cent in 2018.

Contribution of mineral fuels to the change in intra exports varies mainly depending on the oil prices. The decreases in intra-exports of two sectors (pearls and precious stones and vehicles) were substantial and went to -2.86 and -0.02 respectively.

Figure 31: Contribution of Sectors to the Change in Intra OIC Exports



Source: ITC Trade map

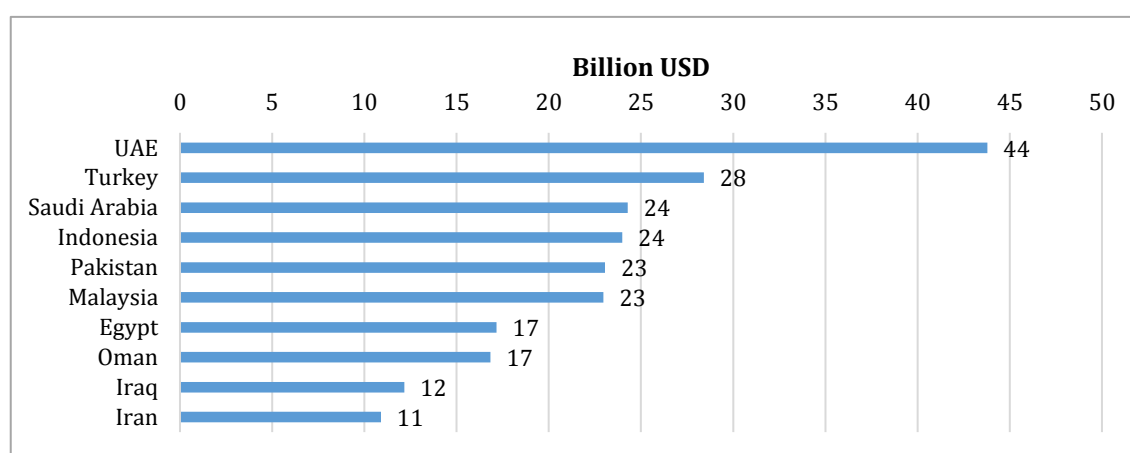
¹⁶ Composed of mainly (HS6 product code 7108) Gold, incl. gold plated with platinum, unwrought or not further worked than semi-manufactured and (7113) Articles of jewellery and parts thereof, of precious metal or of metal clad with precious metal.

The country breakdown of intra OIC trade which is provided in Appendix 4 reveals that intra trade is highly concentrated as the sum of top three trading partners to total intra trade has a very high ratio both in intra exports and intra imports. Moreover, it is observed that the geographical proximity seems to be a major determinant of intra trade. Trade costs gets higher with the distance between countries. This could be one of the factors accounting for the high concentration of intra trade with the nearby countries.

3.2. Intra-OIC Merchandise Imports

The intra-OIC imports of UAE had the highest share in total intra OIC imports with 44 billion USD followed by Turkey with 28 billion USD and Saudi Arabia and Indonesia with 24 billion USD.

Figure 32: Intra OIC Imports in 2018



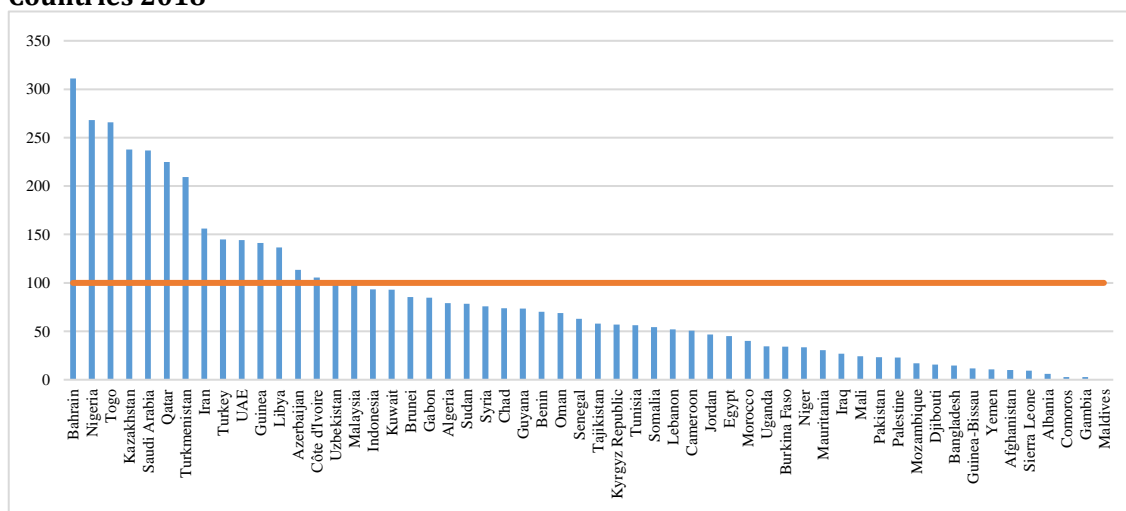
Source: IMF Direction of Trade Statistics

3.3. Intra Trade Balance

Comparison of countries whether they are net intra-exporters or net intra-importers could provide some insights. Since there is great variation in terms of absolute values of trade across OIC countries, the ratio of intra exports to intra imports could be used in order to compare the value of imports against exports. According to this ratio those countries with a value less than 100 per cent are net intra-importers (i.e. they import more goods from OIC than they export to other OIC countries) while those with a value more than 100 per cent are net intra-exporters.

Figure 33 depicts that fifteen OIC countries have a ratio over 100 implying that they are net intra exporters. Suriname which has the largest intra-trade surplus ranks first and followed by Bahrain, Nigeria, Togo, Kazakhstan, Saudi Arabia, Qatar, Turkmenistan and Turkey. On the other hand 41 OIC countries with a ratio below 100 are net intra importers. Among these net intra-importers Maldives ranks first followed by Gambia, Comoros, Albania and Sierra Leone.

Figure 33: Intra Trade Balances (ratio of intra-exports to intra imports) of the OIC Countries 2018



Source: IMF Direction of Trade statistics Note: The figure does not cover Suriname which is an outlier.

4. TRADE IN COMMERCIAL SERVICES

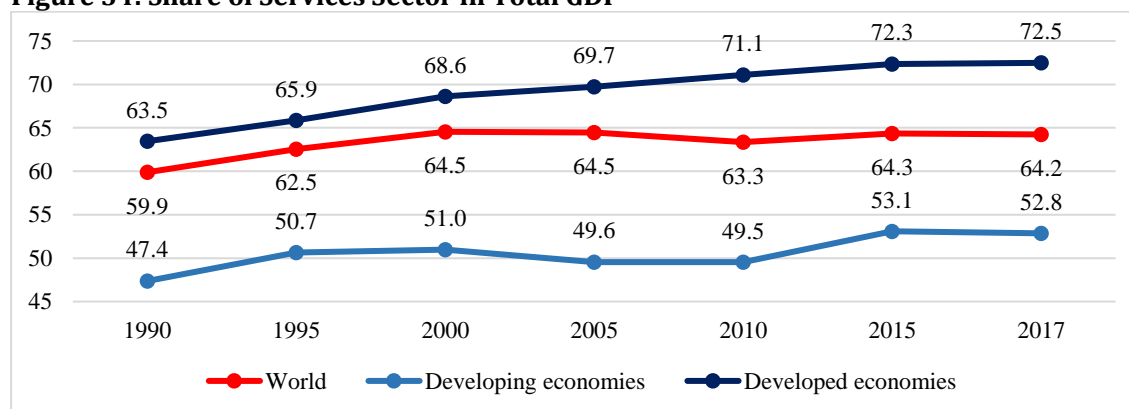
Trade in services refers to trade of intangible products (services) between producers and consumers. It covers many sectors including transport, travel, construction, telecommunication and information services, intellectual property related services etc. In this report, only the commercial services will be analyzed in line with the classification of UNCTAD. According to the UNCTADSTAT, “commercial services cover all service categories, except trade in government goods and services”¹⁷.

Trade in services plays very significant role in the global economy for economic growth and development of the countries. It contributes to generating employment and investment and have increasing importance in global international trade. Moreover, according to the World Bank, the growth in the services sector contributes to reduce poverty much more than the growth of agricultural and manufacturing sectors¹⁸.

4.1. Trends in Global Trade in Commercial Services

The contribution of services sector to GDP has been increasing in the recent decades. According to the data from UNCTADSTAT, the share of services sector in total global GDP increased from 59.8 per cent in 1990, to 64 percent in 2017. On the other hand, the contribution of services sector to GDP is higher in developed countries compared to developing countries. In 2015, the share of services sector in the GDP of developed countries was 72.3 per cent, whereas the same ratio was 53.1 per cent in the developing countries. However, in both group of countries, the share of services trade in GDP was on an upward trend between 1990-2016.

Figure 34: Share of Services Sector in Total GDP



Source: UNCTADSTAT

According to WTO¹⁹ as one of the most dynamic segments in the world trade, trade in services increases its importance in the global economy. In the last few decades, the volume of trade in services has increased more than the volume of merchandise trade in the world. As demonstrated in the Figure 35 below, annual average growth of global goods exports between 2006 and 2018 was 4.13 per cent, while the global commercial services exports grew by 5.80

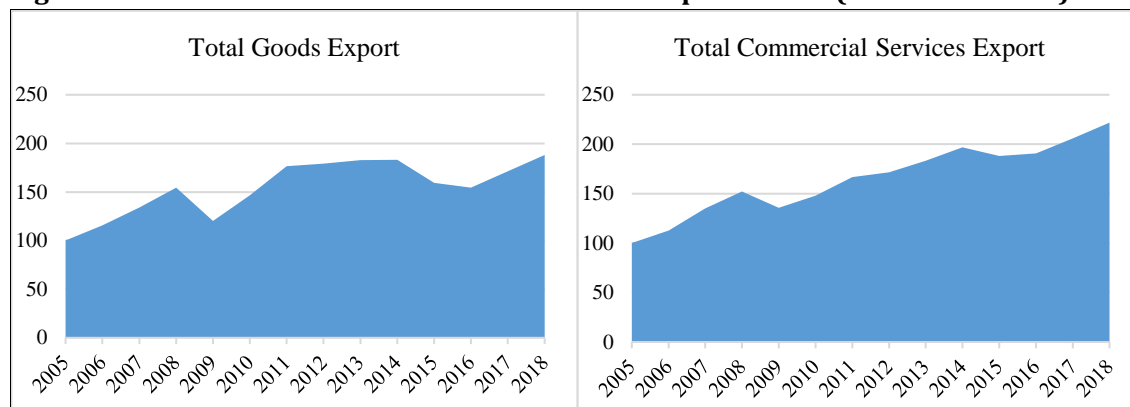
¹⁷ UNCTADSTAT.

¹⁸ World Bank presentation, "Role of Services in Economic Development"; Geneva, July 2012

¹⁹ WTO https://www.wto.org/english/thewto_e/20y_e/services_brochure2015_e.pdf

per cent on average during the same period. The figure reveals that the trade in services has been increasing its importance and contribution to the global trade.

Figure 35: Global Goods and Commercial Services Export Values (Index 2005=100)

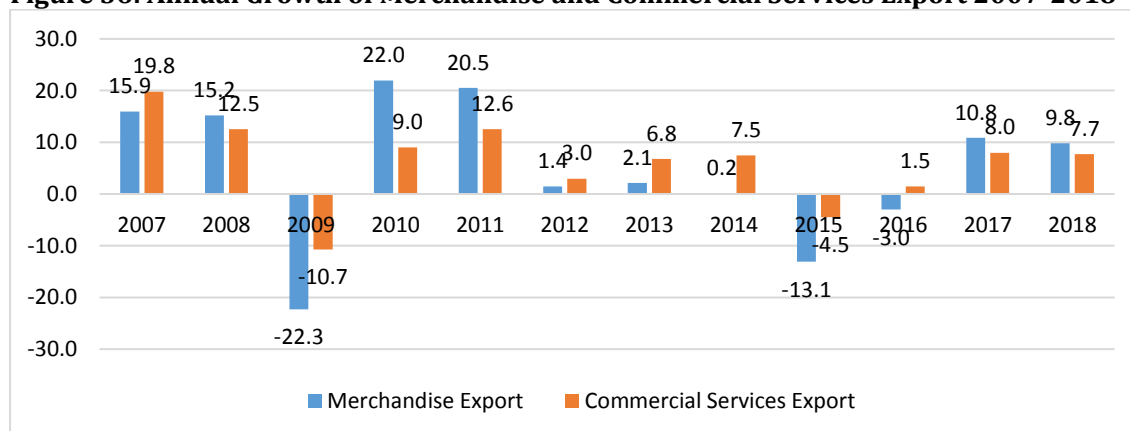


Source: UNCTADSTAT

Moreover, the studies show that trade in services demonstrates higher resilience to the global crisis compared to the merchandise trade²⁰. Accordingly, during the global contractions in the trade volume, the commercial services trade was not affected as much as merchandise trade.

The Figure 36 below shows that during 2009 financial crisis, despite the 22 per cent decline in the volume of merchandise export, the commercial services only decreased about 10 per cent. The same picture was also valid for the year 2015. The global merchandise exports decreased about 13 percent whereas commercial services trade declined by only 4.5 per cent. The development of the commercial services makes the economies stronger and resilient to the external shocks. Therefore, considering the advantages of trade in services, many countries incorporated trade in services into their national trade and growth strategies²¹.

Figure 36: Annual Growth of Merchandise and Commercial Services Export 2007-2018



Source: UNCTADSTAT

As the Table 6 below indicates, despite its importance for economies, the commercial services trade is dominated by a few countries in the world. As the table below figures out, the top ten

²⁰ UNDESA and UNCTAD: World Economic Situation and Prospects 2018: 24

²¹ UNCTAD, <https://unctad.org/en/conferences/gsf/2013/pages/importance-of-services.aspx>

exporters of the commercial services trade had a share of more than 50 per cent in global commercial services exports in 2016, 2017 and 2018.

Table 6: Top Commercial Services Exporters in the World

Countries	(Billion Dollars)			Share %		
	2016	2017	2018	2016	2017	2018
USA	740	778	808	14.9	14.5	14.0
UK	345	353	373	6.9	6.6	6.5
Germany	281	303	326	5.7	5.7	5.6
France	259	274	291	5.2	5.1	5.0
China	208	226	265	4.2	4.2	4.6
Netherlands	189	216	241	3.8	4.0	4.2
Ireland	149	180	205	3.0	3.4	3.6
India	161	185	204	3.2	3.4	3.5
Japan	171	182	187	3.4	3.4	3.2
Singapore	157	172	184	3.2	3.2	3.2
Top Ten Countries Total	2,660	2,869	3,084	53.6	53.6	53.5
World Total	4,962	5,358	5,770			

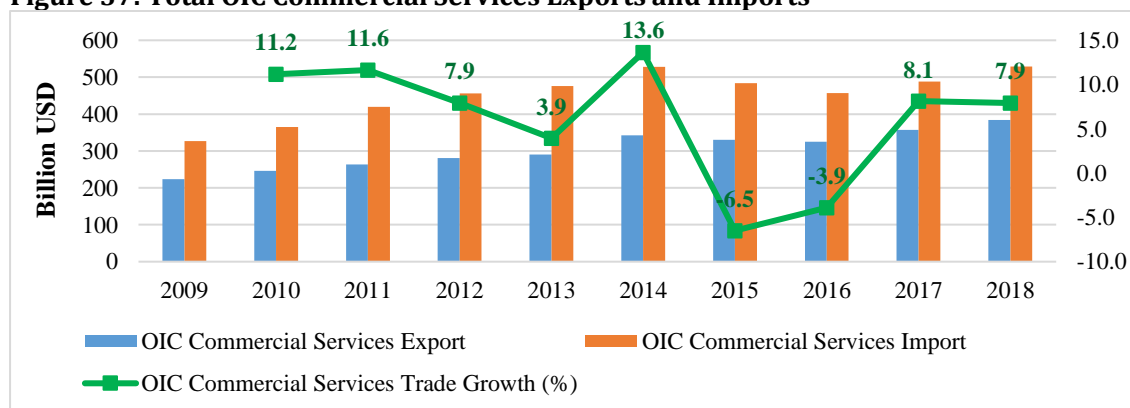
Source: UNCTADSTAT

4.2. Trade in Commercial Services in the OIC Member Countries

Total commercial services trade in the OIC reached its peak level in 2014 and recorded as 870 billion USD. Compare to the year 2014, this peak was exceeded in 2018 with 4.8 percent increase and reached to 912 billion USD.

With respect to the structure of the trade in services, OIC services imports has dominated the services exports in the last decade. Accordingly, the OIC commercial services exports constituted only about 42 per cent of the total commercial services trade in 2018. However, services exports grew at an annual average rate of 4.3 per cent while services imports grew by 3.1 per cent during 2009-2018 period. Thus, the share of services exports has increased over the last decade from 39 per cent in 2009 to 42 per cent in 2018.

Figure 37: Total OIC Commercial Services Exports and Imports



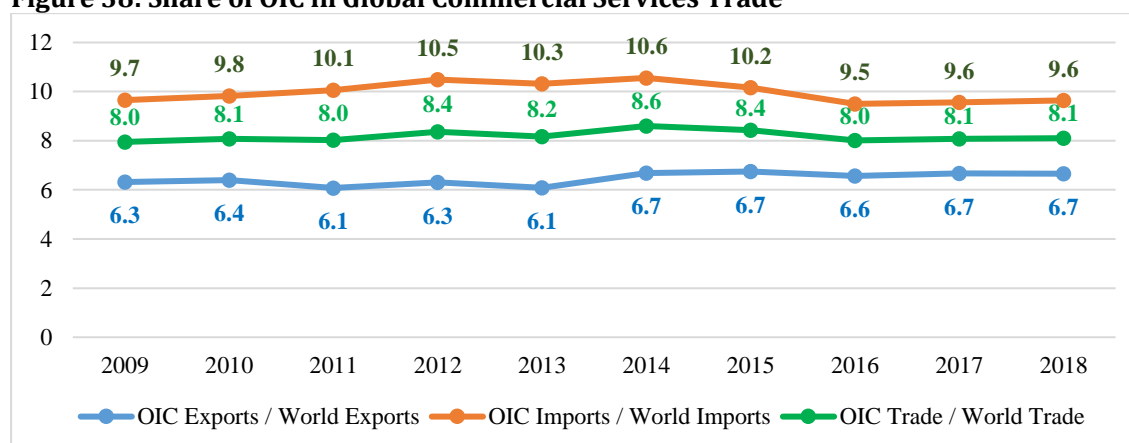
Source: UNCTADSTAT

Regarding the share of the OIC in global commercial services, the OIC Member Countries have the share of 8.2 per cent in total global commercial services trade. Although this ratio peaked at

8.6 in 2014, the share of the OIC has been gradually decreased in the last four years, including 2018. Moreover, the share of the OIC commercial services exports in global exports has been below vis-à-vis the share of the OIC commercial services imports and total OIC commercial services trade.

However, the share of OIC services export in global commercial service exports has slightly increased from 6.1 in 2013 to 6.7 in 2018, whereas the share of OIC services imports decreased from 10.3 to 9.6 in the same period. The Figure 38 below shows the recent trends regarding the share of the OIC in global services trade.

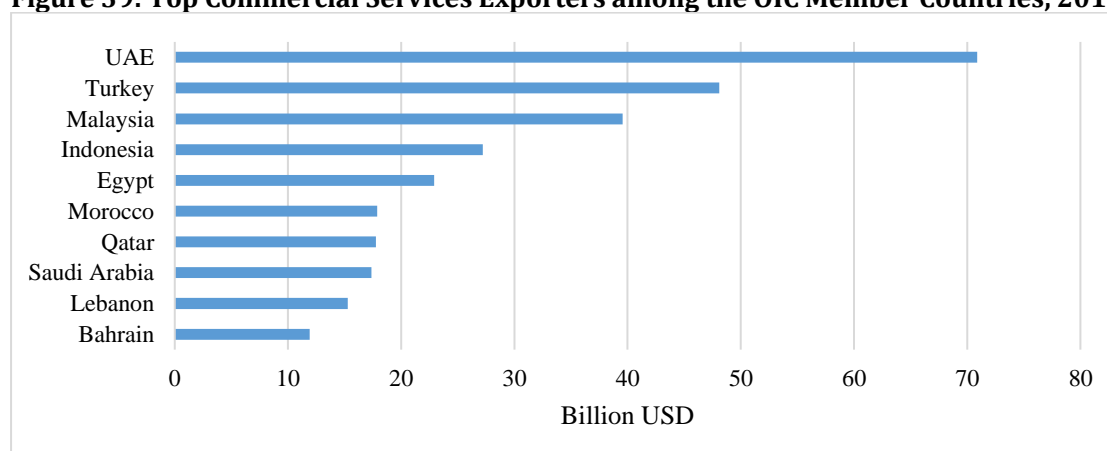
Figure 38: Share of OIC in Global Commercial Services Trade



Source: UNCTADSTAT

The top ten performers in total OIC commercial services exports were the UAE, Turkey and Malaysia followed by Indonesia, Egypt, Morocco, Qatar, Saudi Arabia, Lebanon and Bahrain. The commercial services exports in the OIC mainly concentrated on the top ten performers demonstrated in Figure 39. These countries as a whole represent 75.2 per cent of the total OIC commercial services exports.

Figure 39: Top Commercial Services Exporters among the OIC Member Countries, 2018



Source: UNCTADSTAT

With respect to the sectoral breakdown of commercial services trade, travel services sector has the largest share accounting for the 43.7 per cent of the total global commercial services exports. This sector is followed by transport with a share of 29.6 per cent and other business²² with 8.1 per cent respectively in 2018.

On the other hand, the contribution of the sectors to the total commercial services varies according to the level of economic development of the countries. As shown in the Figure 40, although the travel services has the largest share in developing countries and in the world, it ranks second with a share of 21.6 per cent in developed countries where the other business services have the first place with 23.2 per cent share in 2018. Moreover, transport services have a larger share in developing countries, compared to the developed countries. The transport sector is the third biggest services sector in the developed countries with a share of 15.9 whereas it ranks at second place in developing countries with 29.6 per cent share.

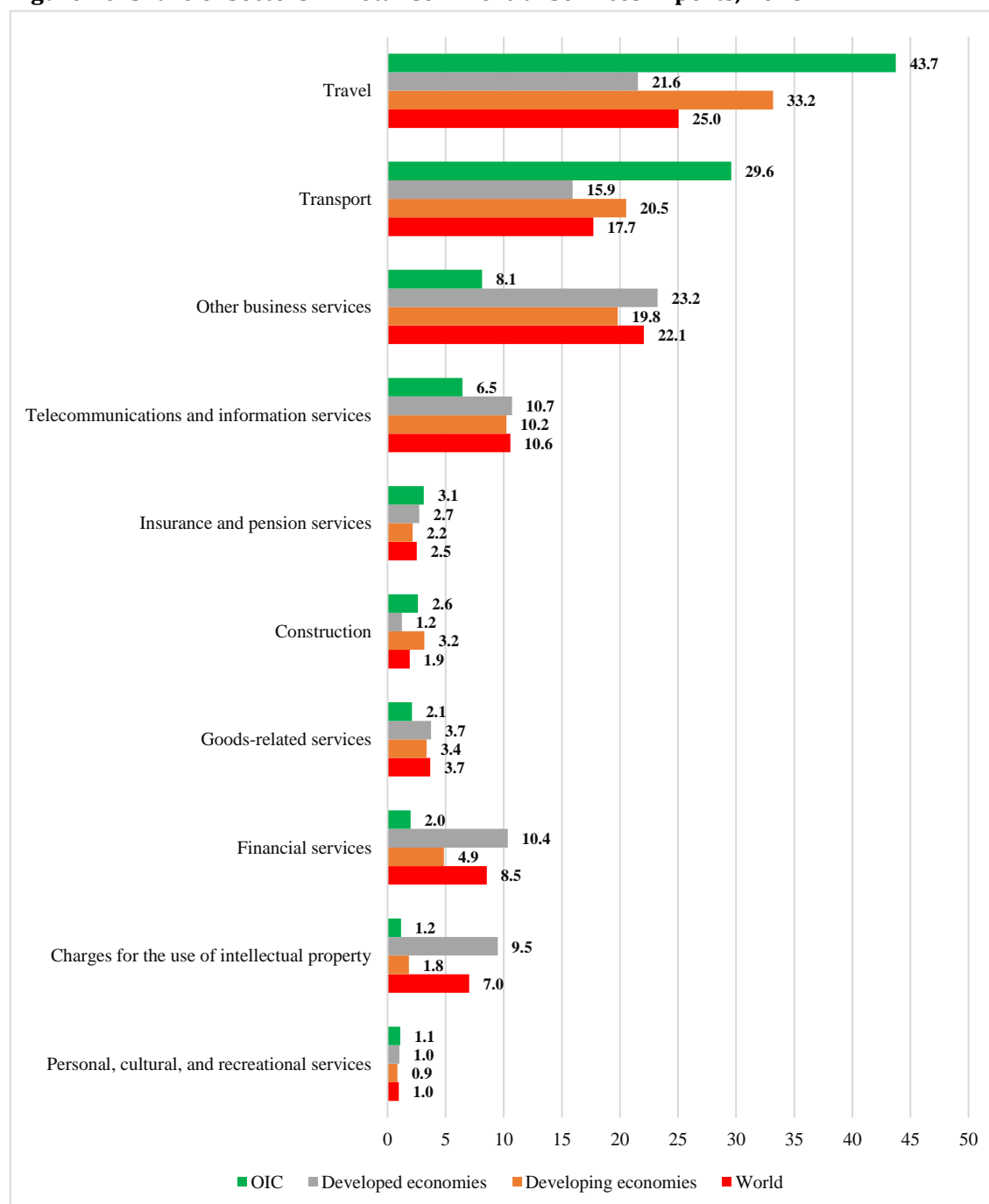
Regarding the sectoral breakdown of the OIC services exports, the total services exports are mainly concentrated on two major sectors: travel and transport. The share of travel sector in the OIC total commercial services exports is 43.7 per cent in 2018 whereas this sector has only 25 per cent share in the world services exports. Transport sector also gives a similar picture. Although the share of transport sector in total services trade of the OIC is 29.6 per cent, it is only 17.7 per cent in global services exports. In total, the travel and transport sector dominate the total commercial services trade of the OIC with 73.3 per cent share.

The most significant difference with respect to the composition of sectors in developing and developed countries can be seen with regards to the charges for the use of intellectual property (IP). Accordingly, the share of IP-related services export accounts for 9.5 per cent of developed countries services exports while it is only about 1.2 per cent in the developing countries. Moreover, the IP-related trade is predominantly possessed by the developed countries as 92 per cent of the whole IP-related trade sector in the world realized by developed countries.

In the OIC, IP-related trade services constitute only 1.2 per cent, which is even lower than the developing countries (1.8 per cent). Moreover, the share of financial services also gets much higher share in developed countries (10.4 per cent) in comparison to the OIC (2 per cent).

²² Other business services cover research and development, professional and management consulting and technical, trade-related and other business services (UNCTADSTAT)

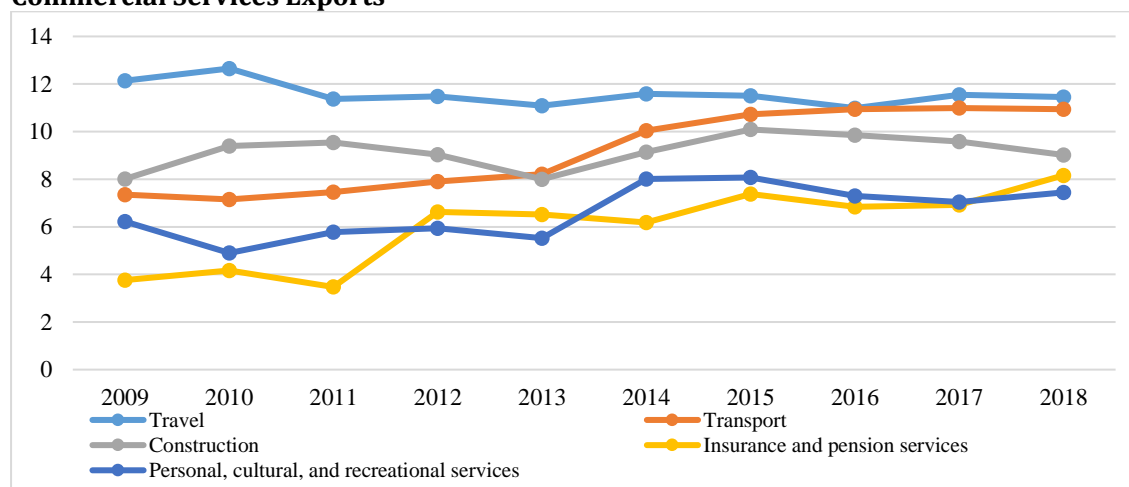
Figure 40: Share of Sectors in Total Commercial Services Exports, 2018



Source: UNCTADSTAT

Regarding the sectoral breakdown of OIC commercial services trade with respect to their share in the world, travel sector had the highest rank with its 11.4 per cent share in the world in 2018. Transport sector, which was the 2nd sector in 2018, followed by the construction sector in the same year.

Figure 41: Top 5 Commercial Services of the OIC with the Highest Share in the World Total Commercial Services Exports

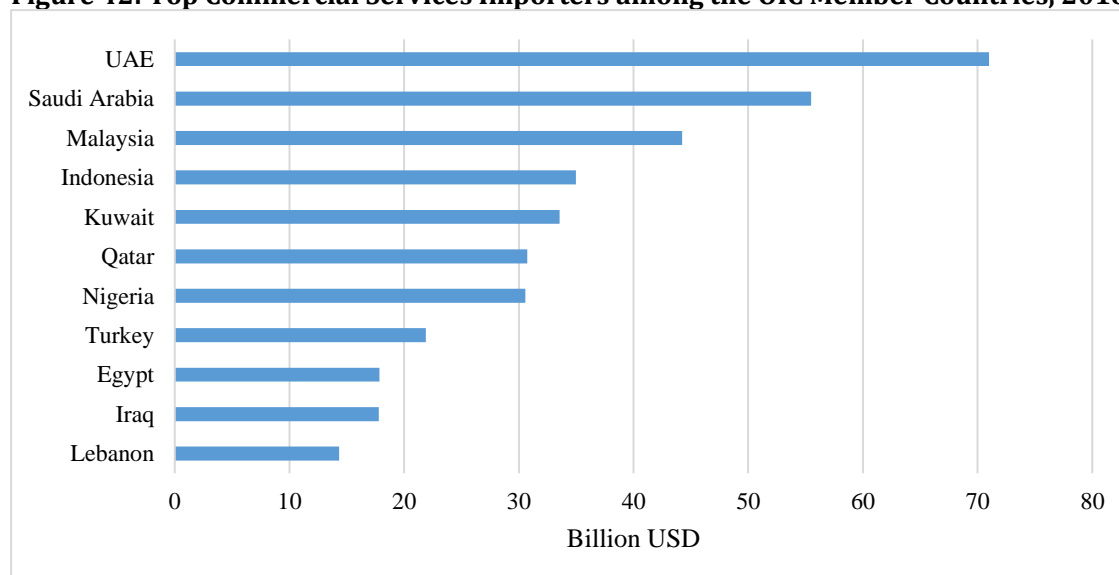


Source: UNCTADSTAT

Among the commercial services, the IP-related services had the lowest share in the world with its 1.1 per cent share in 2018. However, considering its share in 2013, which was about 0.14 per cent, although it is still too weak compared to the world, this sector showed a significant increase in the OIC. The second lowest sector of the OIC was the financial services with its 1.5 per cent share in the world.

With regards to the commercial services imports, the top performers among the OIC Member Countries are UAE (71 billion USD), Saudi Arabia (55.5 billion USD) and Malaysia (44.3 billion USD). The top ten countries as a whole account for 70.4 per cent of the total OIC commercial services imports.

Figure 42: Top Commercial Services Importers among the OIC Member Countries, 2018



Source: UNCTADSTAT

The volume of commercial services trade is not at the desired level in the OIC compared to the other regions in the world. Moreover, its share in the trade volume of the OIC Region is also below the average with compared to the world, even to the developing countries. Besides, the commercial services in the OIC is based on only a few sectors, travel and transport. Therefore, the OIC Member Countries need to diversify the commercial services in order to get the higher share in this growing market.

The low level of services trade may have many reasons in the OIC. According to the studies regarding the challenges of the developing countries concerning trade in services, the following points deserve a special attention:

- Inadequate physical infrastructure (roads, buildings etc.)
- Lack of skilled technical and human resources
- Unpredictable business environment,
- Need for adequate regulations and strong institutions
- Need for comprehensive, integrated and coherent strategy at the national level²³
- Inadequate information and technology infrastructure.

Therefore, the OIC Member Countries need to focus creating a more facilitative policy environment, as well as promoting greater value addition in services value chains in order to enhance the commercial services sector.

²³ UNCTAD, Trade in Services and Employment, 2018

5. TRADE ENVIRONMENT IN THE OIC MEMBER STATES

In this section, the trading environment in the OIC Member States will be brought into focus with more in-depth analysis of the current state of affairs in terms of trade liberalization, facilitation, promotion and financing.

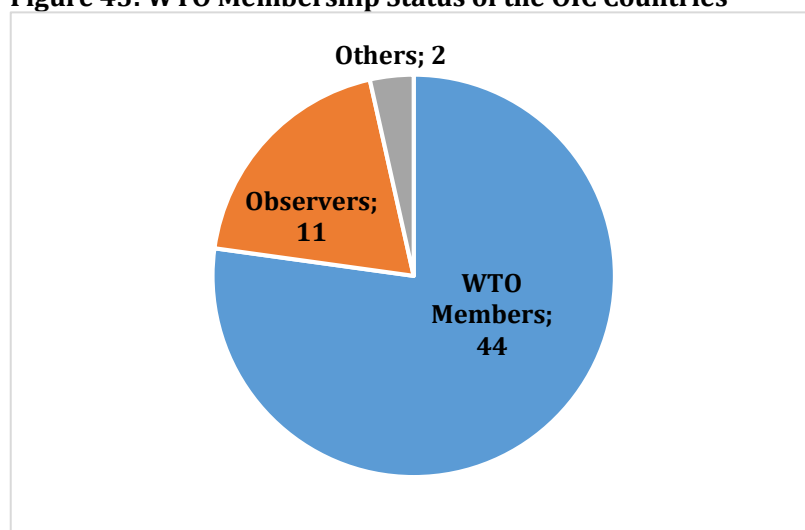
Trade Liberalization:

Trade liberalization aims at eliminating the tariffs and other trade barriers hindering the flow of goods and services among the countries. Some studies such as OECD (2011), Pavcnik (2009) and IMF (2001) have found that trade liberalization increases trade, supports production, job creation and poverty alleviation, prevents illegal trade and contributes to economic growth. The existing literature has found strong correlation between openness to trade and economic growth. For example, Panagariya (2005) concludes that it's unlikely to find an example of a developing country that has grown rapidly while maintaining high trade barriers.

Trade liberalization has been on top of the agenda of the international economic relations since the Second World War. General Agreement on Tariffs and Trade (GATT) was initiated in 1947 for multilateral trade negotiations to liberalize trade. Since then, the number of countries joining the GATT has increased dramatically. In 1994, World Trade Organization (WTO) was established to continue these negotiations. The WTO negotiations aim at eliminating the tariffs, non-tariff barriers and other barriers to international trade in goods and services among its members.

Most of the OIC member states have also showed interest in joining the WTO. Up to date 44 OIC member states have acceded to the WTO and 11 member states have the observer status. Afghanistan became the last member of WTO on 29 July 2016.

Figure 43: WTO Membership Status of the OIC Countries



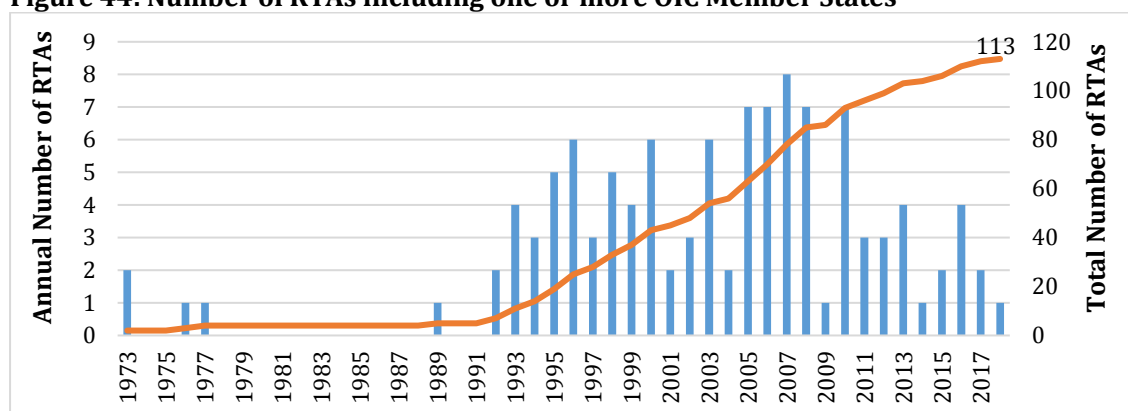
Source: WTO

Regional Trade Agreements (RTAs) is another approach for trade liberalization. Two or more countries initiate trade arrangements to liberalize trade among themselves. Members of RTAs get the advantage of exporting to the other parties to the RTAs than the others. The European Union which was first initiated in 1950s made a domino effect on the expansion of the RTAs worldwide. Today, many countries, including the developed ones are party to one or more RTAs.

“OIC Member States have still a growing interest on the RTAs”

Most of the OIC Member States also took part in one or more RTAs over time. The number of RTAs, which include one or more OIC Member States, has reached 113 by October 2019. Most of these RTAs are in the form of FTAs. Most of the RTAs signed by the OIC Member States are bilateral and concluded with the developed countries.

Figure 44: Number of RTAs including one or more OIC Member States



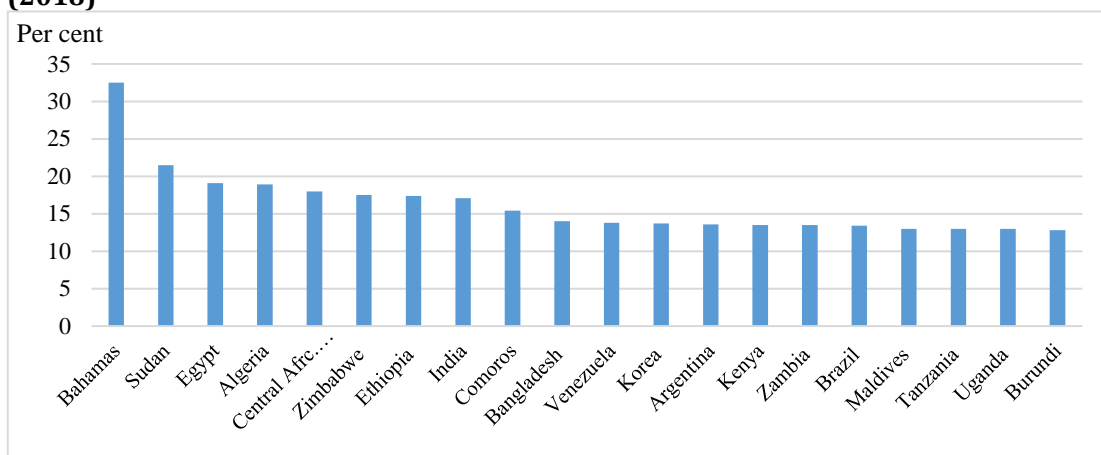
Source: WTO <http://rtais.wto.org/UI/PublicAllRTAList.aspx>

“Many OIC countries apply higher tariffs than the WTO average”

There are also other approaches for liberalizing trade. Some of the countries which realized that freer trade boosts economic growth also liberalized their trade unilaterally especially the ones who previously experienced the generation of exports from a less restricted trade. Many countries have diversified their economies and enriched the goods subject to export in their countries. To export, countries do not need to produce all the inputs within their borders any more. Imported inputs which are cheaper than domestically produced ones are used by the firms to compete in export markets. For example Nordas, Groli and Grosso (2006) state that in 2001 the import content of export value in the electronics sector was 32% in China, 55% in Ireland, 65% in Thailand and 72% in the Philippines. In many cases countries apply lower tariffs to these kinds of goods.

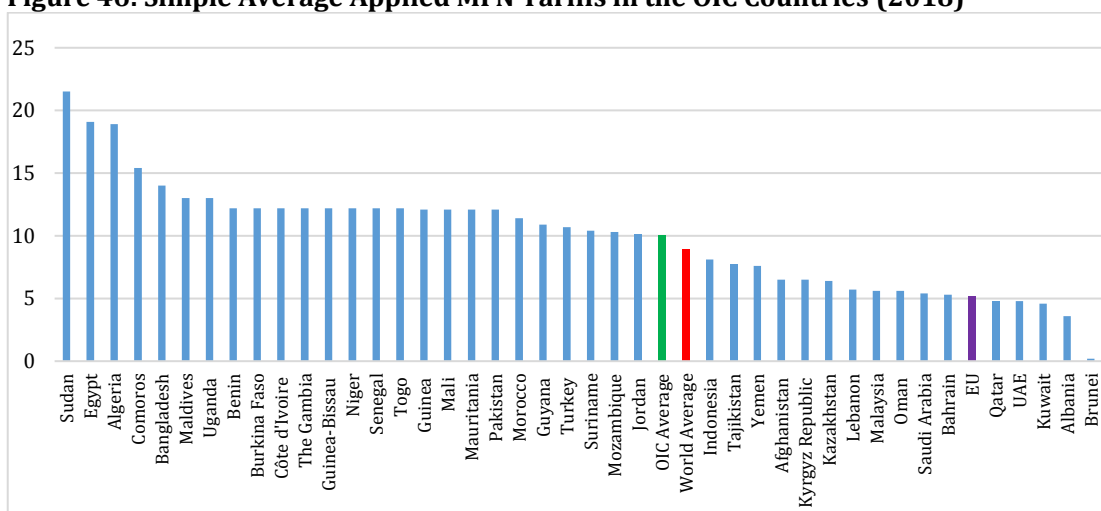
Application of high tariff rates is common in many OIC Member States. Countries apply high tariffs for various reasons such as protecting domestic industry, preventing unemployment, providing government revenue through customs duties etc. Figure 45 illustrates the highest simple average tariff-applying WTO Members in 2018. As shown in the figure, 7 out of these 20 countries are OIC countries.

Figure 45: The 20 Highest Simple Average Applied MFN Tariffs among the WTO Members (2018)



Source: WTO Tariff Profiles 2019 database

Figure 46: Simple Average Applied MFN Tariffs in the OIC Countries (2018)



Source: WTO Tariff Profiles 2019 database

Agriculture sector is one of the crucial sectors for many countries in the world. In this regard, countries apply higher tariffs on agricultural products than on the manufactured products. Figure 47 and 48 below show the simple average applied MFN Tariffs on the agricultural and non-agricultural products in the OIC Countries. OIC countries apply higher tariffs to agricultural products. Countries that have inadequate agricultural production and need agricultural imports apply lower tariffs on agricultural imports. On the other hand, the countries in which agricultural production constitute a significant part of the economy apply higher tariffs to agricultural imports.

Figure 47: Simple Average Applied Tariffs on Agricultural Products in OIC Countries-2018

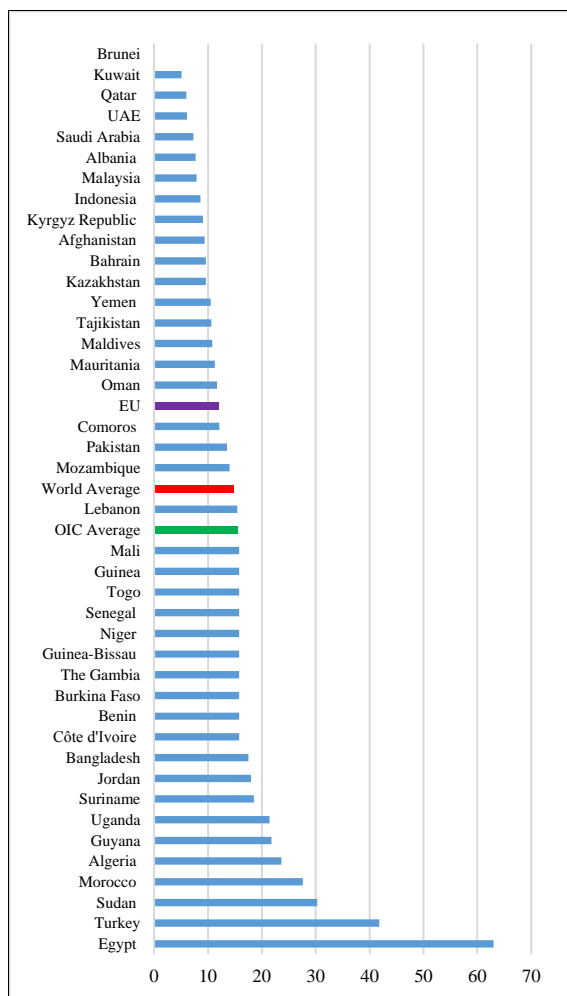
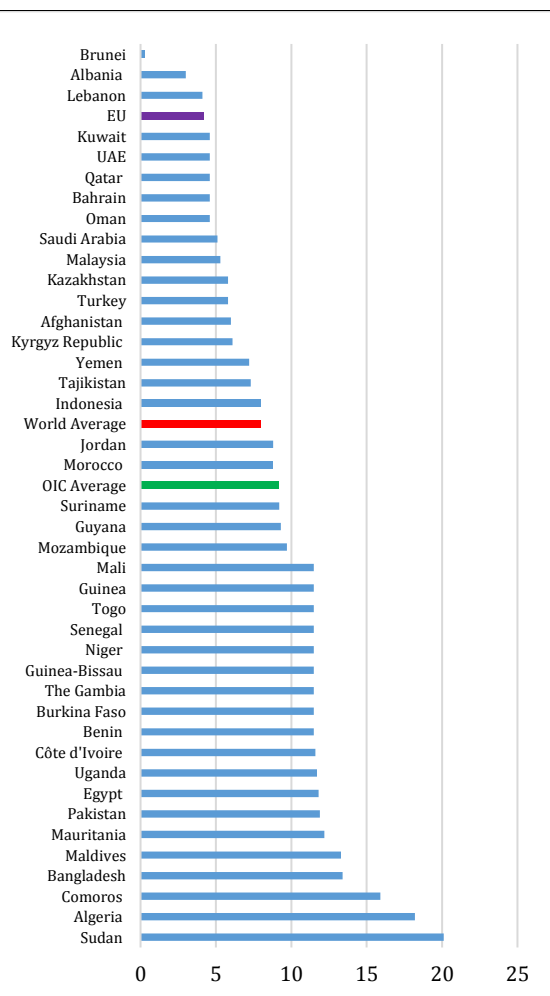


Figure 48: Simple Average Applied Tariffs on Non-Agricultural Products in OIC Countries- 2018



Source: WTO Tariff Profiles 2019 database

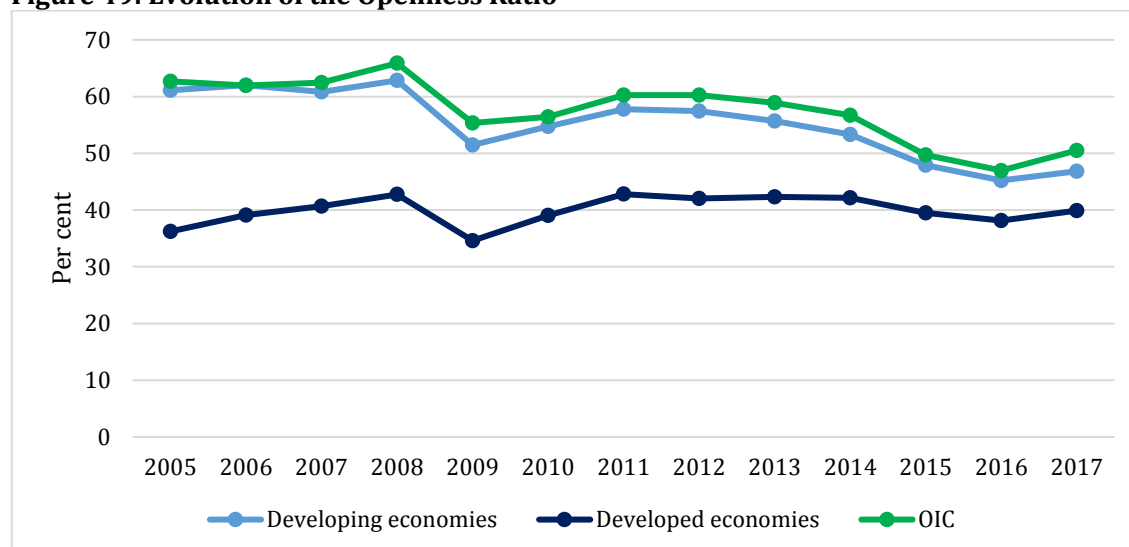
Note: Includes countries where data is available

Trade Openness in the OIC

One of the most common measure of openness is to evaluate the ratio of trade (the sum of value of exports and imports of goods) to the gross domestic product (GDP). This could be interpreted as the relative importance of trade to the economy.

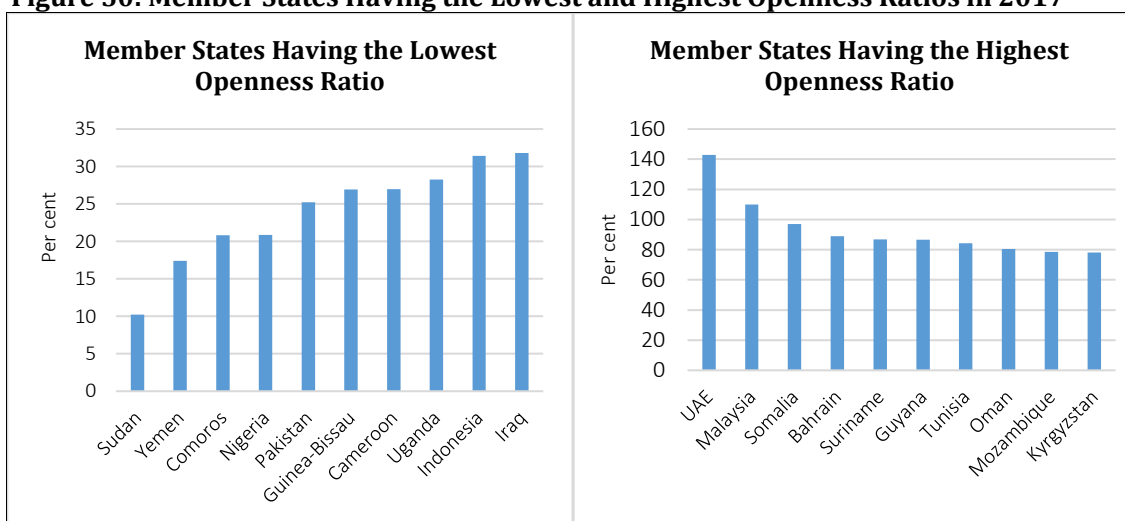
The statistics by UNCTADSTAT indicates that openness ratio fell significantly in the aftermath of the global crisis both in developing and developed countries, it recovered and increased modestly in 2017.

The trade to GDP ratio in total OIC increased from 47 per cent in 2016 to 51 percent in 2017, it is still below the levels of 2011 and 2012 which was 60 percent.

Figure 49: Evolution of the Openness Ratio

Source: UNCTADSTAT

Figure 50 shows top ten countries having the lowest and highest trade to GDP ratios in 2017. UAE and Malaysia had the highest share of trade in GDP with 142.5 and 106 per cent while Sudan and Yemen with a trade to GDP ratio ranged between 10 to 17 per cent had the lowest openness ratios.

Figure 50: Member States Having the Lowest and Highest Openness Ratios in 2017

Source: UNCTADSTAT

Trade Facilitation:

“Trade Costs are higher in Landlocked Member States”

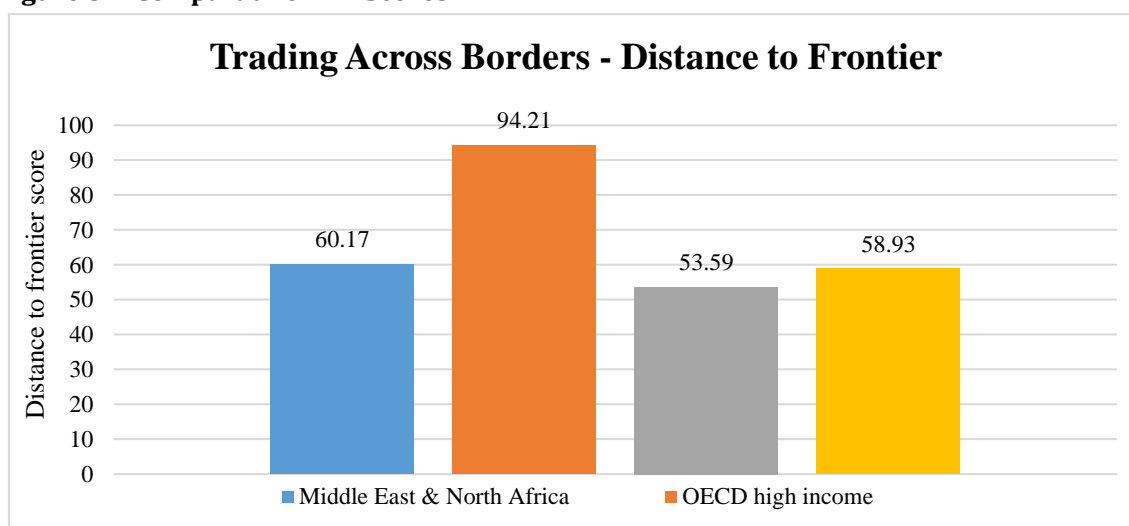
Trade facilitation is defined by UNECE as “the simplification, standardization and harmonization of procedures and associated information flows required to move goods from seller to buyer and

to make payment”.²⁴ Trade Facilitation aims at easing the trade among the countries through decreasing the burden of procedures and trade costs. Firms face various costs when trading internationally including export and import procedures, customs formalities, transportation and logistics problems that trade costs. WTO notes that trade costs can reach 134 per cent ad valorem tariff equivalent on a product in high-income countries whereas they can be 219 per cent tariff equivalent in developing countries.²⁵

Studies, such as WTO (2004) and De (2009) suggest that higher transport costs is in many cases more restrictive to trade than high tariffs. Various studies have been conducted to measure the impact of transport constraints on international trade. For example, based on their research on Middle East and North Africa (MENA) region, Bhattacharya and Hirut (2010) suggest that reducing the transport constraint from the average in the region to the world average could have a significant impact on trade volumes, raising exports by 9.5 percent and imports by 11.5 percent, while all other determinants are constant (*ceteris paribus*).

There are several indices or reports developed by the international institutions to identify the bottlenecks in countries which hinder international trade. The World Bank Doing Business Report is one of these reports. World Bank introduced a new methodology for measuring ease of trading across borders in 2015. Trading across borders, measures the time and cost (excluding tariffs) for documentary compliance and border compliance within the overall process of exporting and importing a shipment of goods.²⁶ The distance to frontier (DTF) score shows how far on average an economy is from the best performance achieved by any economy on Trading Across Borders indicator. Figure 51 below shows the DTF scores for OIC compared to other regions. OECD high income countries are very close to the frontier while OIC countries are slightly less than 60 per cent. This underlies the importance of policies to facilitate trade in the OIC countries.

Figure 51: Comparative DTF Scores



Source: Authors' calculation based on WB Doing Business 2019 data

²⁴ <http://tfig.unece.org/details.html>

²⁵ https://www.wto.org/english/tratop_e/tradfa_e/tradfa_introduction_e.htm

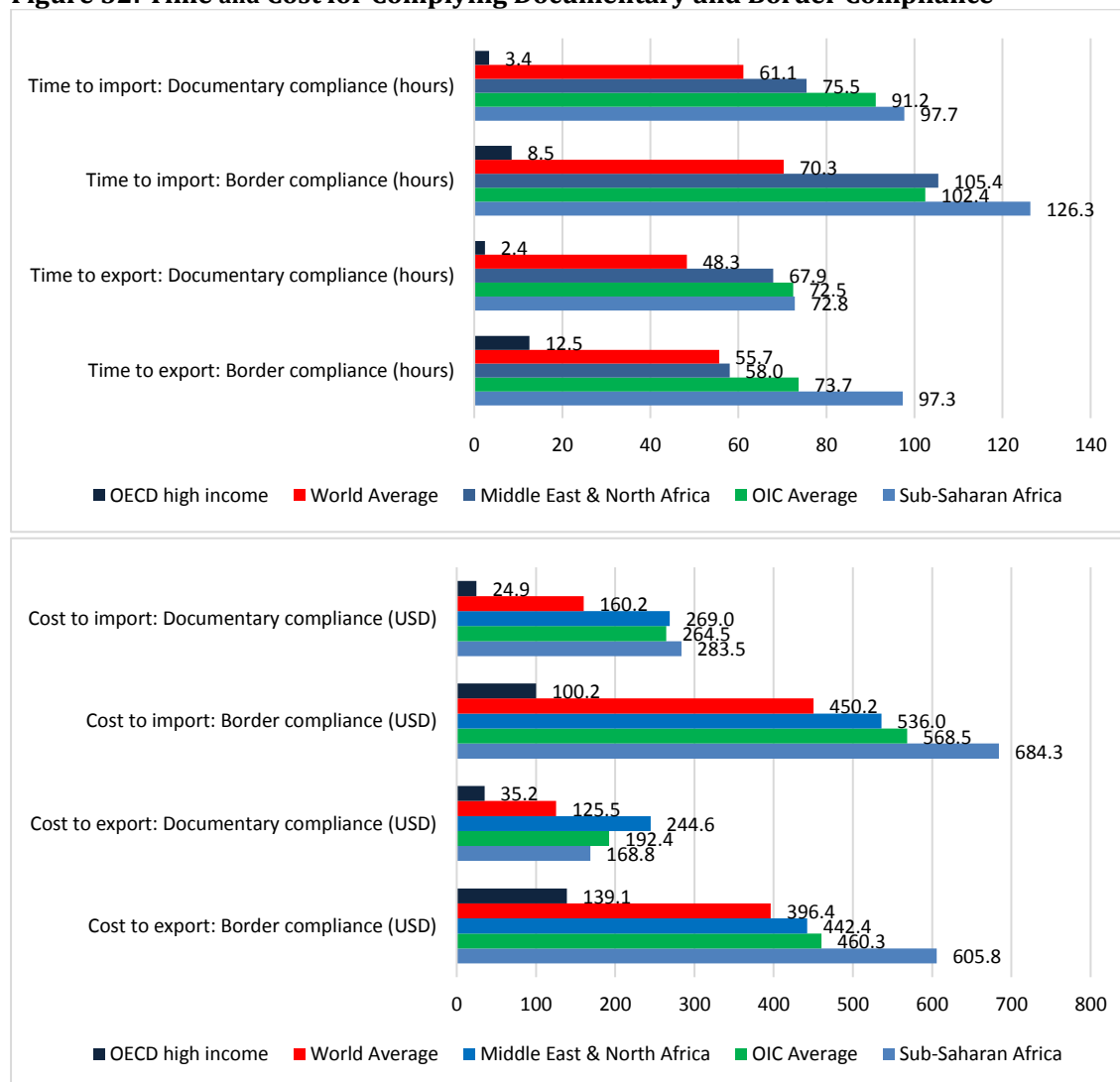
²⁶ For detailed information on the methodology please visit World Bank

<http://www.doingbusiness.org/methodology/trading-across-borders>

In many OIC countries, excessive delays at customs and the resulting costs are one of the most important non-tariff barriers affecting international trade.

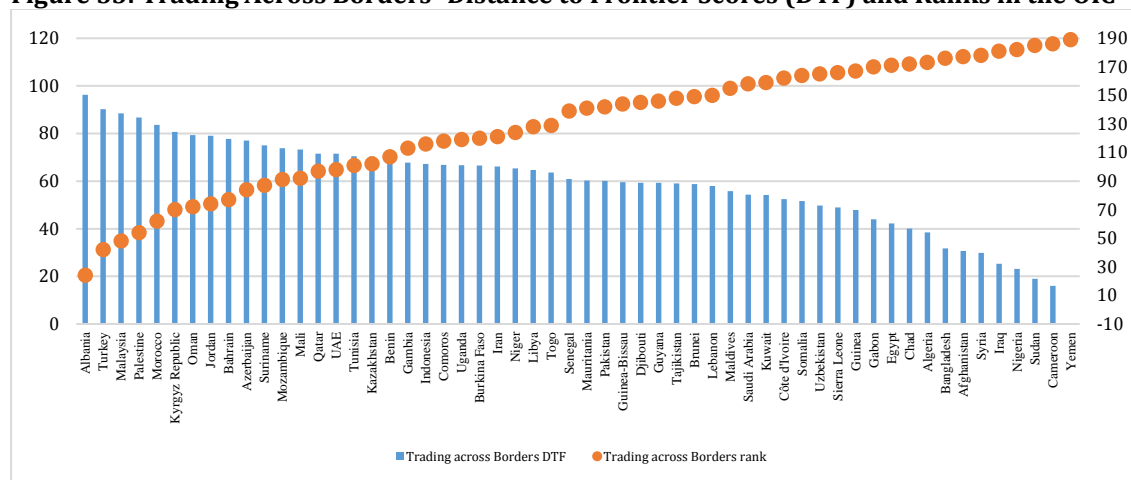
As shown in Figure 52 the cost and time associated with submitting the necessary documents to clear the goods is above the world average in the OIC countries. While world average for time needed for documentary compliance in imports is 61 hours, the OIC average is 91 hours. On the other hand while average costs encountered for documentary compliance in imports 160 USD in world, it is 265 USD in the OIC countries.

Figure 52: Time and Cost for Complying Documentary and Border Compliance



Source: WB Doing Business data, 2019

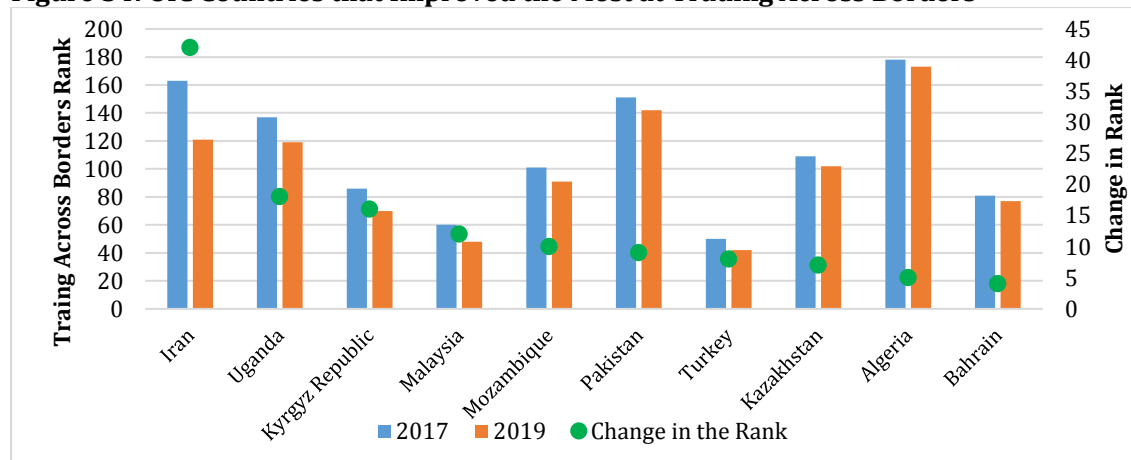
Figure 53 depicts the rankings of OIC countries based on the distance to frontier scores in WB Doing Business 2019. Out of the 190 countries covered by the WB Doing Business although there are a few OIC countries such as Albania (rank 24), Turkey (42), Malaysia (48) and Palestine (rank 54), and Morocco (rank 62) which ranked relatively better, many OIC countries are ranked at the last places.

Figure 53: Trading Across Borders- Distance to Frontier Scores (DTF) and Ranks in the OIC


Source: World Bank Doing Business

Note: The countries are ranked according to their 2019 DTF scores

As shown in Figure 54 when the trading across borders ranks compared between WB Doing Business 2019 and 2017 (which are the only comparable years due to the methodological change) there are 17 OIC countries improving in Trading Across Borders indicators and moving up in the rank e.g. Iran (up 42) is the most improving country followed by Uganda (up 18), Kyrgyzstan (up 16), Malaysia (up 12) and Mozambique (up 10). Nine OIC countries experienced no change at rank while thirty OIC countries worsened.

Figure 54: OIC Countries that Improved the Most at Trading Across Borders


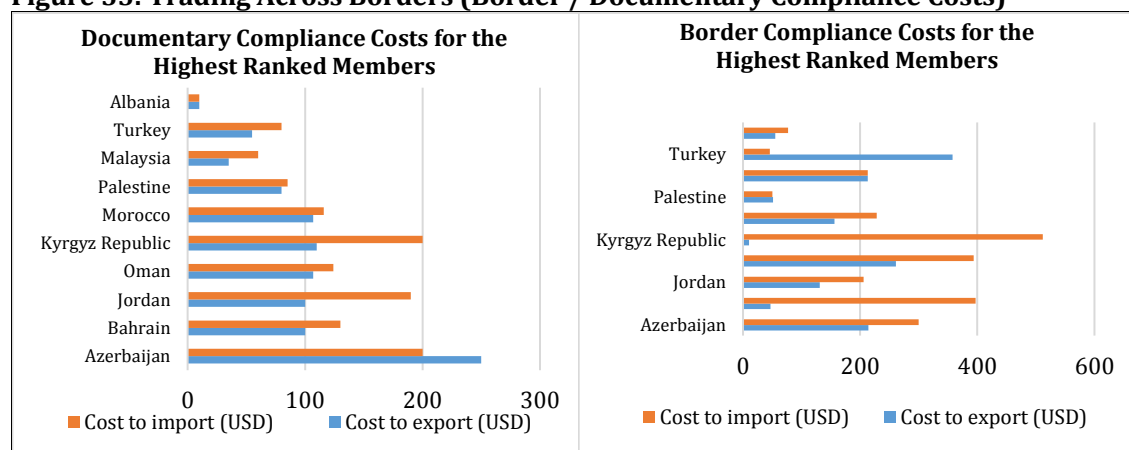
Source: World Bank Doing Business 2019 data

Figures 55 and 56 illustrate border and documentary compliance costs and times for the lowest and highest ranked OIC member states according to the distance to frontier scores for trading across borders²⁷. The figures reveal that the cost and times for trade substantially vary among the OIC Member States.

²⁷ The distance to frontier score shows how far on average an economy is from the best performance achieved by any economy on WB-Trading Across Borders indicator.

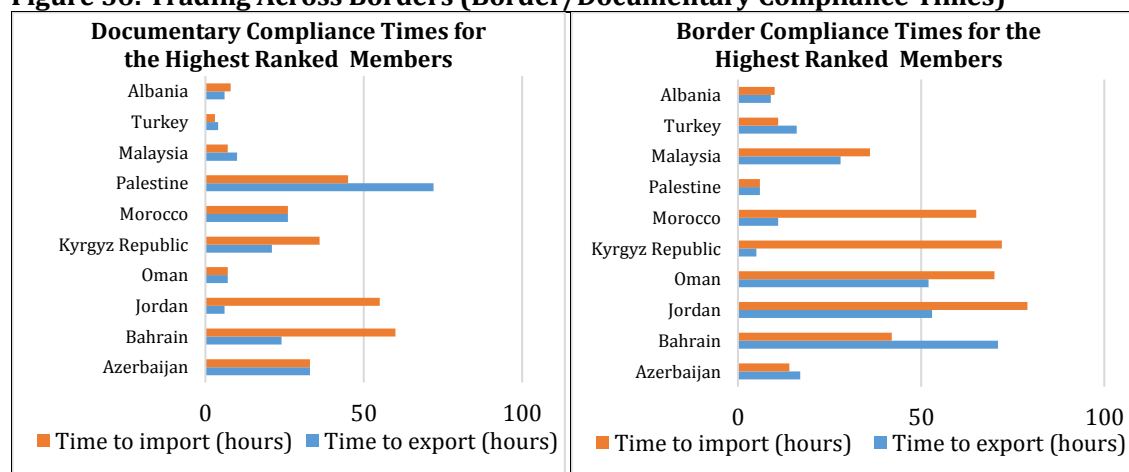
For instance, while in Albania, ranking first in trading across borders amongst the OIC, the cost of border compliance in exporting is 55 USD, it goes up to 468 USD in Surinam. On the other hand, in terms of border compliance times in exporting, it takes 9 hours for border compliance in Albania while it takes 71 hours (approx..3 days) in Bahrain. Reducing trade costs in the OIC member states is important to gain access and to be more competitive in the international markets and attract foreign direct investments.

Figure 55: Trading Across Borders (Border / Documentary Compliance Costs)



Source: World Bank Doing Business 2019 Data

Figure 56: Trading Across Borders (Border/Documentary Compliance Times)



Source: World Bank Doing Business 2019 Data

According to OECD (2010), IMF (2010) and Teravaninthorn and Raballand (2009), restricted logistics services, lack of adequate infrastructure, inefficiency of the ports are major problems of transport which lead to high transport costs.

Logistics Performance Index (LPI), developed by the World Bank²⁸ measures the efficiency of logistics sector in 160 countries. The World Bank's LPI is the weighted average of **six components**: i)The efficiency of customs and border management, ii)clearance, the quality of

²⁸ World Bank, Connecting to Compete 2018, Trade Logistics in the Global Economy, The Logistics Performance Index and Its Indicators

trade and transport infrastructure, iii) the ease of arranging competitively priced shipments, iv) the competence and quality of logistics services, v) the ability to track and trace consignments and vi) the frequency with which shipments reach consignees within scheduled or expected delivery times.

The LPI is used for comparative analysis and has a score between 1 and 5. The LPI was conducted in 2007, 2010, 2012, 2014, 2016 and 2018. Tables 7 and 8 illustrate the OIC Countries with the highest and lowest LPI scores for the last three periods. The figures illustrate that there is a wide gap between countries.

Furthermore, according to World Bank (2018) Germany is the best performing country with an LPI score of 4.2, followed by Sweden and Belgium. Among the OIC countries UAE is the best performing country and has a score of 3.96 which is 94 percent of Germany's score on a scale from 1 to 5 whereas the lowest performing OIC country is Afghanistan with an LPI of 1.95 which is 46 per cent of Germany's score.

Table 7: Best Performing OIC Countries According to the LPI 2018

Country	2014 LPI		2016 LPI		2018 LPI	
	Score	Ranking	Score	Ranking	Score	Ranking
United Arab Emirates	3.54	27	3.94	13	3.96	11
Qatar	3.52	29	3.60	30	3.47	30
Malaysia	3.59	25	3.43	32	3.22	41
Oman	3.00	59	3.23	48	3.20	43
Indonesia	3.08	53	2.98	63	3.15	46
Turkey	3.50	30	3.42	34	3.15	47
Côte d'Ivoire	2.76	79	2.60	95	3.08	50
Saudi Arabia	3.15	49	3.16	52	3.01	55
Bahrain	3.08	52	3.31	44	2.93	59
Kuwait	3.01	56	3.15	53	2.86	63
<i>memo item (first three best performing country in the world)</i>						
Germany	4.12	1	4.23	1	4.20	1
Sweden	3.96	6	4.20	3	4.05	2
Belgium	4.04	3	4.11	6	4.04	3

Source: Word Bank

Table 8: OIC Countries with the Lowest LPI Scores According to the LPI 2018

Country	2014 LPI		2016 LPI		2018 LPI	
	Score	Ranking	Score	Ranking	Score	Ranking
Yemen	2.18	151	N.A.	N.A.	2.27	140
Senegal	2.62	101	2.33	132	2.25	141
Somalia	1.77	160	1.75	158	2.21	144
Guinea	2.46	122	2.36	129	2.20	145
Iraq	2.30	141	2.15	149	2.18	147
Gabon	2.20	150	2.19	143	2.16	150
Libya	2.50	118	2.26	137	2.11	154
Sierra Leone	N.A.	N.A.	2.03	155	2.08	156
Niger	2.39	130	2.56	100	2.07	157
Afghanistan	2.07	158	2.14	150	1.95	160

Source: World Bank

The Enabling Trade Index produced by World Economic Forum and the Global Alliance for Trade Facilitation is another indicator, which measures the performance of countries in enabling trade.

According to this measure, performance of some of the OIC countries²⁹ is below average while some OIC countries such as UAE, Malaysia, Bahrain, Qatar, Jordan and Oman performed better.

Box 2: WTO Agreement on Trade Facilitation

One of the main outcomes of the Doha Development Round is the adoption of Bali Package which comprises 10 Ministerial decisions/declarations on trade facilitation, development and agriculture.

Trade Facilitation Agreement (TFA) mainly brings measures to eliminate barriers against international through streamlining and simplification of customs procedures. The Agreement has two sections which include provisions for expediting the movement, release and clearance of goods and differential treatment provisions for developing and least-developed countries respectively.

In regards to differential treatment, TFA enables developing and least-developed countries to select three categories for provisions namely A, B and C based on their readiness for implementation. WTO also aims to provide technical assistance and capacity building programs to developing and least-developed countries through collaboration with donor Member States to facilitate implementation of the Agreement. Some of the important arrangements of the Agreement are as follows:

Publication and Availability of Information: Agreement requests each Member States to publish information in a non-discriminatory and easily accessible manner related to Customs Procedures such as applied rates of duties/taxes, laws, regulations and administrative rulings, import/export restrictions, appeal procedures, rules of classifications etc.

Advance Rulings: Member States are expected to issue advance ruling, which in brief is a written decision provided by Customs Authority to an applicant prior to importation of goods, in a reasonable, time bound manner while containing all necessary information.

Right to Appeal or Review: Agreement envisages that each Member States shall enable any person, whom has a legal case with the Customs Authority, to appeal or request a review of the case by an upper administrative authority. It is also requested from Member States to ensure that appeal/review procedures are carried out in a non-discriminatory manner.

Pre-Arrival Processing: Member States are requested to have procedures allowing submissions of import documentation (such as manifests or other required information) prior to arrival of goods to Customs for the sake of expediting release of goods upon arrival.

Electronic Payment: Moreover, Member States are expected to have electronic payment systems for duties, taxes, fees and charges incurred upon importation and exportation.

Freedom of Transit: Agreement requests Member States to not seek, take or maintain any voluntary restraints or any other similar measures on traffic transit. Moreover it is expected that traffic in transit shall not be conditioned upon collection of any fees or charges imposed in respect to transit excluding charges for transportation or administrative expenses related to transit.

According to the WTO, full implementation of the TFA is estimated to increase global merchandise exports by up to \$1 trillion per annum and reduce trade costs by an average of 14.3 per cent. Moreover, the implementation of TFA will provide benefits in terms product and market diversification. Developing countries estimated to increase the number of new products exported by up to 20 per cent while increase the number of foreign markets by 39 per cent. Gains from the TFA is estimated to be much bigger for LDCs.

TFA entered into force on 22 February 2017 when the Agreement has been ratified domestically by the two-thirds of the WTO members. As of October 2019, 39 OIC Member States have ratified the

²⁹ Please see Appendix Table 8

TFA. These are Afghanistan, Albania, Bahrain, Bangladesh, Benin, Burkina Faso, Brunei Darussalam, Cameroon, Chad, Côte d'Ivoire, Djibouti, Egypt, Gabon, Gambia, Guyana, Indonesia, Jordan, Kazakhstan, Kuwait, Kyrgyzstan, Malaysia, Maldives, Mali, Morocco, Mozambique, Niger, Nigeria, Oman, Pakistan, Qatar, Saudi Arabia, Senegal, Sierra Leone, Tajikistan, Togo, Turkey, Uganda and UAE.

Trade Promotion:

Trade promotion, in particular export promotion, is one of the instruments used by the governments to increase their exports. The policies focus on two major areas, namely, SME support and diversification of economic production.

The majority of the firms operating in the world, especially the developing countries are Small and Medium Sized Enterprises (SMEs). SMEs are usually producing in traditional way and focus on local markets. They need to be supported by the government agencies, chambers and business associations to make exports and compete in international markets. In this regard, export promotion strategies focus on the SMEs in many countries.

The SMEs of the OIC Member States also face challenges in exporting. The Workshop held on 12-14 June 2012 in Ankara, Turkey defined the major common obstacles faced by the SMEs in exporting as the following:

- Obtaining reliable foreign representation and maintaining control over foreign middlemen
- Identifying foreign business opportunities
- Limited information to locate/analyze markets
- Inability to contact potential overseas customers
- Keen competition in overseas markets
- Lack of home government assistance
- Offering satisfactory prices to customers
- Accessing export distribution channels
- Difficulties in enforcing contracts
- Lack of knowledge on foreign market requirements
- Limited business development services, marketing and branding
- Excessive transportation / insurance costs

Government agencies, chambers and business unions provide consultancy services, business development assistance, tax advantages, financial support etc. to promote exports in their countries. However due to limited financial resources, underdeveloped human and institutional capacities, many member states could not provide adequate support to their firms.

The undiversified economic structure also constitutes an important obstacle for many OIC Member States in increasing their exports. The dependence on few products in exports also makes these countries vulnerable to foreign demand or price shocks.

Several studies concentrated on how the FDIs lead to export diversification. Lipsey (2004) and Hailu (2010) suggest that FDIs main contribution is knowledge of the international markets. FDIs also result in indirect inter and intra-industry spillovers to host nation firms which improve their productivity and reduce the fixed costs associated with exporting, thereby increasing the number of firms which are export competitive (Jayawera 2009). Spalla (2010) also suggests that

FDIs contribute to international competitiveness of the domestic firms through transfer of the know-how and technology.

Attracting foreign direct investment (FDI) is considered a vital instrument for diversifying the exports. Many empirical studies have examined the impact of FDI inflows on export diversification and reached positive results. Focusing on the Low Income Countries, Jayawera (2009) found that the cumulative effect after four years of a US\$1bn increase in FDI is estimated to be the creation of 83.5 new export lines for the host countries. Iwamoto and Nabeshima (2012) have tested the impact on 175 countries. They found out that, FDI inflows have positive impact on export diversification of the developing countries, but no significant effect on developed countries. The reason according to the studies is that the Multinational Corporations (MNCs) are more diversified and developing countries are affected by the spill-over effects of the FDI brought by the MNCs. Another study by Hailu (2010), examined the impact of FDI inflows on Sub Saharan Africa countries. The study found out that a 1 percent increase in FDI in the previous year brings

“FDI Inflows are inadequate for export diversification in many OIC Countries”

about 0.043 percent increase in exports of the following period.

Another obstacle faced by most of the Member States is the concentration of the export oriented FDIs on traditional sectors. Harding and Javorcik (2011) underlined that, if the FDI exports are only products that the host country already exports intensively, the efficiency-seeking FDI could move towards more specialized rather than more diversified exports. Thus, FDI does not contribute too much to export diversification. For example according to UNCTAD (2011), which investigated the sectorial distribution of the FDIs in LDCs, many large projects are in the form of greenfield and expansion projects prospecting for reserves of base metals and oil. The study also cited the lack of political stability and unavailability of skilled workers as main reasons for low performance of investment in the manufacturing sector in Africa.

FDI inflows is also considered as the largest source of external finance for developing and least developed countries where insufficient finance constitutes a bottleneck for development. According to UNCTAD ³⁰ 39 per cent of incoming finance in developing countries and less than 25 per cent of incoming finance in LDCs is from FDI. Global foreign direct investment (FDI) flows which hovered around 1.3 to 1.4 in the aftermath of global crisis, increased to around 1.9 trillion USD in 2015-2016 period. However global FDI fell by 23.4 percent to 1.4 trillion USD in 2017.

However, global foreign direct investment (FDI) flows slid by 13% in 2018, to US\$1.3 trillion from \$1.5 trillion the previous year – the third consecutive annual decline, according to UNCTAD’s World Investment Report 2019³¹. The contraction was largely precipitated by United States multinational enterprises (MNEs) repatriating earnings from abroad, making use of tax reforms introduced by the country in 2017, designed for that purpose. Hardest hit by the earnings repatriation were developed countries, where flows fell by a quarter to \$557 billion - levels last seen in 2004.

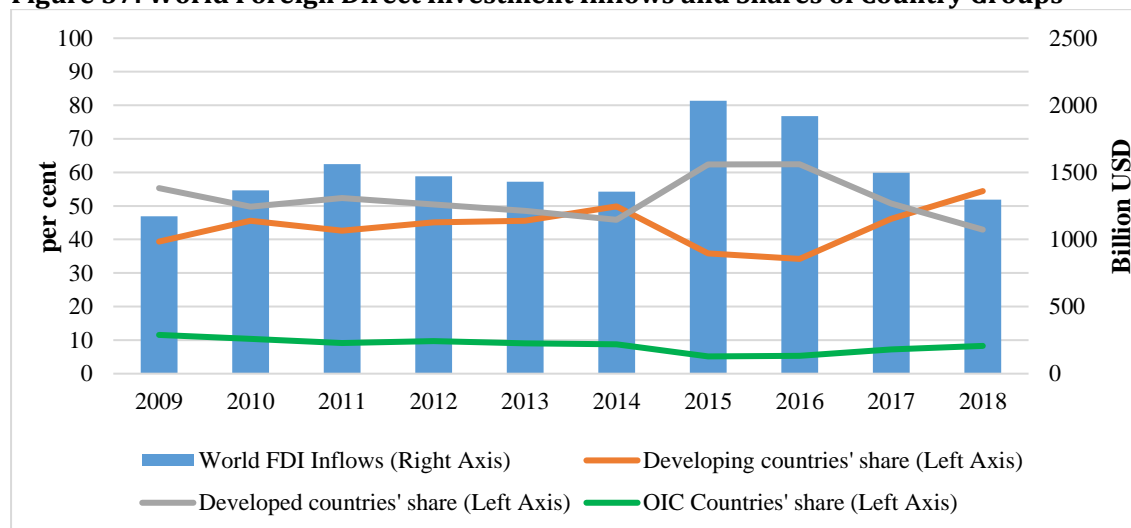
Figure 57 illustrates the global FDI inflows and shares of developing and developed countries versus OIC countries. The figure reveals that the developed countries continue to get the largest recipient of FDI with a share of 54 per cent in global FDI inflows while the share of developing

³⁰ World Investment Report, 2018

³¹ <https://unctad.org/en/pages/newsdetails.aspx?OriginalVersionID=2118>

countries is 43 per cent in 2018. However the share of OIC countries in global FDI inflows remained significantly lower, below 7 per cent 2017.

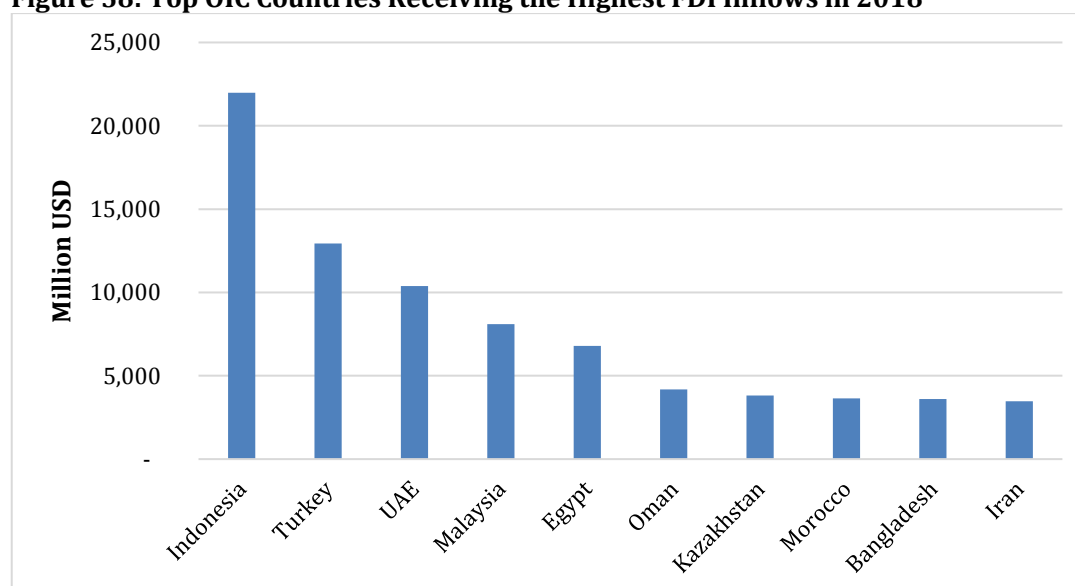
Figure 57: World Foreign Direct Investment Inflows and Shares of Country Groups



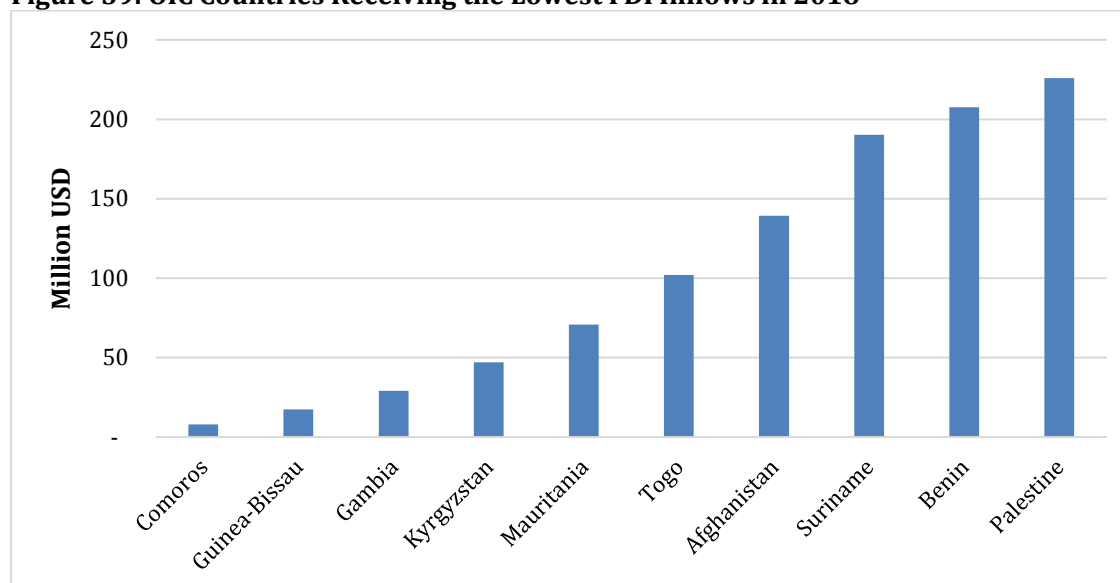
Source: UNCTADSTAT

When looked into detail the performance of the OIC countries in attracting the FDI, the performance of the Member Countries, except for a few countries, is low. Figure 58 below gives the FDI inflows to top ten OIC Member States. FDI inflows to these countries amounted to USD 78.9 billion in 2018, representing less than 1% percent of the total global FDI flows. The figure 59 below indicates that Comoros, Guinea-Bissau, Gambia, Kyrgyzstan, Mauritania, Togo, Afghanistan, Suriname, Benin and Palestine are the OIC countries received the lowest FDI flow in 2018.

Figure 58: Top OIC Countries Receiving the Highest FDI Inflows in 2018



Source: UNCTADSTAT

Figure 59: OIC Countries Receiving the Lowest FDI Inflows in 2018

Source: UNCTADSTAT

Trade Finance:

Trade finance is a general term used for financing of the international trade. Some 80 to 90 percent of the world trade relies on trade finance (trade credit and insurance/guarantees), mostly of a short-term nature.³²

Exporters usually get payments after delivering the goods to the importers. During this period, which may take several months, the exporter may need financing for delivering the orders on a timely manner. Therefore, financing is needed not only for the import-export process itself, but also for the production of the goods and services to be exported, which often includes imports of machinery, raw material and intermediate goods³³.

Available trade financing within a country increases the competitiveness of firms to compete in international markets and encourages the firms especially the SMEs to export. Thus, it helps to diversify the exports of the country. UNESCAP³⁴ classified the trade finance methods and instruments into the following three categories:

- 1) Methods and Instruments to raise capital,
- 2) Methods and Instruments to mitigate risk,
- 3) Methods and instruments to effect payment.

“Firms face difficulties in financing trade in many developing countries”

With regards to raising capital, firms need financing to ensure adequate production to meet the orders of the commercial transactions on time. They may need to import inputs, hire more workers and etc. In this context pre-shipment and post-shipment financings provide the

³² WTO 2013

³³ UNCTAD 2012

³⁴ UNESCAP 2005

exporting firms with the ability to cover their expenses until they get the payments from the importers.

There are various risks faced during the international trade such as political and commercial risks. These risks are covered by export credit insurance and export guarantee programs. While export credit insurance protects exporters, guarantees protect banks offering the loans.³⁵

Another issue in trade financing is the type of payment. There are several types of payments in international trade such as open account, Letters of Credit (L/C), payment in advance and documentary collection. Most common type is L/C, which is the most secure way for both exporters and importers. This instrument is particularly suitable for international contracts that are difficult to enforce and riskier than domestic contracts because the creditworthiness of the foreign counterparty is hard to evaluate (Contessi and de Nicola 2012). L/C's are commonly used in trade among the developing countries including the LDCs. Another instrument, namely open account is mostly used in trade among the developed countries and in exports of SMEs to large firms. Malouche (2009) cites SMEs weaker bargaining power position versus large firms as the reason for their use of open account in exports.

Trade finance, provided by commercial banks, export credit agencies, multilateral development banks, suppliers and purchasers, has grown by about 11 per cent annually over the last two decades (UNESCAP 2002: 4). However, in many developing countries, firms still face difficulties in getting trade finance. The trade financing gap is especially noticeable in the least developed countries, where the financial sector tends to be heavily transnationalized and strongly risk-averse, and where a significant share of deposits are invested in very low-risk instruments, including short-term liquid assets and foreign government bonds (UNCTAD 2012).

Since the global crisis access to trade finance for exporters in the developing countries has become more expensive and harder. WTO³⁶ notes that global trade finance transactions are estimated to be 10 trillion USD and global trade finance gap is estimated to be around 1.5 trillion USD where 60 per cent of unmet demand is from small firms in developing countries.

Trade finance opportunities in many OIC Member States are underdeveloped. Firms, in particular the SMEs face difficulty in accessing trade finance opportunities in competitive terms. For the Middle East and North African Countries (MENA), AMCML (2012) cites the reasons for the unwillingness of the Banks to engage in trade finance business as low revenue margins and identifies the factors leading to lower profit margins as the following:

- *Shift of global trade from traditional trade finance products, such as L/Cs and guarantees, to open accounts that require less banking intervention.*
- *Reduction in the average value of trade finance transactions due to increased activity of small- and medium-sized enterprises (SMEs) in the international trade.*

In many OIC Member States, the SMEs play an important role in total exports. However, they face more difficulties than larger firms to get finance. Firms have not traditionally relied too much on traditional trade finance instruments for export finance because either the local banking sector and institutions are poorly developed to start with, or banks find it difficult to find creditworthy customers (Malouche 2009: 19). This Situation is similar in most of the Member States in MENA. MENA banks quote the lack of SME transparency and the weak financial infrastructure (weak credit information, weak creditor rights and collateral infrastructure), as

³⁵UNESCAP 2002: 61

³⁶ WTO statistical Review, 2018

the main obstacles for further engagement in SME finance (Rocka, Farazi, Khouri and Pearce 2011:3).

Out of 57, only 23 OIC Member States have established national export-import banks to provide trade finance for their firms. On the other hand, for even these countries, due to inadequate financial resources, shorter maturity and limited types of products, many firms still face difficulties in exporting and competing in the foreign markets.³⁷

³⁷ COMCEC 2015 “Increasing the Role of Eximbanks/Export Credit Agencies in the OIC Member States”

6. THE ROLE OF THE COMCEC IN INCREASING INTRA-OIC TRADE

The COMCEC was established in 1981 and became operational in 1984. Trade is one of the major cooperation areas, identified with the objective of enhancing trade among the OIC Member States. The COMCEC has initiated many programs and projects towards reaching this objective.

The Fourth Extra-ordinary Islamic Summit Conference held on August 14-15, 2012 adopted the COMCEC Strategy. The Strategy defines six cooperation areas and trade is one of them. Enhancing Mobility, Strengthening Solidarity and Improving Governance are the three principles of the Strategy.

***“COMCEC Strategy
gives special emphasis
to improving trade
environment”***

The Strategy defines the strategic objective of cooperation in the area of trade as “Expansion of Trade among the Member States”. In order to reach the strategic objective, the Strategy defines four output areas, namely trade liberalization, trade facilitation, trade financing and trade promotion. For each output areas, the Strategy defines the COMCEC’s role as well as the expected outcomes. As it was discussed earlier, many

OIC Member States face obstacles in the output areas defined in the Strategy. Through the new implementation instruments, the Strategy aims at contributing to the improvement of the current situation towards increasing intra-OIC trade. To reach these objectives, the Strategy brings two new well defined implementation instruments, namely Trade Working Group and the COMCEC Project Funding Mechanism.

Trade Working Group convenes regularly twice in Ankara on different specific themes that possess crucial importance for the Member Countries. Main objective of the Trade Working Group meetings are; producing and disseminating knowledge, sharing experience and good practices among the Member Countries. The Working Group also aims to serve as an effective intermediary for creating a common understanding and approximating policies among the Member Countries to respond to their common development problems. To enrich discussions during the Working Group Meetings, analytical studies on the theme of the respective meetings and Sectoral Outlook report are prepared by the CCO and conveyed to the Member Countries at least one month prior to each meeting. As of October 2017, nine rounds of Working Group Meetings were successfully organized.

Trade Liberalization:

As many international organizations, COMCEC has initiated a RTA, called Trade Preferential System among the OIC Member States (TPS-OIC). TPS-OIC is based on three agreements, namely the Framework Agreement, the Protocol on Preferential Tariff Scheme (PRETAS) and the Rules of Origin.

The Framework Agreement, which sets out the general rules and principles for the negotiations toward the establishment of the TPS-OIC, entered into force in 2002 after reaching 10 ratifications. Following the entering into force, the COMCEC Coordination Office organized First Round of Trade Negotiations to develop a more specific agreement laying out the concrete reduction rates in tariffs in accordance with a time-table for implementation. After four meetings, the Member States agreed on the PRETAS. After the finalization of the PRETAS, the Trade Negotiating Committee, which is the responsible body for the TPS-OIC conducted another round of negotiations for finalizing the Rules of Origin. The round of negotiations closed successfully after the finalization of the deliberations on the Rules of Origin in 2007. The PRETAS

entered into force in February 2010, and the Rules of Origin entered into force in August 2011. Therefore, the legal basis of the system was completed.

***“TPS-OIC, which promises
more intra-OIC trade
is close to implementation”***

In order to make the TPS-OIC system operational, 10 Member States have to fulfill two conditions at the same time, namely the ratification of the three TPS-OIC Agreements and the submission of the list of concessions to the TNC Secretariat. As of December 2014, required number of countries having met necessary requirements of the System has been reached. The Member Countries having met the two conditions are; UAE, Bangladesh, Bahrain, Qatar, Kuwait, Malaysia, Oman, Pakistan, Saudi Arabia, Turkey, Jordan, Iran and Morocco. Afterwards, in the 31st Session of the COMCEC, the Ministers agreed to undertake necessary measures to finalize the procedures of TPS-OIC. In this regard, 31st COMCEC Session invited the participating states to update the previously submitted concession lists by March 1st, 2016 for the full implementation of the TPS-OIC. Moreover, 32nd COMCEC Session called upon the Member States which have not yet signed or ratified TPS-OIC Agreements, namely the Framework Agreement, PRETAS and Rules of Origin, to do so at their earliest convenience and invited the GCC Secretariat, on behalf of its six member states, to convey their updated concession lists at their earliest convenience to the TNC Secretariat with a view to early utilizing market access opportunities to be brought by the TPS-OIC. So far, Turkey, Malaysia, Pakistan, Jordan, Bangladesh, Iran and Morocco submitted the updated concession lists to the TNC Secretariat.

On the other hand, for successful implementation of the System, there are some measures required to be undertaken by the Member Countries such as; printing TPS-OIC Certificate of Origin documents, conveying specimen impressions of stamps to the Trade Negotiating Committee Secretariat and completing the necessary internal legislative and administrative measures. After completion of the mentioned measures, the System is expected to be operational in the near future.

Islamic Centre for Development of Trade (ICDT) which is an OIC Institution based in Morocco, Casablanca, has also been organizing raising awareness activities for the TPS-OIC under its capacity as the co-secretariat for the Trade Negotiating Committee (TNC). Beginning with January 2015, ICDT has successfully organized seminar on TPS-OIC in Turkey, Qatar, Suriname, Indonesia and Sudan. The last training workshop on TPS-OIC was organized by ICDT in cooperation with the COMCEC Coordination Office and ICCIA on 17-18 December 2018 in Khartoum, Sudan in line with the relevant resolution of the 34th COMCEC Session.

Table 9: Timeline of the TPS-OIC Negotiations

1988	•COMCEC adopted the basic principles (Declaration of Intent) that should guide the efforts for the establishment of a trade preferential system
1990	•The Framework Agreement was adopted by the COMCEC, and presented to the signature and ratification by the Member States
2002	•The required number of 10 ratifying states for the entry into force of the Framework Agreement was reached.
2003	•Ministerial declaration of the COMCEC for the launching of the First Round of TPS-OIC Negotiations.
2004-2005	•First Round of Negotiations (Antalya round, 4 meetings) producing the Preferential Tariffs Scheme (PRETAS)
2006	•Ministerial Declaration for the launching of the Second Round of Negotiations.
2006-2007	•Second Round of Trade negotiations (Ankara Round, 4 meetings) producing the TPS-OIC Rules of Origin.
2007	•Ministerial Declaration for submitting the Rules of Origin for signing and ratification, and adopting the date of January 1st, 2009 for the operationalization of the System.
2010	•The required number of 10 ratifying states for the entry into force of the PRETAS was reached.
2011	•The required number of 10 ratifying states for the entry into force of the Rules of Origin was reached.
2014	•The required number of at least 10 member states that have both ratified all the three agreements and submitted their concessions lists was reached.
2015-2018	•COMCEC took consecutive resolutions for the full operationalization of the System.

Furthermore, in order to contribute to the liberalization of trade in the Member States, COMCEC also encourages the OIC Member States to join the WTO. In this regard, the Islamic Development Bank (IDB) and the ICDT have been organizing several capacity building programmes in cooperation with the Member States.

Trade Facilitation:

An important project developed by the COMCEC towards facilitating trade among the Member States is the Standard and Metrology Institute for Islamic Countries (SMIIC). SMIIC entered into force in May 2010 following the ratification of its Statute by the tenth Member State.

SMIIC is an affiliated institution of the OIC which is responsible for contributing to the development of standards in the OIC Member States. SMIIC aims at realizing harmonized standards and eliminating any standard related factor that adversely affects the trade among the member countries.

After the ratification of its Headquarters Agreement by the Republic of Turkey on March 31st, 2011, headquarters of SMIIC was formally established. As of October 2019, the number of SMIIC Member States is 37, observer states are 3.

Till today, SMIIC has successfully accomplished a series of events including capacity building programs, forum, seminars and visits to the relevant organizations in the Member States in the area of standards and metrology. Also the Committee on Standards for Conformity Assessment (SMIIC/CCA) has been established to prepare guides/standards on criteria for bodies involved in testing, calibration, certification, inspection, accreditation, their operation and assessment, and other related standards and especially halal conformity assessment and accreditation guidelines or standards.

To enrich the depth of the efforts, Financial, Terminology and Technical Committees were established under the SMIIC which dwell upon technical aspects of the relevant topics. The Technical Committees are Halal Food Issues, Halal Cosmetic Issues, Service Site Issues, Renewable Energy, Tourism and Related Services, Agriculture Processes and Transportation.

Regarding trade facilitation, the COMCEC Trade Working Group has devoted its several meetings to its different aspects and for each meeting, a research report has been prepared for producing and disseminating knowledge on the current status of trade facilitation in the Member Countries. These reports also provides policy recommendations for the member countries for facilitating trade by utilizing a set of tools and policies. In this regard, the study titled "Facilitating Intra-OIC Trade: Improving the Efficiency of the Customs Procedures in the OIC Member States" was prepared specifically for the 3rd Meeting of the COMCEC Trade Working Group suggests that following factors are important in implementing the customs reforms in the Member States in order to improve their trade performances:

- Political will,
- Establishment of well-functioning coordination mechanism among the relevant government agencies and private sector,
- Improving the legal framework,
- Institutional arrangements,
- Human resources management and,
- Allocation of necessary financing.³⁸

Recognizing the importance of reducing trade costs, effective implementation of trade facilitation measures is important. This in turn requires close cooperation and coordination among the customs administrations, other relevant government agencies and the private sector. For the last forty years, international institutions such as UNECE and the UNCTAD encourage

³⁸ COMCEC Coordination Office, 2014.

countries to establish coordination mechanisms for trade facilitation among the stakeholders within each country. Most recently, article 23/2 of the WTO Agreement on Trade Facilitation stated that “Each Member shall establish and/or maintain a national committee on trade facilitation”, making national trade facilitation bodies (NTFBs) a requisite of the global trading regime³⁹.

In this respect, the Sixth Meeting of the COMCEC Trade Working Group was held on September 17th, 2015 in Ankara, Turkey with the theme of “Establishing Well-Functioning National Trade Facilitation Bodies in the OIC Member Countries”. After detailed deliberations, the Working Group came up with the following policy recommendations for trade facilitation bodies in the Member Countries;

- *Establishing effective communication systems within the framework of the work of the NTFBs*
- *Involving the private sector in the activities of the NTFBs*
- *Extending technical assistance to the member states for establishing/maintaining NTFBs*
- *Designing Performance Evaluation Criteria for the Existing NTFBs*

The Seventh Meeting of the COMCEC Trade Working Group was held on February 25th, 2016 with the theme of “Strengthening the Compliance of the OIC Member States to International Standards”. During the Meeting, the participants deliberated on standards as non-tariff barriers, development of quality infrastructure, and strengthening the compliance of member countries with international standards. The research study prepared for the meeting, highlighted the importance of compliance with international standards for the OIC Member Countries, especially for improving export competitiveness and trade facilitation through the elimination of barriers on trade. In this respect, active membership of the Member Countries to the relevant international standards organizations is of particular importance. The study indicated that, at present, there is a varying degree of involvement on the part of the Member Countries; 55 OIC Member Countries are members of Codex, while this figure is 35 and 11 for the ISO and IEC respectively. However, the study highlighted that there is still need for more active participation of the Member Countries to the technical work of international standardization bodies for increasing inclusiveness and large-scale adoption of international standards.⁴⁰

The following challenges, among others, have been identified by the above-mentioned research as well as the participants of the 7th Meeting of Trade WG:

- Low level of trade integration
- Inefficient standards related national infrastructure
- Low level of conformity assessment and mutual recognition

After the deliberations, the Working Group has come up with the following policy recommendations:

- *Developing/Strengthening a National Quality Infrastructure.*
- *Supporting the Member States’ Efforts for their Active Participation in the work of International Standardization Bodies.*
- *Strengthening SMIIC for the Adoption of Harmonized Standards for the development of Quality Infrastructure in the OIC for Enhancing Intra-OIC Trade.*

³⁹ COMCEC Coordination Office, 2015b.

⁴⁰ COMCEC Coordination Office, 2016a.

In addition to compliance to the international standards, border agency cooperation (BAC) is another important aspect of trade facilitation in global agenda. According to the WTO Trade Facilitation Agreement, which was also ratified by 27 OIC Member Countries, the concerned countries committed to cooperate in the following issues regarding cross border cooperation:

- ✓ *alignment of working days and hours,*
- ✓ *alignment of procedures and formalities*
- ✓ *development and sharing of common facilities*
- ✓ *joint controls*
- ✓ *establishment of one stop border post control*

The level of border agency cooperation of the OIC Member Countries varies according to the several indices measuring the countries' level of border agency cooperation. According to World Bank's Logistics Performance Index (LPI), which measures the efficiency of the clearance process scaling from 0 to 5, the Asian Group countries have the highest average score of 2.53 in the efficiency of the clearance processes, followed by the Arab Group Countries with the score of 2.46. On the other hand, African Group Countries have the lowest average with the score of 2.30.

Moreover, OECD External Border Agency Cooperation (BAC) Indicator, scaling from 0 to 2, measures the border agency cooperation with neighbouring and third countries. Accordingly, the average of external cooperation for the Arab Group is 1.15, followed by the Asian and African Group countries with the score of 1.11 and 0.82, respectively⁴¹.

Considering the importance of BAC for trade facilitation as well as increasing intra-OIC trade, the 8th Meeting of the COMCEC Trade Working Group held on October 6th, 2016, was devoted to "Improving the Border Agency Cooperation among the OIC Member States for Facilitating Trade." The research study and the participants of the working group highlighted the major challenges faced by the Member Countries, among others:

- Lack of coordination and cooperation among border agencies
- Long, costly and inefficient customs procedures
- Lack of harmonized working hours among the countries
- Inadequate information exchange among the border agencies

The Working Group has come up with the following policy recommendations in order to address the challenges faced by the Member Countries regarding the border agency cooperation:

- *Promoting the adoption of international standards in customs and other relevant cross border trade and logistics matters as well as accession to the relevant international conventions for harmonizing and simplifying rules and procedures related to the cross border trade and logistics operations,*
- *Promoting mutual recognition arrangements/agreements for border controls and trusted traders,*
- *Enhancing information exchange among the border agencies of the Member Countries through enhancing connectivity of information and communication technology systems, providing regular knowledge exchange platforms and participating in relevant international networks,*

⁴¹ COMCEC Coordination Office, 2016b.

- *Improving the infrastructure of land border crossing points and transport connectivity through the joint efforts of the neighboring countries e.g. through establishing joint technical/working committees, which include relevant stakeholders to identify the factors which cause bottlenecks.*

Furthermore, the 9th Meeting of the Trade Working Group has elaborated on an important instrument of trade facilitation, which is Single Window Systems. The TWG has convened on March 9th, 2017, in Ankara, Turkey with the theme of “*Single Window Systems in the OIC Member Countries.*” During the Meeting, the participants deliberated on the conceptual framework, global practices and trends in single windows and the current status of the OIC Member Countries regarding the implementation of the Single Window Systems.

Single window systems serve as the platforms for the exchange and processing of electronic information between traders, government agencies, and private operators. The research report prepared for the meeting highlighted the importance of single window systems for facilitating trade by offering a single point of contact and single submission for import, export and transit relevant formalities. The report indicated that, at present, 23 Member Countries have been benefiting from the single window systems, whereas 4 member countries are in the process of establishment of a system. Furthermore, 11 member countries have a vision to establish their single window systems⁴².

There are major challenges faced by the Member Countries during the initiation and implementation processes of the single window systems. In this regard, weak quality of preparatory work, non-implementation of necessary legal and regulatory changes, inflexibility and lack of interoperability of the systems, and insufficient IT architecture and infrastructure are some of the main challenges faced in this field. In order to address these challenges, the Working Group has come up with the following policy recommendations:

- *Strengthening Single Window efforts in OIC Member States by developing integrated Single Window strategies that reflect national and regional requirements and actively engage the stakeholders in this process*
- *Improving the effectiveness of Single Window projects by identifying and implementing necessary changes in the laws and regulatory framework and operational practices,*
- *Prioritizing flexibility, scalability, safety and interoperability of IT architecture of Single Windows Systems,*
- *Promoting cross-border interconnectivity and interoperability of the national Single Window Systems in the OIC Region towards establishing Regional Single Window Systems*

Finally, the 11th Meeting of the Trade Working Group has elaborated on an important instrument of trade facilitation, which is Customs Risk Management Systems. The TWG has convened on March 7-8, 2018, in Ankara, Turkey with the theme of “*Facilitating Trade: Improving Customs Risk Management Systems in the OIC Member States.*” During the Meeting, the participants deliberated on the conceptual framework, global practices and trends in customs risk management and the status of the OIC Member Countries regarding the implementation of the customs risk management systems. In line with the relevant resolution of the 33rd Session of the COMCEC, this meeting also served to the preparations for the Exchange of Views Session of the 34th COMCEC Ministerial Meeting to be held under the same theme.

⁴² COMCEC Coordination Office, 2017a.

Improving customs risk management (CRM) systems is of particular importance for the Member Countries for ensuring optimal balance between trade facilitation and customs control. Through these effective mechanisms, customs administrations can allocate their resources more effectively and efficiently through focusing on high-risk areas. Therefore, these systems provides enhanced decision-making process during the customs control, while ensuring the security.

According to the report prepared for the Meeting, the OIC member states are positioned at different stages regarding the level of CRM. Accordingly, while 17 (29.8%) of the 57 OIC Member Countries have fully implemented CRM, 4 (7%) of them are at the advanced stage, 25 (43.9%) of them at medium performance. On the other hand, 2 (3.5%) Member Countries have CRM systems at basic level, and 9 (15.8%) Member States have no CRM. Moreover, within the framework of the report, field visits were conducted to three OIC member countries namely Albania, Senegal and Turkey to get insights about the policy environment on the subject.

The research report also highlighted that some member countries have limited coordination among the relevant stakeholders with respect to customs risk management and there is a need for a sound risk management strategy. Moreover, inadequate IT infrastructure and insufficient use of audit-based controls and risk assessment techniques are the main challenges faced by the Member Countries in operating customs risk management.

In this regard, the Trade WG has come up with a set of policy recommendations for improving customs risk management systems, among others:

- *Establishing a risk management committee and developing an efficient and effective risk management strategy for improving the CRM performances and modernization efforts;*
- *Maintaining adequate IT support for the electronic submission of pre-arrival/pre-departure information for risk assessment;*
- *Utilizing Integrated CRM system including Data Warehouse, Business Intelligence, and Data Mining;*
- *Using advanced techniques and tools for risk assessment; such as usage of appropriate statistical models etc;*
- *Enhancing customs audit based controls; including post-clearance.*

Moreover, the TWG has also considered the other aspects of the trade facilitation and come up with policy recommendations, which will be submitted to the 34th COMCEC Session, under the following six headings:

- ✓ *Simplifying trade procedures and documentation,*
- ✓ *Legal and regulatory framework,*
- ✓ *Physical infrastructure and modernization,*
- ✓ *Harmonization and alignment of standards and conformity,*
- ✓ *Adopting measures to facilitate transit trade,*
- ✓ *Regional/international cooperation.*

Furthermore, Authorized Economic Operator Programs are also utilized for ensuring a smoother and safer movement of goods across borders. They provide streamlined and efficient border processes for certified low-risk traders and enhancing security of supply chains. In this regard, the 12th Meeting of the COMCEC Trade Working Group was held on November 6th, 2018

under the theme of “Improving Authorized Economic Operators Programs in the OIC Member States.”

According to the research report prepared for the meeting, 12 OIC Member Countries have AEO Programs, whereas 9 Member Countries have customs compliance programs (CCP). Moreover, 3 member countries, namely Bahrain, Bangladesh and Cote d’Ivoire are developing new AEO programs. The research report highlighted some challenges of the Member Countries for improving AEO programs as well as establishing a new program, among others:

- Lengthy AEO approval times
- Difficulties in communication of Customs Authority with private sector and other government agencies
- Need for human resources for managing AEO Programs
- Lack of sustainable and regular training programs
- Low participation of SMEs to the AEO programs
- Limited number of Mutual Recognition Agreements

The 12th Meeting of Trade Working Group has come up with the following policy recommendations:

- *Encouraging the design of an attractive package where benefits provided by the AEO program to the private sector outnumber costs borne by firms and traders in order to attract companies to participate in the program,*
- *Promoting an integrated approach in the legislative, organizational and operational dimensions with other government agencies during the design phase of AEOs in order to eliminate duplications and redundancy as well as burdensome procedures,*
- *Encouraging the adoption of and increasing the number of mutual recognition agreements (MRAs) as they enable AEO holders to enjoy trade facilitation benefits provided by the partner countries,*
- *Enhancing the communication with the private sector with AEOs through utilizing client relations management,*
- *Supporting the participation of SMEs in the supply chain in order to benefit from the AEO programs to their full extent.*

Moreover, accessing the information regarding the customs regulations, formalities, procedures and other relevant issues timely and properly is vital for traders. Lack of well-timed and accurate information brings about higher costs on commercial operations. Public availability of information on trade-related laws, regulations and procedures enables traders to take their decisions accordingly and operate in a more predictable and transparent trading environment. Therefore, in the first four articles of the WTO Trade Facilitation Agreement, publication and availability of information, consultations with the relevant stakeholders, advance ruling systems, and appeal procedures are highlighted as the important necessities of trade facilitation.

In this respect, the TWG has convened on March 7th, 2019, in Ankara, Turkey with the theme of “Facilitating Trade: Enhancing Public Availability of Customs Information in the OIC Countries.” During the Meeting, the participants deliberated on the global practices and trends in customs information dissemination and the status of the OIC Member Countries regarding the publicizing

trade and customs information. According to the OECD Trade Facilitation Indicators, the OIC average score is above the world average with respect to information availability. However, regarding the involvement of trade community and advance rulings, the OIC average scores are below the world average.

Moreover, within the framework of the report submitted to the meeting, field visits were conducted to three OIC member countries namely Bangladesh, Morocco and Senegal to get insights about the policy environment on the subject.

The research report also highlighted the major challenges faced by the Member Countries, among others:

- Need for effective coordination among the border agencies involved in export/import processes.
- Lack of the required capacities and human resources for implementation of custom information system.
- Weak consultation of stakeholders on new draft regulations prior to finalization.
- Insufficient advance publication/notification of new regulations prior to implementation.
- Lack of an effective advance ruling mechanism.

In this regard, the Trade WG has come up with a set of policy recommendations for improving the publication of customs information:

- *Encouraging the establishment of a formal consultation mechanism between regulatory authorities and trade community towards ensuring an efficient trade environment for the interest of various stakeholders at the national level.*
- *Utilizing Information and Communications Technologies (ICT) effectively for the dissemination of trade, especially customs related information.*
- *Encouraging the development of an effective Advance Ruling System in order to enhance the certainty and predictability of customs operations*
- *Promoting integrated Single Windows (SW) Systems and Trade Information Portals for combining the transaction processing functions of SW Systems with a comprehensive repository of trade-related laws, regulations, rules and procedures.*
- *Leveraging international and regional cooperation and making use of successful country experiences for promoting trade information availability.*

Trade Promotion:

One of the challenges facing the Member States in enhancing intra-OIC trade is the inadequate flow of information among exporters and importers. Firms in some of the Member States have very limited opportunities to raise awareness on their products. They need extra support from national and international promotion agencies.

The COMCEC initiated several projects up to date to promote trade among the Member States. One of these initiatives is the Trade Information Network for Islamic Countries (TINIC). The First COMCEC Session, held in 1984, adopted a resolution recommending the establishment of a Trade Information Network for Islamic Countries to facilitate the collection, processing, analysis and propagation of trade information for the benefit of users. The Islamic Center for the

Development of Trade (ICDT) prepared a feasibility study on the modality of the network. The TINIC became operational in 1996. It was restructured in 2001 in order to meet the growing needs of the private sector of the Member States.

COMCEC also initiated Islamic Trade Fairs which are organized biannually in one of the Member States. Islamic Trade Fairs bring together the producers from the Member States together to increase awareness and support intra-OIC trade. In recent years, ICDT is also organizing sectorial trade fairs and exhibitions in accordance with the relevant resolutions of the COMCEC.

Moreover, COMCEC initiated the Private Sector Meetings, organized annually in one of the Member States. The Private Sector Meetings bring the business owners, firm representatives and chambers to discuss their common challenges, needs and cooperation opportunities. These meetings also present opportunities for partnership and trade.

Furthermore, COMCEC Trade Working Group deliberated on the Trade Promotion Organizations (TPOs), which are one of the most important institutions utilized by governments to support SMEs exports. Most of the OIC Member States now have newly established institutions or existing governmental bodies that serve as TPOs. The research report titled “Promoting the SMEs Exports in the OIC Member Countries: The Role of the TPOs” commissioned by the COMCEC Coordination Office for the 1st Meeting of the COMCEC Trade Working Group, designates following actions as the main services provided by TPOs;

- Provision of information about overseas markets,
- Business consultancy for new exporters or companies that intend to expand their international business,
- Networking with potential business partners in foreign markets,
- Support in participation to trade fairs and organization of mission tours to foreign markets,
- Seminars and training courses to enhance the managerial ability of exporters and/or mentoring services,
- Financial support to exporters.

The study recommends several strands of actions for policy development to OIC Member States such as;

- Greater emphasis on intra-OIC trade activities through the development of multilateral agreements or possible free trade zone agreements,
- Institutional focus on developing soft infrastructure of skills development and of entrepreneurship,
- Strengthening and development of an exclusive front on new Technologies,
- Promotion of public-private partnerships,
- Development of a data infrastructure, to monitor business dynamics and performance by size of firms⁴³.

Moreover, the COMCEC TWG has focused on the theme of Special Economic Zones in the OIC Member States in its 10th Meeting held on November 2nd, 2017. During the meeting, the

⁴³ COMCEC Coordination Office, 2013a.

participants deliberated on the global practices and trends in special economic zones and the current status of the OIC Member Countries regarding the special economic zones.

Special economic zones (SEZ) are important instruments for improving national and regional economic growth and increasing national income. They enable countries to attract foreign direct investments, facilitate economic diversification, create employment and deepen as well as extend industry value chains. According to the research report prepared for this meeting, through SEZs, governments can facilitate human capital development, generate government revenue streams, reduce government expenditure on unemployment benefits and provide markets for domestically produced goods and services. SEZs can also contribute to the host country's export rates due to their ability to produce goods and services, which are sold in foreign markets.

The report reveals that there has been a rapid expansion of SEZs worldwide since 1980s. There are approximately 242 SEZs operating within 33 OIC Member Countries. Approximately 36% of SEZs in the OIC Region are Free Trade Zones, while approximately 25% are classified as Export Processing Zones (EPZ). They are followed by Hybrid EPZs and other types of SEZs with 15% and 14% respectively.

According to the report, the following challenges are faced by the Member Countries with respect to the development of SEZs:

- Poor governance and regulatory environment - including ease of doing business,
- Poor business environment,
- Inefficient zone management,
- Unreliable utilities infrastructure,
- Poor quality transport infrastructure.

In order to address these challenges, the Working Group has come up with the following policy recommendations:

- Designing and programming Special Economic Zones in line with the national economic strategies for ensuring their complementarity with the national economic growth targets and industry sector priorities,
- Improving economic performance of SEZ programmes through developing unique incentives frameworks – fiscal and non-fiscal - which attract investments and foster effective and efficient business environments,
- Improving the competitive advantage of SEZ programmes through effective site and sector targeting based on a robust understanding of national economic priorities and competitive advantages,
- Designing an efficient legal and regulatory framework to create a 'special' economic operating environment which considers and complements the existing legal and regulatory environment,
- Assigning/Establishing a single SEZ authority to regulate all SEZs within the country and supporting SEZ programmes through active involvement of key stakeholders and development of SEZ working groups.

Trade Financing:

The COMCEC Trade Working Group also touched upon the trade financing issues in its Meetings. In its fifth meeting held on March 26th, 2015, the TWG evaluated the present situation in the Member Countries with respect to Export Credit Agencies (ECAs). After detailed deliberations, the Working Group came up with the following policy recommendations in order to improve the role of ECAs in the Member Countries⁴⁴;

- *Member States are encouraged to examine and assess the financing needs of their exporters*
- *Member States are invited to enhance transactional cooperation among their ECAs*
- *Member States are encouraged to review the soundness of their ECAs with the aim of improving the overall performance of the ECA*
- *Member states are called on to promote public-private dialogue within the ECA context*
- *Member states are encouraged to initiate capacity building activities for strengthening institutional and human capacities of their ECAs*

Despite all odds, especially for SMEs, trade finance promises prospects in future. The analytical study titled “Improving the SMEs Access to Trade Finance in the OIC Member States” commissioned by the COMCEC Coordination Office for the 2nd Meeting of the COMCEC Trade Working Group envisages that through appropriate policy and regulatory treatment of trade finance, coupled with recent innovations like supply chain finance and the key role of ECAs and IFIs in supporting access to trade finance, a far more positive view of the immediate future in terms of SMEs access to finance and trade finance is possible. Moreover developments in Islamic Finance and adaptation of Islamic Finance Tools would offer great opportunities for COMCEC Countries⁴⁵.

Furthermore, the COMCEC has initiated the Export Financing Scheme (EFS) and Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC) to contribute to financing trade among the Member States.

The Export Financing Scheme (EFS) was first initiated by the COMCEC as the Longer-Term Trade Financing Scheme. IDB was entrusted with the implementation of the EFS. The 10th IDB Annual Meeting, held in March 1986 in Amman, Jordan, approved the Longer-Term Trade Financing Scheme. The title of the Scheme was later changed to Export Financing Scheme (EFS) and it became operational in 1988.

The EFS aims at promoting exports of non-conventional commodities by providing the necessary short and long-term funds. The repayment periods under the Scheme were originally between 6 and 60 months for the intra-OIC export. This period has now been extended to ten years for capital goods, such as ships, machinery etc. Each Member State participating in the EFS had one or more national agencies for the Scheme. The role of the national agencies was to coordinate the promotion of the EFS in their countries. Since its inception in 1988, cumulatively over an amount of USD 3 billion of approvals were made under the Scheme.

After the establishment of the International Islamic Trade Finance Corporation (ITFC), in 2005, all trade financing activities of the IDB, including the EFS, were brought under the ITFC. The ITFC commenced business at the beginning of 2008. Most common modes of trade financing provided by the ITFC are murabaha, installment sale and istisna’a.

⁴⁴ COMCEC Coordination Office, 2015a.

⁴⁵ COMCEC Coordination Office, 2013b.

Since its establishment, the ITFC has increased the volume of operations and business portfolio. In this regard, total cumulative approvals and disbursements reached US\$47.4 billion and US\$37.2 billion, respectively. In order to have greater impact, it also gives more emphasis on providing finance to Least Developed Member Countries (LDMC's), SMEs and strategic commodities produced in the Member States such as oil, cotton, wheat etc.

The Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC) is a subsidiary organ of the IDB. It was established in 1994 with an authorized capital of ID 100 million (about USD 127 million) and become operational in 1995. ICIEC has 42 Member Countries. The objective of the ICIEC is to expand the scope of trade transactions and the flow of investments among Member Countries of the OIC.

7. CONCLUSION

After contracting sharply in 2009 due to global crisis, 2017 marked the first year that the world trade increased significantly both in value and volume terms since the global crisis. Compared to the previous year, the growth of the world trade decreased from 10.31 per cent to 10.30 per cent.

The World Bank highlighted that mounting trade tensions, an increase in trade-restrictive measures including new tariffs and retaliatory measures, volatility in financial markets and tighter monetary conditions in developed countries, and continuing economic uncertainty created real challenges for world trade in 2018. These factors and a deceleration in overall economic activity slowed momentum in global trade, restricting merchandise trade growth to 3 per cent compared with 4.6 per cent in 2017. This downward trend is expected to continue in 2019, with trade projected to grow by just 2.6 per cent⁴⁶.

The total OIC exports which have been on a downward trend since 2012 contracted severely in 2015 and 2016. However, in 2017 and 2018 total OIC exports recorded an increase. Compared to the previous year (2017), the total OIC exports increased 22 per cent. Meanwhile total OIC imports increased 4 per cent in 2018. It was 1.7 trillion USD in 2017 and amounted to 1.77 trillion USD in 2018. Product concentration of total OIC exports is very high. The exports of mineral fuels, oils and distillation products in total OIC exports has been leading sector or groups of commodities during 2016, 2017 and 2018. This is particularly due to the rise in oil prices since 2017. This sector was followed by electrical machinery and equipment, pearls, precious stones, ores, slag and ash and machinery, mechanical appliances. These five sectors as a whole accounted for 64 per cent of total OIC exports in 2018.

Several factors accounted for the strong performance in total OIC exports in 2018 including the revival of global economic activity and rising commodity prices. Rising commodity prices especially that of oil price led to increased export revenues of resource based countries and increased their import demand. However, although the intra-OIC trade (average of intra-OIC exports and intra-OIC imports) remained weak since 2014, it slowly started to move up and reached to 528 billion USD in 2016, 623 billion USD in 2017 and then 673 billion USD in 2018. It should be noted however that intra-OIC trade is still 69 billion USD below its peak levels achieved in 2013. In 2018, intra-OIC exports accounted for 17 percent of total OIC exports while intra OIC imports accounted for 18.8 percent of total OIC imports.

Among the leading countries in intra-OIC trade in 2018, UAE ranked first and followed by Turkey, Saudi Arabia, Indonesia and Malaysia. Top ten countries accounted for the 76.3 per cent of the intra-OIC trade. In reality, there is a great diversity among the Member States with regards to the share of intra-OIC trade to their total trade. For example, while the share of intra-OIC trade was 62.8 percent in Afghanistan, 42.6 per cent in Togo, 24.8 per cent in Uzbekistan, the share of intra-OIC trade was as low as 6.2 and 7.3 per cent in Gabon and Guyana.

Total commercial services trade in the OIC reached its peak level in 2014 and recorded as 870 billion USD. Compared to the year 2014, this peak was exceeded in 2018 with 4.8 percent increase and reached to 912 billion USD. With respect to the structure of the trade in services, OIC services imports has dominated the services exports in the last decade. Accordingly, the OIC commercial services exports constituted only about 42 per cent of the total commercial services trade in 2018. However, services exports grew at an annual average rate of 4.3 per cent while

⁴⁶ https://www.wto.org/english/res_e/booksp_e/anrep_e/anrep19_chap1_e.pdf

services imports grew by 3.1 per cent during 2009-2018 period. Thus, the share of services exports has increased over the last decade from 39 per cent in 2009 to 42 per cent in 2018.

In the context of trade liberalization and facilitation, most of the OIC member states have showed interest in joining the World Trade Organization (WTO)⁴⁷. Up to date 44 OIC member states have acceded to the WTO and 11 member states have the observer status. Afghanistan became the last member of WTO on 29 July 2016. At the same time, 39 OIC Member States have already ratified the WTO Trade Facilitation Agreement (TFA).

Regional Trade Agreements (RTAs) is another approach for trade liberalization. Most of the OIC Member States also took part in one or more RTAs over time. The number of RTAs, which include one or more OIC Member States, has reached 113 by October 2019. Most of these RTAs are in the form of FTAs. Most of the RTAs signed by the OIC Member States are bilateral and concluded with the developed countries.

Global foreign direct investment (FDI) flows slid by 13 per cent in 2018, to 1.3 trillion USD from 1.5 trillion USD the previous year – the third consecutive annual decline, according to UNCTAD's World Investment Report 2019⁴⁸. The analysis of this flow indicated that the global FDI inflows and shares of developing and developed countries versus OIC countries. It reveals that the developed countries continue to get the largest recipient of FDI with a share of 54 per cent in global FDI inflows while the share of developing countries is 43 per cent in 2018. The share of OIC countries in global FDI inflows remained significantly lower, below 7 per cent 2017.

COMCEC aims at enhancing economic and commercial cooperation among the 57 OIC Member States. Since 1984, COMCEC has initiated many cooperation programs and projects towards increasing intra-OIC trade and addressing the common challenges. Some of these programs and projects have been realized successfully. Taking into consideration the diversity a trade patterns of the Member States and the common challenges faced by them, the COMCEC Strategy has identified trade as one of its cooperation areas.

Under this cooperation area, the Strategy defined trade liberalization, trade facilitation, trade promotion and trade financing as the output areas in order to reach its strategic objective, which is “enhancing trade among the Member States”. Furthermore, the Strategy brought two new implementation instruments, namely Trade Working Group and COMCEC Project Funding to reach its target.

The implementation of the Strategy with the active participation of the Member States will contribute to improving the trade environment in the Member States and enhancing intra-OIC trade.

As the most important project of the COMCEC in the field of trade, TPS-OIC will be hopefully operationalized soon with the completion of some procedures by the participating Member Countries. The System will not only facilitate increasing the intra-OIC trade, but also build a framework for cooperation among the OIC Member Countries. Thus, it will be a basis for further cooperation among the member countries.

⁴⁷ The World Trade Organization (WTO) is the only global international organization dealing with the rules of trade between nations. At its heart are the WTO agreements, negotiated and signed by the bulk of the world's trading nations and ratified in their parliaments. The goal is to ensure that trade flows as smoothly, predictably and freely as possible.

⁴⁸ <https://unctad.org/en/pages/newsdetails.aspx?OriginalVersionID=2118>

8. REFERENCES

AMCML (Al Masah capital Management Limited) (2012) “MENA Trade Finance” Dubai

Bhattacharya, Rina and Wolde, Hirut (2010) —Constraints on Trade in the MENA Region, IMF Working Paper.

BP (2018) “Statistical Review of World Energy 2018”
<https://www.bp.com/content/dam/bp/en/corporate/pdf/energy-economics/statistical-review/bp-stats-review-2018-full-report.pdf>

Brown D., Deardoff A., and Stern R., “Computational Analysis of Multilateral Trade Liberalization in the Uruguay Round and Doha Development Round. 2002. Discussion Paper No. 489 School of Public Policy, The University of Michigan.

COMCEC Coordination Office (2013a) “Promoting the SMEs Exports in the OIC Member Countries: The Role of the TPOs”.

COMCEC Coordination Office (2013b) “Improving the SMEs Access to Trade Finance in the OIC Member States”.

COMCEC Coordination Office (2014) “Facilitating Intra-OIC Trade: Improving Customs Procedures in the OIC Member States”.

COMCEC Coordination Office (2015a) “Improving the Role of Eximbanks/ECAs in the OIC Member States.”

COMCEC Coordination Office (2015b) “Establishing Well Functioning National Trade Facilitation Bodies in the OIC Member States.”

COMCEC Coordination Office (2016a) “Strengthening the Compliance of the OIC Member States to International Standards”.

COMCEC Coordination Office (2016b) “Improving the Border Agency Cooperation among the OIC Member States for Facilitating Trade”.

COMCEC Coordination Office (2017a) “Single Window Systems in the OIC Member States”.

Contessi, Silvio and de Nicola, Francesca (2012) “The Role of Financing in International Trade during Good Times and Bad” published in The Regional Economist.
<http://www.stlouisfed.org/publications/re/articles/?id=2199>

De, Prabir (2009) —Enhancing Asia’s Trade: Transport Costs matter in Impact of Trade Facilitation on Export Competitiveness: A Regional Perspective

Hailu, Zenegnaw Abiy (2010) “Impact of Foreign Direct Investment on Trade of African Countries” Published in international Journal of Economics and Finance

Harding, Torfinn and Javorcik, Beata Smarzynska (2011) “Note on the effect of FDI on export diversification in Central and Eastern Europe” DECRG-TR FDI and Export Diversification.

ICC (2013) “Open Markets Index” available at <http://www.iccwbo.org/Global-influence/G20/Reports-and-Products/Open-Markets-Index/>

IMF (2001) “Global Trade Liberalization and the Developing Countries” available at <http://www.imf.org/external/np/exr/ib/2001/110801.htm#ii>

IMF (2010) “Regional Economic Outlook: Sub Saharan Africa, Resilience and Risks” Washington D.C., USA

IMF (2018) “World Economic Outlook Update” January 2018, Washington D.C.

ITFC (2015) “ITFC Progress Report on Enhancing Intra-OIC Trade” submitted to the 31st Meeting of the Follow-up Committee of the COMCEC.

Iwamoto, Manabu and Nabeshima Kaouru (2012) “Can FDI Promote Export Diversification and Sophistication of Host Countries? Dynamic Panel System GMM Analysis”, IDE Discussion Paper no: 347

Jayaweera, Shasheen (2009) “Foreign Direct Investment and Export Diversification in Low Income Nations” Honours Thesis

Lipsey, Robert E. (2004) “Home- and Host-Country Effects of Foreign Direct Investment” Chapter in NBER book Challenges to Globalization: Analyzing the Economics (2004), Robert E. Baldwin and L. Alan Winters

Love, P. and R. Lattimore (2009) “International Trade: Free, Fair and Open?”, OECD Insights, OECD Publishing.

Malouche, Mariem (2009) “Trade and Trade Finance Developments in 14 Developing Countries Post September 2008” A World Bank Survey

Nordas, H. K., E. Pinali and M. Geloso Grosso (2006), “Logistics and Time as a Trade Barrier”, *OECD Trade Policy Working Papers*, No. 35, OECD publishing, © OECD.

OECD (2011) “The Impact of Trade Liberalisation on Jobs and Growth”, OECD Trade Policy Working Paper No. 107, 2011

OECD (2013) “Benefits of Trade Liberalization: Regional Trade Agreements” available at <http://www.oecd.org/tad/benefitlib/regionaltradeagreements.htm>

- Panagariya, Arvind (2005) “The Protection Racket” published in Foreign Policy September/October 2005
- Pavcnik, Nina (2009) “Benefits and Costs of Free Trade for Less Developed Countries” available at http://www.booksandideas.net/IMG/pdf/20091105_pavcnikanglais.pdf
- Rocha, Roberto, Farazi, Subika, Khouri, Rania and Pearce, Douglas (2011) “The Status of Bank Lending to SMEs in the Middle East and North Africa Region” Results of a Joint Survey of the Union of Arab Bank and the World Bank.
- SESRIC (2012) “Report and Recommendations of the Workshop on Enhancing the Competitiveness of Small and Medium Scale Enterprises in the OIC Member States”, Ankara.
- SESRIC (2012a), “Annual Economic Report on the OIC Countries”, Ankara
- SESRIC (2012b) “SWOT Outlook on OIC Member Countries”, Ankara
- Spalla, José G. Gijón (2010) “Will the New Foreign Direct Investment Regime Promote Export Diversification in Algeria? A perspective from Chile’s and Malaysia’s Successes” The Maghreb Center Journal, Issue 1, Spring/Summer 2010
- Teravaninthorn, Supee and Raballand, Gael (2009) “Transport Prices and Costs in Africa: A Review of the Main International Corridors” World Bank, Washington D.C., USA
- UN (2018) “World Economic Situation and Prospects 2018” New York, USA
- UNCTAD (2011) “Foreign Direct Investment in LDCs: Lessons learned from the Decade, 2001-2010 and The Way Forward” New York and Geneva, 2011
- UNCTAD (2012) “Trade Financing and Regional Financial Institutions from a South–South Perspective” Background note by the UNCTAD secretariat
- UNCTAD (2017) “Evolution of the International Trading System and Its Trends from a Development Perspective” UNCTAD, Trade and Development Board, Sixty-fourth Session, 3 July 2017. http://unctad.org/meetings/en/SessionalDocuments/tdb64d5_en.pdf.
- UNCTAD (2018) “World Investment Report 2018: Investment and New Industrial Policies” UNCTAD, Geneva <https://unctad.org/en/pages/PublicationWebflyer.aspx?publicationid=2130>
- UNCTAD, “Forum on Global Importance of Services” <https://unctad.org/en/conferences/gsf/2013/pages/importance-of-services.aspx>
- UNDESA and UNCTAD (2018) “World Economic Situation and Prospects, Geneva
- UNECE (2018) “Trade facilitation - principles and benefits” <http://tfig.unece.org/details.html>
- UNESCAP (2002) “Trade Facilitation Handbook for the Greater Mekong Sub- region” New York

UNESCAP (2005) “Trade Finance Infrastructure Development Handbook for Economies in Transition” New York

WEF (2016) “The Global Enabling Trade Report 2016” Geneva

World Bank (2012) “Role of Services in Economic Development” Geneva

World Bank (2018) “Commodity Markets ” <http://www.worldbank.org/en/research/commodity-markets#1>

World Bank (2018) “Connecting to Compete 2018: Trade Logistics in the Global Economy” Washington, DC

World Bank (2018) “Doing Business 2018: Reforming to Create Jobs”, Washington DC

World Bank Group (2018) Global Economic Prospects, June 2018: The Turning of the Tide? Washington, DC: World Bank

WTO (2004) “World Trade Report 2004: Exploring the Linkage between the Domestic Policy Environment and International Trade” Geneva, Switzerland

WTO (2013a) “Trade Finance” available at http://www.wto.org/english/thewto_e/coher_e/tr_finance_e.htm

WTO (2013b) “Regional Trade Agreements Information System (RTA-IS)” <http://rtais.wto.org/UI/PublicMaintainRTAHome.aspx>

WTO (2015) “World Trade Report 2015: Speeding up trade: benefits and challenges of implementing the WTO Trade Facilitation Agreement”, Geneva

WTO (2015) “Trade in Services” Geneva https://www.wto.org/english/thewto_e/20y_e/services_brochure2015_e.pdf

WTO (2016) “World Trade Report”, Geneva.

WTO (2018) “World Tariff Profiles”

WTO (2018) “World Trade Statistical Review”

WTO (2018) “WTO:Press Releases” 12 April 2018 https://www.wto.org/english/news_e/pres18_e/pres18_e.htm

WTO (2018) “Trade Policy Review Body, Report to the TPRB from the Director General on Trade Related Developments” 10 July 2018

https://www.wto.org/english/news_e/news18_e/trdev_25jul18_e.htm

9. APPENDIX:

Table A.1: The Official 3 Regional Groups of the OIC Member States

Arab Group	Asian Group(*)	African Group
Algeria	Afghanistan	Benin
Bahrain	Albania	Burkina Faso
Comoros	Azerbaijan	Cameroon
Djibouti	Bangladesh	Chad
Egypt	Brunei	Cote d'Ivoire
Iraq	Indonesia	Gabon
Jordan	Iran	Gambia
Kuwait	Kazakhstan	Guinea
Lebanon	Kyrgyz Republic	Guinea-Bissau
Libya	Malaysia	Mali
Mauritania	Maldives	Mozambique
Morocco	Pakistan	Niger
Oman	Tajikistan	Nigeria
Palestine	Turkey	Senegal
Qatar	Turkmenistan	Sierra Leone
Saudi Arabia	Uzbekistan	Togo
Somalia		Uganda
Sudan	Guyana	
Syria	Suriname	
Tunisia		
UAE		
Yemen		

(*) Guyana and Suriname which are geographically located in Latin America are included in Asian Group.

Table A-2: Total Trade of the OIC Countries

	Total Exports (million \$)			% Change 2018/ 2017	Total Imports (million \$)			% Change 2018/ 2017	Total Trade (million \$)			% Change 2018/ 2017	Share in OIC (%)		
	2016	2017	2018		2016	2017	2018		2016	2017	2018		Total Exports	Total Imports	Total Trade
Afghanistan	1,046	1,459	1,782	22.1	12,908	14,287	14,817	3.7	13,954	15,746	16,598	5.4	0.1	0.8	0.4
Albania	1,961	2,463	3,099	25.8	4,666	5,670	6,406	13.0	6,628	8,134	9,506	16.9	0.2	0.4	0.3
Algeria	28,960	35,146	41,168	17.1	47,778	50,125	49,631	-1.0	76,738	85,271	90,799	6.5	2.1	2.8	2.4
Azerbaijan	13,458	15,320	19,459	27.0	8,489	8,783	11,465	30.5	21,947	24,103	30,924	28.3	1.0	0.6	0.8
Bahrain	12,765	15,273	18,948	24.1	14,804	13,157	14,869	13.0	27,570	28,430	33,817	18.9	0.9	0.8	0.9
Bangladesh	30,195	31,393	33,775	7.6	41,248	47,751	55,319	15.8	71,443	79,144	89,094	12.6	1.7	3.1	2.4
Benin	442	750	976	30.0	2,630	3,061	3,093	1.1	3,072	3,811	4,068	6.8	0.0	0.2	0.1
Brunei Darussalam	4,912	5,587	6,572	17.6	2,664	3,082	4,157	34.9	7,577	8,668	10,729	23.8	0.3	0.2	0.3
Burkina Faso	2,519	2,790	3,204	14.8	3,347	3,722	4,240	13.9	5,866	6,513	7,444	14.3	0.2	0.2	0.2
Cameroon	2,158	3,266	3,931	20.4	4,910	5,197	5,786	11.3	7,068	8,463	9,717	14.8	0.2	0.3	0.3
Chad	1,572	1,223	1,650	34.9	638	584	882	51.0	2,210	1,807	2,532	40.1	0.1	0.0	0.1
Comoros	16	18	21	19.7	188	193	221	14.6	204	211	243	15.0	0.0	0.0	0.0
Côte d'Ivoire	10,675	12,614	11,896	-5.7	8,428	9,632	10,783	12.0	19,102	22,246	22,679	1.9	0.6	0.6	0.6
Djibouti	266	285	321	12.7	1,493	1,619	1,744	7.7	1,758	1,904	2,065	8.4	0.0	0.1	0.1
Egypt	20,022	23,296	28,769	23.5	56,706	59,467	67,609	13.7	76,728	82,763	96,379	16.5	1.4	3.8	2.6
Gabon	3,508	4,015	5,370	33.7	2,385	2,356	2,396	1.7	5,893	6,372	7,766	21.9	0.3	0.1	0.2
Gambia	95	24	24	2.8	384	549	504	-8.1	479	573	529	-7.7	0.0	0.0	0.0
Guinea	2,595	4,041	5,169	27.9	2,275	2,620	2,793	6.6	4,870	6,661	7,962	19.5	0.3	0.2	0.2
Guinea-Bissau	372	363	158	-56.5	256	291	277	-4.8	628	655	435	-33.5	0.0	0.0	0.0
Guyana	1,451	1,646	1,451	-11.8	1,636	1,762	2,373	34.7	3,087	3,408	3,825	12.2	0.1	0.1	0.1
Indonesia	136,846	168,663	180,222	6.9	135,496	156,600	192,086	22.7	272,341	325,263	372,307	14.5	9.0	10.8	9.9
Iran	46,808	66,226	72,621	9.7	43,185	52,086	44,713	-14.2	89,994	118,312	117,334	-0.8	3.6	2.5	3.1
Iraq	46,380	64,408	90,353	40.3	30,463	34,457	35,482	3.0	76,843	98,865	125,836	27.3	4.5	2.0	3.3
Jordan	5,416	6,299	6,544	3.9	16,715	20,317	20,266	-0.2	22,131	26,616	26,811	0.7	0.3	1.1	0.7
Kazakhstan	36,737	48,348	60,654	25.5	25,377	29,139	32,271	10.7	62,114	77,488	92,925	19.9	3.0	1.8	2.5
Kuwait	41,793	49,823	65,665	31.8	30,998	33,712	36,018	6.8	72,791	83,535	101,683	21.7	3.3	2.0	2.7

	Total Exports (million \$)			% Change 2018/ 2017	Total Imports (million \$)			% Change 2018/ 2017	Total Trade (million \$)			% Change 2018/ 2017	Share in OIC (%)		
	2016	2017	2018		2016	2017	2018		2016	2017	2018		Total Exports	Total Imports	Total Trade
Kyrgyz Republic	1,421	1,757	1,712	-2.5	3,846	4,489	4,824	7.5	5,268	6,247	6,536	4.6	0.1	0.3	0.2
Lebanon	3,930	4,026	3,830	-4.9	19,361	19,896	20,378	2.4	23,291	23,922	24,207	1.2	0.2	1.1	0.6
Libya	5,763	13,157	21,718	65.1	6,640	5,923	8,107	36.9	12,403	19,080	29,825	56.3	1.1	0.5	0.8
Malaysia	189,414	217,837	247,365	13.6	168,371	195,079	191,663	-1.8	357,784	412,916	439,029	6.3	12.4	10.8	11.6
Maldives	140	200	182	-9.2	2,132	2,364	2,960	25.2	2,272	2,564	3,141	22.5	0.0	0.2	0.1
Mali	2,846	1,909	1,972	3.3	3,854	4,346	4,590	5.6	6,701	6,254	6,562	4.9	0.1	0.3	0.2
Mauritania	1,628	1,998	1,700	-14.9	2,175	3,523	3,961	12.4	3,803	5,521	5,661	2.5	0.1	0.2	0.2
Morocco	22,826	24,585	27,643	12.4	41,686	44,567	50,733	13.8	64,512	69,153	78,376	13.3	1.4	2.9	2.1
Mozambique	3,336	4,708	5,215	10.8	5,311	5,709	6,795	19.0	8,647	10,417	12,010	15.3	0.3	0.4	0.3
Niger	927	945	575	-39.1	1,865	1,862	1,901	2.1	2,792	2,806	2,476	-11.8	0.0	0.1	0.1
Nigeria	40,350	49,170	66,078	34.4	31,908	35,831	43,214	20.6	72,259	85,001	109,292	28.6	3.3	2.4	2.9
Oman	26,776	35,274	43,373	23.0	23,111	26,518	27,656	4.3	49,887	61,792	71,029	14.9	2.2	1.6	1.9
Pakistan	20,547	21,504	23,191	7.8	46,998	57,286	60,130	5.0	67,545	78,790	83,322	5.8	1.2	3.4	2.2
Palestine	927	1,065	1,098	3.1	5,372	5,852	5,715	-2.3	6,299	6,917	6,813	-1.5	0.1	0.3	0.2
Qatar	57,708	67,498	84,289	24.9	32,292	29,910	31,696	6.0	90,001	97,408	115,985	19.1	4.2	1.8	3.1
Saudi Arabia	198,925	220,360	295,387	34.0	140,169	127,910	126,630	-1.0	339,094	348,270	422,017	21.2	14.8	7.1	11.2
Senegal	2,679	2,477	3,042	22.8	5,480	6,034	7,087	17.5	8,159	8,511	10,130	19.0	0.2	0.4	0.3
Sierra Leone	505	121	86	-29.3	962	1,077	1,082	0.5	1,467	1,198	1,168	-2.5	0.0	0.1	0.0
Somalia	648	487	572	17.4	2,372	2,816	2,909	3.3	3,020	3,303	3,481	5.4	0.0	0.2	0.1
Sudan	2,599	4,100	3,485	-15.0	5,662	9,163	7,850	-14.3	8,261	13,263	11,335	-14.5	0.2	0.4	0.3
Suriname	982	1,051	1,114	6.0	1,177	1,085	1,531	41.1	2,159	2,136	2,644	23.8	0.1	0.1	0.1
Syria	713	712	624	-12.4	4,934	6,153	7,575	23.1	5,647	6,865	8,199	19.4	0.0	0.4	0.2
Tajikistan	877	1,053	1,507	43.1	3,110	3,237	3,693	14.1	3,987	4,290	5,199	21.2	0.1	0.2	0.1
Togo	850	867	2,320	167.6	1,858	1,635	2,935	79.4	2,708	2,502	5,254	110.0	0.1	0.2	0.1
Tunisia	12,893	14,204	15,535	9.4	18,982	20,655	22,626	9.5	31,875	34,859	38,161	9.5	0.8	1.3	1.0
Turkey	142,530	156,993	167,921	7.0	198,618	233,800	223,047	-4.6	341,148	390,793	390,968	0.0	8.4	12.6	10.4

	Total Exports (million \$)			% Change 2018/ 2017	Total Imports (million \$)			% Change 2018/ 2017	Total Trade (million \$)			% Change 2018/ 2017	Share in OIC (%)		
	2016	2017	2018		2016	2017	2018		2016	2017	2018		Total Exports	Total Imports	Total Trade
Turkmenistan	7,699	7,606	9,809	29.0	5,272	3,978	2,512	-36.9	12,971	11,583	12,321	6.4	0.5	0.1	0.3
Uganda	2,297	2,911	2,950	1.4	4,830	5,666	6,822	20.4	7,127	8,576	9,772	13.9	0.1	0.4	0.3
UAE	177,701	200,326	291,573	45.5	272,724	257,713	246,131	-4.5	450,425	458,039	537,705	17.4	14.6	13.9	14.2
Uzbekistan	8,975	10,392	11,224	8.0	11,328	12,035	17,312	43.8	20,303	22,427	28,536	27.2	0.6	1.0	0.8
Yemen	179	559	497	-11.0	7,214	7,112	7,928	11.5	7,393	7,671	8,425	9.8	0.0	0.4	0.2
OIC TOTAL	1,392,558	1,634,590	2,001,389	22.4	1,579,684	1,703,444	1,772,195	4.0	2,972,243	3,338,034	3,773,584	13.0			

Source: IMF Direction of Trade Statistics

Note: The membership status of Syria has been suspended since 2012.

Table A-3: Intra Trade of the OIC Countries

	Share of Intra Trade in Total Trade	Intra-OIC Exports (million \$)			% Change	Intra-OIC Imports (million \$)			% Change	Intra-OIC Trade (million \$)			% Change	Share in the OIC (%)		
														Intra Exports	Intra Imports	Intra Trade
														(%)	(%)	(%)
	2018	2016	2017	2018	2018/ 2017	2016	2017	2018	2018/ 2017	2016	2017	2018	2018/ 2017	2018		
Afghanistan	62.8	8,545	9,131	9,465	3.7	534	780	956	22.6	9,079	9,911	10,421	5.1	2.8	0.3	1.5
Albania	8.3	480	634	746	17.7	43	44	45	0.2	524	679	791	16.5	0.2	0.0	0.1
Algeria	13.3	5,169	6,703	6,763	0.9	3,605	4,429	5,344	20.6	8,775	11,132	12,107	8.8	2.0	1.6	1.8
Azerbaijan	17.5	1,688	1,920	2,527	31.6	1,912	2,290	2,869	25.3	3,600	4,210	5,397	28.2	0.8	0.8	0.8
Bahrain	43.3	2,936	3,377	3,565	5.6	7,193	8,501	11,092	30.5	10,129	11,879	14,657	23.4	1.1	3.3	2.2
Bangladesh	12.5	6,153	7,229	9,723	34.5	1,505	1,549	1,434	-7.4	7,658	8,778	11,158	27.1	2.9	0.4	1.7
Benin	34.4	581	755	821	8.8	230	384	576	50.2	811	1,139	1,398	22.8	0.2	0.2	0.2
Brunei Darussalam	11.1	667	650	645	-0.8	378	672	551	-18.0	1,045	1,322	1,195	-9.6	0.2	0.2	0.2
Burkina Faso	18.0	779	845	998	18.1	195	306	340	10.9	974	1,151	1,337	16.2	0.3	0.1	0.2
Cameroon	17.7	923	1,061	1,140	7.5	500	523	579	10.6	1,424	1,584	1,719	8.5	0.3	0.2	0.3
Chad	18.8	181	158	274	72.9	241	176	203	15.0	421	335	476	42.4	0.1	0.1	0.1
Comoros	40.8	77	80	96	19.7	2	2	3	9.7	78	83	99	19.4	0.0	0.0	0.0
Côte d'Ivoire	23.5	2,071	2,246	2,589	15.3	2,240	2,832	2,729	-3.6	4,311	5,078	5,319	4.7	0.8	0.8	0.8
Djibouti	54.0	710	806	963	19.5	120	129	151	17.1	830	935	1,114	19.2	0.3	0.0	0.2
Egypt	25.9	13,266	14,572	17,174	17.9	7,428	7,241	7,745	7.0	20,693	21,813	24,919	14.2	5.2	2.3	3.7
Gabon	6.2	252	248	261	5.0	173	249	221	-11.3	425	498	482	-3.1	0.1	0.1	0.1
The Gambia	50.2	129	315	258	-17.9	77	9	7	-23.6	206	324	265	-18.0	0.1	0.0	0.0
Guinea	12.2	394	397	402	1.3	293	490	567	15.6	687	887	968	9.2	0.1	0.2	0.1
Guinea-Bissau	17.4	90	82	68	-17.1	29	30	8	-73.4	120	112	76	-32.2	0.0	0.0	0.0
Guyana	7.3	108	137	160	16.9	22	73	118	60.5	130	210	278	32.1	0.0	0.0	0.0
Indonesia	12.4	16,392	20,204	23,987	18.7	12,836	21,187	22,346	5.5	29,228	41,391	46,333	11.9	7.2	6.6	6.9
Iran	23.8	10,183	13,008	10,906	-16.2	8,766	13,352	17,018	27.5	18,949	26,360	27,923	5.9	3.3	5.0	4.2

Iraq	12.3	10,450	12,322	12,161	-1.3	3,031	3,739	3,285	-12.1	13,481	16,061	15,447	-3.8	3.7	1.0	2.3
Jordan	37.5	5,019	6,412	6,850	6.8	2,891	3,274	3,191	-2.5	7,911	9,686	10,042	3.7	2.1	0.9	1.5
Kazakhstan	9.8	2,217	2,563	2,692	5.0	4,246	5,320	6,398	20.3	6,464	7,883	9,090	15.3	0.8	1.9	1.4
Kuwait	17.0	7,178	7,701	8,969	16.5	6,000	6,856	8,329	21.5	13,177	14,557	17,298	18.8	2.7	2.5	2.6
Kyrgyz Republic	24.4	941	965	1,015	5.2	454	626	578	-7.8	1,395	1,591	1,593	0.1	0.3	0.2	0.2
Lebanon	27.6	4,042	4,033	4,393	8.9	2,030	2,240	2,283	1.9	6,072	6,273	6,676	6.4	1.3	0.7	1.0
Libya	14.8	1,312	1,244	1,863	49.7	875	1,594	2,543	59.5	2,187	2,838	4,405	55.2	0.6	0.7	0.7
Malaysia	10.4	15,184	18,981	22,967	21.0	19,784	22,158	22,560	1.8	34,968	41,139	45,527	10.7	6.9	6.6	6.8
Maldives	30.8	596	737	965	31.0	1	1	3	163.3	597	738	968	31.2	0.3	0.0	0.1
Mali	35.3	1,531	1,780	1,861	4.5	822	544	453	-16.8	2,353	2,324	2,314	-0.5	0.6	0.1	0.3
Mauritania	15.8	544	638	686	7.5	178	169	209	24.3	722	806	895	11.0	0.2	0.1	0.1
Morocco	12.2	5,251	5,372	6,806	26.7	3,441	3,150	2,738	-13.1	8,693	8,523	9,544	12.0	2.0	0.8	1.4
Mozambique	9.7	564	774	992	28.1	89	113	168	49.6	653	887	1,160	30.8	0.3	0.0	0.2
Niger	24.5	378	431	455	5.6	331	208	152	-26.8	709	639	607	-5.0	0.1	0.0	0.1
Nigeria	9.7	2,262	2,203	2,877	30.6	4,418	5,222	7,710	47.6	6,680	7,425	10,587	42.6	0.9	2.3	1.6
Oman	40.0	14,405	14,846	16,839	13.4	7,586	10,227	11,583	13.3	21,991	25,073	28,422	13.4	5.1	3.4	4.2
Pakistan	34.1	15,082	19,620	23,056	17.5	4,949	4,982	5,352	7.4	20,031	24,602	28,408	15.5	6.9	1.6	4.2
Qatar	12.6	6,944	5,668	4,495	-20.7	9,195	8,911	10,106	13.4	16,139	14,579	14,601	0.1	1.4	3.0	2.2
Saudi Arabia	19.4	22,737	22,630	24,285	7.3	35,885	48,593	57,501	18.3	58,622	71,223	81,786	14.8	7.3	16.9	12.2
Senegal	27.9	1,220	1,337	1,732	29.5	1,233	1,147	1,091	-4.8	2,453	2,484	2,823	13.6	0.5	0.3	0.4
Sierra Leone	26.3	283	267	281	5.2	175	25	27	5.2	458	292	307	5.2	0.1	0.0	0.0
Somalia	39.6	649	862	893	3.6	580	435	486	11.8	1,229	1,297	1,379	6.4	0.3	0.1	0.2
Sudan	46.4	2,989	3,427	2,950	-13.9	2,211	2,992	2,309	-22.8	5,200	6,419	5,259	-18.1	0.9	0.7	0.8
Suriname	12.5	21	32	32	-1.3	412	180	298	65.7	433	212	330	55.5	0.0	0.1	0.0
Syria	14.8	966	1,050	691	-34.2	591	587	523	-10.9	1,557	1,637	1,214	-25.9	0.2	0.2	0.2
Tajikistan	39.0	994	1,121	1,285	14.6	473	594	743	25.0	1,467	1,715	2,028	18.2	0.4	0.2	0.3
Togo	42.6	323	348	612	75.8	587	614	1,627	164.8	910	963	2,240	132.6	0.2	0.5	0.3

Tunisia	14.9	2,887	3,199	3,639	13.7	1,996	1,869	2,051	9.7	4,883	5,068	5,690	12.3	1.1	0.6	0.8
Turkey	17.8	23,178	31,957	28,416	-11.1	41,232	45,133	41,173	-8.8	64,411	77,090	69,588	-9.7	8.5	12.1	10.3
Turkmenistan	17.9	1,619	1,302	715	-45.1	1,306	800	1,496	86.9	2,925	2,102	2,210	5.2	0.2	0.4	0.3
Uganda	27.2	1,114	1,601	1,979	23.6	442	610	679	11.4	1,556	2,211	2,658	20.2	0.6	0.2	0.4
UAE	19.9	35,600	44,085	43,778	-0.7	53,532	60,794	63,064	3.7	89,132	104,880	106,842	1.9	13.2	18.6	15.9
Uzbekistan	24.8	2,000	2,030	3,526	73.7	2,715	3,049	3,563	16.9	4,715	5,079	7,089	39.6	1.1	1.0	1.1
Palestine	15.6	809	952	865	-9.2	123	151	197	30.3	932	1,103	1,061	-3.8	0.3	0.1	0.2
Yemen	45.6	3,121	2,838	3,477	22.5	137	365	367	0.4	3,258	3,203	3,844	20.0	1.0	0.1	0.6
OIC TOTAL	17.8	266,187	309,887	332,627	7.3	262,278	312,524	339,738	8.7	528,465	622,411	672,365	8.0			

Source: IMF Direction of Trade Statistics

Note: The membership status of Syria has been suspended since 2012.

TABLE A-4: TOP THREE TRADING PARTNERS OF THE OIC COUNTRIES IN TOTAL TRADE (2018)

	Top 3 Destinations of OIC Exports			Sub Total		Top 3 Origins of OIC Imports			Sub Total
Afghanistan	Pakistan 42.6%	India 40.4%	China 3.2%	86.1%	Afghanistan	Iran 17.3%	China 16.0%	Pakistan 14.9%	48.2%
Albania	Italy 48.1%	Kosovo 8.7%	Spain 7.8%	64.6%	Albania	Italy 27.4%	Turkey 8.5%	China 8.4%	44.2%
Algeria	Italy 15.2%	Spain 12.4%	France 11.5%	39.2%	Algeria	China 16.0%	France 9.8%	Italy 7.5%	33.2%
Azerbaijan	Italy 30.2%	Turkey 9.4%	Israel 6.7%	46.3%	Azerbaijan	Russia 16.4%	Turkey 13.8%	China 10.4%	40.6%
Bahrain	UAE 24.8%	Saudi Arabia 14.7%	Japan 8.3%	47.8%	Bahrain	China 12.7%	UAE 8.8%	US 8.2%	29.7%
Bangladesh	Germany 13.2%	US 12.4%	UK 8.5%	34.0%	Bangladesh	China 23.8%	India 15.7%	Singapore 5.2%	44.7%
Benin	Bangladesh 22.7%	India 18.3%	Vietnam 10.0%	50.9%	Benin	Thailand 14.0%	India 12.1%	Togo 9.3%	35.4%
Brunei Darussalam	Japan 34.8%	Thailand 10.5%	Korea 9.4%	54.7%	Brunei Darussalam	China 39.4%	Singapore 13.8%	Malaysia 13.3%	66.5%
Burkina Faso	Switzerland 54.2%	India 15.6%	Singapore 8.1%	77.9%	Burkina Faso	China 12.4%	Côte d'Ivoire 11.7%	France 7.4%	31.5%
Cameroon	China 19.1%	Italy 16.0%	Netherlands 10.7%	45.8%	Cameroon	China 18.9%	France 8.7%	Nigeria 5.0%	32.6%
Chad	India 28.8%	US 27.4%	Netherlands 22.3%	78.5%	Chad	China 22.3%	France 12.6%	Cameroon 10.3%	45.1%
Comoros	France 47.9%	India 13.8%	Germany 5.7%	67.3%	Comoros	UAE 30.8%	France 15.9%	China 12.5%	59.2%
Côte d'Ivoire	Netherlands 11.9%	US 9.2%	Vietnam 5.8%	26.8%	Côte d'Ivoire	China 13.1%	France 11.6%	Nigeria 10.2%	34.9%
Djibouti	Somalia 27.5%	Ethiopia 27.5%	Brazil 9.8%	64.7%	Djibouti	UAE 21.6%	France 14.3%	Oman 11.1%	46.9%
Egypt	Italy 13.0%	US 9.3%	UAE 8.8%	31.0%	Egypt	China 9.7%	Saudi Arabia 7.1%	UAE 5.5%	22.3%

	Top 3 Destinations of OIC Exports			Sub Total			Top 3 Origins of OIC Imports			Sub Total
Gabon	China 35.1%	Korea 12.4%	US 10.5%	58.0%		Gabon	France 25.5%	Belgium 16.1%	China 12.7%	54.4%
The Gambia	Vietnam 32.0%	Mali 13.0%	Korea 9.7%	54.7%		The Gambia	Côte d'Ivoire 35.6%	Brazil 10.1%	China 7.9%	53.6%
Guinea	China 51.9%	Ghana 18.6%	UAE 6.2%	76.6%		Guinea	China 13.8%	India 12.9%	Netherlands 12.2%	38.9%
Guinea-Bissau	India 79.1%	China 4.8%	Côte d'Ivoire 3.7%	87.5%		Guinea-Bissau	Portugal 52.6%	Senegal 10.4%	China 9.2%	72.2%
Guyana	Canada 27.5%	US 14.0%	Panama 11.2%	52.7%		Guyana	Trinidad and Tobago 30.6%	US 27.6%	China 9.3%	67.4%
Indonesia	China 15.1%	Japan 10.8%	US 10.3%	36.1%		Indonesia	China 24.2%	Singapore 11.4%	Japan 9.5%	45.1%
Iran	China 28.5%	India 19.2%	Turkey 9.0%	56.7%		Iran	China 22.3%	UAE 16.4%	Germany 6.6%	45.4%
Iraq	India 24.1%	China 23.5%	US 12.4%	59.9%		Iraq	Turkey 24.9%	China 23.9%	Korea 5.7%	54.5%
Jordan	US 27.6%	India 10.9%	Saudi Arabia 10.8%	49.3%		Jordan	Saudi Arabia 16.7%	China 13.7%	US 8.8%	39.2%
Kazakhstan	Italy 19.3%	China 10.3%	Netherlands 10.2%	39.8%		Kazakhstan	Russia 37.1%	China 16.7%	Germany 5.1%	58.8%
Kuwait	China 22.1%	Korea 18.2%	India 11.3%	51.6%		Kuwait	China 16.7%	US 8.7%	UAE 8.7%	34.0%
Kyrgyz Republic	UK 39.1%	Russia 16.4%	Kazakhstan 13.8%	69.4%		Kyrgyz Republic	China 40.3%	Russia 25.4%	Kazakhstan 10.1%	75.7%
Lebanon	UAE 14.6%	Syria 6.6%	Saudi Arabia 6.3%	27.4%		Lebanon	China 10.1%	Greece 8.8%	Italy 7.7%	26.7%
Libya	Italy 18.1%	China 17.7%	Spain 12.1%	47.9%		Libya	Turkey 16.1%	China 15.8%	Korea 7.4%	39.4%
Malaysia	Singapore 13.9%	China 13.9%	US 9.1%	36.9%		Malaysia	China 22.6%	Singapore 13.3%	Japan 8.2%	44.2%

	Top 3 Destinations of OIC Exports			Sub Total			Top 3 Origins of OIC Imports			Sub Total
Maldives	Thailand 36.3%	Germany 12.7%	UK 9.2%	58.2%		Maldives	UAE 18.1%	China 16.5%	Singapore 12.5%	47.1%
Mali	Switzerland 43.5%	South Africa 24.9%	Bangladesh 7.5%	76.0%		Mali	Senegal 18.1%	China 14.6%	Côte d'Ivoire 9.4%	42.1%
Mauritania	China 36.4%	Eswatini 16.7%	Spain 13.8%	66.9%		Mauritania	Korea 23.2%	Norway 10.5%	UAE 8.6%	42.3%
Morocco	Spain 22.8%	France 22.3%	Brazil 6.2%	51.3%		Morocco	Spain 15.7%	France 11.9%	China 9.9%	37.5%
Mozambique	India 27.6%	Netherlands 21.2%	South Africa 17.2%	66.0%		Mozambique	South Africa 26.2%	China 11.8%	UAE 7.7%	45.6%
Niger	Thailand 33.1%	China 11.7%	US 10.1%	54.8%		Niger	France 23.6%	China 16.4%	US 6.7%	46.7%
Nigeria	India 30.4%	US 7.3%	Spain 6.7%	44.4%		Nigeria	China 23.9%	US 10.5%	Belgium 10.0%	44.4%
Oman	China 42.1%	India 10.8%	UAE 7.8%	60.7%		Oman	UAE 47.8%	China 7.5%	US 4.7%	60.0%
Pakistan	US 16.2%	China 8.0%	UK 7.4%	31.6%		Pakistan	China 24.1%	UAE 14.7%	Saudi Arabia 5.4%	44.2%
Palestine	Israel 77.4%	Jordan 9.1%	UAE 3.2%	89.7%		Palestine	Israel 52.6%	Turkey 7.6%	China 7.5%	67.7%
Qatar	Japan 17.5%	Korea 17.5%	India 12.1%	47.2%		Qatar	US 19.4%	China 12.4%	India 6.3%	38.1%
Saudi Arabia	China 13.0%	Japan 11.1%	India 8.9%	33.0%		Saudi Arabia	China 16.7%	US 13.6%	UAE 8.7%	39.0%
Senegal	Switzerland 18.3%	Mali 11.7%	India 10.2%	40.2%		Senegal	France 15.4%	China 13.0%	Nigeria 10.4%	38.7%
Sierra Leone	Côte d'Ivoire 15.3%	Liberia 13.0%	Ghana 10.3%	38.6%		Sierra Leone	China 17.5%	UAE 7.7%	India 7.6%	32.7%
Somalia	Oman 25.4%	UAE 24.5%	Saudi Arabia 11.5%	61.4%		Somalia	China 23.3%	India 15.9%	Ethiopia 10.9%	50.2%

	Top 3 Destinations of OIC Exports			Sub Total			Top 3 Origins of OIC Imports			Sub Total
Sudan	UAE 27.3%	China 21.7%	Saudi Arabia 15.8%	64.8%		Sudan	China 21.7%	India 10.4%	UAE 9.8%	41.9%
Suriname	Switzerland 34.9%	UAE 26.2%	Hong Kong 19.4%	80.6%		Suriname	US 31.1%	Netherlands 16.7%	China 11.6%	59.4%
Syria	Lebanon 26.4%	Saudi Arabia 11.5%	Iraq 9.2%	47.2%		Syria	Russia 17.2%	China 16.9%	Ukraine 13.3%	47.4%
Tajikistan	China 18.3%	Turkey 17.7%	Russia 14.9%	50.9%		Tajikistan	Russia 38.7%	Kazakhstan 17.8%	China 8.5%	65.0%
Togo	Burkina Faso 18.0%	Nigeria 13.9%	Benin 9.3%	41.3%		Togo	China 22.1%	India 9.2%	France 7.8%	39.1%
Tunisia	France 30.7%	Italy 16.6%	Germany 12.5%	59.8%		Tunisia	Italy 15.8%	France 14.4%	China 9.6%	39.9%
Turkey	Germany 9.7%	UK 6.7%	Italy 5.7%	22.1%		Turkey	Russia 10.4%	China 9.8%	Germany 9.6%	29.8%
Turkmenistan	China 78.1%	Afghanistan 7.4%	Turkey 2.5%	88.0%		Turkmenistan	Turkey 19.7%	China 13.4%	Russia 12.2%	45.3%
Uganda	Kenya 20.0%	UAE 18.0%	South Sudan 9.1%	47.1%		Uganda	China 17.8%	India 12.3%	UAE 11.8%	41.9%
United Arab Emirates	Japan 12.6%	India 12.2%	China 7.4%	32.3%		United Arab Emirates	China 15.5%	India 9.4%	US 8.5%	33.5%
Uzbekistan	China 19.3%	Russia 15.5%	Kazakhstan 12.1%	46.8%		Uzbekistan	China 20.4%	Russia 19.5%	Korea 11.2%	51.2%
Yemen	Egypt 35.1%	Malaysia 14.4%	Oman 13.4%	62.9%		Yemen	China 13.1%	UAE 12.0%	Saudi Arabia 10.7%	35.8%

Source: IMF Direction of Trade Statistics

Table A-5: Top Three Trading Partners in Intra Trade (2018)

	Top 3 Destinations of Intra-Exports			Sub Total			Top 3 Origins of Intra-Imports			Sub Total
Afghanistan	Pakistan 79.3%	Turkey 4.6%	Iran 4.2%	88.2%		Afghanistan	Iran 26.7%	Pakistan 23.0%	Kazakhstan 16.7%	66.4%
Albania	Turkey 48.3%	UAE 18.0%	Egypt 7.9%	74.1%		Albania	Turkey 72.6%	Egypt 7.2%	Libya 3.3%	83.0%
Algeria	Turkey 43.3%	Tunisia 17.8%	Morocco 12.2%	73.4%		Algeria	Tunisia 34.2%	Qatar 17.9%	UAE 8.2%	60.2%
Azerbaijan	Turkey 63.6%	Indonesia 20.8%	Tunisia 6.7%	91.2%		Azerbaijan	Turkey 62.4%	Iran 16.4%	Kazakhstan 6.9%	85.7%
Bahrain	UAE 45.1%	Saudi Arabia 24.6%	Oman 13.4%	83.2%		Bahrain	UAE 36.7%	Saudi Arabia 30.7%	Turkey 9.4%	76.8%
Bangladesh	Turkey 27.1%	UAE 19.5%	Malaysia 13.5%	60.1%		Bangladesh	Indonesia 20.2%	Malaysia 15.5%	Saudi Arabia 11.0%	46.7%
Benin	Bangladesh 54.3%	Nigeria 14.5%	Niger 7.6%	76.3%		Benin	Togo 23.5%	Malaysia 18.6%	UAE 11.7%	53.9%
Brunei Darussalam	Malaysia 90.8%	Indonesia 7.9%	UAE 0.8%	99.6%		Brunei Darussalam	Malaysia 85.7%	Indonesia 11.1%	UAE 1.1%	97.8%
Burkina Faso	Côte d'Ivoire 60.5%	Togo 18.0%	Niger 5.1%	83.6%		Burkina Faso	Côte d'Ivoire 48.8%	Togo 12.8%	Morocco 6.8%	68.4%
Cameroon	Bangladesh 24.0%	Chad 14.8%	Malaysia 13.8%	52.6%		Cameroon	Nigeria 25.1%	Mauritania 13.0%	Togo 11.8%	49.9%
Chad	UAE 64.1%	Bangladesh 15.3%	Turkey 12.2%	91.7%		Chad	Cameroon 33.2%	Qatar 13.0%	Turkey 12.2%	58.4%
Comoros	Pakistan 41.7%	Turkey 15.9%	Sudan 12.7%	70.3%		Comoros	UAE 71.1%	Pakistan 14.6%	Qatar 3.9%	89.5%
Côte d'Ivoire	Burkina Faso 18.7%	Mali 16.7%	Malaysia 15.3%	50.7%		Côte d'Ivoire	Nigeria 42.2%	Togo 8.1%	Morocco 7.9%	58.2%
Djibouti	Somalia 58.1%	Yemen 16.6%	Qatar 15.1%	89.8%		Djibouti	UAE 40.2%	Oman 22.8%	Yemen 7.5%	70.5%
Egypt	UAE 29.7%	Turkey 13.0%	Saudi Arabia 12.0%	54.8%		Egypt	Saudi Arabia 25.9%	UAE 20.0%	Turkey 12.4%	58.2%

	Top 3 Destinations of Intra-Exports			Sub Total			Top 3 Origins of Intra-Imports			Sub Total
Gabon	Malaysia 18.5%	Benin 16.4%	Guinea 12.0%	47.0%		Gabon	Cameroon 20.3%	Malaysia 11.5%	Morocco 11.5%	43.3%
The Gambia	Mali 44.7%	Bangladesh 21.7%	Guinea-Bissau 15.2%	81.6%		The Gambia	Côte d'Ivoire 69.5%	Turkey 6.5%	Malaysia 6.1%	82.1%
Guinea	UAE 52.3%	Mali 7.8%	Turkey 7.1%	67.2%		Guinea	UAE 28.5%	Morocco 12.3%	Turkey 12.1%	52.8%
Guinea-Bissau	Côte d'Ivoire 73.7%	Cameroon 20.6%	Lebanon 2.0%	96.3%		Guinea-Bissau	Senegal 42.2%	Pakistan 29.0%	Turkey 7.0%	78.2%
Guyana	UAE 91.4%	Suriname 7.3%	Lebanon 0.4%	99.2%		Guyana	Suriname 74.7%	Turkey 13.9%	Malaysia 3.6%	92.2%
Indonesia	Malaysia 42.2%	Pakistan 11.0%	Bangladesh 8.4%	61.7%		Indonesia	Malaysia 35.9%	Saudi Arabia 20.5%	Nigeria 10.5%	66.9%
Iran	Turkey 38.4%	UAE 27.9%	Afghanistan 14.0%	80.4%		Iran	UAE 66.5%	Turkey 20.7%	Malaysia 4.1%	91.3%
Iraq	Turkey 40.8%	Egypt 34.6%	Malaysia 9.8%	85.3%		Iraq	Turkey 72.7%	Saudi Arabia 9.9%	Jordan 5.7%	88.3%
Jordan	Saudi Arabia 21.2%	Iraq 20.6%	UAE 8.2%	49.9%		Jordan	Saudi Arabia 49.1%	UAE 12.1%	Turkey 11.3%	72.5%
Kazakhstan	Uzbekistan 25.6%	Turkey 19.5%	Kyrgyz Republic 8.9%	54.0%		Kazakhstan	Uzbekistan 31.4%	Turkey 24.3%	Tajikistan 12.1%	67.8%
Kuwait	UAE 26.1%	Egypt 21.8%	Pakistan 16.3%	64.2%		Kuwait	UAE 34.6%	Saudi Arabia 22.8%	Bahrain 8.6%	65.9%
Kyrgyz Republic	Kazakhstan 41.0%	Uzbekistan 27.4%	Turkey 18.0%	86.5%		Kyrgyz Republic	Kazakhstan 47.9%	Turkey 28.6%	Uzbekistan 17.5%	94.0%
Lebanon	UAE 23.0%	Syrian Arab Republic 10.3%	Saudi Arabia 9.9%	43.3%		Lebanon	Turkey 21.9%	Egypt 15.2%	UAE 13.5%	50.6%
Libya	Egypt 66.1%	Turkey 9.7%	Malaysia 8.7%	84.6%		Libya	Turkey 59.4%	Egypt 15.1%	Tunisia 10.4%	84.9%
Malaysia	Indonesia 34.9%	UAE 12.4%	Bangladesh 9.3%	56.6%		Malaysia	Indonesia 43.4%	Saudi Arabia 19.3%	UAE 12.5%	75.2%

	Top 3 Destinations of Intra-Exports			Sub Total			Top 3 Origins of Intra-Imports			Sub Total
Maldives	Bangladesh 61.2%	UAE 18.9%	Indonesia 15.1%	95.2%		Maldives	UAE 55.6%	Malaysia 24.1%	Turkey 9.0%	88.6%
Mali	Bangladesh 33.3%	UAE 24.8%	Côte d'Ivoire 15.8%	73.9%		Mali	Senegal 44.7%	Côte d'Ivoire 23.2%	Mauritania 7.9%	75.8%
Mauritania	Mali 64.6%	Turkey 13.1%	UAE 10.5%	88.2%		Mauritania	UAE 49.5%	Morocco 16.3%	Turkey 14.0%	79.8%
Morocco	Turkey 16.8%	Côte d'Ivoire 7.1%	Mauritania 6.9%	30.8%		Morocco	Turkey 33.4%	Saudi Arabia 17.1%	UAE 11.9%	62.4%
Mozambique	UAE 44.0%	Turkey 24.2%	Bahrain 15.9%	84.0%		Mozambique	UAE 52.3%	Oman 12.5%	Pakistan 6.5%	71.3%
Niger	Nigeria 35.1%	Mali 20.9%	Burkina Faso 15.6%	71.6%		Niger	Nigeria 22.7%	Côte d'Ivoire 11.6%	Togo 11.3%	45.7%
Nigeria	Indonesia 47.0%	Côte d'Ivoire 26.8%	Senegal 12.7%	86.6%		Nigeria	UAE 22.9%	Indonesia 19.8%	Togo 14.9%	57.5%
Oman	UAE 27.5%	Qatar 22.8%	Saudi Arabia 14.5%	64.8%		Oman	UAE 78.5%	Saudi Arabia 6.1%	Iran 3.5%	88.1%
Pakistan	Afghanistan 23.0%	UAE 17.3%	Bangladesh 13.9%	54.2%		Pakistan	UAE 37.6%	Saudi Arabia 13.9%	Indonesia 10.4%	61.8%
Palestine	Jordan 50.9%	UAE 17.9%	Saudi Arabia 8.8%	77.6%		Palestine	Turkey 50.2%	Jordan 18.7%	Saudi Arabia 12.6%	81.5%
Qatar	Pakistan 24.6%	UAE 14.7%	Turkey 10.6%	49.9%		Qatar	Turkey 29.5%	Oman 21.9%	Iran 9.4%	60.8%
Saudi Arabia	UAE 30.6%	Bahrain 13.0%	Egypt 8.8%	52.4%		Saudi Arabia	UAE 45.2%	Turkey 10.4%	Oman 7.1%	62.6%
Senegal	Mali 31.5%	Côte d'Ivoire 11.8%	Guinea 8.6%	52.0%		Senegal	Nigeria 40.4%	Turkey 19.9%	Morocco 6.7%	66.9%
Sierra Leone	Côte d'Ivoire 49.6%	Bangladesh 17.3%	Guinea 8.1%	75.0%		Sierra Leone	UAE 29.4%	Turkey 24.7%	Pakistan 12.8%	66.9%
Somalia	Oman 29.8%	UAE 28.8%	Saudi Arabia 13.5%	72.1%		Somalia	Oman 24.2%	Turkey 21.5%	Djibouti 10.4%	56.2%

	Top 3 Destinations of Intra-Exports			Sub Total			Top 3 Origins of Intra-Imports			Sub Total
Sudan	UAE 40.9%	Saudi Arabia 23.8%	Egypt 20.3%	85.0%		Sudan	UAE 25.3%	Saudi Arabia 22.0%	Egypt 14.2%	61.4%
Suriname	UAE 98.1%	Guyana 1.2%	Bangladesh 0.4%	99.8%		Suriname	Turkey 39.8%	Malaysia 18.5%	Guyana 16.7%	74.9%
Syria	Lebanon 30.1%	Saudi Arabia 13.2%	Iraq 10.5%	53.8%		Syria	Egypt 29.5%	UAE 25.9%	Lebanon 20.9%	76.3%
Tajikistan	Turkey 36.0%	Uzbekistan 20.8%	Algeria 16.5%	73.4%		Tajikistan	Kazakhstan 51.2%	Uzbekistan 16.4%	Iran 9.3%	77.0%
Togo	Burkina Faso 25.7%	Nigeria 19.9%	Benin 13.3%	58.9%		Togo	Saudi Arabia 28.6%	Nigeria 11.8%	Indonesia 11.1%	51.5%
Tunisia	Libya 23.8%	Algeria 20.6%	Morocco 11.3%	55.7%		Tunisia	Turkey 28.5%	Algeria 26.6%	Egypt 11.5%	66.6%
Turkey	Iraq 20.3%	UAE 7.6%	Egypt 7.4%	35.3%		Turkey	Iran 24.4%	UAE 13.3%	Saudi Arabia 8.2%	45.9%
Turkmenistan	Afghanistan 48.6%	Turkey 16.5%	Uzbekistan 15.1%	80.2%		Turkmenistan	Turkey 69.3%	Kazakhstan 12.9%	Saudi Arabia 6.4%	88.5%
Uganda	UAE 77.3%	Sudan 7.9%	Indonesia 3.1%	88.3%		Uganda	UAE 39.7%	Saudi Arabia 30.6%	Indonesia 10.6%	80.9%
United Arab Emirates	Oman 19.8%	Saudi Arabia 16.4%	Pakistan 13.0%	49.2%		United Arab Emirates	Saudi Arabia 17.3%	Iran 11.5%	Turkey 7.9%	36.7%
Uzbekistan	Kazakhstan 38.0%	Turkey 24.3%	Afghanistan 13.1%	75.5%		Uzbekistan	Kazakhstan 43.8%	Turkey 31.1%	Turkmenistan 6.8%	81.7%
Yemen	Egypt 50.1%	Malaysia 19.4%	Oman 15.7%	85.2%		Yemen	UAE 26.2%	Saudi Arabia 23.6%	Turkey 22.3%	72.0%

Source: Direction of Trade statistics

Table A-6: Trading Across Border

Economy	Trading across Borders Score	Trading across Borders rank	Time to export: Border compliance (hours)	Cost to export: Border compliance (USD)	Time to export: Documentary compliance (hours)	Cost to export: Documentary compliance (USD)	Time to import: Border compliance (hours)	Cost to import: Border compliance (USD)	Time to import: Documentary compliance (hours)	Cost to import: Documentary compliance (USD)
Albania	96.29	24	9	55	6	10	10	77	8	10
Turkey	90.27	42	16	358	4	55	11	46	3	80
Malaysia	88.47	48	28	213	10	35	36	213	7	60
Palestine	86.67	54	6	51	72	80	6	50	45	85
Morocco	83.58	62	11	156	26	107	65	228	26	116
Kyrgyz Republic	80.74	70	5	10	21	110	72	512	36	200
Oman	79.39	72	52	261	7	107	70	394	7	124
Jordan	79.03	74	53	131	6	100	79	206	55	190
Bahrain	77.77	77	71	47	24	100	42	397	60	130
Azerbaijan	77.04	84	17	214	33	250	14	300	33	200
Suriname	75.02	87	84	468	12	40	48	658	24	40
Mozambique	73.84	91	66	602	36	160	9	399	16	60
Mali	73.3	92	48	242	48	33	98	545	77	90
Qatar	71.51	97	25	382	10	150	48	558	72	290
UAE	71.5	98	27	462	6	178	54	678	12	283
Tunisia	70.5	101	50	469	3	200	80	596	27	144
Kazakhstan	70.36	102	105	470	128	200	2	0	6	0
Benin	68.94	107	78	354	48	80	82	599	59	110
The Gambia	67.81	113	109	381	48	133	87	326	32	152
Indonesia	67.27	116	53.3	253.7	61.3	138.8	99.4	382.6	106.2	164.4
Comoros	66.87	118	51	651	50	124	70	765	26	93
Uganda	66.73	119	59	209	24	102	145	447	96	296
Burkina Faso	66.58	120	75	261	84	86	102	265	96	197
Iran	66.2	121	101	415	33	60	141	660	40	90

Economy	Trading across Borders Score	Trading across Borders rank	Time to export: Border compliance (hours)	Cost to export: Border compliance (USD)	Time to export: Documentary compliance (hours)	Cost to export: Documentary compliance (USD)	Time to import: Border compliance (hours)	Cost to import: Border compliance (USD)	Time to import: Documentary compliance (hours)	Cost to import: Documentary compliance (USD)
Niger	65.4	124	48	391	51	39	78	462	156	282
Libya	64.66	128	72	575	72	50	79	637	96	60
Togo	63.66	129	67	163	11	25	168	612	180	252
Senegal	60.85	139	61	547	26	96	53	702	72	545
Mauritania	60.3	141	62	749	51	92	69	580	64	400
Pakistan	60.12	142	75	356	55	118	120	475.7	143	250
Guinea-Bissau	59.6	144	118	585	60	160	84	550	36	205
Djibouti	59.37	145	72	605	60	95	118	1055	50	100
Guyana	59.33	146	72	378	200	78	84	265	156	63
Tajikistan	59.06	148	51	313	66	330	107	223	126	260
Brunei Darussalam	58.7	149	117	340	155	90	48	395	132	50
Lebanon	57.9	150	96	480	48	100	180	790	72	135
Maldives	55.87	155	42	596	48	300	100	981	61	180
Saudi Arabia	54.31	158	50	363	60	105	228	779	90	390
Kuwait	54.24	159	96	602	72	191	89	491	96	332
Côte d'Ivoire	52.44	162	239	423	84	136	125	456	89	267
Somalia	51.6	164	44	495	73	350	85	952	76	300
Uzbekistan	49.79	165	112	278	96	292	111	278	174	292
Sierra Leone	48.99	166	55	552	72	227	120	821	137	387
Guinea	47.82	167	72	778	139	128	79	809	156	180
Gabon	43.94	170	96	1633	60	200	84	1320	120	170
Egypt	42.23	171	48	258	88	100	240	554	265	1000
Chad	40.12	172	106	319	87	188	242	669	172	500
Algeria	38.43	173	80	593	149	374	210	409	96	400
Bangladesh	31.76	176	168	408.2	147	225	216	900	144	370

Economy	Trading across Borders Score	Trading across Borders rank	Time to export: Border compliance (hours)	Cost to export: Border compliance (USD)	Time to export: Documentary compliance (hours)	Cost to export: Documentary compliance (USD)	Time to import: Border compliance (hours)	Cost to import: Border compliance (USD)	Time to import: Documentary compliance (hours)	Cost to import: Documentary compliance (USD)
Afghanistan	30.63	177	48	453	228	344	96	750	324	900
Syria	29.83	178	84	1113	48	725	141	828	149	742
Iraq	25.33	181	85	1118	504	1800	131	644	176	500
Nigeria	23.08	182	135.4	785.7	119	250	263.7	1076.8	144	564.3
Sudan	18.96	185	180	967	190	428	144	1093	132	420
Cameroon	15.99	186	202	983	66	306	271	1407	163	849
Yemen	0	189								
OIC Average	58.9		73.7	460.3	72.5	192.4	102.4	568.5	91.2	264.5

Source: World Bank Doing Business database

Note: The membership status of Syria has been suspended since 2012

Table A-7: Performance of the OIC Countries at World Bank's Logistics Performance Index and Key Dimensions

Country	Overall LPI		% of highest performer	Customs		Infrastructure		International shipments		Logistics quality and competence		Tracking and tracing		Timeliness	
	score	rank		score	rank	score	rank	score	rank	score	rank	score	rank	score	rank
Afghanistan	1.9	160	100.0	1.7	158	1.8	158	2.1	152	1.9	158	1.7	159	2.4	153
Albania	2.7	88	175.0	2.3	114	2.3	110	2.8	69	2.6	92	2.7	95	3.2	73
Algeria	2.4	117	152.7	2.1	138	2.4	96	2.4	122	2.4	113	2.6	103	2.8	124
Bahrain	2.9	59	204.0	2.7	63	2.7	68	3.0	55	2.9	58	3.0	60	3.3	68
Bangladesh	2.6	100	166.2	2.3	121	2.4	100	2.6	104	2.5	102	2.8	79	2.9	107
Benin	2.7	76	184.5	2.6	82	2.5	83	2.7	83	2.5	98	2.7	87	3.4	57
Brunei Darussalam	2.7	80	179.9	2.6	73	2.5	89	2.5	113	2.7	77	2.7	88	3.2	80
Burkina Faso	2.6	91	170.9	2.4	100	2.4	95	2.9	60	2.5	106	2.4	124	3.0	95
Cameroon	2.6	95	168.2	2.5	90	2.6	76	2.9	63	2.6	87	2.5	118	2.6	142
Chad	2.4	123	149.4	2.2	134	2.4	104	2.4	125	2.6	86	2.4	127	2.6	138
Comoros	2.6	107	164.2	2.6	72	2.3	113	2.5	116	2.2	138	2.9	68	2.8	120
Côte d'Ivoire	3.1	50	219.5	2.8	51	2.9	56	3.2	45	3.2	37	3.1	49	3.2	71
Djibouti	2.6	90	172.3	2.3	113	2.8	60	2.5	118	2.2	135	2.8	72	3.2	85
Egypt, Arab Rep.	2.8	67	192.4	2.6	77	2.8	58	2.8	73	2.8	63	2.7	89	3.2	74
Gabon	2.2	150	122.5	2.0	148	2.1	136	2.1	153	2.1	151	2.1	153	2.7	135
Gambia, The	2.4	127	147.7	2.1	141	1.8	155	2.7	87	2.2	142	2.8	73	2.7	131
Guinea	2.2	145	126.6	2.4	93	1.6	160	2.3	132	2.1	152	2.7	91	2.0	160
Guinea-Bissau	2.4	129	146.2	2.0	144	1.8	159	2.5	108	2.3	126	2.8	80	2.9	116
Guyana	2.4	132	143.2	2.6	84	2.1	137	2.2	148	2.2	137	2.4	121	2.6	137
Indonesia	3.2	46	226.7	2.7	62	2.9	54	3.2	42	3.1	44	3.3	39	3.7	41
Iran, Islamic Rep.	2.9	64	195.3	2.6	71	2.8	63	2.8	79	2.8	62	2.8	85	3.4	60
Iraq	2.2	147	124.0	1.8	153	2.0	140	2.3	131	1.9	159	2.2	144	2.7	129
Jordan	2.7	84	178.0	2.5	88	2.7	70	2.4	119	2.5	93	2.8	84	3.2	76

Country	Overall LPI		% of highest performer	Customs		Infrastructure		International shipments		Logistics quality and competence		Tracking and tracing		Timeliness	
	score	rank		score	rank	score	rank	score	rank	score	rank	score	rank	score	rank
Kazakhstan	2.8	71	190.8	2.7	65	2.5	81	2.7	84	2.6	90	2.8	83	3.5	50
Kuwait	2.9	63	196.2	2.7	56	3.0	45	2.6	98	2.8	67	2.7	96	3.4	59
Kyrgyz Republic	2.5	108	163.0	2.8	55	2.4	103	2.2	138	2.4	114	2.6	99	2.9	106
Lebanon	2.7	79	181.0	2.4	106	2.6	73	2.8	70	2.5	104	2.8	74	3.2	77
Libya	2.1	154	116.6	2.0	149	2.2	115	2.0	159	2.0	153	1.6	160	2.8	123
Malaysia	3.2	41	234.1	2.9	43	3.1	40	3.3	32	3.3	36	3.1	47	3.5	53
Maldives	2.7	86	175.6	2.4	105	2.7	71	2.7	94	2.3	125	2.6	104	3.3	64
Mali	2.6	96	167.6	2.2	133	2.3	109	2.7	88	2.5	107	3.1	54	2.8	119
Mauritania	2.3	135	140.3	2.2	128	2.3	112	2.2	145	2.2	144	2.5	119	2.7	134
Morocco	2.5	109	162.3	2.3	115	2.4	93	2.6	103	2.5	101	2.5	112	2.9	114
Niger	2.1	157	112.8	1.8	157	2.0	142	2.0	158	2.1	150	2.2	141	2.3	155
Nigeria	2.5	110	161.5	2.0	147	2.6	78	2.5	110	2.4	112	2.7	92	3.1	92
Oman	3.2	43	231.6	2.9	44	3.2	39	3.3	36	3.1	49	3.0	66	3.8	29
Pakistan	2.4	122	149.6	2.1	139	2.2	121	2.6	97	2.6	89	2.3	136	2.7	136
Qatar	3.5	30	260.8	3.0	38	3.4	27	3.8	9	3.4	31	3.6	30	3.7	36
Saudi Arabia	3.0	55	212.0	2.7	66	3.1	43	3.0	56	2.9	57	3.2	46	3.3	67
Senegal	2.3	141	132.0	2.2	130	2.2	118	2.4	128	2.1	149	2.1	150	2.5	145
Sierra Leone	2.1	156	113.6	1.8	155	1.8	156	2.2	147	2.0	156	2.3	134	2.3	154
Somalia	2.2	144	127.4	2.0	145	1.8	157	2.6	100	2.3	121	2.2	140	2.2	157
Sudan	2.4	121	150.5	2.1	136	2.2	125	2.6	102	2.5	96	2.5	115	2.6	139
Syrian Arab Republic	2.3	138	136.6	1.8	154	2.5	82	2.4	126	2.3	124	2.4	128	2.4	148
Tajikistan	2.3	134	141.2	1.9	150	2.2	127	2.3	133	2.3	116	2.3	131	2.9	104
Togo	2.4	118	152.6	2.3	119	2.2	116	2.5	111	2.2	134	2.4	120	2.9	112
Tunisia	2.6	105	165.5	2.4	107	2.1	133	2.5	115	2.3	123	2.9	71	3.2	70

Country	Overall LPI		% of highest performer	Customs		Infrastructure		International shipments		Logistics quality and competence		Tracking and tracing		Timeliness	
	score	rank		score	rank	score	rank	score	rank	score	rank	score	rank	score	rank
Turkey	3.1	47	226.2	2.7	58	3.2	33	3.1	53	3.0	51	3.2	42	3.6	44
Turkmenistan	2.4	126	148.6	2.4	111	2.2	117	2.3	136	2.3	120	2.6	107	2.7	130
Uganda	2.6	102	166.1	2.6	76	2.2	124	2.8	78	2.5	99	2.4	123	2.9	110
United Arab Emirates	4.0	11	311.7	3.6	15	4.0	10	3.8	5	3.9	13	4.0	13	4.4	4
Uzbekistan	2.6	99	166.3	2.1	140	2.6	77	2.4	120	2.6	88	2.7	90	3.1	91
Yemen	2.3	140	133.4	2.4	104	2.1	131	2.2	141	2.3	131	2.2	146	2.4	151
OIC Average	2.6		168.6	2.4		2.5		2.6		2.5		2.6		3.0	
memo item (top three best performing countries in the world)															
Germany	4.2	1	100.0	4.1	1	4.4	1	3.9	4	4.3	1	4.2	2	4.4	3
Sweden	4.1	2	95.4	4.0	2	4.2	3	3.9	2	4.0	10	3.9	17	4.3	7
Belgium	4.0	3	94.9	3.7	14	4.0	14	4.0	1	4.1	2	4.1	9	4.4	1

Source: World Bank Doing Business database

Note: The membership status of Syria has been suspended since 2012

Table A-8: World Economic Forum Enabling Trade Index

Economy	2016		Pillar 1: Domestic market access 2016		Pillar 2: Foreign market access 2016		Pillar 3: Efficiency and transparency of border administration 2016		Pillar 4: Availability and quality of transport infrastructure 2016		Pillar 5: Availability and quality of transport services 2016		Pillar 6: Availability and use of ICTs 2016		Pillar 7: Operating environment 2016	
	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score
UAE	23	5.23	70	5.09	131	2.12	25	5.72	2	6.34	13	5.57	19	6.09	9	5.58
Malaysia	37	4.90	43	5.35	107	3.35	47	5.00	17	5.02	29	4.98	35	5.51	26	5.10
Bahrain	42	4.79	59	5.22	109	3.30	58	4.81	40	4.04	36	4.78	22	5.99	23	5.15
Qatar	43	4.78	71	5.05	134	2.00	46	5.01	25	4.63	24	5.18	29	5.69	10	5.43
Jordan	45	4.73	80	4.90	22	4.86	42	5.22	65	3.59	55	4.29	75	4.36	36	4.76
Oman	46	4.67	25	5.46	118	2.69	48	5.00	32	4.50	50	4.44	54	4.97	30	4.95
Morocco	49	4.60	91	4.57	30	4.59	54	4.89	33	4.33	67	3.99	63	4.67	46	4.59
Turkey	59	4.52	87	4.69	88	3.91	45	5.06	27	4.54	45	4.53	74	4.38	73	4.23
Albania	60	4.51	8	6.00	52	4.36	50	4.99	111	2.64	95	3.59	78	4.28	59	4.38
Saudi Arabia	67	4.33	81	4.89	125	2.33	83	4.26	31	4.50	47	4.49	40	5.36	39	4.67
Indonesia	70	4.30	30	5.41	92	3.83	79	4.35	64	3.59	56	4.24	90	3.89	64	4.32
Azerbaijan	71	4.30	102	4.30	114	2.85	65	4.73	42	3.99	97	3.58	48	5.19	44	4.63
Brunei Darussalam	72	4.27	7	6.02	74	4.13	107	3.89	74	3.39	77	3.90	80	4.23	69	4.29
Uganda	84	4.11	86	4.73	3	6.02	101	3.97	114	2.57	70	3.97	121	2.60	84	4.07
Kuwait	87	4.07	66	5.16	132	2.08	90	4.12	71	3.43	65	4.00	42	5.30	68	4.29
Kazakhstan	88	4.05	111	3.85	116	2.74	88	4.15	67	3.53	68	3.98	46	5.25	53	4.49
Lebanon	90	4.03	96	4.47	61	4.28	84	4.20	83	3.19	96	3.58	72	4.39	108	3.83
Tunisia	91	4.02	73	4.98	62	4.27	115	3.75	96	2.96	90	3.64	67	4.58	95	3.99
Senegal	96	3.97	118	3.75	11	5.36	106	3.89	91	3.00	115	3.32	106	3.35	78	4.21
Gambia. The	99	3.95	126	3.41	23	4.84	91	4.11	81	3.22	107	3.42	110	3.13	65	4.32
Mozambique	104	3.88	79	4.91	7	5.71	111	3.85	110	2.64	101	3.54	129	2.34	124	3.53

Economy	2016		Pillar 1: Domestic market access 2016		Pillar 2: Foreign market access 2016		Pillar 3: Efficiency and transparency of border administration 2016		Pillar 4: Availability and quality of transport infrastructure 2016		Pillar 5: Availability and quality of transport services 2016		Pillar 6: Availability and use of ICTs 2016		Pillar 7: Operating environment 2016	
	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score
Côte d'Ivoire	105	3.87	115	3.79	83	4.03	99	3.98	60	3.67	106	3.43	104	3.38	82	4.09
Kyrgyz Republic	113	3.76	122	3.62	91	3.84	77	4.40	132	2.18	123	3.13	96	3.76	102	3.89
Tajikistan	114	3.74	97	4.45	119	2.67	103	3.94	89	3.01	127	3.02	120	2.75	51	4.54
Egypt	116	3.72	113	3.83	54	4.36	128	3.05	56	3.73	54	4.30	86	3.96	118	3.74
Mali	118	3.71	104	4.26	46	4.45	108	3.88	112	2.63	113	3.34	114	2.97	122	3.62
Algeria	121	3.51	121	3.69	97	3.70	127	3.18	92	3.00	84	3.74	108	3.30	111	3.82
Pakistan	122	3.51	133	3.01	101	3.57	105	3.92	70	3.49	64	4.02	124	2.50	130	3.49
Bangladesh	123	3.48	127	3.37	12	5.33	130	2.98	109	2.66	100	3.55	112	3.07	128	3.50
Benin	124	3.48	116	3.78	78	4.09	122	3.28	106	2.69	120	3.22	126	2.47	101	3.90
Nigeria	127	3.25	120	3.70	123	2.43	121	3.32	117	2.55	118	3.27	102	3.42	126	3.52
Sierra Leone	128	3.25	131	3.06	85	3.97	126	3.19	118	2.55	136	2.51	127	2.46	117	3.76
Gabon	129	3.24	125	3.51	128	2.20	119	3.38	119	2.49	130	2.90	107	3.31	110	3.82
Cameroon	130	3.20	132	3.02	63	4.27	133	2.71	121	2.42	129	2.92	123	2.52	109	3.83
Mauritania	131	3.18	119	3.75	81	4.04	125	3.20	130	2.22	135	2.62	125	2.49	133	3.19
Iran	132	3.16	136	2.39	136	1.77	123	3.22	69	3.49	86	3.71	100	3.46	116	3.77
Yemen	134	2.95	95	4.47	15	5.11	136	1.70	134	2.12	126	3.04	131	2.28	136	2.83
Chad	135	2.93	130	3.28	76	4.12	131	2.81	124	2.42	134	2.68	136	1.53	134	3.01
OIC Average		3.95		4.29		3.78		3.98		3.34		3.75		3.82		4.14
memo item (best performing countries in world)																
Singapore	1	5.97	2	6.97	84	4.02	1	6.40	3	6.28	3	5.90	13	6.28	2	5.81
Netherlands	2	5.70	62	5.19	35	4.55	2	6.40	9	6.04	4	5.88	3	6.49	11	5.39
Hong Kong SAR	3	5.66	1	7.00	130	2.15	12	6.02	1	6.40	2	5.91	14	6.26	1	5.86

Source: World Economic Forum