

A Glimpse at D-8 Achievements

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Introduction

Developing 8 (D-8) is an inter-governmental cooperation for development among Bangladesh, Egypt, Indonesia, Iran, Malaysia, Nigeria, Pakistan and Turkey **representing more than 930 million people**. It was officially established through the Istanbul Declaration of Summit of Heads of State/Government on June 15, 1997.

The idea of cooperation among major Muslim developing countries, which each country has more than 70 millions people, except Malaysia, and rich in natural resources, was mooted by Dr. Necmettin Erbakan, the then Prime Minister of Turkey, during a Seminar on “Cooperation in Development.” It was held in Istanbul in October 1996. The group envisioned cooperation among countries stretching from South East Asia to West Africa. This seminar was the first step towards the establishment of D-8, and it was only after a series of preparatory meetings that D-8 was set up officially and began its activities with the Istanbul Declaration issued at the end of the summit of Heads of State and Government held in Istanbul on June 15, 1997

Main Principles and Cooperation Areas

There are six principles of D-8 for the socio-economic development, as indicated in Istanbul Declaration are:

Peace instead of conflict; Dialogue instead of confrontation; Co-operation instead of exploitation; Justice instead of double-standard; Equality instead of discrimination; and Democracy instead of oppression

The objectives of D-8 are to improve developing countries’ positions in the world economy, diversify and create new opportunities in trade relations, enhance participation in decision-making at the international level, and provide better standard of living.

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D-8 cooperation encompasses all areas including political consultation and coordination at the international fora. Such as trade, industry, communication and information, finance, banking and privatization, rural development, small and medium enterprises, science and technology, poverty alleviation and human resources development, agriculture, energy, environment, health, tourism, culture and sports. In these areas, member countries hosted many technical meetings and explored different opportunities to promote, develop and strengthen relations among D-8.

D-8 is an economic-grouping with no adverse impact on bilateral and multilateral commitments of the member countries, emanating from their membership to other international or regional organizations.

Roadmap 2008-2018

During the Kuala Lumpur Summit in July 2008, D-8 adopted the Roadmap for Economic Cooperation in the Second Decade of Cooperation (2008 - 2018) as the vision to guide some programs and activities in the next ten years. Vision of D-8 Roadmap is as follows:

“By the end of the Second-Decade of D-8 cooperation (2008-2018), the dynamism on the socio-economic cooperation of D-8 community would achieve a significant level of their economic development by the increase of intra-trade and social welfare.”

This document outlines the scope of D-8 activities from 2008 to 2018, a guideline for the implementation of D-8 programs and projects, assists in mobilizing resources from government and non-government quarters and broadens the support for D-8 general community including private sectors and the economic grouping’s cooperation initiative.

Organizational Structure

In accordance with the recently adopted Rules of Procedures of D-8, principal organs of D-8 are:

- The Summit;
- The Council;
- The Commission; and
- The Secretariat

The Summit, which is the supreme organ of D-8, is composed of the Heads of State/Government of member states. It is convened once every two years. The Council is composed of the Ministers in charge of Foreign Affairs of member states. It is the political decision-making organ of D-8, and acts as a forum for thorough and comprehensive consideration of the issues at hand. The Commission is the executive body of D-8. It is composed of senior officials appointed by their respective governments. Each Commissioner is responsible for the national coordination in his/her respective country.

Since its establishment, D-8 held six Summits (Istanbul 1997, Dhaka 1999, Cairo 2001, Tehran 2004, Bali 2006 and Kuala Lumpur 2008), eleven Council of Ministers Meetings and twenty-six Commission Meetings.

Secretariat's overall responsibilities and functions are to initiate, coordinate and monitor the implementation of the activities and service of all meetings related to principle organs of the D-8 or technical meetings. Secretariat's premise is based in Istanbul, Turkey.

New Staff and Financial Regulations of D-8 was also adopted during the 6th Summit in Kuala Lumpur, Malaysia in July 2008 and entered into force in January 1, 2009. In accordance with these new rules administrative, financial and human resources capacity of Secretariat have been improved by Member countries.

Examples from Achievements of D-8 Organization

- "Agreement on Simplification of Visa Procedures for the Businessmen of D-8 Member States" signed in Cairo/Egypt on February 24, 2001
- "Multilateral Agreement among D-8 Member Countries on Administrative Assistance in Customs Matters" signed in Bali/Indonesia on May 13, 2006
- "Preferential Trade Agreement among D-8 Member States" signed in Bali/Indonesia on May 13, 2006
- Memorandum of Understanding between the airline companies of some D-8 countries, Bali/Indonesia, June 2008
- Strengthened D-8 Secretariat financially and legally, adopted in Kuala Lumpur/Malaysia on July, 2008

- Roadmap for Economic Cooperation in the Second Decade of Cooperation (2008 - 2018), adopted in Kuala Lumpur/Malaysia on July, 2008
- Close Relations with other international organizations like OIC, UNIDO, UNCTAD, FAO, UNWTO, ITC etc and international financial institutions like IDB, IFAD, OFID, ADB etc
- Enhanced cooperation with NGOs and private sector representatives of both D-8 and other countries
- Fifteen Working Groups on socio-economic cooperation that facilitates to increase the intra-trade among D-8 member states

Trade among D-8 Countries:

According to the latest available statistics, total trade volume among D-8 countries was 63.3 billion USD while total trade of D-8 countries to the world was 1.1 trillion USD.

The share of intra trade in total trade of D-8 countries is 5.2% at the moment. In light of the objectives and goals of D-8 set forth in the Roadmap, intra-trade will be 15-20% of total trade by 2018. With the entry into force of D-8 Preferential Trade Agreement, Customs and Visa Agreements as well as enhanced cooperation among D-8 private sector particularly in Working Group meetings, share of intra-trade will be increased to the levels stated in Roadmap.

Statistics show that Malaysia ranks first, Turkey was the second and Indonesia has the third place by means of their total trade performance among D-8 countries. However, when we assess the intra-D-8 trade, Indonesia ranks first (16 bl. USD) Malaysia was the second (15 bl. USD) and Turkey had the third place (14 billion USD) in the year 2007.

D-8 countries' share in Turkey's total trade was 5.3% in 2008 while it was 3.2% in 1997 during the establishment of D-8. Turkey's export to D-8 countries was 3.9 billion USD and import from these countries was 12.9 billion USD within the first eleven months of 2008. While total trade volume was 16.9 billion USD, trade balance was 9 billion USD. Average yearly change in Turkey's trade volume with D-8 countries within the last five years was 40%, which shows a very constantly rising trend. Unfortunately, the percentage of exports to imports (export coverage) of Turkey to D-8 countries was 30% which was lower than Turkey's general performance (65.2%). This reveals that there are still many unused opportunities for Turkey especially for its dynamic private sector which has a strong competitiveness.

Migrant Workers and Remittances as a new Cooperation Area in D-8

Remittances of migrant workers are one of an enormous source of potential capital for long term development of some of D-8 countries and reduce poverty. For instance Bangladesh, Indonesia and Pakistan have sent over 6, 4.3 and 3.4 million migrant workers, respectively, to various destination countries and each received over US\$6 billion in remittances in 2007. Remittance inflows are greater than total local income in some provinces, demonstrating potential powerful impact of remittances on local economic development. However, a majority of migrant workers (over 60% Indonesian workers for instance) use informal channels to send incomes home due to high bank fees varying between 4-20% of remittances, complicated regulatory procedures, and other constraints. As such, remittances often do not translate into improved household welfare and greater economic growth in rural areas because most recipients lack knowledge and skills of how to best use such capital for long term improvements to their livelihoods. Rather, recipients typically use a significant portion of remittances for consumption and repaying pre-departure loans, rather than investing in productive activities like the development of small businesses and small size agricultural investments.

To address this challenge, D-8 in partnership with the International Youth Foundation (IYF) are working on a new pilot program to capitalize on the enormous flows of remittances to developing countries for longer term economic development and increased food security. Building on the unique strengths of the organizations and partners in both Indonesia and Pakistan, the program would pilot new approaches to training migrant workers and their families to use more formal banking channels for the transmission of remittances, to thereby access banking services and capital, and to develop locally sustainable, employment-generating enterprises in the agribusiness sector. Through its initial 2 year phase, it is anticipated that this pilot program could then be significantly expanded through D-8 participating countries and the IYF partner network in 70 countries around the world.

D-8 is also preparing to establish D-8 Working Group on Migrant Workers and Remittances in the first half of 2009. Some of the objectives of the Working Group are to launch an innovative program to work with migrant workers from member countries to better prepare them for productively working in their destination countries; safely and inexpensively send income to their home countries through formal financial channels; and support local investments and entrepreneurs in sending communities through micro and small credit programs in activities promoting food security.

Annex: Tables& Charts¹

a. 2007 Trade Performance of D-8 Countries (mil USD)

Countries	Exports	Imports	Trade Volume
Bangladesh	11,746	16,025	27,771
Egypt	16,100	26,929	43,029
Indonesia	118,014	84,931	202,945
Iran	83,992	53,876	137,868
Malaysia	182,847	152,459	335,306
Nigeria	54,698	32,809	87,507
Pakistan	16,305	30,326	46,631
Turkey	107,215	170,057	277,272
Total	590,917	567,412	1,158,329

b. D-8 Intra Trade(mil USD)

Countries	Exports	Imports	Trade Volume
<i>Bangladesh</i>	186	1,113	1,299
<i>Egypt</i>	558.7	894	1,452.7
<i>Indonesia</i>	8,969	7,950	16,919
<i>Iran</i>	5,122	1,357.07	6,479.07
<i>Malaysia</i>	8,928	6,973	15,901
<i>Nigeria</i>	3.28	342	345.28
<i>Pakistan</i>	1,118	2,841	3,959
<i>Turkey</i>	3,973	12,976	14,078
<i>D-8 Intra Trade</i>	28,857.98	34,446.07	63,304.05
<i>D-8 Total Trade</i>	590,917	567,412	1,158,329
<i>Share</i>	4.7%	5.7%	5.2%

¹ Source: World Bank, UN Comtrade, National Statistics Offices, Economic Intelligence Unit

c. Turkey's trade with D-8 Countries-2007 (mil USD)

Countries	Exports	Imports	Trade Volume	Trade Balance
Bangladesh	63	246	309	-183
Egypt	903	679	1,582	224
Indonesia	174	1,360	1,534	-1,186
Iran	1,387	6,614	8,001	-5,227
Malaysia	83	1,253	1,336	-1,170
Nigeria	133	494	627	-361
Pakistan	157	532	689	-375
Total	2,900	11,178	14,078	-8,278

d. Turkey's trade with D-8 Countries-2008 (1-11) (mil USD)

Countries	Exports	Imports	Trade Volume	Trade Balance
Bangladesh	54	413	467	-359
Egypt	1,284	903	2,187	381
Indonesia	278	1,335	1,613	-1,057
Iran	1,867	7,841	9,708	-5,974
Malaysia	94	1,434	1,528	-1,340
Nigeria	252	506	758	-254
Pakistan	144	544	688	-400
Total	3,973	12,976	16,949	-9,003

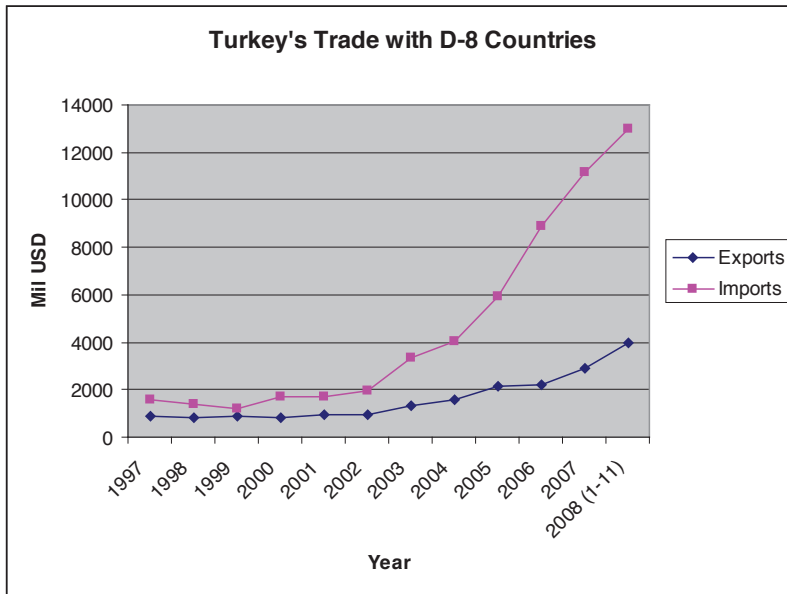
e. Turkey's Trade with D-8 Countries (mil USD)

Years	Exports	Imports	Trade Volume	Trade Balance
1997	875	1,563	2,438	-688
1998	845	1,371	2,216	-526
1999	883	1,183	2,066	-300
2000	806	1,697	2,503	-891
2001	965	1,725	2,690	-760
2002	977	1,942	2,919	-965
2003	1,331	3,348	3,273	-2,017
2004	1,592	4,006	5,598	-2,414
2005	2,115	5,923	8,038	-3,808
2006	2,226	8,912	11,138	-6,686
2007	2,900	11,178	14,078	-8,278
2008 (1-11)	3,973	12,976	16,949	-9,003

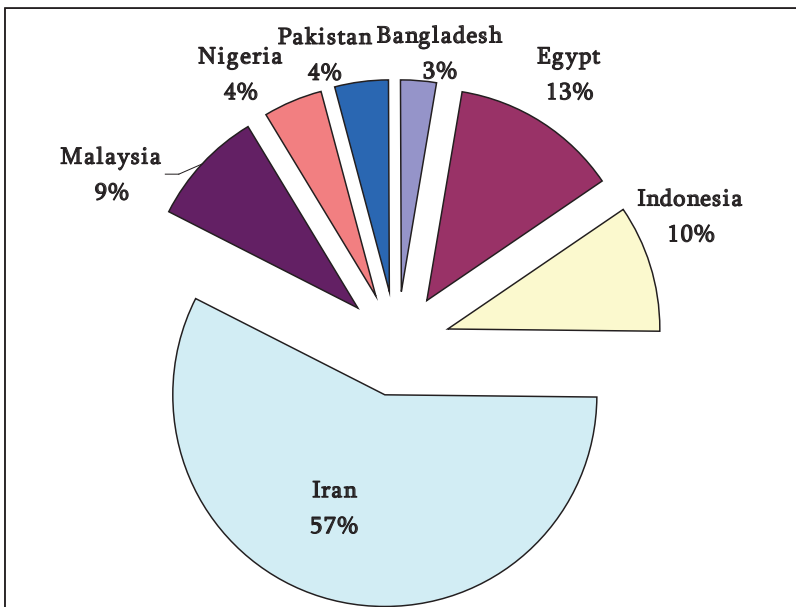
f. Share of D-8 Countries in Turkey's Foreign Trade

Years	Trade Volume (D-8)	Trade Volume (Total)	Share of D-8
1997	2,438	74,820	3.26%
1998	2,216	72,895	3.04%
1999	2,066	67,258	3.07%
2000	2,503	82,278	3.04%
2001	2,690	72,733	3.70%
2002	2,919	87,613	3.33%
2003	3,273	116,593	2.81%
2004	5,598	160,707	3.48%
2005	8,038	190,250	4.22%
2006	11,138	225,111	4.95%
2007	14,078	277,335	5.08%
2008 (1-11)	16,949	314,780	5.38%

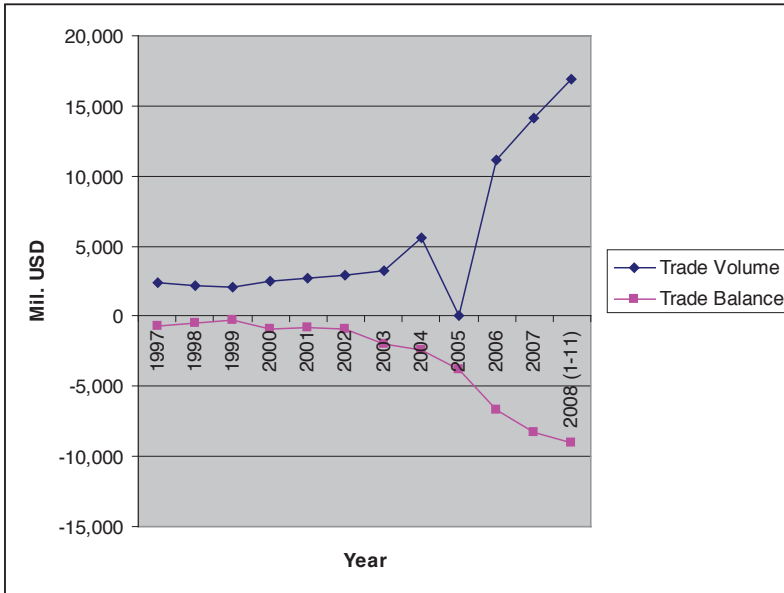
i. Turkey's Trade with D-8 Countries



ii. D-8 COUNTRIES' SHARE IN TURKEY'S TOTAL TRADE WITH D-8 in 2008



iii. Turkey's Trade Volume & Trade Balance with D-8 Countries



g. D-8 Remittances Statistics

Member (bl. USD)	Rem. Flow	2004	2005	2006	2007	Notes
Bangladesh	Inward	3,584	4,314	5,428	6,400	8.8% of GDP in 2006
	Outward	8	6	3	---	---
Egypt	Inward	3,341	5,017	5,330	5,865	5% of GDP in 2006
	Outward	13	57	135	---	---
Indonesia	Inward	1,866	5,419	5,722	6,000	1.6% of GDP in 2006
	Outward	913	1,178	1,359	---	0.4% of GDP in 2006
Iran	Inward	1,032	1,032	1,032	1,115	0.5% of GDP in 2006
	Outward	---	---	---	---	---
Malaysia	Inward	1,128	1,281	1,535	1,700	1.0% of GDP in 2006
	Outward	4,991	5,679	5,560	---	3.7% of GDP in 2006
Nigeria	Inward	2,273	3,329	3,329	3,329	2.9% of GDP in 2006
	Outward	21	18	18	---	---
Pakistan	Inward	3,945	4,280	5,121	6,100	4.0% of GDP in 2006
	Outward	10	3	2	---	---
Turkey	Inward	804	851	1,111	1,200	0.3% of GDP in 2006
	Outward	---	96	107	---	---