

| Documents | Document No |
|----------------------------------|--------------------|
| First Vice President's Statement | IOR/7COM/REP/07/02 |
| Statements by Ministers | IOR/7COM/REP/07/06 |
| Statements by Dialogue Partners | IOR/7COM/REP/07/07 |

**In the Name of God,
The Compassionate, the Merciful**

1. Introduction

Holding of the 7th Meeting of Council of Foreign Ministers of the Indian Oceans Rim Association for Regional Cooperation with the Islamic Republic of Iran as its host is a valuable opportunity for us. I avail my self of this opportunity to welcome you all the distinguished participants and wish for its success. I hope this meeting will bring about greater achievements not only for all member states but all countries in the region and the world.

Our present world needs empathy, integration and understanding among nations more than ever before and overall and equal growth and development, if not impossible, but can hardly be realized without integration. Therefore such meetings at regional level and different region of the world have given the similarities and closeness of its participants, can bring about understanding and integration based on joint global interests. What ensures the durability and further survival of such global and regional meetings and gatherings in addition to the joint interests which are visible in the first place is the belief and the will of every member state towards the constructive and positive consequences of such gatherings as well as recognition of rights of every member

states, transparency in the their positions and their empathy and frankness towards each other.

2. Non- Observance

Failure of many international institutions and gatherings, formed in the first place for rendering services to the people, in solving the problems grappling the globe, despite all the money, facilities and time spent, goes back to the disregard for the previously mentioned factors and even the visible contradictions in this respect.

Selective behaviors:

Examples: we can refer to many examples as the three following ones.

Case No. 1: Democracy is a sacred sacred word which is accepted and respected by every one and used by every country who wishes to show its growth and development. This word also is used by every country who wishes to denounce another country. But in practice, we can see in the case of country like Palestine, an democratically elected under supervision of international, organizations, only because of its policies and positions are not in conformity with that of the great powers, the democracy and the value of the votes of people lose its meaning in their eyes.

Case No.2: Terrorism is a heinous, ugly and disgusting term for all people of the world and is denounced and rejected in all

international forums and regional and bilateral meetings. In this context combating terrorism is considered and fully acceptable progressive and revolutionary principle. But in practice, when the occupying regime of Qods openly commits terrorist acts because its interests are in line with the interests of great powers, it is supported and the massacres are neglected. Therefore we are concerned that the ugliness of this phenomenon to be diluted among countries of the world gradually. The world faces such contradictions. In today's world we observe that countries like the US who are claiming to be in favor of democracy and wishing to spread freedom in the world through military attacks against Afghanistan and Iraq which has resulted in insecurity and instability in these countries.

Case No 3: the third case relates to the selective behavior in exercising the international law. The Islamic Republic of Iran which is one of the victims of these contradictions and double standard policies now is being targeted by bullying and discriminative behaviors of great powers. While many countries presently possess arsenals of destructive nuclear weapons and expressively admit their possession, and also trying to develop new generation of destructive nuclear weapons are not condemned. But the Islamic Republic of Iran is under threats because of its access to domestic nuclear technology for peaceful purposes. These are contradictions which question the efficiency of the International

organization and dilute the trust of nations in them. Nations can not tolerate language of force and bullyingness any more.

Therefore we reiterate that it is only through frankness and empathy that the growth and development of countries can be further pushed forward and their capacities and be turned to economic, social, cultural and scientific bloom through dynamic, constructive and active behaviors.

3. Global awareness

Fortunately technological growth and access to modern technologies in the field of telecommunication and information have caused further awareness of people leading to such cooperation as IORARC given its great and valuable capacities.

4. Common history and ancient culture as grounds for facilitating the cooperation:

this association with Islamic Republic of Iran with its thousands years of culture and civilization along with china and India and all other member states with thousands, years of neighborly relations and immense commonalties as its members can be turned into an example of successful symbol for the rest of the world. The main specification of this Association is the exquisite eastern and ancient origins of its member states. There are commonalties which go back to thousands of years are lighting

torch which shows the way towards development and growth of its members which will bless all the world.

Potentials (1)

Despite existing great potentials within the member states of IORARC, the existing economic relations are not satisfactory, and all countries shall develop their existing economic relations through providing required legal and trade arrangements as well as conclusion of related agreements.

Distinguished Guests,

Ladies and Gentlemen,

One of the major goals of I.O.R.A.R.C is the implementation of economic cooperation plans through optimal utilization of resources and use of comparative advantages to create maximum opportunities for the development and welfare of the peoples of this region. The Charter of I.O.R.A.R.C lays emphasis on the importance of enhancement of economic cooperation among the member states in the areas of facilitation of trade, promotion of foreign investment, technical and scientific exchanges and development of infrastructures and human resources.

At present, important projects such as regional economic cooperation framework, preferential trade agreement, clearing agreement, shipping and ports, fisheries, banking services, tourism as well as scientific and academic cooperation on the agenda of our

Association which, if implemented, can turn this organization into a successful model for regional cooperation.

5. Iran

Being a member of this Association, the Islamic Republic of Iran is trying to accelerate its privatization process by laying down the necessary groundwork for that purpose.

In this regard, the implementation of Article 44 of the constitution which is aimed at speeding up economic growth, promoting economic competitiveness, increasing public share in government – run economic institutions in order to promote social justice and also raising the profitability of economic enterprises is being vigorously pursued by the three branches of government.

The Islamic Republic of Iran plans to increase the share of the private and cooperative sectors in the national economy and reduce the financial and supervisory role of the government in economic concerns in order to raise employment opportunities in the various sectors of the economy.

The transfer of 80% of the shares of government- run economic enterprises which fall under Article 44 of the constitution to the private, cooperative and non- governmental public sectors is a measure in the same direction.

With respect to scientific and academic issues, without and doubt, given that has happened in the past, we will witness further

economic growth and development in the related activities of the member states.

The scientific and academic group constitutes a core area of our economic cooperation within the Association.

The academic group consisting of the professors and researchers of the member states which functions as a think tank for our organization can play a significant role in the attainment of its goals and objectives particularly with respect to new modern technologies, especially in the peaceful nuclear fields, treatment of diseases like AIDS and spinal cord injuries and generally speaking other fields of scientific cooperation.

Emphasizing the need for the further expansion of scientific and academic cooperation and exchanges in the Indian Ocean Rim region, Islamic Republic of Iran stands ready to utilize all its scientific and academic capacities for the enhancement of regional cooperation in this sector.

Distinguished Guests,

Ladies and Gentlemen,

Believing that development, welfare and security of states are tied to regional and international cooperation, the Islamic Republic of Iran views the development of comprehensive regional cooperation as a pillar of its policies. In that context, my country is prepared to make every effort for the implementation is prepared to

make every effort for the implementation of the projects and also enhancement of the position of our Association.

**Distinguished Guests,
Ladies and Gentlemen,**

In conclusion, hoping earnestly that this meeting will manage to attain its objectives; I express, once more, my thanks and appreciation to the honourable ministers, heads and members of the delegations and other distinguished participants for their active presence in the deliberations of this meeting.

I wish further success for all of you and also for the success of I.O.R.A.R.C in attaining its lofty objectives.

Thank you

STATEMENT BY THE MINISTER OF STATE FOR EXTERNAL AFFAIRS,
HIS EXCELLENCY SHRI. E. AHAMAD

(7TH MEETING OF THE COUNCIL OF MINISTERS OF IORARC, IRAN, TEHRAN)
7 MARCH 2007

Mr Chairman
Honourable Ministers,
Distinguished Delegates

Let me, at the outset, convey my warm appreciation to the Government and people of the Islamic Republic of Iran for the gracious hospitality extended to me and the members of my delegation and for the excellent arrangements made for our meeting here.

2. This is the second consecutive year that Tehran is hosting the Council of Ministers Meeting. We value the forum of IOR-ARC and attach importance to its potential. It is useful to have this opportunity to review developments since our meeting in February last year.
3. I would like to appreciate the efforts of South Africa in facilitating the meeting of the Working Group of Heads of IOR-ARC Missions in South Africa under the stewardship of the Deputy Minister of South Africa and Chairperson of the Committee of Senior Officials there. The Working Group has met twice last year and these meetings have been found useful in follow-up and review of the projects. These meetings should continue to be held on regular basis. Their detailed consideration of activities will provide useful inputs and guidance to the functioning of our regional Association.
4. Our Senior officials have had detailed deliberations over the past two days. They have, inter-alia, discussed administrative and budgetary concerns. The recommendations they have made for our consideration are practical and result oriented. We need our Secretariat to be assured of logistical and budgetary support so that we can demand commensurate results from it.
5. Mr Chairman, in assessing the achievements of our organization, we must also take into accounts the fact that we are a diverse group of countries, with different levels of economic development and also belonging at times to different regional groupings. However, it is the Indian Ocean , which sustains the maritime lifeline of over 50% of world trade that binds us together.
6. The year 2007 marks the first decade of IORARC. As the economic grouping steps into its second decade of its existence, this is the opportune time to review IOR-ARC's achievements and devise strategies to carry forward our common vision of mutually beneficial cooperation. We should encourage and task the three working groups – the Academic Group, the Business Forum and the Working Group on Trade and Investment to come up with tangible proposals based on our complementarities and synergies.
7. As you all are aware, IOR "Chair" in Indian Ocean Studies is designed to play a catalytic role in fostering research in the fields of common interest to the IORARC and to promote trade and investments in the region. India and Mauritius are in the process of reviving the "Chair" in the coming months.
8. I would like to suggest that we organise workshops on issues having direct relevance to our trade and industry sectors, and for developmental activities in our countries. There are many areas where we can benefit by sharing each others' developmental experiences, technologies, traditional knowledge or best practices. Some sectors that have a great deal of potential include technology cooperation in new and high technologies, shipping and maritime

cooperation, tourism. Technology, including ICT, is an added strength of regional countries, which could be a key to successful cooperation.

9. Disaster Mitigation and Management has emerged as a significant area of international cooperation. We are willing to share the experience that we have gained in mitigation of natural disasters. At the same time, we would be happy to learn from the experiences of other Member States. Towards this end, we had offered to host a meeting of experts on the technical aspects of a comprehensive disaster forecasting and mitigation system in the Indian Ocean. The Member countries are requested to provide information regarding their technical focal points. We would also be willing to provide opportunities for training and capacity building in the areas of prediction, modelling, forecasting and early warning of natural disasters.
10. Mr Chairman, the Indian economy has made remarkable progress in recent years. This is attracting major global companies to invest in India, as well as utilize the country as a manufacturing and R&D hub. At the same time, the Indian private sector is also looking for investment opportunities overseas. My Government is ready to facilitate investments in IOR-ARC member states for mutual benefit. In this context, I may mention that a Buyer Seller Meet was held in Mumbai in November 2006, to enhance Agro Food Processing and Fisheries trade within the region.
11. I would like to take this opportunity to mention that India Trade Promotion Organisation (ITPO) has been successfully organizing India International Trade Fairs (IITF) annually in New Delhi for over two decades. This is India's most prestigious trade fair. A large number of companies from India and abroad participate in the Fair. We would like to invite the IOR ARC Member Countries to participate in a big way in the Trade Fair, to be held this year from November 14-27, 2007. An "IOR-ARC" Pavilion will be specially set up for this purpose. On this occasion, a sectoral seminar and a Buyer Seller Meet will also be held. I would strongly urge all Member Countries to encourage participation in the Trade Fair. In the spirit to promote participation by all IOR-ARC countries in the Trade Fair, we offer a 3x3 sq. mtr. Stall free of cost to fellow developing countries, namely, Bangladesh, Madagascar, Mozambique, Tanzania and Yemen.
12. Mr Chairman, you would agree with me that people-to-people interaction should play a pivotal role in making our grouping more vibrant. We should think of initiating activities which can lead to better visibility of our grouping in our own countries and beyond. In this context and also in view of the year 2007 being designated a 'Year of Tourism', we offer to host IOR-ARC Film Festival later this year. We would request all Member Countries to provide at least one film each for this purpose.
13. Various training programmes are organized by India under Indian Technical and Economic Cooperation programme popularly known as "ITEC". In this context, I am happy to announce that specialized courses could be organized under the umbrella of IOR-ARC Cooperation, in the fields of IT and E-government, entrepreneurship development, development of Small and Medium enterprises; rural electrification, pharmaceuticals and hydrology. To begin with, we offer under ITEC two specialized courses; (i) on IT and E-government; and (ii) Small and Medium Enterprises and invite 2 participants from each Member Country for these courses.
14. Mr Chairman, I am glad that educational exchanges amongst the IOR - ARC countries have made rapid strides in the recent years. On one hand, substantial Indian Students are going for higher studies to Australia and Singapore, on the other hand, we are recipient to a large number of students from Iran, UAE, Oman and Mauritius and Yemen, to mention a few. My Government will continue to facilitate and further strengthen these exchanges for greater people – to people contacts in our region.
15. Before I conclude, let me express Mr. Chairman, my delegation's full support and out political commitment for the Indian Ocean Rim Association for Regional Cooperation for mutual benefit so that we succeed in our efforts to translate ideals into beneficial cooperation on the ground. Thank you, Mr. Chairman.

Statement by

H.E. Mr. Mohammed Bin Hussein Al Shaali

**Minister of State for Foreign Affairs
Head of the United Arab Emirates Delegation**

**7th Meeting of the Indian Ocean Rim Association
for Regional Cooperation**

**Tehran, the Islamic Republic of Iran
6 March, 2007**

Your highness and Excellencies
Ladies and Gentlemen,

Peace be upon you,

On behalf of the UAE Delegation, it gives me great pleasure to extend to your Excellency and to your friendly country, the Islamic Republic of Iran, our sincerest thanks and appreciation for your warm reception and hospitality.

Today, we meet in Tehran to evaluate and examine the achievements made since the establishment of the Indian Ocean Rim Association for Regional Cooperation, especially in the fields of trade, investment, tourism, human development and private sector.

Mr. President,

Since its accession to this Association on 24/9/1999, the United Arab Emirates has been keen to strengthen its involvement in the economic, commercial and investment activities with many member countries due to its firm belief in the importance of pursuing development policies which reflect the objectives and principles of open and free markets, whether in its bilateral and regional relations or in its relations with the international groupings and associations to which it belongs, and under the framework of the economic, commercial, financial and international relations. Proceeding from this understanding, we have been always calling for creating partnerships in these sustainable development sectors since they are considered the primary engine of economic and commercial cooperation, and the driving force of growth, balanced development, and liberation of trade, as well as or strengthening the bilateral and multilateral relations of our countries on these pressing issues in order to ensure the stability of sustainable development.

Mr. President,

We hope that this joint action will help in achieving the ambitions and aspirations of our peoples towards creating wider perspectives for coordination, cooperation and joint responsibility in the development, human, economic and commercial areas and in strengthening the involvement of the private sector in order to achieve the objectives and purposes for which this association was established.

We are confident that this meeting will achieve-God willing – the positive results to which we all aspire.

Thank you.

Statement of H.E Mr. RANJEVA Marcel, Minister of Foreign Affairs of the Republic of Madagascar

Mr Chairman,
Honourable Colleagues,
Distinguished Delegates,

Allow me, first of all, to express my sincere appreciation and my gratitude to the Government of Iran for the warm hospitality and the excellent arrangement extended to my delegation and myself since our arrival in Tehran.

Allow me also to congratulate Your Excellency for the outstanding work that has been achieved throughout your first year as Chairperson of our Association.

Mr Chairman and Honourable Colleagues,

Since this year is dedicated to the celebration of the 10th anniversary of our Association, and the year of tourism of IOR ARC, my congratulations go to all of us and I wish continuous success to our Association for the coming years.

As far as tourism is concerned, we all know that this sector plays a key role in the economy of our respective countries. Unfortunately, due to the global warming and climate change, our region is permanently exposed to natural disasters, resulting in thousand of homeless and starving people, leaving our countries' economy shattered.

Recently, we have witnessed floods in Indonesia, cyclones in Mozambique and Mauritius, threatening the tourism economy of our countries. I would like to take this opportunity to renew our sympathy to the Government and the people of these brother countries.

Since January of this year, my country has also experienced the same negative climatic conditions. However, national efforts towards rapid development of the tourism sector will not fail, intensive promotion of the tourism sector is being listed among the eight commitments for high growth economy, within the "Madagascar Action Plan" (MAP).

Briefly, the MAP is the national policy to be implemented to accelerate and better coordinate the development process. It is a five year plan establishing direction and priorities for the Nation's progress, stating the commitments and strategies.

Last and not the least, I would like to thank our Association for having encouraged and recommended Madagascar, during our Meeting last year, to organize exhibitions and other activities in view of attracting investors as well as tourists.

I wish full success to our Meeting.

Thank you.

**STATEMENT BY DEPUTY MINISTER AZIZ PAHAD AT THE
GENERAL DEBATE DURING THE 7TH MEETING OF THE
COUNCIL OF MINISTERS OF THE INDIAN OCEAN RIM
ASSOCIATION FOR REGIONAL COOPERATION (IOR-ARC),
TEHRAN, ISLAMIC REPUBLIC OF IRAN , 7 MARCH 2007**

Honourable Chair
Distinguished Delegates and Dialogue Partners
Ladies and gentlemen

On behalf of the South African delegation I wish to congratulate our host, the Islamic Republic of Iran for the good organization and the hospitality given to us.

You have been able to do so despite the fact that we meet at a time when the region is going through a very serious crisis, which threatens regional stability and international peace and security. We remain strong in our conviction that it is humanity's interests to prevent any new military action in this region. We should therefore intensify our efforts to find a peaceful negotiated solution to the crisis around Iran's nuclear programme.

Chairperson

Fifty years ago Ghana became the first Sub-Saharan African country to lower the British flag and host the new Ghanaian flag. This was the beginning of the setting of the sun on the British Empire in Africa.

Yesterday as we celebrated this happy occasion we were acutely conscious that while colonialism, new –colonialism and apartheid were defeated we had inherited distorted economic structures with a legacy of poverty and underdevelopment. Today, despite all our efforts the vast majority of our people still live below the poverty data line. The positive impact of globalisation has still not materialized in many of our countries.

This is why we give such importance to the IOR-ARC initiative. We see it as an important mechanism to achieve our developmental agenda. For us the success of the IOR-ARC is a matter of life and death.

At the end of the twentieth century a new generation of African leaders proclaimed that the twenty-first century must be the African century and adopted an African Programme for African development, viz the new partnership for African development. We were conscious that while we had our own responsibilities to succeed we had to mobilize support from the international community especially from countries of the South.

It was in this context that in 1995 President Mandela stated

“the natural urge of the facts of history and geography should broaden itself to include the concept of an Indian Ocean Rim for socio-economic cooperation and other peaceful endeavours”

Chairperson

Ten years ago in March 1997 we formally launched our Association in Mauritius. Despite our economic , political , cultural and social diversities we came together not only because of an ocean but because we had a vision. Today, we need to constructively, critically and frankly assess what we concretely achieved in the last 10 years.

The IOR-ARC was formed because we believed that it could be a mechanism for enhancing economic interaction in the region and that the IOR-ARC would be a key to unlock the potential of the Indian Ocean Rim, in particular enhancing trade and investment flows, trade liberalisation as well as the sustainable exploitation of the vast tourism potential of our Association's members.

Have we succeeded to achieve this vision?

A Secretariat non-paper calls on us to discuss clear and concrete proposals to re-energise the organization and prevent it from dying a natural death. We do not have the luxury of allowing our Association to die naturally or unnaturally.

The non-paper identifies some problems

1. A Core Group of Heads of Missions (Mauritius, Iran, Singapore, India and UAE) was tasked to conceptualise the Format of Economic Summit. To date there has been no correspondence on the constitution of the Core Group or on the proposals.
2. The paper also expresses its disappointment on the activities of the WGHM. It states that it seems that the WGHM has lost interest.
3. Regional meetings are not being held on schedule and sometimes cancelled or postponed.
4. The IOR_ARC Secretariat is experiencing difficulties to keep up with the dynamic global economic conditions.
5. the lack of Technical Staff at the Secretariat is severely affecting performances of the Secretariat and the Organisation at large.

The question is what is to be done?

The Chairperson report and the Senior Officials proposals can serve as a foundation to build on.

I am sure that we all agree that the IOR_ARC should be more than a platform for sharing ideas but must serve as a vehicle towards producing tangible results that have a quantitative impact on our developmental agenda. An important element of making this a reality is the strengthening of the necessary institutional capacity. In this regard, South Africa has seconded an official to Mauritius to augment the capacity of the Secretariat. Other member states should also consider assisting the Secretariat logistically and

financially to seriously make an impact on strengthening the operations of our Association. I say this conscious of the fact that structures, how ever strong, will not be effective if we don't have a prioritized realistic programme of action.

The time has come to ensure that the decision taken at this 7th Meeting will facilitate and encourage in concrete terms a mutually beneficial socio-economic co-operation and other peaceful endeavours between all member countries

This meeting should also creatively determine how the IORARC can be an effective mechanism to enhance our capacity to ensuring that concrete programmes of other institutions such the New Asia Africa Strategic Partnership, ASEAN, the Chinese Africa Partnership, the Japanese TICAD, and the NEPAD initiative and can be meaningful utilized in our common interests.

We are all concerned about the future of the IOR-ARC. We need to elaborate further on our vision of our organisation to answer the question – where do we want to take/lead the IOR-ARC in the next ten years. Part of this work will entail that we resolve at our planning process with the view to at least construct a 3-4 year plan that will establish a continuation from the present Chair to those who will lead us in the next two to four years.

South Africa also believes that after ten years plus of continuous dialogue with partners and observers we need to resolve here that we indeed welcome their active participation in projects identified by the Association. This contribution may be financial, technical or other means. Our resolution can then be translated into agreeable modalities of co-operation. A further mechanism for contact could also be constructed around the Executive Director based in Mauritius.

South Africa looks forward to constructive discussions regarding the future direction of the IOR-ARC. The objective conditions many of our countries face demands that our deliberations must be based on concrete realities and it must be targeted and outcome orientated.

We must express our appreciation to India, Oman and Iran for their contribution to the Special Fund. The Special Fund should empower us to concretely implement priority projects. We should look at how all of us can also contribute to the Special Fund, and determine how best this Fund can be utilised to enable us to achieve our common objectives.

In conclusion may I once again reiterate our appreciation to the Islamic Republic of Iran for hosting this event in these very challenging times. Thank you also for the hospitalities extended to us since our arrival in Tehran.

Your Excellency Mr Manouchehr Mottaki, Minister of Foreign Affairs of the Islamic Republic of Iran & Chairperson of IOR-ARC

Distinguished Colleagues,

Excellencies,

Delegates,

Ladies and Gentlemen

I take this opportunity, at the outset, to convey the congratulations of Hon Rohitha Bogollagama, Minister of Foreign Affairs of Sri Lanka to you

Mr Chair, for the inspiring way in which you have steered the course of our Association this past year. Permit me also to extend to the Government and people of the Islamic Republic of Iran our sincere appreciation for the warm welcome and generous hospitality afforded to me and my delegation and the excellent arrangements made for this Meeting.

Sri Lanka handed over the Chairmanship of IOR-ARC to Iran at the very successful meeting held in Tehran in February last year. I believe that this is a critical juncture in the history of IOR-ARC. We are celebrating 10 years in existence this year. The time is ripe to infuse fresh vigour in to the work of the Association and take stock of our achievements.

I hope to take some time to place before you a few thoughts on the future direction of the IOR-ARC as Sri Lanka sees it unfolding. We took some very significant decisions at the last Council of Ministers' Meeting- Permit me to recall some of them –

- The establishment of the Special Fund for IOR-ARC projects for which several governments pledged voluntary contributions,
- the establishment of the Working Group of IOR-ARC Heads of Mission in Pretoria to review and prioritize projects and assess the progress of decisions made, in between Council Sessions,
- institutionalizing the Troika with authority to decide on matters of urgency in between Council Meetings,

- strengthening the IOR-ARC Secretariat

When we met last year it was clear that several measures had to be put in place to ensure that the important decisions we take at the Ministerial Meeting be implemented. There was a general feeling that we were not progressing at the pace at which we had intended. Hence the Council of Ministers suggested some important mechanisms, those that I spoke of before, to push forward the IOR-ARC agenda. I am happy to note that they are progressing well under the able leadership of Iran with the support of the IOR-ARC coordinating secretariat. We must use this opportunity to strengthen the mechanism put in place as we move to the second decade in existence. In doing so, we must seriously consider how we can use the “principle of clustering” that was advocated at the 2004 session in Colombo. It would be difficult for all of us to find projects of interest to work on together. However, a few of us who may have an interest in a particular project could work together to see its implementation. This, I believe, is a more practical approach which I am certain would prove to be more successful.

Any organization upon completion of 10 years in existence must seriously consider the need for it to continue on the path that has been chosen. The reasons for the initial establishment of the IOR-ARC at that time, and the reason to be in existence for the next 10 years should be rationalized. We have a duty to do that. Our Governments continue to commit considerable amounts of funds for the upkeep of this Association. More importantly countries have continued to commit valuable time and effort to keep the momentum of cooperation going.

Mr Chairman, therefore, I wish to suggest that under your leadership a Plan of Action be drawn up for IOR-ARC for the next 5 years. We need not be overly ambitious in this endeavour. But we could, for instance, request each member state to commit to undertaking a networking exercise for IOR-ARC member countries. It could be in a subject of choice and expertise of the member country concerned and could take the form of a workshop or seminar. Now I am aware that many of the member countries that have offered such opportunities have not been taken up on that offer, for very practical reasons- the reason being lack of funding. Many of the member countries are unable to send experts if the cost of participation is not borne by the host country. The Chair and the

Coordinating Secretariat needs to look very carefully at approaching funding agencies for this purpose and initiating a dialogue with them together with the host country. For instance the UNESCAP provides such assistance in certain instances and so does the Colombo Plan. If we are able to plan ahead many of the member states may be able to include such seminars/workshops in the budgets, enabling them to secure finances in advance. Realistically speaking, this is our drawback, and we must look at how we can rectify it.

Mr Chairman, the fruits of regional integration are evident in the successes achieved by the European Union and ASEAN. Many of us are members of separate regional integration exercises and it highlights the potential that exists for cooperation amongst us. Overlapping membership is a welcome source of enrichment in terms of ideas and experiences and we must endeavour to harness the complementarities that exist. Particularly if we are to increase the level of inter-regional trade. In this context, I wish to request for increased cooperation in the proposed IOR-ARC Preferential Trade Agreement. Sri Lanka as lead country is desirous to see an early take off of the frame work agreement associated with the PTA in which a number of have expressed interests at the last meeting. I have been informed that the planned meeting of experts to discuss the framework agreement and other aspects of the preferential trade agreement did not take place this week as scheduled. However, Its heartening to note that Oman has shown its magnanimity by offering to host a meeting to discuss the issues early, demonstrating her commitment in this endeavor. We do believe that interested members should begin at the earliest possible opportunity to address the issues associated in finalizing the frame work agreement in order to make use of the ample trade potentials that exist around the IOR ARC region.

Permit me to turn now Mr Chairman to the area of Tourism and cooperation among IOR-ARC member states in this important area. Sri Lanka made a suggestion at the previous session to declare 2007 as the IOR-ARC year of Tourism which was adopted by the Council, and has submitted a concept paper on how we could initiate cooperation in this area. However, if we are to make this year successful it is what we do in this year, in the area of Tourism that will count. May I call upon the Ministers gathered here for their valuable views on this issue.

I take this opportunity to thank our host and chair of IOR-ARC, Iran, for the successful conduct of this Meeting. Sri Lanka's appreciation also goes to the Executive Director and the staff of the IOR-ARC Secretariat for their untiring efforts in pushing forward the work of the Association.

I would like to conclude with some thoughts expressed by the late Hon Lakshman Kadirgamar who chaired the Council of Ministers' session in Colombo, in 2004. These are sentiments which Sri Lanka still echoes:

“ I believe strongly that the vital spark of life remains in the organization; it requires to be fanned and fuelled. Only we the member States, in association with our academic and business communities, can do that. The rest of the world has no interest in keeping us alive.

We must remember that our people are watching us. They will be entitled to ask us to render an account of what we are doing. That account cannot be denied to the people.

Therefore, I say let us go forward with renewed optimism”

I thank you.

STATEMENT BY HON. DR. CYRIL A. CHAMI (MP), DEPUTY MINISTER OF FOREIGN AFFAIRS AND INTERNATIONAL COOPERATION, UNITED REPUBLIC OF TANZANIA AT SEVENTH MEETING OF INDIAN OCEAN RIM ASSOCIATION FOR REGIONAL COOPERATION, TEHRAN, THE ISLAMIC REPUBLIC OF IRAN 7TH – 8TH MARCH, 2007

Chairperson,
Your Excellencies,
Ladies and Gentlemen.

Mr. Chairman,

Let me join you and other speakers in extending my delegation's sincere condolences to the government of the People of Indonesia for the pain suffered from an earthquake and a plane crash which happened consecutively this week.

Mr. Chairman,

Let me also on behalf of the Delegation of the United Republic of Tanzania take this opportunity to thank the Government and the people of the Islamic Republic of Iran for the wonderful reception and generous hospitality accorded to me and my delegation since our arrival in this beautiful city of Tehran. This is a reflection of continued cooperation between the Member States of the Indian Ocean Rim Association for Regional Cooperation and a pointer to Iran's commitment to our organization's objectives and targets for tangible achievements in the path of development.

Since the meeting started at the officials' level, we have been exchanging experiences, sharing information and setting future strategies in various fields through the Working Groups for Academic; Trade and Investment and the Business Forum. We are encouraged by achievements so far, but we are also aware of the challenges ahead of us particularly in respect of the need for prioritizing projects and for ensuring various projects mature into realizable programmes.

Chairperson,

Regarding the progress in the Indian Ocean Rim Academic Group, the United Republic of Tanzania is following with interest developments of the various proposed studies in Trade and Trade Related Economic Cooperation, Integrated Coastal Zone Management and Sources of Pollution and their Impact on the Marine Environment of the Indian Ocean, among others. We also appreciate the proposals and offers for University Exchange Programme, specifically those offered by the Vaal University of Technology of South Africa, the University of Mauritius and the government of the Islamic Republic of Iran. We shall encourage our Universities to participate in this programme in order to build the technical capacities of students and of respective Universities in producing the required human capital for socio-economic development.

Chairperson,

Trade for development is emerging to be a big force for realizing economic development in the current globalized world of competition. Openness of economies is nowadays a pointer to how a country is positioned to face up to the challenges of development. That is why we need to accord the necessary priority to programmes promoted by the Working Group on Trade and Investment. Trade and investment cannot take place if the business community is not involved. The Business Forum as an institutional structure of the

Association has a very big role to play. One of their deliberations is to have constant trade missions and trade fairs among member states. Promotion of Trade amongst ourselves calls for exchange of information which will make it possible to understand the potentials existing in individual Member States, procedures to be followed and institution to work with. The United Republic of Tanzania will provide to the Secretariat all pending information within the agreed period of three months. This is in particular to issues of Custom Procedures and Investment Regimes. We thank the Sultanate of Oman for their efforts and inputs in establishing the Fisheries Support Unit for the region. We also welcome the initiative for establishing the Indian Ocean Preferential Trade Arrangement. This will be another instrument for promoting trade among the Member States. However, as a way forward we need to encourage those Member States which are ready to proceed establishing the PTA. Others may join later after assessing its compatibility with their membership in other regional Trade Arrangements. Tanzania is participating in trade arrangements under SADC aiming to attain a Free Trade Area in the year 2008 and a Customs Union in year 2010. At the same time Tanzania is a member of the East African Community Customs Union. In addition to promoting trade under a PTA framework, Tanzania will stand ready to utilize other arrangements like bilateral agreements for trade and cooperation under Joint Permanent Commissions.

Chairperson,

As we enter in our ten years anniversary let me in concluding refer to the economic and investment regime of Tanzania. Investment climate in Tanzania has in the past several years been rapidly changing thus transforming it into one of the most investors-friendly countries in the region. Tanzania has in place a number of pro-investment and market oriented economic policies. Tanzania is endowed with numerous tourist attractions among them being National Parks, the Ngorongoro crater, Mount Kilimanjaro, which is the highest peak in Africa and the spice Islands of Zanzibar. Tourists from your countries are welcome to visit these attractive areas.

Chairperson,

May I conclude my statement by congratulating our Secretariat for a well done job despite being very thin on the ground. We shall continue to work closely with the Secretariat and support it in its programmes. It is my hope that the Secretariat will be strengthened to cope with the work load entrusted to them so as to deliver effectively to the member states.

I wish our deliberation at this Seventh Council of Ministers' Meeting a success.

Thank you very much for your kind attention.

STATEMENT BY

HIS EXCELLENCY DATUK JOSEPH SALANG
DEPUTY MINISTER OF FOREIGN AFFAIRS, MALAYSIA

AT

THE SEVENTH MEETING OF THE
COUNCIL OF MINISTERS OF IOR-ARC
TEHRAN, IRAN.

WEDNESDAY, 7 MARCH 2007

Mr Chairman,

Excellencies,
Ladies and gentlemen

Before I proceed any further, I would like to express our deepest condolences and sympathy to our Indonesian friends for the loss of lives and untold sufferings caused by the tragic air crash in Jogjakarta and the devastating earthquake in Sumatera.

2.. On behalf of the Malaysian Delegation, I would like to join the other speakers to express my sincere appreciation and gratitude to H.E. Manourcher Mottaki, Minister of Foreign Affairs, the Islamic Republic of Iran, as well as the Iranian Government for the excellent arrangements and the warm hospitality that has been accorded to my delegation and myself since our arrival in Tehran. The excellent preparations made by the Iranian Government will undoubtedly contribute towards the successful outcomes of the meeting.

Mr Chairman and Distinguished Colleagues,

3. Allow me to share Malaysia's views and ideas on how we could move forward together in realizing the vision of this Association in this era of accelerated economic globalization.

4. I am encouraged to see that each and every one of us in this region has moved forward and achieved positive economic results in the span of 10 years of IOR-ARC

5. However, we are still being confronted with a number of serious challenges in this region such as political instability, poverty, impacts of natural disaster and environment degradation, to name a few. In order to overcome these challenges, we need to further strengthen our regional cooperation by reminding ourselves on the objectives and working mechanisms of IOR-ARC in order to ensure that we achieve the targeted goals of this Organisation.

6. Yet a stable ray of optimism in the midst of challenges wrought by the prevailing forces of globalization can be the continuing collaboration between institutes of higher education under the IOR-ARC banner. It is my hope that the University Mobility Indian Ocean Rim Consortium (UMIOR) be an enduring tour de force of multilateral cooperation between higher education institutes among the IOR-ARC member states. I would like to express Malaysia's readiness to take the lead in furthering exchanges in teaching, learning and research-intensive activities for the Association. In this connection, Universiti Kebangsaan Malaysia (National University of Malaysia) is prepared to be the focal point for Malaysia to work with other members of IOR-ARC. This is also in line with Malaysia's commitment as an international hub of higher education.

Mr. Chairman and Distinguished Colleagues,

7. We took note of the progress made so far by IOR-ARC. We believe that this Association could achieve more if each member state makes serious effort to

achieve the goals of this organization. In this connection, I urge all members to double their effort and show their strong commitment to speed up the progress of the projects approved by the Council of Ministers. We must give clear direction to our Senior Officials to manage resources more efficiently and also ensure that there will not be overlapping of projects. We must not lose sight of the understanding that we have in this for a that participation on any projects or initiatives should be on voluntary basis as this would enable member states to actively participate in areas where they think they can contribute fully. In addition, I believe that any project to be funded from the IORARC Special Fund should be utilized for projects which could be beneficial for the greatest number of member states of IORARC.

Mr. Chairman and Distinguished Colleagues,

8. Malaysia is keen to see that this Association make tangible progress on its way to discover the hidden potential of this region. We trust that some positive outcome could be achieved in the near future. In this, I believe that we should capitalize on our experience in other regional cooperation and organization and create synergy between IOR-ARC and these regional cooperation and organization. To unlock the potential of this region, Malaysia will continue to play an active role in all the meetings of IOR-ARC and will provide the necessary inputs and assistance in projects which are deemed feasible.

In conclusion, Mr. Chairman, Ladies and Gentlemen.

9. Allow me to reiterate Malaysia's appreciation to Iran for hosting this occasion. May our deliberation today set the right direction and momentum for IOR-ARC to march through the existing and forthcoming challenges. Malaysia, as a Member State of IOR-ARC would like to reiterate its commitment for this regional cooperation and will work together with the other member states in order to achieve its goals and objectives.
10. May I remind Mr. Chairman and distinguished colleagues that Year 2007 is Visit Malaysia Year. This year also witnesses the 50th Anniversary of our Independence. Many trade and other exhibitions are being held. Please come and join us in our independence joy.

With that, I thank you, Mr. Chairman.

**REMARKS BY
THE INDONESIAN HEAD OF DELEGATION
IN THE 7th IOR-ARC MINISTERIAL MEETING
TEHRAN, IRAN
7 MARCH 2007**

**H.E Manouchehr Mottaki,
Distinguished Delegates,
Ladies and Gentlemen,**

It is indeed a privilege for me to represent the Government of the Republic of Indonesia to join this meeting. May I take this opportunity to express our sincere gratitude and appreciation to Your Excellency and to the Government of The Islamic Republic of Iran for the warm Welcome and generous hospitality accorded to us since our arrival in this beautiful city of Tehran.

I should also like to thank H.E Manouchehr Mottaki for organizing this meeting. I do believe that under your able guidance, our session in the next few days will produce fruitful deliberations.

Excellencies,
Distinguished Delegates,

First of all, I would like to give compliments to IOA-ARC that in its 10th Year of Celebrations, IOR-ARC has produced abundant number of initiatives. However, it is necessary for us to explore innovative ways and mechanism to ensure that these initiatives be implemented and be completed in due course. It is therefore important to assert the need of streamlining IOR-ARC programs to utilize and strengthen the role of the Coordinating Secretariat and other IORARC tools such as IORNET; and to make priority of the activities or programs to be carried out. I would like again to re-emphasize that those projects should be doable, practical, focused, have great multiplier effects, well planned and feasible, in order to produce maximum outcomes.

In the areas of trade and investment, we should enhance the cooperation in trade facilitation to reduce trade barriers and increase trade flow. This might include cooperation of financial sector. The initiative of forming Clearing Payment Arrangement in IOR-ARC, for example, we believe could bring benefit to conserve the foreign exchange reserves, it is in this need Indonesia would like to proceed this form of cooperation by offering to host a meeting of IOR-ARC central bank officers to sort of brainstorming the possibilities of implementing CPA where IOR-ARC member countries could all join and gain the benefit of this cooperation.

Indonesia is also of the view that cooperation in the area of sharing best practice among member countries should become a focus of this cooperation. As developing countries, having microfinance in our banking system for empowering our economic would be of benefit to be implemented in our countries. As Indonesia has been regarded to be one of few countries succeeded in implementing microfinance especially in coping the financial problem hit Indonesia in 1997, it is our privilege to share our experiences in the practice of microfinance by proposing to hold a workshop on microfinance in due course for Indian Ocean Rim countries.

**Excellencies,
Distinguished Delegates,**

I believe that cooperation in the area of socio culture should also be taking into account to strengthen our togetherness, to feel a sense of brotherhood and to help each other in facing the global challenges. Therefore, cooperation in the field of Tourism and Education would be areas that can be developed in our cooperation. Indonesia, in this regard, is pleased to support the cooperation in these two areas. In Education, we are offering the IOR-ARC member countries, scholarship Programs under Developing Countries Partnership Scholarship Program for degree programs and Darmasiswa Scholarship Program for short term non degree program. More detailed information can be obtained from the brochures provided to you and can be accessed through its website address.

While we are streamline and focusing our programs and work, we should also support the development of the IOR-ARC Secretariat as well as the tools which support IOR-ARC work programs. The IORNET .com has been a tool in our cooperation which could be a portal to commence dialogues and exchange information in a committed manner leading to an enhancement and deepening of cooperation among the IOR-ARC member countries. We should support the idea of strengthening our secretariat and make the best use of IORNET to facilitate our communication. In this opportunity, I am also pleased to attach Indonesian websites on IOR-ARC related issues in IOR-ARC website.

Finally it is our task to support IOR-ARC 's continuing efforts at developing capacity building measures and capabilities in all areas where IOR-ARC can add value. As members of IOR-ARC , we should commit ourselves to create policies which are supportive to economic development, poverty reduction, increase trade and investment (flows) through capacity building programs and implementation of appropriate regulations and administrative procedures.

Thank you

Statement by hon. Raphael Tuju, Minister for Foreign Affairs at the 7th Session of IOR-ARC Council of Ministers Meeting, Tehran, Islamic Republic of Iran

Mr. Chairman, Honourable Ministers, distinguished delegates, Excellencies, Ladies and Gentlemen,

It is a great pleasure for me to address you today. I convey to you the greetings of hon. Raphael Tuju, Minister for Foreign Affairs of Kenya, who would have wished to be here with you today but could not due to other pressing engagements.

Mr. Chairman, with your permission I would like to read the statement by hon. Raphael Tuju, MFA of the Republic of Kenya on behalf of the Kenya delegation i wish to take this opportunity to congratulate the chairman of the IOR-ARC Council of Ministers for the effective facilitation of these deliberations, let me commend our host, the Islamic Republic of Iran, for the hospitality accorded us and the excellent facilities arranged for our meeting. The gesture of the Islamic Republic of Iran is testimony of commitment to the success of our organization. On behalf of my delegation, let me assure you of our support to ensure a successful session.

Speech made by H.E. Mr. Liu Zhentang, Ambassador Extraordinary and Plenipotentiary of the People's Republic of China to the Islamic Republic of Iran and head of Chinese Delegation, on the occasion of the 7th Council of Ministers of Indian Ocean Rim Association for Regional Cooperation, March 7^l, 2007, Tehran

Esteemed Your Excellency Mr. Mottaki, Foreign Minister of the Islamic Republic of Iran Chairman of the Council of Ministers, honorable ministers and delegates, dear colleagues, ladies and gentlemen:

It is a great honor for me to represent the Chinese government to attend the 7th Council of Ministers of Indian Ocean Rim Association for Regional Cooperation, or IORARC, and to discuss the future development of the Association with all of you. I wish to give my sincere gratitude to the government of the Islamic Republic of Iran for the hospitality extended to my delegation. In the meetings of the past few days, views have been extensively exchanged on various issues, and many constructive and feasible suggestions have been brought about. I believe these suggestions and ideas will have positive effect on the promotion of substantial cooperation between member states and dialogue partners.

Mr. Chairman,

As a dialogue partner, China respects the tenets of IORARC, supports the working direction and focal points of cooperation set by IORARC, and is willing to make positive efforts with all member states to enhance the cooperation of the Indian Ocean Rim region. For a long time, China and the member states of the Association have been sharing friendly political ties and intensive economic and trade relations. We have fruitful cooperation in the fields of commerce, investment, tourism, science and technology, etc. In 2006, the total amount of trade between China and the member states reached 236.7 billion USD, with a 25% increase in comparison with the previous year. The proportion of trade between China and all the member states in China's total trade volume has been growing larger and larger year by year. From 2004 to 2006, the proportions have been respectively 12.9%, 13.2% and 13.4%. Negotiations between China and some member states on FTA are underway, and we also have established tourism cooperation with more than 10 member states. While actively pursuing the "Going Global" strategy, China encourages companies with proper capabilities to go abroad to invest in other countries, including Indian Ocean Rim regional states. In International economic affairs, China also has undertaken fruitful cooperation with many member states. The areas of China's international cooperation are quite similar to the focal points of cooperation of the Association, which promises a bright future of cooperation between the two sides.

Under the international situation of economic globalization and regional economic integration, China will continue to positively participate in activities of the Association, enhance consultation and dialogue with member states and other dialogues partners, expand mutual economic and trade cooperation with member states, and support the efforts made by the Association to realize its goals, so as to promote the development of the regional and world economy.

Mr. Chairman,

China has the following suggestions to further enhance economic trade cooperation with member states of IORARC:

First of all, to have dialogue on deepening regional economic cooperation. China holds the view that regional cooperation, as a beneficial complement for multilateral trade system, is conducive to promoting the world trade liberalization and facilitation, and to promoting the mutual benefits and common development among member states. In recent years, China has actively participated in regional cooperation mechanisms such as APEC, Asia-Europe Meeting, Shanghai Cooperation Organization and the Larger Mekong Sub-regional Cooperation, in which China played an active and constructive role. Meanwhile, China is steadily pushing toward the process of the FTZs development. We have started negotiations with some countries and regions including member states of the associations on establishment of FTZs. For a certain period in the past, the Association had done a lot of effective work to promote the economic cooperation among Indian Ocean Rim region. China hopes the Association could keep its characteristics and advantages in economic cooperation, and is willing to continue the dialogue with the Association to share experiences of economic cooperation in this regard.

Secondly, to push for upgrading the level of trade and investment facilitations in the Indian Ocean Rim region. It is increasingly important to improve the level of trade and investment facilitation when custom duties are decreasing and non-tariff barriers are being reduced in all countries. The measures of trade and investment facilitation such as: increasing policy transparency, simplifying and coordinating customs clearance, standardization and accreditation, promoting investment, stimulation flow of business people and e-commerce, are helpful to increase efficiency, reduce cost, improve predictability and promote trade development. China is willing to conduct more exchanges, share experiences and expand cooperation with the member states of IORARC regarding these measures.

Thirdly, to target focus areas for practical cooperation. The extent of the Association ranges from Asia, Africa to Oceania, which enjoy abundant resources and convenient transportation. China and the member states have complementary economy, common interests in many fields and enormous potentials of cooperation. Both sides should increase communications and coordination by choosing some key areas, especially human resources development, port construction, transportation, energy, tourism and SMEs, for substantial cooperation and promoting common development.

Thank you for your attention.

IOR Association for Regional Cooperation
7th Council of Ministers
(Tehran, 7th March 2007)

**Statement delivered by Mr. Wilfrid BERTILE
Vice President of the Regional Council of La Reunion (FRANCE)**

Mr. Chairman,
Honorable Ministers,
Excellencies,
Ladies & Gentlemen,

- I am very happy to be able to speak in front of this honorable assembly today in Tehran. My first words will go to our Iranian host to thank them for their generous hospitality. I would like also to express my deeply concern about the terrible events that have occurred in Indonesia.
- The Minister of Foreign Affairs of France, Mr. Douste-Blazy, could not attend this meeting of the Indian Ocean Rim. He expresses his regrets all more than it is the tenth anniversary of IOR. So I was asked, as an elected official and vice president of the Regional Council of La Reunion Island, to express in his name the commitment of France to this organization. **La Reunion Island is an overseas region of France, a full-competent French department**, and the only European region in the Indian Ocean. Therefore, France as well as the European Union want to promote the regional integration of our island in this region.
- As you know France was granted the status of “dialogue’s partner” of IOR-ARC in 2001. Since 2003 we have expressed our interest to develop stronger relations with your organization by attending every council of ministers.
- The presence of France at this meeting is also the result of a long History of French presence in the Indian Ocean, particularly in La Reunion Island. This ancient presence and the fact that the Reunion island population has origins not only from Europe and France, but from Africa and Asia, are two of the reasons why we want today to develop a better cooperation with neighboring countries.
- We also believe that La Reunion Island can offer **interesting opportunities for the regional cooperation**. In year 2000, the French overseas departments like Reunion Island have been granted the ability to negotiate and conclude

cooperation agreements with their neighboring countries, in the name of the French Government.

- Reunion Island can offer many other many opportunities to develop stronger relations with Indian Ocean Rim countries, in the health sector for example. We are currently developing a research center, which will be part of a regional network aiming at **preventing us from epidemic disease like the** Chickungunya fever that has had very damaging consequences on local population and tourism in the South West Indian Ocean in 2005.
- Reunion Island has played an active role in a regional cooperation organization: the Indian Ocean Commission (IOC) **since France was granted full membership in 1986**. France has then become the first contributor to the IOC budget.
- France finance cooperation initiatives and uses the Reunion island capacities to realize projects in different fields such as the protection of coastal regions and coral reefs, the protection of fishing resources and the prevention from illegal fishing. We are currently working with our partners within IOC on the creation of a network of universities and research facilities in the Indian Ocean. Concerning IOR activities, France and Reunion island authorities think that the time has come to take part to concrete projects such the **feasibility study on tourism**, the **Fisheries Support Unit (FSU)**, as well as the **University Mobility in the Indian Ocean Region (UMIOR)**. To that effect, we would be ready to explore the possibility of a financial contribution to IOR projects, such as the Special Fund.
- I am convinced that you could use this opportunities offered by La Reunion in a more efficient way. This is the reason why I think that our current status in your organization could be upgraded. You could associate more closely France to your projects, particularly in the fields where we have a valuable experience in the regional context. We have already designated our Ambassador to Mauritius as “special representative” to be better informed of the work of your organization in order to be able to associate ourselves to your projects and activities.

Mr Chairman,
Honourable Ministers,
Ladies and Gentlemen

- As France has developed a very active partnership with the neighboring countries of La Reunion through the participation of the IOCs projects, France is eager to develop stronger ties with the IOR ARC, and we believe in a dynamic future of your organization .
- We also think that the better way to achieve such a goal would be to grant us full membership of IOR ARC, but as a first step we would invite you to enhance our association to your activities.
- In the context of globalization, we are deeply convinced that we must reconcile history and geography by associating more efficiently France and Reunion island to your organization.

Thank you for your attention.