

Review

Economic Cooperation
and Development

VOL.4 NO.1 APRIL 2011

The First Session of the
OIC Statistical Commission

11 – 12 April 2011, Istanbul – Turkey

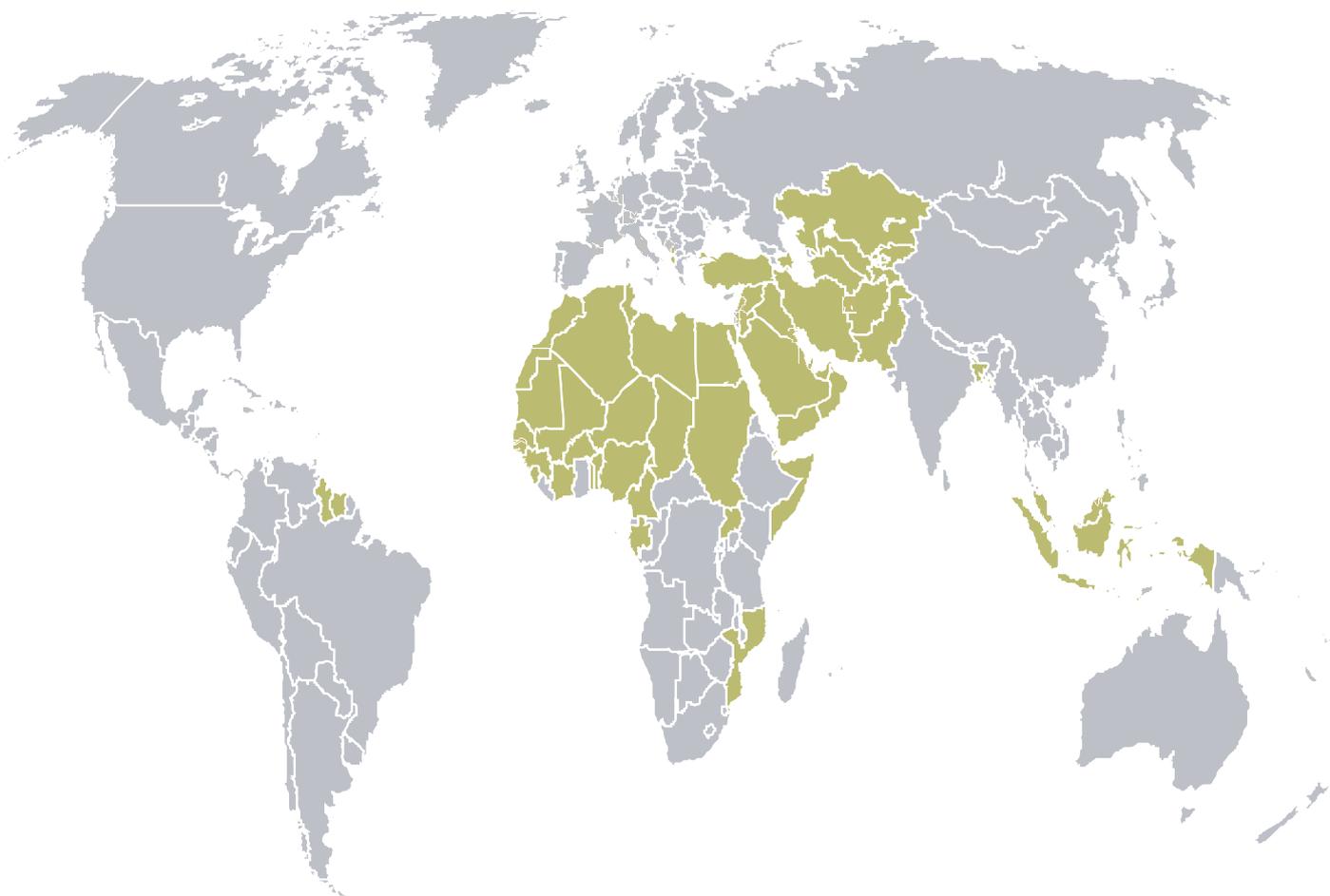


Organisation of the Islamic Conference

Statistical Economic and Social Research
and Training Centre for Islamic Countries
(SESRIC)

Economic Cooperation and Development Review

VOL.4 NO.1 APRIL 2011



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and Training Centre for Islamic Countries
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Savaş Alpay
Director General, SESRIC

Over the last five years, the Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC) has been introducing and implementing new and diversified initiatives and activities in the three areas of its mandate: statistics, research and training, with a view to promoting and enhancing economic cooperation and human capacity building in the member countries through providing the necessary and up-to-date statistical information and conducting relevant research and training programmes.

In this connection, SESRIC has recently prepared a SWOT Outlook, which provides a SWOT (Strengths, Weakness, Opportunities, Threats) profile on the OIC Member Countries, as a group, in different socio-economic fields and sectors. The SWOT Outlook on OIC Member Countries highlights the strengths and weaknesses of these countries, as a group, with a view to enhancing their competitiveness globally as well as the

level of their cooperation. It also indicates major opportunities to be utilised for further growth and development in OIC countries as well as potential threats that they may face in the future. By presenting the strengths, weaknesses, opportunities and threats in a comparative manner with the developed and other developing countries, the SWOT analysis of the OIC Member Countries serves as a critical roadmap for better strategic planning and policy making at the OIC cooperation level.

Having a young population, possessing a significant portion of the world's crude oil and natural gas reserves, accumulating increasing international reserves and being among the top producers of agricultural commodities are major strengths of the OIC countries, as a group. The increasing trends in foreign direct investment, intra-OIC trade, and tourism receipts together with the declining trend in external debt burden are opportunities for OIC Member Countries that should be transformed into higher economic growth and development levels. On the other hand, high unemployment rate, weak participation in labour force, inadequate agricultural mechanization and inefficient use of water in agriculture, and lack of adequate funding for scientific development are weaknesses that should be overcome. Water scarcity, low agricultural productivity, high trade deficit in food, low access to improved water resources and sanitation facilities and inadequate information and communication technology (ICT)

infrastructure are threats that are likely to impose serious challenges and, thus, necessitate urgent countermeasures.

The SWOT Outlook on OIC Member Countries is a new contribution by the SESRIC to the efforts of the OIC Member Countries toward enhancing the level of their cooperation and integration as well as the level of their competitiveness, as a group, at both the regional and global levels. It provides most relevant statistical data and background information that would make the OIC Member Countries better informed of each other's potentials and needs and, thus, facilitate their elaboration on cooperation projects and integration schemes. SESRIC will continue to develop innovative approaches to support better understanding of the current state and future challenges of socio-economic development in the OIC Member Countries as well as better prioritizing of cooperation areas and formulation of sound strategies and plans with a view to

achieving higher levels of welfare and socio-economic development.

On the other hand, our Centre has organized, in collaboration with the Islamic Development Bank (IDB), the First Session of the OIC Statistical Commission (OIC-StatCom), in Istanbul, Turkey. In their last year meeting in March 2010 in Istanbul, the National Statistical Offices (NSOs) of the OIC Member Countries agreed to organize their future annual meetings under the title of OIC Statistical Commission. The OIC-StatCom is a dynamic and unique platform for the NSOs of the OIC Member Countries to share and exchange knowledge, experiences and best practices on initiatives that can help them become more effective and efficient in managing their national statistical systems. The Commission will identify new and unique areas of cooperation and collaboration while avoiding duplications with the existing international and regional statistical commissions. The First Session of the OIC-StatCom has attracted very high level of participation by the NSOs of the OIC Member Countries as well as the key international organizations, such as United Nations Statistics Division (UNSD), the World Bank, the IMF, EUROSTAT, and PARIS21. The First Session focussed on defining the direction, objectives, goals and expected benefits as well as the fields in which the Commission could generate a value-added contribution to statistical systems of the OIC Member Countries. SESRIC will serve as the Secretariat of this important body, and the establishment of OIC Statistical Commission will open up new avenues for higher cooperation among the NSOs of the Member Countries towards more effective statistical systems.

The COMCEC Economic Summit, which was held in Istanbul in November 2009 on the occasion of the 25th Anniversary of the Standing Committee for Economic and Commercial Cooperation of the Organisation of the Islamic Conference (COMCEC), emphasized the importance of the cooperation in the area of

transportation to increase intra-OIC trade and requested COMCEC to work on the revitalization of cooperation in this sector. Accordingly, the 26th Session of the COMCEC, which was held in Istanbul in October 2010, decided that “The Impact of Transportation Networks on Trade and Tourism” is the theme for the Exchange of Views during its 27th Session, which will be held in October 2011, and requested the SESRIC, in collaboration with the IDB and other relevant international organizations to organize a workshop on this theme prior to the 27th Session of the COMCEC and to submit its report to the said COMCEC Session. In this connection, the SESRIC, in collaboration with the IDB, will organize a workshop on the said theme to be held on 7-8 June 2011 in Izmir, Turkey. The workshop aims at mapping the picture of transport networks in OIC Member Countries by identifying the development needs for transport corridors; raising the awareness in OIC Member Countries on the importance of Trade and Transport Facilitation (TTF) for national development, regional integration and enhancing competitiveness; providing a better understanding of the concept and measures of TTF at both the individual country and OIC regional levels; exploring means and ways of increasing intra-OIC tourism through identifying strategies for enhancing transportation facilities; and discussing the formulation of an OIC Framework for Trade and Transport Facilitation Program (OIC-TTFP). The outcomes of the Workshop, in terms of policy recommendations and modalities for cooperation among the member countries in the field of transport, will constitute the main inputs of the Expert Group Meeting (EGM) on Transport Cooperation in OIC Member Countries, which will be organized by the Ministry of Transport of Turkey on 9 June 2011, with the aim of developing a “Framework for OIC Cooperation in the field of Transport”.

This issue of the Economic Cooperation and Development Review includes articles by Helen Clark, Administrator of United Nations

Development Programme (UNDP), and Shenggen Fan, Director General of the International Food Policy Research Institute (IFPRI). In her article titled “The Real Wealth of Nations”, Helen Clark presents her views on the concept of human development and the approach used by the UNDP for measuring the development of a nation, including the UNDP Human Development Index (HDI) and its related concepts such as life expectancy, education and the ability to acquire a decent standard of living. On the other hand, in his article titled “Global Food Security: Challenges and Actions Needed”, Shenggen Fan presents his views on the challenges facing the international community, and the actions need to be taken towards achieving global food security. He also addresses some related issues such as the high and volatile agricultural

commodity prices and the non-agricultural factors such as energy, trade and increasing world population. In addition to these two articles, SESRIC also contributes with three recent reports, namely: (1) International Tourism in the OIC Countries: Prospects and Challenges; (2) The State of Polio in OIC Countries: Enhancing Multilateral Cooperation to Eradicate Polio; and (3) Early Childhood Care and Education in OIC Countries.

While wishing a pleasant and useful reading to all the readers, I would like to express my deep thanks and appreciation to all the contributors to this issue of the *Economic Cooperation and Development Review*.

Dr. Savaş Alpay
Director General
S E S R I C

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SESRIC hereby expresses its profound appreciation to the Turkish Statistical Institute (TurkStat) for providing printing facilities.

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Helen Clark

Administrator of the United Nations Development Programme (UNDP)



Shenggen Fan

Director General of the International Food Policy Research Institute (IFPRI)



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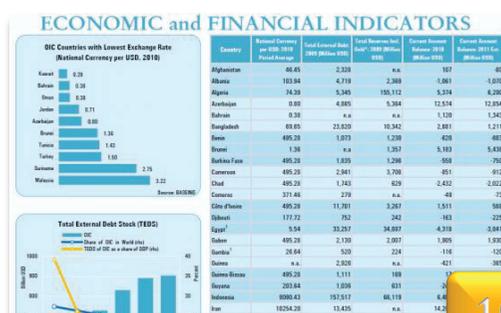
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10-12 May 2011 The OIC Tourism Investment Forum, Damascus - Syria

16-17 May 2011 OIC Network for Occupational Safety and Health (OIC-OSHNET): Kick-off Meeting, Ankara - Turkey

01-02 June 2011 EGM on 'The Impact of Transportation Network on Trade and Tourism' Istanbul - Turkey

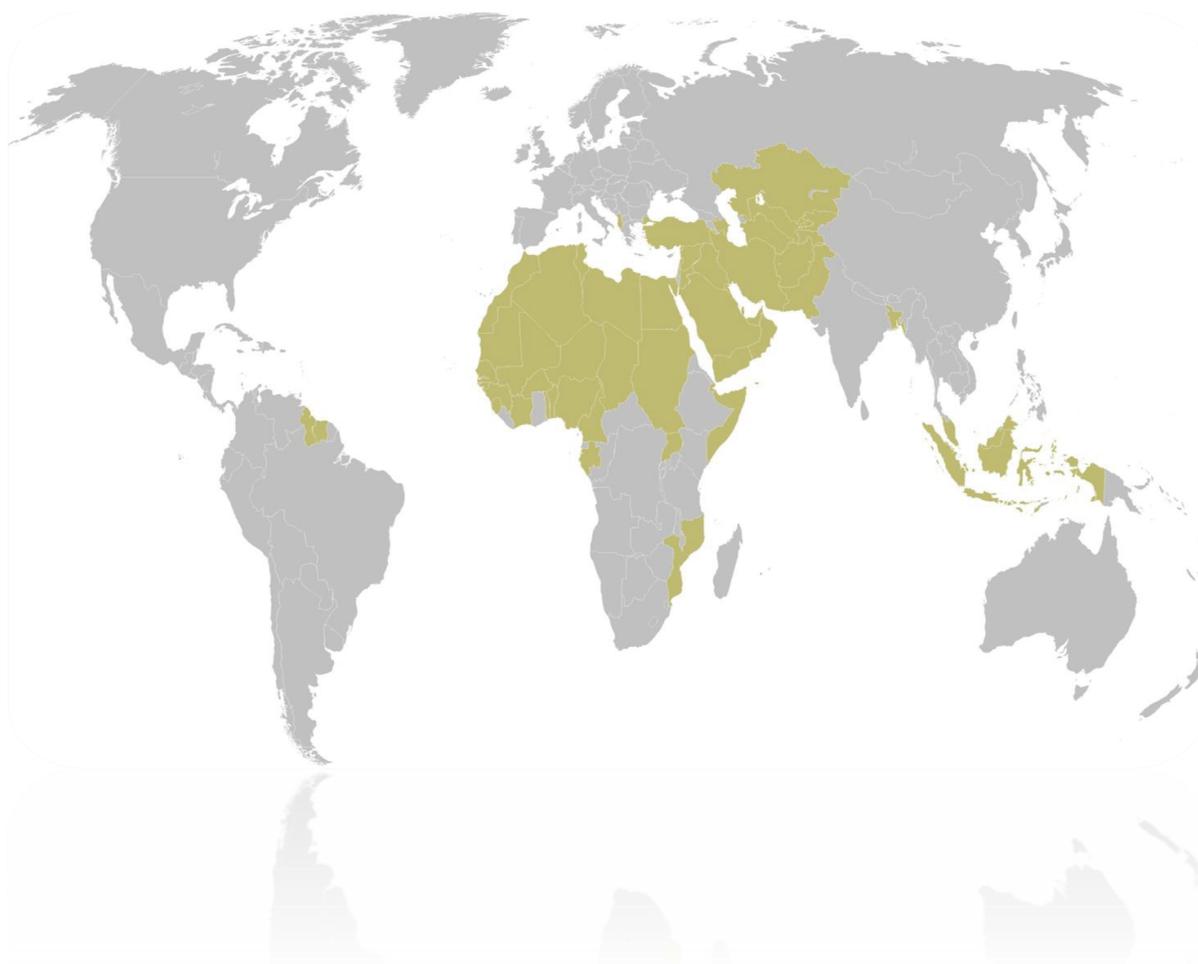
01-02 June 2011 27th Meeting of the Follow-up Committee of COMCEC, Ankara - Turkey

07-09 June 2011 7th World Islamic Economic Forum (WIEF), Astana – Kazakhstan

07-09 June 2011 Workshop on Impact of Transportation Networks on Trade and Tourism And Expert Group Meeting on Transport Cooperation in the OIC Member Countries, İzmir - Turkey

27-28 June 2011 Exhibition on Science and Technology on the sidelines of the 38th Session of the Council of Foreign Ministers (CFM), Astana - Kazakhstan

28-30 June 2011 The 38th Session of the OIC Council of Foreign Ministers, Astana - Kazakhstan



THE REAL WEALTH OF NATIONS

Helen Clark

Administrator, United Nations Development Programme (UNDP)



Helen Clark became the Administrator of the United Nations Development Programme on 17 April 2009, and is the first woman to lead the organization. She is also the Chair of the United Nations Development Group, a committee consisting of the heads of all UN funds, programmes and departments working on development issues. Prior to her appointment with UNDP, Helen Clark served for nine years as Prime Minister of New Zealand, serving three successive terms from 1999 - 2008. Throughout her tenure as Prime Minister, Helen Clark engaged widely in policy development and advocacy across the international, economic, social and cultural spheres. Under her leadership, New Zealand achieved significant economic growth, low levels of unemployment, and high levels of investment in education and health, and in the well-being of families and older citizens. She and her government prioritized reconciliation and the settlement of historical grievances with New Zealand's indigenous people and the development of an inclusive multicultural and multi-faith

society. Helen Clark advocated strongly for New Zealand's comprehensive programme on sustainability and for tackling the problems of climate change. Her objectives have been to establish New Zealand as being among the world's leading nations in dealing with these challenges. Helen Clark was also an active leader of her country's foreign relations and policies, engaging in a wide range of international issues. As Prime Minister, Helen Clark was a member of the Council of Women World Leaders, an international network of current and former women presidents and prime ministers whose mission is to mobilize the highest-level women leaders globally for collective action on issues of critical importance to women and equitable development. Helen Clark held ministerial responsibility during her nine years as Prime Minister for New Zealand's intelligence agencies and for the portfolio of arts, culture and heritage. She has seen the promotion of this latter portfolio as important in expressing the unique identity of her nation in a positive way. Helen Clark came to the role of Prime Minister after an extensive parliamentary and ministerial career. First elected to Parliament in 1981, Helen Clark was re-elected to her multicultural Auckland constituency for the tenth time in November 2008. Earlier in her career, she chaired Parliament's Foreign Affairs Committee. Between 1987 and 1990, she was a Minister responsible for first, the portfolios of Conservation and Housing, and then Health and Labour. She was Deputy Prime Minister between August 1989 and November 1990. From that date until December 1993 she served as Deputy Leader of the Opposition, and then as Leader of the Opposition until winning the election in November 1999. Prior to entering the New Zealand Parliament, Helen Clark taught in the Political Studies Department of the University of Auckland. She graduated with a BA in 1971 and an MA with First Class Honours in 1974. She is married to Peter Davis, a Professor at Auckland University.

“People are the real wealth of a nation” was the opening statement of UNDP's first *Human Development Report (HDR)* published in 1990. With its newly devised Human Development Index (HDI), the central premise of the report, considered radical at the time, was elegantly simple: a country's development should be not

measured simply by national income but by human development – to be approximated by life expectancy, education and the ability to acquire a decent standard of living.

This human development approach sought to put people at the very centre of development, as

both its drivers and its beneficiaries. It sees development as ultimately being about expanding people's choices and capabilities – enabling them to have the freedom to live long, healthy, and creative lives.



Twenty years later, the relevance of the human development approach is indisputable. It is now widely accepted that while income growth is important, a country's success or an individual's well-being cannot be evaluated by that alone. It is also important to gauge whether people can lead long and healthy lives, have the opportunity to acquire knowledge, and are free to use their knowledge and talents to shape their own destinies.

That was the original vision and remains the great achievement of the creators of the HDRs, Mahbub ul-Haq of Pakistan and his close friend and collaborator, Amartya Sen of India, working with other leading development thinkers. The human development approach has now guided not only twenty years of global HDRs, but also more than 600 National HDRs - all researched, written, and published in their respective countries - as well as the many regionally focused HDRs supported by UNDP's regional bureaus.

In the twenty years since the first HDR was published, the approach has gained significant traction among development practitioners. It laid the foundation for ideas and concepts which now form part of the development mainstream,

such as the Millennium Development Goals (MDGs). Indeed the independent UN Intellectual History Project credits the human development approach with being one of the foremost contributions of the United Nations since its inception.

Last November, the twentieth anniversary edition of the global HDR was launched, entitled *The Real Wealth of Nations: Pathways to Human Development*. The report affirms the continuing relevance of the human development approach in understanding the diversity of trends and patterns of national progress, and in thinking about future policy directions. It contains a systematic review of the human development record over the past four decades, and finds that there is good news to report.



People today are, on average, healthier, more educated, and wealthier than ever before. Since 1970, average global life expectancy has risen from 59 to 70 years. School enrolment grew from 55 to seventy per cent. Per capita incomes doubled to more than \$10,000 per year in real terms.

The Report also shows that over the last forty years, the gaps in health and education outcomes between developed and developing countries have narrowed significantly, even though the

income divide has, with a few notable exceptions, worsened.

It is particularly noteworthy that some of the greatest gains have been seen in the poorest countries. In Sub-Saharan Africa, for example, life expectancy has risen by more than eight years since 1970, while school enrolment has more than doubled from 26 per cent to 54 per cent.

It is also notable that many countries have made impressive gains in health and education even when their growth in income has been modest. Conversely, some countries with strong economic performance over the decades have not made commensurate progress in life expectancy, schooling, and overall living standards.

Over the four decades analyzed in the latest HDR, the top ten achievers in the world in advancement in the HDI relative to their starting point include those well known for rapid advances in economic growth, such as China and the Republic of Korea. But the top movers in the Index also include Laos, Nepal, and three North African countries – **Algeria**, **Morocco**, and **Tunisia** – which made significant advances in health and education status. Ethiopia, Botswana, and **Benin** were in the ranks of the top twenty movers over the past forty years.

What most of the top ten performers have in common is that their human development advances, reflected in the improvements in their HDI, are not mainly attributed to fast national income per capita growth but instead to health and educational attainment. That does not mean that growth is unimportant. Rather, it means that while growing a national income helps, inclusive and equitable growth is needed to bring about significant advances in human development.

The findings in the latest HDR suggest that there is much which leaders can do to improve people's lives even where growth is less impressive. Improvements, however, are never automatic – they require political will and smart policies. The continuing commitment of the international community to development matters.

Trends in the HDI performance of the Member States of the Organization of the Islamic Conference (OIC) over time powerfully illustrate that national income alone doesn't drive human development.



The first remarkable feature of OIC performance is that six Member States feature among the top ten performers in the world, in their HDI performance relative to their starting point over the period 1970-2010: **Oman** is the top performer in the Report's sample of 135 countries, **Indonesia** comes in at 4th place, **Saudi Arabia** is 5th, and then **Tunisia**, **Algeria**, and **Morocco** feature at 7th, 9th, and 10th place respectively. The experience of **Oman**, whose HDI increased 117 per cent over the period, is particularly interesting given that in 1970 its HDI level was very similar to that of the OIC average.

It is striking that most of these six top-performing countries do not feature on typical lists of development success stories prioritizing economic growth. That underscores the important contribution of the human development approach and the HDI measure, to

our understanding of development. In particular, it confirms the two central messages which have been conveyed by HDRs from the outset: that human development is distinct from economic growth, and that human development achievements are possible even without rapid growth.

With the exception of **Indonesia**, which performed strongly in both the income and the non-income components of the HDI, the strong performance of the other five OIC ‘top performers’ was principally due to growth in non-income HDI dimensions – that is, to their exceptional performance in education and

health, or to balanced growth across the three dimensions.

While these six countries have registered exceptionally strong HDI performance over the last forty years, other OIC countries have also performed well. Table 1 shows the 1970 and 2010 HDI of the top ten OIC countries in performance relative to their 1970 starting point, and how they rank relative to the other countries in the Report’s database. It is impressive to note that the top ten countries in the OIC rank within the top twenty countries worldwide in HDI performance since 1970.

Table 1 – Top Ten OIC Performers and Overall Ranking in Full Database

OIC performance	Country	HDI 1970	HDI 2010	HDI change	Overall performance
1	Oman	0.36	0.79	0.43	1
2	Indonesia	0.37	0.69	0.32	4
3	Saudi Arabia	0.46	0.80	0.33	5
4	Tunisia	0.43	0.73	0.30	7
5	Algeria	0.43	0.71	0.29	9
6	Morocco	0.35	0.62	0.27	10
7	Libya	0.54	0.81	0.27	13
8	Egypt	0.40	0.66	0.26	17
9	Benin	0.25	0.47	0.22	18
10	United Arab Emirates	0.59	0.84	0.25	19

Source: HDRO calculations using data from the HDRO database.

See: <http://hdr.undp.org/en/data/trends/>

A grouping of the size and diversity of the OIC is bound also to include countries whose development experiences have not achieved the same results as the top performers. The overall average trend for the OIC countries in HDI is positive, however, with HDI increasing by 47 per cent between 1970 and 2010, above the global average of 41 per cent.

The human development approach has always been about more than the HDI. To obtain a more comprehensive picture of human

development requires considering a broader set of dimensions. The 2010 HDR considered aspects of inequality, empowerment, and sustainability.

One of its main messages was that “good things do not all come together”. Some countries with a higher HDI still face challenges in equity, empowerment, and environmental sustainability. For example, countries may have a high HDI or be a top HDI mover, and yet still be inequitable, and/or undemocratic, and/or

have an unsustainable development model. Similarly, countries with a low HDI may be relatively sustainable, democratic, and equal.

In addition to refining the HDI itself, the 2010 HDR introduced three new indices. They are: an **Inequality Adjusted HDI**, a **Gender Inequality Index**, and a **Multidimensional Poverty Index**.

On average, inequality is shown to reduce countries' scores on the HDI by 22 per cent.

Countries with lower human development are also the ones which tend to be the most unequal.

We can deduce from the Gender Inequality Index that enabling girls and women to have equal educational and employment opportunities and access to health services, and to be able to participate in decision making, including at the highest levels, will positively affect a nation's human development, in addition to being the right thing to do in human rights terms.



The latest HDR also introduces the new **Multidimensional Poverty Index**, developed by the Oxford Poverty and Human Development Initiative with UNDP support. It identifies overlapping deprivations at the household level in health, education, and living standards. It can help policymakers to understand better the challenges their countries face, and to target policy responses and channel resources more effectively.

These indices do face limitations, imposed primarily by data availability. The new indices are presented in 2010 as experimental series

which will continue to evolve in response to feedback and public debate.

The latest HDR concludes that a variety of paths can lead to human development success, and that there is no “one size fits all” approach. Basic principles, however, can drive successful strategies for human development. Those strategies need to be equitable and broad-based, enable people to be active participants in change, and ensure that achievements for current generations do not come at the expense of future generations.

Looking forward, predictions of future global human development trends remain uncertain

and subject to a range of both challenges and opportunities. Clearly one of the most urgent human development challenges is the world's current unsustainable production and consumption patterns, as reflected in the growing effects of climate change, and in poor air and water quality and diminishing biodiversity.

This reminds us of the importance of protecting our planet and ecosystems, and of pursuing lower-emission routes to development. With this in mind, and in light of the ongoing international climate negotiation and the upcoming UN Conference on Sustainable Development in 2012 (Rio+20), it is appropriate that sustainability will be the focus of the 2011 Human Development Report.

As we acknowledge the success of the Human Development Reports over twenty years and the human development progress which has been made, it is important to note that much work remains to be done for all people to realize their full potential.

The HDR correctly points out that individual states acting alone cannot address many of the problems our world faces - from tackling

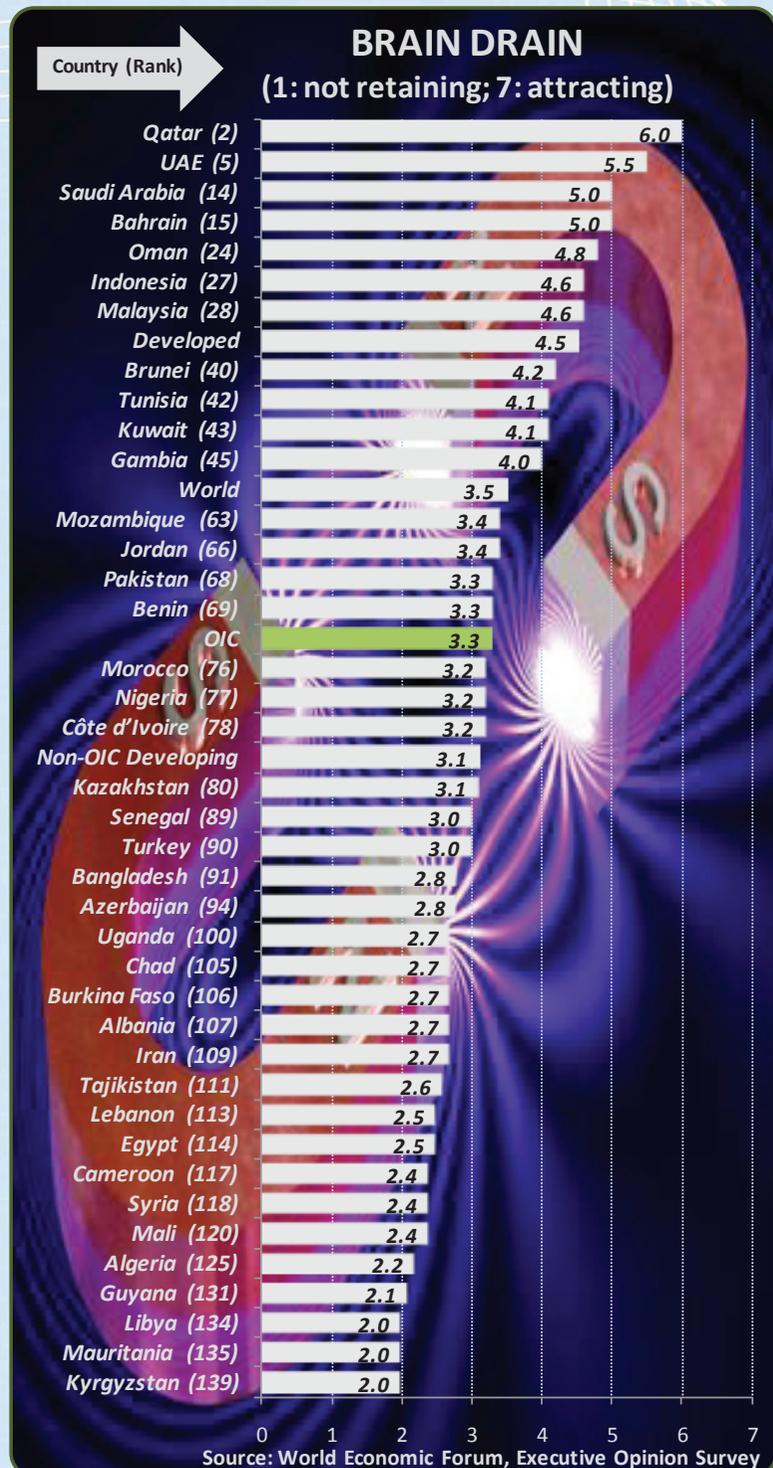
poverty, climate change, and epidemics to promoting more equitable trade, greater food security, and recovery from conflict. That reinforces the case for reinvigorated multilateral action. In this context, the Report calls for long-term and flexible partnerships to help countries meet their development aspirations, including the Millennium Development Goals.

UNDP is active across the developing world, supporting countries to meet their development goals. We work with over 160 countries across our mandate to reduce poverty, promote democratic governance, prevent and recover from crises, and protect the environment and combat climate change. Throughout, we strive to help bring about the transformational change to which countries aspire, and to build countries' resilience to overcome whatever challenges they might face.

The human development approach guides UNDP's development work. For the past twenty years the Human Development Reports have added to our understanding of development. It is important that the HDRs continue to push the envelope on development thinking, by bringing to the fore new insights, issues, and approaches to development.

DID YOU KNOW ?

- Brain Drain overall score measures the degree of human capital use within a country.
- Data are obtained from World Economic Forum's annual Executive Opinion Survey capturing the perceptions of several thousand business leaders.
- The scores represent the weighted average of 2009 and 2010 and range from 1 to 7 with 1 representing "No, the best and brightest normally leave to pursue opportunities in other countries." and 7 meaning "Yes, there are many opportunities for talented people within the country."
- Of the 39 member countries with available data, 11 OIC Member Countries, namely Qatar, UAE, Saudi Arabia, Bahrain, Oman, Indonesia, Malaysia, Brunei, Tunisia, Kuwait and Gambia recorded scores above the World average of 3.5 and managed to enter the top 50 countries offering opportunities for talented people within their country.
- Although staying below the World average, Mozambique, Jordan, Pakistan and Benin had scores higher than the OIC average, 3.3.
- Qatar and UAE were two lead countries through ranking 2nd and 5th in the World with scores 6.0 and 5.5, respectively.
- Saudi Arabia, Bahrain, Oman, Indonesia and Malaysia are the other five member countries that achieved to surpass the average of developed countries, 4.5.



GLOBAL FOOD SECURITY: CHALLENGES AND ACTIONS NEEDED

Shenggen Fan, Bella Nestorova, and Tolulope Olofinbiyi

Director General, Research Analyst, International Food Policy Research Institute (IFPRI)



Shenggen Fan was appointed Director General of the International Food Policy Research Institute (IFPRI) in December 2009. After joining IFPRI in 1995 as a research fellow, he led IFPRI's program on public investment and later became the Director of IFPRI's Development Strategy and Governance Division. Shenggen has conducted extensive research on pro-poor development strategies in developing countries in Africa, Asia, and the Middle East. His work has helped identify which kinds of public spending are most effective in reducing poverty and generating agricultural growth. Before joining IFPRI, he held positions at the International Service for National Agricultural Research in the Netherlands and the Department of Agricultural Economics and Rural Sociology at the University of Arkansas. Shenggen received his Ph.D. in

applied economics from the University of Minnesota and his bachelor's and master's degrees from Nanjing Agricultural University in China. Shenggen has served on the editorial boards of various academic journals and is currently an Executive Committee member of the International Association of Agricultural Economists. He has also received many awards, including the Distinguished Professional Contribution Award from the Southern Agricultural Economics Association and the Outstanding Alumni Award in Applied Economics from the University of Minnesota.

High and volatile agricultural commodity prices are fueling new concerns over food security. The global prices of wheat and maize have increased by 75 and 60 percent respectively from June to December 2010, and the global prices of meat and dairy products have also increased.¹ Domestic food inflation is surging in some countries. Food inflation rose to 12 percent in China and 18 percent in India between December 2009 and December 2010, mainly driven by the prices of non-staples such as fruits, vegetables, and meat.² The steep increases and the volatility of food prices are particularly harmful for the world's poor, who spend a large proportion of their income on food and have

limited capacity to adjust quickly to large price changes. Studies have shown that the large increases in food prices in 2007-08 considerably reduced food consumption and food security.³ The diet quality of many poor people and vulnerable groups, particularly women and children, is now at risk as food prices rise again.

Food security now increasingly depends on non-agricultural factors such as energy and trade. The forces that caused food prices to spike in 2007-08—high oil prices, increased biofuel production, and export restrictions to protect food supplies—continue to drive food supply and demand. The links, trade-offs, and competition between the

¹ FAO (Food and Agriculture Organization of the United Nations). 2011. International commodity prices database. Available at

www.fao.org/es/esc/prices/PricesServlet.jsp?lang=en.

² National Bureau of Statistics of China. 2011. Consumer Price Index (CPI) by Category. Available at: http://www.stats.gov.cn/english/statisticaldata/monthlydata/t20101227_402693597.htm.

³ D'Souza A. and D. Jolliffe. 2010. Price shocks and food security: Household evidence from Afghanistan. Policy Research Working Paper No. 5466. Washington, DC: World Bank; Brinkman, H.-J., de Pee S., I. Sanogo, L. Subran, M.W. Bloem. 2010. High food prices and the global financial crisis have reduced access to nutritious food and worsened nutritional status and health. *Journal of Nutrition* (140): 153-61.

agricultural and energy sectors persist. Driven by rising energy prices, as well as generous subsidies and mandates, biofuel production from grains continues to expand. If the current biofuel policies remain in place and oil prices stay high, prices of agricultural commodities used for biofuel production will be substantially higher in the coming decades. In addition, new export restrictions imposed in the aftermath of extreme weather events in 2010 now shrink global food trade and hurt poor people.⁴



The challenges in enhancing food security will grow in future. Looking forward, the world's farmers will need to feed more people with a wider range of foods. By 2050 the world population is projected to reach 9 billion, with growth coming predominantly from urban areas and developing countries.⁵ Rural-urban migration and higher incomes are not only increasing total food demand, but also changing the quality, diversity, and composition of the food demanded. In urban areas, the consumption basket is shifting from cereals to foods such as meat, dairy, fruits, and vegetables.⁶ Consumers also demand more processed and ready-to-eat

foods and are increasingly concerned about food quality and safety.

Population growth will also increase pressure on land and water. For example, world water availability per capita is projected to shrink by one-third from 2000 to 2050, because of population growth alone.⁷ Climate change will put additional pressure on natural resources and food security through higher and more volatile temperatures, changes in precipitation patterns, and increased occurrences of extreme events such as droughts and floods. Most worryingly, climate change also exacerbates the challenges in reducing malnourishment, increasing the number of malnourished children in 2050 relative to perfect mitigation by about 9-10 percent.⁸

These new pressures will place an additional burden on the food security of the most vulnerable groups—the poorest and hungry people, who typically belong to socially excluded groups, have few assets, and live in remote rural areas with little access to roads, markets, education, and health services.⁹ To improve the livelihoods of the world's most vulnerable groups, new and different action is urgently needed.

Many policies have been carried out and many agreements have been signed in the effort to slash hunger. To be sure, some progress has been

⁴ Torero, M. 2010. Wheat Price Volatility: Panic is baseless and hurts poor people. Press Statement. Available at: <http://www.ifpri.org/sites/default/files/wheatprice.pdf>.

⁵ FAO. 2009. How to feed the world in 2050. Rome.

⁶ See for example Gulati, A., N. Minot, C. Delgado, and S. Bora. 2007. Growth in high-value agriculture in Asia and the emergence of vertical links with farmers. In J. Swinnen, ed., *Global supply chains, standards and the poor*. Wallingford, UK: CABI Publishing.

⁷ Rosegrant, M. W., C. Ringler, T. Sulser, M. Ewing, A. Palazzo, T. Zhu, G. C. Nelson, J. Koo, R. Robertson, S. Msangi, and M. Batka. 2009. Agriculture and food security under global change: Prospects for 2025/2050. Background note for the development of CGIAR Strategy and Results Framework.

⁸ Nelson, G., M. Rosegrant, A. Palazzo, I. Gray, C. Ingersoll, R. Robertson, S. Tokgoz, T. Zhu, T. Sulser, C. Ringler, S. Msangi, L. You. 2010. Food security, farming, and climate change to 2050: Scenarios, results, policy options. Research Monograph. Washington, DC: IFPRI.

⁹ von Braun, J., R. V. Hill, and R. Pandya-Lorch. 2009. The poorest and hungry: Assessments, analyses, and actions. Washington, DC: International Food Policy Research Institute.

made, but the rising number of hungry people clearly shows that current approaches are not adequate for the task ahead. To improve the livelihoods of the world's most vulnerable groups, comprehensive actions to enhance food security are urgently needed.



Reduce excessive food price volatility

To calm global food markets, policymakers must ensure the availability of sufficient grain reserves in times of crises, promote open trade, and minimize the food-fuel competition. First, a global, emergency, physical, grain reserve, owned and managed by an institution like the World Food Programme (WFP), needs to be established. Created through donations of grain stocks from large food producers, the reserve should be strategically positioned in these large food producing countries, and more importantly in food importing poor countries, such as Somalia, Ethiopia, and Bangladesh, for easy access. Regional shared reserves for specific agricultural commodities, such as the ASEAN+3 rice reserve under discussion, are also important to respond quickly to production shocks.

Second, transparent, fair, and open global trade is needed to enhance the efficiency of agricultural markets. National governments should be encouraged to eliminate existing export restrictions and refrain from imposing new ones. In particular, bans on WFP purchases should be immediately lifted during food crises

to allow the organization access to food during crisis and emergency. Although export bans may help to secure domestic food supply, it would exacerbate the global price hikes, thus hurting the poorest of the poor and particularly in food-importing countries. Similarly, the import tariffs of large importing countries should also be reduced. A quick and favorable completion of the World Trade Organization Doha Round will be essential.

Third, the existing biofuel subsidies and mandates should be eliminated, and provisions should be put in place to slow down or even suspend the use of grains for biofuel production. By easing the demand for grains, including maize in the United States, such policies will help to calm down domestic and global food markets. In the long run, the benefits and threats of biofuel production for food security and environmental sustainability need to be carefully evaluated. Investments should be made in the development of new technologies that allow for more effective production of biofuels that do not compete with food available for the poor.



Invest in agriculture and social protection

Investment in agricultural productivity and social protection needs to be scaled up in developing countries. In particular, the productivity of small farmers should be enhanced through investments that improve access to inputs such as seeds and fertilizer, financial and extension services, weather-based

crop insurance, and competitive markets. New agricultural technologies suitable for smallholders should also be strongly promoted, and rural infrastructure should be strengthened to increase access to markets.



It is also important to invest in climate change adaptation and mitigation, using the full potential of agriculture. In the area of adaptation, these include investments in improved land management, adjustment of planting dates, and introduction of new crop varieties, while in the area of mitigation, they include improved energy efficiency and crop yields, and land management techniques to increase carbon storage.¹⁰ At least US\$7 billion additional investments in agriculture would be needed per year in order to improve agricultural productivity and prevent these adverse effects on children's malnourishment alone.¹¹

Investment in social protection, especially social safety nets, is also needed to protect the most vulnerable groups, including women and children. In the short term, scaling up of safety nets is feasible in countries that already have such programs in place. In countries lacking

safety nets, the development of these programs should start immediately. To effectively tackle malnutrition, direct nutrition interventions that are properly targeted are required.

Safety nets should consist of interventions that increase productive capacity and improve the nutrition and health of the poor. It is important that the design of these interventions is gender-sensitive—that is, considers the complementarities and tradeoffs between the role of women in agricultural production and childcare, for example. Interventions combining agriculture and social protection can lead to greater impacts on food security as shown by the example of Ethiopia, where the Productive Safety Net Program is supported by complementary agricultural support interventions.¹² Indeed, programs that operate across sectors can benefit from important synergies and thus more effectively increase productivity and address food insecurity and malnutrition.



Enhance the involvement of new players

New actors in global development—emerging economies, the private sector, and charitable organizations—have important roles to play in enhancing food security in developing countries and should be explicitly engaged in the global

¹⁰ IPCC (Intergovernmental Panel on Climate Change).

2007. Climate change 2007: Synthesis report. Geneva.

¹¹ Nelson, G. C., M. W. Rosegrant, J. Koo, R. Robertson, T. Sulser, T. Zhu, C. Ringler, S. Msangi, A. Palazzo, M. Batka, M. Magalhaes, R. Valmonte-Santos, M. Ewing, and D. Lee. 2009. Climate change: Impact on agriculture and costs of adaptation. Food Policy Report. Washington, DC: IFPRI.

¹² Gilligan, D. O., J. Hoddinott, and A. S. Taffesse. 2008. The impact of Ethiopia's Productive Safety Net Programme and its linkages. IFPRI Discussion Paper 00839. Washington, DC: IFPRI.

food system.¹³ Their new business solutions and novel technologies, as well as innovative approaches to development assistance and partnerships, already contribute to employment, growth, and food security in developing countries, but the positive impacts can be strengthened and harmful effects minimized. Emerging economy donors such as Brazil, China, and India need to diversify trade and foreign direct investment towards agriculture, give higher priority to building up agricultural research and extension systems, and continue investments in infrastructure and policy-making capacity. New trade and investment opportunities should also ensure fair competition with local enterprises, stronger linkages of investments with domestic markets, greater engagement of the local workforce, and adoption of higher environmental standards. In addition, transparency and cooperation in aid delivery from emerging donors should be increased to avoid duplication and to create synergies with other donors.



Governments in developing countries need to provide an enabling environment and improve incentives to help private companies advance their core activities and also better engage in enhancing food security. Policymakers need to commit to reforming laws regulations, and institutions that guide business activity; reducing

corruption; and actively engaging in public-private partnerships. In addition, they should promote secure property rights and improve the quality of infrastructure in order to build the confidence of investors. Both for private companies and for charitable organizations, it is important to learn from best practices that comprehensively reach the poor and hungry and invest in effective initiatives that can be scaled up.

Adopt country-led and evidence-based policymaking

Countries need to develop effective, efficient, and sustainable policies that are well adapted to the local context. Country-led policies help maximize the local impact of the global agenda and also tap on external development assistance. The greatest successes in enhancing agricultural production and food security have been primarily country-driven or catalyzed by country-led strategies, such as the Green Revolution in Asian countries from the mid-1960s to the mid-1980s, rural reform in China from the late 1970s to the mid-1980s,¹⁴ and the exit from collective agriculture in Vietnam from the late 1980s to the mid-1990s.

More recently, governments in Africa have recently adopted promising Africa-owned and Africa-led development initiatives through the Comprehensive Africa Agriculture Development Programme (CAADP). The recently developed Regional Strategic Analysis and Knowledge Support Systems (ReSAKSS), a collaboration between the Consultative Group on International Agricultural Research (CGIAR) and leading regional economic communities in Africa, is assisting countries with meeting CAADP targets in the areas of public spending, quality of policies being, and the inclusiveness of policy dialogues.¹⁵

¹³ Fan, S. and J. Brzeska. 2010. The role of emerging countries in global food security. Policy Brief 15. Washington, DC: IFPRI.

¹⁴ Du, R. 2006. The course of China's rural reform. Washington, DC: IFPRI.

¹⁵ For more information, please see <http://www.resakss.org/>.

Evidence-based policymaking needs to guide the development of country-led strategies. Tests and experiments can provide important evidence on how to design, sequence, and implement reforms in areas like agricultural, rural infrastructure, social protection, insurance, labor, and tax policies. Pilot projects and policy experiments can improve the success rate of reforms as successful pilot projects are scaled up and unsuccessful policy options are eliminated.

To ensure reliability of evidence, adopting an evidence-based approach to policymaking should be accompanied by increased investment in information gathering, monitoring, and improving evaluation capabilities. Policymakers need to design an appropriate framework for evaluating experiments, move quickly to create the political and legal space for local experimentation, and foster a culture that values adaptation and change. These changes can create an environment in which policies are continually tried, tested, adjusted, and tried again.



Reform the global food governance system

In spite of the great potential of national policies, many issues cut across country borders and must also be addressed above the country level—such as climate change, agricultural research, disease control, and trade, among others. International and regional efforts to reduce hunger need to be continued, and the

global food governance system itself needs to be reformed to work better. A leading role of emerging economies such as Brazil, China, and India in the new global food governance system is required to address the existing and emerging challenges to global food security.¹⁶

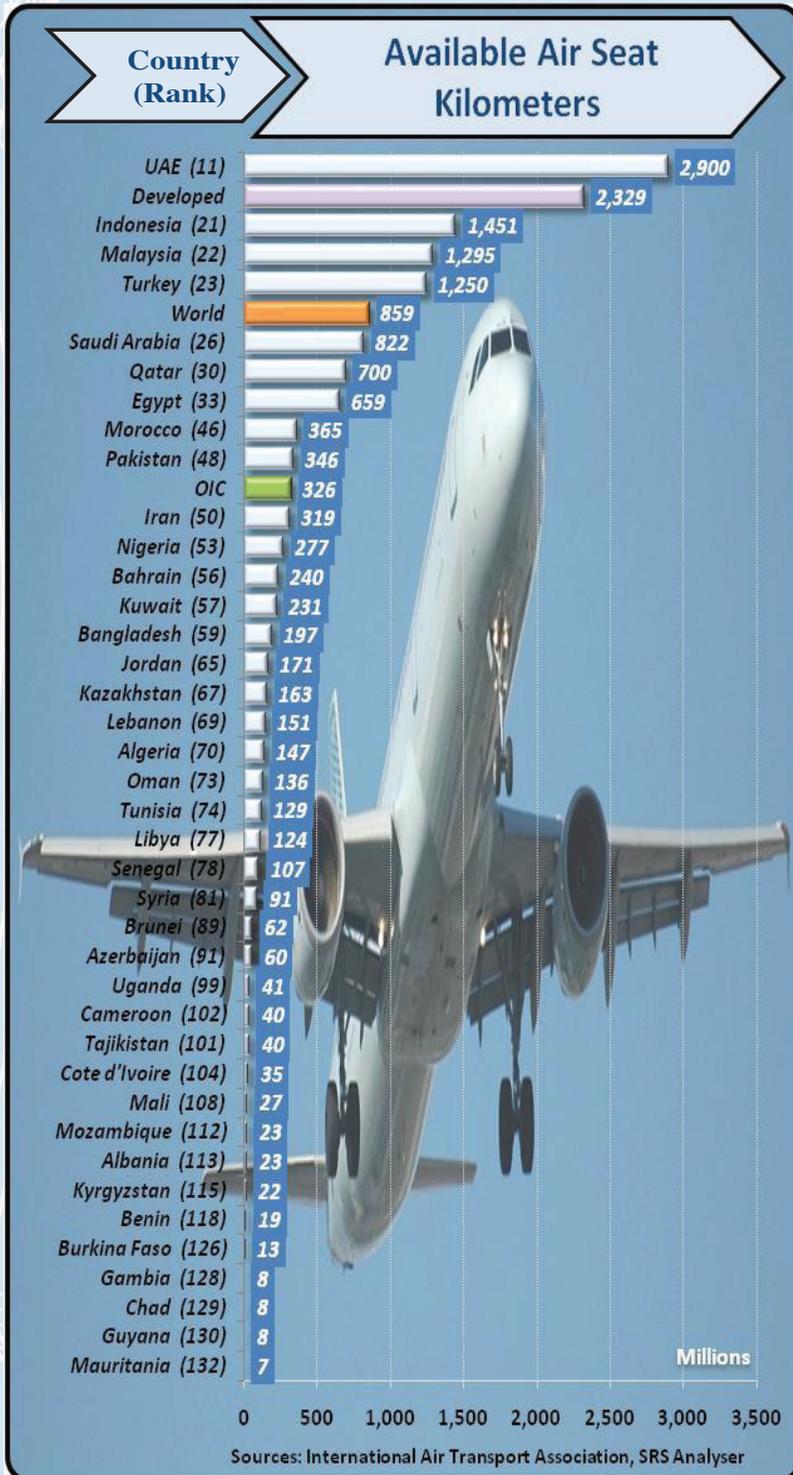
Global and national actors each have their distinct roles to play, and it is important that they work together in the new global food governance system, combining their efforts to fight poverty and hunger. They should seek, for example, to bring donors' and national governments' actions in line with one another, so that they complement rather than compete with each other. A stronger system of mutual accountability between the two groups is also needed to help keep progress on track.

An international working group to regularly monitor the world food situation in a coordinated, transparent, and timely fashion is needed to guide the new global food governance system. This working group, made up of key institutions, such as IFPRI, FAO, the World Bank, WFP, OECD, UNCTAD, and WTO should pay close attention to food production, consumption, trade, stocks, prices, policies, and speculation. The working group can also provide guidance on the optimal level of grain reserves to be held in the physical reserve for food security emergencies, when and how to release them, and at what prices.

Comprehensive actions to reduce excessive food price volatility, invest in agriculture and social protection, enhance the involvement of new players, adopt country-led and evidence-based policymaking, and reform the global food governance system would be essential to prevent another food crisis and sustainably enhance global food security.

¹⁶ Fan, S. Halving hunger: Meeting the first Millennium Development Goal through business as unusual. Food Policy Report. Washington, DC: IFPRI.

DID YOU KNOW?



✦ Scheduled available airline seat kilometers per week measures the total passenger carrying capacity of all scheduled flights including domestic flights from a country.

✦ It is computed by taking the number of seats available on each flight multiplied by the flight distance in kilometers, by summing the result across all scheduled flights in a week during January (winter schedule) and July (summer schedule) 2010 and by taking the average capacity of these two weeks in winter and summer schedules.

✦ For the 39 OIC Member Countries with available data, the average is 326 million air seat kilometers while the World average is 859 millions.

✦ Among the 9 member countries having total passenger carrying capacity above the OIC average, **Indonesia, Malaysia and Turkey** managed to exceed the World average of 859 millions.

✦ With 2,900 available air seat kilometers in the two weeks measured in year 2010, **UAE** was the only country going beyond the average of developed countries, 2,329.

INTERNATIONAL TOURISM IN THE OIC COUNTRIES: PROSPECTS AND CHALLENGES

INTRODUCTION

Over the past few decades, international tourism activity has shown substantial and sustained growth in both revenues and number of tourists, and has left broad economic, social, cultural and environmental footprints reaching almost every part of the globe. International tourism activity generates significant economic benefits to tourists' host and home countries alike. According to the UNWTO, the number of international tourist arrivals increased from 25.3 million in 1950 to 880 million in 2009, corresponding to an average annual growth rate of 6.2 percent. The revenues generated by those tourists, i.e. international tourism receipts in terms of current US dollar prices, increased from US\$ 2.1 billion to US\$ 852 billion in the same period, corresponding to an average annual growth rate of 11 percent; a rate which was significantly higher than that of the world economy as a whole in the same period. In 2009, these revenues amounted to US\$ 2.3 billion per day or US\$ 968 per tourist arrival.

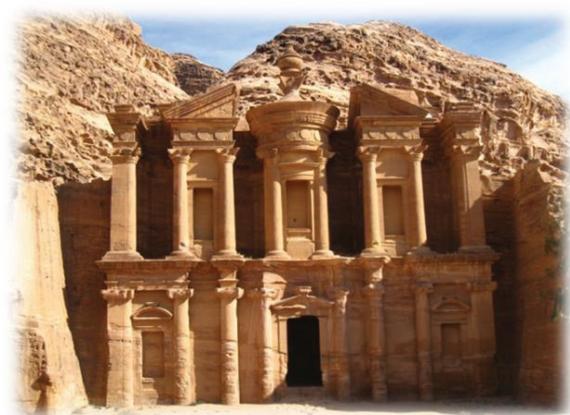
International tourism activity is also characterised by a continuing geographical spread and diversification of tourist destinations. Although the bulk of international tourism activity is still concentrated in the developed regions of Europe and the Americas, a substantial proliferation of new tourist-receiving markets is also observed in the developing regions. According to the UNWTO, the two

traditional tourist-receiving regions of Europe and the Americas attracted, together, 96 percent of the world's total tourist arrivals in 1950. Yet, by 2009, this figure fell to 68 percent in favour of the developing regions of Asia & Pacific, the Middle East and Africa. International tourism has become one of the main economic activities and an important source of foreign exchange earnings and employment in many countries of these regions. Tourism development has, therefore, been given much attention in the national development strategies of many developing countries and placed on the agenda of many recent international conferences on sustainable development.

Considering their rich and diverse natural, geographic, historical and cultural heritage assets, the OIC countries, as a group, have in fact a high potential for the development of a sustainable international tourism sector. However, considering the modest share of the OIC region in the world tourism market and the concentration of tourism activity in only a few OIC countries, it seems that a large part of the tourism potential of the OIC region is still unutilised. The problems facing tourism and the development of a sustainable international tourism sector in the OIC countries are diverse as each country has its own tourism features, level of development and national development priorities and policies.

Indeed, tourism is a very important sector that could, if properly planned and managed, play a significant role in the socio-economic development of many OIC countries. This is true not only due to their existing and potential tourism resources, but also because their citizens travel in large numbers around the world for





business, leisure and other purposes. It is for this reason that tourism has been defined in 1994 as one of the ten priority areas of cooperation of the OIC Plan of Action to Strengthen Economic and Commercial Cooperation among the Member Countries.

In this context, it is worth noting that tourism cooperation activities have recently assumed greater importance on the agenda of the OIC where seven Islamic conferences of tourism ministers and a number of expert group meetings and seminars on tourism development were held during the period that elapsed since the 1st Islamic Conference of Tourism Ministers, which was held in Isfahan, Islamic republic of

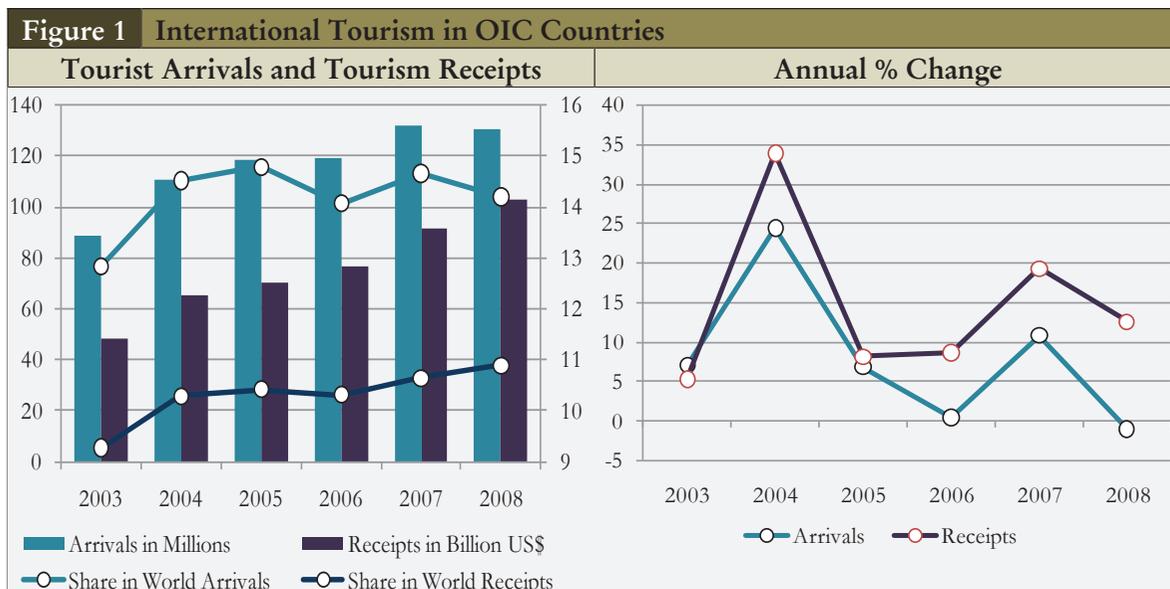
Iran, in October 2000. A wide range of actions has been adopted in these conferences and meetings aiming at developing the tourism sector in the OIC countries and enhancing their cooperation in this vital and multidimensional field of economic, social and cultural activity. Yet, the desirable levels of tourism development in many OIC countries, and in the OIC region as a whole, have not yet been achieved.

Given this state of affairs, this report attempts to assess the performance and economic role of the international tourism sector in the OIC member countries in the latest five-year period for which the data are available. It analyses the two traditionally used indicators in measuring international tourism, i.e. international tourist arrivals and international tourism receipts. The analysis is made at both the individual country and the OIC regional levels. The report also highlights the impacts of the global financial crisis of 2008-2009 on international tourism sector worldwide. In the conclusion, the report sheds light on the challenges of tourism development in the OIC countries and the issue of tourism cooperation among them and proposes some recommendations to serve as policy guidelines to which the attention of these countries needs to be drawn.

INTERNATIONAL TOURIST ARRIVALS AND TOURISM RECEIPTS

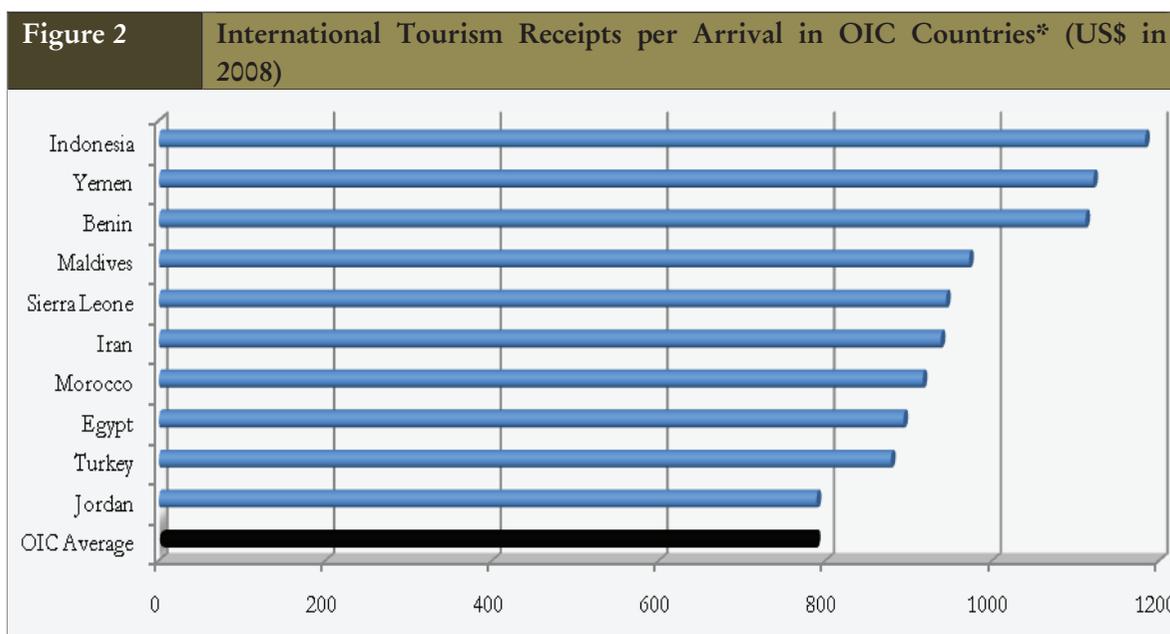
As shown in Figure 1, the number of international tourist arrivals in the OIC countries, for which the data are available, reached 89.1 million in 2003, corresponding to a 12.8 percent share in the total international tourist arrivals worldwide. These tourists generated US\$ 48.5 billion as international tourism receipts in the OIC countries, corresponding to a 9.3 percent share in the world's total tourism receipts. In 2004, international tourist arrivals in the OIC region reached 110.9 million, corresponding to an increase by 24.5 percent over the previous year and a 14.5 percent share in the world tourism

market. International tourism receipts amounted to US\$ 65.1 billion in the same year, corresponding to an increase by 34.2 percent over 2003 and a 10.3 percent share in the world's total tourism receipts. The recovery of the world economy, in particular the economies of the major tourist-generating regions of the Americas and Europe, together with the strengthening of the Asian economies, strongly contributed to the very good results of tourism in the OIC region in 2004. Growth was common to almost all the countries in the region, but was particularly strong in countries such as Turkey, Malaysia, Indonesia, Syria, and Egypt.



In 2005, both international tourist arrivals and tourism receipts in the OIC region increased significantly despite the negative factors that faced international tourism in that year. Tourist arrivals reached a record of 118.5 million, corresponding to an increase by 6.9 percent over the previous year and a 14.8 percent share in the world tourism market. International tourism receipts amounted to US\$ 70.4 billion in the same year, corresponding to an increase

by 8.1 percent over 2004 and a 10.4 percent share in the world's total tourism receipts. However, some countries such as Indonesia, Maldives and Bangladesh were adversely affected by natural disasters such as the tsunami in the Indian Ocean. In addition, few countries in the Middle East, like Jordan and Saudi Arabia, were affected by other negative factors such as oil price increases, exchange rate fluctuations and economic and political uncertainties.



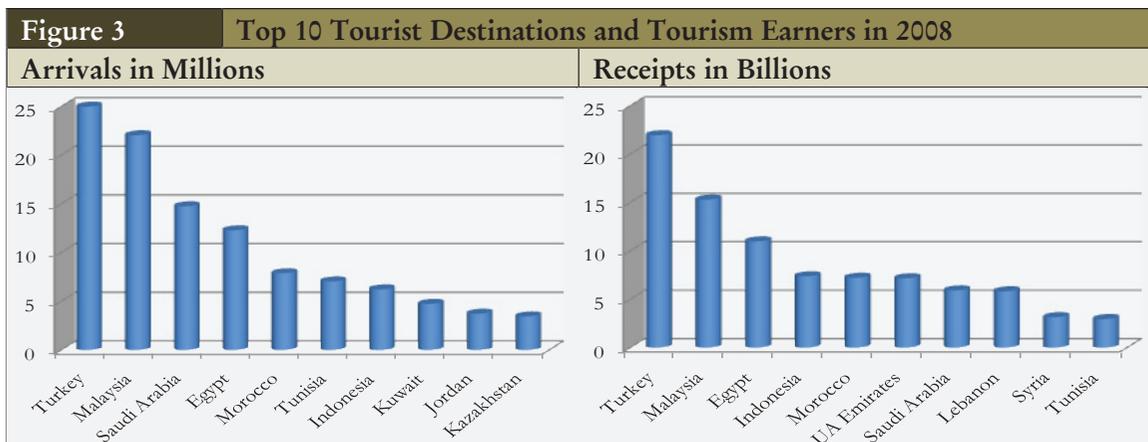
The number of international tourist arrivals in the OIC region witnessed a slight increase in 2006 compared to 2005 and amounted to 119 million, corresponding to a 0.4 percent increase. Consequently, the share of OIC region in the world tourism market decreased slightly to 14.1 percent (Figure 1). On the other hand, although international tourism receipts in the OIC region reached US\$ 76.5 billion in 2006, corresponding to an increase by 8.7 percent over the level of 2005, the share of OIC region in world tourism receipts decreased slightly to 10.3 percent. Following the slight increase of international tourist arrivals in 2006, both international tourist arrivals and receipts in the OIC region grew at solid rates in 2007. Tourist arrivals reached 131.9 million, corresponding to an increase by 10.8 percent over the previous year and a 14.7 percent share in the world tourism market. International tourism receipts amounted to US\$ 91.3 billion in the same year, corresponding to an increase by 19.3 percent over 2006 and a 10.6 percent share in the world's total tourism receipts (Figure 1).

In 2008, the number of international tourist arrivals in the OIC countries, for which the data are available (36 countries), declined to 130.5 million in 2008, corresponding to a slight decrease by 1.1 percent over 2007. Consequently the share of OIC region in the world tourism market decreased slightly to 14.2 percent (Figure 6). Yet, it seems that this slight decrease in international tourist arrivals into OIC countries is mainly due to the unavailability of the data, where the data is not available for 21 countries in 2008 compared to only 11 countries in 2007. This becomes true when we only consider the figures for the countries in 2007 for which the data are available on them in 2008. In this case, the number of tourist arrivals would show an increase by 10.8 percent, from 117.8 million in 2007 to 130.5 million in 2008. This is also true considering the fact that the number of international tourist arrivals increased

significantly in 2008 in the main tourist destination countries of the OIC such as Lebanon (31 percent), Saudi Arabia (28 percent), Egypt (16 percent), Indonesia (13.2 percent), and Turkey (12.3 percent). On the other hand, international tourism receipts in the OIC region reached US\$ 102.8 billion in 2008, corresponding to an increase by 12.6 percent over the level of 2007, and the share of OIC region in world tourism receipts increased slightly to 10.9 percent.

While, in absolute terms, the trends in international tourism receipts were generally similar to those in international tourist arrivals, the shares of the individual countries in the total OIC international tourism receipts as well as the average growth rates of those receipts were somewhat different. This is due to the fact that receipts per arrival vary as each country has its own tourism characteristics in terms of length of stay, purpose of visit, geographical distance, types of shopping, etc. For example, as shown in Figure 2, the OIC average tourism receipts per arrival in 2008 amounted to US\$ 788. In the same year, the highest receipts per tourist arrival were recorded in Indonesia (US\$ 1183) followed by Yemen (US\$ 1121), Benin (US\$ 1112), Maldives (US\$ 972), Sierra Leone (US\$ 944), Iran (US\$ 938), Morocco (US\$ 916), Egypt (US\$ 893), Turkey (US\$ 878), and Jordan (US\$ 789).

At the individual country level, it is observed that international tourism activity, in terms of both tourist arrivals and tourism receipts, is still concentrated in a few countries. For example, in 2008, only 10 OIC countries, namely Turkey, Malaysia, Saudi Arabia, Egypt, Morocco, Tunisia, Indonesia, Kuwait, Jordan, and Kazakhstan were the top 10 international tourist destinations among the OIC member countries (Figure 3). These 10 countries together hosted 107.2 million international tourist arrivals, corresponding to a share of 82.1 percent of the total OIC tourism market in 2008.



Similarly, international tourism receipts in the OIC countries are also concentrated in a few countries, the majority of them being the main OIC tourist destinations shown in Figure 3. In descending order, Turkey, Malaysia, Egypt, Indonesia, Morocco, United Arab Emirates, Saudi Arabia, Lebanon, Syria, and Tunisia are the top 10 OIC countries in terms of tourism receipts. This group of OIC countries earned US\$ 87.8 billion as international tourism receipts in 2008, corresponding to a share of 85.4 percent of the total OIC tourism receipts in that year.

In this context, it is worth mentioning that, in 2008, two OIC tourist destinations, namely Turkey and Malaysia, were also ranked 7th and 9th, respectively among the top 10 world tourist destinations. Moreover, Turkey also succeeded in being ranked 9th within the top 10 world tourism earners in 2008. The latest estimations conducted by the UNWTO indicate that the rankings for Turkey and Malaysia were sustained in 2009 (see Figure 11).¹⁷

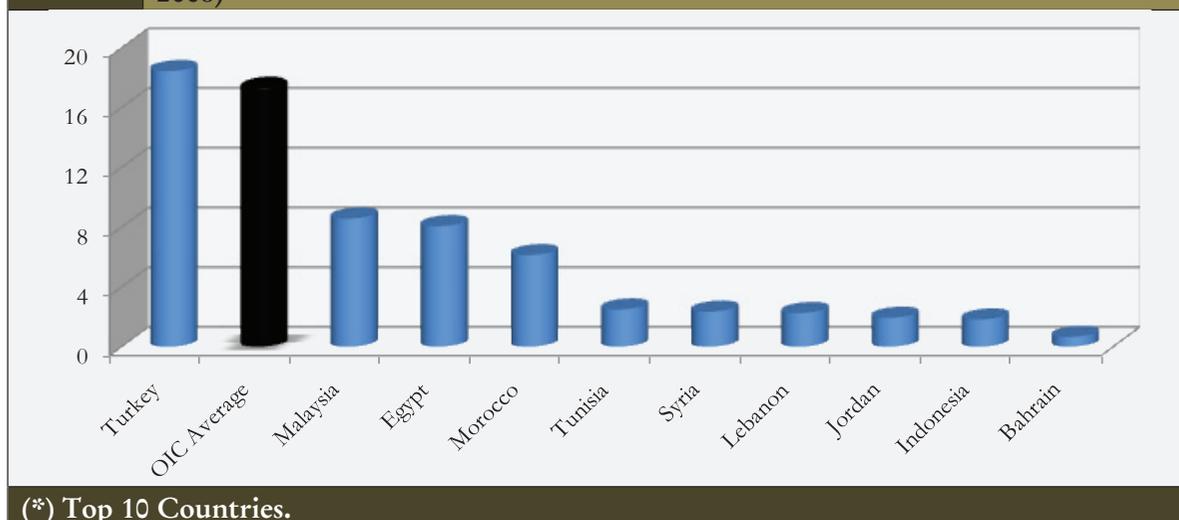
BALANCE OF INTERNATIONAL TOURISM: THE ECONOMIC ROLE OF INTERNATIONAL TOURISM

In this section, an attempt is made to assess the economic role of the international tourism sector in the economies of the OIC countries. This is made by calculating the balance of international tourism, i.e., by deducting the international tourism expenditure from the international tourism receipts, for each individual country for which the relevant data are available in the five-year period of 2004-2008. The net contribution of the international tourism sector to the economies of OIC countries is then examined by relating the balance of international tourism as a percentage of the GDP of each country. The sector is also evaluated as a source of foreign exchange earnings by relating the international tourism receipts in each country, as a percentage, to its total merchandise exports in the same period.

Figure 4 displays the top 10 OIC countries in terms of their balance of international tourism in billions of US dollars in 2008. It is obvious that the majority of these countries are the main OIC international tourism destinations and earners shown in Figure 3. It is also observed that the balance of international tourism of some OIC countries accounts for a high percentage of their international tourism receipts. This is true for some countries like Gambia (90.4 percent), Morocco (84.9 percent), Tunisia (84.5 percent), Turkey (84 percent), Maldives (83.6 percent), Egypt (73.5 percent) and Malaysia (56.1 percent). The total OIC international tourism balance amounted to US\$ 17.5 billion in 2008, corresponding to almost 17 percent of total OIC international tourism receipts.

¹⁷ UNWTO, "world tourism barometer", Interim update, April 2010.

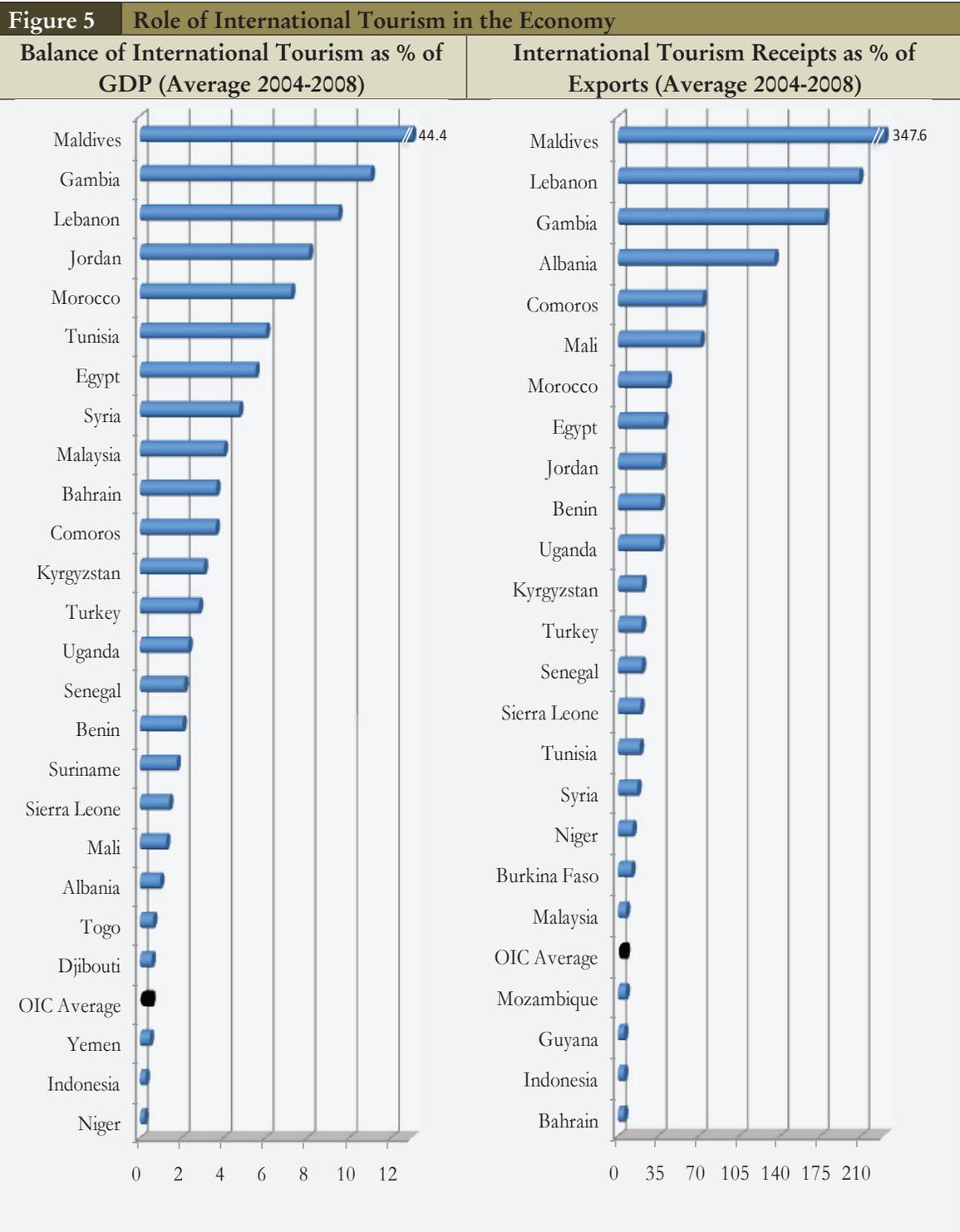
Figure 4 OIC Countries* in Terms of Balance of International Tourism (Billion US\$ in 2008)



However, when the economic role of the international tourism sector in the economies of the OIC countries is examined in terms of its net contribution to the GDP of each country, the picture, as shown in Figure 5, reflects a widely different situation. The economic role of the international tourism sector in the economies of the OIC countries is a function of neither the size nor the level of affluence of the economy. With an average of 44.4 percent of GDP during 2004 through 2008, international tourism is the major economic activity in the Maldives. International tourism reached 11 percent of GDP in Gambia. Figure 5 also shows that the international tourism activity plays a relatively important role compared to the size of the economy in 10 OIC countries for which the balance of international tourism accounts, on average, for 3 to almost 10 percent of their GDP. This group includes some of the OIC's main tourism destination and earner countries (e.g., Lebanon, Jordan, Morocco, Tunisia, Egypt, Syria, Malaysia and Kazakhstan). In contrast, international tourism activity is found to have a negligible or even negative role in the economies of many OIC countries for which the data are available where 24 countries recorded, on average, a deficit in their balance of international tourism during 2004 through 2008. During the same period, the net contribution of international

tourism activity accounted, on average, for 0.5 percent of the total GDP in the OIC countries.

However, when the international tourism sector is evaluated as a source of foreign exchange earnings by relating the international tourism receipts in each country, as a percentage, to its total merchandise exports, Figure 5 indicates that international tourism activity plays a more significant role in the economies of the OIC countries as a source of foreign exchange earnings. During the period 2004-2008, international tourism generated foreign exchange earnings almost 3.5 times, on average, more than those generated by exports in the Maldives, almost 2.1 times in Lebanon, around 1.8 times in Gambia, and 1.3 times in Albania. In the same period, international tourism receipts accounted, on average, for more than 70 percent of the total exports of Mali and Comoros, and more than 30 percent in Morocco, Egypt, Jordan, Benin, and Uganda. Moreover, international tourism receipts accounted for 15 to 21 percent of the value of the exports in Kyrgyzstan, Turkey, Senegal, Sierra Leone, Tunisia, and Syria (Figure 5). Yet, in 31 OIC countries, international tourism receipts were still accounted for less than the average of the OIC of 6.7 percent of their total merchandise exports.



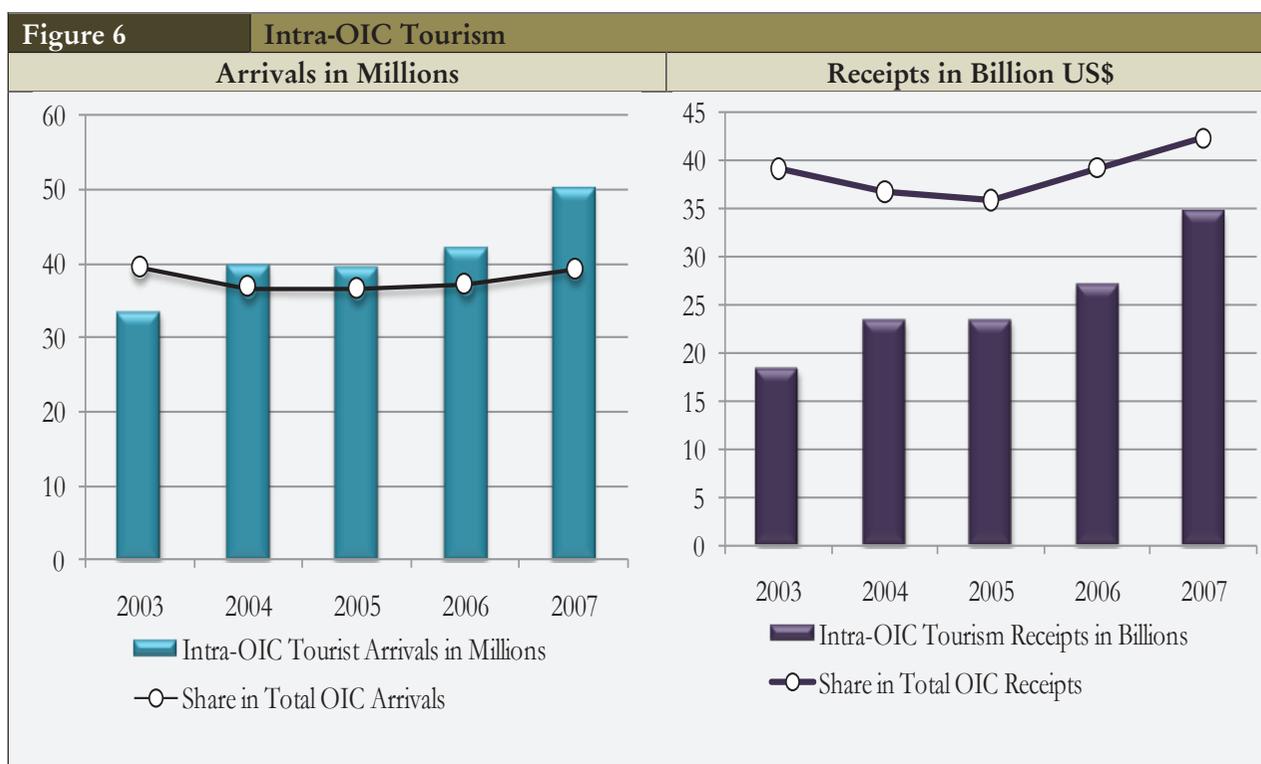
INTRA-OIC TOURISM

As shown in Figure 6, in 2003, intra-OIC tourism, in terms of the number of tourist arrivals, reached 33.6 million arrivals, corresponding to 39.5 percent of the total

international tourist arrivals in 42 OIC countries for which the relevant data are available. In 2004, although intra-OIC tourist arrivals increased significantly and reached 39.8 million

arrivals, corresponding to an increase by 18.6 percent over the previous year, the share of intra-OIC tourist arrivals in total OIC international tourist arrivals decreased to 36.8 percent. In 2005, intra-OIC tourist arrivals decreased slightly by 1 percent, to reach 39.4 million, corresponding to a 36.6 percent share in total OIC international tourist arrivals. This was

due to the fact that some OIC countries such as Indonesia, Maldives, Lebanon, and Saudi Arabia were seriously affected by the negative factors that faced international tourism in that year such as the tsunami in the Indian Ocean, oil price increases, exchange rate fluctuations and political uncertainties.



In contrast, the year 2006 witnessed a substantial increase by 6.8 percent in the number of intra-OIC tourist arrivals reaching 42.1 million arrivals, corresponding to a 37.2 percent share in the total OIC international tourist arrivals. The substantial growth in the number of intra-OIC tourist arrivals continued in 2007 where it reached a peak of 50.2 million, corresponding to an increase by 19.1 percent and a share of 39.2 percent in total OIC international tourist arrivals. With higher shares in total OIC international tourism receipts, a similar trend was observed in the case of the intra-OIC tourism receipts during the period under consideration (Figure 6).

At the individual country level, it is observed that the total intra-OIC tourism is also concentrated in a few countries. In descending order, Saudi Arabia, Bahrain, Syria, Malaysia, Kazakhstan, Turkey, Kuwait, Tunisia, Egypt, and the United Arab Emirates were the top 10 intra-OIC tourism destinations in 2007 (Figure 7). Together, they hosted 40.3 million tourists from the OIC member countries, corresponding to 80.3 percent of the total intra-OIC tourist arrivals in that year. Almost all these countries are also among the top 10 intra-OIC tourism earners, where in 2007 they earned US\$ 20.9 billion, corresponding to 60.1 percent of the total intra-OIC tourism receipts.



It is also observed that tourist arrivals from other OIC member countries accounted for the bulk of the total international tourist arrivals in some OIC countries, such as, Lebanon (98 percent), Yemen (87.6 percent), Benin (56.5 percent), Syria (44.6 percent), and Saudi Arabia (44.1 percent) in 2007. In the same year, this ratio reached 35.8 percent in Jordan, 22.8 percent in Kazakhstan, and 21.6 percent in Brunei. Yet, this ratio is still below the level of

20 percent in many OIC countries. Therefore, notwithstanding all the efforts that have been done and the actions that have been taken so far in the area of OIC cooperation in the domain of tourism, it seems that further effort should be taken to promote and enhance intra-OIC tourism in order to increase the economic, social and cultural benefits of the tourism activities in the member countries.

IMPACTS OF THE GLOBAL FINANCIAL CRISIS OF 2008-2009 ON INTERNATIONAL TOURISM

Over the past five decades, international tourism activity has emerged as one of the most promising industries with international tourist arrivals were increasing by an average annual rate of 6.4 percent during the period 1995-2008. The revenues generated by those tourists, i.e. international tourism receipts in terms of current US dollar prices, were also growing by an average annual rate of 11 percent; a rate which was significantly higher than that of the world economy as a whole in the same period. However, these trends have been recently reversed, affected by the negative impacts of one of the worst financial crises since the Great Depression, which hit the world economy during 2008-2009.

International tourism activities are highly sensitive and vulnerable to the economic fluctuations since the bulk of the demand for these activities originates from leisure, holidaying and business travels. During economic crises, households and business sector usually cut their spending on trips for holidays, leisure and business, which results in significant decline in both tourist arrivals and tourism receipts. Yet, since most of the tourism expenditures are discretionary in nature, in economically hard time, international tourists typically do not react so much by refraining from travel, but by trading down; i.e. choosing, for instance, shorter stays in less expensive destinations closer to home, with travel and accommodation in lower categories. Therefore,

during the recent crisis of 2008-2009, business and corporate sector were more badly affected than leisure and holidaying, where international business arrivals dropped suddenly by 7.2 percent and spending by international business travellers declined by 14.6 percent in 2009 (Euro-monitor International, May 2010).

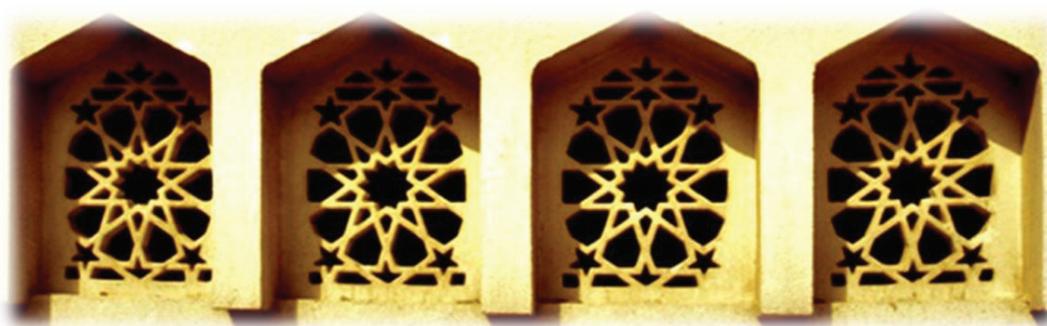
In this context, it is worth mentioning that developed economies of the Americas and Europe, which are the origin of the global financial crisis, have also played an important role in further intensifying its negative impacts on tourism industry as these countries are the major tourist-generating regions in the world. Therefore, the decrease in income and earnings of households and business sector in these economies have been automatically translated into a significant decline in tourism demand. As a result, international tourism activity witnessed one of the worst downturns in the last five decades in terms of both international tourist arrivals and tourism receipts.

Recent Trends in International Tourism Market

During 2008-2009, the global financial crisis, coupled with the sharp rise in world oil prices and the outbreak of swine flu, hit the international tourism sector very hard and tourism demand fell suddenly across the world. According to the UNWTO,¹⁸ before the worldwide spread of the global financial crisis, tourism industry continued to perform well during the first half of 2008 with international

tourist arrivals having grown by 5.8 percent. However, in the second half, the trend was reversed and the number of international tourist arrivals registered an overall decline of 1.2 percent from July to December (Figure 8). In absolute term, although the number of international tourist arrivals increased from 900 million in 2007 to 919 million in 2008, corresponding to an increase by 2.1 percent over 2007, this rate of growth remained significantly lower than the rate of 6.4 percent increase in 2007.

The downturn in tourism industry has been further intensified during the first half of 2009 where international tourist arrivals recorded the highest decline of 13 percent in the month of March compared to the same month in the previous year. However, after March, tourism demand bottomed out and tourist arrivals witnessed a gradual recovery recording positive growth of 1 percent to 2 percent in the last three months of 2009 (Figure 8). In the first half of 2009, international tourist arrivals declined by 8.5 percent. However, due to the rebound in international tourism activity in the second half of 2009, international tourist arrivals recorded a slight decline of only 0.7 percent. Overall, as shown in Section 2, the year 2009 witnessed a decline in international tourist arrivals flows by 4.3 percent as the number of tourist arrivals decreased from 919 million in 2008 to 880 million in 2009. According to the UNWTO, the year of 2009 was one of the worst years that tourism industry witnessed in the last five decades.



¹⁸ World Tourism Barometer, January & April 2010.



However, not all the regions and countries were equally affected by the negative impacts of the global financial crisis of 2008-2009 on international tourism sector. Being the origin of the crisis, the developed regions of the Americas and Europe were generally more affected than their developing counterparts. In the first half of 2008, all the regions around the world recorded positive growth in the number of their international tourist arrivals (Figure 9). However, in the second half when the crisis deepened worldwide, the flow of international tourist arrivals decreased in many regions, with the exception of Africa and Middle East, where tourist arrivals in these two regions grew by 5.5 percent and 10.3 percent, respectively. However, for the whole year of 2008, all regions witnessed positive increase in tourist arrivals as the strong growth in first half of the year compensated for the decline in second half. The Middle East recorded the highest increase with 19.4 percent, followed by Africa with 4.5 percent, the Americas with 2.8 percent, Asia & Pacific with 1.1 percent, and Europe with only 0.4 percent.

The downward trend in tourism demand, which started in the second half of 2008, intensified

further during the first half of 2009 where all regions witnessed significant decline in the number of international tourist arrivals with the exception of Africa where tourist arrivals increased by 3.5 percent. The highest decline in tourist arrivals in the first half of 2009 was recorded in the Middle East region (16.3 percent), followed by Europe (9.7 percent) and Americas (6.7 percent). A decline in international tourist arrivals was also recorded in the second half of 2009, particularly in the developed regions of Europe and the Americas (Figure 9). However, as a result of the stimulus packages and expansionary policies implemented by the governments of many developed countries in these regions, the negative impacts of the global financial crisis started to fade away in the last few months of 2009 and economic activity started to rebound worldwide.

The early global economic recovery in late 2009 paved the way for the improvement in international tourism, especially in the developing and emerging regions as tourist arrivals flow rebounded in the second half of 2009 and recorded positive increases, particularly in the Middle East region with 3.6 percent and

Asia & Pacific with 3.5 percent. Nevertheless, the rebound in tourism activity in the second half of 2009 could not compensate for the losses witnessed in first half and, thus, all regions recorded an overall negative growth in tourist arrivals for the whole year of 2009. Therefore, except Africa, which managed to attract 1.4 million more tourists in 2009, corresponding to

3.1 percent increase over the previous year, all other regions recorded losses in tourist arrivals, with Europe recording the highest loss of 27.3 million tourists, corresponding to a decrease by -5.6 percent over 2008. A loss in tourist arrivals was also recorded in the Middle East (5.4 percent), Americas (4.7 percent) and Asia & Pacific (1.7 percent).



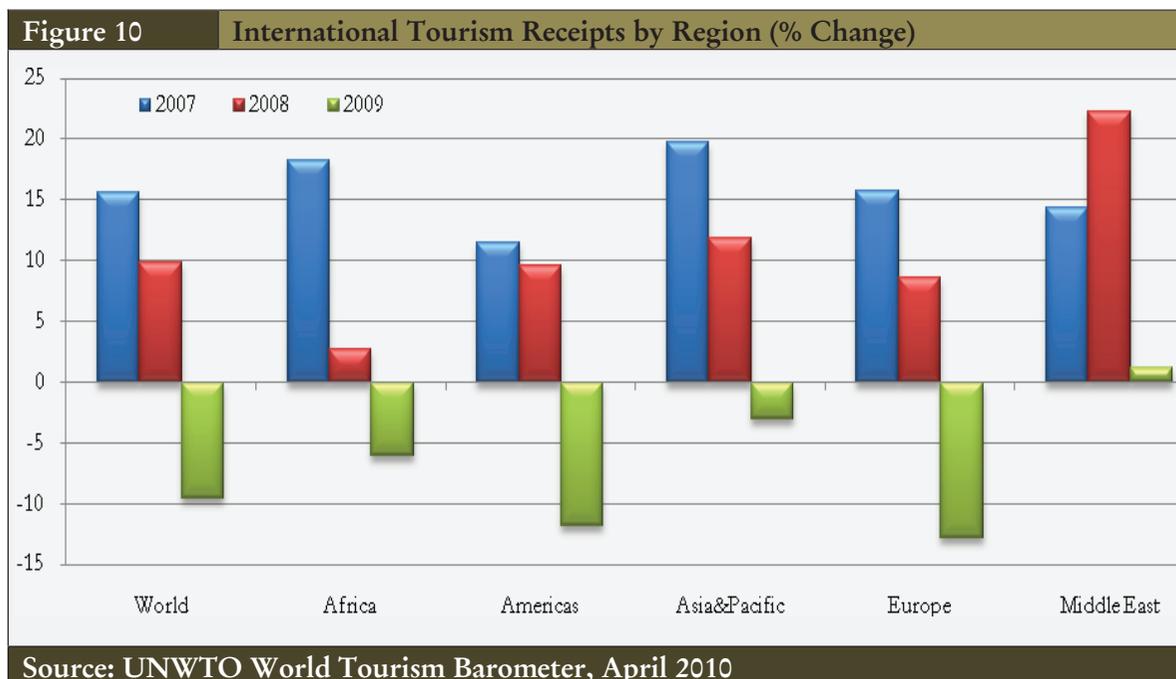
The negative impact of global financial crisis on international tourism industry is also clear when the revenues generated by the tourism sector; i.e. international tourism receipts, are considered during 2008-2009. In 2008, international tourism generated US\$ 942 billion, corresponding to an increase by 9.8 percent over the previous year. However, the increase in tourism receipts in 2008, which was mainly due to the strong results of the first half of the year before the global emergence of crisis, remained very much lower compared to the increase of 15.6 percent recorded in 2007 (Figure 10). At regional level, in 2008, although with lower rates compared to 2007, all regions recorded positive increase in international tourism receipts as follows: 2.7 percent in Africa compared to 18.3 percent in 2007, 9.6 percent in Americas compared to 11.5 percent, 11.9 percent in Asia & Pacific compared to 19.7 percent, 8.6 percent in Europe compared

to 15.7%, and 22.3 percent in Middle East compared to 14.4 percent (Figure 10).

In 2009, international tourism receipts declined to US\$ 852 billion, corresponding to a decrease by 9.6 percent over 2008. It is worth noting that the decrease in international tourism receipts in 2009 was higher than that in the number of tourist arrivals (4.2 percent). This confirms the fact that, in economically hard time, international tourists typically do not react so much by refraining from travel, but by trading down; i.e. choosing, for instance, shorter stays in less expensive destinations closer to home, with travel and accommodation in lower categories. At the regional level, being the origin of the crisis, the developed regions of the Americas and Europe witnessed higher decline in tourism receipts compared to the developing and emerging regions. Except the Middle East

region, where tourism receipts increased slightly by 1.2 percent over the year 2008, all the other regions recorded decreases in their tourism receipts in 2009, the highest of which was

recorded in Europe (12.8 percent), followed by Americas (11.8 percent), Africa (6 percent), and Asia & Pacific (3 percent).



Top 10 Tourist Arrivals Destinations and Tourism Receipts Earners

As shown in Figure 11, the top 10 international tourist arrivals destinations, which, together they received 45.3 percent of the total tourist arrivals worldwide in 2009, have been significantly affected by the negative impacts of the global financial crisis. In 2009, international tourist arrivals in these countries, as a group, declined by 4 percent.¹⁹ However, the impact of the crisis in these countries varies considerably where, in general, the developed countries were more affected compared to their developing and emerging counterparts. In 2008, five of these countries, namely the USA, Turkey, Germany, Malaysia and Mexico recorded increases in their tourist arrivals. Turkey, which was ranked 7th among the top 10 tourist arrivals destinations in 2009, recorded the highest increase in tourist

arrivals in 2008 (12.3 percent), followed by Mexico, which was ranked 10th (5.9 percent), Malaysia which was ranked 9th (5.1 percent), the USA which was ranked 2nd (3.5 percent) and Germany which was ranked 8th (1.9 percent).

The downward trend in international tourist arrivals, which was started in 2008, has been further intensified in 2009 and tourism industry experienced sharp decline, particularly in the top destinations of the developed countries. Out of the top 10 destinations, only three countries recorded increases in tourist arrivals in 2009, the highest of which was recorded by Malaysia (7.2 percent), followed by Turkey (2 percent) and Italy (1.2 percent). The remaining seven major destinations, five of which are developed countries, recorded decreases in the number of tourist arrivals as follows: Spain (8.7 percent), UK (7 percent), France (6 percent), USA (5.3 percent), Mexico (5.2 percent) China (4.1 percent) and Germany (2.7 percent).

¹⁹ UNWTO World Tourism Barometer, Interim Update, April 2010.

On the other hand, international tourism receipts have been also significantly affected by the global financial crisis, particularly in 2009. This was clear, as shown in Figure 11, in the top 10 tourism receipts earners, which together, they accounted for over 41.2% of the world total tourism receipts in 2009. As a group, international tourism receipts of these countries decreased by 15.4 percent in 2009. All the top 10 tourism receipts earners, except the UK, recorded increases in tourism receipts in 2008 (Figure 11). Five of these countries even recorded double digit increases in tourism receipts, the highest of which was recorded in Turkey (18.9 percent), followed by Austria (15.3 percent), the USA (13.4 percent), Australia (11.2 percent) and Germany (11.1 percent). The UK

recorded a decline in its tourism receipts by 6.7 percent in 2008. However, this trend was sharply reversed in 2009 where tourism receipts declined in all the top 10 tourism receipts earners, except Australia, which recorded an increase by 3.2 percent. Six countries, all of which are from developed regions, witnessed double-digit decline in their tourism receipts in 2009 as follows: UK (16.4 percent), USA (14.4 percent), Spain (13.6 percent), Germany (13.3 percent), France (12.4 percent) and Italy (12 percent). In contrast, the only two developing and emerging economies among the top 10 tourism earners; i.e. Turkey and China recorded comparatively modest declines by 3.2 percent and 2.7 percent, respectively.

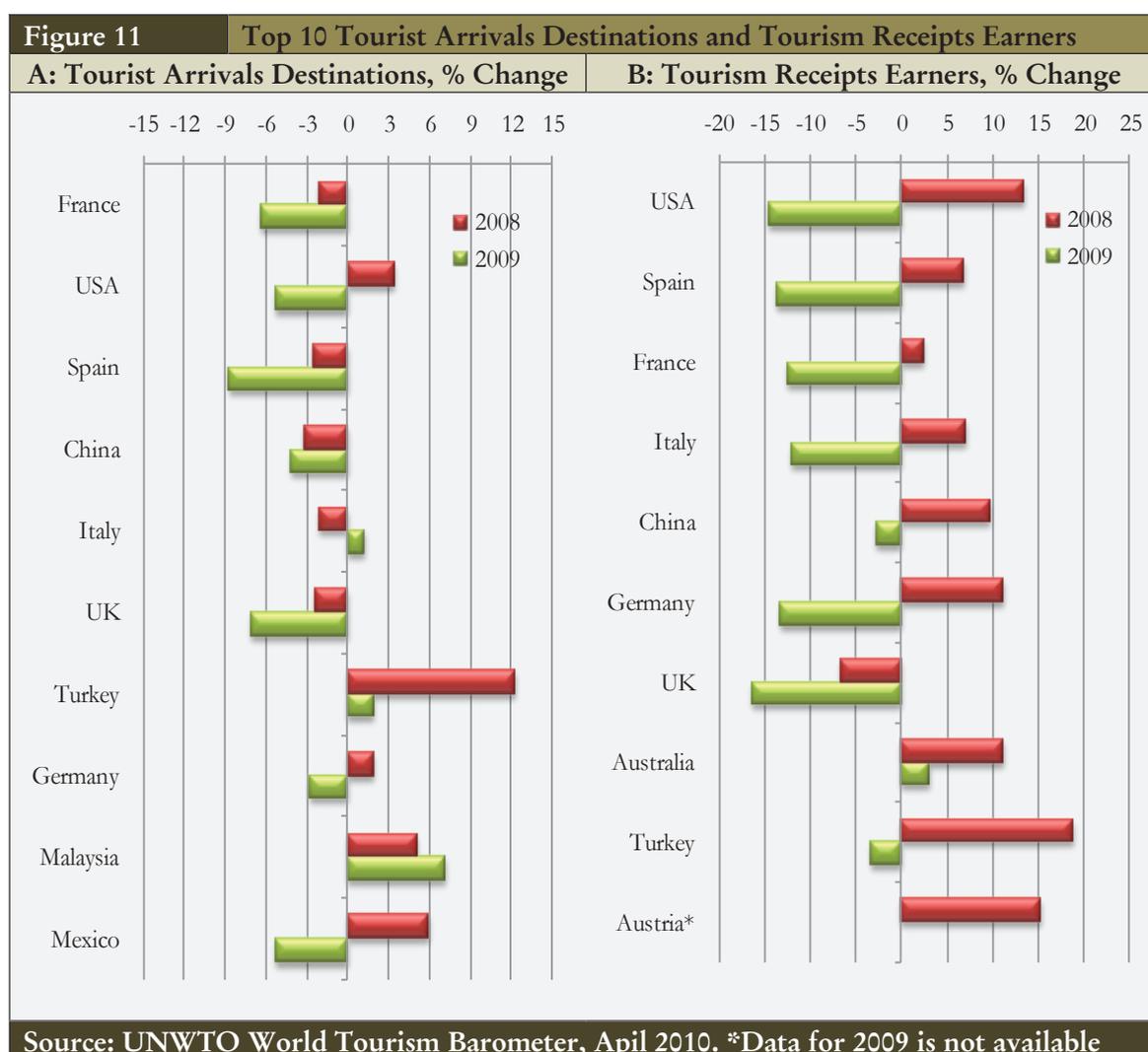
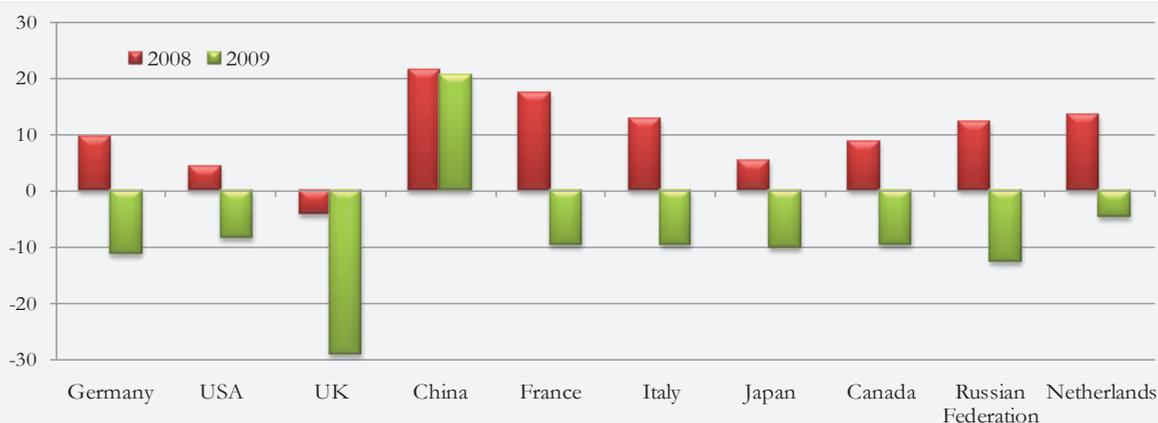


Figure 12 Top 10 International Tourism Spenders (Tourism Expenditures, % Change)



Source: UNWTO World Tourism Barometer, April 2010

Similarly, international tourism expenditures have been also affected by the global financial crisis, particularly in 2009. This was clear, as shown in Figure 12, in the top 10 international tourism spender countries, which together accounted for over 47.4 percent of the world total tourism expenditures in 2009. As a group, international tourism expenditures of these countries decreased by 10.2 percent in 2009.²⁰ At the individual country level, four top spenders witnessed double-digit declines in 2009 as follows: UK (29.2 percent), Russian Federation (12.6 percent), Germany (11.2 percent) and Japan (10 percent). While France, Italy, and Canada each witnessed a decrease in tourism expenditures by 9.7 percent, the USA and Netherlands witnessed decreases by 8.3 percent and 4.6 percent, respectively. Only China recorded an increase by 20.7 percent in its tourism expenditures in 2009.

Prospects for Recovery in 2010

In order to mitigate the negative impacts of the global financial crisis, the governments of many countries, particularly in the developed countries, established stimulus funds to regain the lost grounds. Considering the fact that tourism sector may play a significant role in

leading the global economy out of the recession, policy makers have been asked to mainstream this sector into crisis mitigation policy measures.

Figure 13 UNWTO Roadmap for Recovery

Resilience
1. Focus on Job Retention and Sector Support
2. Understand the Market and Respond Rapidly
3. Boost Partnership and Cooperation
4. Advance in Innovation and Technology
5. Strengthen Regional and Interregional Support
Stimulus
6. Create New Jobs – especially in SMEs
7. Mainstream Tourism in Stimulus and Infrastructure Programs
8. Review Tax and Visa Barriers to Growth
9. Improve Tourism Promotion and Capitalize on Events
10. Include Tourism in Aid for Trade and Development
Green Economy
11. Develop Green Jobs and Skills Training
12. Respond Effectively to Climate Change
13. Profile Tourism in Green Economy Strategies
14. Invest in Green Tourism Infrastructure
15. Promote a Green Tourism Culture in Suppliers, Consumers, and Communities

Source: UNWTO 1st Report on the Implementation of the Roadmap for Recovery as of March 2010.

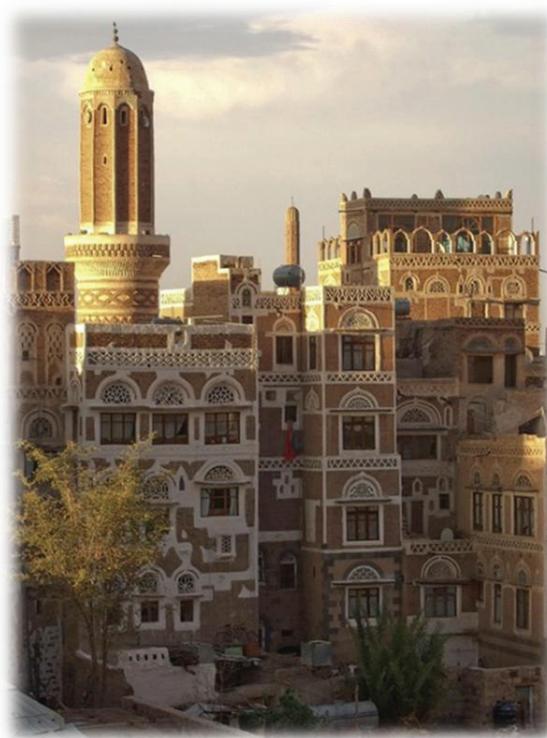
²⁰ UNWTO World Tourism Barometer, Interim Update, April 2010.

In this regard, the UNWTO came up with a *Roadmap for Recovery* in October 2009. This roadmap basically provides guidelines to respond to the economic crisis and its effect on the tourism and travel sector. These guidelines are formulated under three themes, namely *Resilience*, *Stimulus* and *Green Economy* (Figure 13). Each theme contains five recommended actions to help the tourism sector to recover from the negative impacts of the crisis. This road map also emphasizes the importance of the tourism sector as a key driver of overall global economic recovery as well. Following this road map, many countries developed stimulus measures both in terms of fiscal and monetary packages to mitigate the negative effects of the crisis on tourism sector. In general, some countries reduced taxes and eased visa formalities to facilitate tourists, while others have allocated financial resources to support tourism enterprises, maintain/increase employment in the sector and develop infrastructure.

Some OIC member countries also followed the suit and introduced many policy measures recommended in the Roadmap to mitigate the negative effects of the crisis on their tourism sector (Figure 14). Most of these OIC countries adopted necessary measures to facilitate tourism recovery, especially by improving tourism promotion and to capitalize on events, reducing taxes and easing visa formalities along with boosting public private partnership and improving promotion of tourist destinations both locally and abroad. Meanwhile, tour operators and hotel industry developed more economical tour packages by slashing fares for guides, cars, air travels, accommodation, and meals. These measures helped the tourism sector to rebound and a gradual recovery is underway across the globe.

Considering all the above, it seems that, for tourism, a sudden crisis does not necessarily translate into a long-term recession. Experience shows that tourism has always managed to recover from past crises with remarkable speed

and strong growth levels. According to the recent UNWTO projections²¹, based on preliminary data for some 140 destination country available at the end of August 2010, international tourist arrivals are estimated to have grown by 6.9 percent in the first half of 2010. The growth in tourist arrivals was positive in all world regions, led by a robust performance of emerging economies with growth of 8 percent compared to 5.7 percent in advanced economies. Growth is strongest in the Middle East (20.4 percent), followed by Asia and & Pacific (14.1 percent), Africa (7.4 percent), Americas (7.3 percent), and Europe (2 percent). These positive results followed one of the toughest years for the international tourism sector where international tourist arrivals had declined by 4.2 percent and international tourism receipts, at current US dollar prices, by 9.6 percent. On the basis of these positive results, the UNWTO forecasted that international tourism industry will grow at 3 percent to 4 percent in 2010.



²¹ UNWTO World Tourism Barometer, Interim Update, August 2010.

Figure 14 Measures Taken by Some OIC Member Countries to Mitigate the Impacts of the Crisis on the Tourism Sector

	Resilience					Stimulus			
	Focus on Job Retention and Sector Support	Understand the Market and Respond Rapidly	Boost Partnership and Competition	Advance Innovation and Technology	Strengthen Regional and Interregional Sport	Create New Jobs especially in SMEs	Mainstream Tourism in Stimulus and Infrastructure Programs	Review Tax and Visa Barriers to Growth	Improve Tourism Promotion and Capitalize on Events
<i>Brunei</i>	X		X						X
<i>Egypt</i>		X	X					X	X
<i>Indonesia</i>	X				X				X
<i>Iran</i>			X					X	X
<i>Jordan</i>								X	X
<i>Malaysia</i>									X
<i>Maldives</i>			X					X	X
<i>Morocco</i>			X						X
<i>Oman</i>			X						X
<i>Pakistan</i>			X					X	
<i>Qatar</i>							X		X
<i>Saudi Arabia</i>					X	X			X
<i>Syria</i>					X				X
<i>Tajikistan</i>								X	
<i>Togo</i>	X	X	X	X	X		X	X	X
<i>Tunisia</i>			X						X
<i>Turkey</i>		X	X		X				X
<i>UAE</i>			X				X		X

Source: UNWTO 1st Report on the Implementation of the Roadmap for Recovery as of March 2010.

CONCLUSION AND POLICY RECOMMENDATIONS

As a group, the OIC member countries have a high potential for the development of a sustainable international tourism sector. This is true given their rich and diverse natural, geographical, historical, and cultural heritage assets. Therefore, international tourism is a very important sector that could, if properly planned and managed, play a significant role in the economic development of the OIC countries. This is due not only to their existing and potential tourism resources, but also to the fact that their citizens travel in large numbers around the world for business, leisure, and other purposes. It is for this reason that tourism has been identified in 1994 as one of the ten priority areas of cooperation in the Plan of Action to Strengthen Economic and Commercial Cooperation among the Member Countries of the OIC.

As major 'Objectives' of cooperation in the area of tourism, the OIC Plan of Action seeks to promote, develop and expand tourism activities in the OIC countries through supporting and developing joint action at the bilateral and multilateral levels. It also aims to establish new facilities and activities in the member countries in order to attain globally competitive standards in terms of the quality of services and diversity of tourism activities. In addition, the Plan encourages and promotes extensive private sector involvement in tourism through joint ventures in the area of improvement and enhancement of physical capacities and quality service. Moreover, tourism has recently assumed a greater importance on the agenda of the OIC, considering that seven Islamic conferences of tourism ministers and a number of expert group

meetings and seminars on tourism development were held during the period that elapsed since the 1st Islamic Conference of Tourism Ministers, which was held in Isfahan, Islamic Republic of Iran, in October 2000.

In these conferences and meetings, the OIC member countries adopted a number of declarations, programmes and plans of action for the development and promotion of tourism, in which they decided, among other things, to boost cooperation in tourism through the promotion of public awareness, education, training, investment opportunities, and the involvement of the private sectors. They even identified some possible areas of cooperation in tourism, such as tourism facilitation, marketing, research, and training. All in all, a wide range of actions has so far been adopted aiming at developing the tourism sector in the OIC countries and enhancing their cooperation in this vital and multidimensional field of economic, cultural, and social activity. However, considering their modest share in the world tourism market and the concentration of tourism activity in a few of them, it seems that the desirable levels of tourism development and cooperation in many OIC countries, and in the OIC region as a whole, have not yet been achieved. Therefore, albeit a crucial factor, the inherent natural tourism resources cannot, by itself, make a successful tourism industry unless properly planned and managed.

In fact, the challenges facing tourism and the development of a sustainable international tourism sector in the OIC countries are diverse as each

country has its own tourism features, level of development, and national development priorities and policies. In the case of many OIC countries, these challenges still include the lack of technical know-how and the weak promotional activity. Despite the fundamental awareness and basic cognisance of the economic importance of tourism as an industry and its positive impact as a potential source of foreign exchange earnings and employment, in many cases there is generally a lack of tourism knowledge and professionals. This is often accompanied by the absence or weak publicity promotion and mass media exposure due, in many cases, to the limited communication systems and technological services. Many OIC countries also lack the sufficient infrastructures necessary for the development of a sustainable tourism industry. Primary amongst these are hotels and lodging services, transportation and communication, and tourism information services. This makes it difficult to provide tourists with the international standards of tourism facilities and services.



The issue of tourism investments is also an important one. While investment in services is a well-established economic activity in the developed countries, it is still lagging behind in many developing countries. Investment in service-oriented projects, particularly in tourism, is often regarded in most developing countries as a high-risk task. Accordingly, though they may have a natural tourism potential, it is still very difficult for some poor and least-developed OIC countries to gain access to reasonable financing for their tourism projects even when they manage to tackle the problems of project

identification and planning. On the other hand, the issue of developing consistent tourism strategies and policies is one of the challenges facing many OIC countries, which are still experiencing difficulties in reaching integrated tourism policy-making due, in general, to policy conflicts between the government departments and the tourism private agencies. This issue is usually coupled, in many cases, with the lack of effective administration, regulation and institutional frameworks of the tourism activity.

Another challenge is the lack of tourism diversification. Modern international tourism activity has shown a growing tendency towards diversification and change. This makes it difficult for many OIC countries, including those with a relatively developed tourism sector, to keep pace with the rapidly changing and complex requirements of international tourists. In a highly competitive international tourism market, and considering the emergence of new tourism destinations, improving the conditions that foster modern tourism development is not an easy process. Last, but not least, is the problem of the lack of tourism safety in some member countries. In this context, it is worth mentioning that the safety of tourists is a primary factor for any successful tourism industry and should, therefore, be one of the basic objectives of tourism planning and management. Safety-related tourism problems, whether real or perceived, exert a negative impact on the reputation of the host countries. In this regard,

negative perceptions and political instability appear to play a detrimental role in the prospects of tourism in many OIC countries.

However, despite all these challenges and the modest share of the OIC countries in the world tourism market, there still is a wide scope for the development of a sustainable international tourism industry in those countries. Overall, this necessitates the adoption of articulate long-term strategies as well as medium to short-term coherent plans and programmes at the national level that would be accompanied by a process of creating a supportive OIC cooperation environment at the regional level. In this context, the rest of this section includes a set of recommendations that can be proposed at both the national and the OIC cooperation level to serve as policy guidelines to which the attention of the member countries needs to be drawn.

At the national level, the promotion of sustainable tourism development should be an integral part of the national development plans and strategies. The objectives and programmes of action for tourism development should be focused on the promotion of the economic, social, cultural, and environmental incentives of tourism. Sustainable tourism development strategies should be outlined specifically and formulated in consultation with the private sector and other relevant stakeholders in the tourism sector. Tourism development projects and strategies should consider and include issues of environmental sustainability and poverty



alleviation. Governments and the private sector must place increased importance on these issues.

The quality and efficiency of the basic tourism-related infrastructures and services such as hotels, roads, public amenities, transportation and communication, tourism information, and visa regulations should be improved based on international standards to provide world-class services to visitors and tourists. In this context, efforts should be made to create an environment conducive to the safety travel of tourists by establishing and promoting health and safety border security measures, particularly at airports. Special programmes should, therefore, be developed for the national capacity building in tourism sector, particularly tourism administrations and regulations. On the other hand, as an activity that symbolises free movement, international tourism has everything to gain from the greatest possible liberalisation of trade in the services related to it. In this context, efforts should be made to promote synergies between transport and tourism policies to secure greater facilitation of border movements for visitors and to increase national capacities to use the relevant elements of the multilateral trade framework.

Tourism is a business and primarily an area for private sector activity. Thus, efforts should be made to encourage and promote extensive private sector involvement in tourism development through strengthening public-private sector cooperation with a view to establishing policies, strategies, and regulations relative to sustainable tourism development. In this context, the planning, management, and marketing of new and diverse tourism products should be



improved by the inclusion of socio-cultural programmes and traditional activities involving local communities. In particular, efforts should be made to improve the potential of ecotourism, not only as a sector with great potential for economic development, especially in remote areas where few other possibilities exist, but also as a significant tool for the conservation of the natural environment.

In order to help change people's perceptions regarding tourism and raise their awareness of the opportunities and challenges involved therein, tourism-oriented education should be promoted and developed. This should be accompanied by making efficient use of the mass media and other promotional facilities to

publicise and promote existing attractions and available tourism resources. In this context, training programmes on different aspects of tourism should be provided by national tourism authorities, particularly to people and personnel

directly engaged in tourism activities. These programmes should cover a broad range of subjects such as foreign languages, business and e-tourism techniques, the environmental and socio-cultural impacts of tourism, history, national flora and fauna, etc. To facilitate those programmes, actions must be taken to provide local communities with financial and technical support and develop entrepreneurial capacities and managerial skills, especially in small and medium-sized tourism enterprises (SMEs), in order to improve the competitiveness of tourism products and services.

On the other hand, at the OIC cooperation level, joint programmes and promotional

materials on tourism in the OIC member countries, such as TV programmes, brochures, posters, and guidebooks should be developed and made available to the member countries as well as to other countries around the world in order to promote the cultural heritage, diversity, and landmarks of the OIC countries at the regional and international levels. In this context, scientific methods of joint tourism marketing and advertisement should be developed and supported by tools that have a major impact on consumers such as the Internet. A proposed example on these tools could be an OIC Internet Guide for Tourism with a view to providing all actors in the tourism sector with comprehensive and updated information on tourism opportunities in the OIC member countries to help increase intra-OIC tourism activities. In so doing, the experience of the EU Internet Guide “EU Support for Tourism Enterprises and Tourist Destinations” could be a useful example.

The establishment of alliances between tourism stakeholders in the OIC countries, particularly between the official tourism promotion bodies, should be encouraged with a view to strengthening tourism marketing and promoting cooperation at the sub-regional level as well as at the level of the OIC region as a whole. Linkages in air, land, rail, and sea transportation should be

facilitated and established in order to ease access from one destination to another within the OIC region. In this context, efforts should be made to establish an OIC alliance among the airline companies of the OIC countries with the aim of having direct flights between their capitals and major cities. Meanwhile, tourism visa and other legal and administrative travel procedures should be simplified with a view to easing entry and movement of tourists among the OIC countries and thus enhancing intra-OIC tourism. In this connection, efforts should be made to establish a legal framework towards concluding an agreement on visa arrangements among the OIC countries, including the possibility of issuing an electronic or joint visa.

Last, but not least, efforts should be made to promote and encourage public and/or private joint venture investments in tourism projects through providing special facilities and preferential treatments for investors from the OIC countries. Joint training/vocational programmes on various aspects of the tourism industry should also be developed and organised by the relevant training institutions in the OIC countries. Linkages or networks among tourism training institutions in the member countries should be established to facilitate the exchange of experts and research on tourism development.

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Eighth International Conference on Islamic Economics and Finance, Sustainable Growth and Inclusive Economic Development from an Islamic Perspective

19-21 December 2011, Doha, Qatar



The Eighth International Conference on Islamic Economics and Finance is jointly being organized by the Qatar Foundation's Faculty of Islamic Studies (QFIS) through its Islamic Economics and Finance Center, the Islamic Development Bank Group through its Islamic Research and Training Institute (IRTI), the International Association for Islamic Economists and the Statistical, Economic & Social Research & Training Centre for Islamic Countries (SESRIC) with the support of other stakeholders. The Conference will be held for three days during 19 – 21 December 2011, in Doha, Qatar. The theme of the Conference will be "Sustainable Growth and Inclusive Economic Development from an Islamic Perspective". Accordingly, the Conference will provide a platform for dialogue and discussions between policymakers, academics, researchers, graduate students, and practitioners to address the problems of poverty alleviation, inclusive economic growth, and macroeconomic stability from the perspective of the Islamic Economics and Finance discipline. The first conference in the series was held in Makkah Al Mukaramah, Kingdom of Saudi Arabia in 1976 under the auspices of King Abdulaziz University, Jeddah and it marked the start of development of Islamic economics and finance as modern scientific disciplines. For more information about the 8th Conference and previous conferences in this series, please visit http://islamiccenter.kau.edu.sa/7iecon/index_english.html

EARLY CHILDHOOD CARE AND EDUCATION IN OIC COUNTRIES

SESRIC*

INTRODUCTION

The term Early Childhood Care and Education (ECCE), has been used by UNESCO to refer to all organized developmental services for children during the period from birth until a child enters primary education, which is age 6 or 7 in most countries. ECCE services are holistic in approach and include various programmes in basically three areas: 1) health, nutrition, hygiene 2) cognitive, social, emotional and physical development; and 3) social protection. ECCE programmes address different age groups ranging from infancy, preschool, kindergarten to early primary grades. Early Childhood Care Programmes are generally for children under age 3 (under-3s) and supervised by ministries of health and/or social affairs. Early Childhood Education Programmes are mostly for children over age 3 (over-3s) and governed by ministries of education. The former is found in around half of the countries in the world, while the latter is existent in all (UNESCO, Global Monitoring Report (GMR), 2008). Duration of each programme varies by country.

Children are born ready to learn and the fastest development of the brain occurs in the first six years of life. High quality early childhood interventions have lasting effects on learning and motivation. Children, who passed ECCE programmes, get better test scores, have more high school graduations and receive enhanced employment and earnings over a lifetime. In addition, they are more likely to avoid grade repetition and special education (Barnett, 2008). Nobel Laureate Economist James Heckman (2006) stated “early child development is a rare public policy initiative that promotes fairness and social justice, and at the same time promotes productivity in the economy and in society at

large”. The earlier the investment the higher the rate of return is.

World Declaration on Education for All (EFA), in 1990, set a vision that “learning begins at birth”. In 2000, 164 countries have reaffirmed this vision, during the UNESCO-Dakar World Education Forum, and agreed in Dakar Framework for Action, on specific targets and goals related to ‘*Education for All*’. Goal 1 of the Dakar Framework for Action calls for “*expanding and improving comprehensive early childhood care and education, especially for the most vulnerable and disadvantaged children*”. Incorporating early childhood care and education into EFA framework has provided a mechanism to focus on problems related to ECCE. UNESCO called for more policy attention and the investment in the area.

It is estimated that 13% of the world total population is between the ages of 0-6 and that 30% of this population live in OIC Member Countries²². This report presents the current state of ECCE in the OIC Member Countries. It also addresses the obstacles and challenges and makes some policy proposals in order to improve ECCE services in OIC countries.



* This report was prepared by Mrs. Hatice Melek Ates Tasci, Researcher at the Training and Technical Cooperation Department, SESRIC.

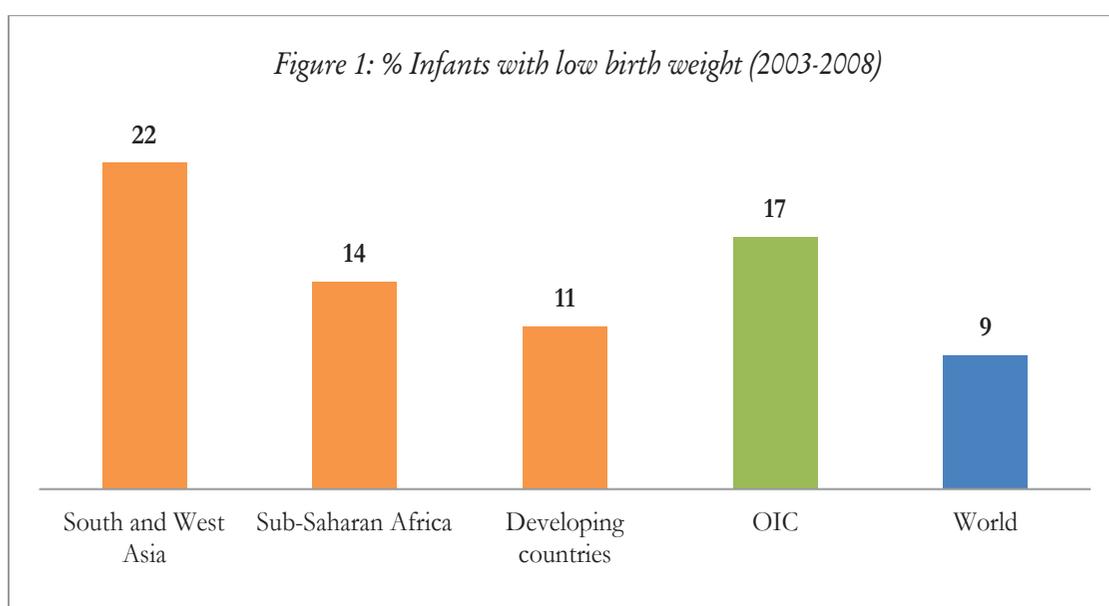
²² World Bank 2008 Data

EARLY CHILDHOOD CARE (ECC) IN OIC COUNTRIES

Child Survival and Well-Being

The nutrition crisis begins in the womb and is strictly related to maternal health of women. *Low birth weight rate* is an indicator, which gives perspectives on both maternal health and status of child well-being in a country. About 19 million infants worldwide are born with low birth weight and over half of these incidents

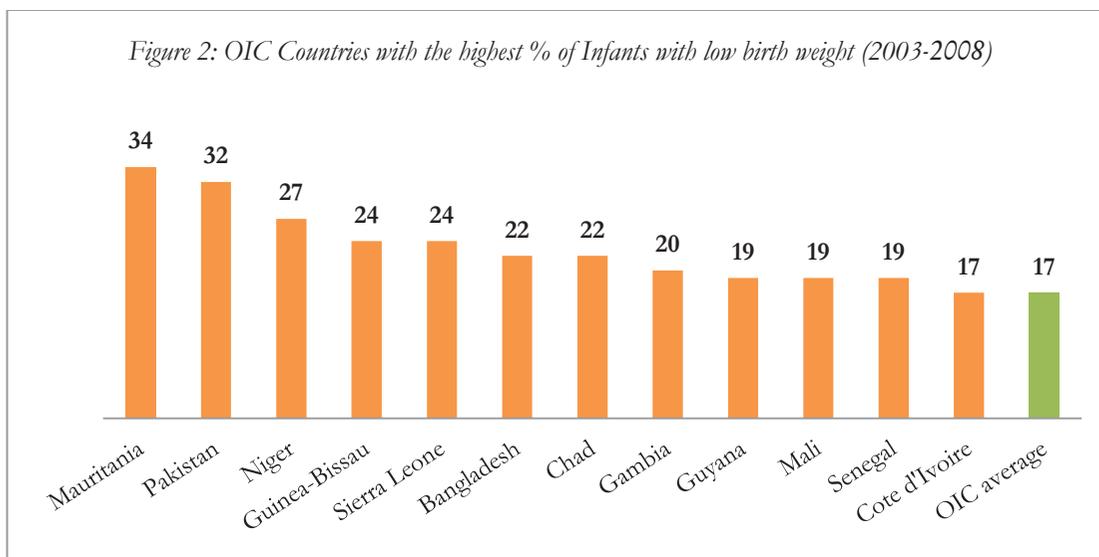
occur in South and West Asia region (UNESCO, GMR, 2010). Such children are twenty times more likely to die during infancy and survivors are more prone to infectious diseases. They also bare longer term risks of disadvantage in health and education. Low birth weight is strongly related with poor education performance and cognitive skills.



Source: WHO, Global Health Observatory (GHO) Database

The average low birth weight rate in OIC countries were recorded at 17% in the period 2003-2008, a rate which was significantly higher than the world average of 9% and the average of the developing countries of 11% in the same period (Figure 1). This means that almost 2 out of 10 births occur with low birth weight in OIC Countries. At the OIC individual country level, the highest ratios were recorded in OIC member countries in sub-Saharan Africa, such as Mauritania (34%), Niger (27%), Sierra Leone and Guinea-Bissau (24%), Chad (22%), Gambia (20%), Senegal and Mali (19%), and Cote d'Ivoire (17%). There were three more countries, namely

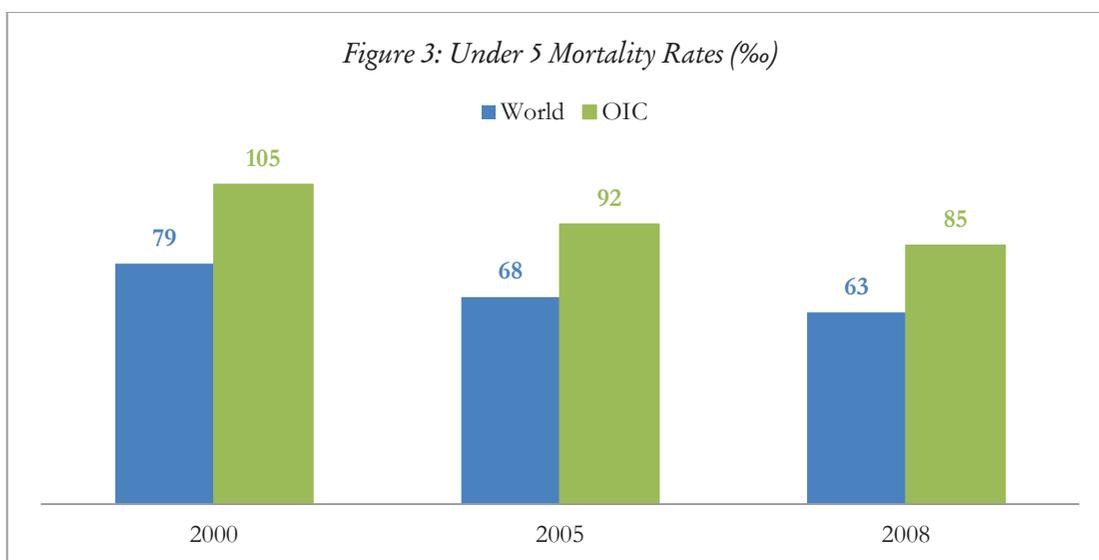
Comoros, Sudan and Yemen which reported high low birth weight rates (25% in 2000, 31% in 1999 and 32% in 1997, respectively). Two OIC countries in South and West Asia, Pakistan and Bangladesh, also recorded high ratios of 32% and 22%, respectively (Figure 2). However, Some OIC countries in Central Asia have low birth weight rates below the world average, namely Turkmenistan (4%), Kyrgyzstan and Uzbekistan (5%) and Kazakhstan (6%). Other OIC countries have also recorded low birth weight rates. These are Tunisia (5%), Algeria (6%), Albania and Iran (7%)(WHO, GHO Database).



Source: WHO, Global Health Observatory (GHO)

Under-5 mortality rate is another indicator, which reflects the level of child health. It provides information on the number of children who can reach pre-school age. Malnutrition before children enter into school is a serious barrier to education (UNESCO, GMR, 2010). It

is damaging 178 million young children each year, blocking their potential for learning, reinforcing inequality in education and later life, and reducing the efficiency of investment in education systems.



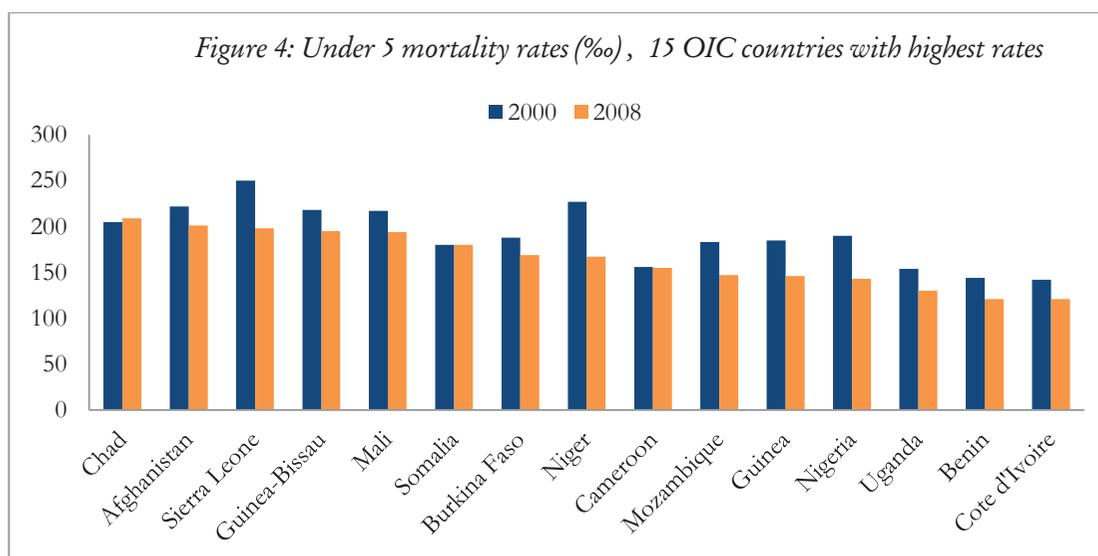
Source: WHO, Global Health Observatory (GHO)

Although the average under-5 mortality rate of the OIC Countries decreased from 105‰ in 2000 to 85‰ in 2008, it was still above the world average of 63‰ in 2008 (Figure 3). Though some improvements have been achieved in terms of under-5 mortality rates in all OIC

countries since 2000, in general, the levels of these rates are still unsatisfactory enough where many OIC Countries still have quite high rates, particularly in sub-Saharan Africa (Figure 4). Afghanistan and Pakistan also have high under-5 mortality rates which are significantly higher

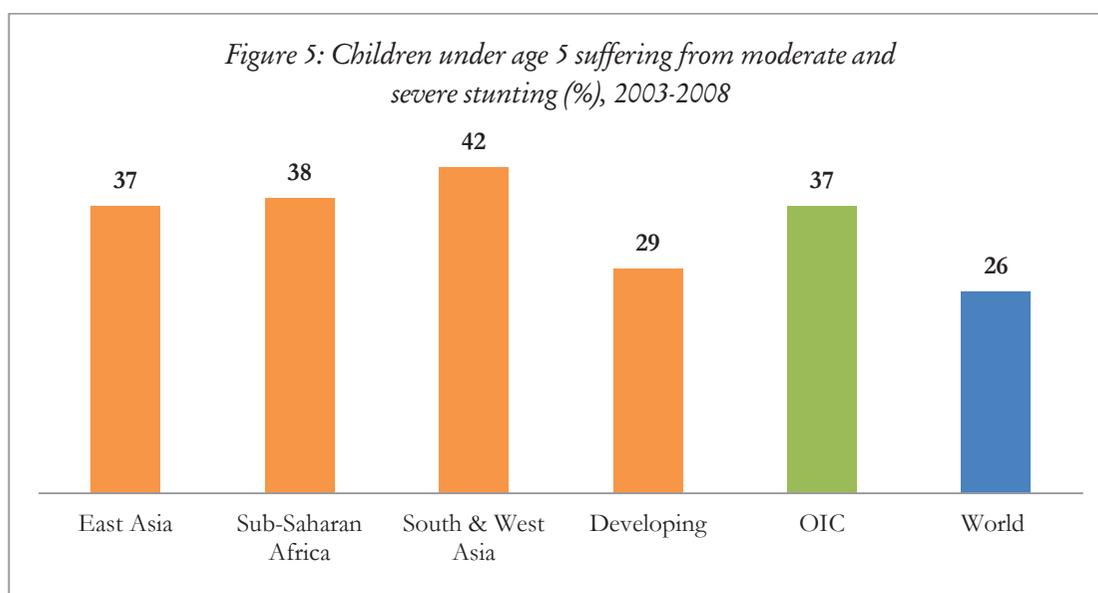
than the world average. Yet, low rates have been recorded in some OIC Countries like Malaysia

(6‰), Brunei (7‰), UAE (8‰), and Kuwait (10‰) in 2008.



Source: WHO, GHO Database

Moderate and severe stunting is another indicator on child well-being demonstrating existence of persistent under nutrition. This is an important indicator since there is a strong relationship between nutritional status and cognitive achievement of children under age 5 (UNESCO, GMR, 2010).



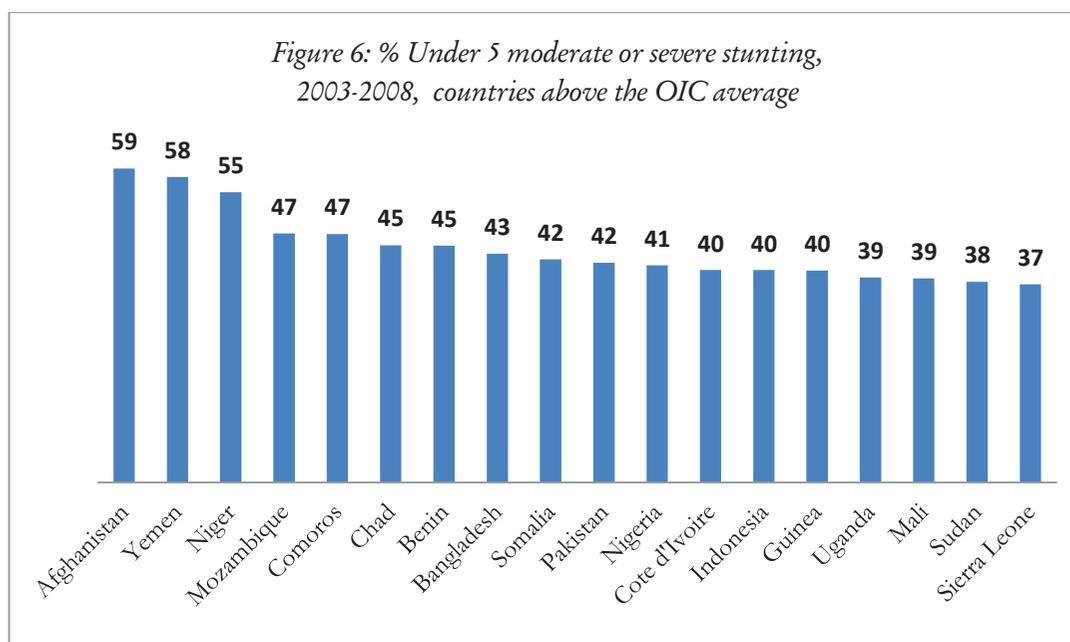
Source: WHO, GHO Database

While, on average, almost one child out of three in the developing countries suffers from moderate or severe stunting, in OIC Countries, almost 4 children out of 10 are exposed to the same situation. The vast majority of these

children live in South & West Asia and sub-Saharan Africa (Figure 5). For example, in Afghanistan, Yemen and Niger, more than half of children under age 5 suffer moderate and severe stunting, while around 4 out of 10

children experience the same situation in Comoros, Mozambique, Bangladesh, Benin, Pakistan, Somalia, Chad, Nigeria, Cote d'Ivoire,

Guinea, Mali, Sudan, Uganda, Indonesia, Burkina Faso, Cameroon and Sierra Leone (Figure 6).



Source: WHO, GHO Database

Provision of Early Childhood Care Programmes for Children under Age 3

Fewer programmes are provided for children under age 3 compared to early childhood programmes provided for children over age 3. ECC programmes for children under age 3 are generally custodial in nature (UNESCO 2008, Global Monitoring Report). Emergence of these programs is partly a reflection of women's entry to labour market and their subsequent need for a safe place for their children while they are at work. Therefore, these programmes focus mostly on health and care aspect and are called nurseries or day cares centres.

Out of the 36 OIC countries, for which the relevant data are available, 25 countries provide ECC programmes for children under age 3, with different age intervals at centres like crèches,

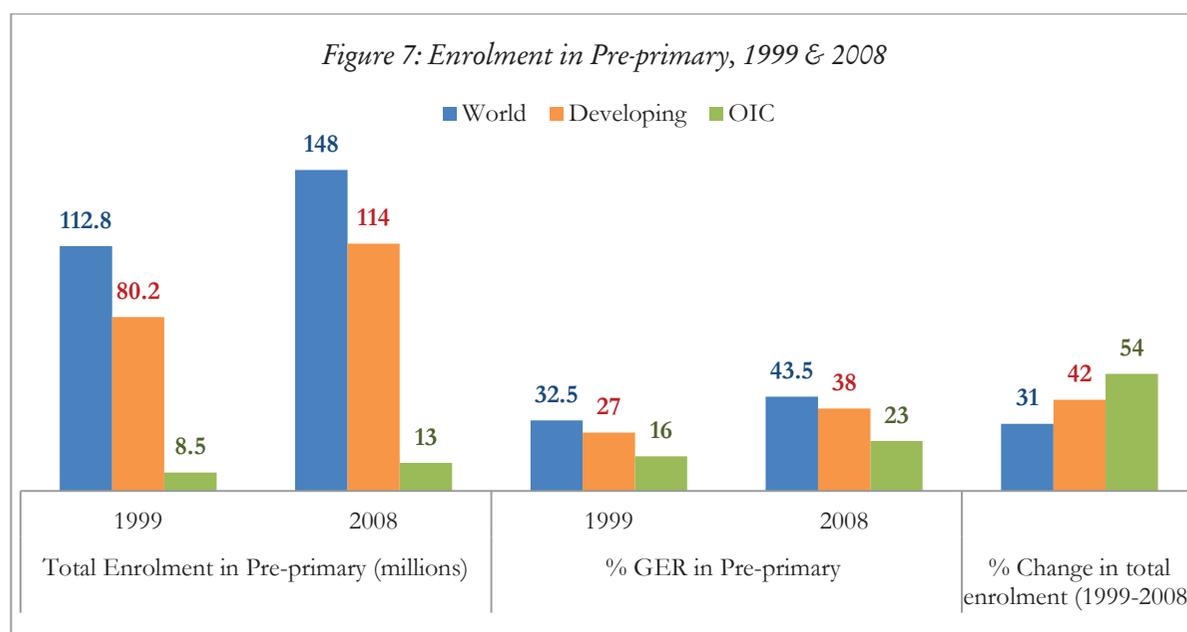
nurseries, day cares or community care centres (See the Summary Table in the Annex). They are mostly privately owned in OIC countries and operated in urban areas. Access to early childhood services for children under age 3 is fairly low in OIC countries compared to pre-school age (3-6 ages). This is due, in general, to the following reasons. First, societal and cultural views enforce that child rearing and child care are rather private responsibilities than a community one (OIC Countries in Central Asia do not generally share this view). Second, cost per child for services for this age group are often higher than those for pre-school age children considering younger children's need for more staff per child and for specialized equipment and training. Third, private sector dominance cause low-income groups to be excluded from access to centre-based services.

EARLY CHILDHOOD EDUCATION (PRE-PRIMARY EDUCATION) IN OIC COUNTRIES

Provision of Early Childhood Education Programmes for Children over Age 3

The number of children enrolled in pre-primary education programmes has increased by 31% in the world, from 1999 (112.8 million) to 2008 (148 million). In the same period, the OIC countries recorded an increase by 54% compared to 42% recorded by the developing countries

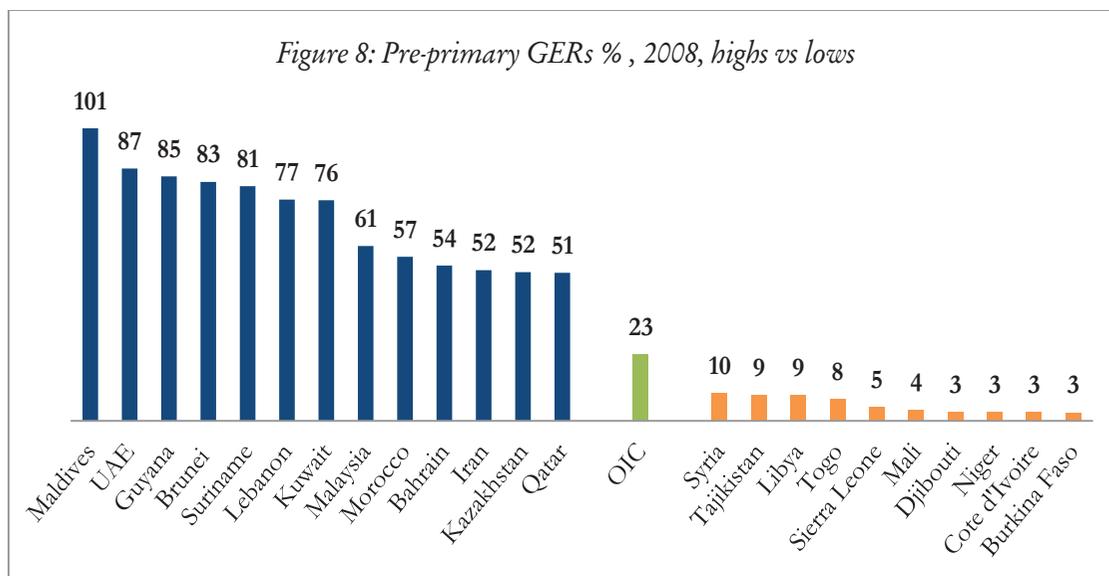
(Figure 7). The biggest incremental change has been recorded by Indonesia, with about 1.6 million children. Iran, Sudan, Kazakhstan, Turkey, Egypt and Cameroon were other OIC countries which together recorded an increase in total pre-primary education enrolment by about the same amount (UNESCO, EFA GMR Database).



Source: UNESCO, EFA GMR Database

However, the *Gross Enrolment Ratio (GER)* in pre-primary education in OIC countries increased from 16% in 1999 to only 23% in 2008; a ratio which still lagged behind the world average of 43.5% and the average of the developing countries of 38% in 2008 (Figure 7). At the individual OIC country level, the GER in 2008 was over 50% in 13 countries, with the highest ratios recorded by Maldives, followed by

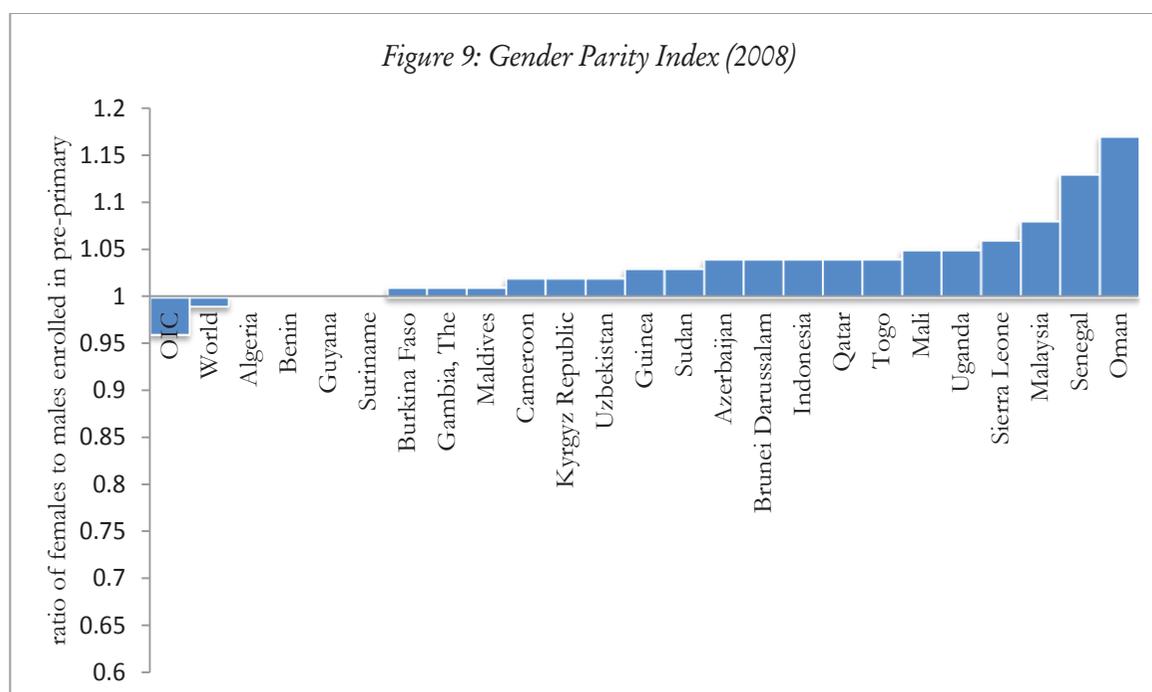
United Arab Emirates, Guyana, Brunei and Suriname (Figure 8). In contrast, this ratio was less than 10% in 9 OIC countries, with the lowest ratios recorded by Burkina Faso, Cote d'Ivoire, Niger, Djibouti, Mali and Sierra Leone (less than 5%). Moreover, Chad and Yemen recorded GER of less than 1% according to 2007 data of UNESCO.



Source: UNESCO , EFA GMR Database

On the other hand, *Gender Parity Index (GPI)*, i.e. the ratio of females to males enrolled in pre-primary education, in OIC countries has, on average, improved during the period 1999-2008. While this ratio was 0.83 in 1999 (i.e. 8 girls were enrolled for every 10 enrolled boys), it reached to almost equal enrolment ratio in 2008 with GPI of 0.96; a ratio which is close to the world average of 0.97. Yet, four OIC countries

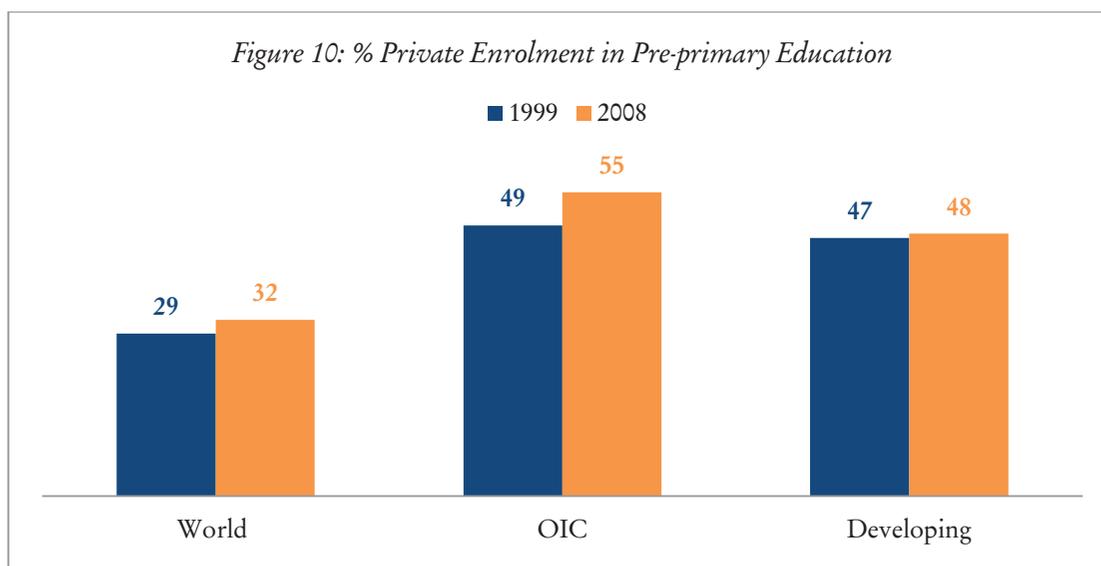
recorded the lowest ratios in the world, namely Chad with GPI of 0.49 in 2007, Morocco with GPI of 0.74 in 2008, Yemen with GPI of 0.85 in 2007 and Tajikistan with GPI of 0.86 in 2008. There are also countries with disparities favouring girls. In Senegal and Oman, 11 and 12 girls were enrolled for every 10 boys in 2008, respectively (Figure 9).



Source: UNESCO,EFA GMR Database

More than half of the pre-primary education enrolment in OIC countries is in private pre-schools. The average *Rate of Private Enrolment* in OIC countries increased from 49% in 1999 to 55% in 2008; a rate which was higher than that of the world average of 32% and the average of

the developing countries of 48% in 2008 (Figure 10). At the individual country level, this rate reached 100% in 2008 in Bahrain, Comoros, Gambia and Uganda, and was over 90% in Indonesia, Jordan, Maldives, Morocco, Palestine and Qatar (See Summary Table).



Source: UNESCO, EFA GMR Database

Yet, private enrolment in pre-primary education in the OIC countries in the Central Asia is quite low. It was less than 1% in Azerbaijan and Uzbekistan, 1.1% in Kyrgyzstan and less than 5% in Kazakhstan in 2008. This can be attributed to these countries' being in transition from former Soviet structure. Although the Caribbean Region had the highest private enrolment average in the world with 86%, the two OIC member countries in that region, Guyana and Suriname had relatively lower private enrolment rate in pre-primary education recorded at 3% and 44%, respectively in 2008 (UNESCO, EFA GMR Database).

Overall, all OIC countries have one or more programmes for pre-primary education level (For age intervals, see Summary Table). They are most commonly named as pre-school education, kindergarten, pre-primary education, early childhood education and more traditional Koranic Schools in Arab Countries, such as

Morocco, Tunisia, Sudan, Mauritania, Yemen and Saudi Arabia. On average, 43% of the new entrants to primary school in OIC countries had been enrolled in pre-school education programmes of ECCE²³.

The age groups for pre-primary education are less standardized than for primary education. National authorities typically set an official entrance age for pre-primary education, which is theoretically age 3 or 4 in most OIC countries. While the intended duration of the pre-primary education is two years in almost half of the OIC countries, for which the data are available, it is three years in eight countries and one year in the remaining (see Summary Table).

In most OIC Countries, participation in pre-primary education is not mandatory and

²³ OIC weighted average has been calculated on the basis of available data for 20 Countries in UNESCO EFA GMR database (see summary table for the name of 20 countries).

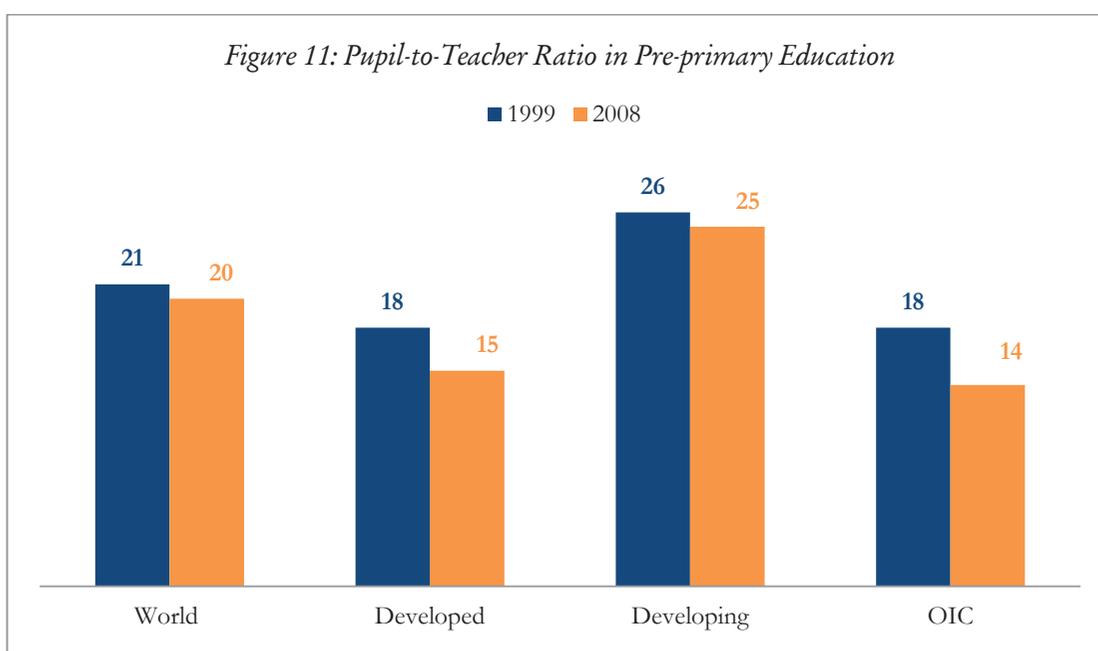
children may enter the programmes at any age between official entrance age and the start of obligatory primary school. However, in Kazakhstan, Iran, Sudan and Brunei, there is one

year obligatory pre-school enrolment, although these countries are not among the OIC countries with the highest pre-primary education GERs.

QUALITY OF EARLY CHILDHOOD EDUCATION PROGRAMS IN OIC COUNTRIES

There are arguments that the definition of high quality early childhood education services should be culturally and contextually relevant. However, there is still a consensus on some factors that determine if an early childhood education programme is of high quality. These

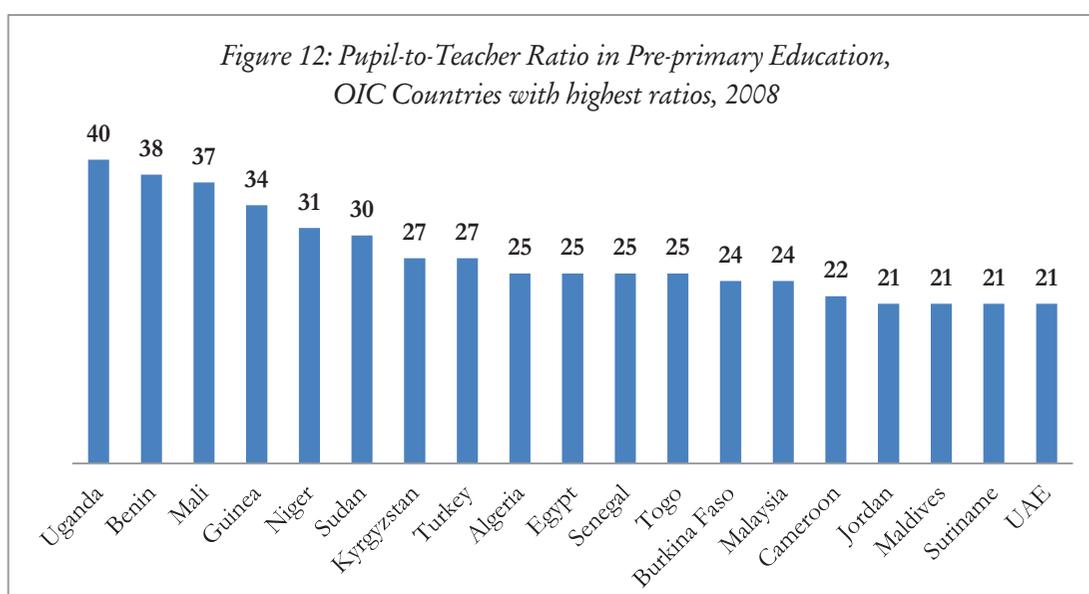
include pupil/teacher ratios, teacher qualifications, physical and psychological environment, health and safety factors, programme management and community integration.



Source: UNESCO, EFA GMR Database

The single most important determinant of quality in early childhood services is the quality of interaction between teachers and children. Therefore, relatively small classes and adequate teacher training are of great importance in ECCE (UNESCO, GMR, 2007). In this context, *Pupil-to-teacher ratio* is an indicator for measurement of quality in terms of class sizes. The situation of class sizes in the pre-school

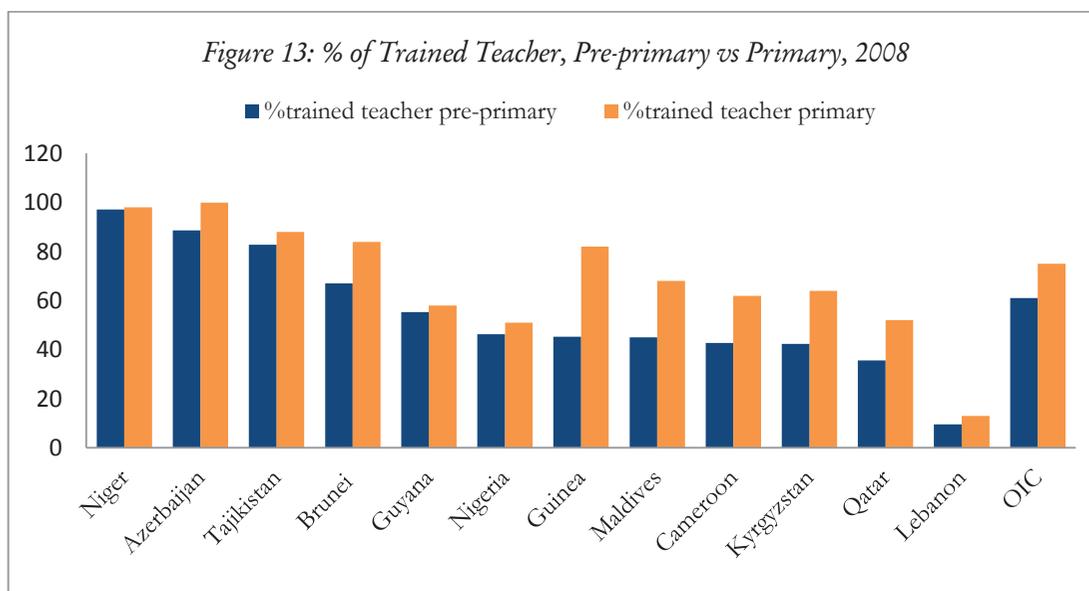
education has, on average, improved in the OIC countries over the last decade. While in 1999, the average pupil-to-teacher ratio in OIC countries was 18 (i.e. one teacher for every 18 students), this ratio decreased to 14 in 2008. In fact, pupil-to-teacher ratio in pre-school education in OIC countries in 2008 was lower than the world average and both the average of the developing countries and developed countries (Figure 11).



Source: UNESCO, EFA GMR Database

At the individual OIC country level, the most crowded pre-school classes, in terms of pupil-to-teacher ratio, were in OIC countries in sub-Saharan Africa such as Uganda (40), Benin (38), Mali (37), Guinea (34) and Niger (31). There are

also some OIC countries in other regions with pupil-to-teacher ratios over the world average, such as Kyrgyzstan, Turkey, Algeria, Egypt, Malaysia, Maldives, Suriname, Jordan and the United Arab Emirates (Figure 12).



Source: UNESCO, EFA GMR Database

On the other hand, the required qualifications for the pre-primary school teachers vary across OIC countries (UNESCO, GMR, 2007). For example, pre-primary teachers need only lower-secondary qualification (roughly 9 to 11 years of

formal schooling) in Burkina Faso, Chad and Guinea. In Niger, Syria, Oman, Bangladesh and Mali, the required level of education for pre-primary teachers is upper secondary, while Uganda demands a technical aspect, too. In

Kazakhstan, Lebanon and Senegal, teachers of pre-primary schools need to have a post-secondary non-tertiary education. Some countries set higher levels of qualification for primary teachers than pre-primary teachers. For example, Chad, Niger, Syria, Bangladesh and Kazakhstan require one additional education level for their primary teachers, while Guinea and Oman demand two additional levels of education (UNESCO, GMR, 2007).

In this context, the average percentage of trained teachers in pre-primary education in the 27 OIC

countries, for which the data are available, was 61% in 2008 compared to 75% in primary education (Figure 13). This means that there are more trained teachers in primary education than pre-primary in most of the OIC Countries. Yet, some OIC countries, namely Cote d'Ivoire, Kuwait, Morocco, Oman, Palestine, Suriname, Uzbekistan and UAE, reported that 100% of their pre-primary teachers meeting the national training requirements for the profession. Low salaries and the social status of pre-primary teachers can partly explain the shortage of trained teachers in early childhood programs.

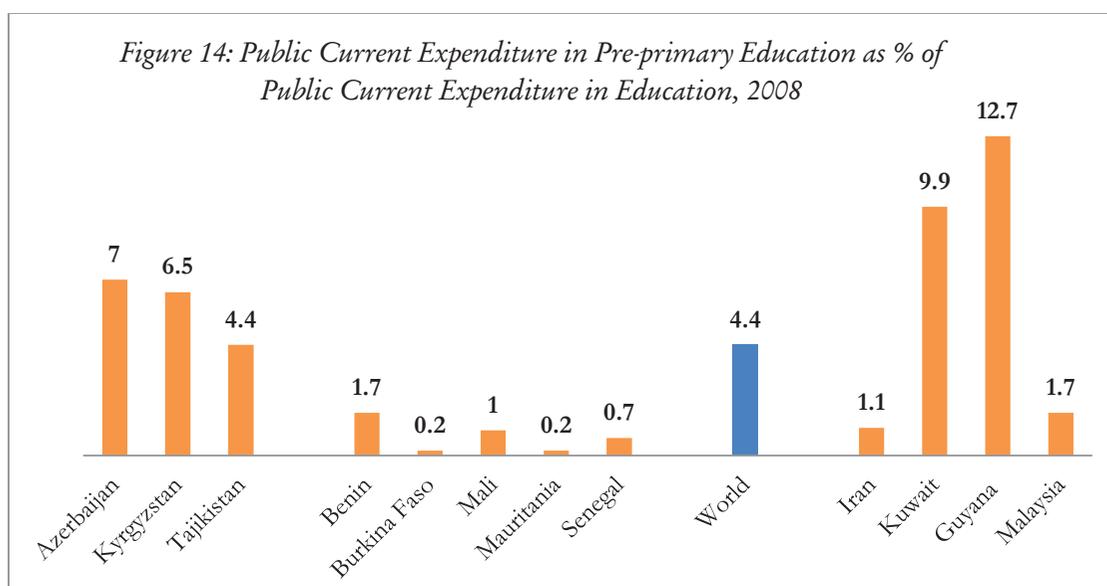
GOVERNANCE AND FINANCING OF ECCE IN OIC COUNTRIES

In most of the OIC countries, early childhood care and education (ECCE) services are mostly delivered by non-governmental agencies or by private sector, under the supervision of a ministry. The ECCE services for under age 3 are in general supervised by the Ministry of Social Affairs and/or Health, while those for over age 3 are mostly in the auspices of the Ministry of Education. In some OIC countries, like Morocco, the ministry of Islamic Affairs is in charge of pre-school education. In some other cases, a special ministry or another special unit is in charge of ECCE services, such as Ministry of Women, Family, Children and Elderly Affairs in Tunisia, National Council in Jordan, the National Council for Child Welfare in Sudan and the National Commission for Family Affairs in Syria (UNESCO Regional Reports, 2010).

In general, more than one official authority is involved or supervised the ECCE services in the OIC countries, such as the related ministry and a multisectoral ECCE Council, like the situation in many OIC countries in sub-Saharan Africa

(UNESCO Regional Report (Africa), 2010). In other cases, a non-governmental organization, socio-political body or sub-national entity is the main coordinating and supervising unit, such as private organizations in Syria, NGOs in Cote d'Ivoire and community based organizations in Comoros (UNESCO Regional Reports, 2010). There are also countries with state predominance in the operation of ECCE programmes, such as the OIC Countries in Central Asia.

There is quite limited data on public expenditure on ECCE services in OIC countries. In many of these Countries, the cost of ECCE programmes is met by families, NGOs and international donor agencies, as the situation in many African and also in some Arab Countries. In terms of the share of pre-primary education in total education expenditure, some OIC countries like Guyana, Kuwait, Azerbaijan and Kyrgyzstan have rates higher than the world average of 4.4% (Figure 14). In contrast, OIC Countries in sub-Saharan Africa have lower public spending on pre-primary education services.



Source: UNESCO, EFA GMR Database

CHALLENGES AND POLICY IMPLICATIONS

Overall, although the OIC countries has on average recorded a significant improvement in Early Childhood Care and Education in recent years, the average level of enrolment in pre-school education in these countries, still lagged behind the world average and the average of the developing countries. Therefore, there is still a room for more efforts and actions to be taken in order to improve the quality and quantity of ECCE services in OIC Countries. In the light of the current state of ECCE in these countries, this section summarizes the challenges and obstacles facing these countries in their efforts to enhance and develop higher quality level of the ECCE services, and makes some policy proposals in this regard as follows:

* **Lack of a holistic ECCE approach:** Most of the OIC Countries do not have a holistic approach to ECCE. There is lack of policy coordination between the relevant authorities, such as multiple ministries, national councils, and other bodies involved in the provision of ECCE services, where there is no single entity responsible for the planning, implementation, follow-up and evaluation. Adopting a holistic national policy and establishing a commission/

board or a leading ministry in charge of ECCE policy and implementation may overcome the problem of coordination.

* **Child survival and well-being inefficiencies:** The state of children survival and well-being is still unsatisfactory in some OIC Countries, particularly in Sub-Saharan Africa and South and West Asia regions. Efforts should be made to develop ECCE programs for children between ages 0 – 3 and also for maternal care. OIC regional support is crucial for these countries to overcome these basic survival issues. In this regard, organizing pilot programs in these countries could be the first step for sustainable and good quality child care services.

* **Inequity in access to ECCE:** Costs of early childhood programs are very high in most of OIC Countries, where private sector provides most of these services compared to limited public involvement. Considering more than half of the population in more than one third of OIC Countries lives on less than 2\$ per day (UNESCO, EFA GMR Database), this poses a serious challenge for affordability. Higher government involvement in these programs

through the use of support from regional (including related OIC institutions) and international donors is very important for especially marginalized children and children with special needs, who get the most out of these services according to the UNESCO research (GMR, 2010). Moreover, private businesses' preference to operate schools in urban centers results in access problem for children living in rural and remote places. In 30 OIC Countries, more than half of the total population lives in rural areas (BASEIND, 2009). Organizing special programs for those children can be a solution to this problem.

* *Inadequate teacher qualifications:* Most of the teachers in ECCE services do not have satisfactory qualifications. However, interaction of the teacher with children is one of the most important quality dimensions in ECCE services. This problem may be overcome by setting some common standards for the profession while making it a more attractive job alternative by improving the conditions for work and status of ECCE teachers. Executing capacity building programs through intra-OIC partnerships and the use of ICT technologies for training of existing pre-primary teachers can be short-term solutions to the shortage of adequately trained workforce in early childhood services.

* *Curricula deficiencies:* Academic nature of curricula in most ECCE programs, especially those in private sector, focuses on the development of child's ability to read and write at the expense of other important skills (UNESCO, GMR, 2007). The curricula should be organized for the child's emotional, social, physical, creative and cognitive skills as well. Moreover, the context of this education programmes should be culturally relevant. Each country should base its own curriculum on its cultural and religious values and deliver the programmes in mother tongue. Incorporating cultural dimension into early education context

can also help to direct parents from informal to formal programmes if they do prefer the former just for the sake of getting a culturally relevant education for their children.

* *Lack of awareness of the importance of ECCE services:* A low level of parental education is one of the most pronounced barriers to entry to early childhood programmes. Especially status of mothers has important relation to the education of children. Children of educated mothers are more likely to attend pre-school programs (UNESCO, 2007). Increasing parent empowerment and improving parent education programs for the importance of early childhood in overall development of a child is very important in this regard.

* *Lack of quality measuring and monitoring mechanisms:* Most of the OIC countries lack mechanisms for measuring and monitoring ECCE. This state necessitates the development of common quality standards supported by legal provisions of each country and followed by a regular in-field visits.

* *Difficulty of measuring informal institutions:* Especially due to high cost of ECCE services, parents may tempt to get them through informal ways. Decreasing the cost of the services is a long term solution to this problem. Gathering all the services under an official national body may provide part of the solution in short term. For example, in Morocco, the government gathered traditional Koranic schools under the roof of the Ministry of Islamic Affairs (UNESCO, Regional Report (Arab States), 2010).

* *Lack of data on ECCE services:* Establishing a national and/or regional data center would help in tracking ECCE experiences for more effective and accurate benchmarking between countries.

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Workshop on Impact of Transportation Networks on Trade and Tourism And Expert Group Meeting on Transport Cooperation in the OIC Member Countries

7-9 June 2011, Izmir Turkey



SESRIC organizes a two-day workshop on the theme “The Impact of Transportation Networks on Trade and Tourism”, in collaboration with Islamic Development Bank (IDB) and Ministry of Transport of Turkey. The workshop will be held during the period 7-8 June 2011, in Izmir, Republic of Turkey. The workshop will be preceded by an Expert Group Meeting on Transport Cooperation in the OIC Member Countries, which will be organised by the Ministry of Transport of the Republic of Turkey on 9 June 2011.

THE STATE OF POLIO IN OIC MEMBER COUNTRIES

“ENHANCING MULTILATERAL COOPERATION TO ERADICATE POLIO”

SESRIC*

INTRODUCTION

Polio or Poliomyelitis is a communicable disease caused by a virus that lives in throat and intestinal tract. Poliovirus attacks the nervous system and in some cases can paralyze the victim instantly. There are three types of poliovirus: Type 1 (PV1) or Mahoney; Type 2 (PV2) or Lansing; and Type 3 (PV3) or Leon. It is usually transmitted through person to person contact with the faeces or oral/nasal secretions of an infected person. Therefore, it spreads rapidly especially in those communities that are living in very poor hygienic and sanitation conditions. People of all ages can get infected by the Polio; however children under five years of age are the most likely to be infected by the virus.

In majority of the polio cases, the infected person usually does not show any particular symptoms whereas in some cases the victim suffers from fever, fatigue, headache, vomiting, stiffness in the neck, and pain in the limbs. As a result, it is very much likely that an infected person spread the disease to many others before clinical confirmation of the infection. Poliovirus is highly dangerous. It attacks the nervous system and destroys the nerve cells that activate the muscles. In some cases it can paralyze the victim and can cause even an instant death. According to the WHO estimates, approximately one out of every 200 children infected suffers from irreversible paralysis, usually in the legs, and five to ten percent of those who get paralyzed die mainly due to



immobilization of their breathing muscles (WHO Fact sheet No: 114 November 2010). On the other hand, around 40% of those who managed to survive paralytic polio suffer from post-polio syndrome (15-40 years after the original infection) which causes a

new progressive muscle weakness, severe fatigue and pain in the muscles and joints (Global Polio Eradication Initiative (GPEI), 2011).

Though polio is not curable, it can be prevented especially through childhood vaccination. There are two types of vaccines that are being used widely to protect against polio: Inactivated Polio Vaccine (IPV) and Oral Polio Vaccine (OPV). IPV was first developed in 1952 by Jonas Salk whereas OPV was developed by Albert Bruce Sabin and was licensed for use in 1963.

In 1988, WHO member countries launched the Global Polio Eradication Initiative (GPEI), the single largest public health project ever undertaken by the global community. This initiative was adopted by the World Health Assembly with an aim to mobilize global efforts to end polio by 2000. GPEI provides a platform for the governments as well as the multilateral health/development agencies like the World Health Organization (WHO), Rotary International, the US Centers for Disease Control and Prevention (CDC) and UNICEF to spearhead their efforts to eradicate the polio by increasing immunization coverage across the world. Since 1988, about US\$ 9 billion has been

* This report was prepared by Mr. Mazhar Hussain, Researcher at the Economic and Social Research Department, SESRIC.

invested in this initiative. These efforts paid off and globally incidence of polio has declined by over 99%. Today, only four countries are classified as polio endemic compared to 125 in 1988 (GPEI Infected Countries, 2010).

This report examines the current state of prevalence of polio both at world and OIC levels. It also highlights the major issues and challenges facing the endemic and importation countries and the role of multilateral cooperation to eradicate polio, and provides a brief discussion about the major initiatives taken by the OIC and what measures should be taken both at national and intra-OIC level to speed up the eradication of polio in member countries.

Prevalence of Polio at Global Level

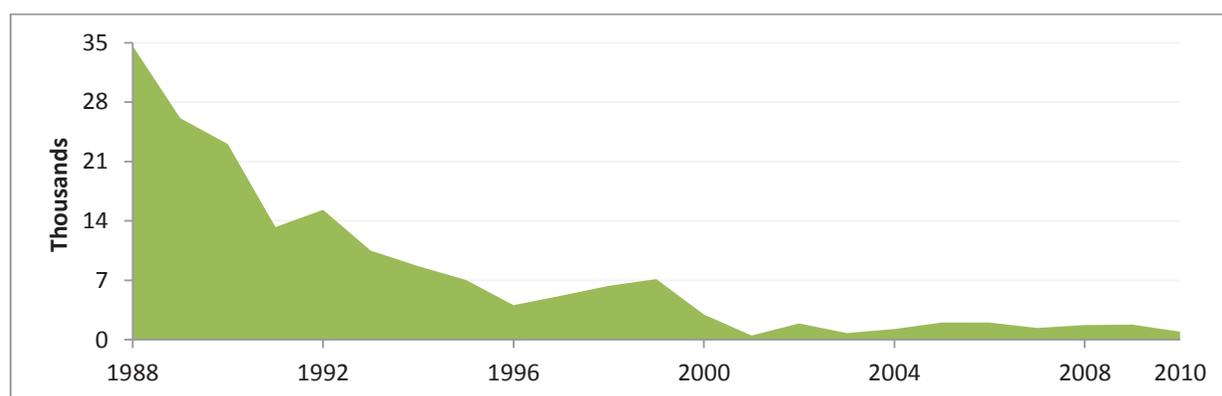
Over the years, global community strived hard to achieve the target of the Global Polio Eradication Initiative (GPEI) to eradicate polio by 2000. Under this initiative, efforts have been made to achieve and maintain high routine immunization coverage for the children under the age of one. To supplement routine immunization activities, governments especially in endemic countries were also encouraged to organize National immunization Days (NIDs).

In addition, various door to door campaigns have also been organized to ensure delivery of Oral Polio Vaccine (OPV) in specific areas of those countries which were at the last phase of polio eradication (Levin, 2000).

These strategies have been proved very effective. According to the GPEI estimates (History of Polio, 2010), between 1988 and 2009, about 2.5 billion children worldwide have been immunized with the help and cooperation of more than 200 governments and over 20 million volunteers. Today, around 85% of total infants are immunized against polio across the globe. At the regional level, more than 80% of infants get three doses of polio vaccine in all regions except Africa and South- East Asia where coverage rate remained 72% and 74% respectively (WHO Immunization Coverage, 2010).

The widespread immunization coverage helped to reduce the burden of polio disease across the globe. As shown in the Figure 1, the number of polio cases has declined from around 35 thousands in 1988 to just about 950 in 2010. Meanwhile, number of polio endemic countries has also declined from 125 in 1988 to just four in 2010.

Figure 1: Reported Polio Cases in the World, 1988-2010



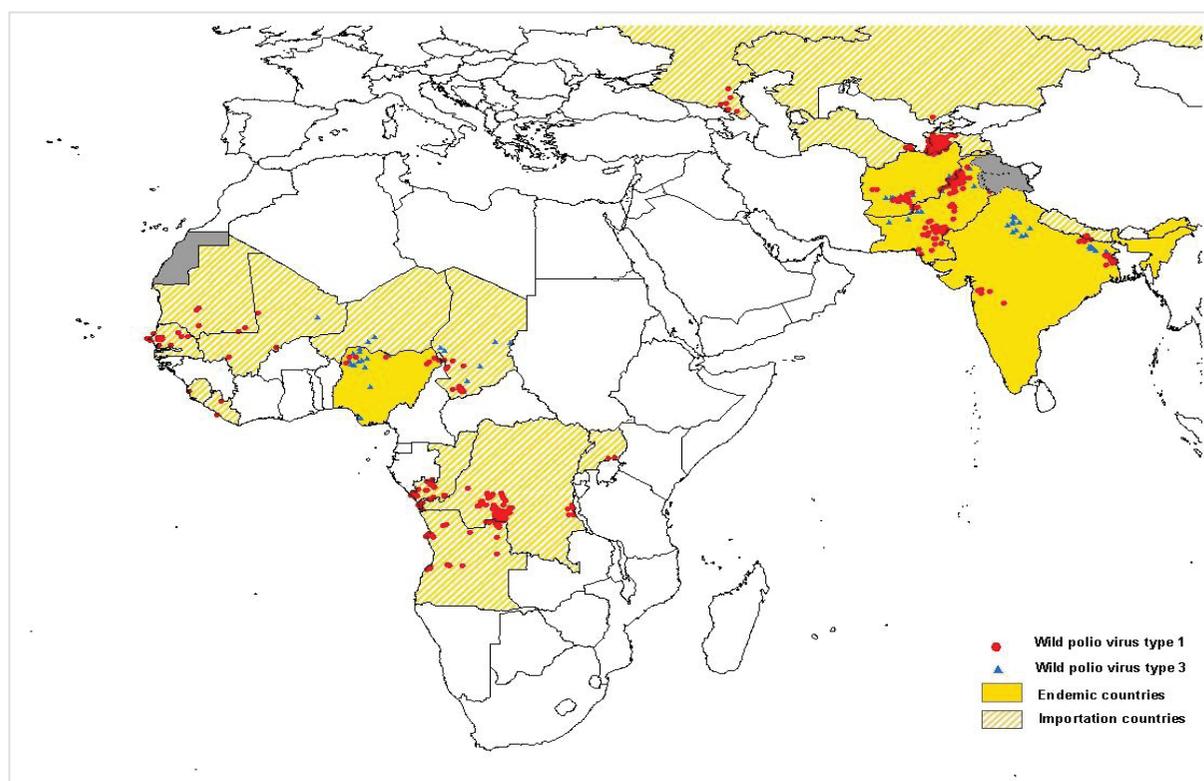
Source: WHO Database for Reported Incidence of Diseases

As shown in the Figure 2, there are four countries: Afghanistan, India, Pakistan and Nigeria where polio is endemic²⁴ whereas 16 countries are experiencing outbreaks of poliovirus following an importation.

²⁴ According to the WHO, countries where transmission of wild poliovirus has never been stopped are classified as endemic.

Three out of these 16 importation countries: Angola, Chad and Democratic Republic of Congo are classified as countries with re-established transmission²⁵. In 2010, globally there were 950 cases of polio and about 76% of these cases (718 cases) were reported in non-endemic importation countries. In endemic countries, polio is mainly caused by wild poliovirus type 1 and type 3 whereas in non-endemic importation countries poliovirus type 1 is more prevalent compared to the polio virus type 3. For 2010, Tajikistan registered the highest number of cases (458) followed by Pakistan (144) and Democratic Republic of Congo (93).

Figure 2: Prevalence of Polio in the World, 2010



Source: Global Polio Eradication Initiative (GPEI), 2010

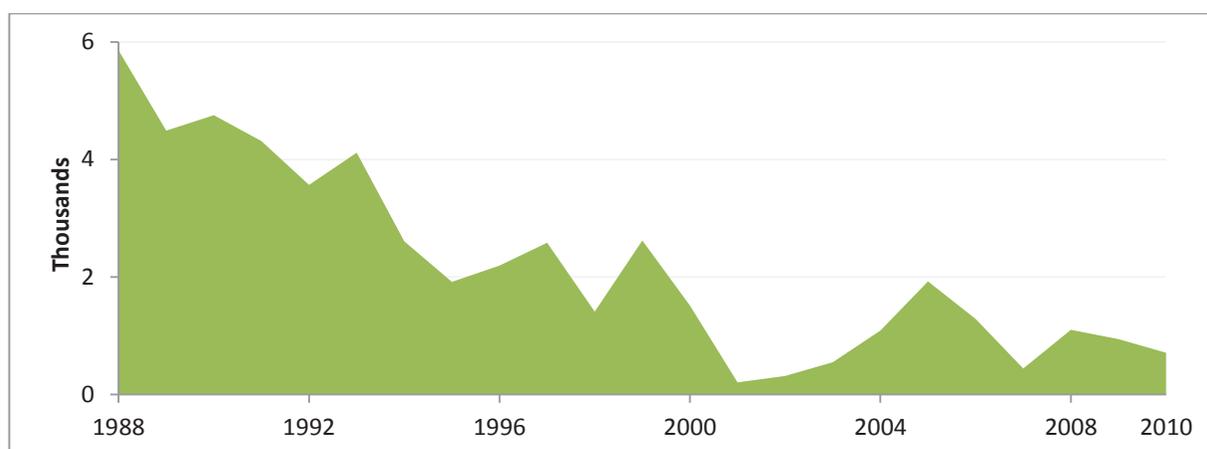
Prevalence of Polio at OIC Level

Over the years, OIC member countries worked in close cooperation with international community and multilateral agencies to eradicate polio disease. Strong political will and public awareness played a pivotal role to improve the immunization coverage of infants with three drops of polio vaccine. According to the WHO immunization coverage estimates (2010), over 81% of infants were immunized in OIC member countries in 2009. At the OIC regional level, 96% of infants were immunized against polio in Europe & Central Asia followed by Latin America & Caribbean (92%), East Asia & Pacific (90%), Middle East & North Africa (90%) and South Asia (88%); whereas the coverage rate remained only 65% in Sub-Saharan Africa.

²⁵ Countries with an active and persistent poliovirus transmission of more than 12 months following an importation.

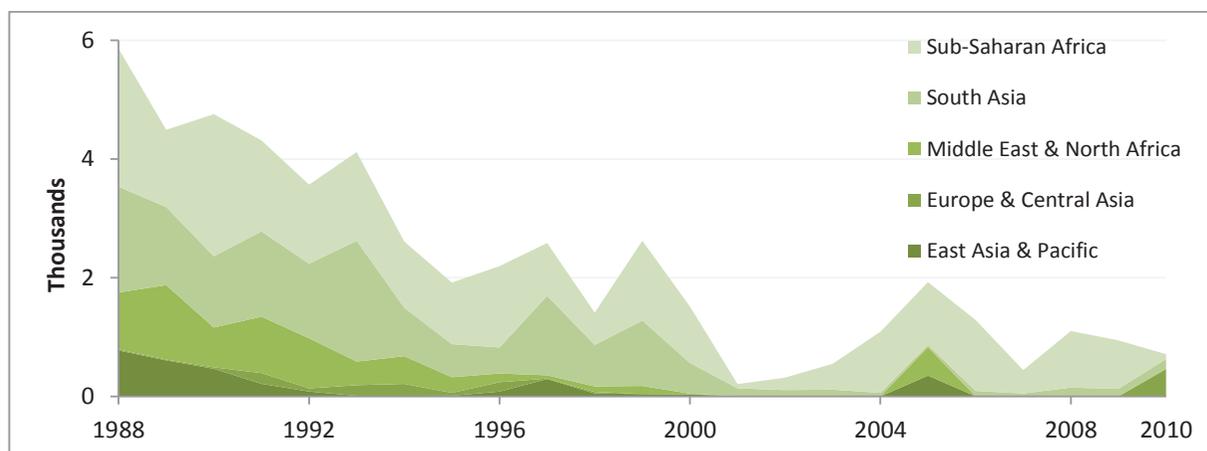
Higher immunization coverage rate helped to eradicate the polio disease in OIC member countries. As shown in the Figure 3, number of reported poliovirus cases has declined from about six thousands in 1988 to only 711 in 2010. At the regional level, all OIC regions managed to contain the polio outbreaks (Figure 4) and with the exception of South Asia and Sub-Saharan Africa, all regions are being declared as non-endemic by the WHO. At the individual country level, only three OIC member countries are classified as endemic countries whereas ten member countries are classified as non-endemic importation countries.

Figure 3: Reported Polio Cases in OIC Member Countries, 1988-2010



Source: WHO Database for Reported Incidence of Diseases and GPEI

Figure 4: Reported Polio Cases in OIC Regions, 1988-2010

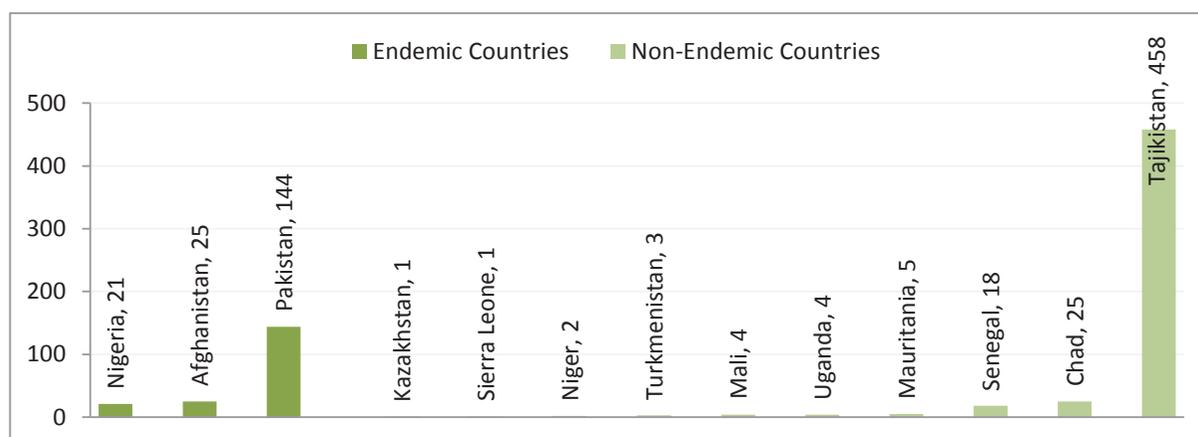


Source: WHO Database for Reported Incidence of Diseases and GPEI

Despite all achievements, poliovirus still exists in some pockets of three member countries: Afghanistan, Pakistan and Nigeria. These countries largely failed to stop the transmission of poliovirus and are classified as endemic countries. On the other hand, ten OIC member countries: Tajikistan, Chad, Senegal, Mauritania, Mali, Uganda, Turkmenistan, Niger, Kazakhstan and Sierra Leone witnessed poliovirus outbreaks following an importation. One out of these ten countries i.e. Chad is being classified among countries with re-established transmission. In 2010, more than 73% of OIC total polio cases were registered in non-endemic importation member countries. In this group, as shown in the Figure 5, Tajikistan registered the highest number of polio cases (458) followed by Chad (25) and Senegal (18);

whereas number of poliovirus cases remained equal to or less than five in Mauritania (5), Mali (4), Uganda (4), Turkmenistan (3), Niger (2), Kazakhstan (1) and Sierra Leone (1).

Figure 5: Reported Polio Cases, 2010



Source: Global Polio Eradication Initiative (GPEI), 2010

Major Issues and Challenges of Polio Eradication in Endemic and Importation Countries

According to the GPEI, globally around 950 polio cases have been reported in 2010. A bulk of these cases were registered in Europe & Central Asia (476 cases or 50% of world total) followed by Sub-Saharan Africa (257 cases or 27% of world total) and South Asia (217 cases or 23% of world total). In these regions, with the exception of Sub-Saharan Africa, the incidence of polio remained comparatively very high in the OIC member countries. In Europe & Central Asia, OIC member countries accounted for 97% of total polio cases followed by 78% in South Asia and 31% in Sub-Saharan Africa. In general, during 2010, OIC member countries accounted for more than 75% of total poliovirus cases in the world. Within OIC group, the incidence of polio remained highly skewed towards non-endemic importing countries which accounted for about 73% of OIC total polio cases. Currently, OIC member countries are importing the polio virus both from endemic as well as non-endemic countries. In this section, we would like to analyze some major issues and challenges faced both by the endemic and non-

endemic member countries to eradicate polio in the OIC region.

I- OIC Polio Endemic Countries

1- Pakistan

In 2010 there were 144 poliovirus cases in Pakistan compared to 89 in 2009,

corresponding to an increase of 62%. Wild poliovirus type 1 remained more prevalent compared to type 3. In 2009, about 85% of total infants were immunized against the polio disease (Figure 6). According to the GPEI (Fact Sheet Pakistan, 2010), only ten out of 152 districts of Pakistan are affected by persistent transmission of polio. These districts are located in the provinces of Sindh, Khyber-Pakhtoonkhwa, Baluchistan, and Federally Administered Tribal Areas (FATA). In Karachi, the largest and most densely populated city of Pakistan, polio persists mainly due to the lack of sufficient administrative surveillance and shortage of trained vaccinators. These shortcomings ultimately lead to the poor quality of Supplementary Immunization Activities (SIAs). In Khyber Pkahtoonkhawa and FATA,



lack of security is the major impediment to reach the children for vaccination; whereas lack of political ownership and security for vaccination teams are the major reasons for the prevalence of polio disease in Quetta (Baluchistan).

2- Afghanistan

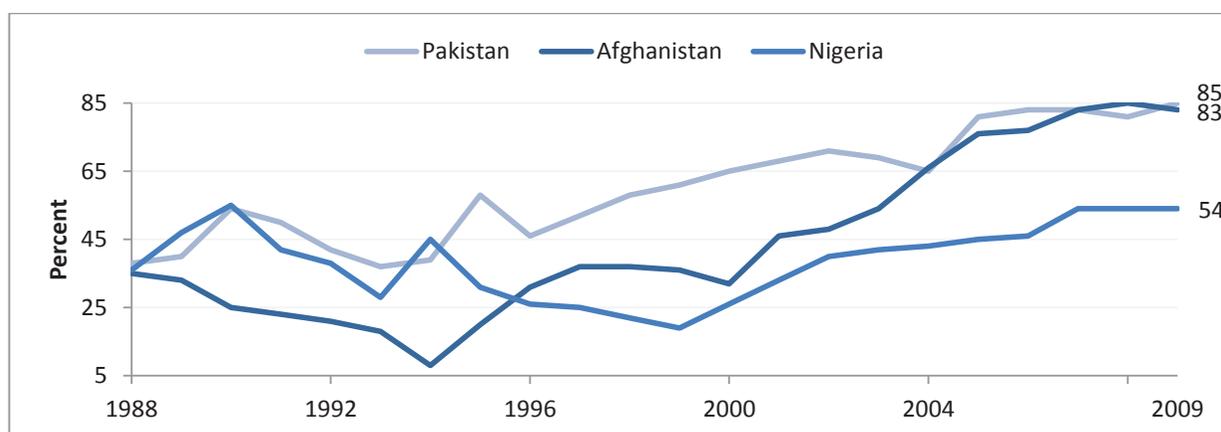
In 2010 there were 25 poliovirus cases in Afghanistan compared to 38 in 2009, corresponding to a decrease of 34%. Majority of polio infections were caused by wild poliovirus type 1. Over the years, international community strived very hard to eradicate polio by increasing the immunization coverage in Afghanistan. These efforts paid off and the proportion of infants immunized against poliovirus has increased to 83% in 2009 (Figure 6). According to the GPEI (Fact Sheet Afghanistan, 2010), today only 13 out of 329 districts of Afghanistan are affected by persistent transmission of polio. These districts are located in the provinces of Helmand, Kandahar and Uruzgan. However, other regions are also vulnerable to get re-infection from these areas or due to importation from Pakistan. The polio persists in these areas

mainly due to the ongoing conflict and war which makes it very difficult and even dangerous for the vaccination teams to travel to access target group of children for immunization.

3- Nigeria

In 2010 there were 21 poliovirus cases in Nigeria compared to 541 in 2009, corresponding to an impressive decrease of 96%. Both wild poliovirus type 1 and types 3 remained the major causes of these infections. As shown in the Figure 6, immunization coverage against poliovirus remained comparatively very low in Nigeria and only 54% of infants received three doses of polio vaccine in 2009. According to the GPEI (Fact Sheet Nigeria, 2010), polio transmission remained highly concentrated in 12 states located in the north and about 85 districts of these states are identified as the high risk where more than 20% of children has never been immunized. Among others, lack of political and religious leadership and ownership and lower level of engagement of local leaders and media in supplementary immunization activities remained the major causes of low immunization coverage in Nigeria.

Figure 6: Polio Immunization Coverage in Endemic OIC Countries



Source: WHO Database for Reported Estimates of Immunization Coverage

II- OIC Importation and Retransmission Countries

As it has been mentioned earlier, in 2010 about 73% of OIC total poliovirus cases were registered in ten non-endemic member countries. Three member countries from Europe and

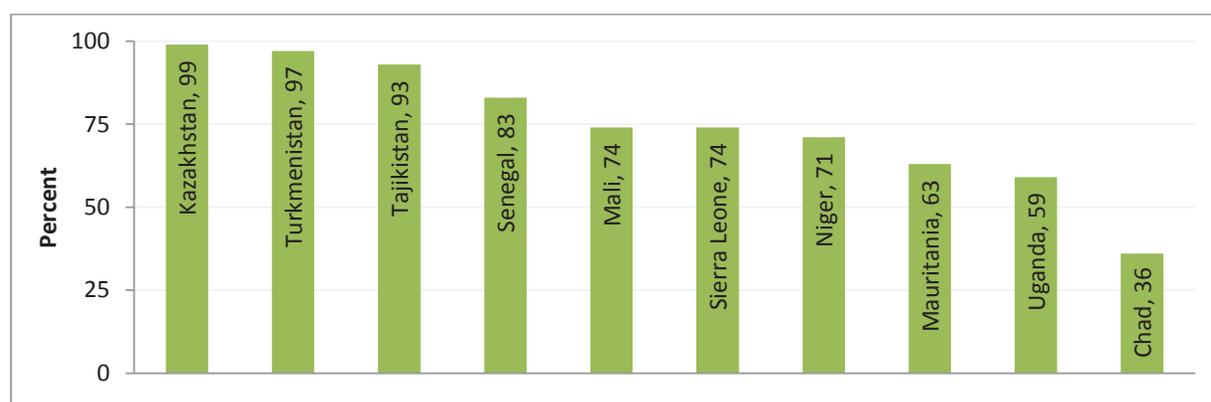
Central Asian region: Kazakhstan, Tajikistan and Turkmenistan, are also included in this list. Over the years, these countries have registered quite higher level of immunization coverage (Figure 7) and have been largely polio free since late 1990s. According to the CDC report (2010), outbreak of polio in Tajikistan during 2010 was mainly caused by importation from India. On the other hand, Kazakhstan and Turkmenistan imported poliovirus from Tajikistan. To control and stop the outbreaks, Tajikistan and Turkmenistan have planned Supplementary Immunization Activities (SIAs) during the first quarter of 2011.

Transmission and outbreak of imported poliovirus remained quite prevalent in Sub-Saharan Africa in general and Western Africa in particular. In general, immunization coverage remained comparatively low in this region. As shown in the Figure 7, in 2009 immunization coverage varied greatly across the seven importations OIC member countries and it ranges from a low level of 36% and 59% in Chad and Uganda respectively to a high level of 83% and 74% in Senegal and Mali respectively. In this region, some member countries like Nigeria,

Chad, and Sudan are part of a very high risk importation belt. Outbreaks in Senegal, Mauritania, Mali, Niger, Sierra Leone, Uganda and Chad are considered as the continuation of the large outbreak in West Africa that started in 2008. Most of these countries have been importing polioviruses from Nigeria, the only endemic country in Africa (CDC, 2010). To overcome the outbreaks, many OIC member countries like Niger, Burkina Faso, and Guinea have planned Supplementary Immunization Activities (SIAs) during the first quarter of 2011.

According to the GPEI Strategic plan 2010-2012, in importation countries emergence of poliovirus is mainly caused by inadequate immunization coverage and geographical proximity with endemic or infected countries/areas. Therefore, these countries should strive hard to increase the immunization coverage. This will help not only to reduce the incidence of importation but also will minimize the impact if importation occurs. There is also need to increase the monitoring and surveillance of immunization requirements for the both inbound and outbound travelers in these countries.

Figure 7: Immunization Coverage in Importation Member Countries, 2009



Source: WHO Database for Reported Estimates of Immunization Coverage

Multilateral Cooperation to Eradicate Polio

In 1988, World Health Assembly decided to launch a global initiative to eradicate polio.

Along with national governments, several multilateral health/development agencies agreed to provide technical, managerial and financial support to achieve the target of Global Polio

Eradication Initiative to end polio in 2000. Over the years, this multilateral partnership has been spearheaded by the WHO, Rotary International, the US Centers for Disease Control and Prevention (CDC) and UNICEF. Among these institutions, the WHO has been largely responsible for the coordination of vaccination campaigns and development of strategies to eradicate polio across the globe. Rotary International provided its services for advocacy and fund raising for the GPEI both at global and country levels. CDC has been responsible to provide technical expertise for monitoring/surveillance of polio disease and investigations of expanded program on immunization (EPI). The UNICEF has provided field based support for polio vaccination through its own EPI.

Since 1988, a wide range of government, public and private donors contributed about US\$ 9 billion for the GPEI. According to the GPEI report (Financial Resource Requirements 2011-2012), between 1988 and 2010, 45 public and private donors donated more than US\$ one million for the global initiative; whereas 18 of these have donated US\$ 25 million or more. Some donors like United States of America, India, United Kingdom, Germany, Japan, Canada, Rotary International, World Bank and Bill and Melinda Gates Foundation provided more than US\$ 250 million to eradicate polio across the globe.

In fact, multilateral cooperation both in terms of technical and financial assistance helped to reduce the incidence of polio disease significantly across the globe. This resulted into prevention of about five million cases of paralysis and more than 250,000 deaths. In addition, experts are of the view that the GPEI could provide financial benefits of up to US\$ 40-50 billion if the transmission of poliovirus is to be stopped in next five years. About 85% of these benefits are expected for the low-income countries (Economic Benefits of GPEI, 2010).

OIC Initiatives to Eradicate Polio in Member Countries

Health sector is an important constituent of OIC Ten Year Program of Action. In this program OIC

General Secretariat has been mandated to collaborate with international health organizations and development agencies to promote the eradication of diseases and epidemics in the member countries.



To control and stop the polio transmission and outbreak in OIC countries, OIC General Secretariat is cooperating with Global Polio Eradication Initiative. Both institutions have formulated a work program to enhance collaboration on polio eradication. To mobilize the high level political support, the OIC General Secretariat contacted Heads of State of Afghanistan, Nigeria and Pakistan, the three remaining polio affected Member States and the Head of State of Chad being one of polio re-affected OIC countries.

Keeping in view the prevalence of misunderstandings about the use of polio vaccine on the religious grounds, OIC General Secretariat secured religious injunction from the Islamic Fiqh Academy which issued a fatwa to encourage the Muslims to participate and support the national polio vaccination campaigns. Based on the principles of the Quran, this fatwa explained the duty of parents/elders to protect children when disease is preventable. This fatwa is being proved very helpful to raise awareness in Muslim communities about the benefits of polio immunization campaigns.

The OIC General Secretariat with the assistance of the Center of Disease Control and Prevention (CDC) of US prepared a project entitled “Reaching Every Mother and Baby in the OIC with Emergency Care”. In December 2008, both parties signed a cooperation framework to implement the project. To expedite the implementation of cooperation framework, the OIC General Secretariat is in close contact with the US State Department and the US Health and Human Services Department (DHHS) and Global Polio Eradication Initiative (GPEI).

In December 2009, the OIC General Secretariat co-sponsored along with US State Department and UNICEF a panel discussion on polio at the UN HQ New York. In August 2010, a delegation of USAID and US State Department visited OIC Headquarters in Jeddah to discuss the implementation of US-OIC project on Mother Child Health. In the same vein, a team of polio eradication experts from the US Office of International Health and Biodefense, USAID and Centres for Disease Control and Prevention (CDC) also visited the Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC) headquarters in Ankara to discuss possible ways and means of cooperation to further facilitate the implementation of the project.

A joint event on combating polio was also organized in September 2010 at the sidelines of the annual session of the UN General Assembly. OIC Secretary General and President Obama's special envoy for OIC attended the event. This event aimed to highlight the challenges and the OIC's efforts in dealing with the polio issues including through cooperation with the US, UN and other partners.

The OIC General Secretariat encouraged the Islamic Development Bank (IDB) to consider providing support to Afghanistan, one of the three OIC endemic countries, to procure polio vaccines to an amount of US \$ 2 million. The

IDB expressed readiness to provide US \$ 500 000 for UNICEF to procure polio vaccines on behalf of the Government of Afghanistan. To show solidarity and provide moral support to Pakistan to eradicate polio, the OIC General Secretariat participated during the launching of national polio vaccination campaign in October 2009.

Concluding Remarks and Policy Recommendations



Over the years, OIC member countries have registered significant progress to eradicate the polio disease. Today, polio is endemic in only three OIC member countries whereas ten member countries are facing polio outbreaks due to importation. For the complete eradication of polio in OIC region there is an urgent need to develop close partnership with international health and donor agencies, including WHO, UNICEF, World Bank, Rotary International, American Red Cross, International Federation of Red Cross and Red Crescent Societies, the UN Foundation and the Bill and Melinda Gates Foundation.

High infant immunization coverage with four doses of Oral Polio Vaccine (OPV) in the first year of life is critical. Therefore, all OIC member countries in general and endemic and importation member countries in particular should work hard to increase the immunization coverage through routine immunization of infants and through achieving the highest possible coverage during Supplementary Immunization Activities (SIA's). To achieve and maintain the highest possible level of population immunity, member countries should collaborate with regional and international health organizations to train the required human

resources and ensure sufficient supply of vaccine for their populations.

Lack of political and social ownership is one of the major impediments to increase the vaccination coverage both in endemic and non-endemic importation OIC member countries. Therefore, it is highly recommended both at the national and intra-OIC cooperation level, to speed up efforts to mobilize high level political support for the polio eradication programs and campaigns. In addition, there is also a need to engage the local community leaders and the media outlets to spread awareness about the polio, its major causes, preventive measures and importance of vaccination. In this way immunization programs will become more participatory and the sense of ownership will also increase.



The successful implementation of polio eradication plans needs an effective management and supervision both at national and local government levels. Therefore,

governments in member countries should establish specific mechanisms to hold local authorities accountable for the performance of polio eradication campaigns. There is some evidence that frequent polio vaccination campaigns are causing fatigue among the vaccinators especially those working in security compromised areas. Therefore, it should be ensured that local authorities are fully cooperating with the vaccinators and they are compensated well. Supporting and re-energizing the vaccinators is very crucial especially for two endemic member countries: Afghanistan and Pakistan. In these member countries the prevalence of type 1 poliovirus is very low and it is restricted to some clearly defined limited areas.

Therefore, these countries should launch the large-scale mop-up activities - door to door vaccination activities - to eradicate the final chains of poliovirus transmission. Provided the security situation in some polio affected areas, the successful implementation of these mop-up activities largely depends on the level of cooperation and administrative support of local authorities.

In some member countries polio immunization activities have been suspended due to the people's concerns about safety and religious permissibility of the polio vaccine. As a result, there were new outbreaks and many areas were re-infected. To avoid such issues in future, it's highly recommended to translate the fatwa of Islamic Fiqh Academy in national/local languages and distribute it especially in endemic areas. In addition, especially during the national polio immunization campaigns, imams should be provided with necessary information to explain the importance of vaccination during the Friday prayer gatherings and preaching sessions.

Incidence of polio in a country/region/area is closely linked to poverty, level of education, water and sanitation, food safety, and other social and cultural factors. Therefore, in order to increase the effectiveness of polio eradication activities in member countries, there is a strong need for more closer cooperation and coordination between national polio eradication programs and other ministries and agencies like Ministry of Education, Ministry of Information and Broadcasting, Ministry of Women, Ministry of Environment and National Food Security Program.

Until the complete eradication of polio, any polio free country can get infected through importation of virus. The only solution to this problem is achieving and maintaining highest possible level of immunization coverage. Therefore, all polio free member countries should work hard to avoid re-emergence of

disease by increasing the immunization coverage. These countries should also pay special attention to the communities that are either living near the border of an affected neighboring country or migrating from that country. In addition, all importation countries should increase surveillance for Acute Flaccid Paralysis (AFP) cases by ensuring examination of all specimens at a WHO-accredited poliovirus laboratory. Current financial and economic crisis has not only caused a significant decline in flow

of development assistance and aid to the low income developing countries but also posed pressure on the flow of financial resources to the GPEI. As a result, there is a funding gap of US\$ 720 million for the GPEI Strategic Plan 2010-2012 (GPEI, 2011). High income member countries can play a pivotal role to eradicate polio by contributing more financial resource to the GPEI as well as by helping the polio affected member countries to boost up their health care systems.

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O I C



N E W S

SEVENTH SESSION OF THE ISLAMIC CONFERENCE OF TOURISM MINISTERS

28-30 NOVEMBER 2010, TEHRAN, ISLAMIC REPUBLIC OF IRAN

The 7th Session of the Islamic Conference of Tourism Ministers (ICTM) was held in Tehran, Islamic Republic of Iran, on 28-30 November 2010. The Ministerial Session, which was held on 30 November 2010, was preceded by a two-day Meeting, on 28-29 November 2010, of the Senior Officials preparatory to the 7th Session of the ICTM. Senior Officials from 22 OIC Member Countries and representatives of the OIC General Secretariat and eight OIC institutions, namely: Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC), Standing Committee for Economic and Commercial Cooperation of the Organisation of the Islamic Conference (COMCEC) Coordination Office, Research Centre for Islamic History, Art and Culture (IRCICA), Islamic Centre for Development of Trade (ICDT), Islamic University of Technology (IUT), Islamic Educational, Scientific and Cultural Organization (ISESCO), Islamic Development Bank (IDB) and Islamic Chamber of Commerce and Industry (ICCI) attended the Meeting. SESRIC was presented at the Conference by Dr. Savaş Alpay, Director General of the Centre and Mr. Nabil Dabour, Director of Research Department.



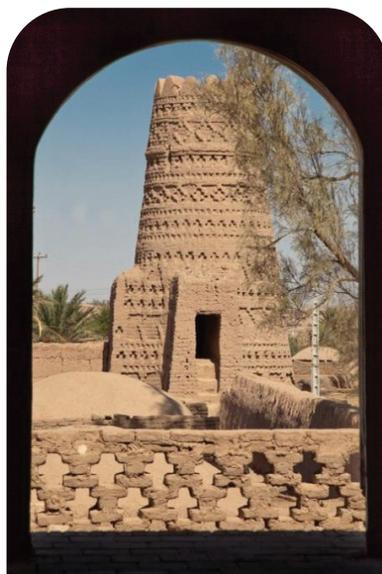
Progress Report, which was adopted by the 2nd Coordination Committee Meeting on Tourism. The Report includes the various activities accomplished under the Short-Term Plan and Programme, including recent bilateral activities and regional projects. It also highlights various activities of OIC institutions towards the implementation of the Framework for Development and Cooperation in the Domain of Tourism among OIC Member States. The recommendations of the Progress Report of the OIC General Secretariat include the need for increasing public awareness about the existing tourism resources in OIC countries, the development of more regional and bilateral tourism projects and creation of an annual “OIC City of Tourism” award in recognition of the exceptional contributions to the improvement of tourism in OIC Member Countries.

The representatives of Indonesia, Malaysia and Iran presented reports on various activities, which were carried out in their respective capacities as Focal Points on Tourism facilitation, Marketing, Research and Training. In this context, they informed the Meeting of the need for the Member States to submit necessary inputs and data to facilitate the mandate of the Focal Points.

The Senior Officials reviewed and discussed the progress achieved in the implementation of the resolutions and decisions of the 6th Session of the ICTM, which was held in Damascus, Syrian Arab Republic on 29 June – 2 July 2008. In so doing, the OIC General Secretariat presented the

The Senior Officials also considered the reports submitted and presented at the Meeting by the following OIC institutions: SESRIC, IRCICA, ICDT, ISESCO, IDB and ICCI. In this connection, Mr. Nabil Dabour, Director of

Research Department at SESRIC, presented the report titled “International Tourism in the OIC Countries: Prospects and Challenges-2010”. This report examines the performance and economic role of the international tourism sector in the OIC Member Countries in the latest five-year period for which the data are available. In so doing, the report analyses the major indicators, which are traditionally used in measuring international tourism, i.e. international tourist arrivals, international tourism receipts and international tourism expenditures. The report also attempts, as much as the available relevant data allows, shedding light on the state of intra-OIC tourism. The analysis is made at both the individual country and the OIC regional levels. The report also highlights the impacts of the global financial crisis of 2008-2009 on the international tourism sector worldwide. In its conclusion, the report sheds light on the challenges of tourism development in the OIC Countries and the issue of tourism cooperation among them and proposes some recommendations to serve as policy guidelines.



In the light of these reports and presentations, the Senior Officials deliberated on a set of common issues of concern to the Member Countries with a view to enhancing cooperation among the Member Countries in the field of tourism. They also discussed and prepared the Draft Agenda and Work Programme of the Ministerial Sessions as well as the “Draft Resolution on Tourism Development among the OIC Member States” and the “Draft Tehran Declaration” for consideration and adoption by Ministers of Tourism at the Ministerial Session.

The Ministerial Session was held on 30 November 2010 with the participation of Ministers and Heads of Delegations from 29

Member Countries, the representatives of the above-mentioned OIC institutions and the representative of the United Nations World Tourism Organisation (UN-WTO).

Following the adoption of the agenda and the work programme, the working session of the Ministers started with the consideration of the Report of the Senior Officials Meeting. The Ministers and Heads of Delegations made presentations on the various activities of their respective countries towards the development of tourism sector. During the general debate, the following issues have been raised.

- the facilitation of tourist visa arrangements,
- the protection of true image of Islam through tourism activities and developing unified approach among the Member States,
- the role of the private sector in tourism development,
- the promotion of student exchange programmes among the Member Countries,
- the development of tourism as an important tool for poverty alleviation, and
- the promotion of ecotourism, health tourism and regional tourism projects in OIC Member Countries.

The Conference adopted the Resolution on Tourism Development between the OIC Member States and the Tehran Declaration, and welcomed the offer made by the Government of the Republic of Sudan to host the 8th Session of the ICTM in 2012 and urged the Member States to actively participate in the Conference.

For more information please visit:

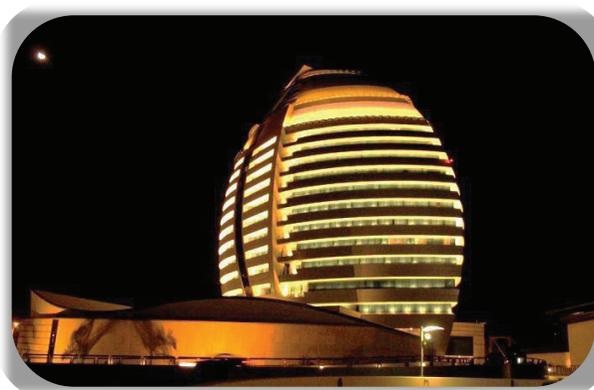
<http://www.sesric.org/activities-tourism.php>

FIFTH OIC MINISTERIAL CONFERENCE ON FOOD SECURITY AND AGRICULTURAL DEVELOPMENT

26-28 OCTOBER 2010, KHARTOUM, SUDAN

The Fifth OIC Ministerial Conference on Food Security and Agricultural Development was held under the patronage of H.E. Omar Hassan Al-Bashir, President of the Republic of the Sudan, in Khartoum on 26-28 October 2010. The Conference was attended by honourable ministers and delegates from 29 OIC Member States and 3 OIC Observer States. It was also attended by the representatives of the OIC General Secretariat and its relevant institutions as well as representatives of some regional and international

organizations. Mr. Mazhar Hussain, Researcher, represented the Centre thereat and gave a presentation entitled "Agricultural Development and Food Security in the OIC Countries: Challenges and Opportunities for Cooperation".



The first two days (26-27 October) of the Conference were dedicated for the Senior Officials Meeting (SOM) as preparation for the Ministerial Session, which was held on the third day (28 October). In the opening ceremony of the Senior Officials Meeting, H.E. Dr. Abdalatif Ahmed Ijami, Undersecretary of the Ministry of Agriculture and Forestry of the Republic of Sudan, welcomed the participants of the Conference to Sudan. Furthermore, in his speech, he gave an overview of measures taken by his government to facilitate both public and private investment in agriculture sector. He also underscored the need for harmonization of the national legislation to promote sustainable agricultural development; cooperation among

the development institutions in OIC Member States in the area of agriculture and food security.

During the first plenary session, the OIC General Secretariat presented a report on the OIC activities in the domain of agricultural development and food security. The report underscored the need for concrete actions to promote intra-OIC agricultural investment, food trade and natural resource management in the

Member Countries. In the same session, SESRIC, Islamic Development Bank (IDB), and Islamic Chamber of Commerce and Industry (ICCI) presented the findings of their reports on agriculture, rural development and food security in the Member

Countries. The Meeting discussed the presentations made by these institutions in detail and appreciated their recommendations to help Member Countries to achieve the goal of food security and agriculture development.

During the second plenary session, delegates from Member Countries made presentations on the various national programmes on food security and agricultural development in their respective countries and some successful examples have been highlighted. They also expressed their readiness to share their experiences within the OIC cooperation framework. During these presentations, special attention has been given to research and development, seed improvement and agricultural



inputs, support to mechanization, agricultural investments and development of multi-stakeholder partnerships.

During the third plenary session, the Meeting discussed the formulation of the Framework for Intra-OIC Cooperation on Food Security and Agricultural Development. In this regard, the delegates recommended that Standing Committee for Economic and Commercial Cooperation of the Organisation of the Islamic Conference (COMCEC) be seized with the task of preparation of the said Executive Framework and its implementation mechanism through the COMCEC Task Force on Agriculture, Rural Development and Food Security.

The Meeting also discussed and approved the draft resolution and the draft agenda of the Ministerial Session. The recommendations of the SOM were included in the draft resolution, which together with the report of the SOM, were presented to the Ministers in the OIC Ministerial Session. Among other things, the Meeting urged the Member Countries to

Give food security a high priority in their national development agendas and budgets as well as mobilize resources for implementing food security and agricultural development projects,

Allocate a minimum of 6% of the national budgets to food security programs and create favourable conditions for attracting and sustaining foreign investments into the agricultural sector, food security and rural development,

Formulate an Executive Framework for Agriculture, Rural Development and Food Security in OIC member states. The Framework must be actionable, result oriented, inclusive and comprehensive, including timelines and benchmarks,

Redeem their respective pledges to ISFD and SPDA, and increase, or make new, contributions to the latter.

The Meeting also;

Called on Islamic donor countries and financing institutions, particularly the Islamic Development Bank, to increase their funding for agricultural projects in member states with particular emphasis on empowerment of most vulnerable segments of population,

Invited international development institutions and donor countries to increase their official development assistance and technical support in the agricultural sector of OIC member states for

increased agricultural production, poverty alleviation, and food security,

Called on the private sector to increase investment in the agricultural sector and develop partnership with national governments, and non-governmental bodies to promote food security and rural development in member states.

In his speech at the opening ceremony of the Ministerial Session, H. E. Omar Hassan Al-Bashir, President of the Republic of the Sudan, reaffirmed the Sudan's continued support for food security initiatives of the OIC Member Countries by enhancing economic cooperation among the member states. He called upon the Member Countries to formulate long-term

policies for the promotion of agriculture, rural development and food security within the OIC cooperation framework and the creation of an OIC Permanent Committee for Agricultural Development and Food Security.

During the Ministerial Session, the Ministers elaborated on various issues related to the realization of agriculture development and food security in the Member Countries and, consequently, they adopted the resolution and report of the Conference. The Conference also welcomed the offers made by the Republic of Turkey and the Republic of Senegal to host 6th and 7th Ministerial Conferences on Food Security and Agricultural Development in 2011 and 2012, respectively.

FIFTH ISLAMIC CONFERENCE OF MINISTERS OF HIGHER EDUCATION AND SCIENTIFIC RESEARCH

19-21 OCTOBER 2010, KUALA LUMPUR, MALAYSIA

Dr. Savaş Alpay, Director General of SESRIC, addressed the Ministers of Higher Education and Scientific Research of the OIC Member Countries at the 5th Islamic Conference of Ministers of Higher Education and Scientific Research (ICMHESR). The Conference was organised by the Islamic Educational, Scientific and Cultural Organization (ISESCO) and hosted by the Ministry of Higher Education of Malaysia at the Kuala Lumpur Convention Centre in Kuala Lumpur, Malaysia during the period of 19-21 October 2010.

During his address, Dr. Alpay, Director General of SESRIC presented an overview of current trends and developments in the OIC Member Countries

in the fields of education, scientific research, and science & technology, focusing on scientific publications and university rankings as two major indicators of performance at higher education and scientific research. Dr. Alpay, touched upon key determining factors of the performance of OIC Member Countries and showed their stand in the world with respect to these factors where he also provided an analysis of student-teacher ratio at tertiary schools, enrolment rate at tertiary schools, and public expenditure for tertiary education as three key factors that are crucial for better education at universities and advanced scientific research.

Dr. Alpay concluded his presentation by underlining some broad



policy implications as well as touching upon the fundamental need for more public and private resources allocated to higher education. He also stressed upon the idea of promoting academic research by improving living standards for scientists in order to reduce the OIC countries' brain drain to the West, as well as providing grants and minimizing teaching loads. He also stated that in order to stimulate R&D and reach the 1% target of R&D share in GDP in the foreseeable future, as set by the OIC Ten-Year Programme of Action in 2005 and as adopted by the Heads of States and Governments, Governments should encourage research joint ventures among companies in OIC Member Countries and take advantage of R&D spillovers by learning about other countries' new technologies, and by importing technological goods and services from their trade partners.



During the opening ceremony of the Conference, H.E. Tan Sri Dato' Haji Muhyiddin Haji Mohd Yasin, the Deputy Prime Minister of Malaysia, pointed out that quality higher education should provide broader contribution such as social cohesion, better health, character moulding. He added that the development of critical and creative faculties were much more essential for learning societies in a rapidly changing world rather than reducing the role of education to factory. H.E. Muhyiddin also mentioned that quality education could become part of our culture through enhancement of individual potential, recognition of cultural

diversity, lifelong learning, and experience gained by learners. He expressed his hope of achieving holistic education and addressing equity of access to all.

Hon. Dato' Seri Mohamed Khaled Nordin, Minister of Higher Education of Malaysia, in his opening statement stated that the Fifth Islamic Conference of Ministers of Higher Education and Scientific Research was an excellent platform for all parties to identify emerging trends and technologies that are of excellent quality and that such quality could be incorporated into their organisations' requirements. He also urged the participants to pool resources and work together to invigorate the Islamic educational agenda, and to reclaim the glorious standing of the great universities of Cordoba and Alexandria which reigned supreme in the early years of Islam.

Dr. Abdelaziz Othman Altwaijri, Director General of Islamic Educational, Scientific and Cultural Organization gave a presentation during the Fifth Session on the theme "Enculturation of Quality in Academia, Research and Innovation towards Prosperity of Ummah". His presentation focused on important initiatives to improve quality in higher education, research performance and innovation in advanced and emerging technologies. He added that such initiatives would also give due consideration to empowering women in scientific, technological, economic and social development, so as to tap this huge potential and resource towards economic progress. Finally, he concluded his presentation by saying that combined vision would help to adopt a strategic vision of science and higher education in the Islamic Countries.

The Fifth ICMHESR reviewed and assessed the reports of the Director General of ISESCO on the issues and challenges facing the OIC Member Countries in their efforts to overcome the common obstacles deterring their progress

towards scientific and technological excellence. Among other agenda items, the Conference also reviewed the progress made in two collaborative projects in which the Centre had actively partaken and participated, namely “Ranking of Universities of OIC Member Countries” and “Atlas of Islamic World Science and Innovation.

The Islamic Conference of Ministers of Higher Education and Scientific Research (ICMHESR) in Kuala Lumpur is the fifth of such conferences carrying on the tradition of cooperation and collaboration among OIC Member Countries.

The theme of the Fifth Conference was ‘Enculturation of Quality in Academia, Research and Innovation towards Prosperity of Ummah’. Besides its regular agenda, the Conference witnessed a round table discussion entitled ‘Empowering Women for Scientific and Technology Development in Islamic Countries’.

The official web site of the Fifth ICMHESR can be accessed at:

<http://www.icmhesr5.my>

26TH SESSION OF THE STANDING COMMITTEE FOR ECONOMIC AND COMMERCIAL COOPERATION OF THE ORGANIZATION OF THE ISLAMIC CONFERENCE (COMCEC)

5-8 OCTOBER 2010, ISTANBUL, TURKEY



The 26th Session of the Standing Committee for Economic and Commercial Cooperation of the Organisation of the Islamic Conference (COMCEC), which is chaired by the President of the Republic of Turkey, convened in Istanbul, Turkey on 5-8 October 2010 with the participation of delegates from 45 OIC Member Countries, five observer countries, one invited country, 13 OIC organizations, and six international/regional organizations.

The Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC) actively participated in the 26th Session of COMCEC Session’s important technical background reports and acted as co-organizer of the different preparatory meetings. SESRIC was represented thereat by Dr. Savaş Alpay, Director General and Mr. Mehmet Fatih Serenli, Director of Training and Technical Cooperation Department.



The Senior Officials Meeting of the 26th Session of the COMCEC

The Meeting of the Senior Officials of the 26th Session of the COMCEC started on 5 October 2010 under the Chairmanship of Kemal Madenoğlu, Undersecretary of the State Planning Organization (SPO) of Turkey.

During the Meeting, the delegations of the Member States and the OIC Institutions considered and deliberated on a number of agenda items related to various issues related to enhancing economic and commercial cooperation among the Member States. The agenda items included the following issues:

- World economic developments in conjunction with the OIC Member Countries
- Review of the implementation of the OIC Ten-Year Program of Action and the Plan of Action to Strengthen Economic and Commercial Cooperation among the OIC Member States
- Mid-term review of the OIC Ten Year Program of Action
- Evaluation of the Plan of Action
- Cooperation in the area of tourism

- Cooperation in the area of transportation
- Review of the activities of the Statistical Working Group (OIC_SWG)
- Report by the Session Committee
- Intra-OIC Trade
- Trade Preferential System among the member states of OIC (TPS-OIC)
- Road map for enhancing intra-OIC trade
- WTO related technical assistance
- Trade financing activities
- Private sector cooperation
- Islamic trade fairs
- Private sector meetings
- Poverty alleviation and economic/technical assistance to OIC Countries
- Islamic Solidarity Fund for Development (ISFD) and Special Program for Development of Africa (SPDA)
- OIC Cotton Program
- Cooperation among Development Cooperation Institutions (DCIs) of the OIC Member States
- Vocational Education and Training Programme for OIC Member Countries (OIC-VET)
- Food Security Program
- Financial cooperation among the OIC Member States
- Cooperation among the stock exchanges
- Cooperation among the central banks and monetary authorities
- Exchange of Views on “Agriculture and Rural Development”
- Development of the OIC Halal Food Standards and procedures
- E-government applications and their economic impact on the OIC Member States

The SESRIC contributed the following background reports and studies dealing with some major agenda items of the Meeting:

- (1) Annual Economic Report on the OIC Countries 2010;
- (2) E-Government Applications and Their Economic Impacts on the OIC Member Countries; and
- (3) Results of the Questionnaire Circulated by the SESRIC to the Member Countries on the Proposed Themes for the COMCEC Exchange of Views Sessions.

Additionally the Centre also made presentations and briefed the Committee on the following agenda items: (1) Cooperation among the Central Banks and Monetary Authorities; (2) Vocational Education and Training Programme for OIC Member Countries (OIC-VET); (3) Review of the Activities of the Statistical Working Group; and (4) Cooperation among Development Cooperation Institutions of the Member States.

In their deliberations on the agenda items listed above, the Senior Officials discussed and considered the recommendations and policy implications of many technical and background reports prepared and presented by various relevant OIC Institutions as well as those of some related international and regional organizations. They also prepared the Draft Resolutions on these issues for consideration by the Ministerial Meeting, held on 7 October 2010. The Ministerial Meeting of the 26th Session of the COMCEC

The Ministerial Meeting of the 25th Session of the COMCEC was held on 7 October 2010. The Opening Ceremony of the Meeting was held under the chairmanship of H.E. Abdullah Gül, President of the Republic of Turkey and the Chairman of the COMCEC.

In his inaugural address, H.E. Gül mentioned the importance of cooperation among the OIC Member Countries and emphasized on resilience to the global economic crisis. He said that the OIC Member Countries did not have their fair share of global prosperity despite being rich in natural resources and that the share of the OIC Member Countries in world GDP was only 7%

in 2009 even though they accounted for 22% of world population.

H.E. Abdullah Gül emphasized on the importance of poverty alleviation and political stability. He said that being a

global community, the Islamic world should be aware that global problems could only be solved if there were a global mind and action. He also elaborated on poor agriculture productivity, low quality of production, and the lack of competitiveness in the tradable goods of the OIC Member Countries. Drawing attention to the fact that around 1 billion of the people who are under the hunger threshold live in the OIC Member Countries, he stated that the problem of food scarcity and insufficient nutrition should be resolved in no time. He also expressed his condolences to the Pakistani people who were struck by a natural disaster and called upon the



countries to coordinate on humanitarian aid and to be generous in this respect.

An award ceremony was held at the end of the Opening Session, where the “Islamic Solidarity Prize for the Enhancement of Trade among OIC Member Countries” was accorded to the Saudi Exports Promotion Center, an affiliate of the Saudi Chambers of Commerce and Industry.

Also, an agreement was signed between H.E. Nihat Ergün, Minister of Industry and Trade, and the Acting General Director of the Standards and Metrology Institute for Islamic Countries (SMIIC) to establish the center of SMIIC in Turkey.

The official web site of the COMCEC can be accessed at: <http://www.comcec.org>

FIRST CONFERENCE OF AL-KHAWREZMI COMMITTEE ON STATISTICS

6-8 DECEMBER 2010, DOHA QATAR



The First Conference of Al-Khawarezmi Committee on Statistics, the first of a regular biennial event, was held on 6 - 8 December 2010 in Doha, Qatar. Dr. Savaş Alpay, Director General of SESRIC, and Mr. Huseyin Hakan Eryetli, Director of IT and Publications, represented the Centre thereat.

The main aim of the Al-Khawarezmi Committee, chaired by H.E. Hamad bin Jaber B. J. Al Thani, President of the Qatar Statistics Authority, is to act as a catalyst to help Arab statisticians becoming active partners in

knowledge creation and improve the practice of statistics in the Arab region. The Committee was named after the great scholar and mathematician Al-Khawarezmi (790–850), a cadre (the House of Wisdom) of Caliphate Baghdad, who invented Algorithms in mathematics. Hence, the committee was established by the International Statistics Institute (ISI) to honour the contributions made by this scholar in terms of human knowledge. The significance of this committee stems from its mission, which is to stimulate Cooperation between ISI and the statistical communities of

the Arab region. Al-Khawarezmi committee on statistics strives to achieve excellence in the practice of statistics, statistical education and research both in the region and in the Islamic Ummah.

The purpose of the Conference which was held under the slogan: "Statistics for Evidence-based Policy and Decision Making" is to bring together Arab statisticians to present their current work, discuss areas of common interest, collaborate in joint activities, mentor future statisticians and recognize the excellence of work by statisticians. Since it is an important means of keeping up to date with new advances in statistics, the Conference invited a number of world class statisticians to participate in areas of interest to the Arab countries.

The focus of the first Conference was on statistical methodology and the use of statistics in measuring human development, environmental quality and sustainable economic development. Having properly measured the essential indicators, evidence-based decision making can be achieved through the provision of essential information by statistical agencies.

The scope of the Conference covered key areas of statistics with emphasis on topics of interest to the Arab countries. The topics discussed in the meeting were:

1. Challenges of Poverty measurement in the Arab countries
2. Strategy of the Implementation of national SNA 2008
3. Challenges facing national strategy for the development of statistics in the Arab countries
4. Environmental statistics - Sources, methods and data quality
5. Using IT in data capturing, processing, and dissemination
6. Population, housing, and establishments censuses (Data collection, publishing, analysis and application of results)



7. Health surveillance and measurement, Innovative methods and techniques in health analysis
8. Application of GIS in statistics
9. Towards a national framework for statistics of culture and education
10. Gender Statistics: A tool for mainstreaming gender issues in national development

In the Opening Session, Dr. Alpay delivered a keynote speech titled "Enhancing Statistical Capacity Building Programmes in the OIC Member Countries". By drawing special attention to the importance of developing concrete and coherent National Strategies for the Development of Statistics (NSDS), he informed the delegates concerning the ongoing statistical activities and initiatives of SESRIC including the StatCab Programme, which was initiated by SESRIC in early 2007 and analyses statistical needs and capacities through the responses of the related questionnaires; the twinning of NSOs of advanced countries in terms of NSDS with the NSOs of countries for which an NSDS is still under development; and the OIC - Statistical Working Group (OIC-SWG).

During the session on the theme "Using IT in Data Capturing, Processing, Dissemination and Application of GIS in Statistics", chaired by Mr.

Eryetli, two country cases (Qatar and Egypt) were presented. The participants were also informed about the World Bank's "Virtual

Statistical System" and recent enhancements made in DevInfo.

DIRECTOR GENERAL OF SESRIC ADDRESSED THE FOURTEENTH SESSION OF THE (COMSTECH)

11-13 JANUARY 2011, ISLAMABAD, ISLAMIC REPUBLIC OF PAKISTAN

Dr. Savaş Alpay, Director General of SESRIC,

stressing upon stimulating R&D to the target



addressed the Fourteenth Session of the Organization of Islamic Conference (OIC) Standing Committee on Scientific and Technological Cooperation (COMSTECH), which was held in Islamabad on 11-13 January 2011, under the Chairmanship of H.E. Mr. Yousaf Raza Gillani, Prime Minister of the Islamic Republic of Pakistan and Co-Chairman COMSTECH. Nearly three hundred delegates from twenty-nine member states and twenty-four international and regional organizations attended the meeting.

Dr. Alpay presented an overview of current trends and developments in the OIC Member Countries in the fields of scientific research, and science & technology, and touched upon key determining factors related to the performance of OIC Member Countries, showing their stand in the world with respect to these factors. Dr. Alpay concluded his presentation by underlining some broad policy implications as well as

level of 1% share in GDP in the foreseeable future, as set by the OIC Ten-Year Programme of Action in 2005.

Five plenary Sessions were held with the participation of heads of Delegations and representatives from various OIC Member Countries and National and International organisations. In the light of these sessions, the senior officials made their presentations and read their reports in which they deliberated on a set of common issues of concern to the member countries with a view to enhancing new mechanisms and initiatives to draw policy guidelines and encourage cooperation for the COMSTECH Program.

The 14th Session of COMSTECH General Assembly adopted a number of Resolutions where the Ministers of Science and Technology of OIC Member Countries endorsed the recommendations contained in the report of the

Mid-Term Review of the OIC Ten-Year Programme of Action and OIC Vision 1441H for Science and Technology in Dubai in December 2010, whereby the delegates requested the SESRIC to implement capacity building activities in the area of S&T for the sake of enhancing the STI capacity of the relevant institutions in the member countries as well as

for facilitating higher commercialisation of scientific research towards knowledge-driven economies.

For more information about the General Assembly, please visit the official website at:

<http://14thga.comstech.org/>

MID-TERM REVIEW MEETING OF THE OIC TEN-YEAR PROGRAMME OF ACTION AND VISION 1441H FOR SCIENCE AND TECHNOLOGY

4-6 DECEMBER 2010, DUBAI, UNITED ARAB EMIRATES



SESRIC participated in the Mid-Term Review Meeting of the Ten-Year Programme of Action to Meet the Challenges Facing Ummah in the 21st Century (TYPOA) and Vision 1441H for Science and Technology held in Dubai, United Arab Emirates during the period 4-6 December 2010. Senior officials of 15 OIC Member States and concerned OIC Institutions, namely OIC General Secretariat, OIC Standing Committee on Scientific and Technological Cooperation (COMSTECH), Statistical Economic and Social Research and Training Centre for Islamic Countries (SESRIC), Islamic Development Bank (IDB), Islamic Chamber of Commerce and Industry (ICCI) Islamic Educational Scientific and Cultural Organisation (ISESCO), Islamic

University of Technology (IUT), Islamic University of Uganda and Islamic University of Niger participated in the meeting. SESRIC was represented thereat by Dr. Savaş Alpaya, Director General, and Mr. Mehmet Fatih Serenli, Director of Training and Technical Cooperation Department.

The Meeting aimed to review the progress achieved since the adoption of the TYPOA in Makkah al-Mukarramah in 2005 and the Vision 1441H in Kuala Lumpur in 2003; discuss problems, bottlenecks and future direction for the implementation of TYPOA and 1441H; identify the issues of Science and Technology (S&T) systems of Member Countries that have

been braved individually and collectively, devise mechanisms and propose tools in the light of these findings to overcome the bottlenecks and ensure smooth process to implement viable initiatives during the remaining half of the programme period.

During the meeting, the delegations introduced their reports and presented short summaries of the progress made so far by their governments/institutions with respect to the implementation of TYPAO related to science and technology development and 1441H. They also informed the Meeting on the shortfalls and bottlenecks experienced by them and the structural reforms required to overcome the problems. The country delegations also discussed the integration of science policy into social development and identify factors responsible for success or failure of the

implementation during the remaining five years of TYPOA and the remaining 10 years of the Vision 1441H.

The Meeting also revealed the actions and measures taken by the Member States and concerned OIC Institutions to develop cooperation with other Member States and Institutions to push forward the TYPOA and 1441H to its successful conclusion by the year 2015/2020. The Meeting recommended measures and initiatives to speed up cooperation amongst the Member States and OIC Institutions, and indicated expectations from OIC system as a whole for an integrated approach in the coming years for consideration by the 14th General Assembly of COMSTECH and then for consideration by the 12th Islamic Summit Conference to be held in March 2011 in Egypt.

THE FIRST SESSION OF THE OIC STATISTICAL COMMISSION (OIC-STATCOM)

11-12 APRIL 2011, ISTANBUL, REPUBLIC OF TURKEY



The First Session of the OIC Statistical Commission (OIC-StatCom), organized jointly by Statistical, Economic and Social Research and

Training Centre for Islamic Countries (SESRIC) and the Islamic Development Bank (IDB), was held in Istanbul, Turkey on 11-12 April 2011.



Delegates of the National Statistical Organisations (NSOs) of 30 OIC Member Countries including Afghanistan, Azerbaijan, Bahrain, Bangladesh, Burkina Faso, Comoros, Egypt, Indonesia, Iran, Iraq, Jordan, Kazakhstan, Malaysia, Maldives, Morocco, Niger, Pakistan, Palestine, Qatar, Saudi Arabia, Senegal, Sierra Leone, Somalia, Sudan, Syria, Tajikistan, Tunisia, Turkey, United Arab Emirates, and Uzbekistan participated in the First Session of OIC-StatCom. Additionally, 9 international / supranational organisations including Arab Institute for Training and Research in Statistics (AITRS), Standing Committee for Economic and Commercial Cooperation of the Organization of Islamic Conference (COMCEC), EUROSTAT, International Monetary Fund (IMF), OIC General Secretariat, the Partnership in Statistics for Development in the 21st Century (PARIS21), United Nations Economic and Social Council for Western Asia (UNESCWA), United Nations Statistics Division (UNSD), and World Bank attended the Commission. The Centre was represented thereat by Dr. Savaş Alpay, Director General; Ms. Münevver Nilgün Egemen, Senior Researcher; Ms. Zehra Zümrüt Selçuk, Researcher; and Mr. Atilla Karaman, Researcher.

Aiming to bring about a dynamic platform for the NSOs of the OIC Member Countries to share and exchange knowledge, experiences and best practices on initiatives that can help them become more effective and efficient in managing their national statistical systems, the NSOs of

the OIC Member Countries agreed in their last meeting of National Statistical Organizations in 2010 to organize their future meetings under the title of OIC Statistical Commission. Against this background, the First Session of OIC-StatCom focused on defining the direction, objectives, goals and expected benefits as well as the fields in which the Commission will generate a value-added contribution to statistical systems of the OIC Member Countries.

The First Session of OIC-StatCom began on 11 April 2011 with the welcome and opening messages of OIC General Secretariat, UNSD, IDB, SESRIC, Central Department of Statistics and Information (CDSI) of Kingdom of Saudi Arabia. It has been pointed out in the welcome and opening message of the OIC General Secretariat that the OIC-StatCom is aimed at underscoring the crucial role, which cooperation in the domain of planning, knowledge-sharing and exchange of best practices can play, in leap-frogging the various stages of socio-economic development in the OIC Member States. Dr. Paul Cheung, Director of UNSD, has stated in his speech that the OIC-StatCom Session is unprecedented at the OIC level and represents a very important step in the work to build sustainable and effective statistical systems in the OIC Member States. In his speech Dr. Abdullateef Bello, Director of Data Resources and Statistics Department of IDB, has drawn attention to the urgent need to have an apex statistical body in which statistical issues unique to OIC member countries can be discussed, and

member countries can exchange ideas and knowledge, share best practices, and coordinate statistical activities at the OIC level. Dr. Savaş Alpay, Director General of SESRIC, emphasized in his opening speech the critical role of OIC-StatCom to strengthen the capacities within the NSOs of the OIC Member Countries towards enhancing statistical systems as critical contributors in the decision-making process both at the public and private level. He also stressed that the OIC-StatCom will be functional in establishing a ground for comprehensive learning, sharing experience and expertise, transfer of knowledge among the NSOs of the Member Countries in a concerted manner as well as in fostering the recognition and use of statistics across a wider spectrum of all relevant stakeholders. Mr. Mohanna Al-Mohanna, Director General of CDSI, Saudi Arabia underlined in his message that the NSOs of the OIC member states should work together in the Commission to identify unique areas of cooperation to become more flexible in responding to the requirements and expectations arising from the new challenges.



In the first day, following the lively discussions in the session of “OIC-StatCom: Expectations, Goals, and Operational Principles”, the delegates endorsed the Rules of Procedure for the Commission, appointed SESRIC as the Secretariat of the Commission and stated their expectations from the Commission.

During the Session with the theme “Effective Cooperation for Statistical Capacity Building”, delegates from Malaysia and Bahrain respectively made a presentation on “Strengthening the Statistical Capacity Building in the OIC Member Countries” and “Accreditation of Statistical Professionals to Improve Competency in OIC Member Countries”. These presentations were followed by the presentation of IDB on “IDB-STATCAP and Challenges So Far”. After these

presentations, delegates exchanged their views on shaping effective mechanisms of cooperation and collaboration among the member countries, and between the member countries and international organisations.

On 12 April 2011, the second day of the Commission, a breakout session with the theme “Enhancing Statistical Awareness and Outreach” took place. The delegates and representatives of international / supranational organisations were gathered into four separate groups to discuss ways and means to enhance the visibilities and outreach of NSOs in disseminating quality assured statistics. During the first part of the break-out session, the discussions proceeded within the groups and during the second part; the reporters of each group shared their conclusions reached within their groups with all of the delegates.

Following the Break-out Session, the session with the theme “Concerted Efforts, New Prospects and Future Challenges in Statistics” took place.

The delegates of the OIC-StatCom were briefed by DOS of Jordan about the outcome of the Expert Groups Meeting on “Islamic Statistics: Towards the Future”. The IDB presented the activities of OIC Statistical Working Group (OIC-SWG). Finally, EuroStat made a presentation on new prospects and future challenges in the field of statistics.

In the Closing Session, the delegates discussed and adopted the draft Finale Communiqué and formalised the decisions of the First Session of OIC-StatCom.

For more information on the OIC Statistical Commission (OIC-StatCom) please visit:

<http://www.sesric.org/activities-nso-meetings.php>

COUNTRY



NEWS

SAUDI ECONOMY GROWING BY 3.9% IN 2011

Saudi Arabia's economy is seen expanding by 3.9% in 2011 and will remain one of the Middle East's prime areas for investment. Business Monitor International's Business Forecast report on the kingdom for Q2 predicts that real gross domestic product growth will be 0.9% stronger than last year. "Saudi Arabia's non-oil sector will play an increasingly vital role for the economy, as the government's initiative to diversify the economy away from the hydrocarbon sector will bolster private consumption and gross fixed capital formation (GFCF)" the report said. It added that GFCF growth would outperform all other expenditure components of GDP from 2011 onwards. As part of a longer-term spending plan, the government plans to spend US \$155 billion in 2011 alone, investing in education and infrastructure.



The report added that Saudi Arabia's investment climate remained one of our favourites in the Middle East and North Africa. "Relative political stability, great scope for growth in capital extensive sectors like infrastructure, impressive oil reserves and production capacity are the key factors underpinning our favourable outlook," the report said. BMI said that over the next five years, investors will be particularly attracted by the government's impressive spending plan, which aims to invest \$1.3 trillion primarily in the non-oil sector. "We continue to highlight further growth potential for Saudi Arabia, underpinned by the prospects of increasing oil production combined with the positive outlook for oil prices over 2011," BMI added.

Source: Arabian Business

SAUDIS CHART PATH TO ECONOMIC DIVERSIFICATION THROUGH TOURISM



Saudi tourism industry is gaining momentum as the local economy diversifies in line with the government's initiative, which focuses, among others, on religious, cultural and domestic

tourism. Arabian Travel Market has witnessed a 7.5 percent increase in the exhibition space booked from Saudi Arabia, three months ahead of this year's event. Arabian Travel Market 2011

will take place at the Dubai International Convention and Exhibition Centre on 2-5 May 2011. In 2010, Saudi Arabia marked a 15 percent increase in tourism, as more than 3.8 million pilgrims visited for Hajj or Umrah. With tourism being more labour intensive than many other sectors, the Saudi Supreme Commission for Tourism (SCT) aims to create millions of new jobs over the next five years. Business,

cultural and domestic tourism are also expected to grow significantly. A recent report from international industry consultant BMI forecasts tourist arrivals to the Kingdom will climb by 6.7 percent year-on-year between 2011 and 2014. It also indicates the industry will benefit considerably from a \$ 373 billion program of social development and infrastructure projects.

Source: Saudi Gazette

FIFA SELECTED QATAR AS THE HOST COUNTRY FOR THE 2022 FIFA WORLD CUP

On the 2nd December 2010, the FIFA selected Qatar as the host country for the 2022 FIFA World Cup. Thus, Qatar will be the first Arab country to host such a prestigious international sports event. In fact, it is well known that Qatar has rich experience in successfully hosting various regional and international sports events such as the AFC Asian Cup in 1988, FIFA U-20 World Cup 1995, and the 15th Asian Games in 2006 and also the AFC Asian Cup in 2011. Furthermore, the United Nations World

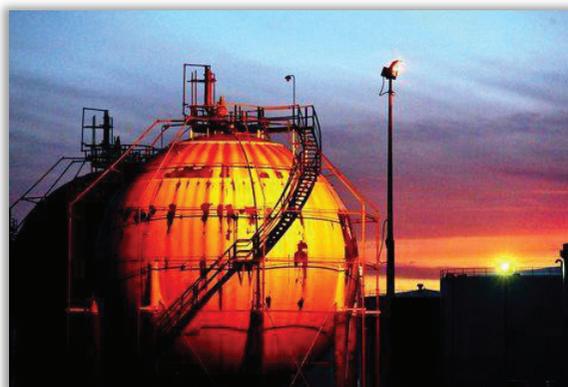


Tourism Organization's 2020 tourism vision forecasts that the Middle East region, which currently receives 36 million visitors a year, will attract 69 million tourists by 2020, an average growth rate of 6.7 percent. That bullish forecast was made prior to Qatar's successful 2022 FIFA World Cup bid, which is expected to draw many more visitors to the entire region.

Source: worldfootballinsider.com

KUWAIT, CHINA SIGN AGREEMENTS FOR \$9 BILLION PROJECT

According to Kuwait News Agency (KUNA), Kuwait and China signed agreements on 16 March 2011 for a \$9 billion deal to build an oil refinery and petrochemical plant in south China. The implementation agreement between Kuwait Petroleum Corporation and China Petroleum and Chemical Corporation Limited (Sinopec) took place in Beijing. Kuwait's ambassador to the People's Republic of China, Mohammad Saleh



Al-Thuwaikh, stressed the importance of the project in boosting cooperation in the domain of oil between Kuwait and China. Al-Thuwaikh also said that the project is of strategic importance to Kuwait, adding that it helped "market the Kuwaiti oil in one of the world largest oil consumer countries". The project will secure Kuwait, the world's fourth-largest crude exporter, a solid outlet for its oil, ahead of

competitors such as Venezuela, Russia and Qatar, all of which are planning refineries in China. Kuwait aims to more than double its crude exports to China to 500,000 barrels per

day (bpd), versus last year's sales at just under 200,000 bpd.

Source: Arabian Business

UNITED ARAB EMIRATES SIGNS MOU WITH SOUTH KOREA TO BOOST TECHNICAL COOPERATION IN SMES

UAE Minister of Economy Sultan bin Saeed Al Mansouri has urged UAE companies to benefit from the Korean experience in the SMEs and to seize from the advanced economic relations that UAE built with South Korea. The minister also assured Ministry's progress in developing the performance of SME sector through building strategic cooperation with best experienced countries in the world such as Korea, Italy and Germany and others during the ceremony of signing a memorandum of understanding with Kim, Dong-sun Administrator of Small and Medium Business Administration of South Korea.



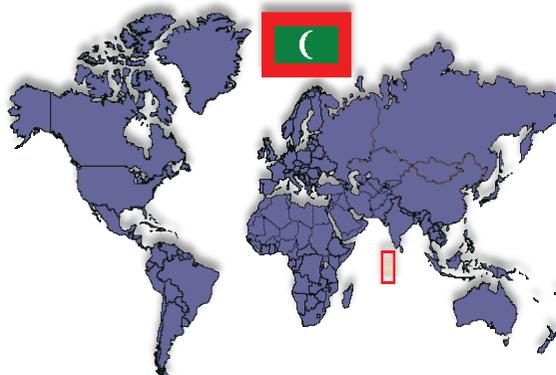
The MoU will facilitate and promote bilateral cooperation in SMEs at both countries through encouraging semi-governmental institutions and the private sectors in both countries to cooperate in joint venture projects for SMEs, including,

commercial, industrial and financial areas. The cooperation will also eliminate economic obstacles facing SMEs in both countries to promote bilateral trade and forming an exchange program for young entrepreneurs, in order to enhance their expertise and cooperation with each other in addition to enhance transfer of technology and know-how.

Source: UAE Interact

MALDIVES GRADUATES FROM LEAST-DEVELOPED COUNTRIES (LDCs) STATUS

Maldives was officially taken off the United Nations list of Least Developed Countries (LDCs) on 1 January 2011. After Botswana in 1994 and Cape Verde in 2007, it is the third country to graduate from LDC status. Other confirmed or potential graduation cases are Equatorial Guinea, Samoa, Tuvalu and Vanuatu.



The growth and prosperity of the tourism sector has been the main engine of Maldives' economic progress over the last two decades. Gross national income per capita, estimated at \$3,970 in 2009, was over three times the graduation threshold.

Yet acute vulnerability to external shocks makes overall prosperity a difficult goal to sustain. Maldives underwent negative real GDP growth in 2005 and 2009, after the country was severely hit by a tragic tsunami and a global economic crisis, respectively. Today's Maldives is recognized by several United Nations bodies, notably in the light of the Economic Vulnerability Index, as one of the most vulnerable countries in the world.

Loss of LDC treatment implies the phasing out of important benefits to Maldives, such as preferential access to the European Union's

market, or special eligibility for technical assistance. The United Nations has consistently urged development partners to adopt "smooth transition" measures for graduating countries. The aim should be to avoid any abrupt withdrawal of special support measures that might cause disruptions in the economic progress. The European Union acted in this spirit in 2008, when it decided to extend its duty-free, quota-free market access regime for LDCs to any graduating country for a period of at least three years, a concession particularly vital to Maldives' fisheries industry.

Source: <http://www.unctad.org>

IRAN, CHINA TO BUILD WORLD'S HIGHEST DAM

Iran and China will ink a \$2 billion contract to construct the highest concrete dam in the world in the western Iranian province of Lorestan. The Managing Director of Iran's Water and Power Resources Development



The Bakhtiari Dam will be an arch dam on the Bakhtiari River within the Zagros Mountains. With a planned height of 315 meters, the dam will withhold the largest reservoir of the country with a capacity of about 4.8

Company, Mr. Mohammadreza Rezazadeh, said that the Chinese firm Sinohydro Corporation and Farab Iran Company will sign the cooperation deal to build Bakhtiari dam and power plant. He mentioned that a delegation headed by Deputy Energy Minister Mohammadreza Attarzadeh has recently travelled to China and held negotiations on the financial resources of the project. The two sides are scheduled to finalize the deal by 15 March 2011, and the construction operations will start in the next Iranian calendar year.

billion cubic meters. The dam is planned to support a 1,500-megawatt hydroelectric power station. Iran has constructed about 580 dams, with 137 more under construction and 546 planned. The massive Karun-4 and Gotvand dams are among the major projects under construction in the country.

Source: Islamic Travel Newswire, Edition 266

IRAN SIGNED A CONTRACT OF \$ 13 BILLION RAIL DEAL WITH CHINA

An Iranian state-run company (the Construction and Development of Transportation Infrastructure Company) and China have signed a contract of around \$ 13 billion to build a railway network extending 5,300 kilometres in Iran. On this occasion, Assadollah Asgaroladi, the head of Sino-Iranian Chamber of Commerce, said that direct bilateral trade with China currently stands at \$ 30 billion compared to \$ 21.2 billion in 2009, a jump from a mere \$ 400 million around 15 years ago. Asgaroladi said that China was also trading indirectly with Iran through the United Arab Emirates to the tune of around \$7 billion



annually. The UN sanctions along with unilateral punitive measures by several Western and European countries have allowed Chinese companies to expand their presence in the Islamic republic of Iran. Meanwhile, the representatives of the transport administrations of Azerbaijan, Russia and Iran signed three documents on cooperation at the meeting on the North-South transport corridor project held on 8 February 2011. The signing of the documents is the result of talks between the railway department heads of the three countries.

Source: Saudi Gazette

GULF COUNTRIES TO SPEND \$ 90 BILLION ON NEW AIRPORT PROJECTS

The Gulf Council for Cooperation (GCC) continues to allocate large investments for developing new and existing airports with major expansions in the region's 1,200 international, domestic and defence airports as well as new projects expected to cost around \$ 90 billion over the next few years. The Airport Council International (ACI) and the International Air Transportation Association (IATA) predict airports in the Middle East are expected to

handle over 400 million passengers by 2020. The optimistic outlook comes at a time when the momentum gathers pace for the 11th Edition of Airport Show Dubai that will be held from 31 May to 2 June 2011 at the Airport Expo. Mohamad Bader-Eddin, Director of Airport Show, said: "The GCC countries and the wider region continue to register sustained growth in flight operations, as well as freight and passenger traffic. This growth has stimulated a continued



flow of investments for the development and expansion of airport projects. This is estimated to be around \$ 90 billion for airports alone, without taking into consideration developments that complement airport infrastructure such as free zones.”

In the UAE, allocated investment for the development of Al Maktoum International Airport in Dubai is estimated at around \$ 8 billion, while Concourse 3 at Dubai International Airport is expected to cost nearly \$

1.17 billion. Total investment for Abu Dhabi International Airport midfield is forecast to touch \$ 6.8 billion. Other developments in the region include King Abdulaziz International Airport (KAIA) Development Phase 1 in Jeddah with an investments equivalent to \$ 1.5billion, New Doha International Airport around \$ 11 billion, Expansion of Muscat International Airport \$ 1.2 billion, Bahrain airport \$ 335 million, and Kuwait International Airport \$ 2.1 billion.

Source: Gulf Today

KAZAKHSTAN TO HOST THE 7TH WORLD ISLAMIC ECONOMIC FORUM IN 2011

The 7th World Islamic Economic Forum (WIEF) 2011 will be held in Astana, Kazakhstan on 7-9 June 2011. Blessed with vast natural resources such as petroleum and a rich variety of mineral resources, in particular uranium, of which the country is the world's no.1 exporter, Kazakhstan is on its path to a positive economic growth trajectory. More than 150 prominent local and foreign speakers will be invited as Role Players. In true WIEF tradition, luminaries of finance and commerce are expected to rub shoulders with government policy makers during the Forum. As in previous Forums, the 7th WIEF



will be preceded by the Businesswomen and Young Leaders Forums to be officially opened together with the WIEF Exhibition by H.E. Karim Masimov, Prime Minister of Kazakhstan. The 7th WIEF will feature Forum highlights including the Leadership

Panel to discuss entrepreneurship as a vehicle of growth, a signature ‘Countries in Focus’ Session showcasing business, trade and investment opportunities in selected developing OIC countries and Parallel Sessions covering Islamic banking, infrastructure development, SMEs, Halal ecosystem and alternative energy.

Source: www.7wief.org

MALI ARBITRATION SYSTEM UPGRADE COMPLETE



The Investment Climate Facility for Africa, or ICF, completed a project in Mali aimed at improving the investment climate in the West African mineral rich nation. The Alternative Dispute Resolution project carried out in partnership with the *Centre de Conciliation et d'Arbitrage du Mali*, or CECAM, strengthened

Mali's Alternative Dispute Resolution system by improving the legal framework, streamlining procedures, and training arbitrators. The result is a faster settlement of claims, reduced legal fees and strengthening arbitration as a mechanism to resolve disputes.

The project, which commenced in 2008, has reduced the number of days to enforce a contract from 860 to 180 days, the length of time taken to file judgments from 345 days to 180 days, and ensures judgments are enforced in 30

days as opposed to 515 days. The ICF is also supporting improvements in the judiciary systems in Burkina Faso, Mauritius, Tanzania, Rwanda and Zambia. The Malian government is also working with ICF on a tax dispute modernization project. The ICF is a pan-African body focused on improving the continent's investment climate through partnerships with governments, businesses and development partners, and receives funding from a number of sovereign and corporate donors.

Source: Dow Jones Newswires

BRAZIL LAUNCHES NEW BIO-ENERGY INITIATIVE FOR AFRICA

Brazilian Foreign Minister Antonio Patriota and Development Bank President Luciano Coutinh agreed on 17.02.2011 to join the efforts of their agencies in a fresh bid to promote bioenergy in Africa. According to the agreement, the first programme under the new initiative will be focused on the eight members of the Economic Community of West African States (ECOWAS), namely Benin, Burkina Faso, Cote d'ivoire, Guinea-Bissau, Mali, Niger, Senegal and Togo,.

The move follows up a Memorandum of Understanding signed by Brazil and the ECOWAS in October 2007, which established a partnership to facilitate feasibility study on biofuel production and use in ECOWAS. Former Brazilian president Luiz Inacio Lula da



Silva made Africa one of the foreign policy priorities when he was in office till 01.01.2011, and the policy has been maintained by his successor Dilma Rousseff.

Source: Bernama

INVESTMENTS IN MAPUTO CORRIDOR, MOZAMBIQUE, EXCEED US\$5 BILLION



Infrastructure development projects in the Maputo Corridor have consumed over US\$5 billion since the venture was launched 14 years ago, according to an

assessment published by the Maputo Corridor Logistics Initiative (MCLI). In the document the MCLI referred to the conclusion and start of operation of the Maputo/Witbank (national road 4) toll road, the concession of port terminals to private managers and the consequent involvement of this sector in improving infrastructure and increasing port traffic from around 3 million tonnes in 1996 to almost 17 million in 2009.

Alongside this there was also a rise in shipping services, notably container transport, and a rise in tourism and trade between Mozambique, Swaziland and South Africa, amongst other advances considered to be relevant. The Maputo Corridor was launched with the aim of promoting the recovery of the main road, rail and transport infrastructure and the port of Maputo, including modernisation of the border between Mozambique and South Africa and maximising its social development by creating direct employment opportunities for the communities living along national road 4.

The Maputo Corridor is considered to be a model in terms of partnerships, management and capacity to attract business within the Southern Africa Development Community (SADC). Until very recently the Beira Corridor was seen as the benchmark for the region, a status it lost due to the political crisis restricting the economic performance of neighbouring Zimbabwe. In total there are 12 corridors in the SADC region, the smallest of which is the Goba corridor, which links Mozambique to Swaziland and is just 226 kilometres long.

Source: Macau Hub

NIGER GRANTS URANIUM PERMITS TO RUSSIAN GAZPROMBANK



Niger has awarded Russia's Gazprombank, one of Russia's largest lenders and a former banking arm of state-owned energy giant Gazprom, rights to explore and produce uranium on the perimeters of Toulouk 2 and Toulouk 4 mining

blocks in the northern Agadez region. Niger is a leading uranium exporter, and the top supplier of the nuclear fuel to France's power industry.

Niger expects exploration work on each permit to average \$5 million. Niger would be granted a 20% stake in any operating company should commercial quantities of uranium be developed. France's Areva is Niger's biggest uranium player, but the country's resources riches have also attracted planned investments from minerals and energy firms from China, Canada, Australia and elsewhere.

Source: Thomson Reuters

ADB PROVIDES \$340 MILLION TO COMPLETE AFGHAN RING ROAD

The Asian Development Bank (ADB) and Afghanistan's Minister of Finance signed two agreements totaling \$340 million that will lead to the completion of Afghanistan's vital Ring Road and to improvements in the power sector. A \$340 million ADB grant will fund construction of 233 km of road connecting the towns of Qaisar, Bala Murghab, and Laman in northwestern Afghanistan. The road is the last section of a 2,700 km Ring Road that will connect Afghanistan's major cities. The grant comes in addition to the



\$450 million ADB which has been already committed or spent on the Ring Road, and brings ADB's total assistance to Afghanistan's roads, railways and airports to more than \$1.07 billion.

"This investment into the last section of the Ring Road will foster greater regional cooperation, linking Afghanistan with itself and with Central Asia, South Asia, and the Middle East," said ADB Director General for Central and West Asia Juan Miranda. He said that "This road makes Afghanistan a transit rather than a cushion country, and will create jobs, improve trade, and bring greater security."

Both parties also signed a \$1.5 million technical assistance agreement for the development of a power sector master plan. The assistance, financed on a grant basis by the Japan Fund for Poverty Reduction (JFPR) funded by the Government of Japan, will help Afghanistan pinpoint deficiencies in its power sector, prioritize rehabilitation needs, and identify major potential load centers.

Source: Asian Development Bank (ADB)

AZERBAIJAN, TURKEY SIGN MEMORANDUM OF COOPERATION



Azerbaijan and Turkey have signed a memorandum of understanding on cooperation in the exploration and research of the mineral resources. The document was signed during the sixth session of the Azerbaijan-Turkey intergovernmental commission on trade and economic cooperation held in Baku in January 2011. Following the meeting, Azerbaijani Deputy Prime Minister Abid Sharifov and Turkish Energy Minister Taner Yıldız signed the final protocol. Sharifov said the protocol pays a great attention to cooperation in education and

exchange of students, particularly in the field of medicine. Yıldız said the joint commission's work plays a significant role in further strengthening of the Azerbaijani-Turkish bilateral relations in many areas of the mutual cooperation. He mentioned that "This meeting is a kind of a preparation for holding the Turkey-Azerbaijan Strategic Council," Yıldız said.

"The economic relations between the two countries have been developing successfully in recent years. As, the trade turnover was at a level of \$250-\$300 million 10 years ago, today it increased to \$2.5-\$3 billion," Yıldız said. He said the two countries aim to bring the figure to \$ 5 billion. There are all possibilities for this, Yıldız added. Yıldız said Turkey is closely following the Azerbaijani investors' activities in areas such as tourism, transport, and particularly in the petroleum sector.

Source: TREND News Agency

ADB TO PROVIDE \$615 MILLION TO FUND MAJOR BRIDGE PROJECT IN BANGLADESH



The Asian Development Bank (ADB) will extend financial assistance of \$615 million for a major bridge project in Bangladesh which will help accelerate growth and poverty reduction in the country's poor and underdeveloped southwest. ADB's Board of Directors approved the loan funds for the construction of a

multipurpose bridge across the Padma River - the first fixed river crossing for road traffic, linking the southwest of the country, to northern and eastern regions.

ADB is providing over 21% of the total investment cost of nearly \$2.92 billion for the bridge project. In addition to ADB, the World Bank, Japan International Cooperation Agency (JICA) and Islamic Development Bank are also contributing as co-financiers. "By providing a vital infrastructure link between the capital city, Dhaka, and the less developed southwest region, the Padma bridge will give the national economy a major boost," said Sultan H. Rahman, Director General of ADB's South Asia Department. "It is the largest project assistance we have provided to

Bangladesh. Implementing such a large project will be a major challenge, and the Government and development partners would need to work very closely to initiate and complete the project on time," added Mr. Rahman. "This bridge project will also have wider sub regional impacts, as it will form part of the proposed Asian Highway route that connects Asia to Europe," said Hideaki Iwasaki, Principal Transport Specialist in ADB's South Asia Department. The Bangladesh Bridge Authority is the executing agency for the project, which is due for completion in December 2015.

Source: Asian Development Bank (ADB)

\$120 MILLION LOAN TO IMPROVE URBAN PLANNING, SERVICES, IN BANGLADESH

Bangladesh, supported by a \$120 million equivalent Asian Development Bank (ADB) loan, is planning an overhaul of urban planning and infrastructure in two of its biggest city regions where services have struggled to keep up with booming populations. The ADB Board of Directors approved the loan for the Bangladesh City Region Development Project, which will target energy-efficient, environmentally friendly urban services, more coordinated regional development planning, and stronger management capacity for municipalities in the sprawling city regions of Dhaka and Khulna, which include surrounding secondary towns. "The goal is to increase the growth potential and environmental sustainability of these two city regions," said Masayuki Tachiiri, Urban Economist in ADB's South Asia Department.



The loan from ADB's Special Fund resources covers about 71% of the total project cost of \$170 million. It has a 32-year tenor, with an 8-year grace period carrying an annual interest charge of 1% during the grace period, and 1.5% for the balance of the term. The Government of Bangladesh will provide counterpart support of \$50 million. The technical assistance will include

a \$675,000 grant from ADB's concessional Technical Assistance Special Fund, while ADB will also administer a grant of \$1.5 million from the Government of Japan-established, Asian Clean Energy Fund, held under the Clean Energy Financing Partnership

Facility. The Local Government Engineering Department is the executing agency for the project, which is due for completion in December 2016.

Source: Asian Development Bank (ADB)

TOGO LAUNCHES 94 MILLION \$ BOND ON UEMOA MARKET

The Togolese government launched a 47 billion FCFA (94 million US dollars) bond for the 2011-2016 period. This bond will attract investors from the West African Economic and Monetary Union (UEMOA), an eight-member economic block. The money will be spent on road construction, tourism development and improvement of



primary, secondary and university education. The Togolese authorities say they have laid a firm foundation for the country's economic resumption by creating a conducive environment for business.

Source: All Africa

IRAN-TURKEY TRADE TO HIT \$30 BILLION

The Iranian President, Mahmoud Ahmadinejad, announced that the value of trade between Iran and Turkey will reach \$30 billion during Iranian calendar year 1390, which begins on March 21, 2011. Ahmadinejad made the remarks during a joint press conference with the Turkish President, Abdullah Gul, who was in Tehran on a four-day official visit, accompanied by a large delegation of ministers and businessmen. "The value of trade exchanges between the two countries surpassed 10 billion dollars in 2010 and we are determined to increase it to 30 billion dollars through comprehensive cooperation,"

Ahmadinejad stated. He added, "Tehran-Ankara cooperation, together with the promotion of regional cooperation, will turn the region into a great cultural, political, and economic hub."

The Turkish president expressed satisfaction over his visit to

Tehran, adding that Ankara is determined to expand cooperation with the Islamic Republic of Iran. In a meeting with the Iranian First Vice President Mohammad Reza Rahimi in the Iranian capital, Tehran, Abdullah Gul noted Iran's readiness to strengthen cooperation with Turkey in all fields. Rahimi urged Iranian and Turkish officials to remove obstacles in the way of upgrading mutual ties. "Economic relations between Tehran and Ankara showed an 85 percent increase last year (in 2010), which is an indication of fundamental developments in trade and economic cooperation between the two sides," he further explained.

The Iranian official also noted that enhanced cooperation between the two neighboring countries in customs and transit sectors could affect the entire region and promote trade and commercial ties among regional countries.

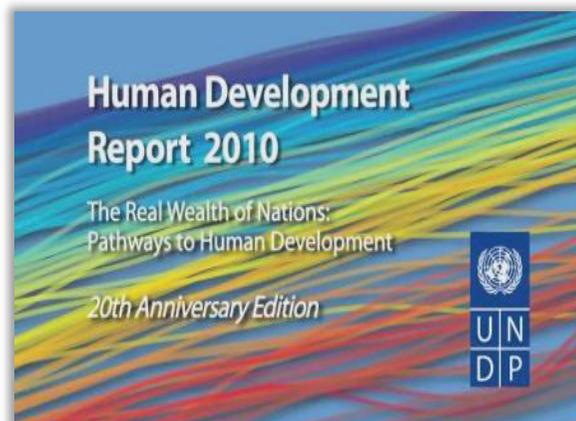


Source: D-8 Secretariat

PAKISTAN AMONG THE TOP 10 COUNTRIES IN TERMS OF HUMAN DEVELOPMENT IMPROVEMENT

Pakistan has been put on 10th position in term of Human Development improvement in the Human Development Report 2010 of the United Nation Development Programme (UNDP). Those countries among the 135 countries that improved most in Human Development Index (HDI) terms over the past 30 years were led by Oman, which invested energy earnings over the decades in education and public health. The other nine "Top Movers" are China, Nepal, Indonesia, Saudi Arabia, Laos, Tunisia, South Korea, Algeria and Morocco. Remarkably, China was the only country that made the "Top 10" list due solely to income performance; the main drivers of HDI achievement were in health and education.

According to the UNDP report, between 1980 and 2010, the HDI value of Pakistan increased by 58 per cent (average annual increase by 1.5 per cent). Pakistan's life expectancy at birth increased by more than 9 years, mean years of schooling increased by about 3 years and



expected years of schooling increased by almost 4 years. Pakistan's Gross National Income (GNI) per capita increased by 92 per cent during the same period. Comparing to other countries in the region, in 1980, Pakistan, India and Bangladesh had close HDI values for countries in South Asia. However, during the period between 1980 and 2010 the three countries experienced different degrees of progress toward increasing their HDIs states the Report.

Source: Business Recorder

US\$ 90 MILLION FROM IDB FOR THE DEVELOPMENT OF AN INDIGENOUS FUEL BASED POWER PROJECT IN PAKISTAN



Mr. Birama Boubacar Sidibe, Vice- President (Operations), Islamic Development Bank (IDB), has signed an agreement to extend long term

lease finance (Ijara) facility of up to US\$90 million for the development of the Uch-II combined cycle independent power plant project in the Baluchistan province of Pakistan. The project will be sponsored by International Power plc of UK. The project shall add a net generation capacity of 375MW to the national grid under a 25 year contract with the National Transmission and Distribution Company (NTDC) of Pakistan and thereby make a significant contribution to improving the power supply situation of the country. The project shall use indigenous low BTU natural gas from the Uch gas field and thereby shall reduce

dependency on expensive imported fuel. Uch II Power project is expected to supply power at a very competitive price. Besides IDB, the project is also expected to receive long term debt finance from the Asian Development Bank,

International Finance Corporation and Export-Import Bank of Korea.

Source: Islamic Development Bank (IDB)

TURKISH PARLIAMENT APPROVES BILL FOR ISLAMIC PRODUCTION DEAL

Turkey's Parliament approved a bill related to an international deal that promotes enterprises operating in accordance with Islamic principles and foresees solving some problems according to Islamic law. Parliament stipulated that the Constitution and other laws would still apply for the articles applied to the Islamic law. The Islamic Development Bank (IDB) will transfer financial resources to companies in Turkey operating with "Islamic production" procedures, according to the Islamic Corporation for the Development of the Private Sector, or ICD, agreement signed in 1999 with IDB member countries. Companies processing pork products, tourism facilities providing service for both women and men and alcohol companies will be excluded from this financial support.

According to the bill, the institution has \$1 billion in capital and Turkey will pay \$11.8



million to join the agreement. The ICD provides financial and technical support to companies in Muslim countries, according to the agreement. The bill also implements a control system for companies to determine if they operate in parallel with Islamic production procedures.

According to the 29th article of the agreement, the Saudi Arabia-based Islamic Law Committee will determine whether Turkish companies operate in accordance with Islamic Law. The committee will consist of three religious functionaries elected for three years. They will decide if the investments of companies are proper under shariah. The 55th article of the agreement specifies the arbitration of the Islamic Court of Justice to solve possible problems among member countries.

Source: Hurriyet Daily News

TURKEY AND MALAYSIA SEEK 'STRATEGIC' TIES



Turkey and Malaysia agreed to pursue a "strategic" relationship as they signed several accords; among them was a \$600 million deal for armored vehicles production. "We have decided to elevate our relations to a strategic level," said Malaysian Prime Minister Najib Razak, adding that the two countries would seek to finalize an agreement to that effect by the end of the year,

coupled with a free trade accord. Razak, on an official visit to Turkey, addressed a televised press conference along with Turkish counterpart Recep Tayyip Erdoğan.

Earlier, Turkish Defense Industry Company FNSS signed a deal with Malaysian partner DEFTECH to develop and manufacture 257 armored vehicles for the Malaysian army. The deal, worth about \$600 million, is the largest single export so far in Turkey's fledgling defense industry sector. Other Turkish firms signed deals with Malaysian partners to modernize

Malaysian military aircraft and their electronic warfare systems, the agency said, without elaborating on the financial terms. Mr. Erdoğan called for boosting bilateral economic cooperation and mutual investments, stressing that the two countries would aim to increase their trade volume from the current \$1.1 billion to \$5 billion. Turkey and Malaysia also agreed to introduce a visa-free travel regime for their nationals, he said.

Source: Hurriyet Daily News

KAZAKHSTAN COULD SUPPLY 40% OF CHINA'S NUCLEAR FUEL



During the three-day trip of Kazakhstan's President Nursultan Nazarbayev to China, Kazakhstani and Chinese officials signed the

agreement that Kazakhstan could supply 40% of China's nuclear fuel needs. It is expected that Kazakhstan could make tens of billions of dollars by supplying uranium to China. According to the agreement, Kazakhstan will supply China 55,000 tonnes of uranium, China is building 19 nuclear power station blocks and is planning to build 25 more.

Source: Central Asia Online

KYRGYZ REPUBLIC AND TAJIKISTAN SIGN CROSS-BORDER TRANSPORT AGREEMENT

Kubanychbek Mamaev, Permanent Secretary of the Ministry of Transport and Communications of the Kyrgyz Republic, and Olimjon Boboev, Minister of Transport and Communications of the Republic of Tajikistan, signed a Cross-Border Transport Agreement (CBTA) that will promote bilateral and regional trade. This is the first CBTA signed under the Central Asia Regional Economic Cooperation (CAREC) Program. The CBTA, developed with support from the Asian Development Bank (ADB), aims to smooth the movement of people and goods across borders in Central Asia. Obstacles to that include poorly equipped border posts; excessive and expensive documentation in customs, immigration, and



quarantine; and road permit quotas that restrict competition and slow trade.

The CBTA between the Kyrgyz Republic and Tajikistan was finalized following five meetings between the two countries since negotiations started in May 2009. The two governments are

expected to ratify the agreement in the first half of 2011 with a view to starting implementing it shortly thereafter. Under the CBTA, the two countries are expected to improve cross-border infrastructure and facilities, simplify and

harmonize cross-border procedures, and ensure that all officials working at the border posts are well informed and trained.

Source: Asian Development Bank (ADB)

IMPRESSIVE SUCCESS OF TOGO

According to the International Monetary Fund and the World Bank, Togo's foreign debt will be slashed more than 80 percent after the African nation took steps to recover from economic crisis. The executive boards of Bretton Woods institutions had approved Togo's eligibility for the debt relief upon reaching the completion point under the Enhanced Highly Indebted Poor Countries (HIPC) Initiative.

Togo was the 31st country to reach the completion point under the HICP debt-relief program, two years after beginning the process. During that time, the government followed IMF recommendations to adopt prudent budgets, improve tax collection, pay state arrears, privatize public companies, end gasoline



subsidies and put in place a system to curb oil price increases.

The HIPC milestone will lead to up to 1.8 billion dollars of debt relief for Togo, representing an 82 percent reduction of its external debt. Of the

resulting reduction of about 1.8 billion dollars in the stock of debt, 47 percent will come from multilateral creditors, 50 percent from Paris Club creditors, and the remainder is expected to come from other bilateral and commercial creditors. This debt relief will help Togo to continue its impressive success in devoting more of its scarce resources to priorities such as social needs and rebuilding its infrastructure reducing poverty, making the economy more diversified and competitive, rather than paying debt service.

Source: AllAfrica

CAMEROON TIMBER EXPORTS TO GET LICENSE



By 2012, all shipments of wood products from Cameroon to the European Union (EU) will be required to carry a license showing that they contain timber and wood products from a legal origin, excluding illegal logging. The innovative effort comes after the signing of a voluntary partnership agreement between the EU and Cameroon, which is the largest African exporter of timber products to the EU. The agreement comes as a result of government commitment to

eradicate illegal logging and underpins Cameroon's ongoing reforms towards good governance of the forest sector and development. Illegal logging has earlier been a major source of deforestation and black economy in Cameroon. It also comes as a result of consumer trends in Europe, where green politics and environmental consciousness have created demands of

sustainable wood production. European consumers from now would have "confidence that wood products, such as furniture, imported from Cameroon are of legal origin," according to an EU-Cameroon joint statement.

Source: Afrol News

GABON NETS US\$1.7BN SINGAPOREAN INVESTMENTS

Gabonese authorities have managed to secure investments worth a total of US\$ 1.7 billion from Singapore, including a new fertilizer plant to be set up outside Port Gentil and palm oil plantations. The announcement was made by the office of the President of Gabon, Ali Bongo Ondimba, who had been on a four-day official visit to Singapore to strengthen economic ties and to help the modernisation and diversification of the Gabonese economy. The climax of the visit was on Saturday 13 November, 2010 when two deals were signed between the Republic of Gabon and Olam International Limited, a Singaporean multinational and leader in the agro-food sector.



The contracts are worth more than 1.7 billion US\$ and will create 21,000 jobs.

Source: Afrol News

IRAQ TO CUT POVERTY FROM 23% TO 16% BY 2014



According to the Planning Ministry's Central Statistics Body, Iraqi authorities aim to decrease the percentage of poverty in the country from 23% to 16% by the year 2014. The Central Statistics Body's official spokesman told that "the strategy to decrease poverty will be activated this year". He said that "the plans and

programs for this strategy shall be implemented according to their time schedules, laid down for the forthcoming years ending by 2014", adding that "each of those years shall have a certain percentage for the accomplishment of the plan, in order to decrease the percentage of poverty in Iraq from 23% to 16% by the year 2014".

According to the Joint Cooperation Agreement concluded between Iraq's Planning Ministry and the World Bank in 2007, the High Committee for the Strategy to Decrease Poverty in Iraq comprised members of the Iraqi Parliament, representatives of the ministries, universities and north Iraq's Kurdistan Regional government, in order to prepare a platform of statistical

statements, related to the social and economic conditions of the family in Iraq. Their report details measures targeted at cutting poverty, including the provision of micro-credits to the poor, and ensuring fair wages. It identifies three

of the country's 18 provinces as having the highest poverty rates: Muthanna in the south, Babil in the center and Salahadin in the north.

Source: Bloomberg

IRAQ PLANS TO TENDER FAW COMMERCIAL PORT BY YEAR END

The minister of Transportation, Hadi Al-Amiri, stated that Iraq plans to float a tender for building a multibillion-dollar port south of Basra by the end of this year. Iraq is in talks with investors from Australia, France, Germany, Italy and the UAE to help finance the project known as Grand Faw port, which will be built on the Gulf south of the oil hub of Basra. Minister Al-Amiri said that "there are many mechanisms to (fund) the project, maybe through (foreign) investment, or soft loans from the government". "God willing, the first stage of the project will be finish at the end of 2013" Amiri said.

According to Iraq's plan, goods unloaded at the new port would then be loaded onto a new railway system and reach Europe overland more quickly than ships might reach Egypt's Suez Canal, which connects the Mediterranean to the



Red Sea. Iraqi officials also said last March that they would be seeking bids for the project soon. The project will be built in two stages and is expected to take about four years to complete. It will include 7,000 metres of dock to receive container ships.

The dock for general cargo would be 3,500 metres. The commercial port will also include two docks for unloading oil products. Alberto Scotti, president of Technital, put the estimated cost of the project at around 4.5 billion Euros (\$6.31 billion). According to the National Coalition Iraq's Grand, Faw Port project, approved by the Council of Ministers, will provide employment opportunities for 150,000.

Source: Reuters

AFESD GRANTS \$329 MILLION TO YEMEN TO FUND DEVELOPMENT PROJECTS



Yemen and Arab Fund for Economic and Social Development (AFESD) signed five financing agreements and Memorandum of Understanding (MoU) worth \$329 million to help finance different pivotal development projects in Yemen. The agreements and MoUs signed by Minister of Planning and International Cooperation, Abdul-Karim al-Arhabi, and Chairman of AFESD, Chairman of Board of Directors and Director-General Abdullatif Al-Hamad. Under the agreements and MoUs, the

AFESD grants \$42 million as a contribution to finance the completion of Dhamar - Husaineya road project, which aims at linking the central region with the western region to facilitate transporting the agricultural products and to activate tourist movement as well.

Moreover, the fund provides \$150 million to contribute to finance the second gas power plant project in Mareb governorate, with a capacity to reach 400 MW. The AFESD grants \$100

million as a contribution to finance the fourth phase of the Social Fund for Development (SFD). The agreements also stipulate providing \$35 million by the AFESD to contribute to fund the third phase of the major intersections project in the Capital Sana'a. In addition, the fund presents \$1.8 million to complete the restoration of the Grand Mosque in the Old City of Sana'a.

Source: Arab News

OMAN SEES 3% GROWTH IN 2011-2015 DEVELOPMENT PLAN

The Minister of National Economy and Deputy Chairman of Financial Affairs and Energy Resources, Ahmed bin Abdul Nabi Mecki, said that Oman will set a growth target of at least 3% in its upcoming five-year development plan starting in 2011 after largely surpassing that rate in the current plan. He mentioned that the real GDP growth in Oman's seventh development plan for 2006-2010 sharply exceeded the targeted rate of 3% despite the adverse effects of the 2008 global fiscal distress. Real GDP growth stood at 5.5% in 2006, around 6.8% in 2007, as high as 12.8% in 2008 and nearly 7.3% in 2009. The forecast growth is at around 6.1% for 2010.

He Minister said that "The next development plan will concentrate on attaining a growth rate of at least 3%, boosting exports, encouraging investment and devising a strategy to expand productivity". He stated that a priority would also be given to creating jobs for Omanis, developing agriculture and other non-oil sectors



and intensifying efforts to develop small and medium enterprises by encouraging the private sector to invest in such projects. "We will pursue plans to ensure stability in the country's economic environment, bolster financial reserves by transferring part of the oil revenue to the state reserve fund, step up spending on development and trim the debt", the Minister told.

Source: Emirates News

BAITUNA SOUQ PROMOTES OMAN AS UNIQUE INVESTMENT DESTINATION



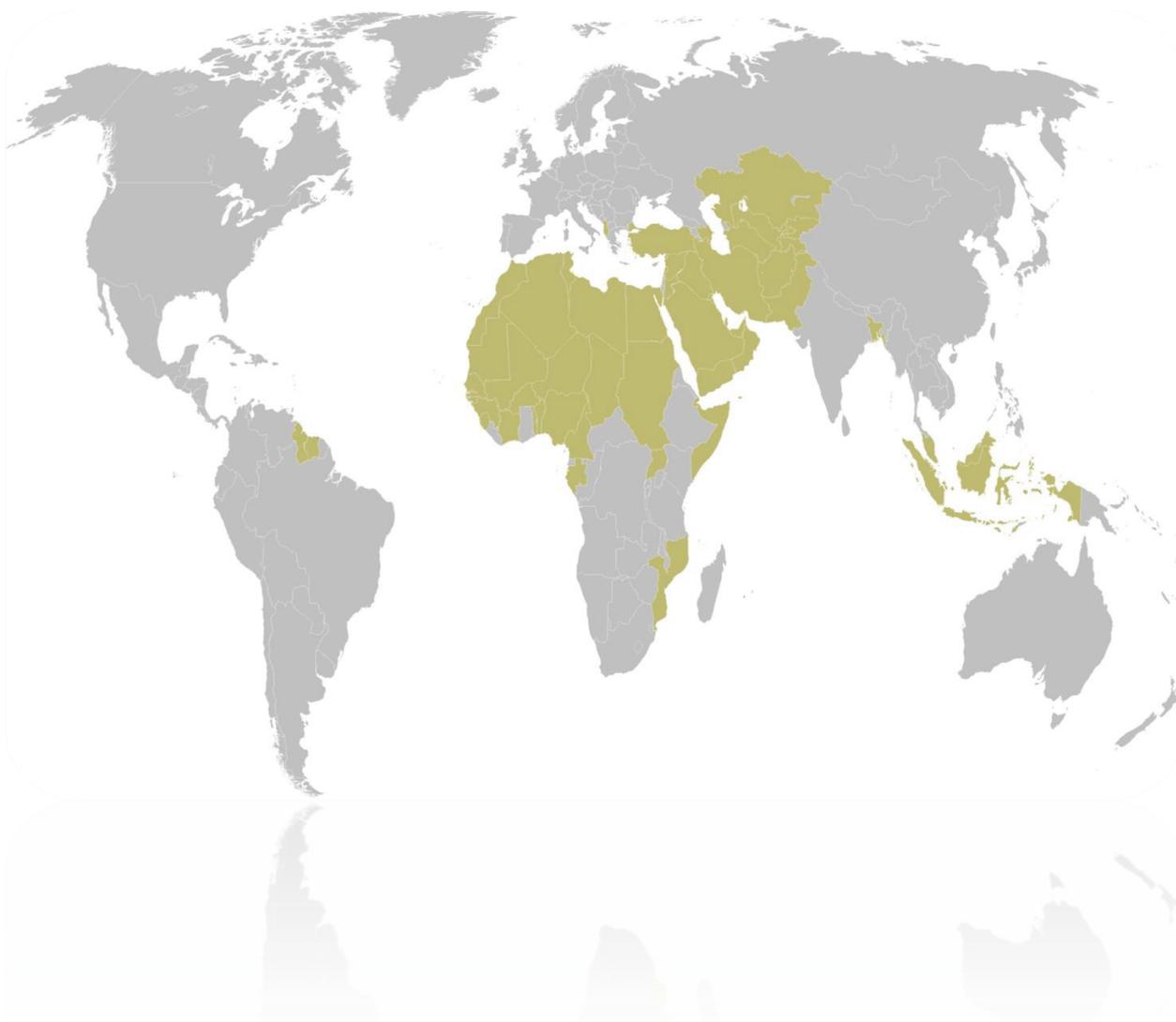
The 3rd 'Baituna Souq' organised by BankMuscat highlighted Oman as a unique investment destination as leading real estate and property developers promoted premium residential and commercial projects in the 3-day exhibition held as part of Muscat Festival at Qurum Natural Park. The Ministry of Housing also participated

in the exhibition, reflecting the government's commitment to providing all support to citizens in acquiring their dream homes. Hussain Baqer, Head — Retail Assets Sales, said, "Against the backdrop of the global financial crisis, the hosting of 'Baituna Souq', which brought together all stakeholders, revealed the confidence in the Sultanate's economy and its future. With tailor-made financial solutions, 'Baituna Souq' facilitated and improved the prospects of finding a new home for many."

The 3rd Baituna Souq was a great opportunity to connect with the Omani community and

visitors to Muscat Festival. The Omani real estate market is reviving at a steady pace. In the near and long-term perspective, Oman is an attractive investment destination. Oman's integrated tourism projects have set the benchmark for quality living and property developers are replicating the same quality standards. The banking support is key to promoting the real estate sector and BankMuscat has taken the lead role in rejuvenating the real estate sector. The market confidence was the biggest message emanating from Baituna Souq.

Source: Oman Observer



BOOK REVIEWS – RECENT TITLES

The Innovation for Development Report 2010-2011

Augusto López-Claros, 300 pages, Palgrave Macmillan, 2010

The relative importance of various drivers of economic growth and prosperity has evolved over time, and, for a growing number of countries, innovation in its many dimensions is emerging as a leading factor. *The Innovation for Development Report* provides a comprehensive look at the role of innovation in enhancing the development process. The Report is divided into three thematic parts.

The *first part* features the Innovation Capacity Index, a methodological tool that examines a broad array of factors, policies, and institutions that have a bearing on strengthening innovation in a large number of countries. The *second part* of the Report contains several papers from leading experts addressing

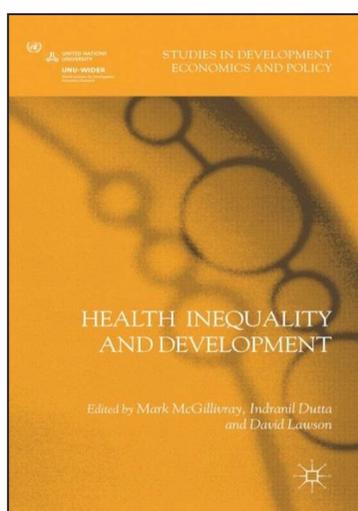


different dimensions of innovation. Among the questions addressed: the impact of innovation and knowledge spill-overs on the economic growth and development potential of developing countries, the learning economy as a phase of economic development, social entrepreneurship as a key innovation for the business community in the 21st century, breakthrough innovation and the growth of innovation clusters, and the future role of technological innovation in international efforts to mitigate the effects of climate change, among others. The *third part* of the Report presents innovation profiles for 70 of the most important countries, which account for the lion's share of world output.

Health Inequality and Development

Mark McGillivray, Indranil Dutta, David Lawson, 256 pages, Palgrave Macmillan, 2010

Across the world, while income inequality among countries is declining, there is clear evidence that health related inequities are on the increase. Health is a key component of an individual's well-being, having both intrinsic and instrumental value. It is therefore imperative to understand why inequalities in health are increasing while other indicators are showing a reduction or remaining stable.



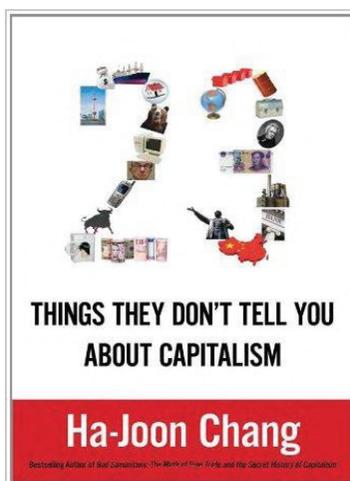
This book brings together new research on health inequality and deprivation with a particular focus on developing countries. Written by leading experts, the contributions empirically investigate a variety of topics, including issues related to health inequality among countries, determinants of health inequality within countries, gender related issues with respect to health within household.

23 Things They Don't Tell You About Capitalism

Ha-Joon Chang, 304 pages, Bloomsbury Press, 2011

In his book, Ha-Joon Chang argues that *the market is not rational and that business does not know best*. The author takes clear delight in pricking holes in a variety of received-wisdom balloons, most of them emanating from rightward-tending theorists. Take the idea, for example, that the government cannot pick a winner in the marketplace, which is why the TARP bailout and the takeover of General Motors sat so poorly with so many business types. Wrong, says Ha-Joon Chang (and the success of both efforts would seem to bear him out): Governments are obviously capable of picking winners, but the hard part is getting them to improve their averages, just as is true of private enterprise (for which he cites the dreaded example of Microsoft Vista).

He writes all markets are restricted by rules and regulations, and necessarily so, while governments are always involved in the market.



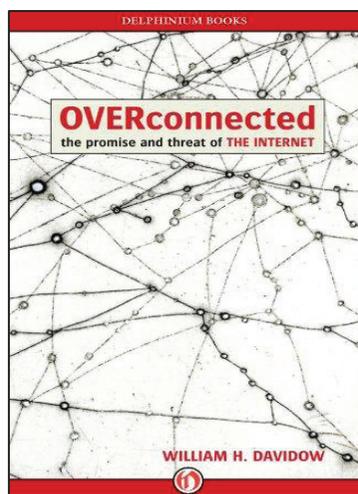
Wages, the hallmark distinction between rich and poor nations, are politically more than economically determined. “So, when free-market economists say that a certain regulation shouldn’t be introduced because it would restrict the ‘freedom’ of a certain market,” writes the author, “they are merely expressing a political opinion that they reject the rights that are to be defended by the proposed law.” Those rights are mostly those of workers, but the author, an equal-

opportunity iconoclast, also insists that in rich countries, most people are paid more than they’re worth. Only immigration controls keep the labour market from being flooded by workers from poor countries, who will accept lower rates of pay. Eminently accessible, with a clearly liberal (or at least anticonservative) bent, but with surprises along the way—for one, the thought that markets need to become less rather than more efficient.

OVERconnected: The Promise and Threat of the Internet

William H. Davidow, 240 pages, Delphinium Books, 2011

Shying away from the typical focus on Facebook or Twitter, the author offers a serious, thought-provoking study that looks at everything from Three Mile Island to the Iceland banking crisis, and explains how they are related. Davidow points out that financial “booms, busts, swindles and contagions” are nothing new, but with the role of the Internet in our personal and professional lives, the connected way we do business means that financial markets



are far too dependent on each other to separate in moments of crisis. The financial sector has not only become more efficient, it has also speeded up to a degree that allows no time for care or caution. We are literally moving faster than our ability to control what we do. While it might seem overly simple to blame technology for our current woes, Davidow builds a solid case for the price we pay for super-efficiency.

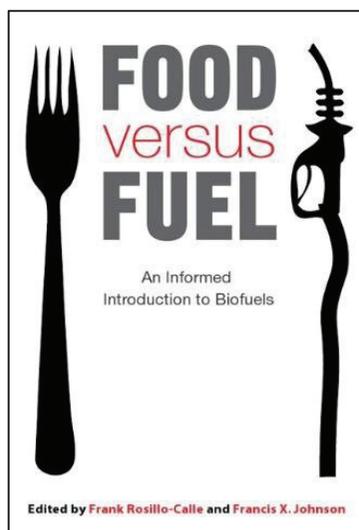
Food versus Fuel: An Informed Introduction to Biofuels

Frank Rosillo-Calle, Francis X. Johnson, 208 pages, Zed Books, 2011

Food versus Fuel presents a high-level introduction to the science and economics behind a well-worn debate that will debunk myths and provide quality facts and figures for academics and practitioners in development studies, environment studies, and agricultural studies.

Compiled by an internationally renowned scientist and authority, and including perspectives from "pro" and "anti" biofuels experts and activists, from the North and South, the aim of this book is to bring a balanced approach to the current debate on the major issues affecting the development of biofuels in a concise and clear manner.

Chapters include: Why biofuels are important, Why we should not be using biofuels,



Agriculture and land uses, Role of biofuels in promoting rural development, Biofuels and climate change, and Future trends in Biomass resources for food and fuel (including non-food biomass grown on marginal lands).

Finally, in their concluding remarks the editors write, "There are opportunities for reconciling expanded biofuel production with food security so as to support rural development and revive rural economies." However, "substantial

investment in research and development is needed."

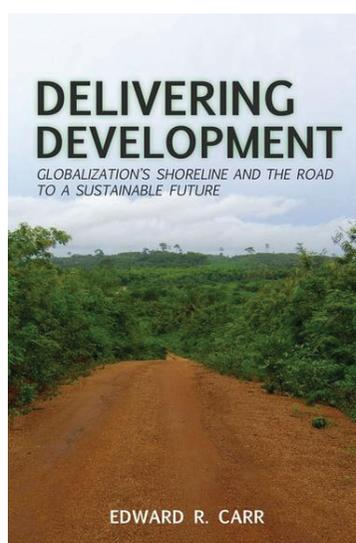
This is an informed, nuanced but accessible introduction, grounded in science and economics rather than conjecture and controversy.

Delivering Development: Globalization's Shoreline and the Road to a Sustainable Future

Edward R. Carr, 260 pages, Palgrave Macmillan, 2011

In *Delivering Development*, author Edward Carr calls into question the very universal, unquestioned assumptions about globalization, development, and environmental change that undergird much of development and economic policy. Here he demonstrates how commonly held beliefs about globalization and development have failed the global poor.

Over his 13 years of working along what he calls "globalization's shoreline," a world region buffeted by the economic, political, and environmental



decisions of those living in wealthier places, Carr has concluded that most experts misunderstand what they are trying to fix, and cannot tell if they are fixing it.

Delivering Development is an eye opening, you-are-there book that compels the reader to question conventional wisdom, redefines what assistance to the developing world really means, and explores alternative ways of achieving meaningful, enduring improvements

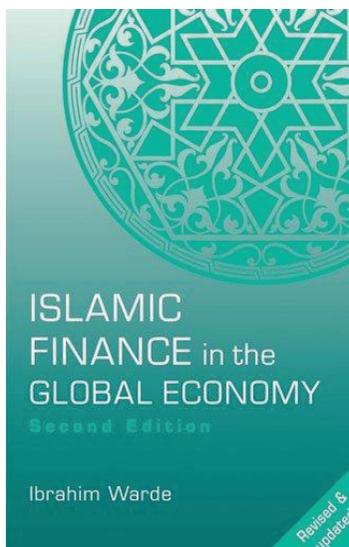
to human well-being.

Islamic Finance in the Global Economy: Second Edition, Revised and Updated

Ibrahim Warde, 272 pages, Edinburgh University Press, 2011

Islamic finance is growing at an astonishing rate and is now a \$1200 billion industry, with operations in over 100 countries. The coverage of the book is exhaustively comprehensive, defining Islamic finance in its broadest sense to include banks, mutual funds, securities firms and insurance (or takaful) companies.

The author places Islamic finance in the context of the global political and economic system and covers a wide variety of issues such as the underlying principles of Islamic finance, the range of Islamic financial products, and country differences. He also discusses a number of economic, political, regulatory and religious concerns and challenges. This second edition has been completely revised and updated to take into



account the great changes and developments in the field in recent times. It includes the impact of the 9/11 and 7/7 attacks on the industry, the new forms of interaction with Western financial institutions, the emergence of innovative products such as sukuk, attempts by a broad range of financial centres - including Kuala Lumpur, London, Singapore, Bahrain and Dubai - to become global hubs of Islamic finance, and the repercussions of the 2008 global financial meltdown on Islamic institutions.

Islamic institutions.

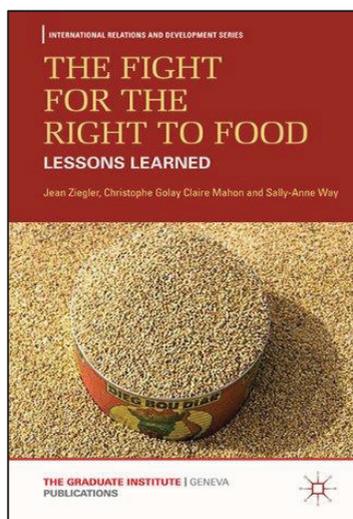
The book offers up to date coverage of the political-economic context, discusses the interplay with conventional finance and considers the impact of the financial melt.

The Fight for the Right to Food: Lessons Learned

Jean Ziegler, Christophe Golay, Claire Mahon and Sally-Anne Way, 176 pages, Palgrave Macmillan, 2011

The Fight for the Right to Food first special Rapporteur on the giving important insights into the and his team. This book advances food in theory and in practice, legal developments and an right to food by documenting Africa, Asia and Latin America.

It offers insights into the obstacles food, sets out key challenges for the frontiers of international human persistence of hunger in the face of



documents the work of the UN's Right to Food from 2000 to 2008, work of a 'Special Rapporteur' the understanding of the right to offering essential conceptual and operational understanding of the experiences in 11 countries across

to the realization of the right to future, and pushes forward the rights law to address the globalization.

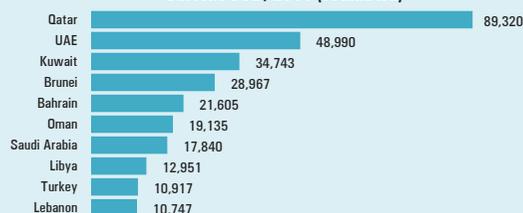
ECONOMIC and FINANCIAL INDICATORS

Country	GDP Growth 2010	GDP Growth 2011 Est. ¹	GDP Growth 2012 Est. ¹	Inflation Rate (CPI) 2010	Inflation Rate (CPI) 2011 Est. ¹	Inflation Rate (CPI) 2012 Est. ¹
Afghanistan	8.86	6.84	7.09	0.45	3.43	4.00
Albania	2.60	3.20	3.60	3.40	2.90	3.00
Algeria	3.84	4.01	4.09	5.50	5.15	4.95
Azerbaijan	4.28	1.76	2.95	5.52	6.00	4.00
Bahrain	3.96	4.50	4.83	2.64	2.50	2.50
Bangladesh	5.78	6.26	6.66	8.50	6.92	5.70
Benin	2.83	3.65	4.72	2.82	2.80	2.80
Brunei	0.50	1.01	1.22	1.80	1.80	1.80
Burkina Faso	4.41	4.71	5.48	2.28	2.00	2.00
Cameroon	2.58	2.87	4.47	3.00	2.70	2.70
Chad	4.33	3.93	5.50	5.97	3.00	3.00
Comoros	2.15	2.45	3.45	2.60	2.88	2.76
Côte d'Ivoire	2.98	4.01	4.50	1.42	2.50	2.50
Djibouti	4.49	5.40	6.13	3.89	4.00	3.50
Egypt	5.26	5.53	5.74	11.70	10.00	9.00
Gabon	4.53	5.04	3.45	3.00	3.50	3.50
Gambia	4.99	5.42	5.39	3.86	5.00	5.00
Guinea	3.03	3.86	4.17	15.44	16.54	10.44
Guinea-Bissau	3.47	4.34	4.54	1.50	2.50	2.50
Guyana	2.93	3.09	3.17	3.74	4.56	4.00
Indonesia	6.00	6.20	6.50	5.07	5.50	5.36
Iran	1.56	3.03	3.03	9.50	8.50	10.00
Iraq	2.64	11.48	11.02	5.11	5.00	5.00
Jordan	3.40	4.20	5.00	5.51	5.00	4.11
Kazakhstan	5.40	5.10	5.50	7.62	6.58	6.53
Kuwait	2.33	4.44	5.10	4.09	3.59	3.07
Kyrgyzstan	-3.46	7.07	6.38	4.81	5.65	8.09
Lebanon	8.00	5.00	4.00	4.98	3.50	2.20
Libya	10.64	6.17	6.40	4.50	3.50	3.00
Malaysia	6.72	5.30	5.20	2.20	2.10	2.30
Maldives	3.42	3.59	4.03	4.50	5.50	4.75
Mali	5.14	5.38	5.60	2.10	2.64	2.79
Mauritania	4.72	5.11	5.38	6.10	5.19	5.06
Morocco	4.00	4.30	4.99	1.50	2.20	2.20
Mozambique	6.45	7.55	7.65	9.29	5.62	5.64
Niger	3.46	5.21	12.48	3.39	2.00	2.00
Nigeria	7.40	7.44	7.24	11.91	9.78	8.50
Oman	4.72	4.68	4.09	4.35	3.50	3.16
Pakistan	4.79	2.75	4.00	11.73	13.50	9.50
Palestine ²	9.30	n.a.	n.a.	3.75	n.a.	n.a.
Qatar	15.96	18.58	9.30	1.03	3.02	4.01
Saudi Arabia	3.42	4.51	4.39	5.50	5.30	4.50
Senegal	4.00	4.40	4.50	0.85	2.07	2.07
Sierra Leone	4.50	5.20	6.00	16.51	8.21	8.67
Somalia	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Sudan	5.55	6.17	6.16	10.00	9.00	7.00
Suriname	4.03	4.75	5.51	6.41	7.65	5.50
Syria	5.00	5.50	5.59	5.04	5.00	5.00
Tajikistan	5.50	5.00	5.00	7.00	8.00	6.50
Togo	3.26	3.53	3.86	2.22	1.98	1.99
Tunisia	3.79	4.78	4.95	4.50	3.50	3.30
Turkey	7.80	3.60	3.70	8.68	5.71	6.03
Turkmenistan	9.38	11.47	10.68	3.92	4.80	4.50
Uganda	5.77	6.09	6.50	9.40	5.50	3.30
UAE	2.43	3.18	3.94	1.99	2.45	2.98
Uzbekistan	8.00	7.00	7.00	10.64	11.43	10.00
Yemen	8.02	4.12	4.05	9.80	8.92	10.22

Source: BASEIND
1. IMF WEO October 2011

* Average consumer prices (2000 = 100)
2. Palestinian Central Bureau of Statistics

Top 10 OIC Member Countries, by GDP Per Capita, Current USD, 2011 (estimated)



Source: IMF WEO October 2010

Top 10 OIC Member Countries, by GDP Current Billion USD, 2011 (estimated)



Source: IMF WEO October 2010

Inflation Rate: Average Consumer Prices



Source: BASEIND, IMF WEO October 2010

Stock Exchange Performance

Country	Last (14 Mar '11)	3-Months to Date ¹	Year to Date ¹	1 Year ¹
Bahrain	234.11	-10.32%	-10.32%	-25.90%
Bangladesh	1,074.47	-22.54%	-22.54%	-7.57%
Egypt	670.75	-21.99%	-21.99%	-22.73%
Indonesia	832.92	0.04%	0.04%	24.63%
Jordan	120.09	-8.97%	-8.97%	-14.51%
Kazakhstan	735.27	14.29%	14.29%	-1.36%
Kuwait	713.12	-5.99%	-5.99%	9.32%
Lebanon	928.35	-4.50%	-4.50%	-19.05%
Malaysia	451.22	-0.37%	-0.37%	25.13%
Morocco	496.84	7.71%	7.71%	15.72%
Nigeria	388.53	-1.14%	-1.14%	2.54%
Oman	875.57	-8.18%	-8.18%	-2.21%
Pakistan	100.23	2.29%	2.29%	13.86%
Qatar	740.57	-3.18%	-3.18%	24.75%
Tunisia	1,136.96	-11.69%	-11.69%	-6.16%
Turkey	585.84	-6.28%	-6.28%	17.43%
UAE	193.58	-12.42%	-12.42%	-11.90%
Arabian Markets ²	595.10	-8.53%	-8.53%	0.59%
Emerging Markets	1,116.91	-2.99%	-2.99%	12.51%
Frontier Markets ²	567.56	-5.39%	-5.39%	5.44%
GCC Countries ²	488.88	-6.54%	-6.54%	7.12%

Source: Morgan Stanley Capital International

1. in US\$ terms 2. Excluding Saudi Arabia

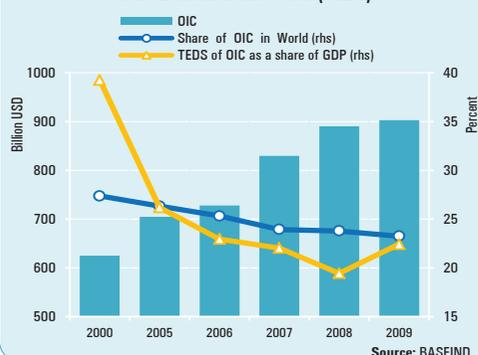
ECONOMIC and FINANCIAL INDICATORS

OIC Countries with Lowest Exchange Rate
(National Currency per USD, 2010)



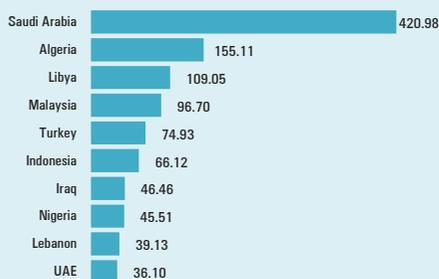
Source: BASEIND

Total External Debt Stock (TEDS)



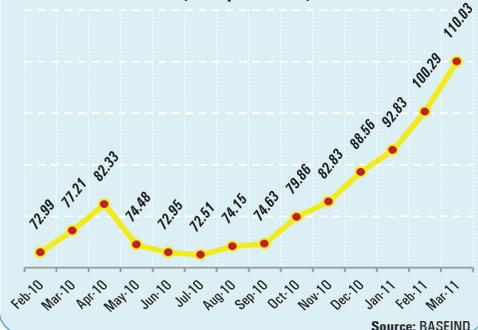
Source: BASEIND

Top 10 OIC Member Countries, by Total Reserves Including Gold
(Billion USD, 2009)



Source: BASEIND

OPEC Basket Price
(USD per Barrel)



Source: BASEIND

Country	National Currency per USD: 2010 Period Average	Total External Debt: 2009 (Million USD)	Total Reserves Incl. Gold*: 2009 (Million USD)	Current Account Balance: 2010 (Million USD)	Current Account Balance: 2011 Est. (Million USD)
Afghanistan	46.45	2,328	n.a.	107	-80
Albania	103.94	4,719	2,369	-1,061	-1,070
Algeria	74.39	5,345	155,112	5,374	6,200
Azerbaijan	0.80	4,865	5,364	12,574	12,854
Bahrain	0.38	n.a.	n.a.	1,120	1,343
Bangladesh	69.65	23,820	10,342	2,681	1,211
Benin	495.28	1,073	1,230	-620	-603
Brunei	1.36	n.a.	1,357	5,183	5,438
Burkina Faso	495.28	1,835	1,296	-558	-750
Cameroon	495.28	2,941	3,708	-851	-912
Chad	495.28	1,743	629	-2,432	-2,022
Comoros	371.46	279	n.a.	-49	-73
Côte d'Ivoire	495.28	11,701	3,267	1,511	588
Djibouti	177.72	752	242	-163	-225
Egypt ¹	5.54	33,257	34,897	-4,318	-3,841
Gabon	495.28	2,130	2,007	1,905	1,930
Gambia ¹	26.64	520	224	-116	-120
Guinea	n.a.	2,926	n.a.	-421	-365
Guinea-Bissau	495.28	1,111	169	17	16
Guyana	203.64	1,036	631	-248	-235
Indonesia	9090.43	157,517	66,119	6,404	543
Iran	10254.20	13,435	n.a.	14,295	15,254
Iraq	1170.00	n.a.	46,461	-12,078	-7,951
Jordan	0.71	6,615	12,135	-1,946	-2,522
Kazakhstan	147.36	109,873	23,183	4,203	2,945
Kuwait	0.29	n.a.	23,028	35,265	38,741
Kyrgyzstan	45.96	2,900	1,584	-239	-442
Lebanon	1507.50	24,864	39,132	-4,340	-4,756
Libya ¹	1.25	n.a.	109,054	15,688	17,294
Malaysia	3.22	66,390	96,704	32,130	32,540
Maldives	12.80	780	261	-372	-273
Mali	495.28	2,667	1,604	-728	-890
Mauritania ¹	262.37	2,029	238	-266	-332
Morocco	8.42	23,752	23,568	-4,860	-4,749
Mozambique ¹	27.52	4,168	n.a.	-1,391	-1,380
Niger	495.28	991	656	-1,355	-1,243
Nigeria	150.30	7,846	45,510	26,969	27,537
Oman	0.38	n.a.	12,204	3,126	3,592
Pakistan	85.19	53,710	13,606	-3,495	-5,861
Palestine	n.a. ²	n.a.	1,027	n.a.	n.a.
Qatar	3.64	n.a.	18,804	19,714	36,260
Saudi Arabia	3.75	n.a.	420,984	29,125	29,355
Senegal	495.28	3,503	2,123	-1,102	-1,207
Sierra-Leone	3987.59	444	405	-177	-198
Somalia	n.a.	2,973	n.a.	n.a.	n.a.
Sudan ¹	2.30	20,139	1,094	-5,846	-5,273
Suriname	2.75	n.a.	722	4	-82
Syria	11.23	5,236	18,300	-2,341	-2,252
Tajikistan ¹	4.14	2,514	n.a.	-200	-353
Togo	495.28	1,640	703	-239	-219
Tunisia	1.43	21,709	11,294	-1,943	-1,853
Turkey	1.50	251,372	74,933	-38,015	-42,650
Turkmenistan	n.a.	576	n.a.	-929	811
Uganda	2177.56	2,490	2,994	-1,090	-1,618
UAE	3.67	n.a.	36,104	12,929	14,315
Uzbekistan	n.a.	4,109	n.a.	1,439	2,647
Yemen	219.59	6,356	6,990	-1,461	-1,481

Source: BASEIND; IMF, IFS; IMF, WEO October 2010
1. NCU per USD reflects the data of 2009.

* For Palestine, excluding gold.
2. There is no National Currency for Palestine.

OIC Health

Although the OIC Member Countries have varying health policies, one of their objectives is to ensure the lowest cost while keeping their citizens as healthy as possible. This **graphoic**, an infographics with a focus on an OIC related issue, displays ten OIC Member Countries with the highest health expenditure per capita and the effects of their expenditures on the health of their citizens.

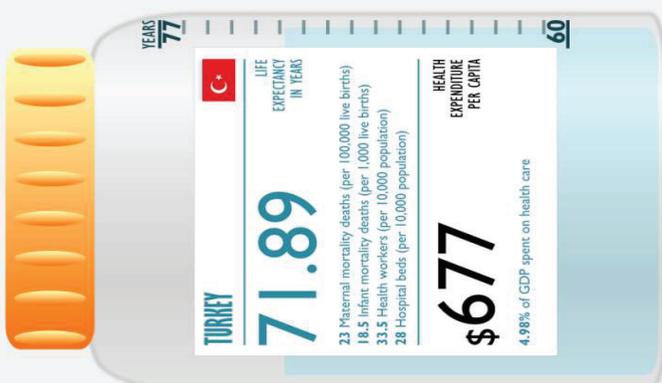
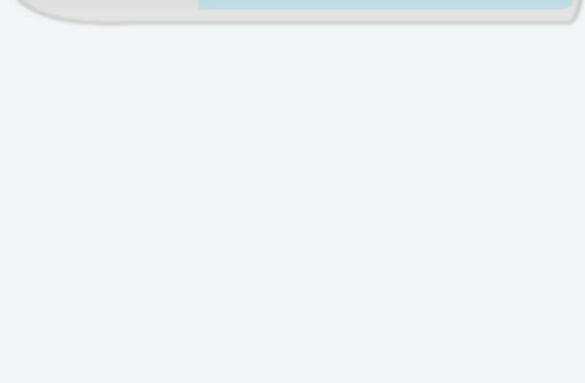




Data Source: World Bank, WDI Database
 Inspired from: goods, Way Shape Form
 Vector Object: openclipart.org, Franck Doucet

Health expenditure per capita, PPP (constant 2005 int. USD), is from year 2005 or latest available. Health expenditure, total (% of GDP), is from year 2007. Life expectancy at birth and maternal mortality deaths are from year 2008. Infant mortality deaths are from year 2009. Health workers (Physicians + Nurses + Midwives) are from year 2002 or latest available. Hospital beds are from year 2006 or latest available.

graphoic





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