

**Statement by the President (Dr. Hossein Ghazavi) of the ECO Trade and  
Development Bank  
20<sup>th</sup> ECO Council of Ministers  
Baku, Republic of Azerbaijan – 15 October 2012**

Your Excellency,  
Mr. Chairman,  
Honourable Ministers,  
Excellency Mr. Secretary General,  
Distinguished Heads of Delegations,  
Ladies and gentlemen,

**"Introduction"**

It is a great pleasure and privilege for me to participate the 20th COM meeting. I am delighted for the opportunity to speak at this landmark meeting and to share some thoughts on the future opportunities and challenges of our cooperation. I would like to take this opportunity to express my deep appreciation to the Government of the Republic of Azerbaijan for the warm hospitality extended to us.

I would also like to congratulate H.E Dr. Shamil Aleskerov for his appointment as the new Secretary General of ECO and wish him every success in realizing high goals of our Organization.

**"Global economic developments"  
Excellencies,**

The current global economic landscape can best be summed up as one of cautious optimism. Despite some signs of improvements in 2010 and 2011, downside risks for weakening of global economic conditions remain high and prospects continue to be challenging. The failure of the advanced economies to manage their own imbalances represents the biggest immediate threat to sustainable global growth. There is still no effective multilateral surveillance to bring discipline and responsible behaviour on the part of reserve-issuing countries and there has since been a quite slow reform being observed for better international financial system. On the other hand instability in food and energy prices brings further stress to sustainable global growth.

In view of these challenges, the overall policy response of ECO member states so far have been relatively successful. The region's nominal GDP exceeded USD 1.8 trillion in 2011, which shows considerable improvement over the past decade. 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 crucial for the economies across the region not to fall in complacency by recent trends. It is very important for ECO countries to continue adopting sound macroeconomic policies and fiscal discipline in the current post crisis-era.

**"Regional cooperation"**  
**Ladies and gentlemen,**

The new millenium holds out real promise of a better future for ECO region to reflect its real potential and ensure inclusive growth. Pursuing deeper regional integration, taking advantage of the scale economies, production of high-value goods and investing in human capital hold out hope for the region. And yet, the ECO countries have to put great emphasis on extending cross-border infrastructure, trade and investment ties. Providing landlocked countries in the region with better access to ports in Iran, Pakistan and Turkey would bring further economic specialization and opportunity to build productive capacities for economic diversification. All in all one of the the longstanding challenge for further regional integration and cooperation has been the mobilization of sufficient financial resources for advancing regional goals and aspirations. Currently, Your Institution, ECO Bank has positioned itself as a viable joint development institution to contribute in fulfilling this gap.

**"Progress of the Bank"**  
**Mr. Chairman,**

We are dedicated to generate genuine development effect and contribute to the socio-economic prosperity of the ECO countries. We have developed necessary products and services for enhancing trade, development of SMEs, meeting the financing and technical assistance needs of corporates and projects. Since 2008, the total amount of loans disbursed to various operations ascended to US\$ 616 mln by the end of August 2012. The Bank has been posting a stable positive net income without having any non-performing loan in its well diversified portfolio. It is not a small achievement for a young regional institution. We have also started to enter into co-financing agreements with relevant MDBs to mobilize additional resources to prospective projects in the member states. After a successful initial period of operation, the Bank has now entered to a new stage of business. During this phase the key challenge for the Bank would include improving its resources, operations and building up a niche and desirable position in the regional development.

**Excellencies,**

It is evident that compare to different needs of the member states, the funds of the Bank is modest. 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 new capital injection and raising affordable funds from national and international markets, the financing capabilities of the Bank would be intensified in the coming years.

**"Final remarks"**

**Mr. Chairman,**

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. In this regard, I am very proud to inform that after the Islamic Republic of Afghanistan, recently the Republic of Azerbaijan has also signed the articles of agreement and these signatory countries will become the 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. Participation of all ECO member states to the Bank is undoubtedly a valuable support for us to carry forward successful operations with full regional ownership.

In years to come, I am confident that ECO Bank would become a well recognized and reliable brand name of the region in development finance. By way of concluding let me assure that Your Institution, ECO Bank stands ready to continue its assistance to the member countries for the achievement of their development objectives. I wish you every success for this meeting.

Thank you for your kind attention