

**Statement by the President (Mr.Hossein Ghazavi)
of the ECO Trade and Development Bank
22nd ECO Regional Planning Council (RPC) Meeting
Tehran-I.R. of Iran – (9-11 July 2012)**

**Mr. Chairman,
Excellency Mr. Secretary General,
Distinguished Delegates,
Excellencies,
Ladies and Gentlemen,**

It is a great pleasure and honor for me to attend the 22st Regional Planning Council meeting of ECO. I would like to express my sincere thanks and gratitude to the Government of Islamic Republic of Iran and the ECO Secretariat for the warm hospitality extended to us and excellent arrangements made for this forum.

Mr. Chairman,

In light of current global facts, the economic recovery in the ECO region showed considerable strength in the post global crisis period. The regional combined GDP had rebounded strongly at 6.8 percent rate in 2010, which fell slightly to an estimated 5.3 percent by 2011. The region's nominal GDP exceeded USD 1.8 trillion in 2011, which means over the past decade it has quadrupled. On the other hand, the regional per capita GDP more than doubled since 2001 to hit USD 4,220 (USD 7,120 in PPP terms). It is good to note that growth rates, budget deficits and debt levels in the region are improving, however, we need to closely observe the global risks and take appropriate measures to improve employment levels and contain inflation in the region. The region also lags behind its comparators in intra-regional trade and attracting foreign investment.

Excellencies,

We in this region share the same basic concerns and broadly the same interests. It is about leveraging our strength by aligning our positions, pooling resources and increasing cooperation for the prosperity of our citizens. However, we have to embrace a common socio-economic development perspective to a rapidly changing world. The gravity of world economic growth is shifting towards developing countries in the east and the ECO region is well positioned to benefit from this shift. And for that we need sustainable growth and cooperation in the region. Today, adopting new growth models is taking center stage in debates all over the world. Particularly, European Council and emerging countries are rightly

devoting their meetings to discuss boosting growth. This is the highest priority for the world economies.

It is a moment of truth. We have to shape change; otherwise we will miss the opportunities and dynamics of this century. With the right policies in place, the ECO region should capitalize on its potentials to achieve a development breakthrough. Of course this will take time however imposes heavy responsibilities and homework.

Mr. Chairman,

In this regard, I feel it's worthwhile to mention three main remarks;

First: Enhancing regional trade will engage us deeper and with other parts of the world. Second: Realizing important regional infrastructure projects and Third: Finance, it is the main key for growth. Without mobilizing necessary capital for development and cooperation we are still nowhere. We must keep moving forward toward more financial cooperation.

To support this perspective, Your Institution, ECO Bank is proposing a new initiative under the name of 'ECO Regional Partnership Forum (ERPF)'. The Bank is ready and it is seriously deliberating the possibility of launching such periodic Forum as a sustainable momentum for mobilizing resources and locating attractive investment and commercial opportunities with the help of all institutional stakeholders. We believe it will be an effective platform to forge strategic partnerships and alliances for sustainable development in the ECO region. I am confident that the esteemed Council will also support this initiative.

Excellencies,

Since its establishment, Your Institution, the ECO Bank has been able to contribute in opening new horizons for the regional cooperation. We are dedicated to support member countries to realize sustainable development and enjoy more cooperation and integration. The total amount of loans disbursed to various operations in the member states ascended to US\$ 487 mln by the end of 2011. We have established a network with about 30 partner FIs in the region and a total amount of USD 720 million credit lines has been activated. Through, this network we have been offering short and medium-term loans to facilitate transactions of exporters/importers and support the financing needs of the more than 500 SMEs. We have invested in development of new projects in the member states. The wind power project in Pakistan, metro project in Turkey and irrigation and wastewater system projects in Iran are among the eminent examples of this kind. We have started to enter into co-financing

agreements with relevant MDBs such as Islamic Development Bank (IsDB), International Finance Corporation (IFC) and Asian Development Bank (ADB) to further enhance flow of finance to prospective projects in the member states.

Excellencies,

It is evident that the funds of the Bank available for financing development projects and trade transactions in the member states is modest compare to needs of the member states. We must enable this Bank to perform its appropriate role in financing development. It has an opportunity to make a real impact on economic development in the region. And of course, I am confident that through capital increase and raising medium to long term funds from national and international markets, the financing capabilities of the Bank would be intensified in the coming years.

As I move towards my closing remarks, let me state that one of the strategies of the Bank is to increase the number of its members. The expansion of the Bank has been in line with its long-term targets and capacity. The Islamic Republic of Afghanistan and Republic of Azerbaijan are in process to finalize admission procedures and will become a member of the Bank soon. In light of this welcoming development, I would like to reiterate my invitation to the other ECO member states to join the Bank and benefit from its resources. Participation of all ECO member states to the Bank is undoubtedly a valuable source of potency and enthusiasm for us to carry forward successful operations.

Finally, let me highlight that in coming years we will witness further successes of this Bank in improving its vital role and I am confident that ECO member states would provide every support to the Bank in order to help it to become a premier development institution of the region.

Thank you for your kind attention.