

**STATEMENT BY THE DEPUTY MINISTER OF SOUTH AFRICA, MR AZIZ PAHAD
TO THE 8TH IOR-ARC MEETING IN TEHRAN, IRAN ON 4 MAY 2008**

Chairman

I wish to thank the Islamic Republic of Iran for the excellent hospitality and organisation of this meeting.

I wish to also congratulate Minister Motaki for his leadership of the IOR-ARC over the last three years. Today there is a greater sense of the importance of the IOR-ARC and we have taken a more realistic approach to the opportunities and challenges we face in the IOR-ARC.

Today's deliberation reflects a sense of dynamism and commitment to ensure that the IOR-ARC exploits the immense possibilities to the full.

When we established the IOR-ARC we were acutely conscious that the Indian Ocean is the world's third largest ocean. It carries half of world's container ships, one third of the bulk cargo traffic and two third of the world's oil shipments. It is a lifeline of international trade and economy. The region is woven together by the trade routes and commands control of the major sea-lanes.

The IOR constitutes between a quarter and a third of the world's population (close to two billion) which makes it a massive market. It is rich in strategic and precious metals, other natural resources and valuable marine resources. It is abundant in agricultural wealth in terms of the variety and mass of arable land and has significant human resources and technological capabilities.

This morning the First Vice President gave us a good interpretation of the challenges humanity faces. Since our last meeting all of us have to confront some new problems.

- 1 The world economic crisis
- 2 The devastating effects of the climate change and the serious food crisis
- 3 Energy crisis

Economic co-operation is a very important element of our organisation. In this respect we commissioned three studies

- 1 Barriers to the trade in the IOR-ARC
- 2 Benefits of trade liberalisation
- 3 Impediments to foreign investment in the IOR-ARC

We must give special attention to the conclusions of these reports and take the necessary measures to implement the recommendations.

I am pleased that following our decision last year the Secretariat produced a 3 – 4 year 8 Point Plan of Action. This document was discussed by the Working Group of Heads of Missions. They identified some priority projects, interalia,

Fisheries

We welcome Oman's initiative to host a meeting of experts in May 2008. South Africa will make a financial contribution. [\$6000] to Oman's initiative.

Energy sector

South Africa and Iran will initiate a project on "Investment, trade, technology and development of energy."

We appeal to members to contribute your expertise to this study.

Tourism

We welcome Oman's initiative to produce a feasibility study.

Banking

Other issues of importance.

Centres of Excellence

We welcome the Islamic Republic of Iran's announcement that they will soon operationalise the Centre on Science and Technology.

We must urgently identify other priority centres of excellence. These are essential institutional frameworks to deepen and enhance our co-operation for the mutual benefit of all our members.

South Africa welcomes the Secretariat's document "Strengthening of the Secretariat and the establishment of national focal points."

We also welcome the proposal for a cluster approach [co-operation with dialogue partners, interalia, FOCAC, TICAD] IOR-ARC projects relations with other international initiatives e.g. NAASP.

We leave this meeting with a greater sense of the importance of the IOR-ARC. Clearly we have taken the necessary steps to prioritise our projects and we welcome the offer of member states to offer greater assistance and expertise in various fields.

We will return to South Africa and ensure that the IOR-ARC becomes an important element of our government private sector and civil society's agendas.