

SEW OUTLOOK

ON OIC MEMBER COUNTRIES

2012



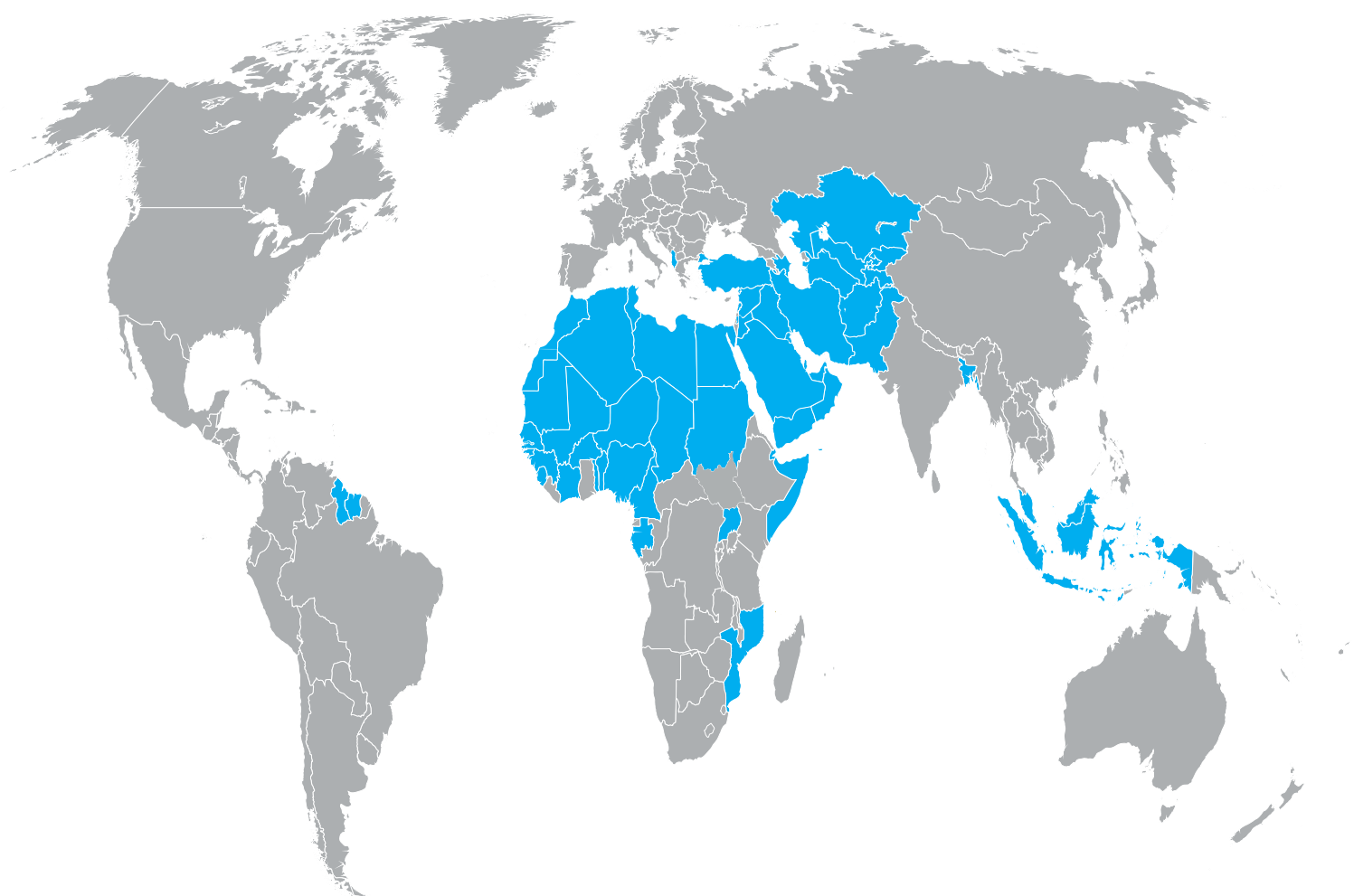
Statistical Economic and Social Research and
Training Centre for Islamic Countries
(SESRIC)



SWOT OUTLOOK

on OIC Member Countries

2012



Organisation of the Islamic Cooperation

**Statistical Economic and Social Research
and Training Centre for Islamic Countries
(SESRIC)**

Attar Sokak, No. 4,
GOP, 06700
Ankara –Turkey

Telephone +90–312–468 6172
Internet www.sesric.org
E-mail pubs@sesric.org

All rights reserved

The findings, interpretations and conclusions submitted in this work do not necessarily reflect the views of the Statistical, Economic and Social Research and Training Centre for Islamic Countries. The denominations and other information shown on any illustrative section or figure do not imply any judgement on the part of the SESRIC concerning the legal status of any entity. Besides, it denies any responsibility for any kind of political debate that may arise using the data presented in this publication.

Rights and Permissions

The material presented in this publication is copyrighted. By the virtue of the copyright, it claims and as it encourages dissemination of its publications for the sake of the OIC Member Countries, SESRIC gives the permission to view the material presented provided that these materials are not going to be reused, on whatsoever condition, for commercial purposes.

For permission to photocopy or reprint any part of this book, please send a request with complete information to the Publications Department at Attar Sokak, No. 4, G.O.P., 06700, Ankara, Turkey.

All queries on rights and licenses should be addressed to the Publications Department, SESRIC, at the above address.

ISBN 978-975-6427-28-6

Cover design by Publications Department, SESRIC.

For additional information, contact SESRIC through: oicankara@sesric.org

Data Sources

FAO, ISI Web of Knowledge, ILO, IMF, OPEC, TUBITAK, WHO, WIPO, World Bank, UNCTAD, UNESCO, UNSD, UNWTO

Photo Credits

Flickr Users {AfghanistanMatters, Alex E Proimos, Alexbip, Cletus Awreetus, cseeman, freefotouk, Images_of_Money, Jonny Boy, Let Ideas Compete, modenadude, nohrz, rosipaw, Rvdo Kaskajales, scholesyfynn, shonk, USP Hospitales} and openclipart.org

Foreword

The *SWOT Outlook on OIC Member Countries* provides a SWOT (Strengths, Weakness, Opportunities, Threats) profile on OIC Member Countries, as a group, in different fields and sectors. It highlights the strengths and weaknesses of the OIC Member Countries with a view to enhancing their competitiveness and cooperation levels. It also indicates major available opportunities to be utilized for further growth and development as well as potential threats that they may face in the future. Following the SWOT analytical approach, the *SWOT Outlook on OIC Member Countries* presents the strengths, weaknesses, opportunities and threats of the OIC Member Countries in a comparative manner with the groups of the developed and developing countries as well as with the world average. In so doing, the *SWOT Outlook on OIC Member Countries* serves as a critical roadmap for better strategic planning and policy making at the OIC cooperation level.

Examples of major strengths of the OIC Member Countries covered in this issue include having a young population, possessing a significant portion of the world's crude oil and natural gas reserves, accumulating increasing international reserves and being among the world top producers of agricultural commodities. The increasing trends in foreign direct investment, intra-OIC trade, tourism receipts and Islamic finance assets together with the declining trend in external debt burden are all opportunities for the OIC Member Countries that should be transformed into higher economic growth and development levels.

On the other hand, high age dependency ratio, weak participation in the labour force and lack of adequate funding for scientific development are weaknesses that should be overcome. Water scarcity, low agricultural productivity, rapid deforestation, high trade deficit in food, low access to improved water resources and sanitation facilities and inadequate information and communication technology (ICT) infrastructure are threats that are likely to impose serious challenges and thus, necessitate urgent countermeasures.

Overall, the OIC Member Countries have a significant potential to enhance their competitiveness both at regional and international levels. This can be achieved not only by pursuing the more lucrative opportunities, but also by identifying a fit between their strengths and upcoming opportunities. They also need to overcome major weaknesses in order to prepare themselves to pursue compelling opportunities. Meanwhile, the OIC countries, as a group, should develop a practical cooperation strategy and associated plan of action through which they can use their collective strengths to make use of the existing opportunities and to reduce their vulnerability to external threats.

The present *SWOT Outlook on OIC Member Countries* is the second issue of the SESRIC recent series on the subject whose first issue was published in 2011. The series of SWOT Outlook on OIC Member Countries is a new contribution by SESRIC to the efforts of the OIC Member Countries toward enhancing the level of their cooperation and integration as

well as the level of their competitiveness, as a group, at both the regional and global levels. These publications provide most relevant statistical data and background information that would make the OIC Member Countries better informed of each other's potentials and needs and, thus, facilitate their elaboration on cooperation projects and integration schemes.

SESRIC will continue to develop innovative approaches to support better understanding of the current state and future challenges of socio-economic development in the OIC Member Countries as well as better prioritizing of cooperation areas and the formulation of sound strategies and plans with a view to achieving higher levels of welfare and socio-economic development.

Dr. Savaş Alpay
Director General
S E S R I C

CONTENTS



STRENGTHS

Population by Age Group	1
Total Reserves Including Gold	2
Proven Crude Oil Reserves	3
Proven Natural Gas Reserves	4
Islamic Finance Assets	5
Production of Major Agricultural Products	6
Intangible Heritage Elements	7



WEAKNESSES

Age Dependency	8
Enrolment Rates	9
Labour Force Participation Rates	10
Cost of Enforcing Contract as Percent of Claim	11
Land Transportation	12
Air Transportation	13
Expenditures on Research and Development	14
Number of Published Articles	15
Total Patent Applications	16
High-Technology Exports	17



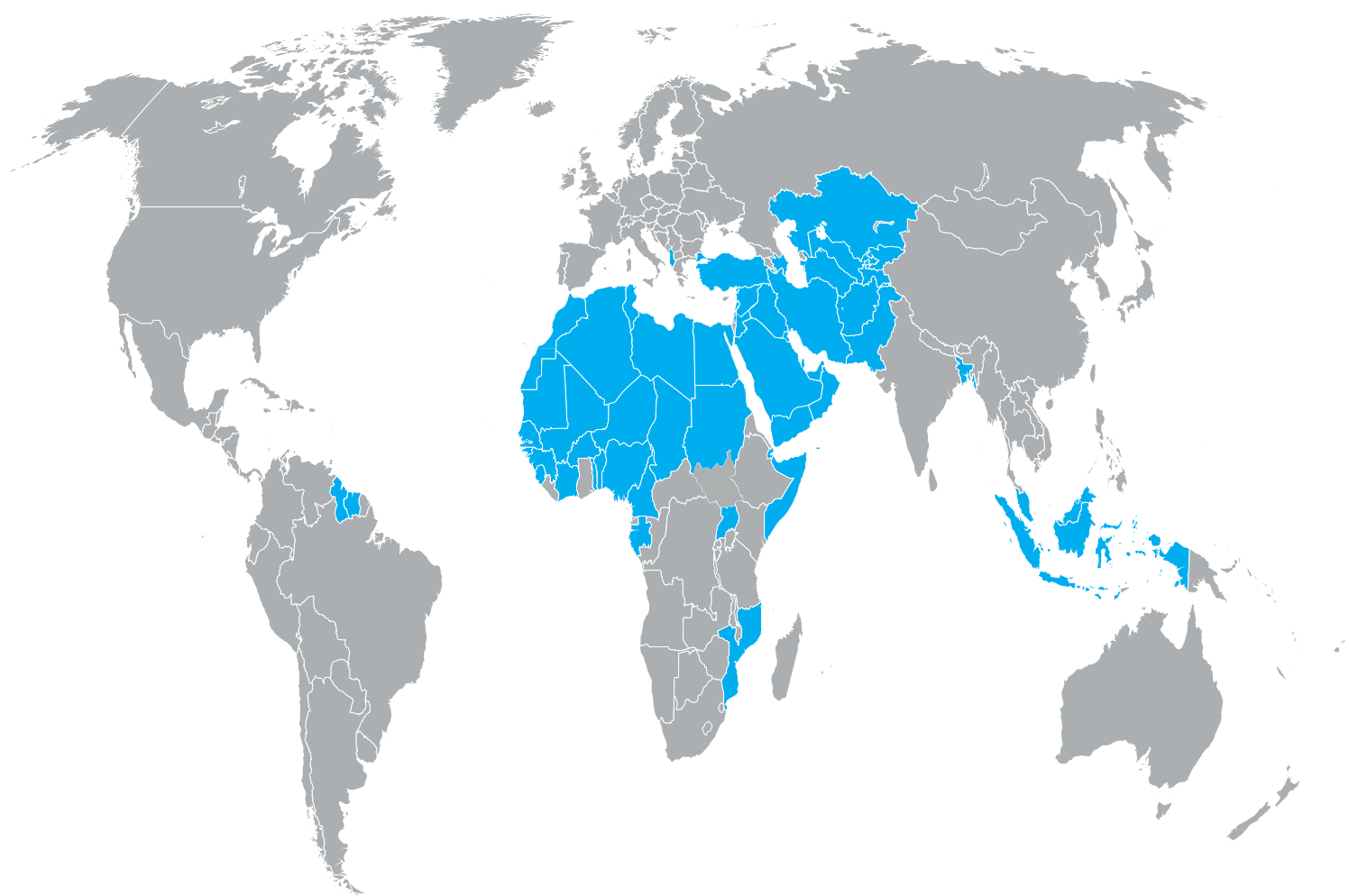
OPPORTUNITIES

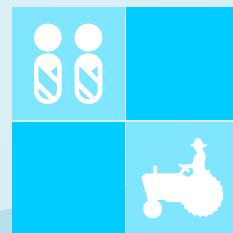
Total Tax as a Percent of Profit	18
Intra-OIC Trade	19
Total Trade	20
External Debt Stocks	21
Foreign Direct Investment	22
Small and Medium Sized Enterprises	23
Tourist Arrivals and Tourism Receipts	24
Carbon Dioxide Emissions per Capita	25



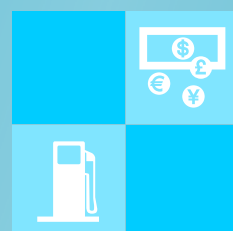
THREATS

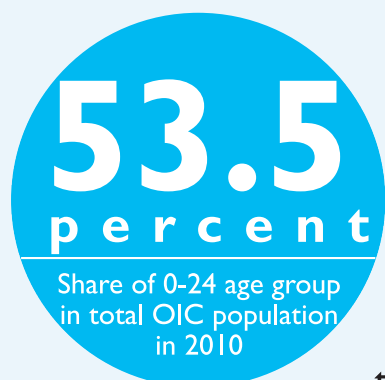
Forest Area	26
Food and Agricultural Trade Deficit	27
Cereal Yield	28
Renewable Internal Freshwater Resources	29
Annual Freshwater Withdrawals by Sectors	30
Access to Improved Drinking Water Resources and Sanitation Facilities	31
Health Workforce	32
Internet Usage	33
TPS-OIC Agreements	34





STAGNATION

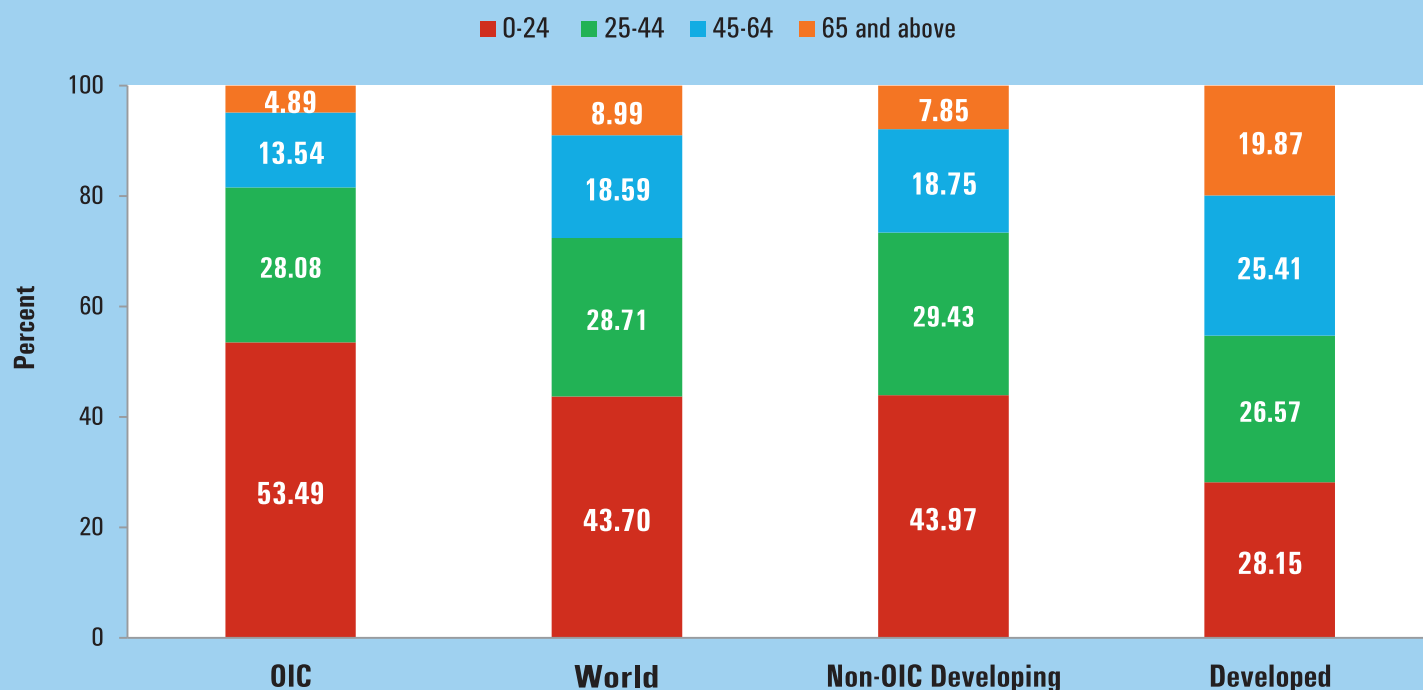




The OIC Countries with a population of 1.57 billion people accounted for approximately 23% of the total World population in 2010.

The share of young population (age group 0-24) corresponded to 53.5% of the total OIC population in 2010 the highest ratio compared to that of the World, Non-OIC Developing and Developed Countries. On the other hand, the age group 65 and above in OIC Countries had the lowest share of 4.9% among the other groups.

Population by Age Group, % of Total, 2010



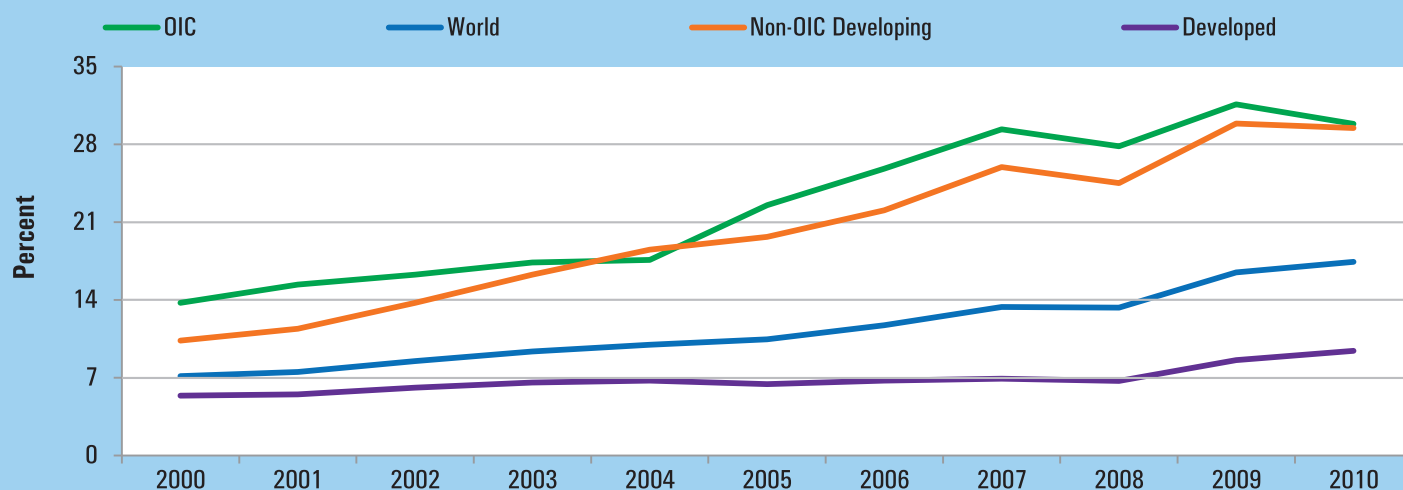
Younger population is one of the key drivers of the socio-economic development in OIC Countries.

The total reserves of OIC Countries piled up steadily in the last decade. The total reserves as percentage of GDP is estimated to have been 13.7% and 29.4%, respectively for 2000 and 2010. The share of reserves (including gold) of the OIC Countries in the World total increased from 9.8% to 13.5% between 2000 and 2010.

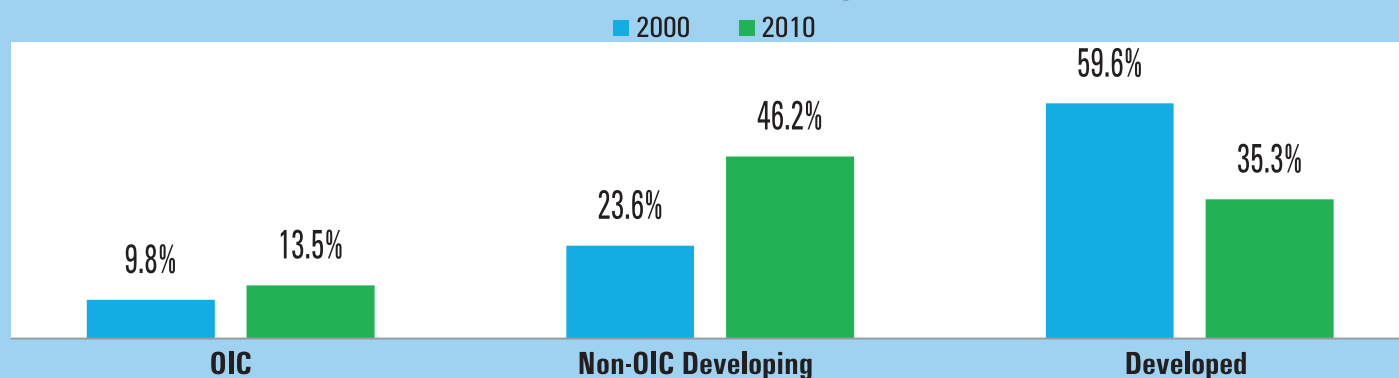
3.7
percentage points

Increase in OIC Countries' share
of reserves in World total
from 2000 to 2010

Total Reserves Including Gold, % of GDP



% Share of Total Reserves Including Gold in the World



Increasing reserves imply that OIC Countries are becoming more stable and having a considerably better position against external shocks.

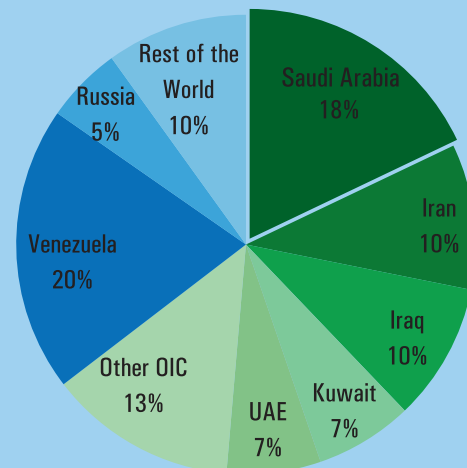
The biggest share in crude oil reserves



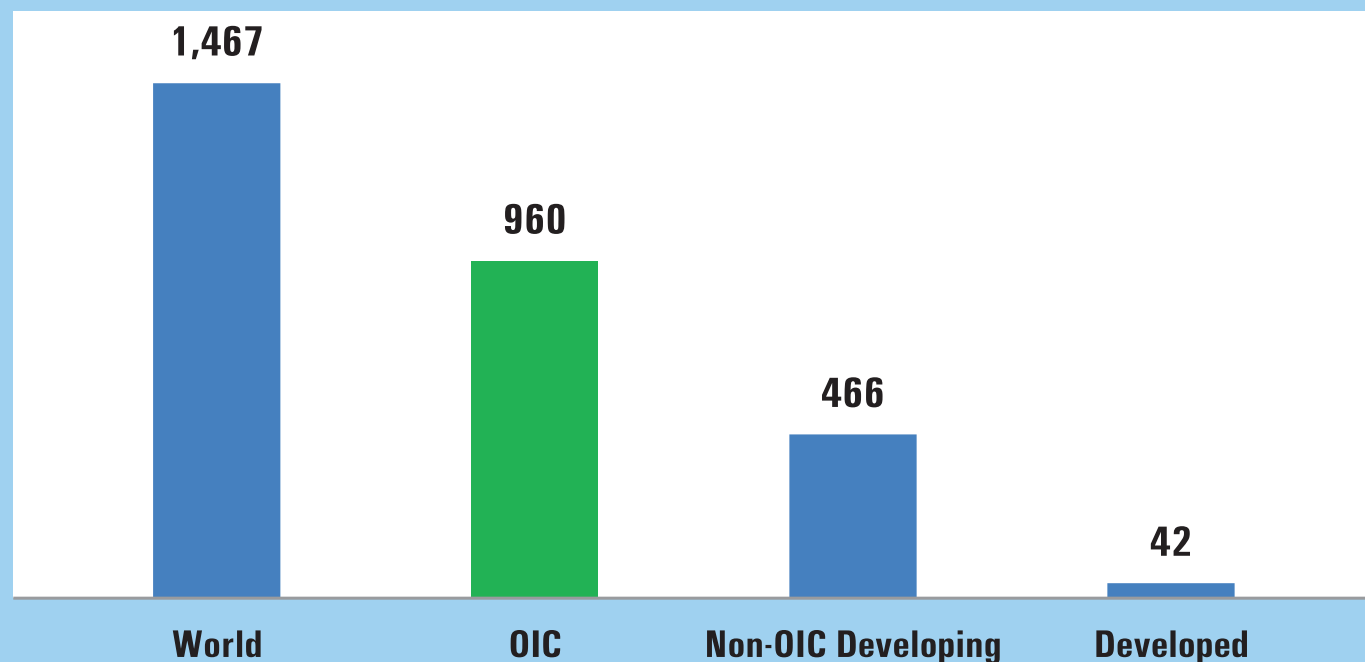
In 2010, 21 OIC Countries had 960 billion barrels of proven oil reserves corresponding to 65% of the total global reserves. 5 OIC

Countries had almost more than half of the global crude oil reserves.

**Proven Crude Oil Reserves,
% of Total Global Reserves, 2010**



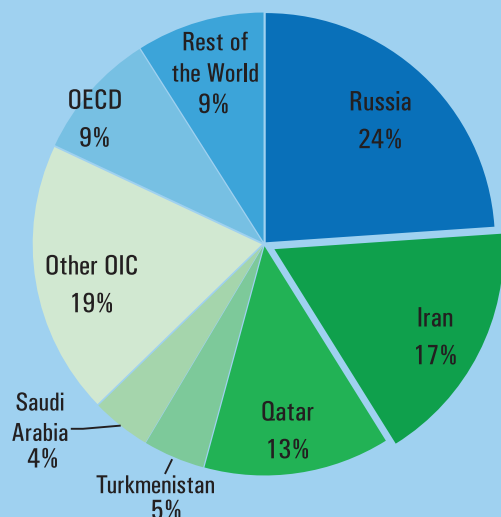
Proven Crude Oil Reserves, Billion Barrels, 2010



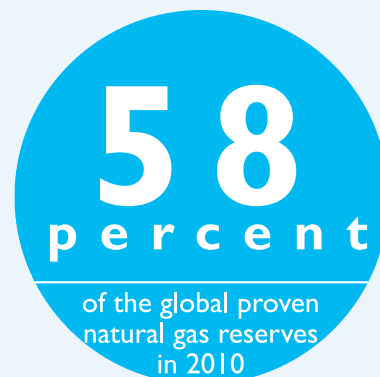
Crude oil is the main source for energy and petrochemical products which drives the World economy. Possessing most of the global proven crude oil reserves, OIC Countries need to take a wiser management of the oil resources.

The biggest share in natural gas reserves

**Proven Natural Gas Reserves,
% of Total Global Reserves, 2010**

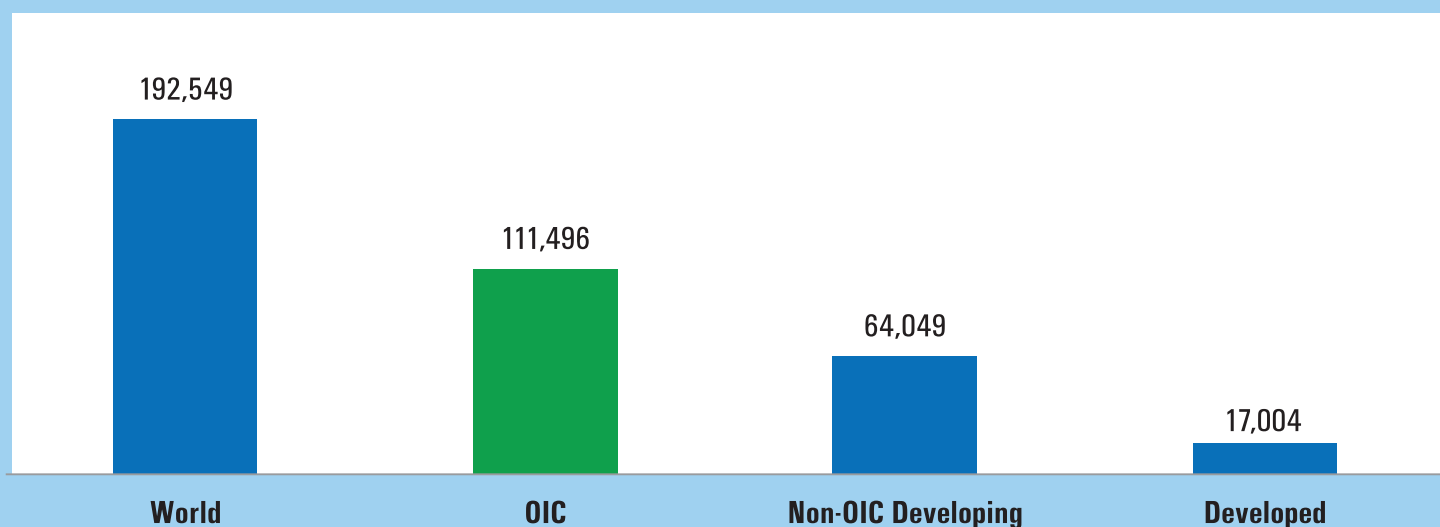


21 OIC Countries had a total natural gas reserve of 111,496 billion m³ corresponding to 58% of the global proven natural gas reserves in 2010.



Among the OIC Countries, Iran took the lead with 17%, followed by Qatar 13%, Turkmenistan and Saudi Arabia with 4%.

Proven Natural Gas Reserves, Billion Standard Cubic Metres, 2010



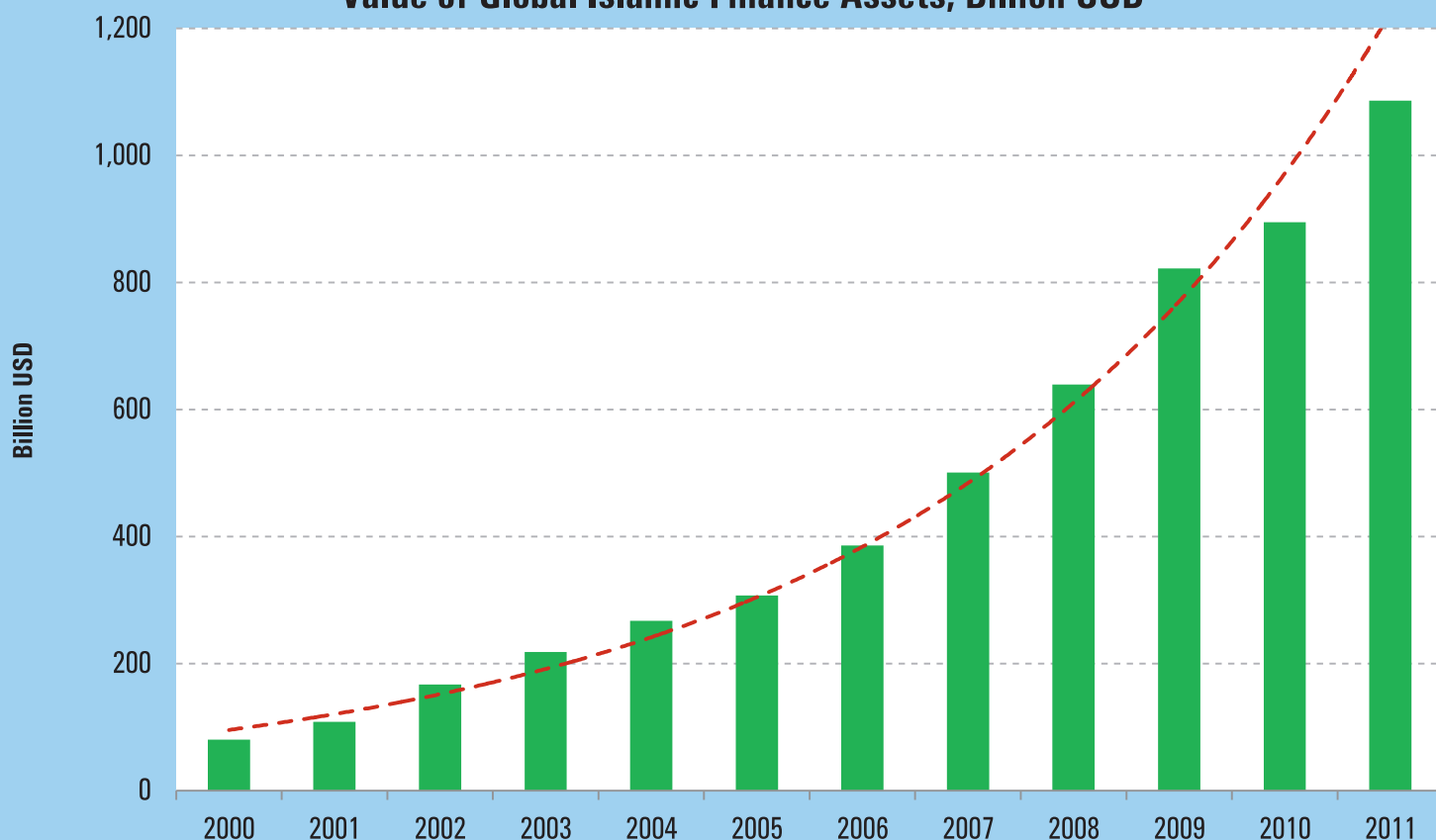
Natural gas is an important source of energy. Possesing most of the global proven natural gas resources, OIC Countries should ensure better management of the available resources.

26.8 percent

Average annual growth rate
of global Islamic finance
assets since 2000

The value of global Islamic finance assets has surged from only 80 billion USD in 2000 to 1.1 trillion USD in 2011 – recording an impressive compound average growth rate of 26.8%. Despite the recent adverse developments in the global financial industry, the growth of Islamic finance industry remains uninterrupted and strong. OIC Countries, with a share of 98% in the global assets of Islamic finance, continue to be the main drivers of the growth.

Value of Global Islamic Finance Assets, Billion USD



Islamic finance is emerging as an alternative source of finance in addressing major development challenges faced by many member countries. Yet, greater convergence and harmonization of regulations and products among OIC countries are needed to facilitate efficient and sustainable growth of the industry.

Among the top producers of major agricultural products

Cotton Lint	Pakistan 4	Uzbekistan 5	Turkey 7	Turkmenistan 9	Syria 11	Burkina Faso 13	Nigeria 14	Egypt 16	Tajikistan 18	Kazakhstan 19	Cote d'Ivoire 20
Palm Kernel	Indonesia 1	Malaysia 2	Nigeria 3	Cameroon 9	Cote d'Ivoire 11	Guinea 14	Togo 17	Benin 18	Sierra Leone 20		
Cocoa Beans	Cote d'Ivoire 1	Indonesia 2	Nigeria 4	Cameroon 5	Togo 8	Malaysia 15	Uganda 16	Sierra Leone 17			
Cassava	Nigeria 1	Indonesia 3	Mozambique 10	Uganda 11	Benin 15	Cameroon 18	Cote d'Ivoire 19				
Natural Rubber	Indonesia 2	Malaysia 3	Cote d'Ivoire 9	Nigeria 10	Cameroon 14	Guinea 20					
Wheat	Pakistan 6	Turkey 9	Iran 12	Kazakhstan 15	Egypt 16	Uzbekistan 19					
Rice, Paddy	Indonesia 3	Bangladesh 4	Pakistan 11	Egypt 14	Nigeria 19						
Vegetables, Fresh	Nigeria 4	Iran 13	Bangladesh 15	Pakistan 19							
Coffee, Green	Indonesia 3	Uganda 11	Cote d'Ivoire 12	Cameroon 20							
Maize	Indonesia 5	Nigeria 10	Pakistan 19								
Soybeans	Indonesia 10	Nigeria 13	Iran 20								
Sugar Cane	Pakistan 6	Indonesia 10	Egypt 16								

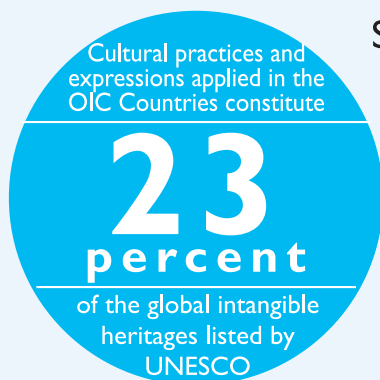
Many of the OIC Countries rank among the top

20

producers

of the major agricultural products

The top producers can move towards becoming top exporters by improving agricultural productivity and promoting investment in agro-industry.

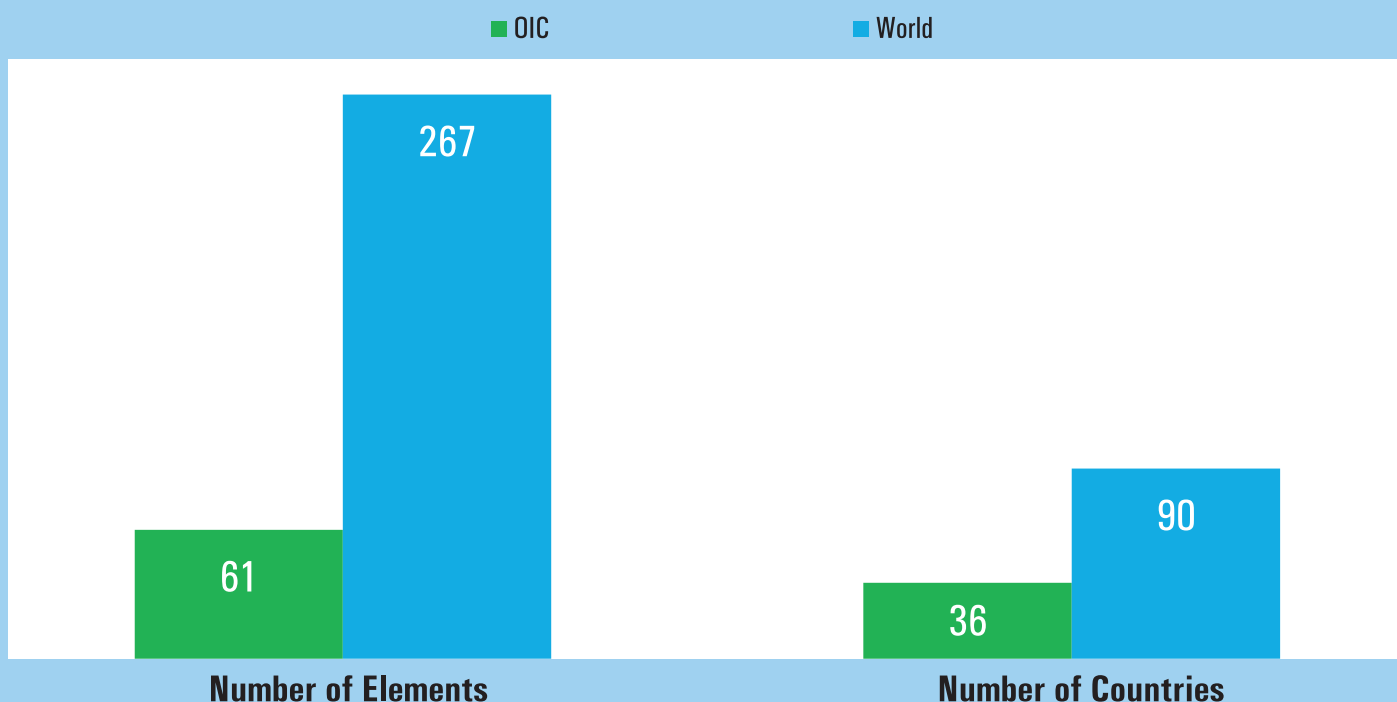


Since 2008, 61 heritage items of OIC Countries have been inscribed in the intangible heritage lists prepared by UNESCO. These 61 heritage items constitute nearly 23% of the total 267 inscribed items all over the world.

When the number of countries inheriting these elements is analyzed, those 61 heritage items manifested in 36 member countries account for 40% of 90 countries with intangible heritage elements on the Lists of the Convention for the Safeguarding of the Intangible Cultural Heritage.

The Intergovernmental Committee for the Safeguarding of Intangible Cultural Heritage decides annually whether or not to inscribe the nominations of cultural practices and expressions of intangible heritage on the Convention's Lists of UNESCO.

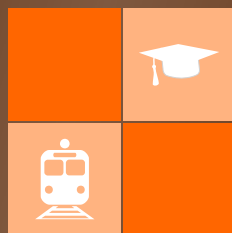
Intangible Heritage Lists, 2008-2011



OIC Countries should endeavour for protecting and introducing their cultural heritage to the rest of the world and engage in intercultural dialogues.



WEAKNESSES



WEAKNESS

Relatively high age dependency

62.3
percent

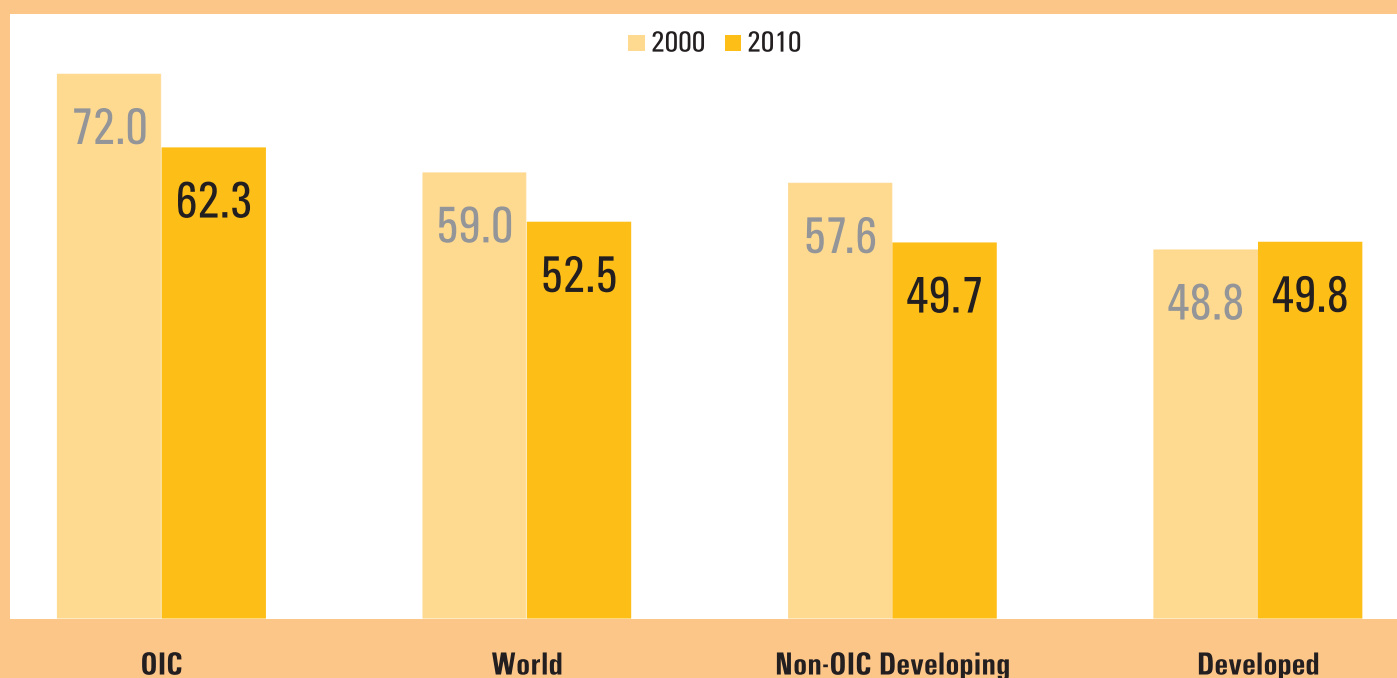
Average age dependency ratio in 2010

The average age dependency ratio in OIC Countries was estimated at 62.3% in 2010 that is higher than that of the World (52.5%), Non-OIC Developing (49.7%) and the Developed (49.8%) Countries.

About 62.3 people aged below 15 and above 64 years still depended on 100 people in their working ages in the OIC Countries in 2010, despite a decline of around 10 dependents per 100 working-age population compared to 2000.

Age dependency ratio is the ratio of dependents (ie. people younger than 15 or older than 64 years) to the working-age population (ie. people between 15-64 years old).

Age Dependency Ratio, %, 2000 vs. 2010

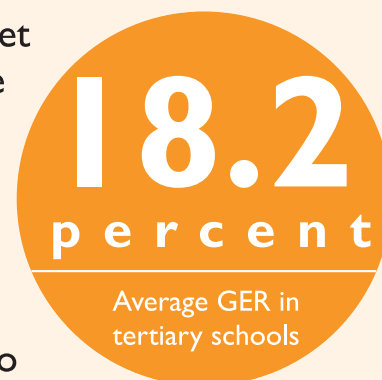


A relatively high age dependency in OIC Countries not only increases the burden on the productive part of the population but also have a negative direct impact on social security expenditures which require preparation and planning on the part of governments.

WEAKNESS

Low enrolment in secondary and tertiary schools

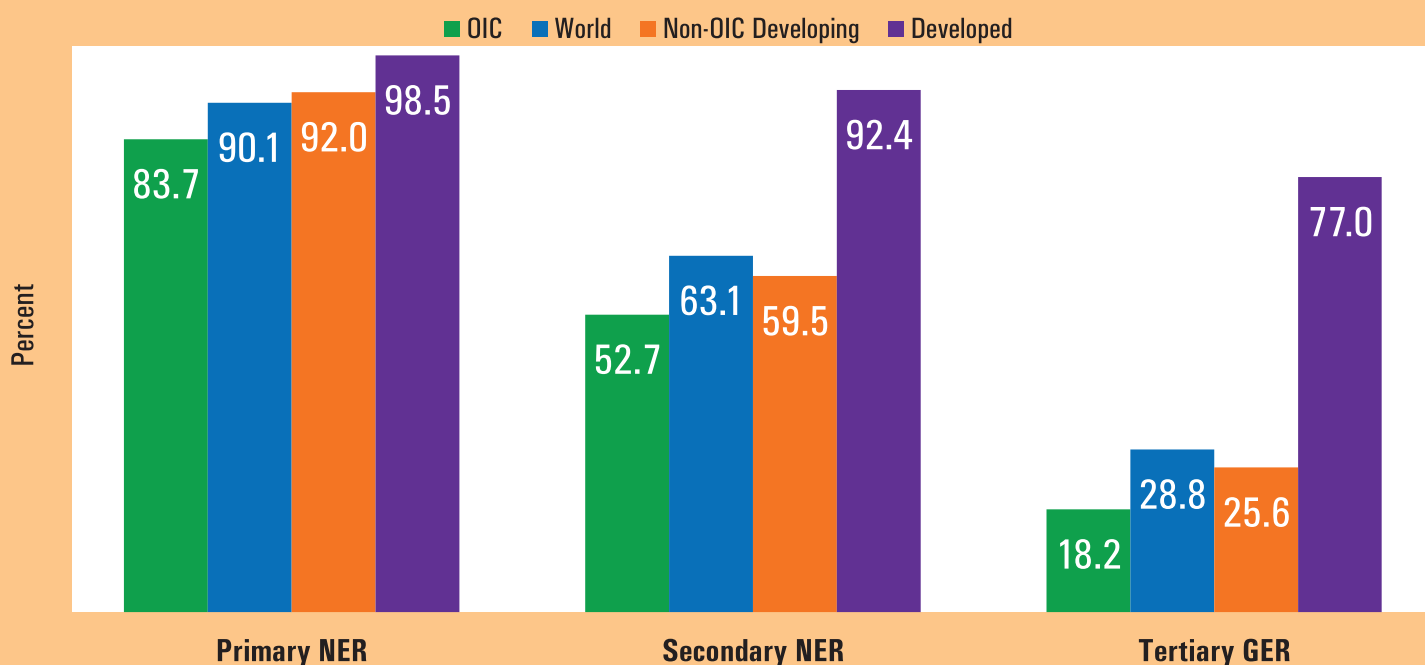
Based on the data available from 2000 to 2011, the average net enrolment rate (NER) in primary schools was 83.7% in the OIC Countries compared to the World average of 90.1% and the averages of Non-OIC Developing and Developed Countries of 92% and 98.5%, respectively.



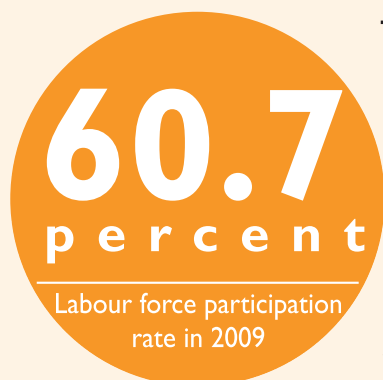
As to the average NER in secondary schools, the OIC Countries recorded an enrolment rate of 52.7% compared to the World average of 63.1%, and the averages of Non-OIC Developing and Developed Countries of 59.5% and 92.4%, respectively.

The average gross enrolment rate (GER) in tertiary schools was 18.2% in the OIC Countries compared to the World average of 28.8% and the averages of Non-OIC Developing and Developed Countries of 25.6% and 77%, respectively.

Enrolment Rates, 2011 or latest year available



Education is a key part of human development and given the low enrolment rates at all levels, the OIC Countries should take necessary steps to improve their position.

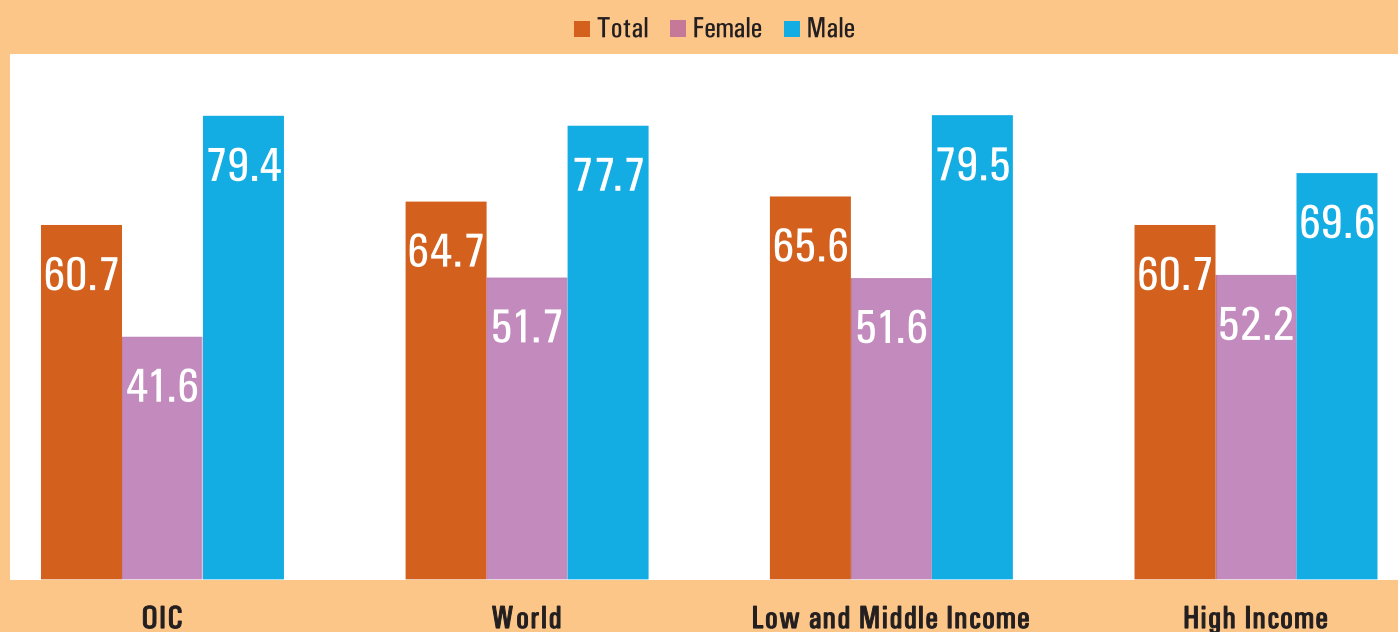


The average labour force participation rate (LFPR) in the OIC Countries (60.7%) was recorded lower than those of the World (64.7%), and Low and Middle Income Countries (65.6%) in 2009.

With a rate of 41.6%, the OIC Countries also recorded the lowest average rate of female participation in labour force when compared to those of the World and the other country groups.

As to the average rate of male labour force participation, the OIC Countries recorded 79.4%, the second highest after the Low and Middle Income Countries.

Labour Force Participation Rate, 2009



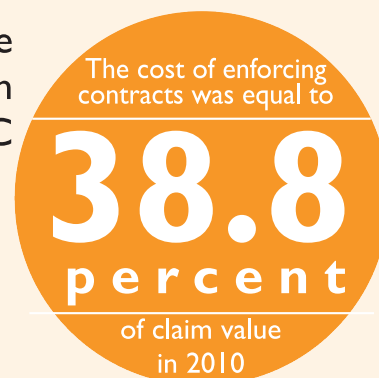
Relatively low labour force participation rates, especially for females, indicate poor overall economic conditions and less utilisation of the available human resources in the OIC Countries.

WEAKNESS

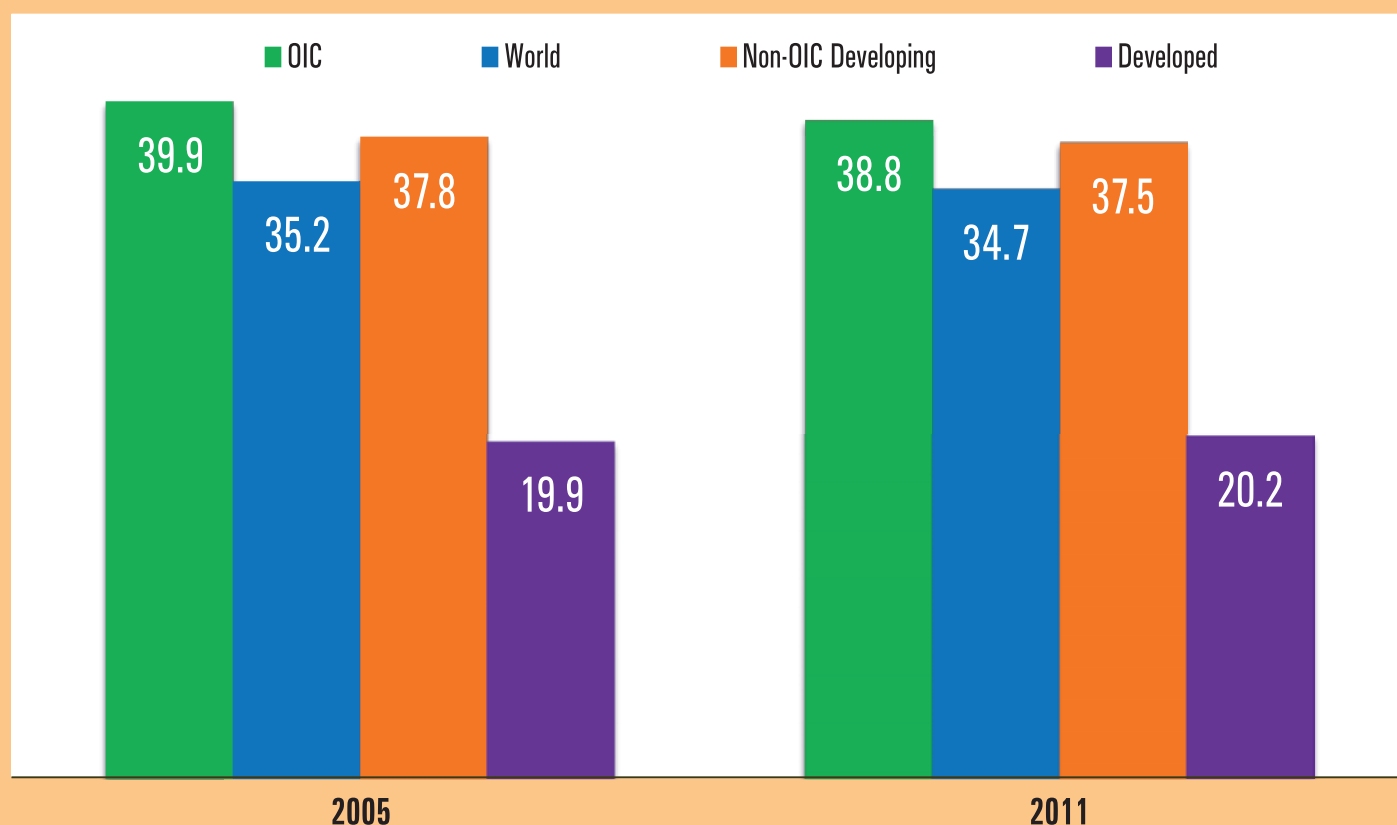
Relatively high cost of contract enforcement

Cost of enforcing a contract as a percent of claim value in the OIC Countries (38.8%) is substantially higher on average than those of the Developed Countries (20.2%), Non-OIC Developing Countries (37.5%) and the World (34.7%).

On average, it decreased from 39.9% in 2005 to 38.8% in 2011.



Cost of Enforcing Contracts as Percent of Claim



Costly enforcement of contracts in the OIC Countries reduces confidence in doing business and discourages foreign and domestic investors from engaging in contractual relationships.

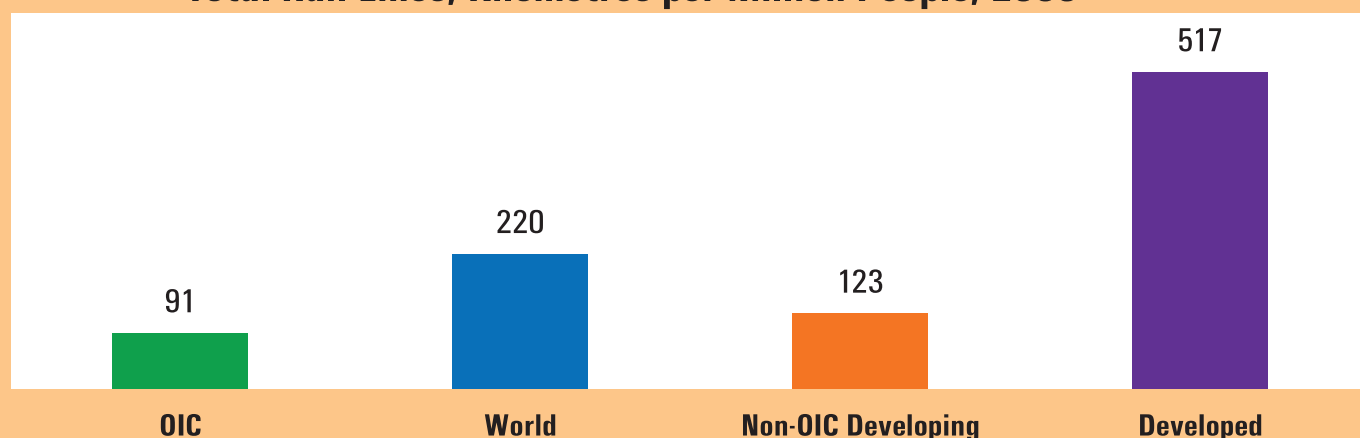
50
percent

of the World
land transportation
capacity average

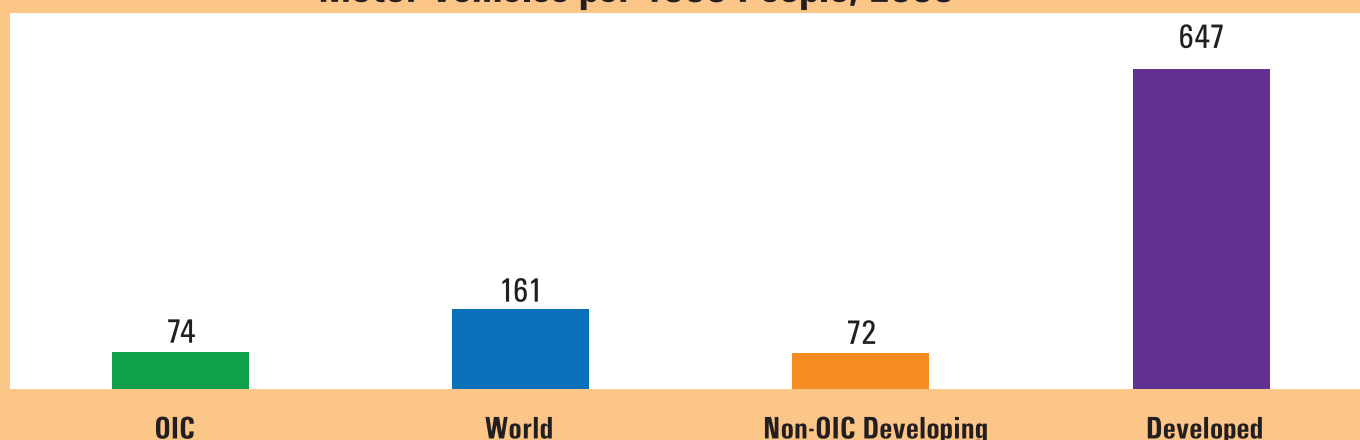
In 2009, total rail line route in km per million people in OIC Countries was estimated to be 91 km per million people which is less than half of the World and 17.6% of the Developed Countries average.

In the same year, the total number of vehicles per 1000 people in OIC Countries was 74, a value which is also less than half of the World and 11.4% of the Developed Countries' average.

Total Rail Lines, Kilometres per Million People, 2009



Motor Vehicles per 1000 People, 2009



Insufficient rail line infrastructure in OIC Countries should be improved through more investment in construction of new rail lines as railroad is one of the most effective modes of industrial and commercial transportation.

WEAKNESS

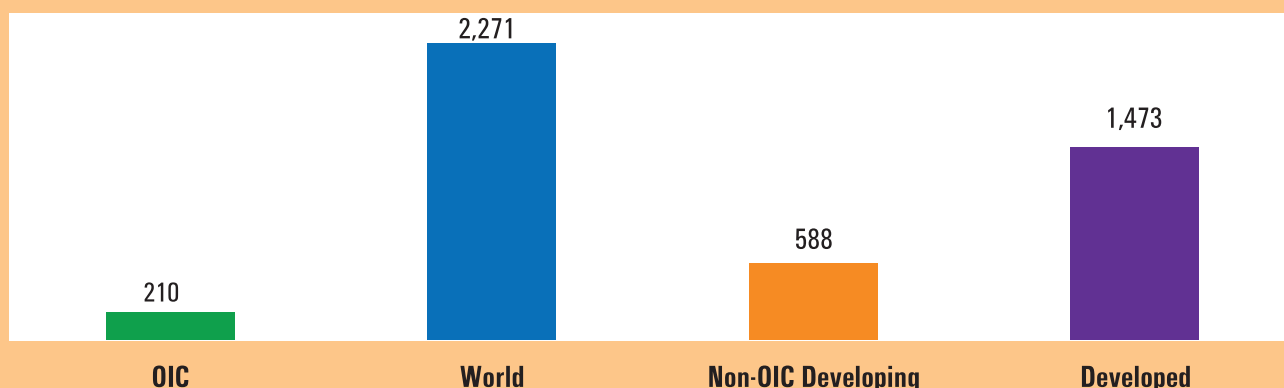
Weak capacity in air transportation

In 2009, the total number of air passengers and total air transport freight of OIC Countries were estimated to be 210 million people and 19 billion ton/km, respectively. These values were considerably less than those of the Non-OIC Developing Countries.

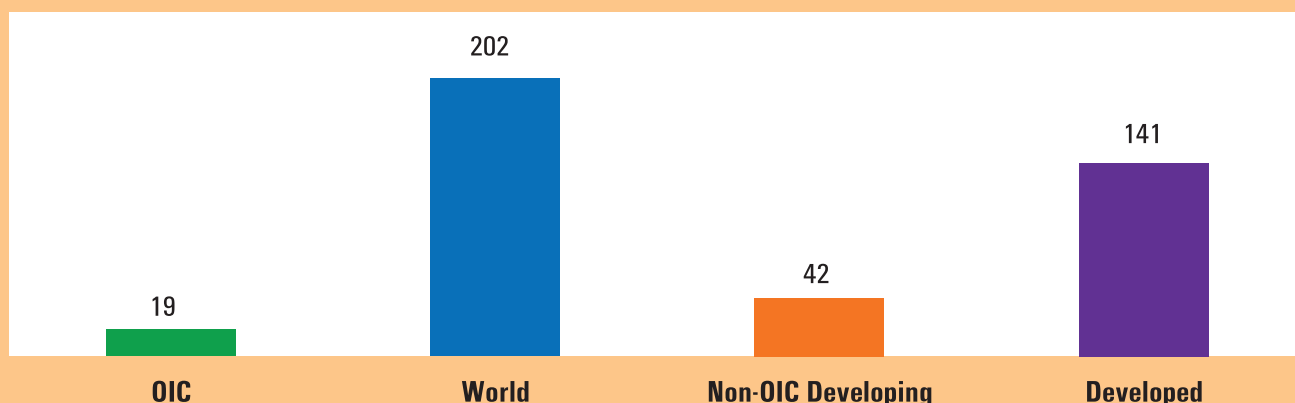
10
percent

of the World total
air transportation
capacity

Air Transport, Million Passengers Carried, 2009



Air Transport Freight, Billion Ton/km, 2009



As significant portion of the long-distance transportation today is through air, air transportation should be promoted and necessary infrastructure should be improved in OIC Countries in terms of both passenger and cargo traffic.

0.8 percent

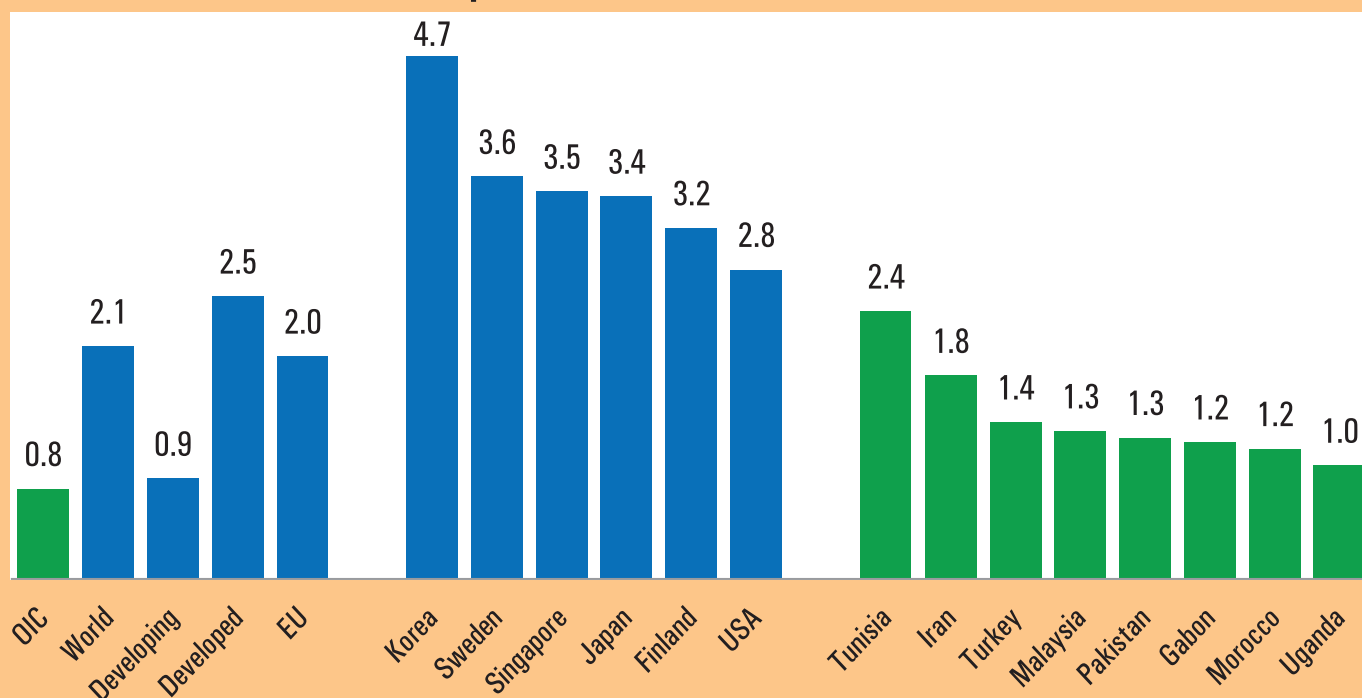
Average share of R&D
expenditure in GDP

R&D expenditures averaged at 0.8% of GDP in OIC Countries, lagging far behind the world average of 2.1% and the OIC Ten Year Programme of Action target of 1%, and even below the average of the developing countries of 0.9%.

Spending 2.4% of its GDP on R&D, Tunisia was the only OIC Country which surpassed the average of the Developing Countries and met the target of OIC Ten Year Programme of Action (TYPOA).

Other OIC Countries over the target of OIC-TYPOA included Iran, Turkey, Malaysia, Pakistan, Gabon, Morocco and Uganda within a range of 1% to 1.8% of GDP on R&D.

Expenditures on R&D, % of GDP*



*Data for the OIC Countries covered a period between 1999 and 2010.

Lack of adequate funding for R&D in OIC Countries leads to a huge gap in scientific development with other countries.

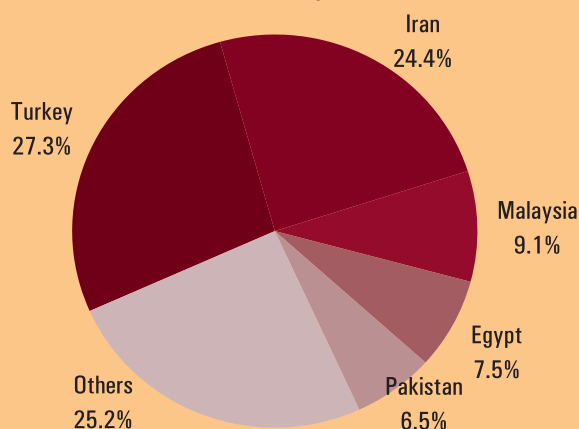
WEAKNESS

Far behind the world in scientific publications

The number of scientific articles published by researchers from OIC Countries has increased by 4.2 times in the period 2000-2011 amounting to 84.6 thousands.

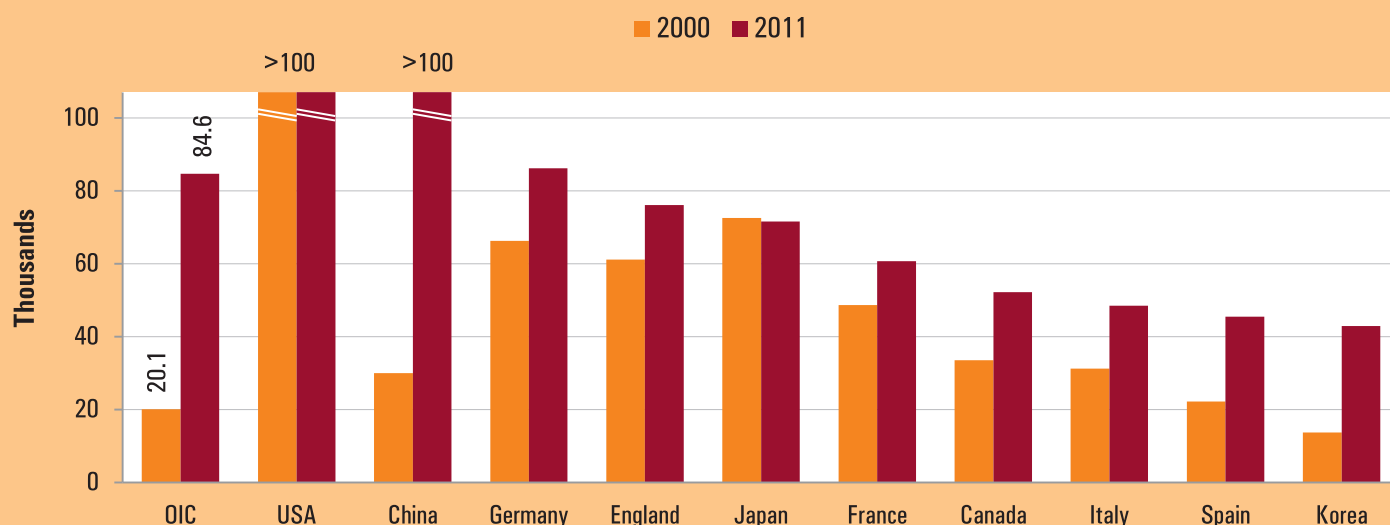
84.6
thousand
articles published by
OIC Countries in 2011

Distribution of Articles by
OIC Countries, 2011



More than half of these articles (51.7%) were originated from only two member countries: Turkey (27.3%) and Iran (24.4%). Together with Malaysia, Egypt, and Pakistan, these five countries accounted for 74.8% of the total number of published articles in the OIC countries.

The Number of Published Articles*



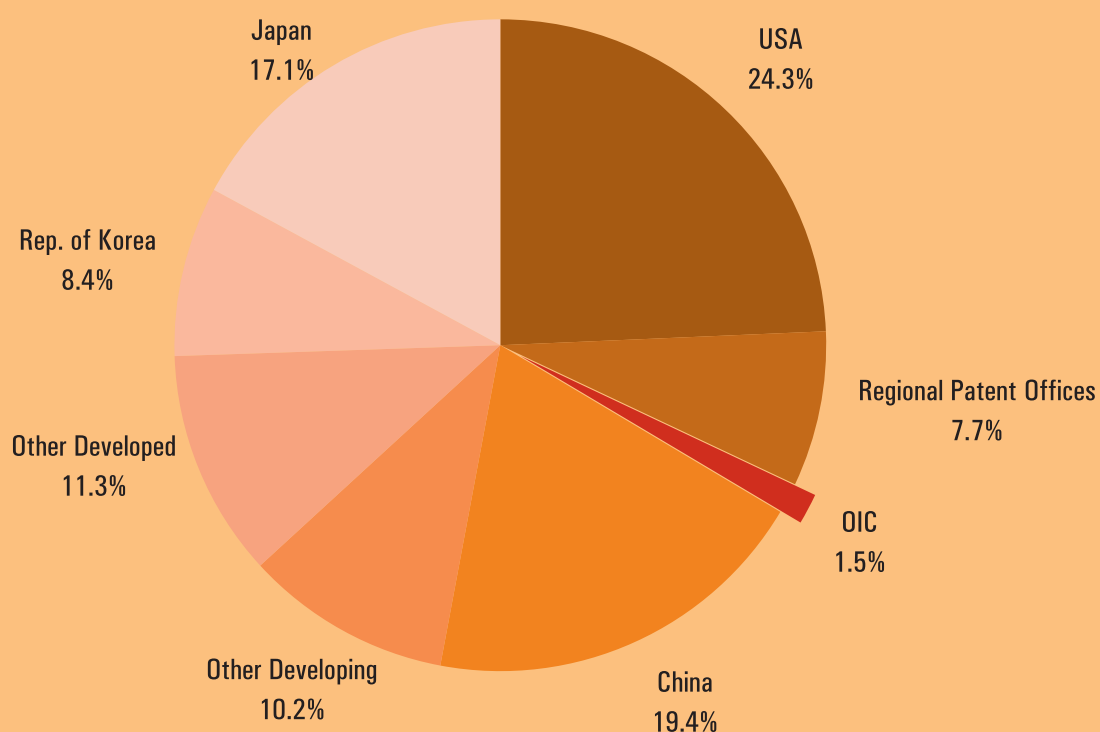
*In journals that are covered by Science Citation Index Expanded (SCI-EXPANDED), Social Science Citation Index (SSCI), and Arts & Humanities Citation Index (A&HCI).

The low level of published articles indicates inadequate levels of scientific research and academic activities in OIC Countries and necessitates more investment in R&D and higher education.

1.5
percentShare of OIC countries
in World total patent
applications

The USA, Japan, China, and Republic of Korea as a group were home to around 70% of the World total patent applications in 2009, the OIC Countries accounted for only 1.5%.

Distribution of World Total Patent Applications*

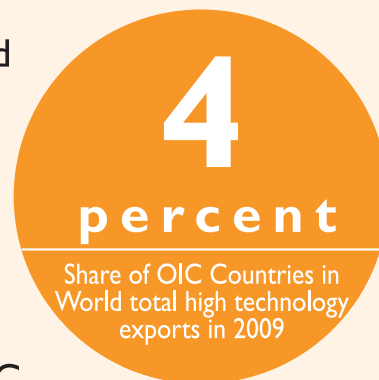


* Data for the latest year available between 2004 and 2009

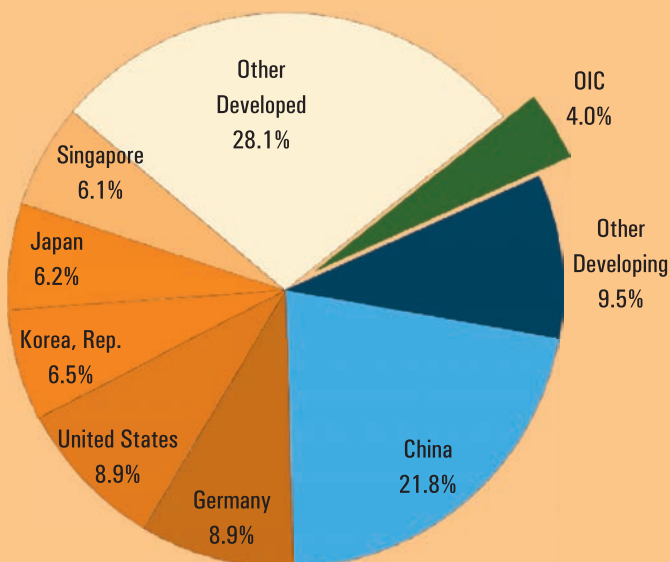
Low levels of patenting activity in OIC Countries reflect inadequate spending on R&D and insufficient infrastructure for technological advancement.

The OIC Countries, as a group, accounted for only 4% of world total high technology exports in 2009, lagging far behind many individual countries.

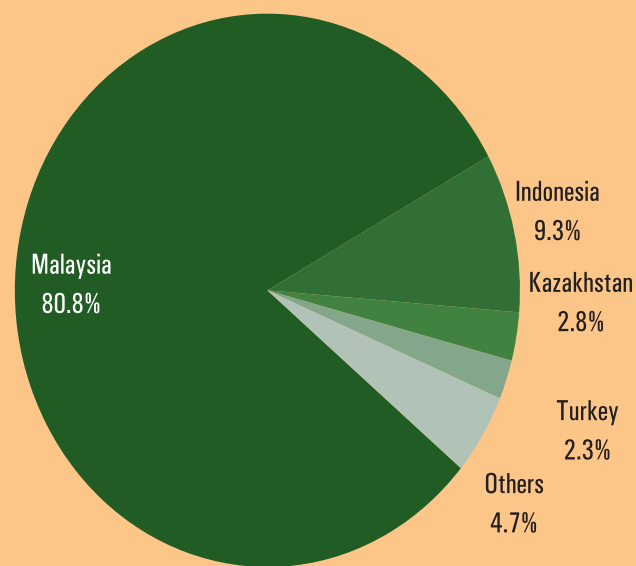
Nearly 81% of the total high technology exports of OIC Countries originated from Malaysia. Only 4 countries, namely Malaysia, Indonesia, Kazakhstan and Turkey, accounted for 95% of the total high-technology exports of all OIC Countries.



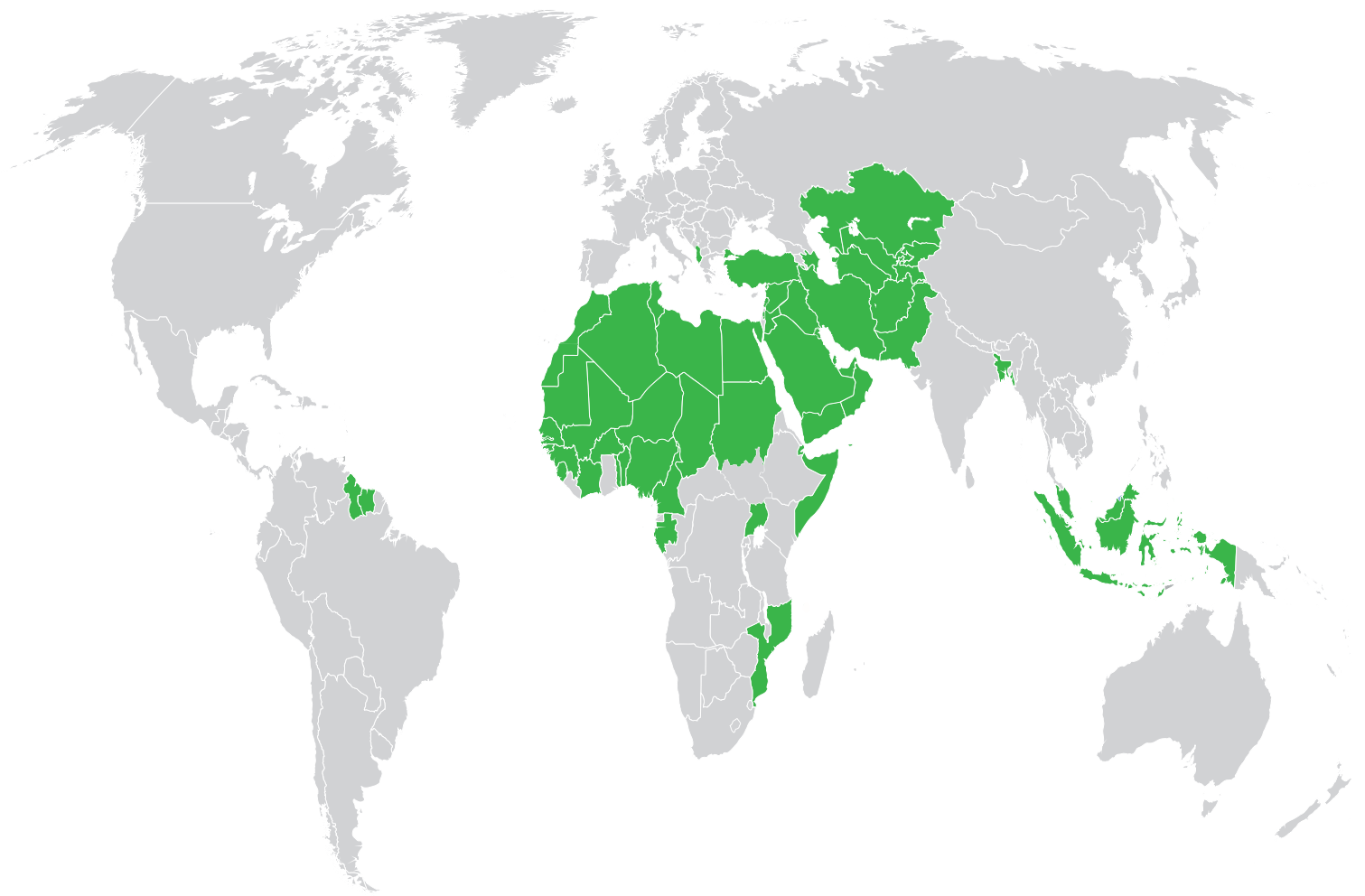
**Distribution of Global
High-Technology Exports, 2009**

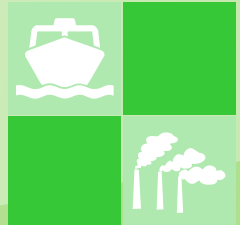


**Distribution of High-technology Exports among
OIC Countries, 2009**

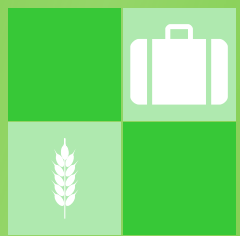


Low share of OIC Countries in world total high-technology exports reflects the weak production base in this field and the low levels of R&D in most OIC Countries.





OPPORTUNITIES



Ratio of total tax to profit went down by

5.8
percentage points

from 2005 to 2011

Ratio of total tax to profit is significantly lower in OIC Countries when compared to that of the other groups, making OIC Countries very attractive for investment.

Ratio of total tax to profit declined by 5.9 percentage points from 2005 to 2011 in OIC Countries, which is more than the decrease in Non-OIC Developing and Developed Countries.

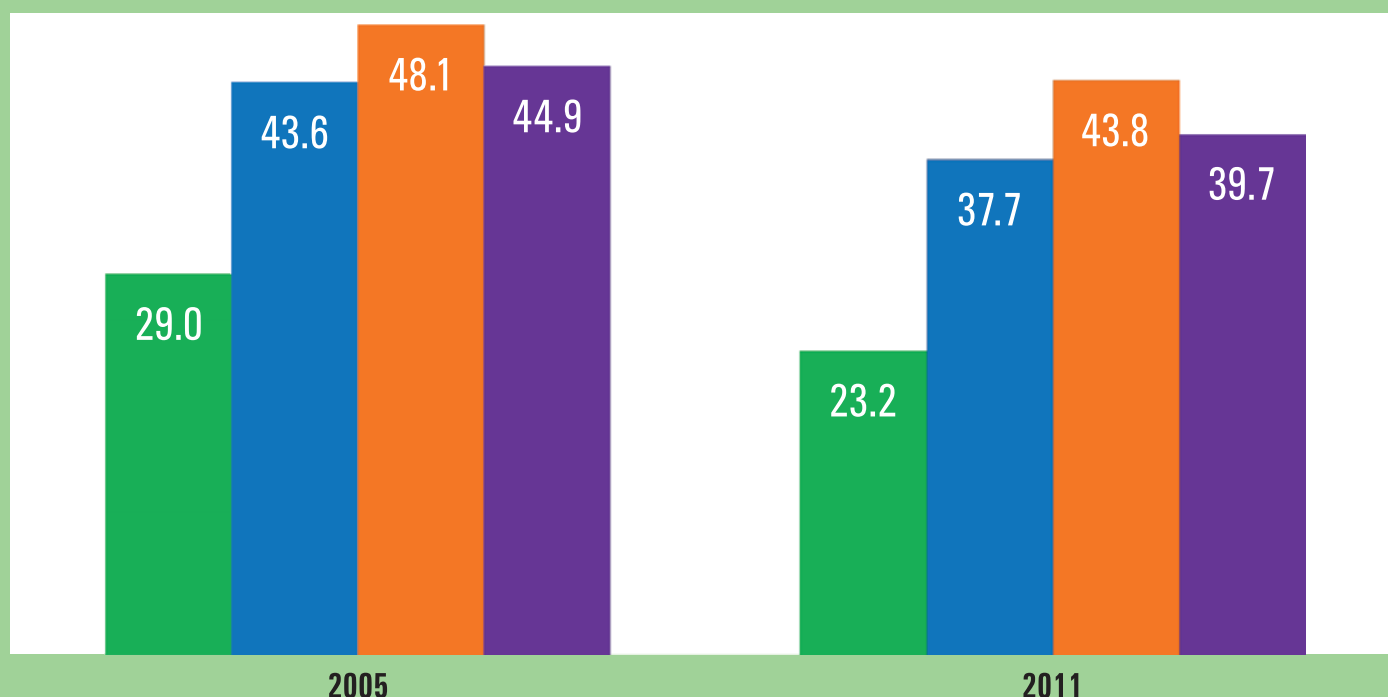
Total Tax as Percent of Profit

■ OIC

■ World

■ Non-OIC Developing

■ Developed



Low taxes for enterprises in the OIC Countries spur business activities for private sector and attract more investments from abroad.

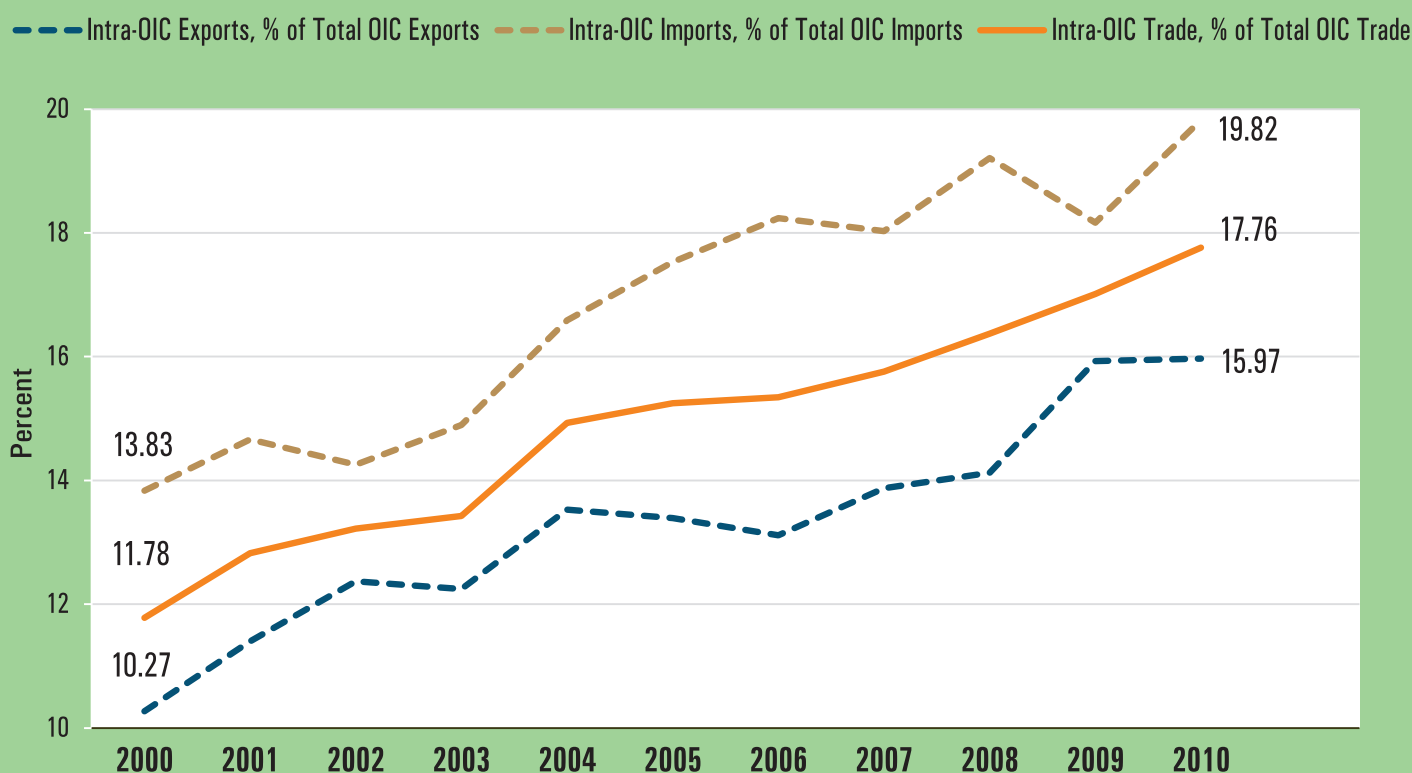
In 2010, total intra-OIC trade reached 17.8% of the OIC total trade compared to only 11.8% in 2000.

The recent trend observed in the last decade indicates that it is likely to reach the 20% target by 2015.

6.0
percentage
points

Increase in Intra-OIC trade
from 2000 to 2010

Intra-OIC Trade



Intra-OIC trade, considered to be at an insufficient level as of today, presents significant potentials to be utilized, particularly after the OIC Trade Preferential System becomes operational. This requires further participation by OIC Countries in the System by signing and ratifying the related agreements.

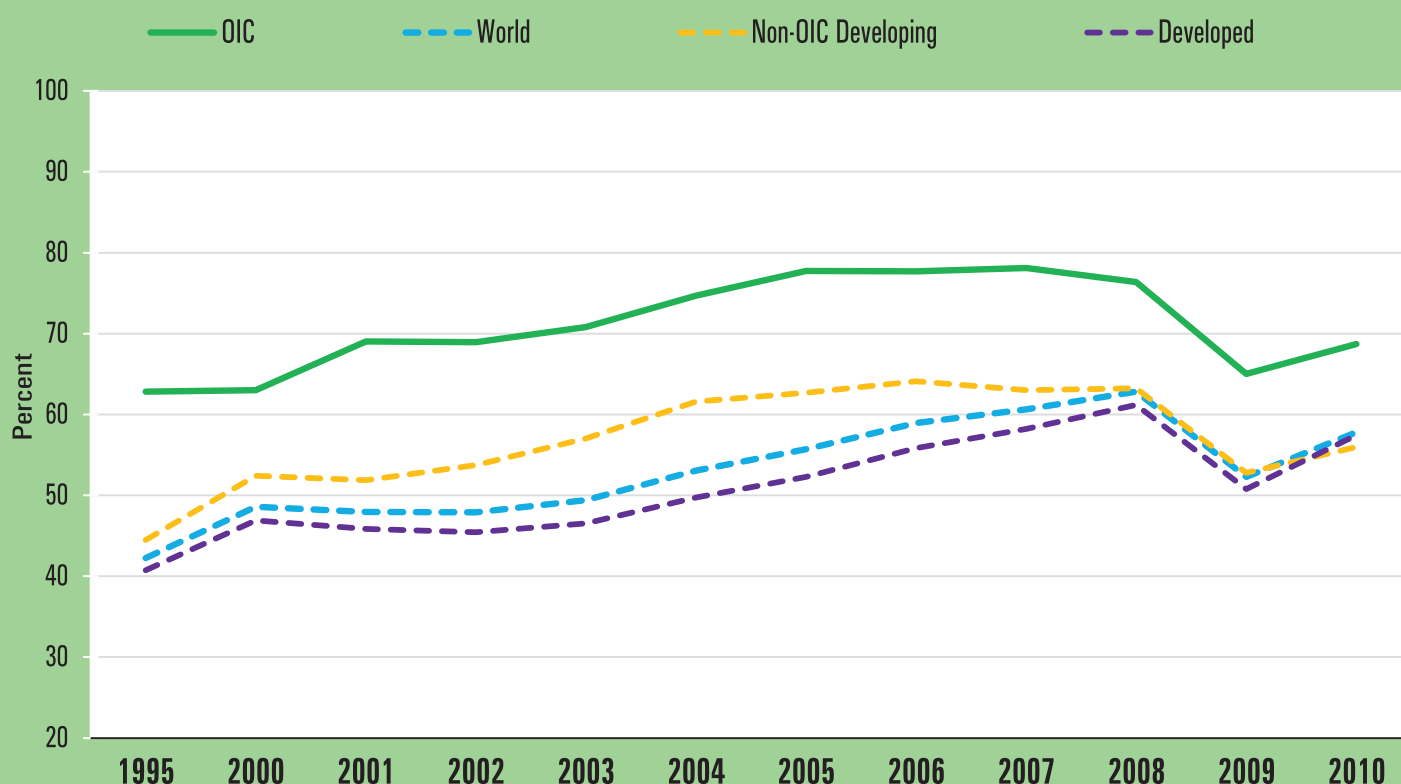
5.7
percentage
points

Increase in the percentage
of total trade in GDP
since 2000

The total trade (sum of exports and imports) of OIC Countries as a percentage of total GDP increased from 63% in 2000 to 68.7% in 2010.

Comparing with other groups, the increase indicates that the OIC average is higher than that of the World, Non-OIC Developing and Developed countries by more than 10 percentage points in 2010.

Total Trade, % of GDP



The positive trend observed in total trade to GDP ratio of OIC Countries indicates that the OIC Countries become more integrated to the World economy. It also reflects more trade openness.

In 2009, the total external debt stocks (EDS) of OIC Countries relative to their gross national income was recorded as 31.6%, a ratio lower than that of the Non-OIC Developing Countries.

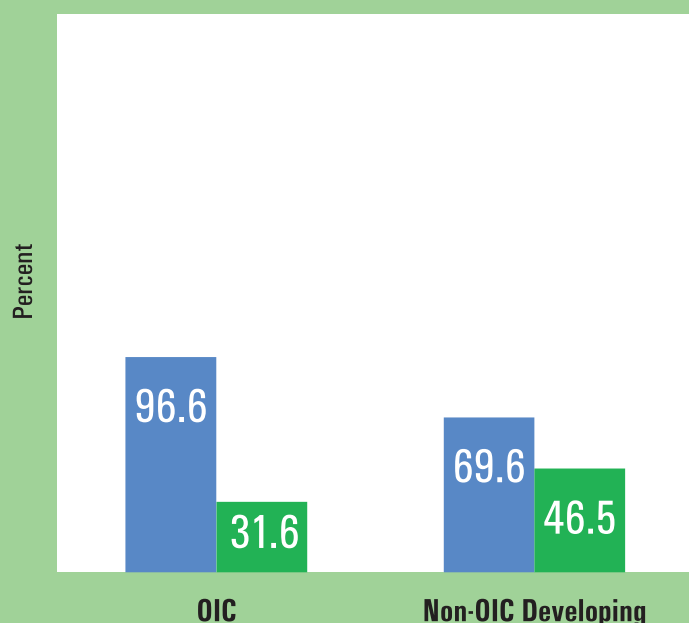
In the same period, the total EDS of OIC Countries relative to their total exports went down to 108.9% compared to the EDS of the Non-OIC Developing Countries, 127.6%.

Meanwhile, the OIC Countries managed to decrease their EDS relative to their GNI and Exports faster than the Non-OIC Developing Countries in the period 2000-2009.

5.7
percentage
points
Decrease in the ratio of
external debt stock
to GNI

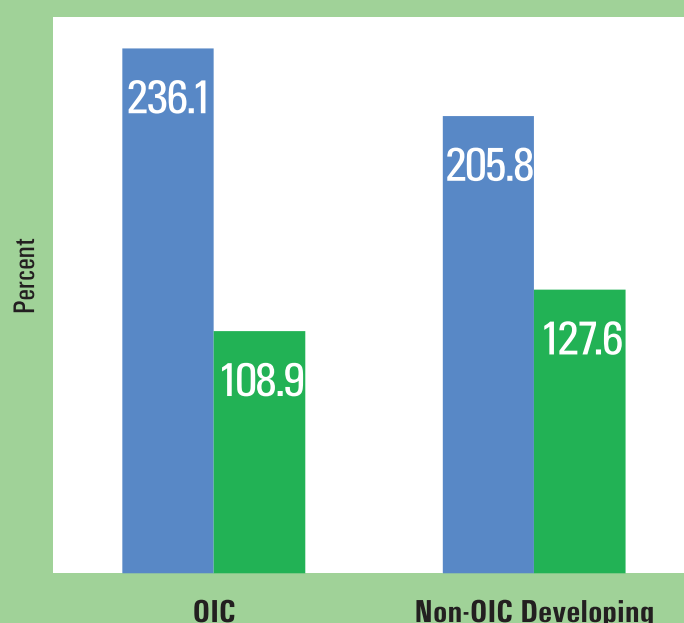
External Debt Stocks, % of GNI

■ 2000 ■ 2009



External Debt to Exports, %

■ 2000 ■ 2009



Decreasing external debt stock ratios improve the international financial position of OIC Countries and are one of the drivers of increasing levels of total reserves.

8
times

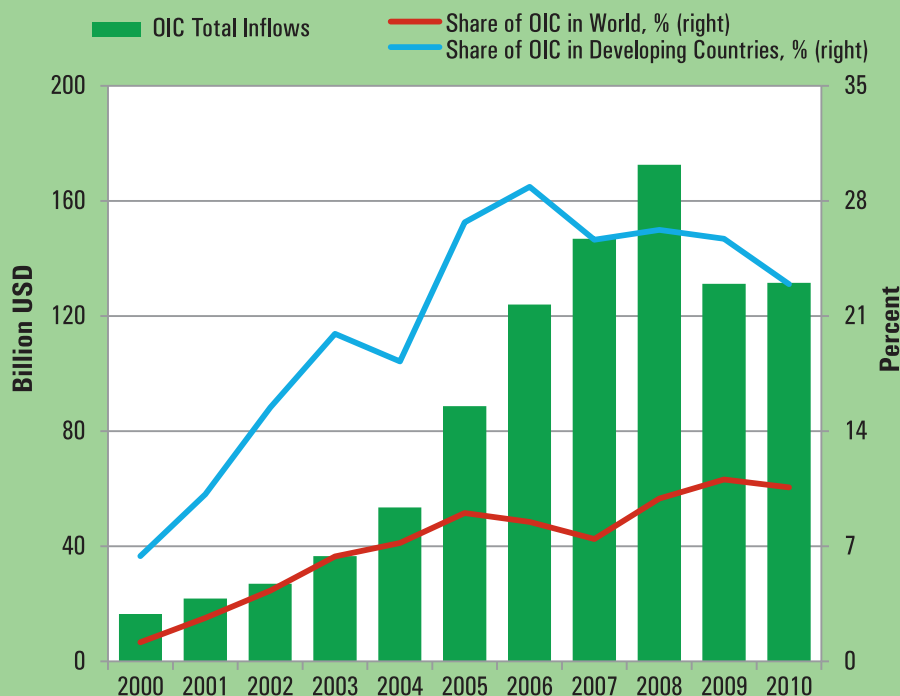
higher FDI flow
since 2000

Total FDI flows into OIC Countries increased steadily since 2000 and reached a peak of 172 billion USD in 2008. Yet, due to global financial crisis in 2009, FDI flows decreased to 132 billion USD in 2010.

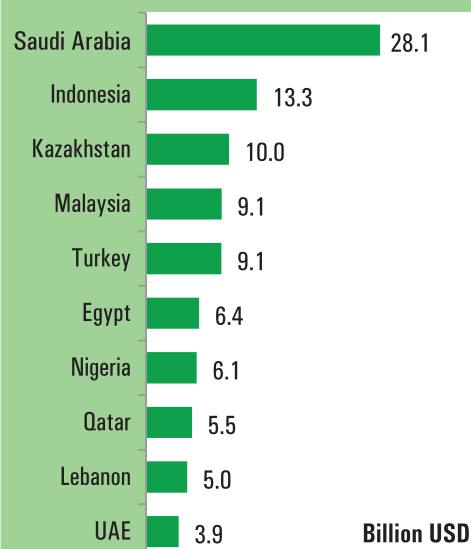
The share of OIC Countries in World FDI inflows reached 10.6% in 2010 compared to only 1.2% in 2000, and their share in total FDI inflows among all Developing Countries was 22.9% in 2010 compared to only 6.4% in 2000.

In 2010, only 10 countries attracted more than 73% of the total FDI flows into OIC countries; of which only 5 countries (Saudi Arabia, Indonesia, Kazakhstan, Malaysia and Turkey) as a group accounted for more than 50% of the total.

Foreign Direct Investment



Top 10 OIC Member Countries by FDI, 2010



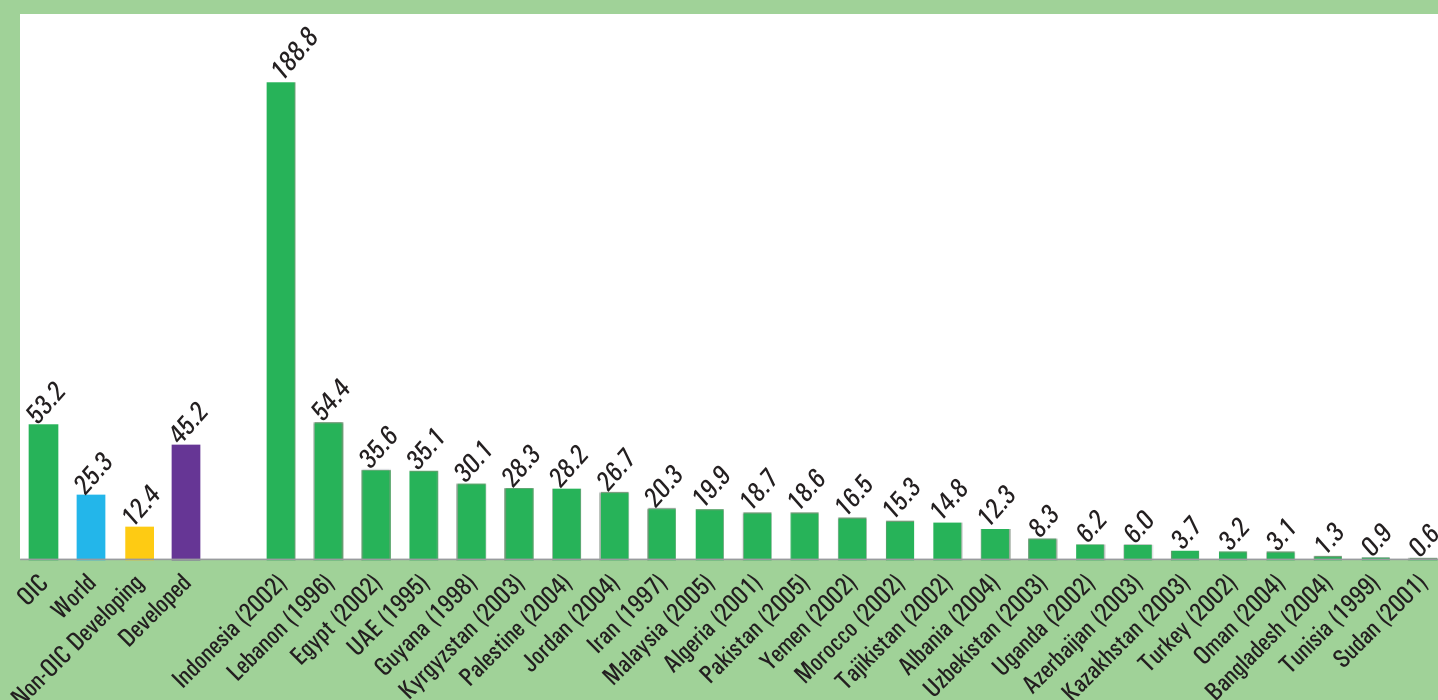
Increasing share of OIC Countries in global total FDI inflows indicates growing attractiveness of OIC Countries for foreign investors and improvement in economic and regulatory institutions.

SMEs becoming one of the principal driving forces of the economies

25 OIC Countries with available data between 2000 and 2007 had around 51 650 Small and Medium Sized Enterprises (SMEs) that constituted 38% of the SMEs all over the world. The same number for 32 Developed Countries and 61 Non-OIC Developing Countries were 30% and 32% of the World total, respectively.

In terms of SMEs per 1000 people, OIC average of 53.2 was more than double the world average of 25.2. Having around 45.2 SMEs per 1000 people, the Developed Countries were also lagging behind the OIC. The average of Developing Countries was 21.3 and that of the Non-OIC Developing was as low as 12.4 per 1000 people.

Small and Medium Enterprises per 1000 people



Small and Medium Sized Enterprises (SMEs) are considered to be one of the principal driving forces of economic growth as they can adapt quickly to changing market demand and supply situations due to their flexibility and innovativeness. SMEs also play an important role in stimulating private ownership and entrepreneurial skills, generating employment opportunities and contributing to trade activities.

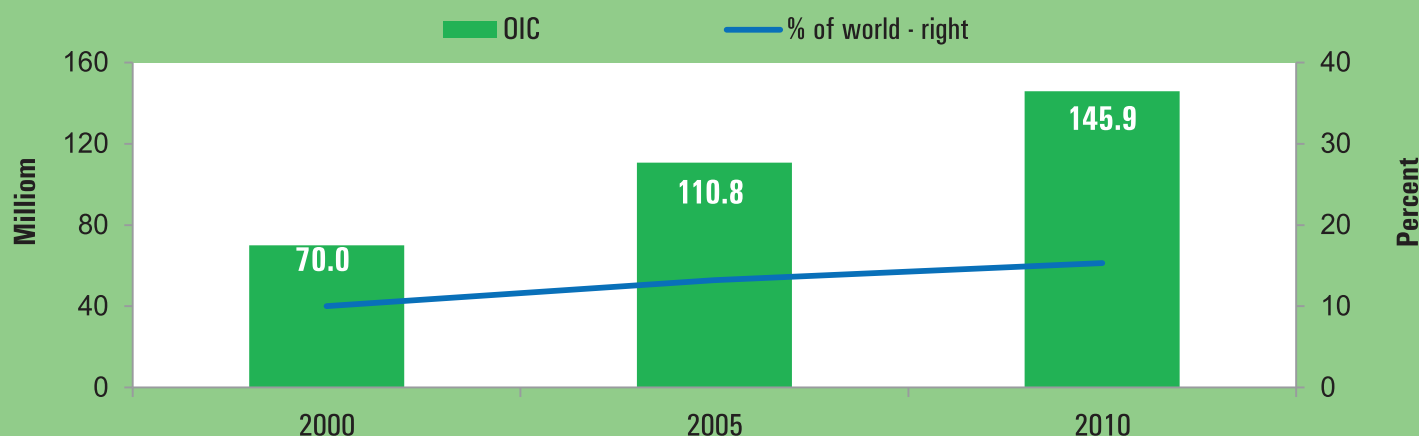
10.4
percent

Share in World tourism receipts in 2010.

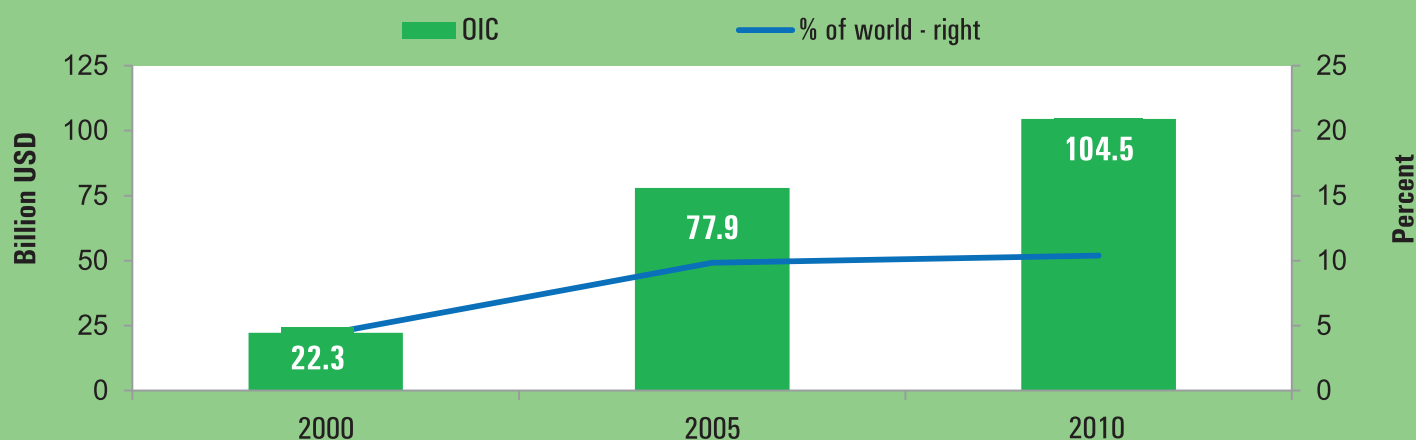
The number of tourist arrivals in the OIC Countries increased steadily since 2000 and reached 145.9 million in 2010, which corresponds to 15.33% of the World's total tourist arrivals.

Tourism receipts earned by OIC Countries are estimated to have been 104 billion USD in 2010, corresponding to 10.4% of the World's tourism receipts.

Number of Tourist Arrivals, Million People



Tourism Receipts, Billion USD

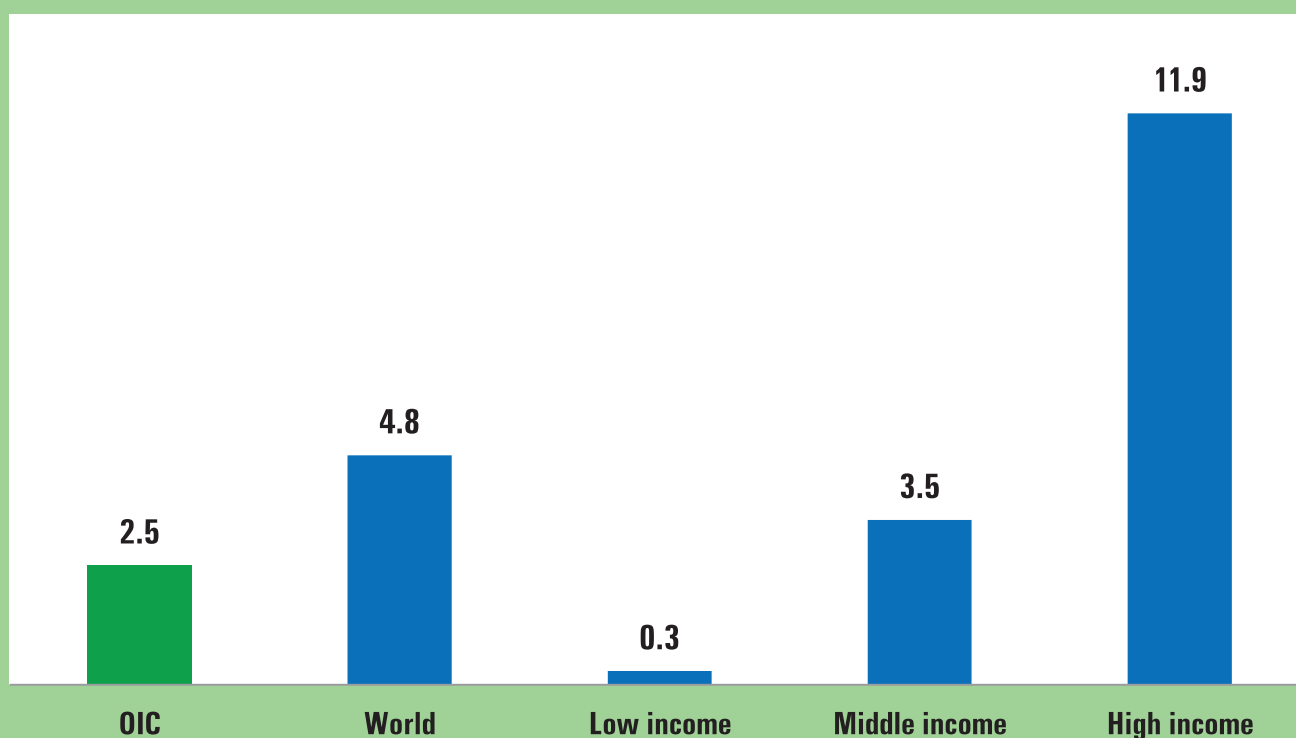


Increasing tourism revenues and number of tourist arrivals will lead to higher economic growth, new employment opportunities and spur activities in related sectors.

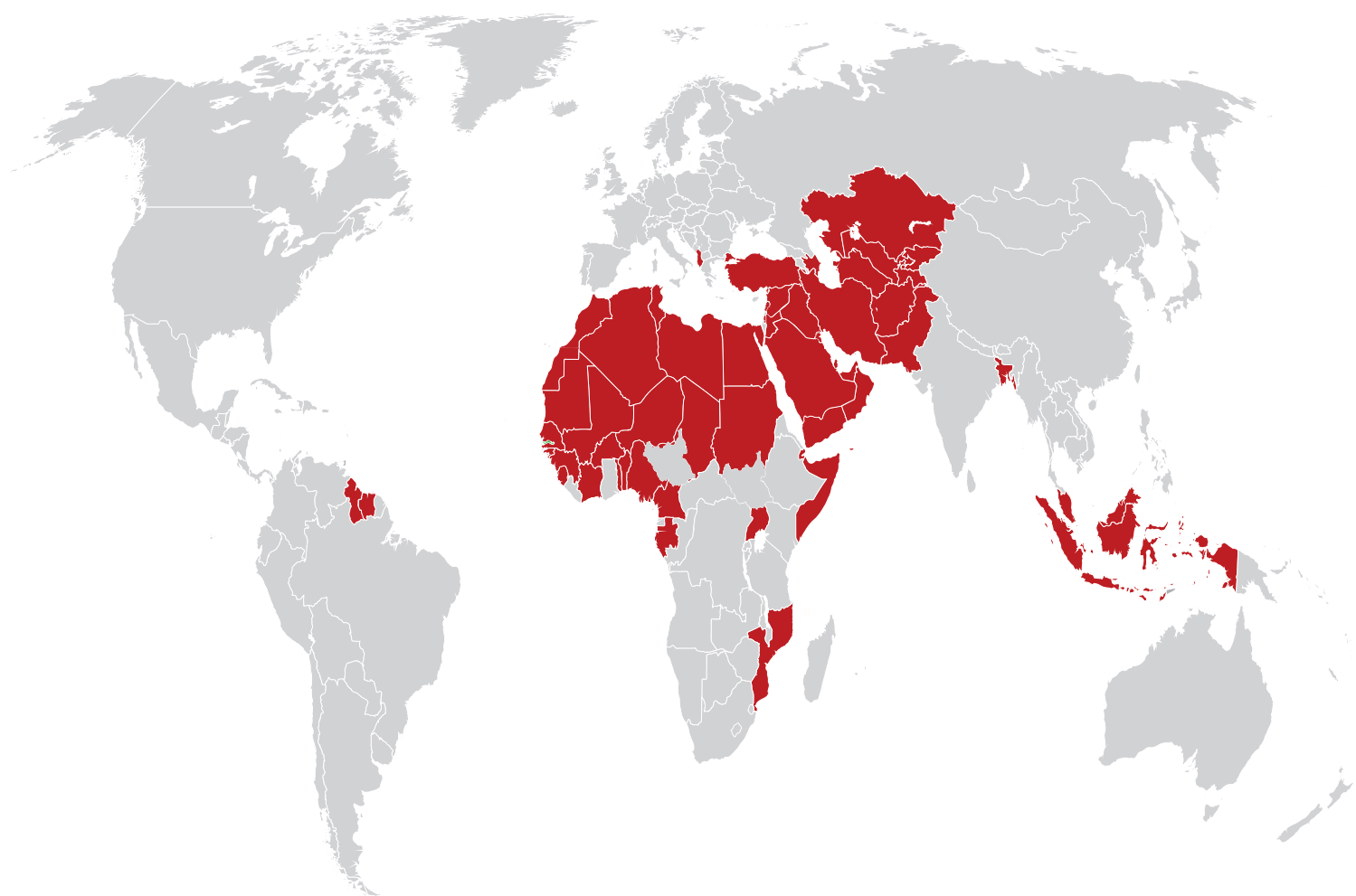


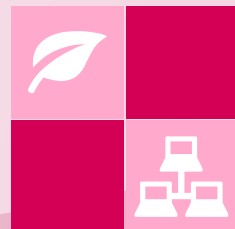
The average CO₂ emissions per capita of the OIC Countries was estimated at 2.5 metric tons, which was lower than the World average and averages of both the High (11.9) and Middle Income (3.5) Countries in 2008.

Carbon Dioxide Emissions per Capita, Metric Tons, 2008

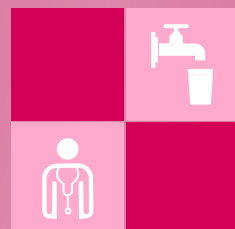


Lower contribution to deterioration of global commons puts the OIC Countries in a stronger position in negotiations on global commons and directing new investments according to the requirements of the international conventions.





SUSTAINABLE DEVELOPMENT



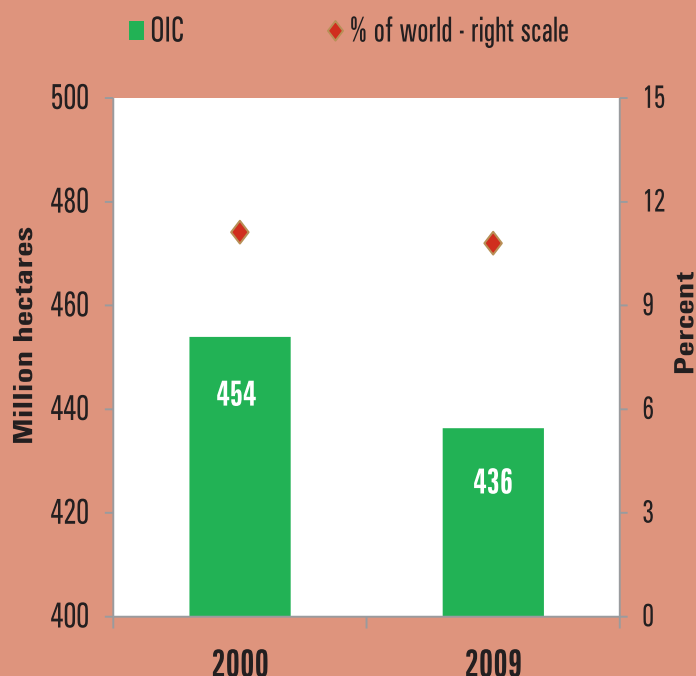
3.9
percent

of the forest area has
been lost since 2000

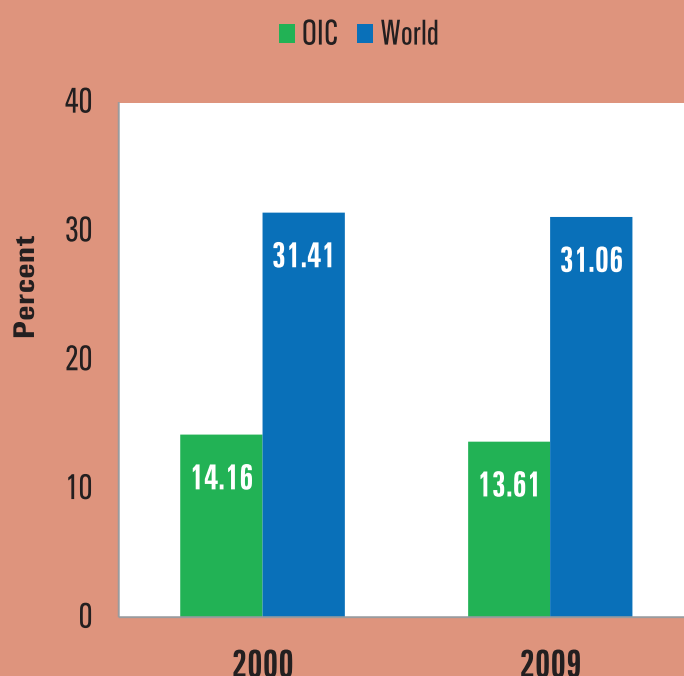
The total forest area of OIC Countries was estimated at 454 and 436 million hectares for the years 2000 and 2009, respectively. The share of forest resources owned by OIC Countries corresponded to 11.1% and 10.8% of the World total for the respective years.

On the other hand, the share of forest resources in total land area was estimated at 14.2% and 13.6% for the years 2000 and 2009, respectively, which are remarkably lower than the World averages.

Forest Area



Forest Area as % of Land Area

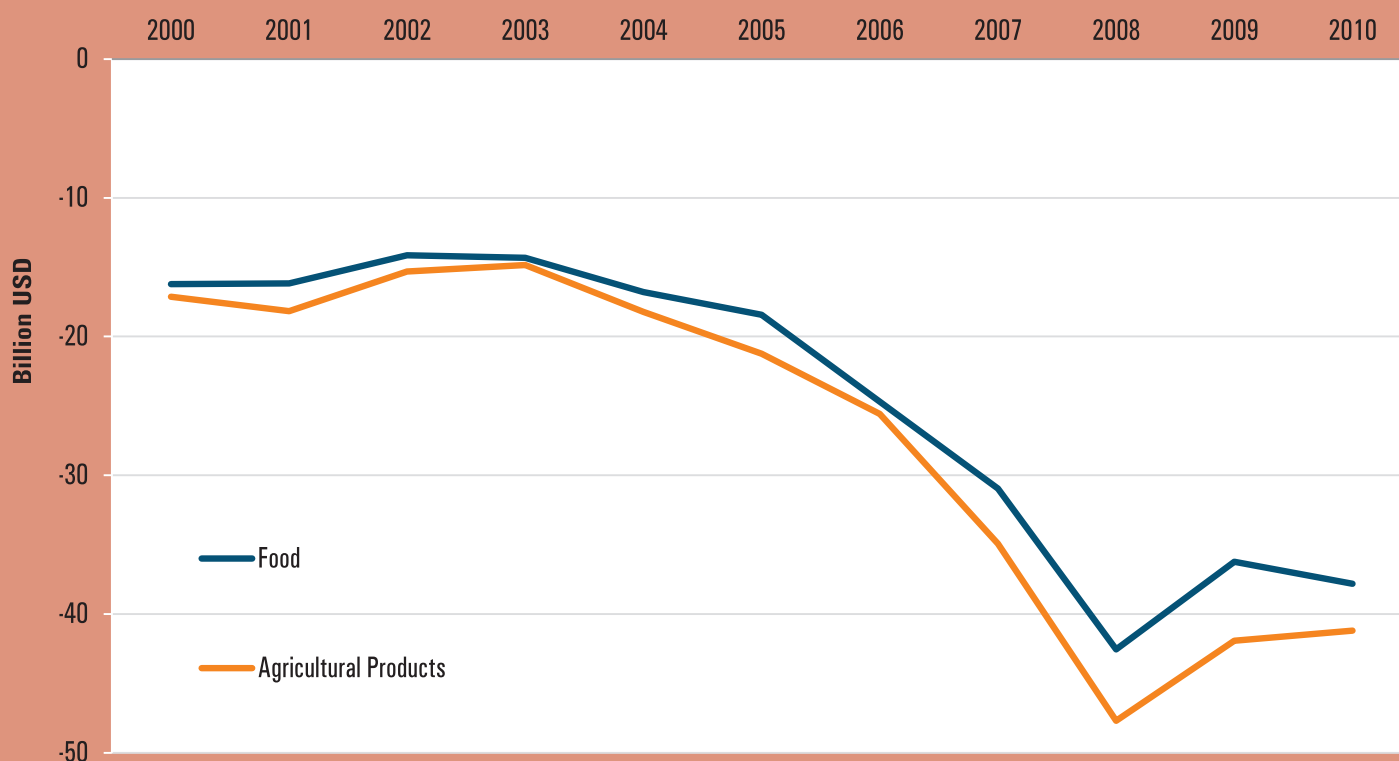


Forest resources have significant importance from both ecological and economic point of view. Already limited available forest resources of the OIC Countries call for action and necessary precautions should be taken to prevent deforestation.

Food trade deficit in the OIC Countries has increased significantly in second half of the last decade, where, in terms of US Dollars, it has more than doubled from 18.4 billion in 2004 to 37.8 billion in 2010. A similar trend is also observed for trade deficit in agricultural products.

2
times
higher trade deficit in food and agricultural products since 2004

Trade Balance of OIC Countries in Food and Agricultural Products



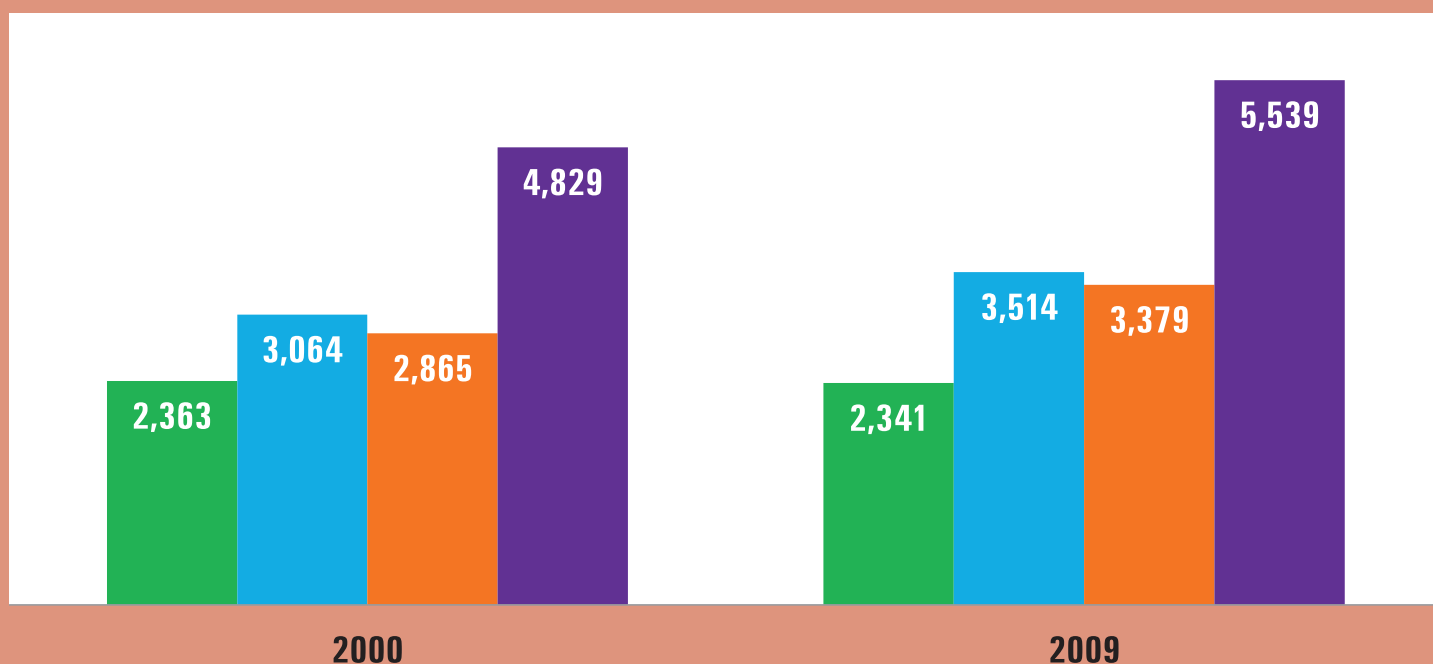
Increasing trade deficit in food and agricultural products implies more dependence on the rest of the world for feeding the increasing population and may constitute a serious threat for OIC Countries in the future. This necessitates urgent strategies towards increasing productivity in the agricultural sector.

2.3
tons/hectare
of cereal production
in 2009

Although the average cereal yield per hectare in the World, Non-OIC Developing and Developed countries steadily increased since 2000, OIC Countries still had the same level in 2009.

Cereal Yield, kg per hectare

■ OIC ■ World ■ Non-OIC Developing ■ Developed



Low level of cereal production per hectare reflects the insufficient use of modern technologies in agricultural production, imposing a serious threat on food supply in the long run given the increasing population of OIC Countries.

In 2009, the average renewable internal freshwater resources per capita for OIC Countries was estimated at 3500 m³ corresponding to only half of the World average.

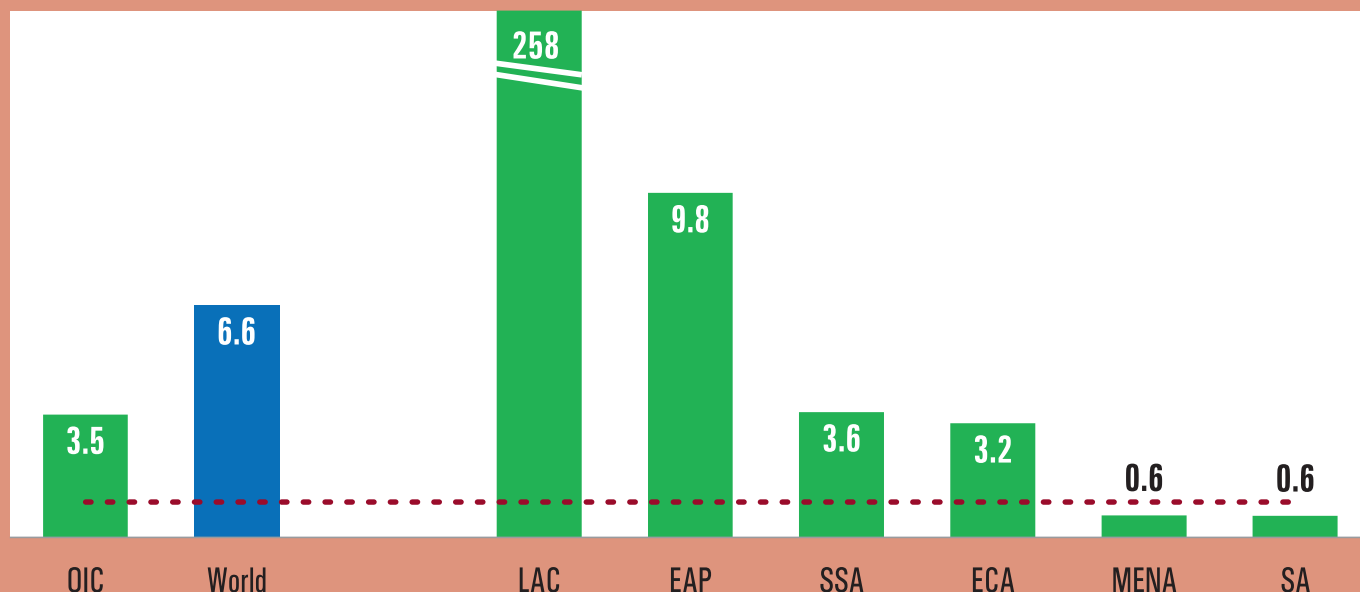
Among the regions of OIC, the renewable internal freshwater resources per capita was higher than the World average only in the Latin America and Caribbean (LAC) and the East Asia and Pacific (EAP). On the other hand, the Sub-Saharan Africa (SSA) and the Europe and Central Asia (ECA) regions had the average renewable freshwater resources per capita close to the OIC average. But, in the Middle East and North Africa (MENA) and the South Asia (SA) regions of the OIC, annual freshwater resources per capita were estimated around 600 m³/capita, which is significantly below the water scarcity threshold value of 1000 m³/capita.

44
OIC Countries

have renewable internal freshwater resources per capita lower than the World average

Renewable Internal Freshwater Resources per Capita, 2009

--- Water Scarcity Threshold Value



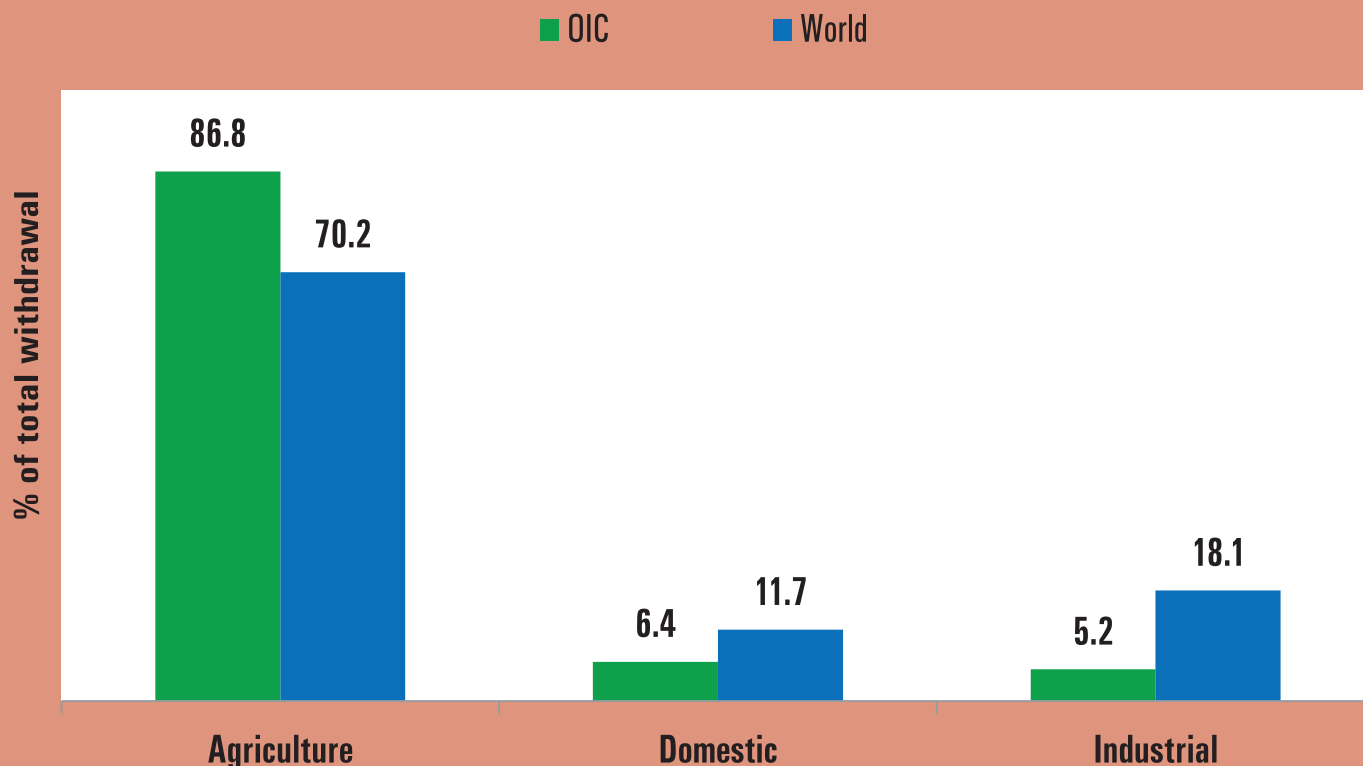
The shortage of water resources in the majority of OIC Countries, most of which are located in the driest regions of the world, constitutes a serious challenge and threat for these countries. Adoption of long-term programmes for water scarcity alleviation as well as prudent water management policies and strategies are inevitable.

818.4
billion m³
freshwater abstracted
for agricultural
use in 2009

In 2009, the average share of the agricultural use of water in the total annual freshwater withdrawal in OIC Countries was 86.8% compared to the World average of almost 70.2%.

However, the average share of the industrial use of water was only 5.2% compared to the World average of 18.1%.

Annual Freshwater Withdrawals by Sectors, 2009



Higher ratio of water usage in agriculture indicates inefficient irrigation techniques and waste of already scarce water resources, which urges investing in more water-saving irrigation systems.

THREAT

Lack of access to improved drinking water resources and sanitation facilities

347.8
million

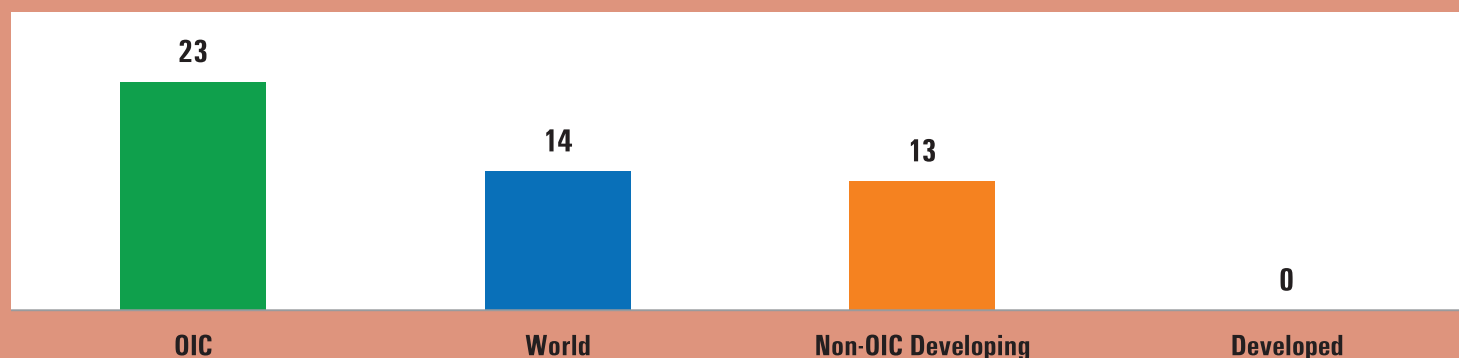
people have no access to improved water resources

In 2010, the average percentages of population without access to improved drinking water resources and sanitation facilities in OIC Countries were 23% and 40%, respectively, which are both above the averages of World and of Non-OIC Developing Countries.

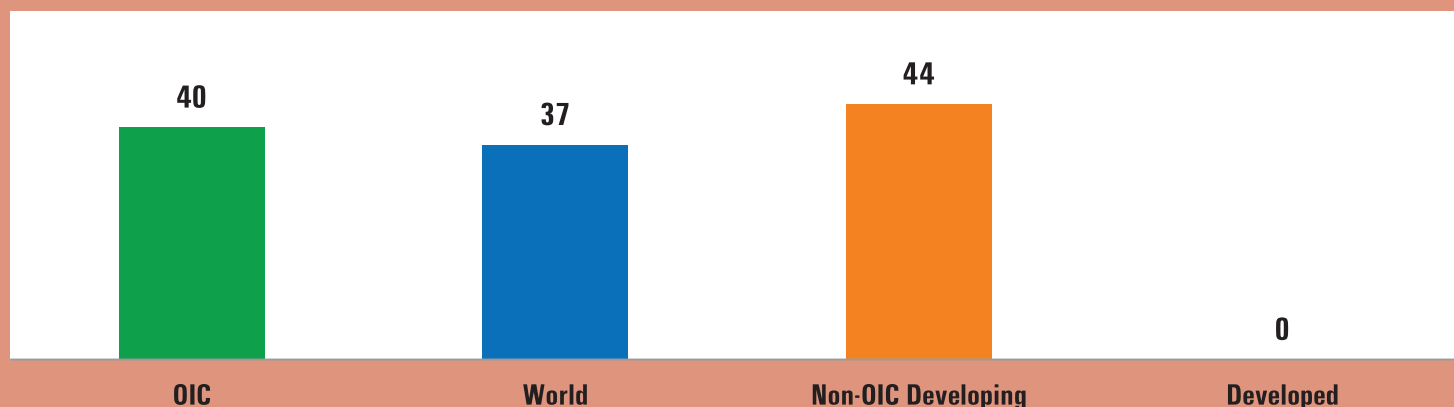
624.6
million

people have no access to improved sanitation facilities

Percentage of Population without Access to Improved Drinking Water Resources, 2010



Percentage of Population without Access to Improved Sanitation Facilities, 2010



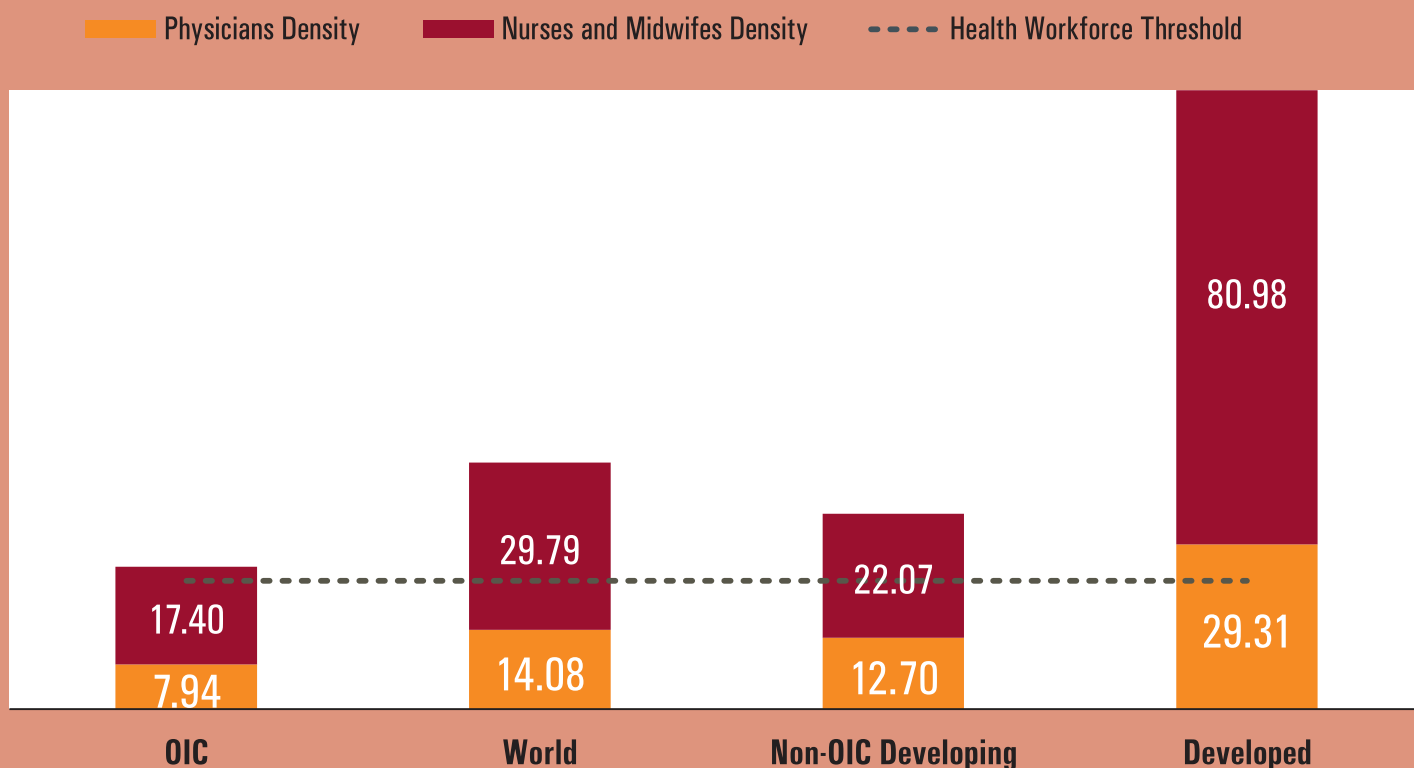
A significant portion of the OIC population lacks access to improved water resources and sanitation facilities, which are essential for dignified lives and healthy societies.

25.3
health workers
per 10000 people

The number of physicians and nurses/midwives per 10 000 people in the OIC Countries were only 7.9 and 17.4, respectively, compared to the world averages of 14.1 physicians and 29.8 nurses/midwives.

Based on the health workforce threshold of 23 workers per 10 000 people, the 2006 World Health Report identified 57 countries facing a health workforce crisis, 30 of which are OIC Countries.

Health Workforce per 10000 People, 2009 or latest year available



Insufficient health workforce in OIC Countries indicates low levels of healthcare capacity and services, a threat which necessitates encouraging development of more adequate human capital in the fields of medicine and health care.

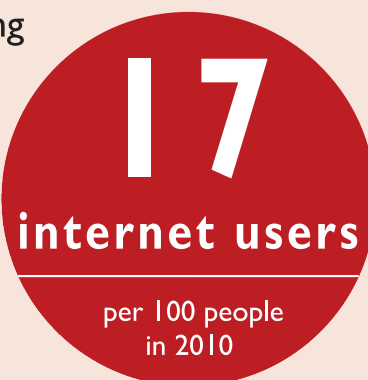
THREAT

Internet usage is limited and lagging behind

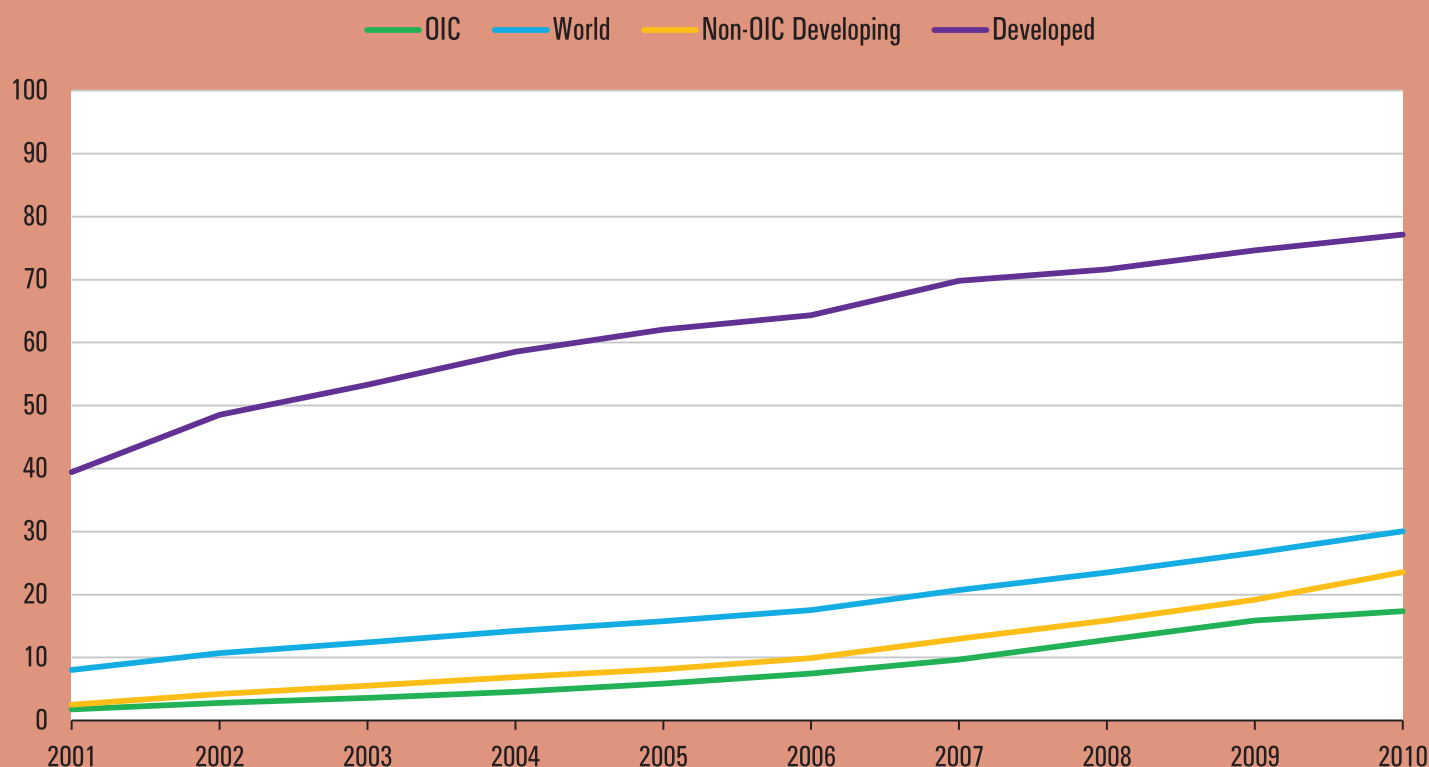
Only 17 out of 100 people in the OIC Countries were using the Internet in 2010 on average, a level still significantly lower than the World average of 30 and the Non-OIC Developing Countries average of 24.

Based on the data available, the OIC Countries average is lagging behind the averages of the Non-OIC Developing Countries and World by at least 2 and 4 years, respectively.

The gap with the Developed Countries has critically widened over the last ten years, making it more difficult for OIC Countries to catch up with these countries.



Internet Users per 100 People



The OIC Countries should prioritise the infrastructure development regarding the Internet access for their citizens as unavailability of and limited access to information inhibits their economic and social development.

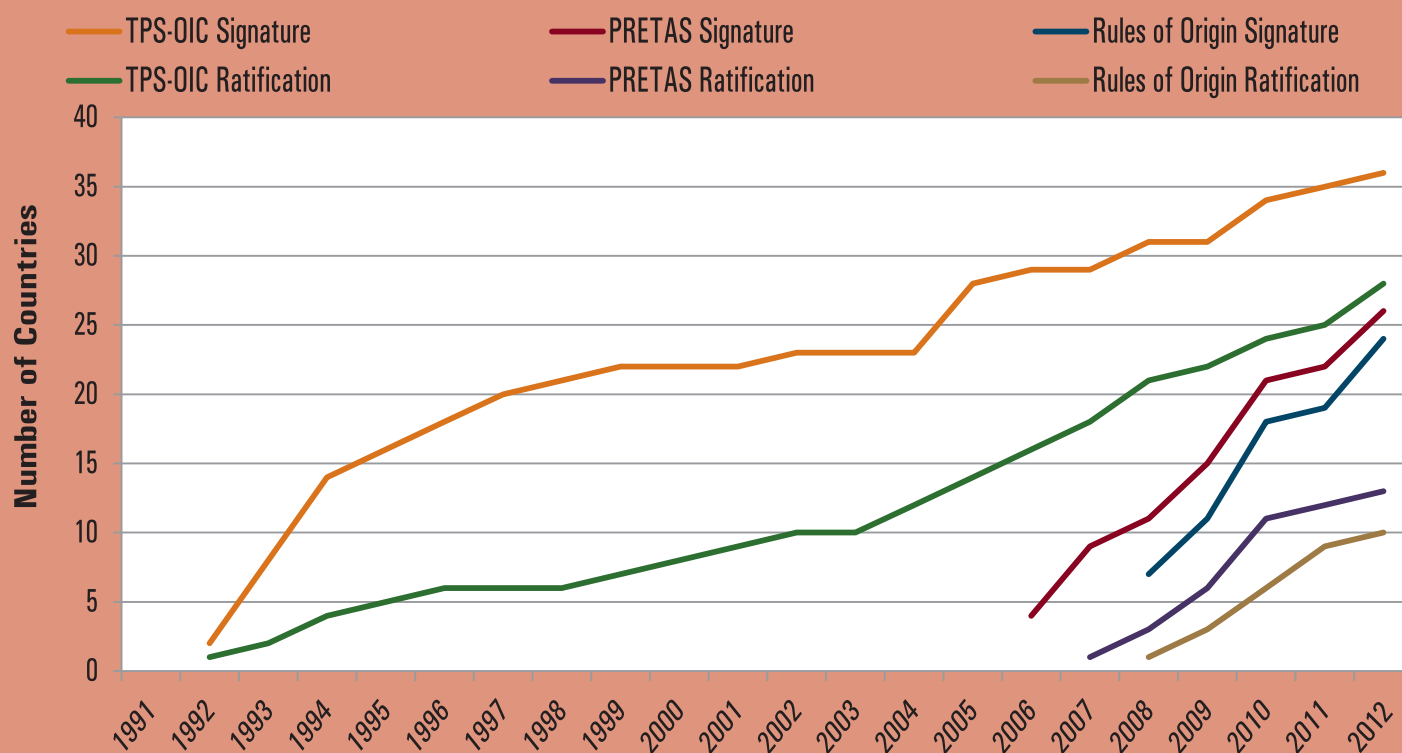
Only
28
of the OIC countries ratified the Framework Agreement on Trade Preferential System

Though it has been adopted in 1990, the Framework Agreement on Trade Preferential System (TPS-OIC) entered into force in 2002. So far, it has been signed by 36 members and ratified by only 28 members.

Adopted in 2005, the Protocol on the Preferential Tariff Scheme (PRETAS) entered into force in 2010. So far, it has been signed by 26 members and ratified by only 13 members.

Adopted in 2007, the TPS-OIC Rules of Origin entered into force in 2011. So far, it has been signed by 24 members and ratified by only 10 members.

TPS-OIC Agreements: Number of Signatures and Ratifications



The slow pace of ratification of the Trade Preferential System (TPS-OIC) and the associated trade agreements by the Member Countries during the last two decades is a clear indication of the lack of political will, which is necessary for any economic cooperation and integration scheme.

APPENDIX

INDICATOR	THEME	CATEGORY
Cereal Yield	Agriculture	Threat
Food and Agricultural Trade Deficit	Agriculture	Threat
Production of Major Agricultural Products	Agriculture	Strength
Cost of Enforcing Contract as Percent of Claim	Business Environment	Weakness
Small and Medium Sized Enterprises	Business Environment	Opportunity
Total Tax as a Percent of Profit	Business Environment	Opportunity
Intangible Heritage Elements	Culture	Strength
Age Dependency	Demography	Weakness
Population by Age Group	Demography	Strength
Enrolment Rates	Education	Weakness
Proven Crude Oil Reserves	Energy	Strength
Proven Natural Gas Reserves	Energy	Strength
Carbon Dioxide Emissions per Capita	Environment	Opportunity
Forest Area	Environment	Threat
External Debt Stocks	Finance	Opportunity
Foreign Direct Investment	Finance	Opportunity
Islamic Finance Assets	Finance	Strength
Total Reserves Including Gold	Finance	Strength
Access to Improved Drinking Water Resources & Sanitation Facilities	Health	Threat
Health Workforce	Health	Threat
Labour Force Participation Rates	Labour Force	Weakness
Expenditures on Research and Development	Research & Development	Weakness
High-Technology Exports	Research & Development	Weakness
Number of Published Articles	Research & Development	Weakness
Total Patent Applications	Research & Development	Weakness
Internet Usage	Telecommunication	Threat
Tourist Arrivals and Tourism Receipts	Tourism	Opportunity
Intra-OIC Trade	Trade	Opportunity
TPS-OIC Agreements	Trade	Threat
Total Trade	Trade	Opportunity
Air Transportation	Transportation	Weakness
Land Transportation	Transportation	Weakness
Annual Freshwater Withdrawals by Sectors	Water	Threat
Renewable Internal Freshwater Resources	Water	Threat

