

Headline	Step up intra OIC trade, says Ahmad Husni		
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# Step up intra-OIC trade, says Ahmad Husni

**KUALA LUMPUR:** Intra-OIC trade must be stepped up to help developing economies regain their growth momentum to pre-crisis levels, Second Finance Minister Datuk Seri Ahmad Husni Hanadzlah said.

He urged the ratification of the OIC Trade Preferential System to be expedited on a fast-track basis to promote supply chains. "Apart from enabling comparative advantages, it would address the global economic imbalances," he said.

Ahmad Husni was addressing the 37th annual meeting of the Islamic Development Bank (IDB) board of governors meeting in Khartoum, Sudan, yesterday.

So far, half of the 21 signatory member countries of the OIC have ratified the protocol.

Ahmad Husni, who is the IDB Governor for Malaysia on behalf of the Asian Group, said the countries in the Asian Group had recovered well since the considerable external shocks in 2011, but the external environment was still a concern.

Even though the critical phase of the European sovereign debt crisis has passed and while the American economy has given some positive signals, the OIC member countries remained cautious in its near-term expectations.

Following the 2008 global economic crisis, the developing countries are now worse off.

The gap between general revenue and expenditure for OIC countries as a percentage of their GDP expanded from a simple average of -1.4 per cent in 2007 to -16.7 per cent last year.

Ahmad Husni also proposed an initiative for fiscal support to assist developing IDB member countries in their response to systemic shocks caused by global economic events.

"The IDB needs to consider providing timely, targeted and temporary fiscal assistance to developing countries in their response to global financial and economic shocks.

"Another proposed option is a multilateral sovereign-quality guarantee mechanism," he said.

He urged developing countries to strengthen their economic and fi-

ancial fundamentals to effectively overcome external challenges.

Ahmad Husni added that it is essential for developing countries to lessen their reliance on multilateral and regional institutions.

He also spoke about Malaysia's economic growth underpinned by strong economic and financial fundamentals.

Malaysia had rolled out two stimulus packages before embarking on concurrent implementation of the Economic, Government and Rural Transformation Programmes, which have since expanded Malaysia's investment flows, increased the country's efficiencies and added value to its national economy.

IDB also needs to conduct surveys of macro-economic trends and developments in the OIC countries and the resulting analyses can serve as a complimentary tool to pro-actively assess the need for the proposed fiscal assistance.

On the Member Country Partnership Strategy (MCPS), a new business model implemented two years ago, Ahmad Husni said the programme will be implemented in Malaysia over the next four years through private sector development and reverse linkages.

Malaysia hopes to launch the IDB Group MCPS Document at the Malaysia-IDB Group Investment Forum in Kuala Lumpur later this year.

**By Rupa Damodaran**

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Forest Research Institute Malaysia director general **Datuk Dr Abd Latif Mohmod** (right) and Bank Negara Malaysia governor **Tan Sri Dr Zeti Akhtar Aziz** (second from left) receiving the IDB prizes after the ceremony. Looking on are Islamic Research and Training Institute director general **Prof Datuk Dr Mohd Azmi Omar** (second from right) and Malaysian Ambassador to Sudan **Datuk Mohd Ashri Muda**.