INTRODUCTION TO ECO

• Economic Cooperation Organization (ECO), is an intergovernmental regional organization established in 1985 by Iran, Pakistan and Turkey for the purpose of promoting economic, technical and cultural cooperation among the Member States.

• ECO is the successor organization of Regional Cooperation for Development (RCD) which remained in existence from 1964 up to 1979.

• In 1992, the Organization was expanded to include seven new members, namely: Afghanistan, Azerbaijan, Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan and Uzbekistan.
ECO REGION

Comtrade data
Comtrade data
Comtrade data
Source: Comtrade
TRADE EXPANSION: ECO APPROACH

LEGAL INSTRUMENTS

- ECO Trade Agreement
  (a PTA to lead to an FTA)

- Transit Transport Framework Agreement
  (facilitate movement of goods
  & passengers)

- Customs Cooperation Agreements
  (exchange of intelligence to
  check customs offences)

- Agreement on Promotion &
  Protection of Investment

- Trade Facilitation Agreement
  (to be comprehensive in scope)

RAIL & ROAD CORRIDOR DEVELOPMENT

OVERCOMING SUPPLY-SIDE CONSTRAINTS

INSTITUTIONAL FRAMEWORK

LEGAL INSTRUMENTS
CORRIDOR DEVELOPMENT & MANAGEMENT

I. Railway Corridors
1- Islamabad-Tehran-Istanbul Container service
2- Turkey-Iran-Turkmenistan-Uzbekistan-Kazakhstan (Istanbul-Almaty) Routes Container service
3- Iran-Turkmenistan-Uzbekistan-Kazakhstan (Bandar Abbas-Almaty) Routes
4- Qazvin-Rasht-Astara (Iran)-Astara (Azerbaijan) Railway Project
5- Uzen (Kazakhstan)-Kyzyikia-Bereket-Etrek (Turkmenistan)-Gorgan (Iran) Railway Project
6- Construction of Standard-gauge Railway connecting China and Europe via Kyrgyz-Tajikistan-Afghanistan-Iran-Turkey

II. Road Sector
1- Islamabad-Tehran-Istanbul (ITI) Road Transport Corridor
2- Kyrgyz-Tajikistan-Afghanistan-Iran (KTAI) Road Transport Corridor
INSTITUTIONAL FRAMEWORK

- **Summits & Council of Ministers**
  - Provide strategic guidance for trade & economic cooperation

- **Ministerial Meeting on Foreign Trade & Ministerial Meeting on Economy & Finance**
  - Takes major decisions for trade & economic cooperation

- **Meetings of Experts/Officials**
  - Discuss technical matters

- **Specialized Institutions**
  - ECOTDB, RISCAM

OVERCOMING SUPPLY-SIDE CONSTRAINTS

- **Projects**
  - Shore up Trade Capacity Building in specific areas

- **Training & Seminars**
  - Understanding of international trading system
  - Dissemination of information

- **Studies**
  - Need assessment
  - SWOT Analysis
  - Recommend policy measures
CONCLUDING REMARKS

- Export expansion & diversification being a function of supple-side constraints and competitiveness, the region has to move towards greater value addition, competitiveness & technological up-gradation.

- Economic liberalization & opening up of markets while at the same time minimizing the cost of liberalization.

- Intra-region instruments of preferential trade need to be put into effect and their membership broadened.

- Need to speed up accession to WTO

CONCLUDING REMARKS

- Regional production networks, just as in East Asia, may be put in place.

- Dissemination of information about economic policies & regimes.

- Rail & road corridor development may be expedited.

- Cost of doing business may be curtailed through greater trade facilitation.
Thanks