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Islamic-D-8

D-8, A PROJECT-ORIENTED ISLAMIC GROUPING

An analysis

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KUALA LUMPUR, Feb 23 (Bernama) -- Just 16 months after being formed, the group of eight Islamic developing countries (D-8) has produced a tangible product in the form of a prototype light aircraft for use in agriculture.

With this development, it has lived up to its billing as a project-oriented organisation, thus defying earlier scepticism that it would degenerate into another "talk shop" when set up in June 1997 in Istanbul.

Foreign Minister Datuk Seri Syed Hamid Albar today revealed that the aircraft, the development of which was undertaken by aviation experts from all D-8 countries, would undergo its first test flight this September.

For the young grouping, this is an achievement indeed, particularly when compared with the larger entity of the Organisation of Islamic Conference (OIC).

With 55 members having varying socio-economic systems and sometimes deep political and ideological differences, observers felt that the OIC tended to focus on differences rather than commonalities which could be exploited for mutual benefit.

A diplomatic source said that after 30 years, the OIC had little to show in terms of actual projects implemented to significantly lift the livelihood of the populace of Islamic member countries.

This is despite some members being rich financially and having massive investments in the western markets, but had been somewhat lukewarm when it comes to investing in other Islamic countries.

In contrast, the smaller D-8 is undertaking projects which can be implemented. They are also manageable and its members are not inclined to undertake overly ambitious projects.

This was why that out of 13 proposals mooted at Istanbul, only six priority projects were accepted, the source said.

However, the D-8 has no desire to be exclusive, as Syed Hamid pointed out, saying that the economic progress achieved by the D-8 would further complement and reinforce the OIC.

It is perhaps timely to recall Prime Minister Datuk Seri Dr Mahathir Mohamad's remarks at the last D-8 summit in Istanbul when he said the grouping should fold up if it fails to realise its objectives.

The D-8 comprises Malaysia, Indonesia, Iran, Bangladesh, Pakistan, Turkey, Egypt and Nigeria.

But from what has happened, this is not to be so for the D-8's projects had gone beyond the embryonic stage. For instance, Malaysia, which was assigned to coordinate Islamic finance and banking plus takaful business among D-8 countries, has managed to set up a takaful joint venture company in Indonesia.

Interestingly, the scope of cooperation among developing countries has gone beyond D-8 as similar takaful organisations have been set up in Brunei and Sri Lanka while South Africa is also showing keen interest.

Following this success, D-8 members have asked Malaysia to submit a paper on the vastly potential retakaful or Islamic reinsurance business at the upcoming second summit in Bangladesh next week.

An area that is likely to come in for close scrutiny is expanding trade and investment as D-8 members have a combined population in excess of 800 million people, thus representing a formidable consumer market.

Although exports of D-8 countries have increased, their contribution to global trade flows is small, i.e. merely US\$440 billion or four percent of the total world trade of US\$10.2 trillion.

As for Malaysia, its trade last year with D-8 countries amounted to RM17 billion or only 3.2 percent of its global trade, but on an encouraging note, it has increased compared with RM12.4 billion or 2.8 percent in 1997.

Against such a promising backdrop, efforts need to be taken to boost trade by simplifying procedures, organising trade fairs and promotions to increase trade both within the D-8 market and the global market at large.

This is something that Egypt would have to do, by coordinating trade facilitation measures among members, crucial especially now given the increasing competition in the international market place.

In terms of data exchange, the D-8 has moved forward by establishing focal points in each of the capitals known as the "D-8 Aquaculture Information and Monitoring Centre."

The grouping has also gone further in publishing a directory of aquaculture experts, scientists, institutions and capabilities in D-8 countries, something which the diplomatic source said could facilitate effective transfer of technology.

It would perhaps be timely also for the Dhaka summit to review the status of its current office in Istanbul funded by the Turkish government, which coordinates and monitors the implementation of projects.

D-8 members may look to establishing a permanent unit or coordinating centre for the grouping, given the success of some of the projects mooted in Istanbul.

Despite the accolades pouring in for D-8 members which are being regarded as the "new kids on the block", member countries must not rest on their laurels. They should instead mobilise more resources collectively to move forward.

This is vital, especially at a time when much of East Asia has been battered by a financial crisis while some Islamic countries were ravaged by natural disasters and others being weighed down by mounting debts.

These are the challenges that the second summit in Dhaka faces, but the gathering of D-8 leaders holds much promise -- in realising more projects and bringing new ones on board as well as putting to shame the prophets of doom who had earlier decried this smallish Islamic grouping.

The D-8 has come to stay and flourish.

-- BERNAMA

MR SHY