

# " OIC Countries: A Future of Economic Insecurity "

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# Introduction

- ❑ OIC is the Second Largest Inter-Government Organization after the UN with the membership of 57 countries.
- ❑ It has pursued the economic, commercial and financial cooperation among its members
- ❑ But inadequate implementation of trade and transport facilitation measures and lack of information and knowledge sharing created problems in the organization
- ❑ Its growth is declining for its complex and prolonged customs and border crossing procedures
- ❑ It is necessary to take proper initiatives to solve the problems

# Statement of the Problem

- ❑ Impact of global economic recession
  - Significant decline of GDP in OIC member states.

- ❑ Unable to achieve the pre-crisis level of Current Account Balances (CABs) within short time

Year	GDP
2008	24.4
2009	23.4
2014 (Projected)	22.5

Table-1: Declining GDP in OIC member states

# Statement of the Problem

- ❑ Declining the rate of economic growth in member states

Year	Economic Growth	Unemployment Rate
2008	6%	9.4%
2009	2.5%	10.8%

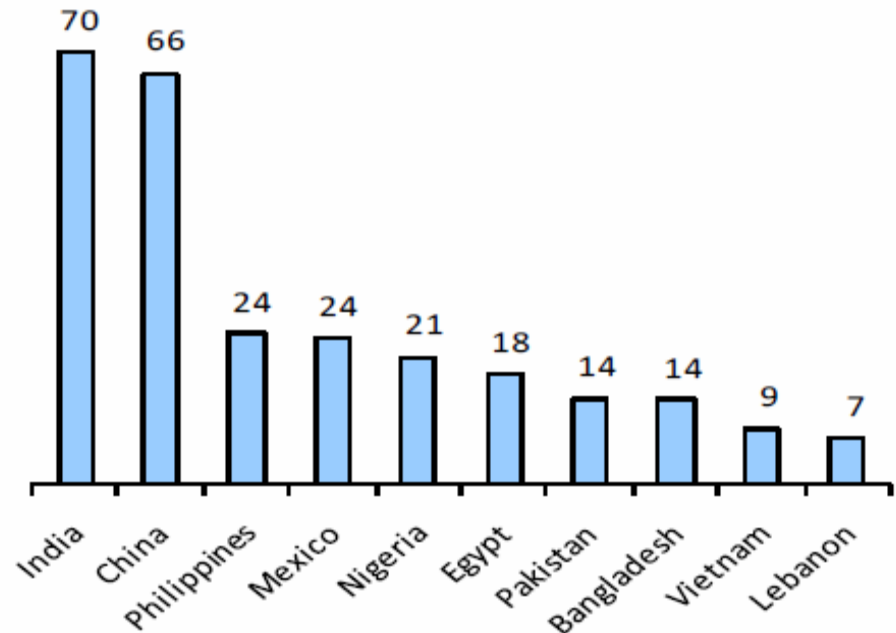
Table-2: Declining economic growth and rising unemployment rate in Arab countries

# Statement of the Problem

- Fall of global remittance
- High rate of inflation
- Civil war in MENA and OEC countries
- Low penetration levels of Islamic insurance in OIC countries

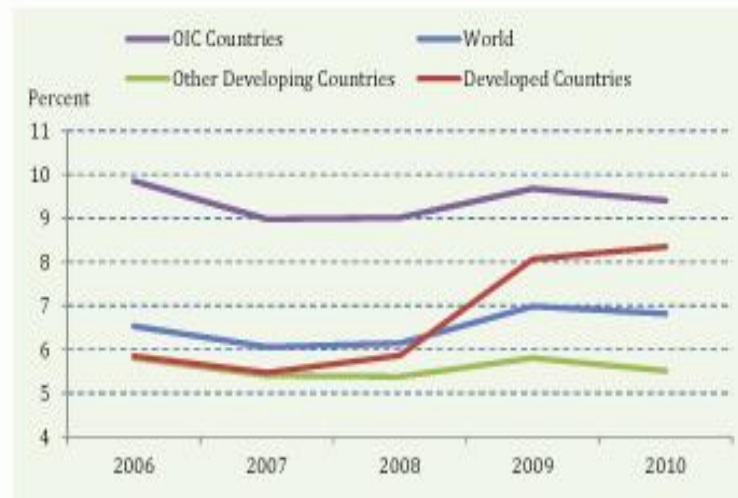
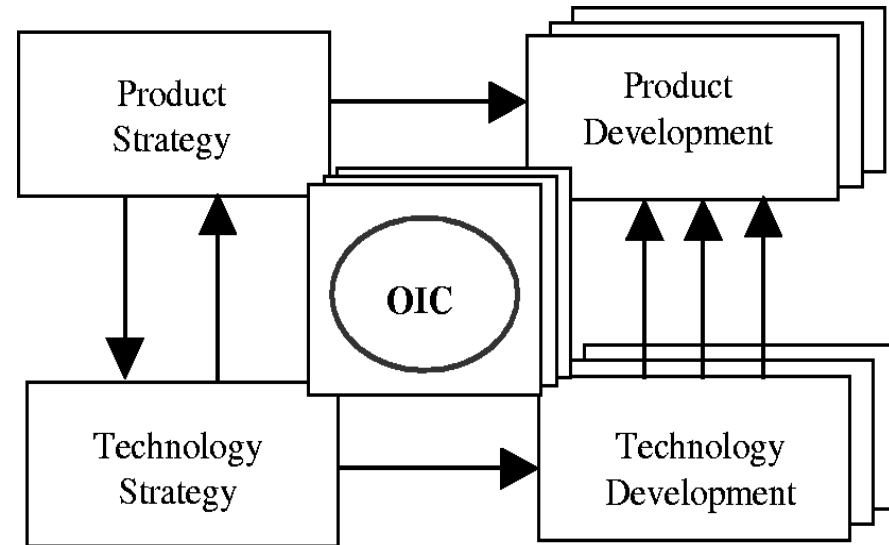
Box figure 1: Top 10 recipients of migrant remittances

(US\$ billion, 2012e)



# Background of the Problem

- ❑ Inadequate implementation of trade and transport facilitation measures as well as lack of information sharing
- ❑ Failure to provide sufficient opportunities to land-locked member countries
- ❑ High level of unemployment rates in OIC countries compared to the world



Total Unemployment Rate (% of Total Labour Force)

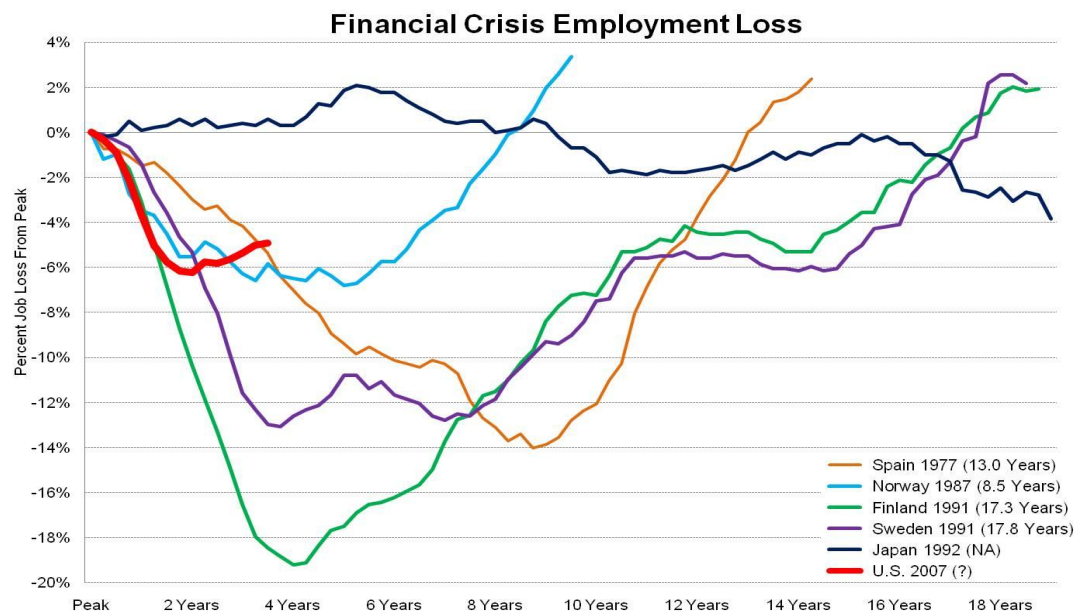
Unemployment rate remained comparatively very high in OIC countries.

Source: IMF, WEO April 2012; World Bank, WDI Database and SESRIC BASEIND Database.



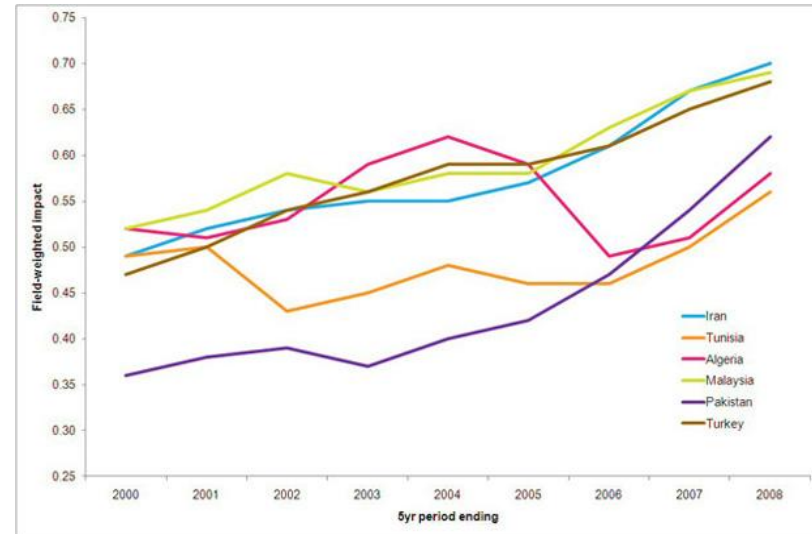
# Background of the Problem

- ❑ Adverse conventional financial system
- ❑ Global financial crisis 2008
- ❑ Impact of Arab spring 2010



# Policy Options

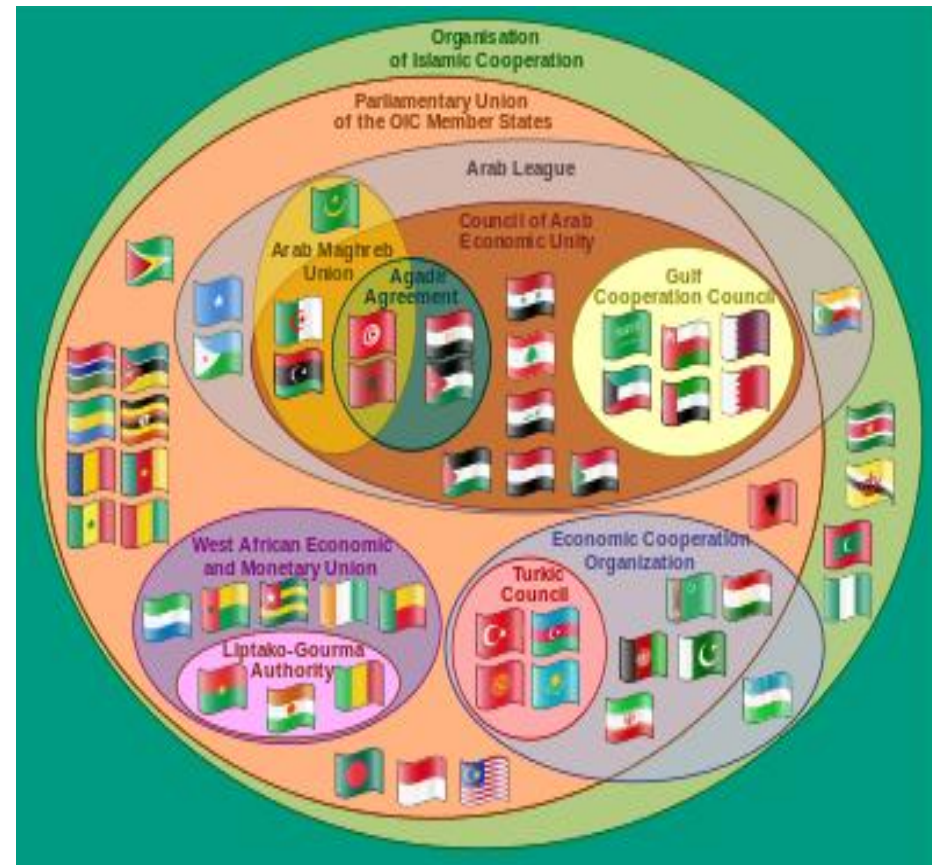
- ❑ Enhance Networking opportunities among the OIC member countries
- ❑ Enhance the patent of economic development particularly in small and medium size enterprises
- ❑ Rebalance the regional imbalances of OIC member countries
- ❑ Adaptation of macro reform by OIC
- ❑ Regulate the financial sectors to make a stable economy of OIC members





# Policy Recommendation

- ❑ National Level Initiatives
  - Full implementation of relevant OIC and international agreements and conventions in the field of trade and transport
  - Transport and visa procedure for OIC member state should be made easy



# Policy Recommendation

- **National trade and transport facilitation committees (NTTFC) For both public and private sector institutions should be established**



# Policy Recommendation

## International Level Initiatives

- ❑ Enhance partnership with relevant regional and international organizations in the field of foreign direct investment, tariff and non-tariff barriers both in the export and import sectors.
- ❑ Enhance collaboration among the stakeholders, including the representatives of other economic organizations in the field of investment in order to boost trade and tourism among them





# Conclusion

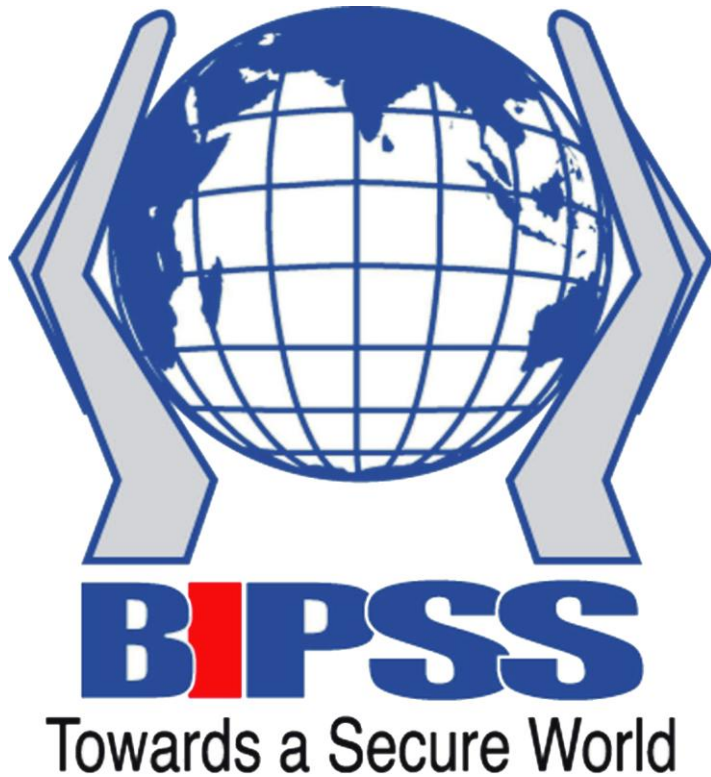


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# Question and Answer





**Thank You**

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