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ISLAMIC COMMON MARKET : A STEP FORWARD IN ECDC*

The growing scepticism in the 'south' over the 'political will' of the 'north' *vis-a-vis* the New International Economic Order (NIEO) has in recent years greatly enhanced the importance of increasing cooperation among developing countries themselves. Emerging as an extension of the urge for national self-reliance and conceived of as a joint effort for non-dependent development strategy, the concept of economic cooperation among developing countries (ECDC), has occupied the centre of gravity of most of the national, regional and international development debates in the contemporary world. It is now increasingly recognised that a transition of the developing countries from the status of dependent peripheral economies to one of self-reliant partners in development is a fundamental necessity if the economies of the south are to be successful in strengthening their bargaining power.

The international dimension of self-reliance in terms of attempts by groups of countries to combine their economic strength for development through different types of cooperation arrangements is not a new phenomenon. Ever since Adam Smith and David Ricardo in their pioneering works pointed to the gains of international economic interaction, countries have united their efforts in different forms

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in pursuance of a shared objective of development. The post-war economic integration attempts set the new trend of inter-state economic relations in the form of regional economic groupings or unions. The success of the European Steel and Coal Community and the subsequent European Economic Committee led to an upsurge of similiar groupings elsewhere in the world. There is at present hardly any geographical area in the world including the developing regions of Asia, Africa and Latin America where some kind of economic integration programme was not taken and/or cannot be found.

This unprecedented upsurge of interest in economic cooperation between and among nations over the years has a number of significant implications, especially for the developing countries of the Third World in view of their frustrating experience over economic development. In the first place, the momentum of regional economic groupings was reinforced as they got the *raison d'etre* for increasing co-operation. Secondly, before the concept of ECDC or collective self-reliance was adopted as a strategy by the developing countries, the regional groupings appeared to be piecemeal and isolated attempts. Now regional groupings obtained an international perspective and the prospects of linkages between and among themselves increased. Finally, while the framework of regional groupings or economic unions impose some geographical rigidities, that of ECDC significantly relaxes them to enable the countries with common interest to cooperate within a very broad and flexible framework across the regions. Against this backdrop the proposal for setting up an Islamic Common Market comprising member countries of the Organization of the Islamic Conference geographically spread from Morocco in the West to Indonesia in the East fits well within the ECDC framework of economic groupings having an international dimension across regions.

The proposal for an Islamic Common Market (ICM) was first mooted at Dakar (Senegal) during the 9th session of the Foreign Ministers of the Organization of the Islamic Conference (OIC) in 1978. Co-sponsored by Bangladesh and Turkey, the idea behind

the proposal was to forge greater cooperation among the member countries of the OIC and move toward collective self-reliance. The proposal was studied at OIC expert level. Then the Statistical, Economic and Social Research and Training Centre (Ankara Centre, in short) was entrusted with the task of carrying out detailed and in-depth study on the proposed ICM. The Ankara Centre submitted its preliminary report to the 11th session of the Islamic Conference of Foreign Minister (ICFM), Islamabad. The report recommended, among others, the initiation of technical studies and intra-OIC consultation on the proposal.¹ The question that may be posed in this context is: whether there is any scope for meaningful institutionalized intra-OIC cooperation to meet the objective of closer economic cooperation in order to attain collective self-reliance. As the Islamic World is passing through an important phase of resurgence, a study to explore the possibility of forging greater economic cooperation seems to be worthwhile. The present paper is an attempt in this direction.

The paper is organized in five parts: the first two are devoted to an examination of the conceptual framework of economic cooperation and the world economic realities facing the OIC member countries. Part III of the paper reviews the existing political and socio-economic structure followed by existing trade and financial linkages among them in Part IV. Part V identifies the possible areas of gainful cooperation and highlights expected benefits as well as form of proposed co-operation.

I

Conceptually, economic integration denotes a *process* through which a series of measures are taken to eliminate differential treatment of economic units belonging to different countries. The resulting joint development efforts take various form of integrated use of resources to increase their efficiency for mutual benefit of countries concerned. Since it is a *process* and involves various stages, economic integration takes various shapes.

1. See *Technical Papers*, Statistical, Economic and Soeial Research and Training Centre (SESTRC) for the Islamic Countries. Ankara Centre, Ankara, 1980.

Investigation into the existing groupings² also indicates that there are a number of variants of the concept of economic cooperation. The motive forces, objectives, scope of cooperation, methods of operation are not the same either. The concept of "Economic Cooperation" is thus used in a broad sense to embrace different types

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of economic groupings and arrangements ranging from granting of partial preferential treatment in trade to full economic union. In fact, these arrangements form some sort of hierarchy in ascending order of integration as shown in chart (Page 69).

Empirically, the regional groupings show diverse pattern in points of methods of integration, scope and outcomes of cooperation. However certain general observations may be made based on experiences of these groupings :

- (i) Most of the existing regional groupings in developing countries do not strictly correspond to what they mean conceptually. While in the developed regions, groupings like EEC and EFTA, have started with tariff-end of the spectrum eventually leading to plan harmonisation and then economic union, the developing regions with altogether different economic structures as compared to developed regions have tended to concentrate on or

2. For details see Itekharruzaman, Abdur Rob Khan, Shaukat Hassan, *Viability of an Islamic Common Market*, a seminar paper presented at the Bangladesh Institute of International and Strategic Studies, Dhaka, Nov. 1982. Annex I.

Chart : Forms of International Economic Cooperation.

FORM	CHARACTERISTICS	EXAMPLES
CLEARING UNION	<ol style="list-style-type: none"> i. Agreement facilitating clearing of payments ii. Individual tariff structure retained 	Asian Clearing Union
FREE TRADE AREA	<ol style="list-style-type: none"> i. Tariff wall for member countries' products removed ii. Individual tariff vis-a-vis third party retained. 	ECTA, IAFITA, Andean Sub-Regional Group
CUSTOMS UNION	<ol style="list-style-type: none"> i. Free flow of products among members ii. Common tariff vis-a-vis non-members 	CACM, CACEM, UCAS, WACU, ECWA, EAC MRU
COMMON MARKET	<ol style="list-style-type: none"> i. Free flow of products among members ii. Free flow of factors: labour capital, enterprise and technology iii. Common tariff wall vis-a-vis non-members 	Arab Common Market ASEAN
ECONOMIC UNION	<ol style="list-style-type: none"> i. Free flow of products and factors among members ii. Coordination and harmonization of economic policies 	EEC
FULL ECONOMIC INTEGRATION	<ol style="list-style-type: none"> i. Unification of economic and fiscal policies ii. Supranational body with binding decision-political Union 	EEC approximating

creating conditions which would ultimately lead to trade cooperation and tariff reduction.³ Their (developing countries) efforts in this direction have taken the shape of joint action in the fields of agriculture, industry, transport, manpower, energy etc. Thus, in the case of cooperation among developing countries, coordination and joint action come at the initial stage while trade cooperation comes at a later stage.

- (ii) Such a trend to regional economic cooperation seems to be quite consistent with the Declaration and Programme of Action by the UN General Assembly in 1974 and New Programme of Action in Arusha, 1979 for achieving collective self-reliance. The emphasis has now shifted from more trade creation to achieving self reliance on a sub-regional, regional and inter-regional basis among developing countries by mobilisation and harnessing of their own resources (ECDC and TCDC). Such a thrust in recent years has added a new dimension to the concept of regional economic cooperation. Broadly speaking, such an emphasis on collective self-reliance has been manifested in a number of ESCAP-sponsored or patroned groupings like the Asian High Way, the Mekong Project, Asian Coconut Community, Regional Cooperation in Rice, Rubber and Pepper, Asian Clearing Union, the Jute Consultative Committee etc.
- (iii) Some of these groupings embarked on ambitious regional programmes only to prove abortive. This indicates that because of structural factors, the time period should be sufficiently longer and the programmes should be phased to facilitate consolidation of experiences and outcomes.
- (iv) The Latin American and African economic groupings are characterised by over-lapping memberships. Incidentally, it may be mentioned here that a number of Muslim

3. *Ibid.*

countries of Africa like Mali, Mauritania, Niger, Senegal, Upper Volta, Uganda, among others, belong to more than one regional economic grouping.

Thus, economic cooperation in recent years has not been confined to mere trade and tariff, but its scope has been widened to incorporate cooperation in various fields like agriculture, industry, manpower, banking, transport, shipping, etc. In some cases, the arrangement is quite loose, while in others it is quite integrative.

II

Even though the recent phase of world recession seems to be easing⁴, the global economic malaise adversely affecting not only the developing countries but also the developed industrial countries still persists. The entire period of the second and the first three years of the third UN Decade of Development was marked by high interest rates and reduced demand for exports accompanied by inflation, increasing recession and un-employment. The middle and low income developing countries of the Third World were obviously hit hardest. The international liquidity crisis was greater than ever and commodity prices (which provides the life-blood of export earnings of these countries) in real terms were lower in 1982 than any time since World War II.⁵

As a result of a growing protectionist tendencies in the industrial countries, the volume of world trade ceased to grow in 1981 and by 1982 it declined by 2%.⁶ Despite an ominous lack of success in combating protectionism developing countries were able to eke out an increase in their volume of exports by 5.1% a year in 1970-80.⁷ The share of manufactured goods of these countries consumed in the industrial economies increased from 1.7% in 1970 to 3.4% in 1980. But the danger lies ahead. Many developing countries, notably the non-fuel primary producers already burdened with the problem of

4. *World Development Report 1983*, World Bank, Washington 1983, p. 1.

5. *Ibid* p. 11.

6. *Ibid* p. 1.

7. *Ibid*. p. 3.

debt repayments have experienced adverse terms of trade and shrinkage in export earnings.

The member countries of the OIC, half of which have per capita income less than US \$ 500,⁸ performed even worse on many counts than the group of developing countries as a whole. Even though longitudinal data for the OIC members are not available, one source indicates that these countries presently account for more than 15 percent of the world population but they could generate only 5 percent of global income.⁹ The GDP growth rate of the developing countries as a whole for the period 1970-79 was 5.1 annually. But growth rate of the OIC countries was much less than the average for the developing countries, even less than half for some African members.

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Only exceptions were the few oil exporting countries who, however, achieved a growth rate of 5.2 percent. Sectoral performance was equally disappointing. For example, in agricultural and food production, the developed countries achieved growth rate of 12 percent as compared to only 1 percent for the developing countries. The OIC members, on average, experienced 1 percent decline in agricultural production and 1 percent rise in food production. But at disaggregated level, 12 members experienced only moderate increase in food production, but 20 experienced actual decline and worse still, existing food gap in 19 members widened.¹⁰

8. Islamic Development Bank, *Seventh Annual Report 1981-82* Jeddah 1982, Annex C.

9. See *Technical Paper SESRTC*, *op. cit.* above.

10. *Ibid.*

In such a global situation, the member countries of the OIC share certain commonalities in vital areas: firstly, most of them are primary producing countries and it is the primary products that experienced declining prices and lower returns in international market; secondly, almost all of them have a rather narrow industrial base and inadequate infrastructural facilities to support industrial activities. Thirdly, quantitative differences though, the manpower resources of the OIC countries in general are yet to be developed. Finally, most of them suffer from chronic food deficits as pointed out earlier. In this backdrop of commonalities of problems faced by the OIC members set parallel with the above-mentioned shift in the centre of gravity of international cooperation among nations in favour of ECDC, the proposed Islamic Common Market takes an importance of specific nature.

III

POLITICAL STRUCTURE

Apart from attaining collective self-reliance and economic development, an objective implicit in the founding of an Islamic Common Market (ICM) is to shield the Islamic countries against the external threats to their security, economic and political security being inseparably linked. But, however august the aim, the proposal is understandably fraught with many doubts. These doubts are brought into sharper relief if one examines the past history of Islam.

Since the advent of Islam, external forces have constantly colluded to undermine it. The Crusades are perhaps among the first examples of Islam defending itself against the onslaughts of external foes. Beside these wars over the centuries, there have also been many crises and tensions within the Islamic community itself often resulting in brothers killing brothers. The modern century has perhaps been the most disquieting because many of the Islamic countries were the victims of two World Wars which led to massive internal upheavals and dislocations within the Islamic community.

They have also been waging a continuous struggle against threats from zionism, colonialism, neo-colonialism, and great power rivalry.

The need for united and cooperative efforts against these internal and external threats had been recognised even when the Islamic countries achieved their political independence from colonial powers. For instance, the constant invocation of Arab nationalism and the many Pan-Arabist Movements were the early attempts to safeguard the security of the Islamic countries. Also, the call for political union among Egypt, Syria, Yemen and between Syria-Iraq, Egypt-Sudan, Egypt-Libya, etc., over the last three decades are further examples of attempts to bolster cooperation to safeguard the security of the Muslim countries. The recent establishment of Sene-Gambia and the proposal for PLO-Jordan Confederation are some of the attempts at political consolidation against internal and external subversion. While most of the attempts at unified defence were abortive, the important lesson is that they are an unmistakable testimony to the vulnerability of the Islamic state and to the security-threats as perceived by them.

It is this threat-perception that has guided the leaders of the Islamic World continuously to voice their concerns over security and

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related matters in the many Islamic conferences held over the past decade. For instance, the historic Makkah Declaration noted that "societies are marred by inequities, economies are crippled by severe crisis, and, international political order in constant danger of destabilization. The forces of evils are..... threatening the security of the world, man's peace of mind, and jeopardising human civilization." Therefore, it is necessary to "intensify consultations amongst ourselves and complement and coordinate our endeavours in the international

field in order to better defend our common causes and thus to enhance our prestige and position in the world".¹¹

The proposal for an Islamic Common Market stems from the growing recognition of the indivisibility of political and economic security implicit in these declarations. Theoretically, the Islamic Common Market would comprise of the forty-one Islamic countries and the PLO (that make up the OIC). Geographically the Islamic countries can be broadly classified into four groups: the Arab Asian countries (12), the Arab-African countries (9), non-Arab Asian countries (8), and non-Arab African countries (12). Given their diverse geographic location and dissimilarities in their ethnic and linguistic postures, these countries are well expected to exhibit particular biases and orientations peculiar to their regions and therefore, their commitments and priorities *vis-a-vis* the proposed common market may also considerably vary. The geographic positioning of many of the Islamic countries confer upon them special strategic importance *vis-a-vis* the security of the world. Morocco overlooks the Gibraltar linking the Atlantic to the Mediterranean; Egypt controls the Suez Canal that links the Mediterranean to the Arabian Sea; Turkey overlooks the Dardanelles linking the Black Sea to the Mediterranean; and Indonesia overlooks the strategic Malacca strait that controls the passage between the Indian Ocean and the Pacific. The Middle East with its tremendous petroleum deposits continues to be a region of intense superpower rivalry. Many Muslim countries are also the source of strategic raw materials thus making them victims of Superpower rivalry, threat and blackmail. These facts make it obvious that an increasing measure of political understanding, accommodation and cooperation among the Muslim states has today become imperative in the interest of their security, both political and economic.

What should be recognised is that increased and expanded economic cooperation may lead to greater political understanding and cooperation among the member states. Although most of these

11. Third Islamic Summit Conference, *Makkah Declaration*, Taif, Saudi Arabia January 1981.

countries have existing commitments to other political and economic arrangements, these should in no way preclude the possibility of more political accommodation of each other's needs. Therefore, there is a great possibility that continuing or current differences of opinion between Islamic states can be mitigated once this "political will" and commitment to implement that "will" is present.

SOCIO-ECONOMIC STRUCTURE

Even though the OIC members belong to the very broad category of developing countries, they are in different stages of economic development. Some are least developed while others are on the threshold of development and industrialization. By World Bank classification on the basis of per capita GNP, the member countries belong to low-income economies, middle-income economies with sub-categories of oil-exporters and oil-importers, and high-income oil-exporters as shown in Table I.

This classification, however, has obvious shortcomings, as it does not consider the resource base, production structure and other potentialities as well as some other basic indicators like physical quality of life.

Land and Population

The Islamic World comprising of the 42 member countries and stretching over a total area of about 24 million sq.km.¹² consists of a total population of roughly 800 million people. The size of population, however, varies over a wide range of 0.16m (in Maldives) to 147.4m (in Indonesia).¹³ Average man-land ratio of the OIC countries stands at 0.03sq.km.¹⁴ Some of these countries are very sparsely populated (Mauritania, Libya, Guinea Bissau, Gabon, Niger, Oman, Saudi Arabia, Somalia, Sudan) having density of 1-7 persons per sq.km. while some like Bangladesh, Maldives, Lebanon, Pakistan and Bahrain have population density of 100-616 per sq.km.¹⁵

12. Islamic Development Bank, *Seventh Annual Report, op. cit.* above.

13. *Ibid.*

14. *Ibid.*

15. *Ibid.*

Manpower Resources

One significant resource base of the OIC countries is the manpower. By World Bank criterion, more than 50 percent of the population of the Islamic countries belong to the working age group of 15-64 years. Thus the total working age population in the Islamic countries would be roughly 360 million.¹⁶ In the absence of data on participation rate for individual countries, we may draw some tentative conclusions on the basis of comparative analysis of the structure of GDP, sectoral distribution of labour force and total population figure. It appears that only few Arab countries, notably Kuwait, Libya, Qatar, Saudi Arabia and UAE are sparsely populated labour shortage countries while countries like Morocco, Tunisia, Turkey, Egypt, Sudan, Bangladesh, Pakistan, Mali and Upper Volta are labour surplus countries. Thus there is scope for pooling up and institutionalised flow of manpower from the surplus countries to relatively labour shortage countries to be engaged in development works on the one hand and building an Islamic skill base on the other.

Structure of Production

Agriculture : Almost all countries of the OIC, excluding the oil-exporters have basically agricultural economies with the agricultural sector playing a dominant role in the generation of GDP, exports and employment. The contribution of agriculture to GDP is above 50 percent for 4 member countries (Chad, Bangladesh, Somalia and Uganda), while it is over 40 percent for 7 countries.¹⁷ These countries produce rice, jute, tea, cotton, coffee, cocoa, fruits and vegetables, tobacco, sugarbeets, wheat, barley, etc. Available production figures for the major agricultural products are given in Table II. Some important world statistics may be quoted here. Bangladesh produces more than 75 percent of world jute, Malaysia produces 35 percent of rubber in the world; Uganda is the world's

16. *World Development Report 1983*, World Bank, Washington 1983 Annex Table-21.

17. *Ibid*, Annex Table-3.

fifth largest producer of coffee while Comoros Islands produces 65 percent of the ingredients of perfume. These are figures for individual countries. But when total produce of all Islamic countries are estimated, it would be evident that the Islamic countries commands a significant share in total world production of some agricultural items.

But at the same time Islamic countries on the whole have food deficits. In one study it has been found that 24 out of 42 Islamic countries have food deficits and the total deficit in calorie intake for these countries amounted to a total sum of 11 million tons of wheat worth US\$ 2.0 billion in average 1976 import price.¹⁸ The figure would be much higher at present import price. And more alarming is the fact that widening of the food gap persists for many Islamic countries. Taking trend values over the period 1967-78 for 32 Islamic countries, it has been shown that the coefficient of the trend line is negative for 22 countries.¹⁹

The question is : What potentiality is there in the Islamic countries that may be exploited to meet their food gap. Let us take

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the basic factor of production e.g. land. Present per capita arable land in the Islamic countries on average is roughly 0.60 acre.²⁰ Taking the average productivity of wheat in developing countries at @0.70 ton per acre, the total potential production of wheat stands at about 375 million tons compared to present production of about only 40 million tons. This indicates that the potential of food production is not fully exploited. The reasons are manifold, technological

18. SESRSC, *op. cit.* above.

19. FAO, cited in *World Development Report 1982*, *op. cit.* above.

20. Islamic Development Bank, *Seventh Annual Report*, *op. cit.* above.

backwardness being the main. This indicates that the complementarity of necessity may be converted into meaningful cooperation through specialisation, sharing of information and outcomes of research and experiments.

In the existing structure of production among the OIC countries, it would appear that there is far greater degree of complementarity in agriculture than any other sector. Thus the question of collective self-reliance or to be precise, the idea of self-security in the Islamic countries become all the more relevant. The importance of collective effort for food security and agricultural development has been recognised by the leaders of the OIC. A programme of action was adopted at the first Ministerial Conference of the OIC on Food Security and Agricultural Development in October 1981 in Ankara. The programme aims at strengthening economic cooperation among member states of the OIC in the field of food and Agriculture.²¹

Manufacturing: The OIC member countries have a very narrow base of industrial structure. Among the low-income OIC members, contribution of manufacturing sector to GDP ranges between 4 percent (Chad, Guinea) and 17 percent (Pakistan), while among middle income OIC countries, the figures vary between 6 percent (Yemen Arab Republic) and 32 percent (Egypt). Share of manufacturing in GDP of oil exporters like Libya, Saudi Arabia, UAE, Kuwait is quite low at about 4 percent.²²

The location of the major industries in the Islamic countries are shown in Table III. The table shows geographical location of some of the industries as dictated by resource endowments. However, this is an area where much detailed study on resource endowment, capacity utilisation, production and demand structure is required before giving any conclusive observations on the pattern of complementarity and competitiveness. Nevertheless, it may be argued that even though resource endowments may sustain certain industrial ventures like textile, jute goods, food processing, petrochemicals,

21. For details see *ibid.*, pp. 33-34.

22. *World Development Report 1983*, *op. cit.* above, Annex table-3.

they cannot take off without sufficient technological know-how and capital. It will appear from the following section that the Islamic world is heavily dependent on non-Islamic sources for manufactured items.

Minerals: Many of the OIC group of countries are rich in mineral resources, petroleum, gas, iron ore, phosphate, tin, copper and bauxite being the main. The production figure of some of the important minerals have been shown in Table IV. While a number of countries are rich in mineral resources of one kind or the other, some lack in mineral resources and their only source is imports. It may be argued that existence of divergence in endowments and scarcities between Islamic countries indicate potential gains from mutual trade.

Resource Balance of the OIC Members

An attempt was made to find out the resource balance of the OIC members. Data available for 27 member countries presented in Table V shows that only 9 had positive resource balance, defined as the difference between gross domestic investment and gross domestic savings. Four major patterns emerge. Firstly, there are countries, where gross investment and gross savings are quite low, savings being still less. Secondly, there are countries like Bangladesh, Somalia, Pakistan, Sudan, Mali, Senegal, Jordan, whose gross investment exceeds gross savings by a wide margin. Third category of countries like Turkey, Tunisia, Cameroon, Egypt, Niger etc. have adverse resource balance by a smaller margin as compared to others. The fourth category of countries includes UAE, Kuwait, Saudi Arabia, Libya, Iraq, Indonesia, Malaysia, Algeria who have positive resource balance ranging from 1 percent to 52 percent of their GDP.

If there is a greater flow of factors of production, the adverse resource balance of some of the countries could be mitigated by resources from those having a positive one. It would also provide

a strong footing of economic development with beneficial results for the OIC member states as a whole. It may also be mentioned that the members of the OIC have already adopted a resolution on the guarantee and protection of investments among member countries. This could very well be an element in the charter of association of the proposed form of cooperation among OIC countries.

IV

TRADE AND FINANCIAL LINKAGES

The pattern of trade of the OIC member countries and directions of their exports and imports show that their economies are almost entirely dependent upon the industrialised countries of the West as far as their external trade relations are concerned. A majority of the countries are basically producers (and sometimes exporters) of primary goods and importers of industrial products. As a result external trade of these countries have historically been directed more towards the industrialised nations of the West than towards each other. Recent trends show little change in the commodity composition of their trade and their dependence on extra-regional trade persists at high level. More than 80 percent of exports and imports of the member countries are with industrialised nations.²³ The degree of dependence of individual member-states of the OIC on the industrialised countries are shown in Table-VI. Because of this high rate of dependence on the West, the countries are also highly vulnerable to adverse effects of recession and trade restriction in the industrialised nations.

Intra-community trade linkage within the Islamic countries on the other hand, is very weak. With the exception of crude oil and petroleum products, trade among member countries is negligible as may be observed from Table VII. The average share of intra-community export and import of the OIC countries was 8.4% and 10.7% respectively in 1981. It can also be observed that 18 out of

23. Islamic Development Bank *Seventh Annual Report, op. cit.* above p, 25.

40 countries exported only upto 10% of their total export volume to member countries. And while there were exceptions like Somalia (87.7%) and Lebanon (65.8%), only 12 countries had more than 20% of the export directed towards fellow member countries.

In case of imports almost similiar picture is observed with 21 countries having imported upto 10% of their total imports from member countries of the OIC. Only 12 countries imported more than 20% of their total imports from fellow member states with Bahrain recording the highest share of its imports (64.9%) coming from within the community.

The table also shows a rather insignificant increase in trade among member countries over the period 1970-1981. The share of intra-community export rose from 6.2% in 1970 to barely 8.4% in 1981 while that of intra-community import rose from 9.2% to 19.7% during the same period. Although there has been a greater increase in the share of Oil producing member countries' intra-community export (perhaps mainly due to rise in their value as a result of continued rise in the price of petroleum) during 1973-1981, the share of intra-community import of these countries fell from 11.4% in 1973 to 5.5% in 1981. (See Table-VIII).

Looking at the items of intra-community trade it can be observed that major items of both export and import of the countries generally play insignificant role. Whereas the pattern of total trade of the countries is dominated by export of fuel and crude materials and import of manufactures, the most frequently traded commodities within the community are rice, cotton, natural and manufactured gas, fruits and vegetable oils, tobacco, cement and other building materials.²⁴

Potentials of Self-sufficiency

Data presented in Table IX show that the community has the prospect of self-sufficiency in trade of four items specially with respect

24. For details see *Technical Papers, op. cit.* above, table-11.

to beverage and tobacco, crude materials, fuels and oils and fats, with substantial surplus in crude materials and fuels. In all other classified items, especially in case of manufactured goods the immediate prospect of community self-sufficiency is very low with substantial deficits.

Balance of Payments

The pattern of balance of payments situation of the Islamic countries is guided by one fundamental determinant : export of oil. Oil-exporting countries have considerable surplus in their current account balance of payments situation while the non-oil exporting countries have deficit in the balance. More important, the extent of deficits of such countries have increased considerably from US\$ 1.5 billion in 1970 to US \$ 8.3 billion in 1980, whereas the balance of payments surplus of the oil-exporting countries increased during the same period from 364 million US dollars to US \$ 66.4 billion.²⁵

Inflow of External Capital

Most of the non-oil exporting countries are receivers of external capital in different form. Annual gross inflow of external capital to 29 such countries increased from US \$ 3.5 billion in 1970 to US\$ 19.3 billion in 1980.²⁶ The extent of total outstanding public debt as of December 1981 of the Islamic countries stood at US\$85.5 billion.²⁷

Development Assistance from Islamic Countries

In recent years, geared by the first-round of oil price increases, the oil-exporting rich countries of the OIC have become by far the largest contributors in terms of aid/GNP ratio to world aid and development programme. The volume of development assistance of

25. *World Development Report 1982, op. cit.* above, Annex table-14.

26. Calculated from *ibid*, Annex table-15.

27. Calculated from *ibid*, Annex table-16.

these countries increased from US \$ 5.6 billion in 1975 to US\$ 7.7 billion in 1981.²⁸ In comparison to that from wealthy OECD countries the assistance of these "current account surplus countries" in 1980 was more than five times greater as a percentage of GNP.²⁹ A significant feature of these donors' aid is that the amount disbursed went exclusively to countries universally recognised as developing countries.³⁰ In the face of increasing political and strategic bias in western aid, the importance and potentiality of such development assistance from the Islamic countries can hardly be overemphasized.

EXISTING ECONOMIC COOPERATION WITHIN THE OIC

Initial Phase

The Organization of Islamic Conference, established originally to face the grave threat to the religion of Islam and the security of the Islamic states was given a broad base for incorporating social and economic development of the Islamic countries. Such trend was initiated in the First meeting of the OIC Foreign Ministers in 1970, where it was resolved to set up the Islamic Development Bank with the objective of fostering closer cooperation in trade and economic development among Muslim countries. The Second Islamic Finance Ministers' Conference in August 1974 adopted the charter of the Islamic Development Bank with the basic currency unit of Islamic Dinar equivalent to one unit of SDR. The Jeddah based IDB has been engaged in investing in social and infrastructure projects of the member countries. The Fourth and Fifth sessions of the Islamic Conferences of Foreign Ministers in 1974 and 1975 provided for the establishment of the Islamic Solidarity Fund and the Islamic Science Foundation.

General Agreement for Economic, Technical and Commercial Co-operation

The process of international cooperation in economic, social and technical affairs, however, gained a momentum after mid-seventies

28. *World Development Report 1983*, Annex table-18.

29. Robert Little, "OPEC Arad States and World's Top Aid Donors" *Gulf News*, 10 August 1982.

30. *Ibid.*

specially in the Eighth session of ICFM in Tripoli where the General Agreement for Economic, Technical and Commercial Cooperation among member states of the OIC was approved for subsequent signing and ratification by member country governments. The Agreement, among others, provided for :

- (i) necessary arrangement, guarantees and incentives to increased transfer of capital and investment among themselves, (ii) joint economic projects to reinforce and promote economic complementarities, (iii) encouraging the maximum utilization of potential for food production, and (iv) promotion of technical and economic cooperation. The Islamic Commission for Economic, Cultural and Social Affairs was given the responsibility of seeing through signing, ratification and subsequent implementation.

Promotion and Expansion of Trade

The 9th session of the ICFM at Dakar in 1978 developed a strategy of selective priorities and trade promotion in the fields of insurances and re-insurances, cooperation in the fields of shipping and Mutual export Credit Guarantee Scheme. It was within this framework that the member countries decided to hold Annual Islamic Trade Fair (first held in Islamabad in 1979). The fifth session of the Islamic Commission of Economic, Cultural and Social Affairs studied the proposal of setting up of an Islamic Centre for Development of Trade in Casablanca, Morocco, one of whose objectives is easing of tariff and non-tariff barriers among member countries. The Islamic Centre for Development of Trade has recently been made operative.

Another significant step in the direction of promotion and expansion of trade was establishment of the Islamic Chamber of Commerce, Industry and Commodity Exchange with headquarters in Karachi. The Islamic Chamber is working currently with the proposed Islamic Shipping Line which got fresh momentum in the Taif Summit, 1981. The Islamic Chamber has also identified 60

joint venture projects for possible financing by the Islamic Development Bank.

The Finance Ministers and Governors of Central Banks of the Islamic Countries also hold regular meetings on exchange of information and training facilities, promotion of trade, development of capital markets and payments arrangements.

From the above, it would appear that not only a number of areas of cooperation have been identified, but necessary institutional arrangements have also been made. These programmes of cooperation are at different stages of implementation.

V

AREAS AND SCOPE OF COOPERATION

Viewed against this backdrop, the prospect for still closer economic cooperation among the Islamic countries appear to be bright. It should, however, be noted that expected gains or losses from such

Judged by the existing state of intra-community trade, it may be argued that the balance of trade-creation and trade-diversion effects of any advanced level of integration may not turn out to be favourable.

cooperation cannot be quantified due to non-availability of relevant data. Judged by the weight of the share of present intra-community trade in total trade as well as by the pattern of import presented earlier, it can be even argued that the balance of trade-creation and trade-diversion effects of any advanced level of integration may not turn out to be favourable at the present stage.

At the same time it has to be borne in mind that if economic cooperation in the form of conventional 'Common Market' is ruled out by the diversity of the Islamic countries in their economic and

political structure and their geographical location, increasing and closer cooperation among them can be thought of in a more flexible and dynamic form with enormous benefits to the Islamic countries.

Scope for such rapidly increasing and mutually beneficial co-operation seem to exist in such areas as indicated below :

- i. Trade promotion by fully exploiting the existing level of complementarity in a number of items like beverage and tobacco, oils and fats, fuels and crude-materials.
- ii. Self-sufficiency in food and agricultural products. Although the OIC countries on the whole are deficit in agricultural products in general and food in particular as suggested earlier, there is a great scope for transforming it into a major area of complementarity and subsequently into a surplus one.
- iii. Exchange of manpower and training and in the process building up of an Islamic manpower pool for development of the labour-shortage Islamic countries.
- iv. Freer flow of other factors, particularly of capital from resource surplus areas to resource deficit areas. International finance within the community countries is by far the most potential field of cooperation. Considerable progress has been made in this field which remains to be carried further in the interest of both the donors and receivers.
- v. Joint ventures in the development of agriculture, industry and human and natural resources through sharing of profits or produce or both, within the Islamic countries.
- vi. Selective trade cooperation through easing of tariff and non-tariff barriers.
- vii. Joint and concerted ventures to develop transport, communication and information systems, which hold the key to not only organisation and promotion of regional trade

and transfer of manpower, capital, technology and other resources for development, but also improvement of physical quality of life including health, education and human resource development.

EXPECTED GAINS

It has already been pointed out that due to the shortage of relevant data the present study does not attempt at a quantitative analysis of the expected economic gains from Islamic Common Market. Certain observations can, however, be made on the expected benefits of the cooperation suggested above.

Taking the case of cooperation in agriculture and self-sufficiency in food, it can be presumed that this will reduce the external dependence of Islamic countries, which will have a positive impact on their bargaining position *vis-a-vis* third parties. Such programmes will also lead to international division of labour within the OIC by facilitating agriculturally potential economies to reap the benefits of specialisation at the same time exposing the agriculturally less-potential economies to a cost-effective market of agricultural products.

In the field of cooperation in international finance, substantial benefits are expected to accrue to both the suppliers and receivers of capital. In addition to immediate prospect of meeting the problem of capital shortage such cooperation is expected to create the basis for sustained economic growth for the receiving countries. The supplier side is expected to gain especially in the long run perspective through the feedback effects of such development in the partner countries.

Needless to say, cooperation in the field of manpower transfer will be mutually beneficial through increased employment and income on the one hand and increased production and growth on the other.

Exchange of manpower and financial cooperation for exploiting natural resources can be expected to produce a long-run positive

impact on the overall resource position and on prospects of planned and optimum utilisation of the resource-base.

Above all the greatest and most significant benefits following from cooperation in the sectors indicated above would be a significant step towards collective self-reliance of nations, the key to the acceleration of the process of non-dependent development. Drawing upon the relatively less successful experience of post war regional economic integration attempts involving 'peripheral' economies, doubts have been thrown upon the feasibility of carrying out any successful project of collective self-reliance in the Third World, with exception of very few cases like the ASEAN. With the background

Islamic Common Market can be thought of in a flexible and dynamic form which may turn out to be the key to acceleration of the process of non-dependent development.

of frustrating experiences of orthodox adherence to the parameters of traditional economic integration, the element of dynamism advocated above can be expected to generate the environs where the effects of integration are to be considered not within an ideal picture of global equilibrium and free trade,³¹ but in the context of a joint development effort and shared perspective of strengthening collective economic position.

FORM OF COOPERATION

The institutional framework of the proposed cooperation would depend much on the immediate objectives which should be to (a) undertake a technical study to pinpoint areas and scope of cooperation and suggest ways and means to implement them and (b) consoli-

31. Within such orthodox framework, economic integration among a group of poor countries will have little or no effect on efficiency since the gains from trade-creation are likely to be smaller than losses from trade-diversion.

date programmes of cooperation already initiated under the auspices of the OIC.

Technical Study on Islamic Common Market

The Ankara Centre is known to be involved in a similar study. In this context it is suggested that the Ankara Centre be made the overall coordinator of the study while interested institutes/research bodies in the member-countries may carry out the task as assigned to them by the Ankara Centre. The Ankara Centre will submit its report after coordinating the findings of these studies and holding consultation with member countries. A resolution to this effect may be tabled at the XIVth session of ICFM.

Consolidation of Existing Cooperation

It is also felt that consolidation of the existing programmes of co-operation among member countries under the auspices of the OIC could go a long way toward the establishment of an Islamic Common Market. Progress in this direction would create conditions conducive to overcoming problems posed by diversity and geographical remoteness. Such consolidation needs constant monitoring and greater coordination among the existing institutional arrangements like the Islamic Development Bank, the Islamic Chamber of Commerce, Industry and Commodity Exchange, the ICTVTR, Islamic Shipowners' Council, the Islamic Trade Development Centre etc. For this purpose, it is proposed that a Project Committee on the Islamic Common Market be set up. The Committee in constant liaison with the Ankara Centre will also try to evolve an organisational structure for the proposed "Common Market".

VI

There is no denying the fact that the task of forging multilateral economic cooperation within an organisational framework is both difficult and complex. Primarily, it is a matter of political will. Despite differences in political and economic systems the common

bond of Islam and the shared Islamic heritage provide strong ideological underpinnings and their sensitive geo-strategic location provide the motive force for concerted action, essential for generation of such a political will. Once the political will is there, the technical and procedural issues should not pose any serious difficulty and other crucial factors like the right development strategy and the appropriate tools and institutions may be expected to spring up gradually.

The political will necessary for successful implementation of joint development effort for non-dependent development cannot be regarded as an abstraction. It is the same type of political will that has long been demanded from the developed countries of the

The political will for Islamic Common Market are similar to those demanded from the developed countries of the north by the developing countries of the south for a restructuring of global economic order.

north by the developing countries of the south, and for that matter by the member countries of the OIC. In case of the latter it is expected to be generated and influenced by the prevailing ideas and concepts of development and the more so by the shared perspective over the strategy of collective self-reliance. The political will of the Islamic countries is expected to be generated from their shared religio-cultural heritage and also from the commonness of conditions in which their economies strive to develop and the need for joining efforts. The proposed ICM may thus start in a flexible and dynamic form as indicated above with the vision of a non-dependent development of the member countries which would positively have chain reaction upon other communities of the south to strengthen the ties of ECDC in general. The combined impact of accelerated development as a result of such integration is anticipated to increase not only cooperation among developing communities of the south but also their collective bargaining position *vis-a-vis* the north and the degree of their collective politico-economic independence.

Table I : Income Categories of OIC Members

Category	Number	Countires
Low-Income (Upto US\$ 400 Average US\$270)	15	Guinea Bissau, Gambia, Maldives, Comoros Island, Chad, Bangladesh, Somalia, Afghanistan, Mali, Upper Volta, Guinea, Pakistan, Uganda, Niger, Sudan.
Middle-Income (US\$410-5560 Average US\$ 1500)	21	Djibouti, Yemen PDR, Indonesia, Yemen Arab Rep., Mauritania, Senegal, Egypt, Cameroon, Morocco, Tunisia, Syrian Arab Rep., Jordan, Lebanon, Turkey, Malaysia, Algeria, Iran, Iraq, Oman, Gabon, Bahrain.
High-Income Oil-exporters (US\$ 8500-30000 Average US\$ 13460)	5	Qatar, Libya, Saudi Arabia, Kuwait & United Arab Emirates.
Total:	41	

Source : *World Development Report*, 1983, World Bank.
Islamic Development Bank, *Seventh Annual Report*,
1981-82, Jeddah, 1982.

Table II : Production of Major Agricultural Crops in OIC Countries

		(000 metric tons)
Item	Countries	Quantity in 1977
Coffee	Cameroon, Indonesia, Malaysia, Uganda, Guinea & Yemen Arab Republic.	442.0
Cotton	Afghanistan, Egypt, Pakistan, Chad, Cameroon, Iran, Iraq, Malaysia, Mali, Morocco, Niger, Senegal, Syria, Turkey, Uganda, Upper Volta, Yemen PDR & Yemen A.R.	2338 (16.9)
Wheat	Afghanistan, Egypt, Turkey, Iran, Syria.	40019 (10.3)
Rice	Bangladesh, Egypt, Pakistan, Somalia, Algeria, Malaysia, Indonesia, Mali, Turkey, etc.	55071.0 (14.8)
Tobacco	Algeria, Bangladesh, Indonesia, Iran, Iraq, Mali, Pakistan, Somalia, Turkey, Uganda.	568.8 (10.2)
Meat	Afghanistan, Algeria, Chad, Egypt, Indonesia, Mauritania, Morocco, Niger, Pakistan, Senegal, Sudan, Tunisia, Turkey.	3965.0

Source : Statistical Yearbook of Bangladesh, 1980

Note : Figures in the parentheses indicate percentages of world totals.

Table III : Location of Industries of OIC Countries

Industry	Countries
Textile	Afghanistan, Algeria, Bangladesh, Indonesia, Iraq, Jordan, Lebanon, Libya, Malaysia, Pakistan, Sudan, Syria, Tunisia, Turkey, Yemen A.R.,
Carpets	Afghanistan, Iran, Libya, Morocco, Bangladesh, Pakistan.
Cement	Afghanistan, Bangladesh, Iran, Iraq, Jordan, Lebanon, Pakistan, Senegal, Syria, Turkey, Yemen A.R.
Sheepskin Coats	Afghanistan.
Oil Product	Algeria, Bahrain, Gabon, Kuwait, Lebanon, Saudi Arabia, Syria, Tunisia.
Iron	Algeria
Steel	Algeria, Turkey.
Fertilizer	Algeria, Bangladesh, Malaysia, Pakistan.
Plastics	Algeria, Jordan
Aluminium processing	Bahrain, Cameroon.
Jute products	Bangladesh
Food processing	Indonesia, Iraq, Jordan, Lebanon, Senegal, Tunisia, Sudan.
Petrochemicals	Iran
Paper	Pakistan, Turkey and Bangladesh
Sugar/Sugar refining	Iran, Pakistan, Syria
Auto assembly	Iran
Clothing	Morocco, Tunisia.

Source : *Statistical Yearbook of Bangladesh, 1980*

Table IV : Mineral Resources in OIC Countries

Item	Major OIC producers	Unit	OIC produces
Coal	Algeria, Afghanistan Indonesia, Pakistan and Turkey.	,000 metric ton.	7,328
Crude Petroleum	Saudi Arabia, Iraq, Iran, UAE, Kuwait, Libya, Indonesia.	,000 metric ton.	13,95,151
Natural Gas	Algeria, Bahrain, Indonesia, Iran, Iraq, Kuwait, Libya, Malaysia, Morocco, Pakistan, Bangladesh.	,000 terra calories	692,910
Iron Ore	Malaysia, Iran, Mauritania, Morocco, Turkey.	,000 ton	9,813
Copper Ore	Algeria, Indonesia, Iran, Morocco, Turkey, Uganda.	,000 tons.	1152
Phosphate Rock	Egypt, Jordan, Morocco, Pakistan, Syria, Tunisia, Uganda, Senegal.	,000 metric tons.	26,444

Source : *Statistical Yearbook of Bangladesh*, 1980.

Table V : Resource Balance of OIC Countries
(In Percentage of GDP)

Country	Gross Domestic Investment	Gross Domestic Savings	Resource Balance
Bangladesh	17	2	-15
Somalia	16	3	-13
Afghanistan	14	11	- 3
Mali	14	—	-14
Guinea	11	14	3
Pakistan	18	6	-12
Uganda	3	2	- 1
Niger	29	21	- 8
Sudan	12	3	- 9
Indonesia	22	30	8
Yemen A.R.	44	-20	-64
Mauritania	51	14	-37
Senegal	15	- 2	-17
Egypt	31	16	-15
Cameroon	25	23	- 2
Morocco	21	11	-10
Tunisia	28	25	- 3
Syrian A.R.	25	10	-15
Jordan	48	-27	-75
Turkey	27	18	- 9
Malaysia	29	32	3
Algeria	41	42	1
Iraq	33	59	26
Libya	25	59	34
Saudi Arabia	26	59	33
Kuwait	11	63	52
United Arab Emirates	30	73	43

Source : World Bank, *World Development Report*, 1982.

Table VI : Destination of Merchandise Exports of OIC member Countries 1960-1980.

Country	Percentage							
	Industrialised Countries		Developing Countries		Centrally planned Countries		Capital Surplus Oil Exporters	
	1960	1980	1960	1980	1960	1980	1960	1980
Afghanistan	48	42	24	35	28	21	0	2
Algeria	93	96	7	3	0	1	(.)	(.)
Bangladesh	...	48	...	41	...	10	...	7
Cameroon	93	92	6	7	1	1	(.)	(.)
Chad	73	32	27	63	0	0	0	0
Egypt	26	73	39	19	33	7	2	1
Guinea	63	80	19	18	18	0	(.)	2
Indonesia	54	80	42	19	11	1	(.)	(.)
Iraq	85	61	14	39	1	(.)	(.)	(.)
Jordan	1	11	62	63	11	3	26	23
Kuwait	91	78	9	18	0	0	0	4
Lebanon	21	15	39	29	8	9	32	47
Libya	67	84	26	16	7	(.)	0	(.)
Malaysia	58	61	35	35	7	3	0	1
Mali	93	68	7	31	0	1	(.)	(.)
Mauritania	89	94	11	5	0	0	0	1
Morocco	74	70	23	20	3	8	(.)	2
Niger	74	96	26	3	0	0	0	0
Pakistan	56	36	38	47	4	3	2	14
Saudi Arabia	74	78	26	16	0	0	0	(.)
Somalia	85	17	15	15	0	0	(.)	68
Sudan	59	42	29	37	8	9	4	12
Syria	39	30	31	48	19	15	11	7
Tunisia	76	69	19	27	3	1	2	3
Turkey	71	60	17	21	12	15	(.)	4
Upper Volta	4	86	96	14	0	0	0	0
Yemen A.R.	46	36	36	49	18	2	(.)	13
Yemen P.D.R.	42	61	56	31	(.)	(.)	2	8

... Not available, (.) Less than half

Source : Islamic Development Bank, *Seventh Annual Report 1981-82*, Jeddah, 1982 p. 26

Table VII : The Intra-community Trade of OIC Countries

Country	Exports to Member Countries					
	1970	1973	1978	1979	1980	1981
Algeria	0.1	1.8	0.0	0.1	0.0	0.5
Bahrain	9.7	20.6	28.2	30.3	38.3	31.3
Bangladesh	...	6.0	21.2	17.8	18.4	21.3
Cameroon	4.5	3.3	1.8	1.6	2.6	2.3
Gaon	5.3	3.1	3.8	3.5	2.6	2.6
Gambia	0.4	0.4	1.6	2.2	10.8	16.5
Indonesia	3.3	1.1	1.3	1.2	0.9	1.0
Iraq	12.1	7.5	8.1	9.7	10.1	17.4
Jordan	61.9	54.5	49.5	64.1	50.4	42.9
Kuwait	3.6	7.0	9.6	10.5	13.0	12.1
Lebanon	60.3	50.9	77.7	74.3	69.9	65.8
Libya	0.4	1.4	2.5	1.6	1.8	5.2
Malaysia	2.3	2.0	2.9	3.3	3.4	4.3
Mauritania	2.5	0.1	0.3	1.1	0.7	0.2
Morocco	4.9	5.7	3.8	4.0	6.3	9.1
Niger	2.0	3.6	2.0	3.0	2.3	2.2
Oman	0.5	0.4	0.5	0.0	0.0	0.0
Pakistan	11.1	19.9	29.1	27.4	25.8	29.9
Qatar	1.8	2.5	6.1	0.3	4.9	5.8
Saudi Arabia	8.7	6.5	5.1	4.5	6.4	7.5
Somalia	63.3	60.0	51.4	80.1	74.8	87.7
Sudan	8.9	12.6	10.2	16.4	17.7	27.5
Syria	29.9	22.9	14.2	12.7	20.5	13.1
Tunisia	14.6	11.0	10.4	17.4	6.8	8.3
Turkey	8.7	12.9	13.7	7.0	25.4	36.6
Uganda	3.2	4.6	15.2	14.5	18.8	111.5
U.A.E.	7.9	2.3	3.8	4.4	5.1	7.0
Upper Volta	1.3	3.8	4.1	4.4	2.5	5.0
Yemen A.R.	52.5	29.5	14.9	59.8	45.4	45.0
Yemen P.D.R.	13.9	18.1	31.7	24.0	11.1	42.4
Total	6.2	6.6	6.4	6.2	6.9	8.4

... Not available

Source : Islamic Development Bank, *Seventh Annual Report*, 1981-82. Jeddah 1982 p. 28

(Percentage)

Imports from Member Countries

1970	1973	1978	1979	1980	1981
2.0	3.1	0.4	1.2	0.7	1.3
45.8	43.9	40.8	51.5	67.7	64.9
...	4.3	11.8	12.0	13.6	25.9
8.1	4.0	2.8	3.2	8.6	9.1
2.2	1.0	4.7	5.2	4.5	3.7
3.8	4.0	1.1	1.2	1.4	4.5
2.1	3.6	4.5	6.0	7.8	1.8
12.9	10.5	5.4	6.2	7.6	8.1
20.3	20.8	19.9	18.9	19.1	20.9
10.4	10.9	3.7	4.5	5.6	7.2
16.0	13.0	16.5	17.0	16.0	17.6
8.8	8.1	3.5	2.0	2.0	4.8
8.0	5.3	6.9	8.4	9.2	8.2
7.8	6.2	8.4	18.3	4.7	14.1
4.1	4.0	6.2	11.1	20.7	21.5
7.7	5.3	6.7	12.8	11.2	5.7
2.3	29.1	16.9	17.6	17.5	20.2
5.9	10.9	18.9	22.9	35.0	35.1
17.5	18.1	9.1	5.8	6.4	8.9
24.4	25.1	7.2	4.0	5.2	3.2
6.0	2.9	9.3	14.2	12.5	29.2
8.2	8.8	12.9	23.5	15.2	24.3
18.7	16.8	18.5	17.5	23.6	25.4
2.3	6.1	7.3	9.4	9.0	13.3
6.6	10.1	14.7	18.5	24.5	34.3
2.4	1.1	0.6	2.8	1.4	4.2
8.3	8.9	10.2	6.5	14.0	12.6
6.6	6.4	4.2	4.9	0.8	1.2
30.0	29.1	17.3	32.7	16.5	26.2
29.8	27.6	28.5	33.5	40.7	48.6
9.2	9.7	8.3	9.0	11.1	10.7

Table VIII : Intra-community Trade of Oil Producing Countries of the OIC

Country	Exports to Member Countries									
	Amount (US\$ Million)					Percentage				
	1973	1978	1979	1980	1981	1973	1978	1979	1980	1981
Algeria	35	2	12	14	66	1.8	0.0	0.1	0.1	0.5
Iraq	137	939	1889	2820	1632	7.5	8.1	9.7	10.1	17.4
Kuwait	232	1007	1915	2346	2006	7.0	9.6	10.5	13.0	12.1
Libya	55	244	235	404	857	1.4	2.5	1.6	1.8	5.2
Qatar	16	140	11	214	233	2.5	6.1	0.3	4.9	5.8
Saudi Arabia	507	1927	2587	6455	8496	6.5	5.1	4.5	6.4	7.5
U.A.E.	37	342	566	1090	1456	2.3	3.8	4.4	5.1	7.0
Total	1019	4601	7215	13343	14746	4.4	5.3	5.3	6.4	7.6
Imports from member Countries										
	Amount (US\$ Million)					Percentage				
	1973	1978	1979	1980	1981	1973	1978	1979	1980	1981
	Algeria	75	95	98	104	145	3.1	0.4	1.2	0.7
Iraq	95	229	605	1024	1539	10.5	5.4	6.2	7.4	8.1
Kuwait	116	171	236	397	580	10.9	3.7	4.5	5.6	7.2
Libya	139	162	156	195	706	8.1	3.5	2.0	2.0	4.8
Qatar	35	108	83	84	140	18.1	9.1	5.8	6.4	8.9
Saudi Arabia	496	1462	981	1627	1146	25.1	7.2	4.0	5.2	3.2
U.A.E.	75	549	452	1266	1206	8.9	10.2	6.5	14.0	12.6
	1031	2716	2611	4697	5462	11.4	5.5	4.1	5.7	5.5

Source : Islamic Development Bank, *Seventh Annual Report 1981-82*, Jeddah 1982 p.29

**Table IX : Export, Import and Balance of Trade of OIC Countries
by Item (1976)**

Commodity trade (Value in US \$m.)

Group of items	Exports		Imports		Balance
	Value	Percent	Value	Percent	Value
1. Food & Live animals	3,712	2.9	9,321	13.0	-5,609
2. Bev. & Tobacco	501	0.4	501	0.7	—
3. Crude Materials	7,458	5.8	2,456	3.4	5,002
4. Fuels	110,209	85.7	5,284	7.4	104,925
5. Oils & Fats	972	0.8	919	1.3	53
6. Chemicals	827	0.6	5,016	7.0	-4,189
7. Manufactured goods	2,873	2.2	16,273	22.8	-13,400
8. Machinery & Transport	1,014	0.8	27,552	38.6	-26,538
10. All others	73	—	275	0.4	-202
Total	128,589	100.0	71,438	100.0	57,151

Source : *UN Trade Statistics*, 1982.