

The Organization of Islamic Cooperation (OIC)



The Organization of Islamic Cooperation (OIC) (formerly Organization of the Islamic Conference) is one of the largest inter-governmental organizations with its 57 member states spread over four continents. The Organization was established upon a decision of the historical summit which took place in Rabat, 25 September 1969. OIC aims is to strengthen intra-Islamic economic and trade cooperation; in order to achieve economic integration leading to the establishment of an Islamic Common Market.

In order to realize this objective, efforts for establishing a trade preferential system among the OIC Member States resulted in a Framework Agreement on Trade Preferential System among the Member States of the OIC (TPS/OIC), which was entered into force in 2002. The Framework Agreement of the TPS/OIC sets out the general rules and principles for the negotiations towards the establishment of the TPS/OIC. After the completion of trade negotiations concerning the tariff reduction modalities and time-table, the Protocol on Preferential Tariff Scheme for TPS/OIC (PRETAS) was adopted in 2005 and entered into force in February 2010. The tariff reduction provisions of the PRETAS shall apply to goods covering 7 % of the each contracting member's total HS lines with tariff rates above 10%. In accordance with the Agreement, tariffs above 25 % shall be reduced to 25 %; tariffs above 15 % and up to 25 % shall be reduced to 15 %; tariffs above 10 % and up to 15 % shall be reduced to 10 %. The PRETAS also covers non-tariff barriers, anti-dumping and safeguard measures as other trade-related issues. Furthermore, negotiations on rules of origin was completed in 2007 and legally entered into force as of 9 August 2011. TPS/OIC will only become fully operational once 10 OIC members complete the signature and ratification of three legal instruments of the Agreement and submit their tariff concessions lists. So far, in addition to Turkey, 9 OIC members have completed the whole process. Therefore, it is expected that the effectuation of the Agreement will be assured once one more OIC member completes the process.