SWOT OUTLOOK ON OIC MEMBER COUNTRIES

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

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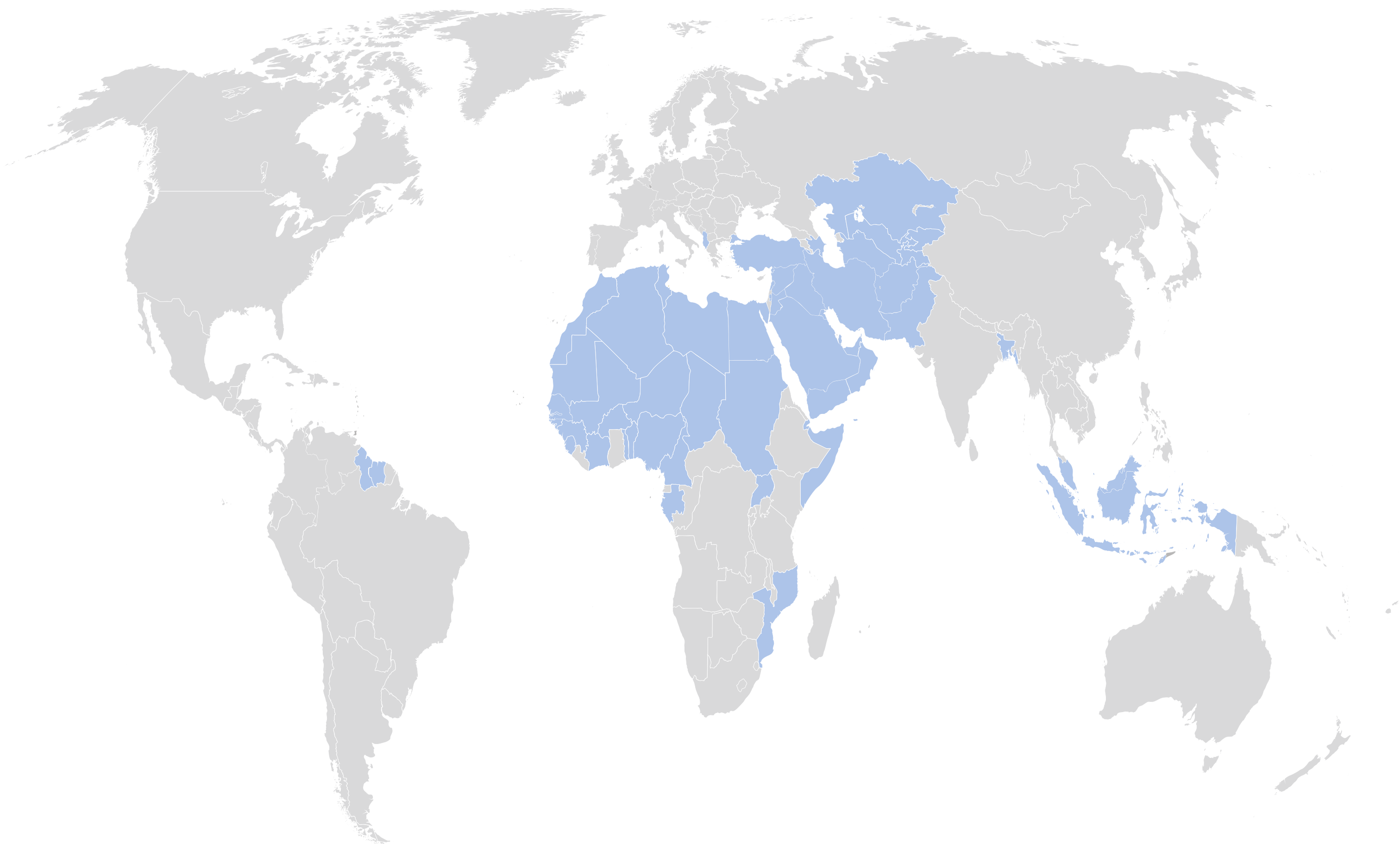
on OIC Member Countries



Organisation of the Islamic Conference

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

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SESRIC *(**S**tatistical, **E**conomic and **S**ocial **R**esearch and Training Centre for **I**slamic **C**ountries) was founded as a subsidiary organ of the Organisation of the Islamic Conference (OIC) by the Eighth Islamic Conference of Foreign Ministers (ICFM), held in Tripoli in May 1977. The Centre started its activities in Ankara on 1 June 1978.*

The basic mandate drawn up for SESRIC is threefold:

- *To collate, process and disseminate socio-economic statistics and information on and for the utilisation of the member countries,*
- *To study and evaluate the economic and social developments in the member countries to help generate proposals that will initiate and enhance co-operation among them, and*
- *To organise training programmes in selected fields geared to the needs of the member countries as well as to the general objectives of the Organisation of the Islamic Conference.*

At the threshold of its 33rd year of existence and active involvement, within the framework of its field of specialisation, in the common effort towards the realisation of the noble objectives of the OIC, the SESRIC Centre is increasingly solicited to put its accumulated experience and acquired know-how at the service of the Organisation and its member countries as reflected in the ever-expanding scope of activities it carries out.

Foreword

SWOT (**S**trengths, **W**eakness, **O**pportunities, **T**hreats) analysis is an analytical planning tool which provides information that is helpful in assessing the impacts of major factors (internal and external) on the performance of an entity. This entity could be a company or an industry or even a country or a group of countries with a common objective. Scanning the internal and external environment of an entity is an important part of the strategic planning process. In this context, SWOT analysis is very critical in matching the resources and capabilities of an entity to the competitive environment in which it operates, and, thus, it is an instrumental tool in strategy formulation and policy making. Internal factors, which are attributes of the entity itself, can be classified as Strengths (**S**) or Weaknesses (**W**). On the other hand, external factors, which are attributes of the outside environment and are out of the control of the entity, can be classified as Opportunities (**O**) or Threats (**T**).

In the light of this analytical approach, the present *SWOT Outlook* provides a SWOT profile on OIC Member Countries, as a group, in different socio-economic fields and sectors. It highlights the strengths and weaknesses of the OIC countries with a view to enhancing their competitiveness globally as well as the level of their cooperation. It also indicates major opportunities to be utilised for further growth and development in OIC countries as well as potential threats that they may face in the future. By presenting the strengths, weaknesses, opportunities and threats in a comparative manner with the developed and other developing countries, the SWOT analysis of the OIC Member Countries serves as a critical roadmap for better strategic planning and policy making at the OIC cooperation level.

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 top producers of agricultural commodities are major strengths of the OIC countries, as a group. The increasing trends in foreign direct investment, intra-OIC trade, and tourism receipts together with the declining trend in external debt burden are opportunities for OIC Member Countries that should be transformed into higher economic growth and development levels.

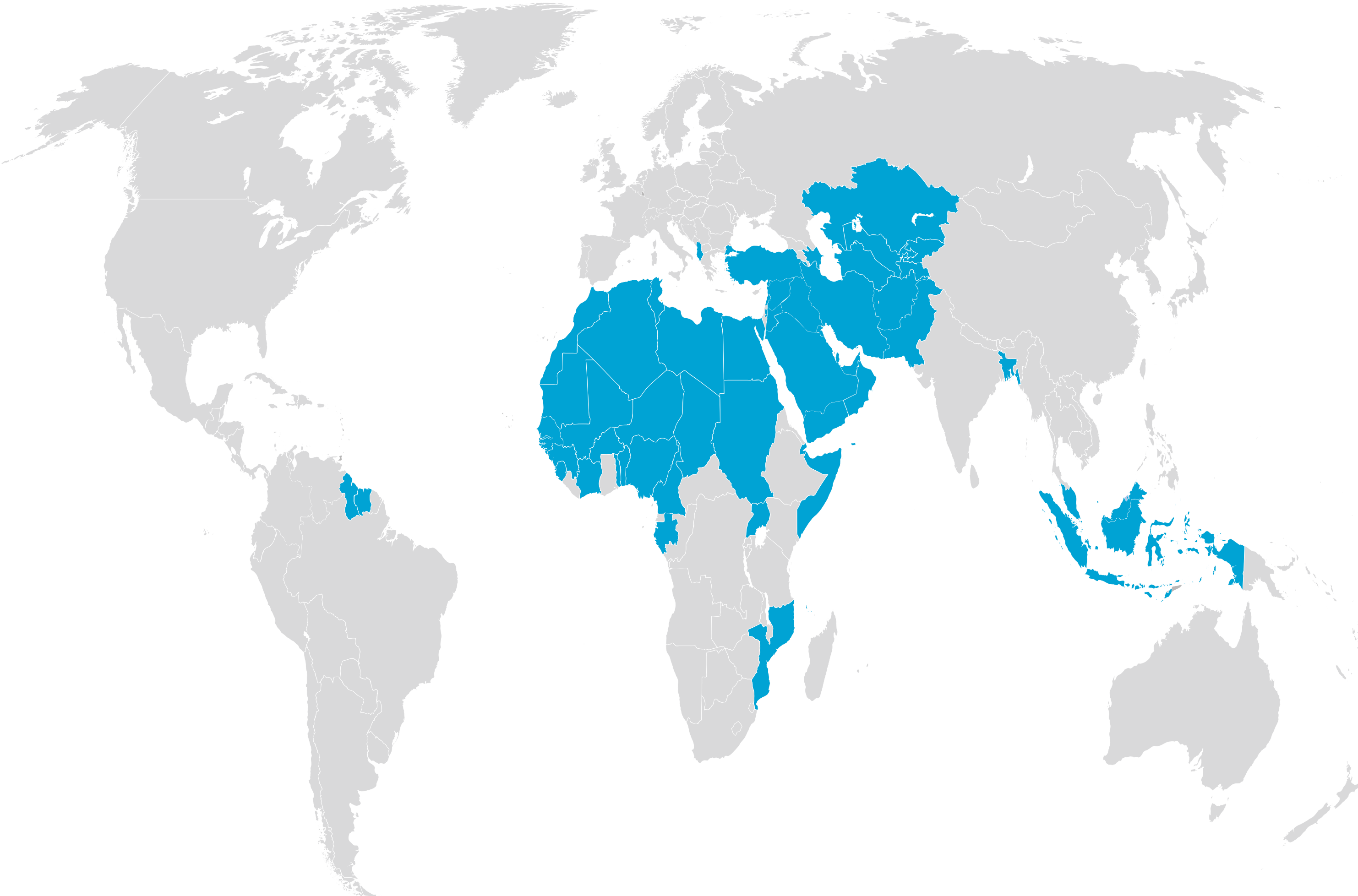
On the other hand, high unemployment rate, weak participation in labour force, inadequate agricultural mechanization and inefficient use of water in agriculture, and lack of adequate funding for scientific development are weaknesses that should be overcome. Water scarcity, low agricultural productivity, 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 for enhancing their competitiveness both at the regional and international levels. This could 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 the external threats.

The present *SWOT Outlook* 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. It provides 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 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



STRENGTHS

OIC Countries have the youngest population

1.55 billion people

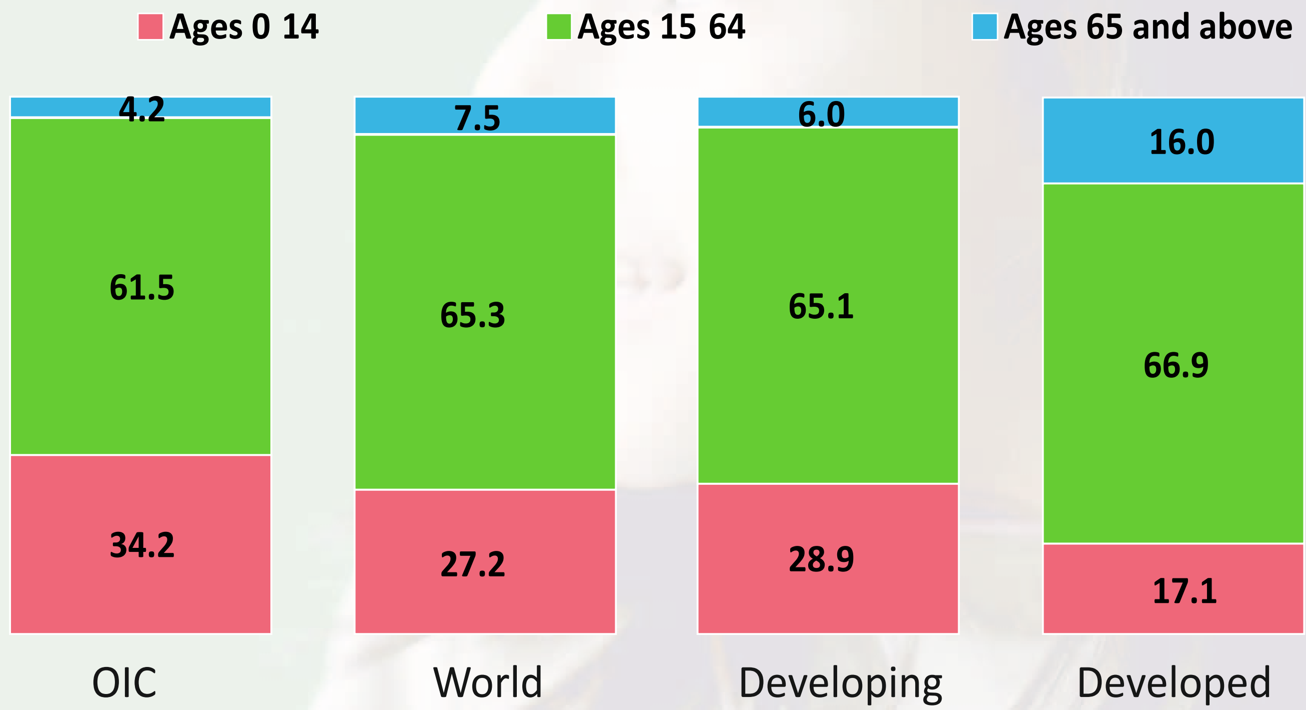
Population of the **OIC Countries** in 2009

The share of young population (ages 0-14) accounted for

34.2 percent

of the OIC total population in 2009.

Population by Age Group, % of Total,2009



With 1.55 billion people in 2009, the OIC Countries accounted for almost 23% of the world total population.

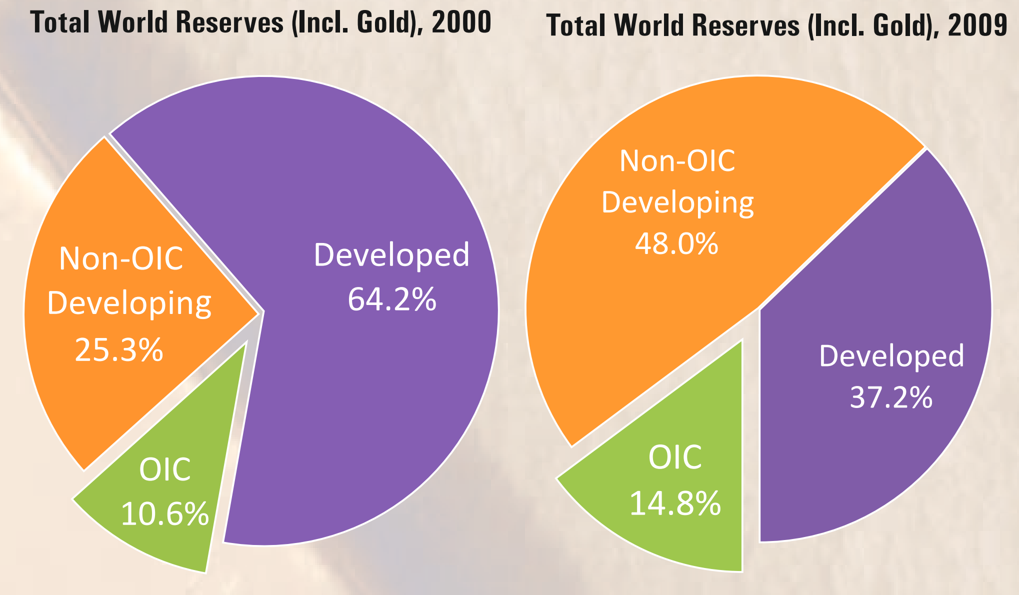
The share of young population (age group 0-14) in the total population of the OIC Countries reached 34.2% in 2009; the highest share compared to all other groups of countries in the world. Meanwhile, the OIC Countries recorded the lowest share (4.2%) for the age group 65 and above in their total population.

Higher percentage of young population will be the key driver of economic development.

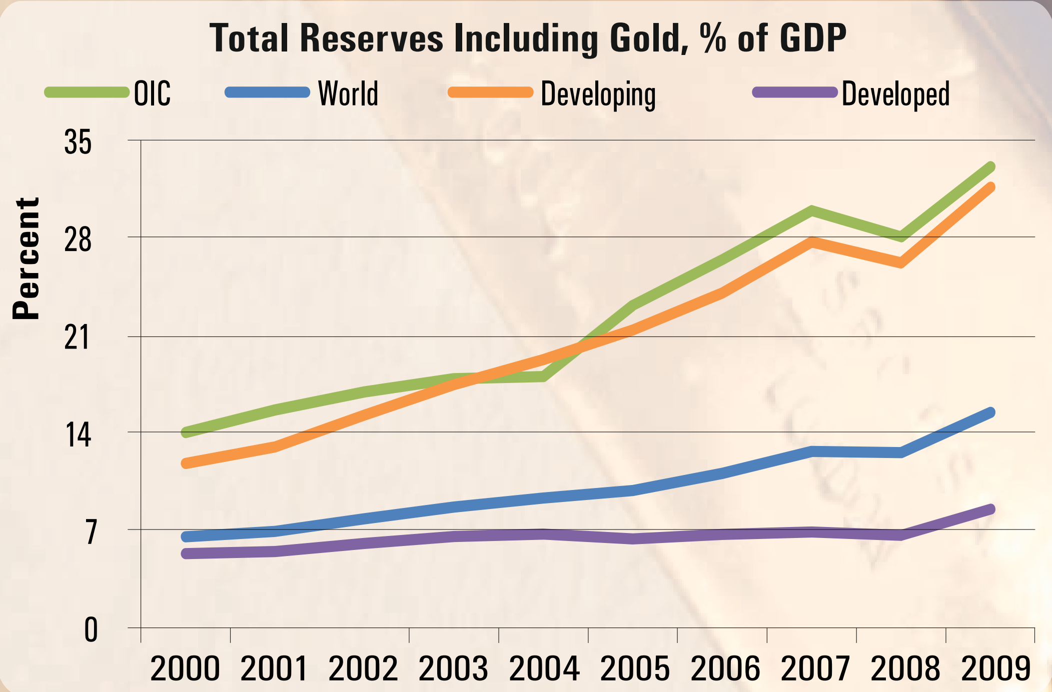
Total reserves of OIC Countries are piling up

4.2 percentage points

Increase in the share of reserves of the **OIC Countries** in the World from 2000 to 2009



The share of reserves (including gold) of the OIC Countries in the world total increased from 10.6% in 2000 to 14.8% in 2009.



33.1 percent

Reserves as % of GDP of the **OIC Countries** in 2009

As % of GDP, reserves showed, in general, an increasing trend in the past decade, where the OIC Countries recorded the highest average of 33.1% in 2009 compared to their average of 14% in 2000.

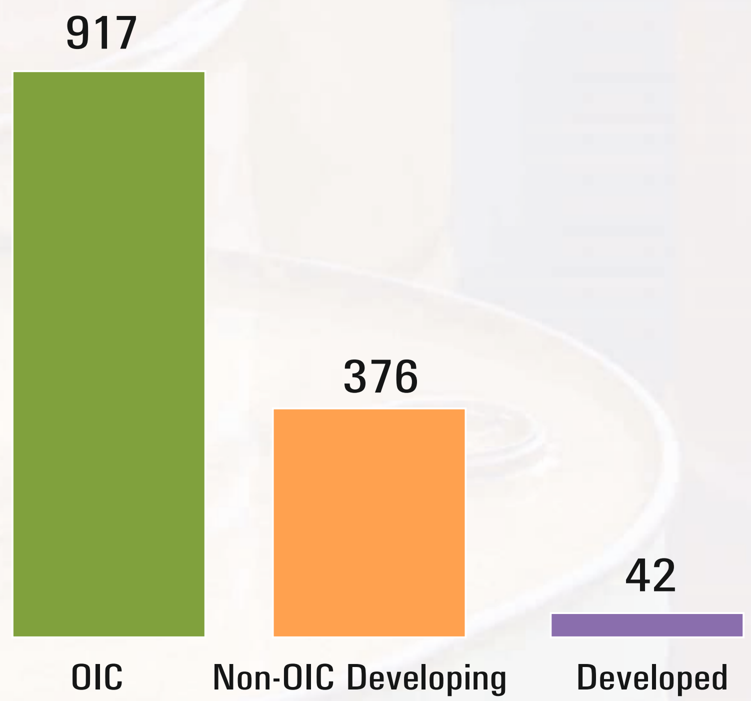
Increasing reserves imply more stability and better position for OIC Countries against external shocks.

Most of the world's crude oil reserves are in OIC Countries

917
billion barrels
proven oil reserves of the **OIC Countries** in 2009

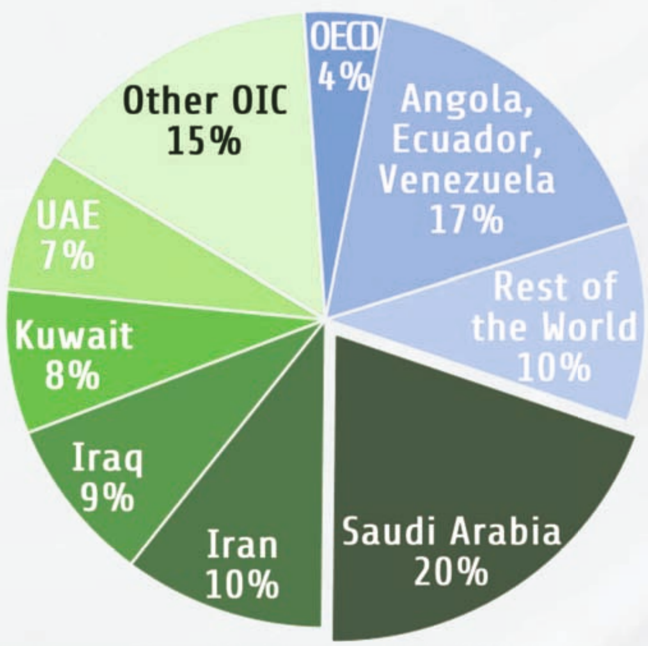
OIC Countries possessed
69
percent
of the World proven crude oil reserves in 2009

Proven Crude Oil Reserves Billion Barrels, 2009



23 OIC Countries possessed 69% of the world proven crude oil reserves in 2009. Saudi Arabia took the lead with 20%, followed by Iran (10%), Iraq (9%), Kuwait (8%), and United Arab Emirates (7%).

Proven Crude Oil Reserves, % of World Total, 2009

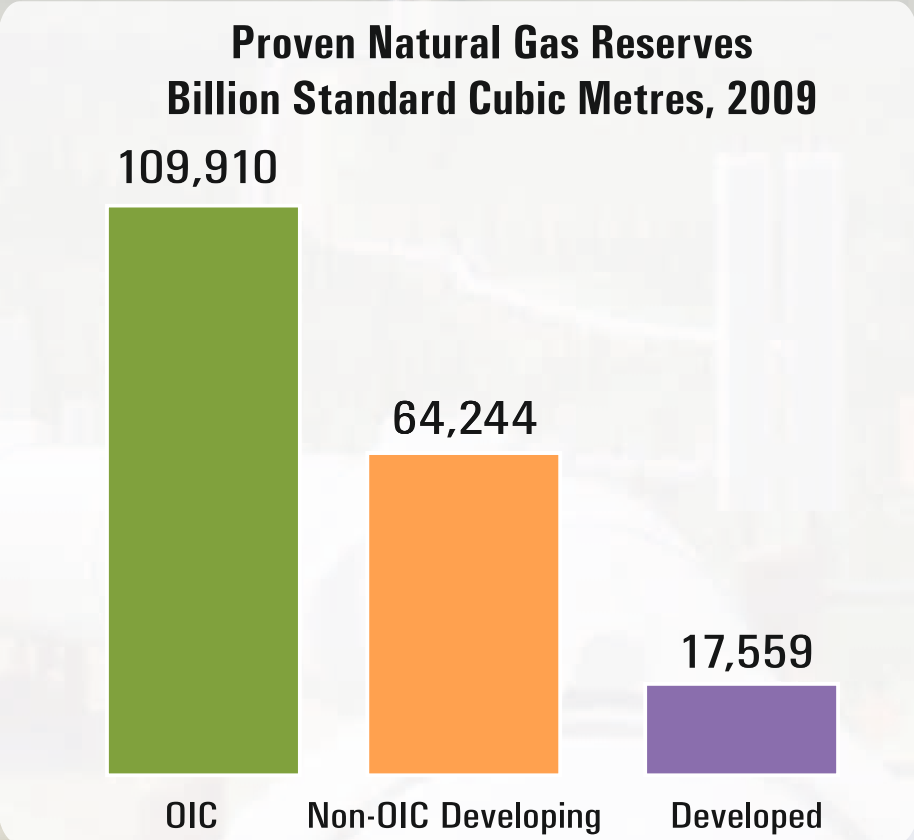


In 2009, the OIC Countries as a group had a reserve of 917 billion barrels exceeding those of the non-OIC developing and developed countries.

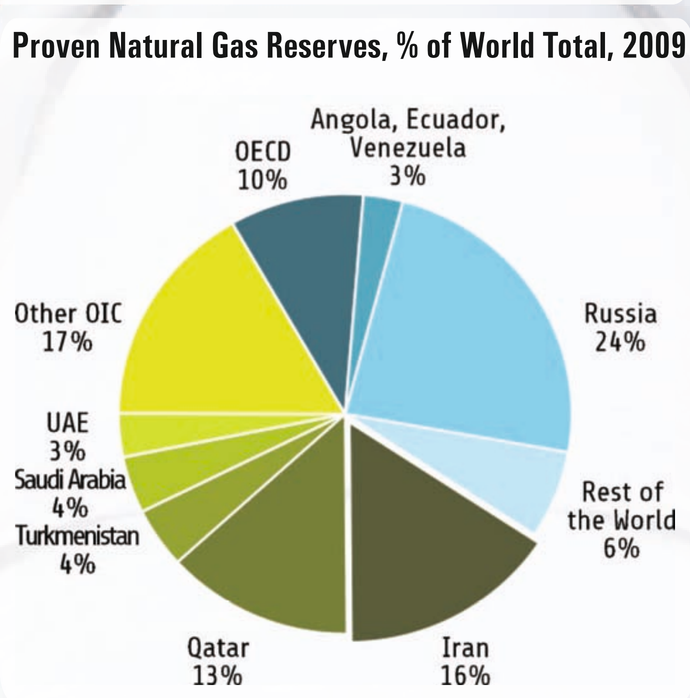
Most of the world's natural gas reserves are in OIC Countries

109,910
billion cubic metres
proven natural gas reserves of the **OIC Countries** in 2009

OIC Countries possessed
57
percent
of the World proven natural gas reserves in 2009

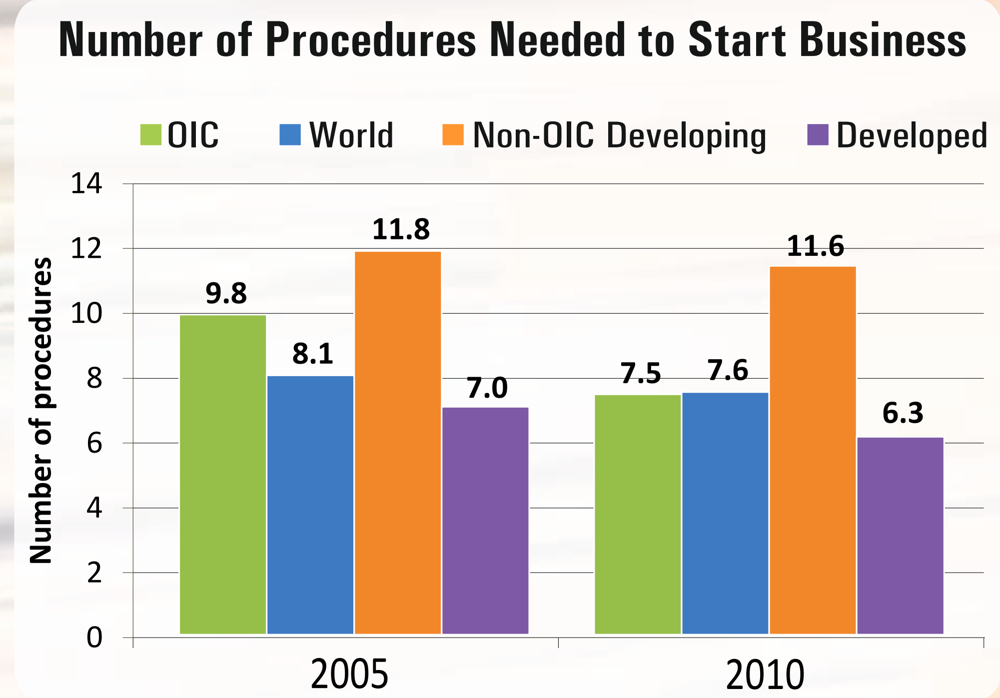


In 2009, the OIC Countries as a group had a reserve of 109,910 billion m^3 natural gas exceeding those of the non-OIC developing and developed countries.

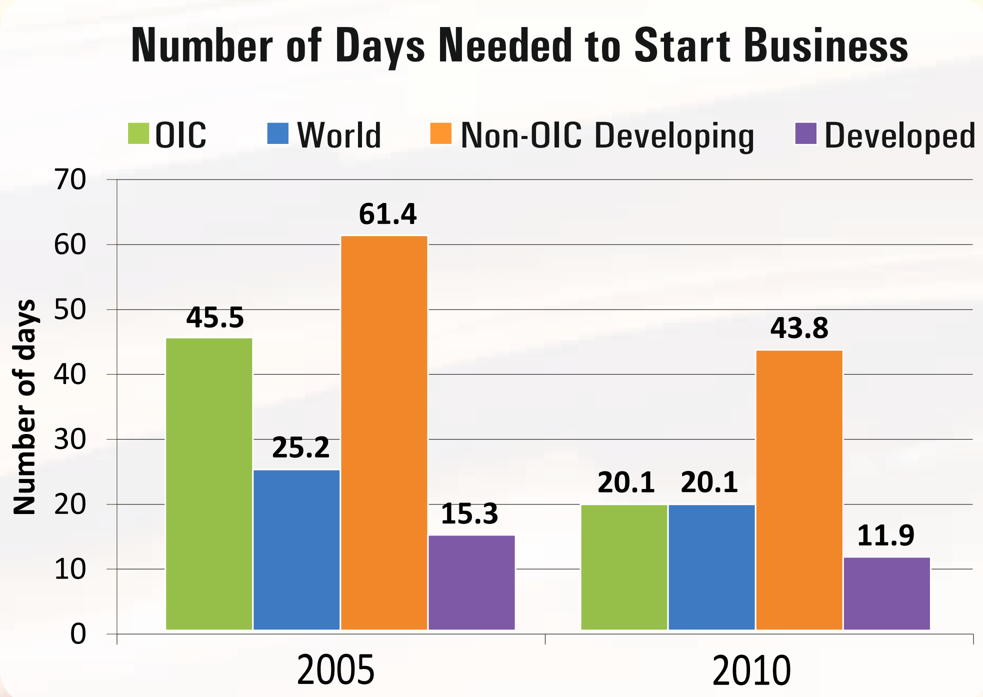


21 OIC Countries possessed 57% of the proven natural gas reserves of the world in 2009, Among the OIC Countries, Iran took the lead with 16%, followed by Qatar (13%), Turkmenistan (4%), Saudi Arabia (4%), and UAE (3%).

Starting business is not as costly



The number of procedures needed to start a business in the OIC Countries decreased, on average, from 9.8 in 2005 to 7.5 in 2010; a level which is significantly better than that of the non-OIC developing countries (11.6) and very slightly lower than the world average (7.6), but still higher than the average of the developed countries (6.3).



The number of days needed to start a business in the OIC Countries decreased, on average, from 45.5 days in 2005 to 20.1 days in 2010; a level which is equal to the world average and significantly lower than the average of the non-OIC developing countries (43.8 days), but still higher than the average of the developed countries (11.9 days).

In OIC Countries, it requires less money and time to start a business. This encourages foreign investment and domestic entrepreneurship in OIC Countries.

Tax is relatively low for enterprises

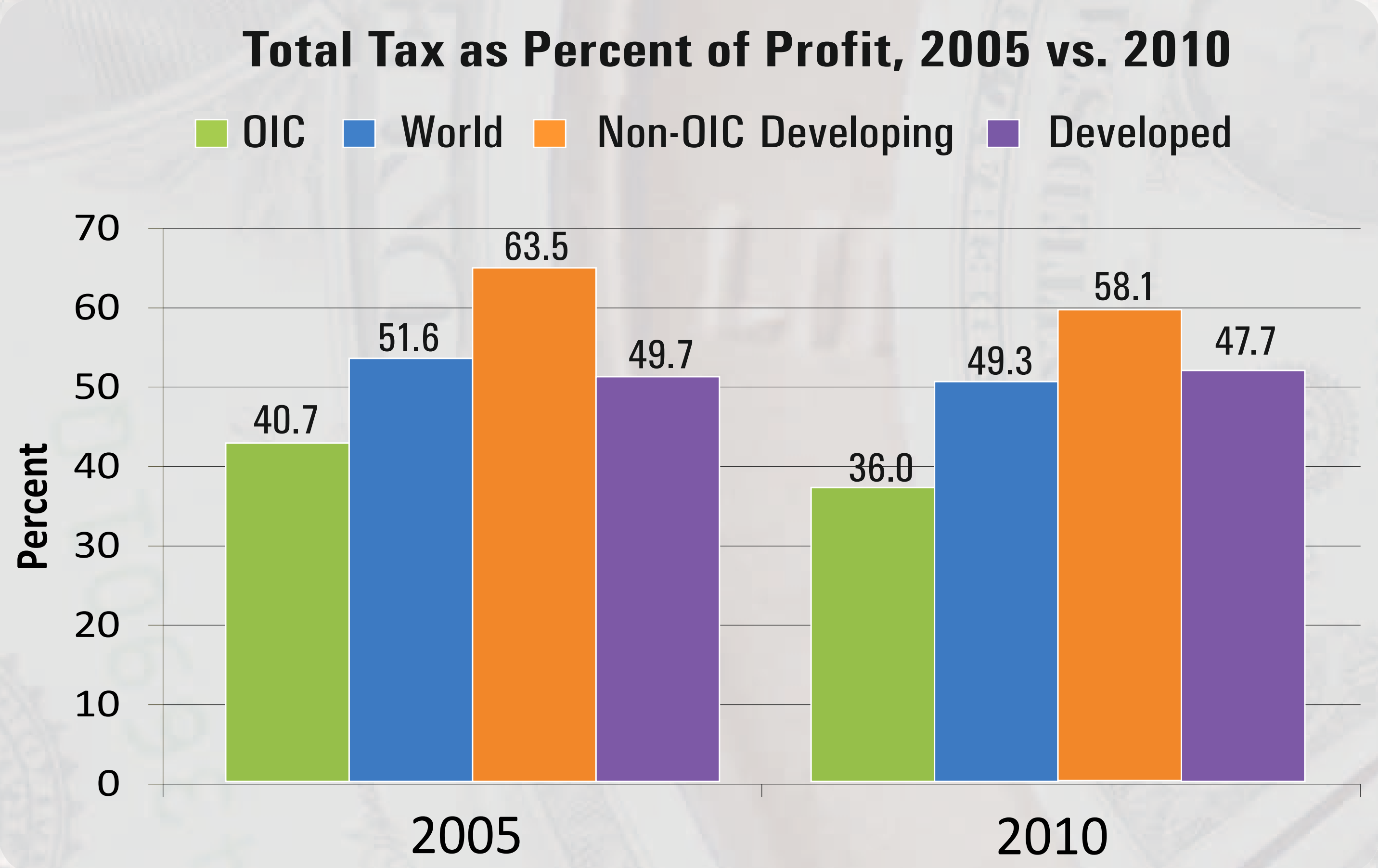
36 percent

Ratio of total tax to profit in the **OIC Countries** in 2010

Ratio of total tax to profit went down by

4.7 percentage points

in the **OIC Countries** from 2005 to 2010



Ratio of total tax to profit in OIC Countries on average is significantly lower than that in the rest of the world, making OIC Countries very attractive in terms of tax levels.

Ratio of total tax to profit went down by 4.7 percentage points in OIC Countries from 2005 to 2010 whereas this decrease was only 2.3 percentage point in the world and 2.0 percentage point in developed countries.

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

OIC Countries are among the top producers of major agricultural commodities

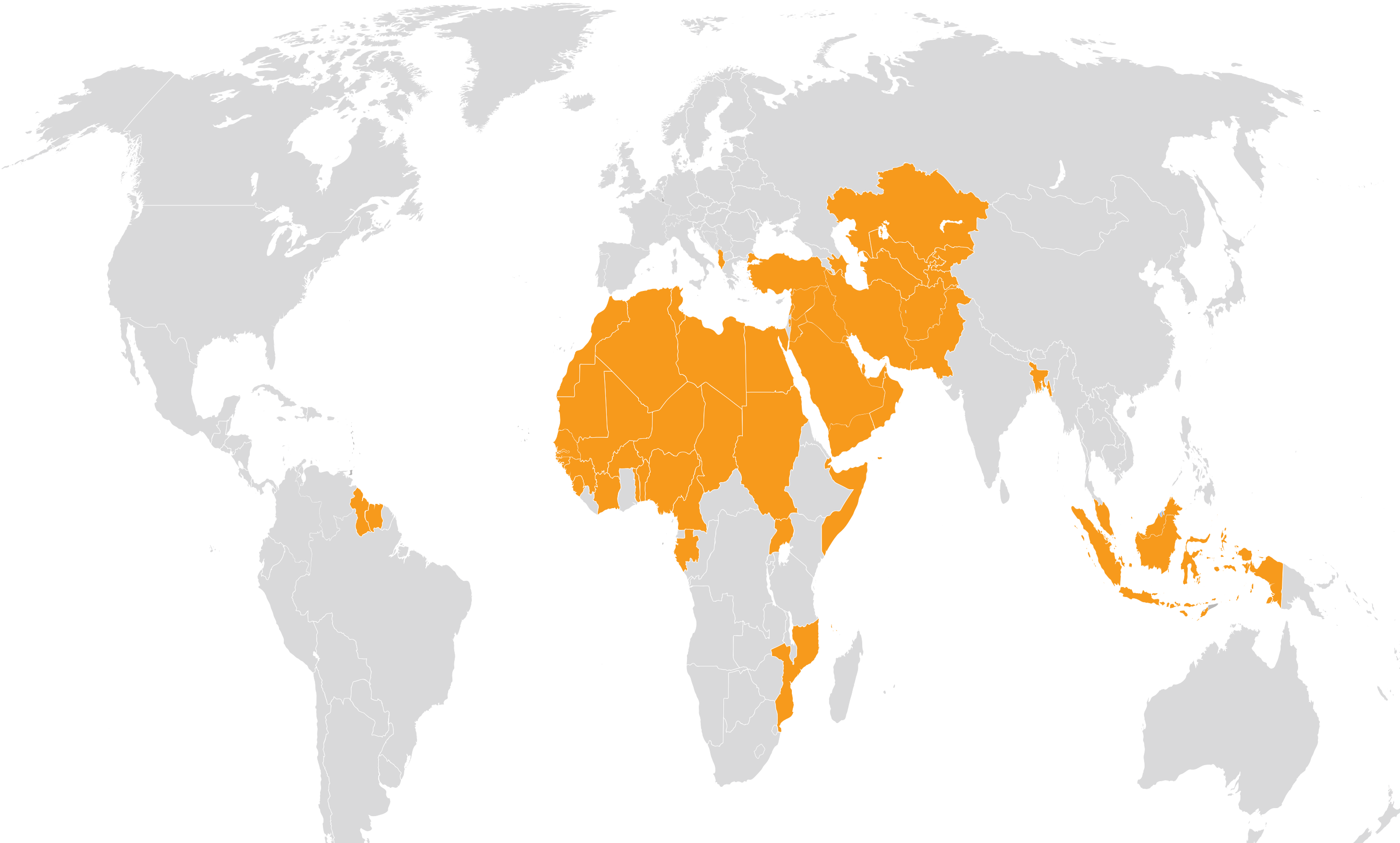
Commodity										
Cotton	4 Pakistan	7 Turkey	9 Turkmenistan	10 Syria	11 Burkina Faso	13 Nigeria	14 Egypt	16 Tajikistan	18 Kazakhstan	20 Iran
Cocoa	1 Côte d'Ivoire	2 Indonesia	4 Nigeria	6 Cameroon	8 Togo	13 Malaysia	16 Guinea	17 Uganda	20 Sierra Leone	
Natural Rubber	2 Indonesia	3 Malaysia	8 Côte d'Ivoire	9 Nigeria	14 Cameroon	18 Guinea				
Palm Oil	1 Malaysia	2 Indonesia	3 Nigeria	8 Côte d'Ivoire	13 Cameroon	20 Guinea				
Tea	5 Turkey	7 Indonesia	11 Bangladesh	13 Uganda	14 Iran	19 Mozambique				
Rice	3 Indonesia	4 Bangladesh	11 Pakistan	13 Egypt	17 Nigeria					
Wheat	10 Pakistan	11 Turkey	13 Kazakhstan	17 Egypt	18 Iran					
Coffee	4 Indonesia	10 Uganda	15 Côte d'Ivoire							
Maize	7 Indonesia	15 Nigeria	18 Egypt							
Soybeans	11 Indonesia	13 Nigeria	20 Iran							
Sugar Beet	5 Turkey	11 Egypt	18 Morocco							

Many OIC Countries rank among the top **20 producers** of major agricultural commodities worldwide

These commodities vary from **wheat, rice and maize** to **cotton, palm oil, cocoa, coffee, rubber and sugar**

To further improve the strength and comptetitiveness of the OIC Countries in these commodities, it is important to increase the value added content through encouraging and promoting investment in agro-industry.

OIC Countries should fully utilize their collective strengths with a view to enhancing their competitiveness globally and regionally.



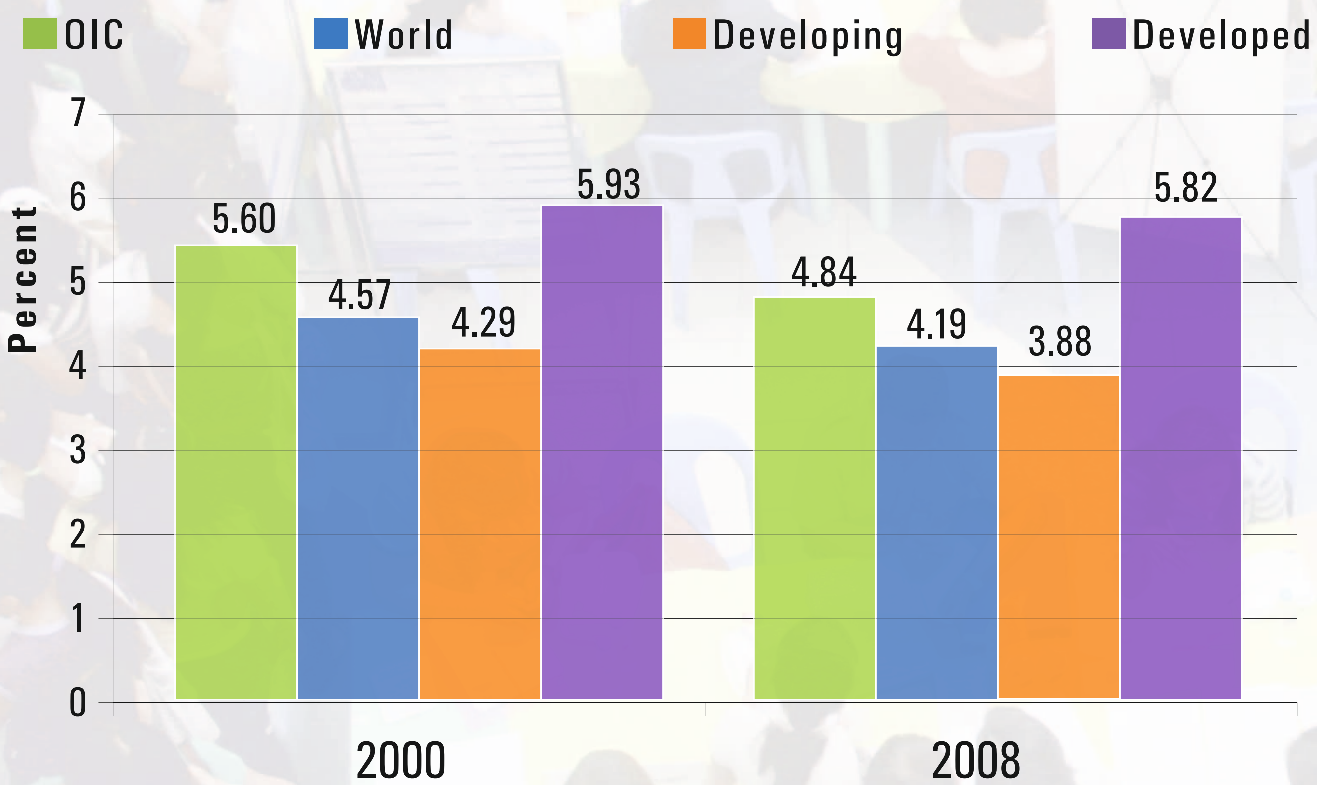
WEAKNESSES

Unemployment rate is high

4.84
percent
Average unemployment rate in the **OIC Countries** in 2008

The unemployment rate went down by only
0.76
percentage points
in **OIC Countries** from 2000 to 2008

Unemployment Rate, % of Total Labour Force, 2000 vs. 2008



Decreasing from 5.6% in 2000 to 4.84% in 2008, the average unemployment rates in OIC Countries were slightly higher than the world average and the average of the group of the developing countries, but slightly lower than the average of the developed countries.

High proportion of the labour force in OIC Countries is looking for job opportunities; a situation which urges member countries to exert more efforts towards creating more jobs in order to avoid related socio-economic problems.

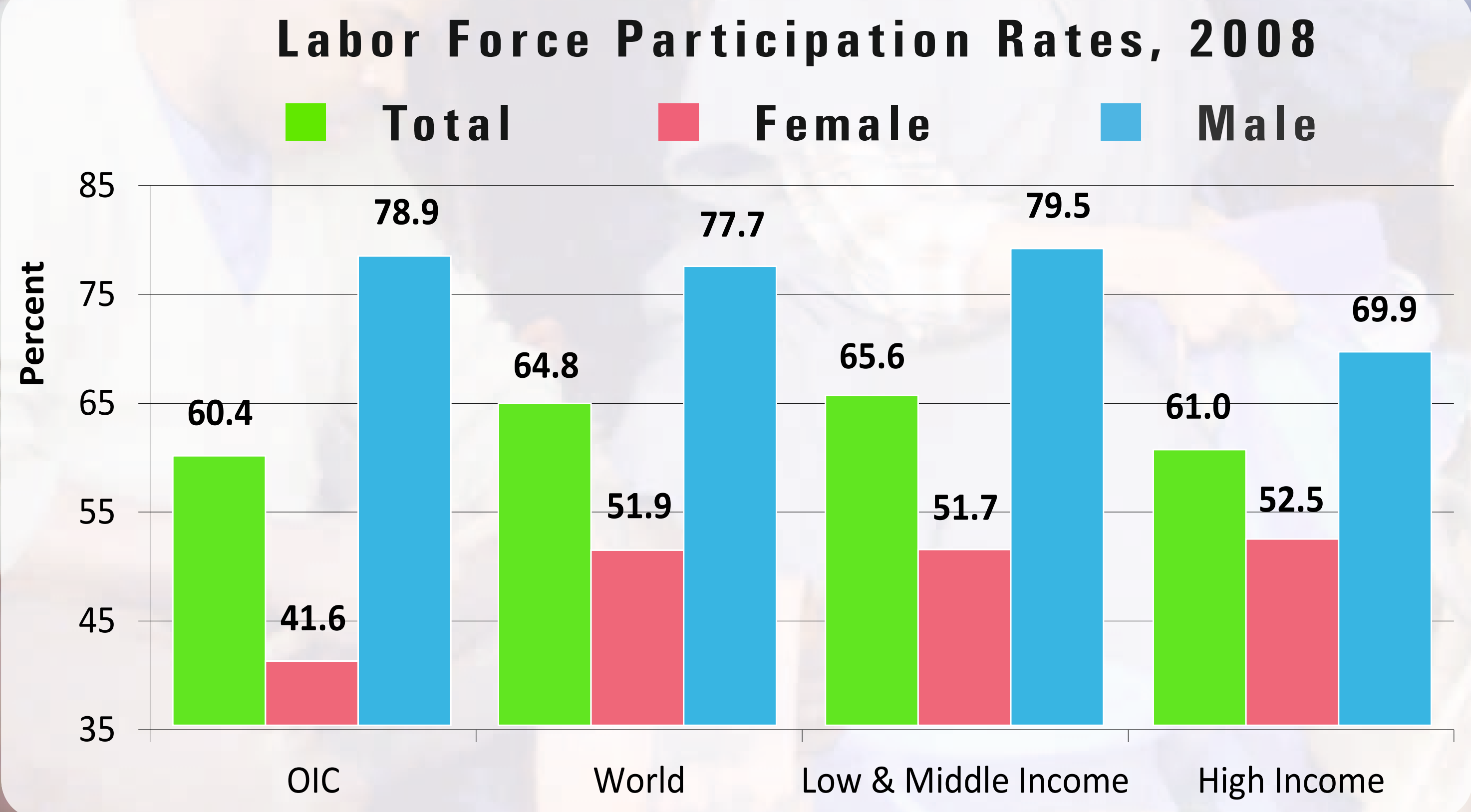
Labour force participation is relatively low

60.4 percent

Labour force participation rate in **OIC Countries** in 2008

41.6 percent

Female labour force participation rate in **OIC Countries** in 2008

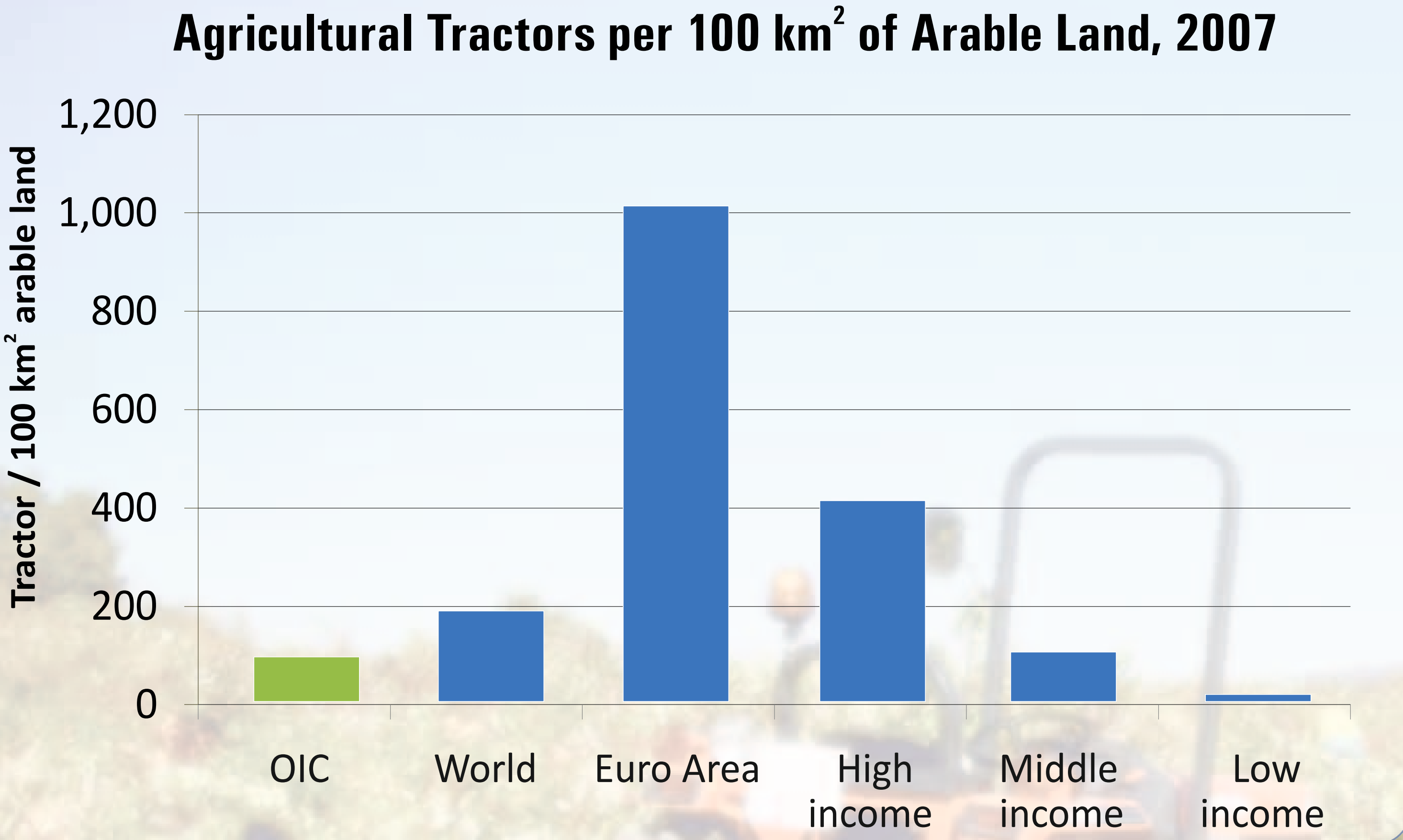


The average Labour Force Participation Rate (LFPR) in OIC Countries reached 60.4% in 2008, a rate which is lower than the world average of 64.8% and the averages of both the Low & Middle Income group (65.6%) and the High Income group (61.0%).

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

Low rates of participation in labour force, especially for females, imply less utilization of the available human resources in OIC Countries.

Agricultural mechanization is at low levels



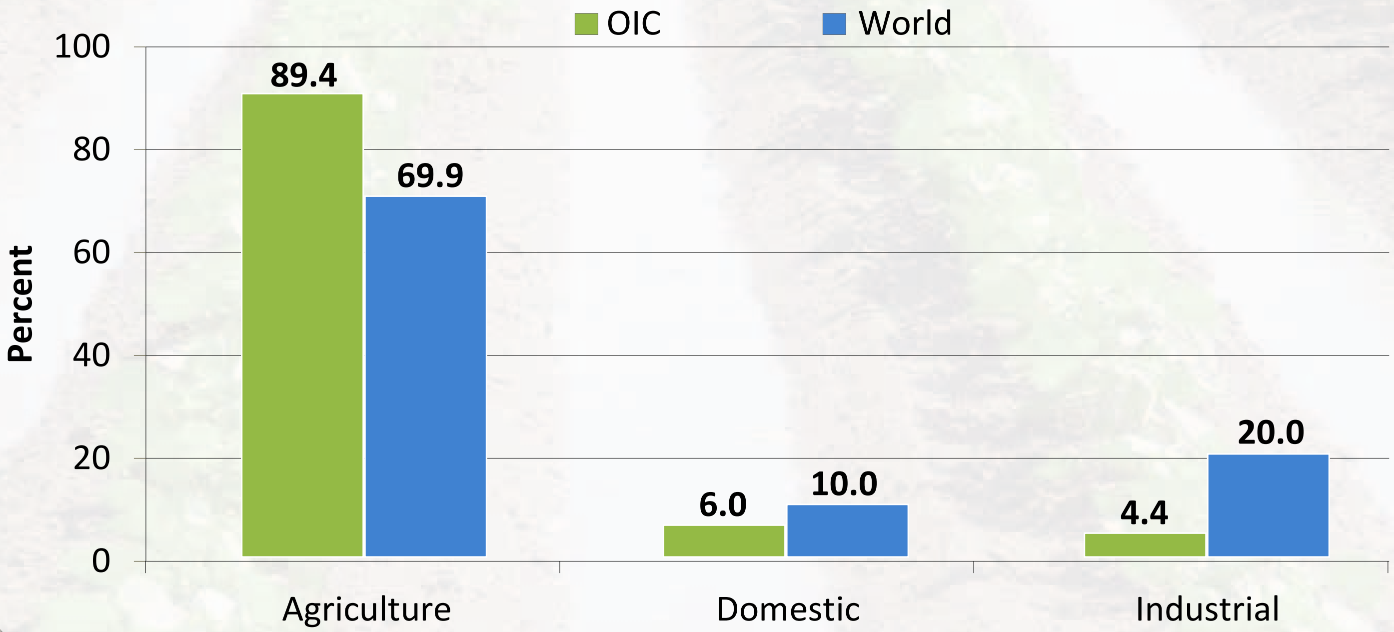
On average, the number of agricultural tractors per 100 km^2 of arable land in OIC Countries was 98 in 2007, which is significantly lower than the world average and the averages of other income groups in the same year, except the average of the low-income countries.

Low level of agricultural mechanization in OIC Countries reflects the inefficient methods used in agricultural production, a situation which should be improved in order to increase agricultural productivity as a crucial step towards food security and self-sufficiency.

Inefficient use of water resources in agriculture

89.4
percent
Annual freshwater withdrawal for agricultural use in **OIC Countries** in 2007

Annual freshwater withdrawals by sectors as % of total freshwater withdrawal, 2007



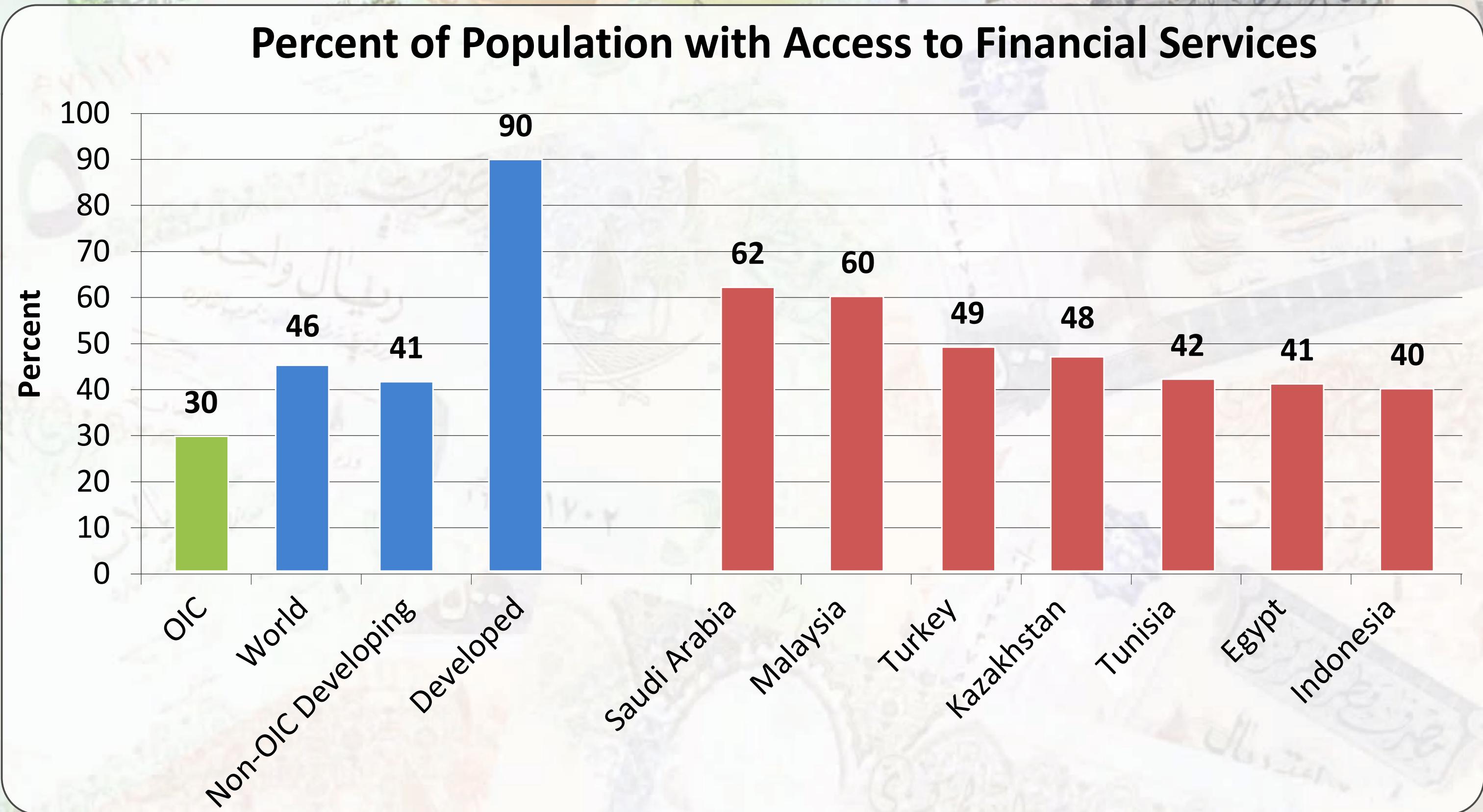
In 2007, the average share of the agricultural use of water in the total annual freshwater withdrawal in OIC Countries was 89.4% compared to the world average of almost 70%, however the average share of the industrial use of water was only 4.4% compared to the world average of 20%.

Higher use of water in agriculture indicates inefficient irrigation techniques and waste of the already scarce water resources in OIC Countries, a situation which urges investing in more water-saving irrigation systems such as localized irrigation in order to increase agricultural productivity.

Access to financial services is dramatically low

30 percent

of **OIC** population had access to financial resources in mid 2000s



Only 30% of the population in OIC Countries had access to financial services in mid 2000s compared to 41% in non-OIC developing countries and 90% in developed countries; and only four countries, namely Saudi Arabia, Malaysia, Turkey, and Kazakhstan recorded higher levels than the world average.

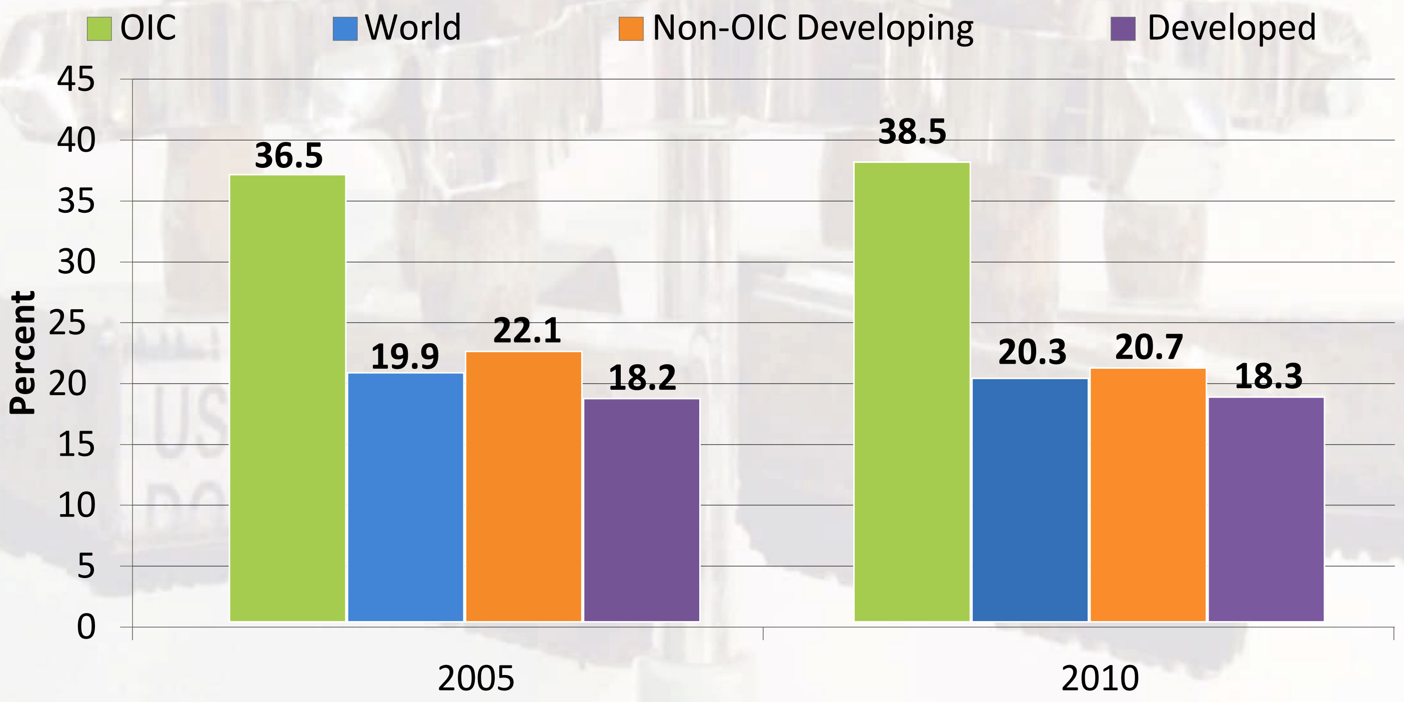
More efforts should be exerted by OIC Countries to make available more and further diversified financial services such as microfinance to reach more people and encourage more job-creating opportunities.

It is costly to enforce contracts

38.5
percent

Cost of enforcing contracts as a percentage of claim in **OIC Counties** in 2010

Cost of Enforcing Contracts as Percentage of Claims



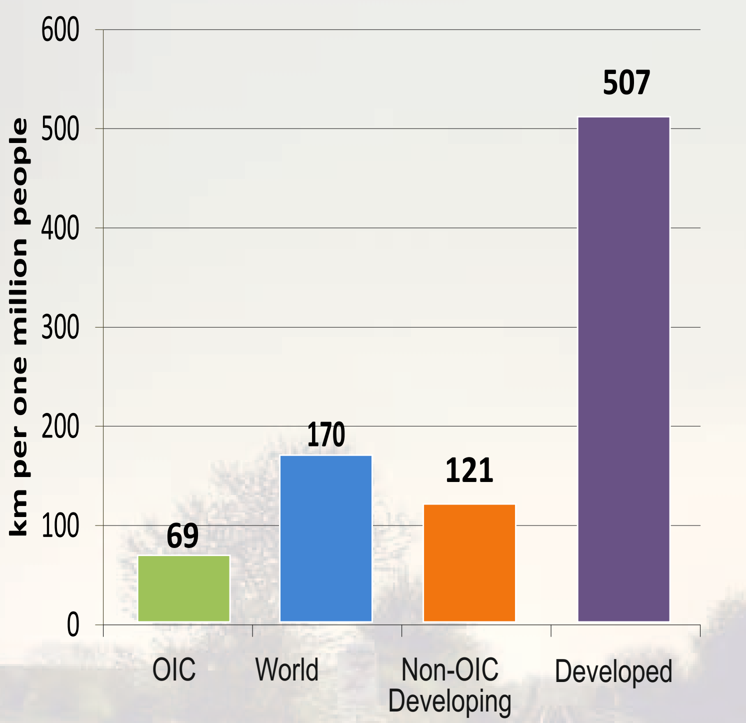
Cost of enforcing a contract as % of claim in OIC Countries is substantially higher, on average, than that in developed countries, non-OIC developing countries, and the world.

It increased, on average, from 36.5% in 2005 to 38.5% in 2010 compared to only 18.3% in developed countries and 20.7% in non-OIC developing countries.

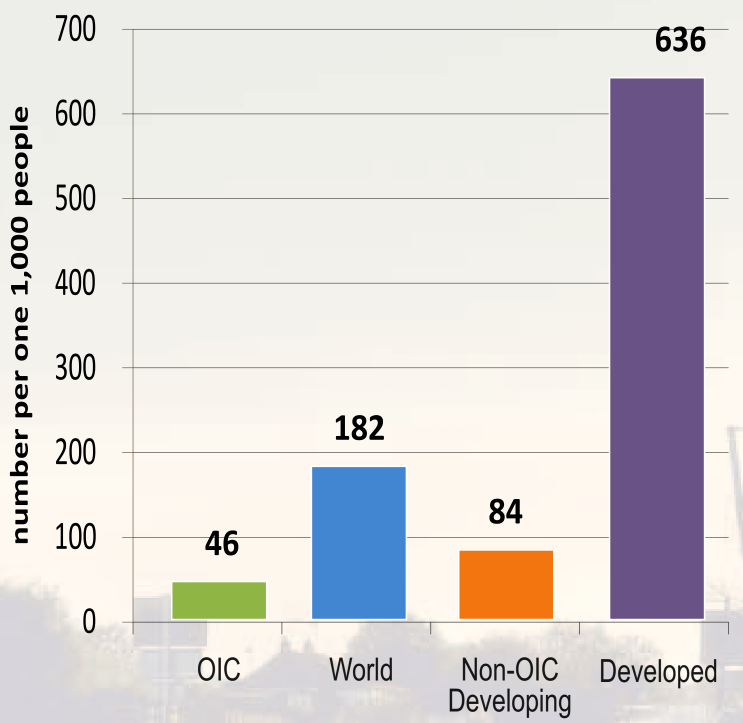
Costly enforcement of contracts in OIC Countries reduces confidence in doing business and discourages foreign and domestic investors from engaging in contractual relationships.

OIC Countries lack adequate land transportation

Total Rail Lines in km (per 1 million people), 2008



Motor vehicles (per 1,000 people), 2007

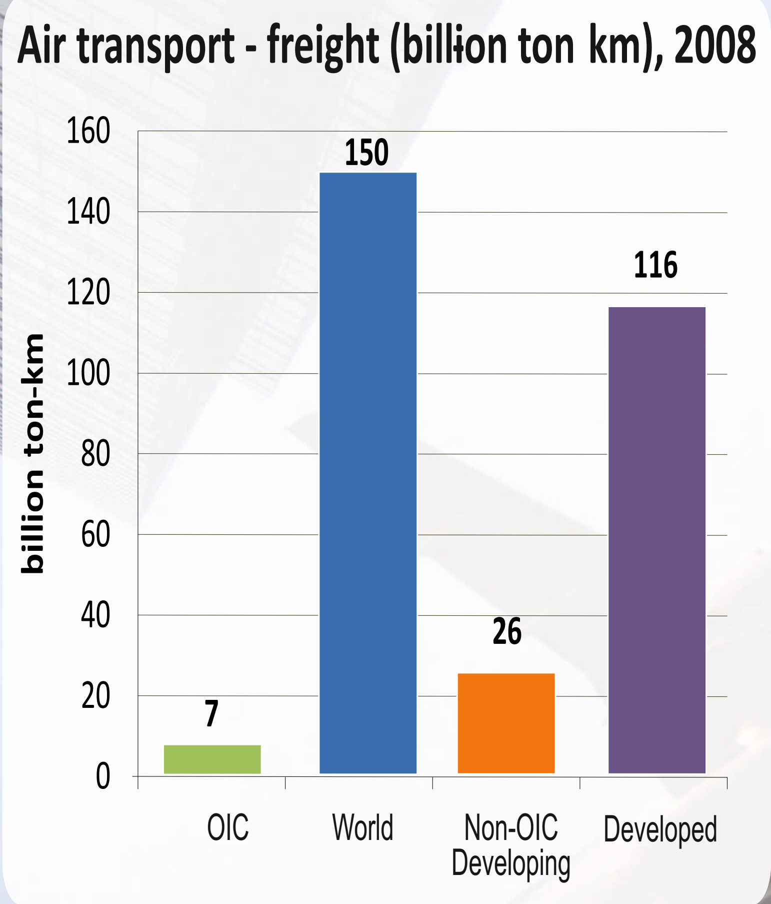


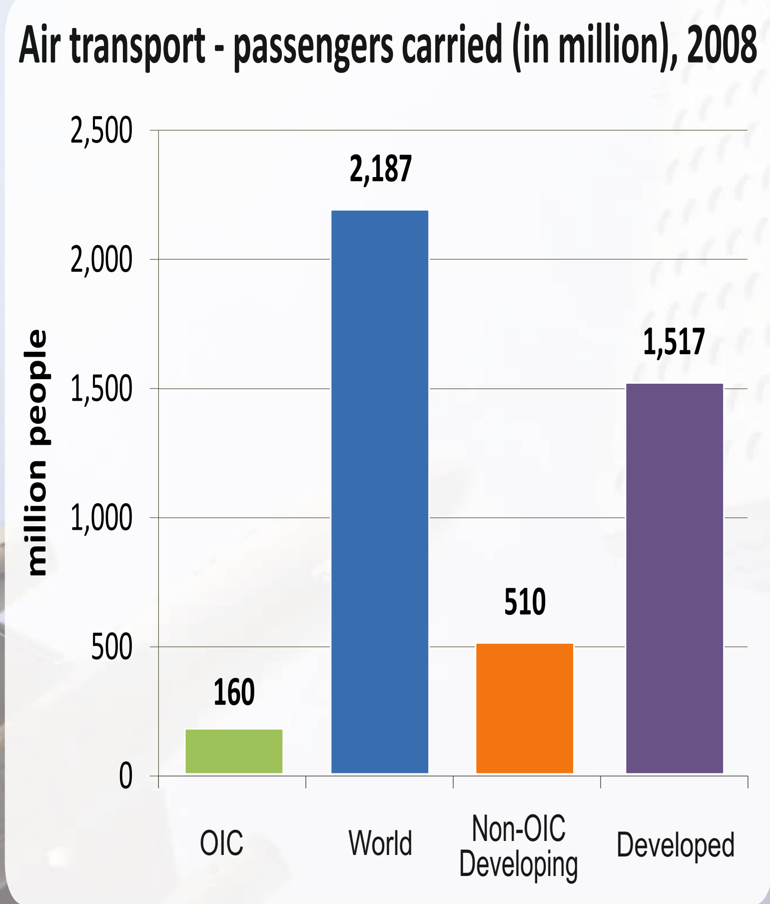
In 2008, total rail line route in km per 1 million people in OIC Countries was almost half of that in non-OIC developing countries and less than one seventh of that in developed countries.

In 2007, the number of motor vehicles per 1000 people in OIC Countries was almost half of that in non-OIC developing countries and less than one thirteenth of that in developed countries

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

Air transportation capacity is still weak





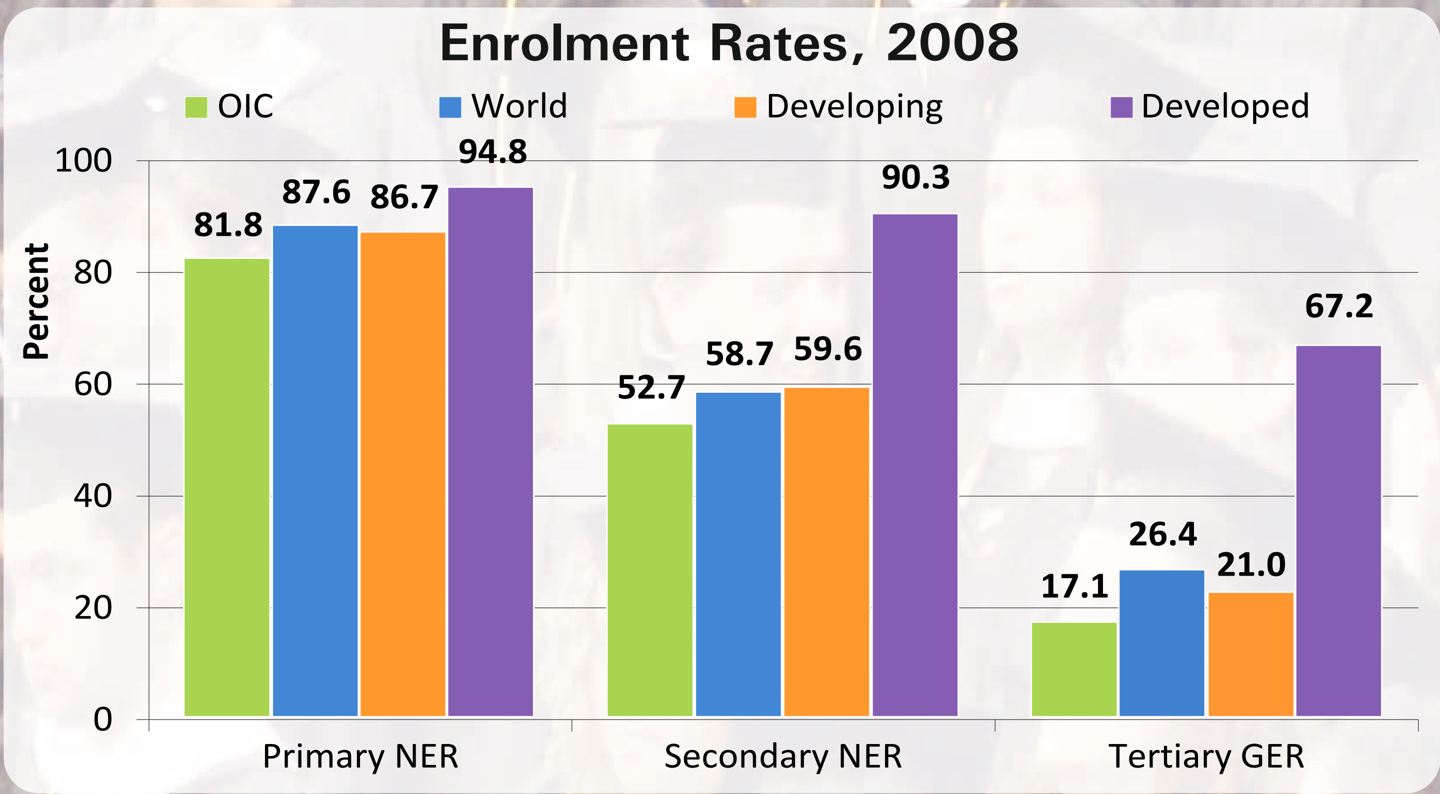
In 2008, total air freight in ton-km in non-OIC developing countries and in developed countries was 3.7 and 16.6 times, respectively, that in OIC countries, and the number of air passengers was 3.2 and 9.5 times, respectively.

Air transportation should be promoted and necessary infrastructure should be improved in OIC Countries, in terms of both passengers and cargo traffic, as a significant portion of long-distance transportation today is through air.

School enrolment needs to be improved

81.8
percent

Average NER in primary schools of **OIC Countries**



In 2008, the average Net Enrolment Rate (NER) in primary schools was 81.8% in the OIC Countries compared to the world average of 87.6% and the averages of 86.7% and 94.8% of the developing and developed countries, respectively.

The average NER in secondary schools was 52.7% in OIC Countries compared to the world average of 58.7% and the averages of 59.6% and 90.3% of the developing and developed countries, respectively.

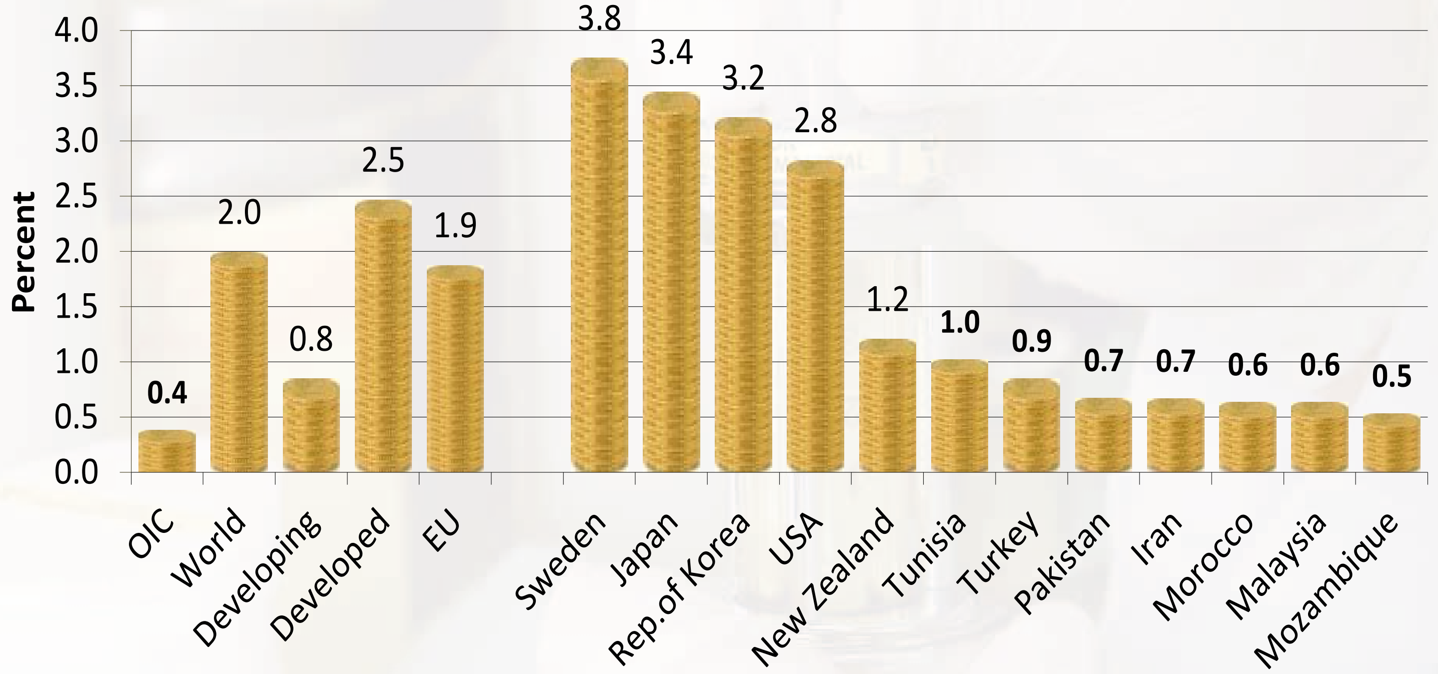
The average Gross Enrolment Rate (GER) in tertiary schools was 17.1% in OIC Countries compared to the world average of 26.4% and the averages of 21% and 67.2% of the developing and developed countries, respectively.

Relatively lower enrolment rates at all levels are not desirable and efforts should be exerted to increase these rates in order to enhance human resources capacity in OIC Countries. School enrolment rates should be enhanced.

Scientific development lacks adequate funding

0.4
percent
Average share of R&D expenditures in GDP in **OIC Countries**

Expenditures on R&D, % of GDP*



*Data for the latest year available

R&D expenditures averaged at 0.4% of GDP in OIC Countries, lagging far behind the world average of 2% and the OIC Ten-Year Programme of Action target of 1%, and even below the average of the developing countries of 0.8%.

Spending slightly over 1 percent 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 the OIC Ten-Year Programme.

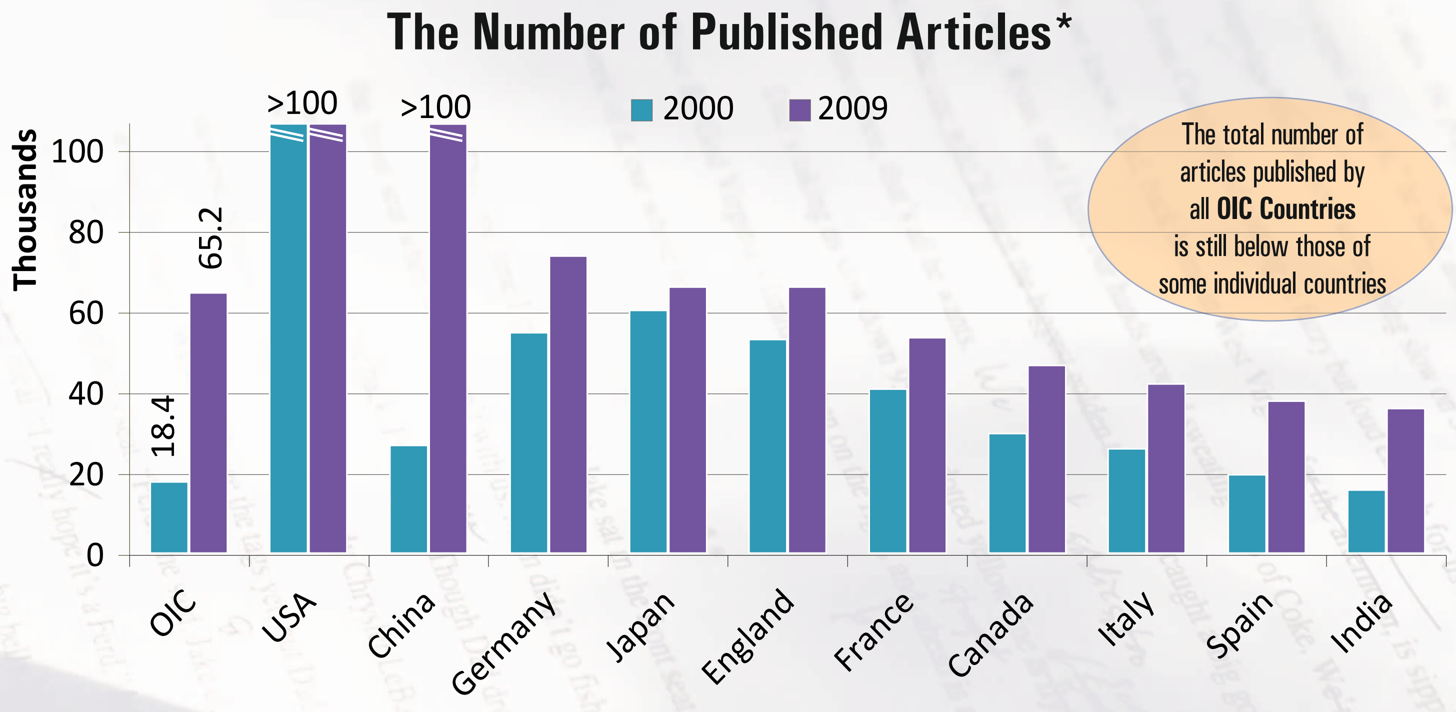
Turkey, Pakistan, Iran, Morocco, Malaysia, and Mozambique, each spending 0.5 to 0.9 percent of GDP on R&D, outperformed the OIC average.

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

OIC Countries lag far behind in terms of scientific publications

65.2 thousands

Articles published by **OIC Countries** in 2009

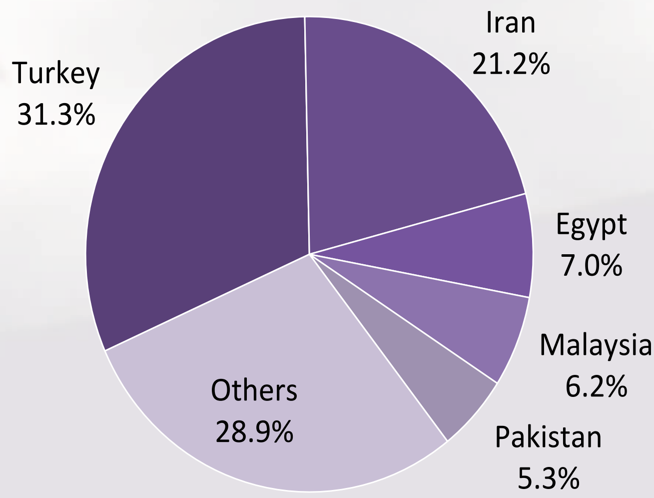


*In journals that are covered by Science Citation Index Expanded (SCI-EXPANDED), Social Science Citation Index (SSCI), and Arts & Humanities Citation Index (A&HCI).

The number of scientific articles published by researchers from OIC Countries has increased by 3.5 times in the period 2000-2009 to amount to 65.2 thousands.

More than half of these articles (52.5%) were originated from only two member countries: Turkey (31.3%) and Iran (21.2%), and together with Egypt, Malaysia, and Pakistan, these five countries accounted for 71.1% of the total published articles in OIC countries.

Distribution of Articles by OIC Member Countries, 2009



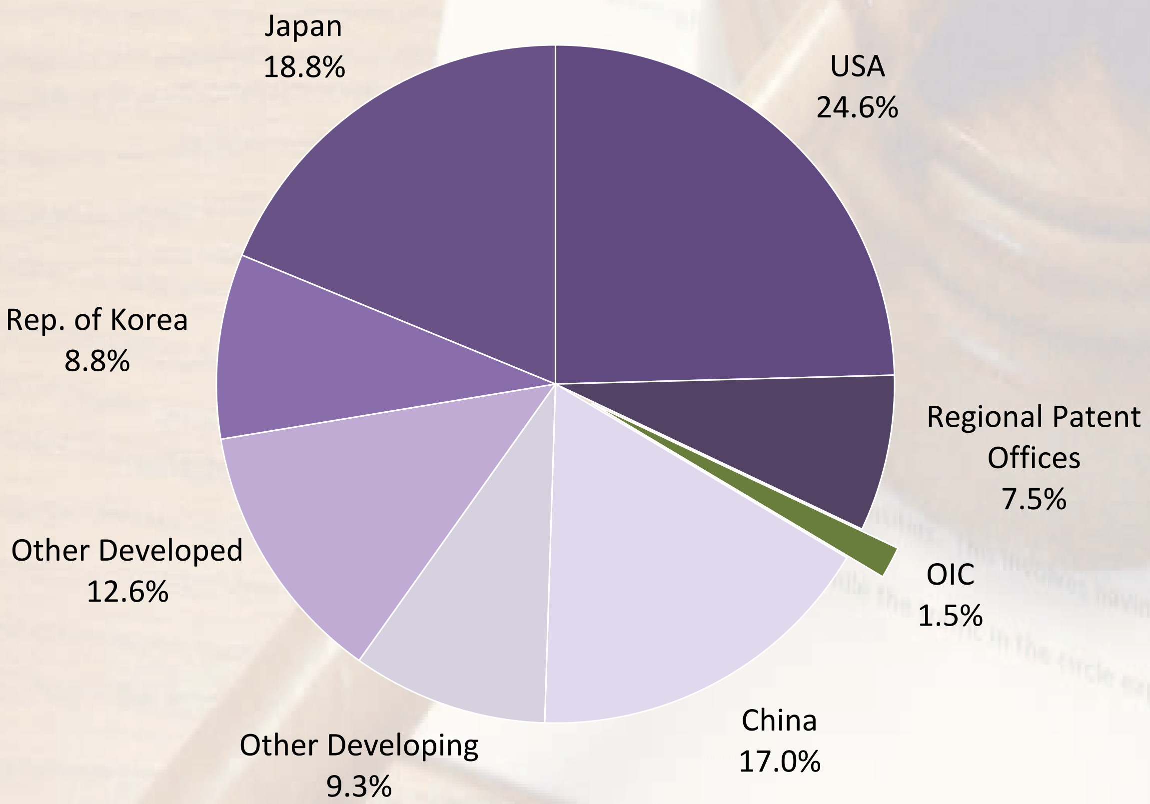
The low record of published articles indicates inadequate levels of scientific research and academic activities in OIC Countries and necessitates more investment in R&D and higher education.

Patenting activity is low

1.5
percent

Share of **OIC Countries** in world total patent applications

Distribution of World Total Patent Applications by Office*



*Data for the latest year available.

While, together, the USA, Japan, China, and Republic of Korea, were home to around 70% of the world total patent applications in 2009, OIC countries accounted for only 1.5%.

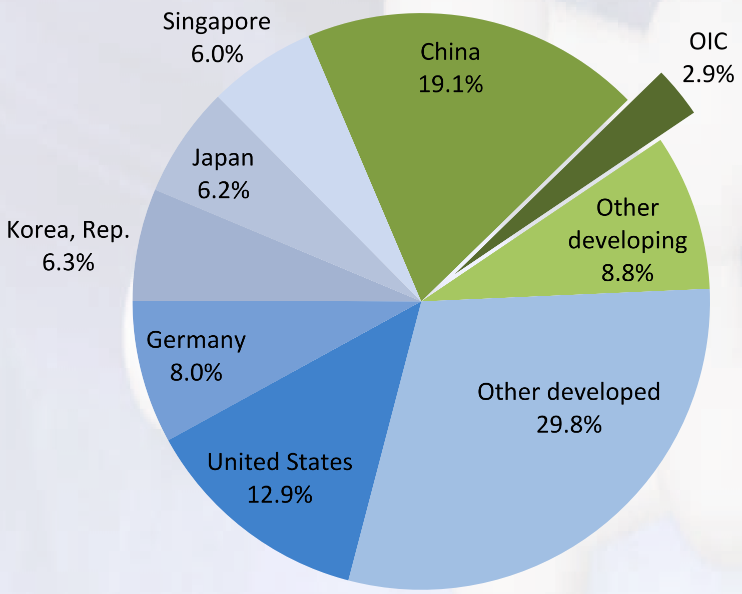
Low levels of patenting activity in OIC Countries reflect lack of adequate spending on R&D and insufficient infrastructure for technological advancement.

High-tech exports are significantly low

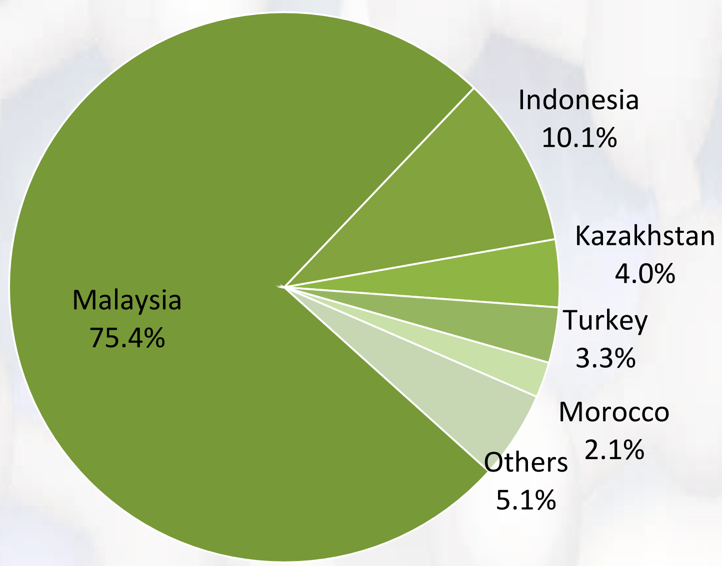
2.9 percent

Share of **OIC Countries** in world total high-technology exports in 2008

Distribution of High-Technology Exports in the World, 2008



Distribution of High-Technology Exports among OIC Countries, 2008



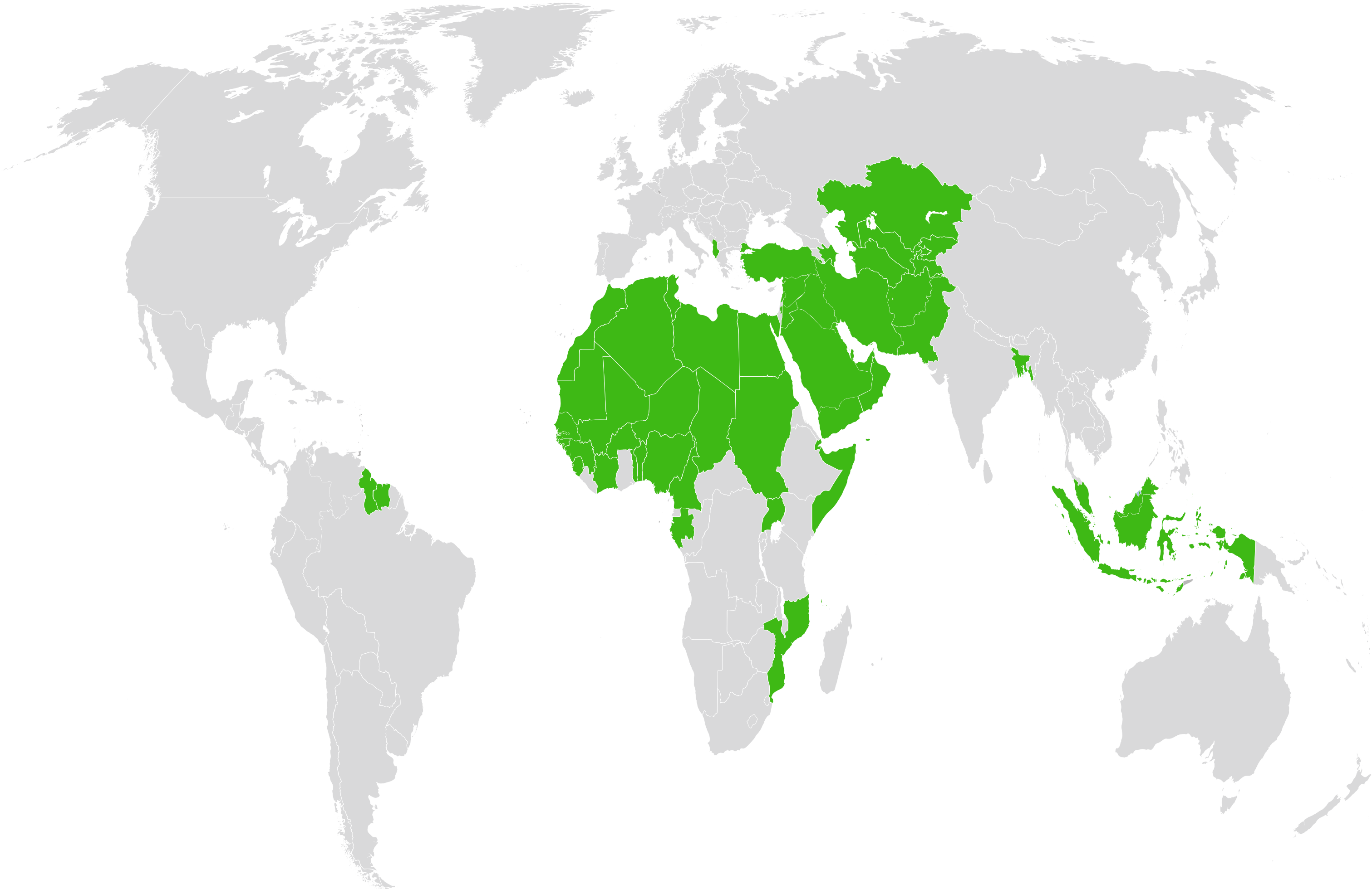
OIC Countries, as a group, accounted for only 2.9% of world total high-technology exports in 2008, lagging far behind many individual countries.

75% of the total high technology exports of OIC Countries originated from Malaysia.

Only 5 OIC Countries –Malaysia, Indonesia, Kazakhstan, Turkey, and Morocco– together accounted for 95% of the total high-technology exports of all OIC Countries.

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.

OIC Countries should increase their cooperation level with a view to overcome their major weaknesses in a timely manner.

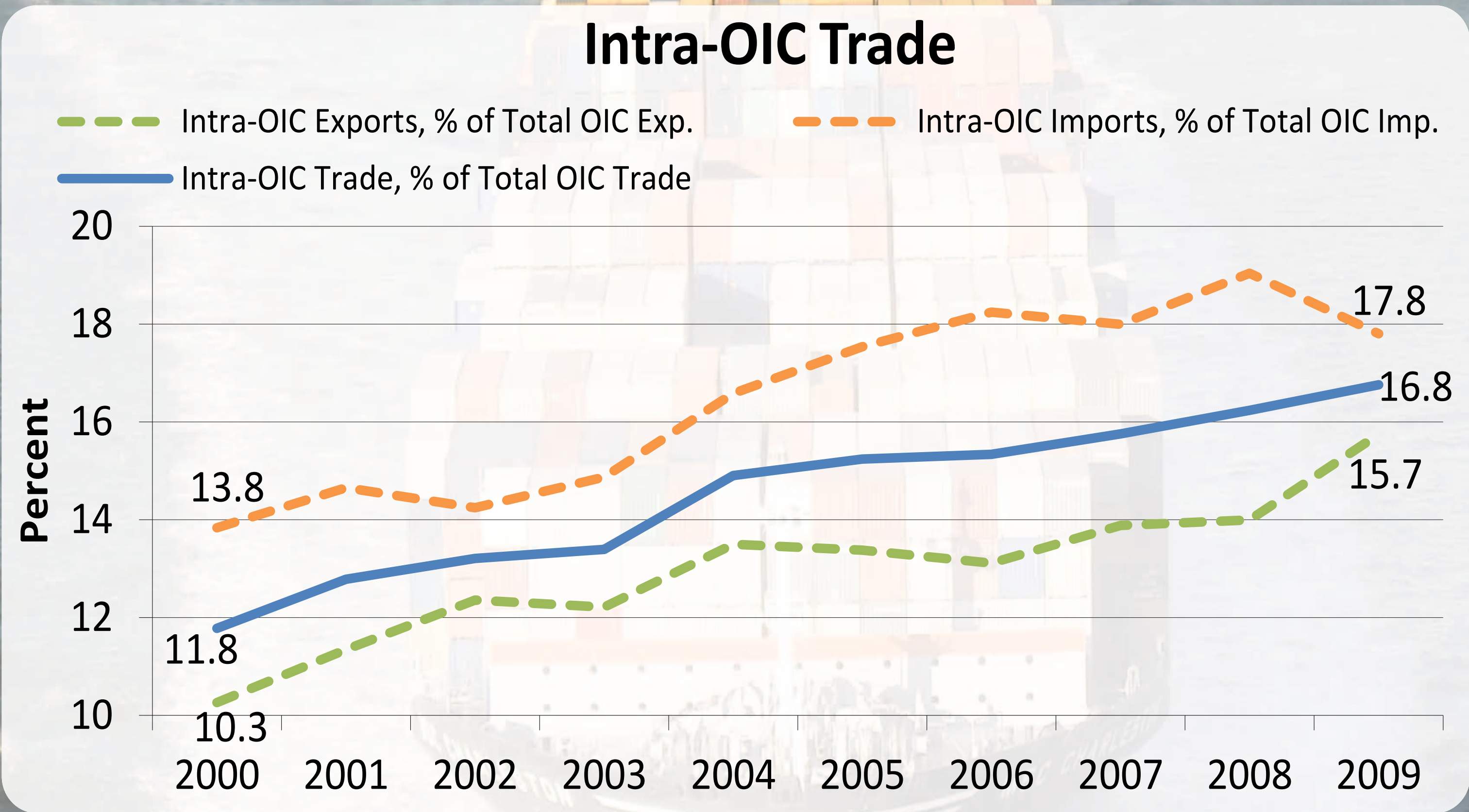


OPPORTUNITIES

Intra-OIC trade is on the rise to meet the 20% target

16.8 percent

Intra-OIC trade as percentage of the total trade of **OIC Countries** in 2009

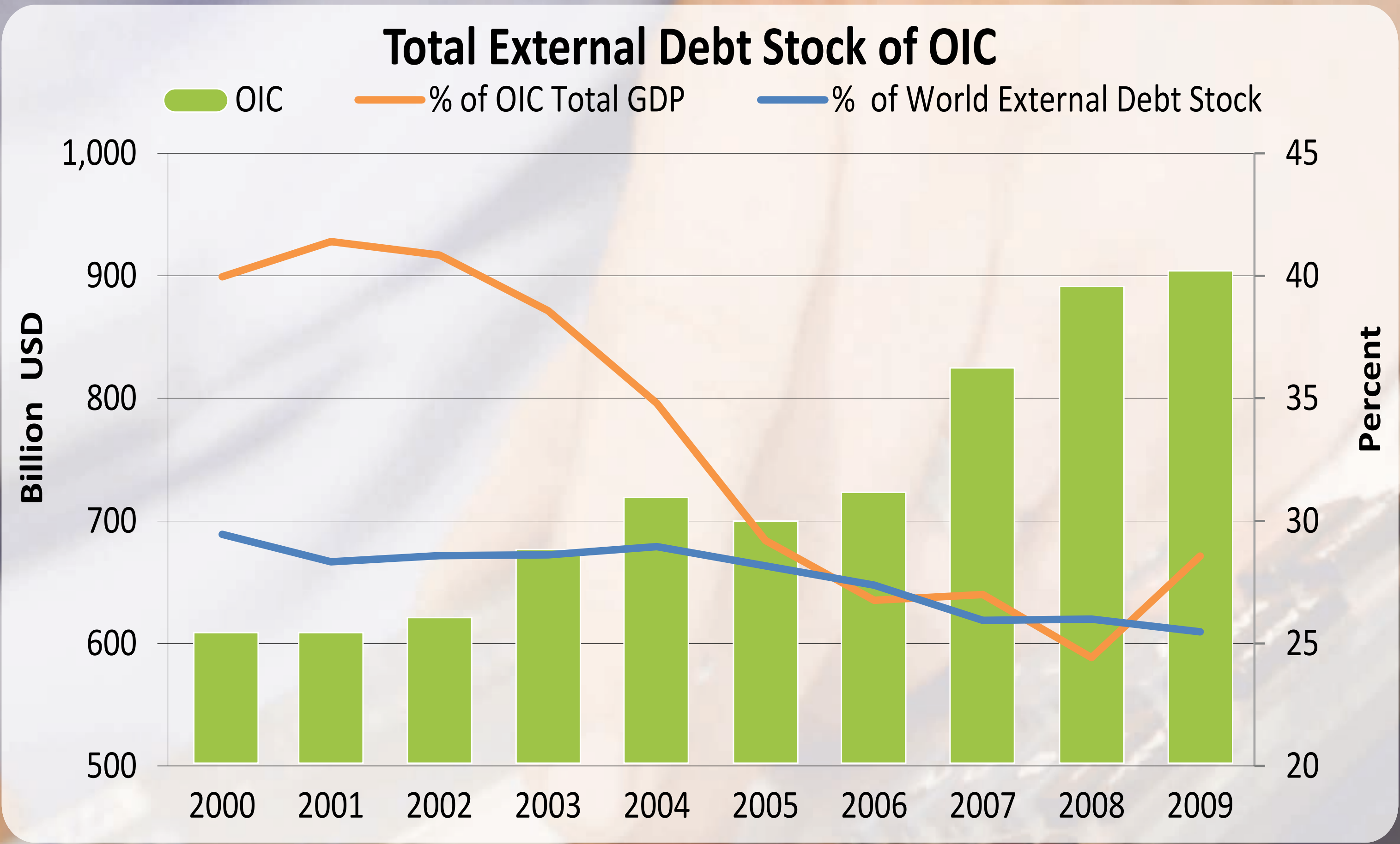


In 2009, intra-OIC trade reached 16.8% of the total OIC trade compared to only 11.8% in 2000.

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

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.

Burden of external debt is decreasing

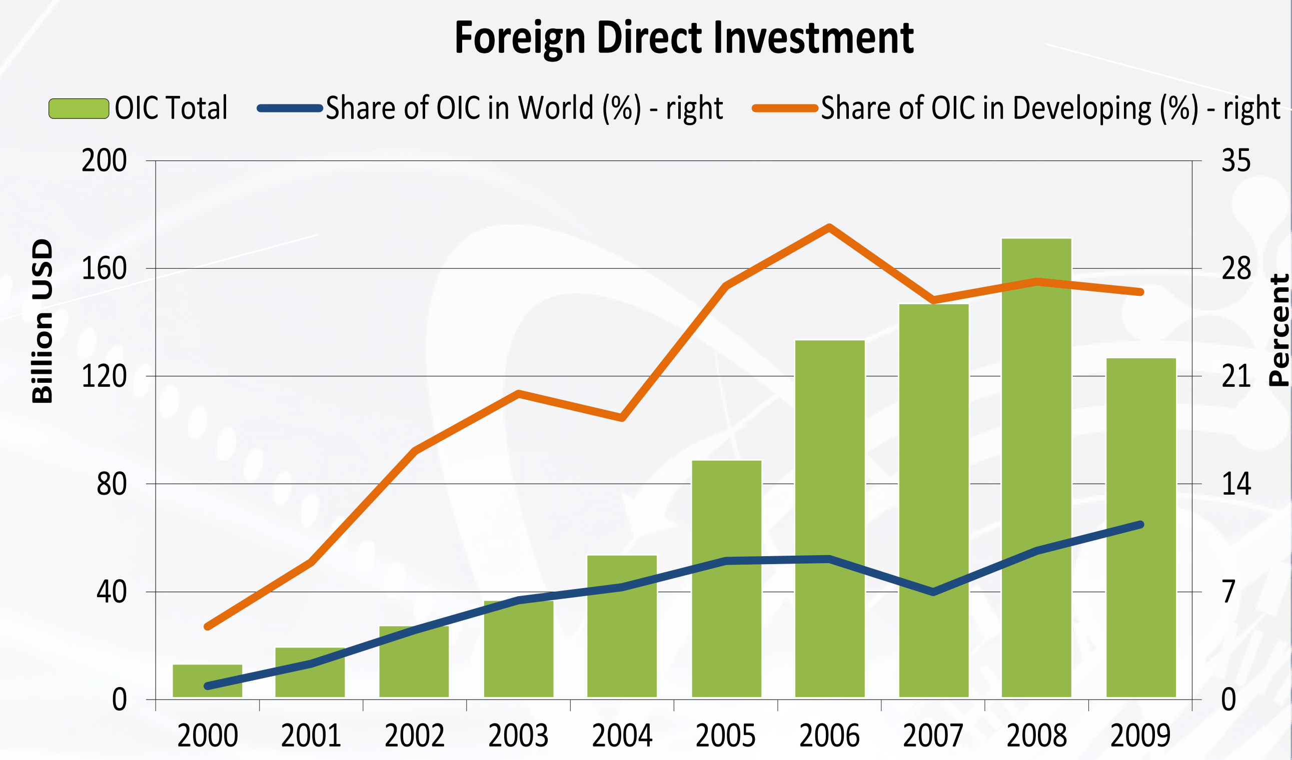


In 2009, total external debt stocks of OIC Countries amounted to US$ 903 billion, corresponding to more than one fourth of total external debt stocks of the world, though a declining trend has been observed since 2000.

The total external debt stocks of the OIC Countries as % of their total GDP declined steadily from 40% in 2000 to 28.6% in 2009.

Decreasing share of external debt in GDP means higher claims for future income and is evidence for better financial stability.

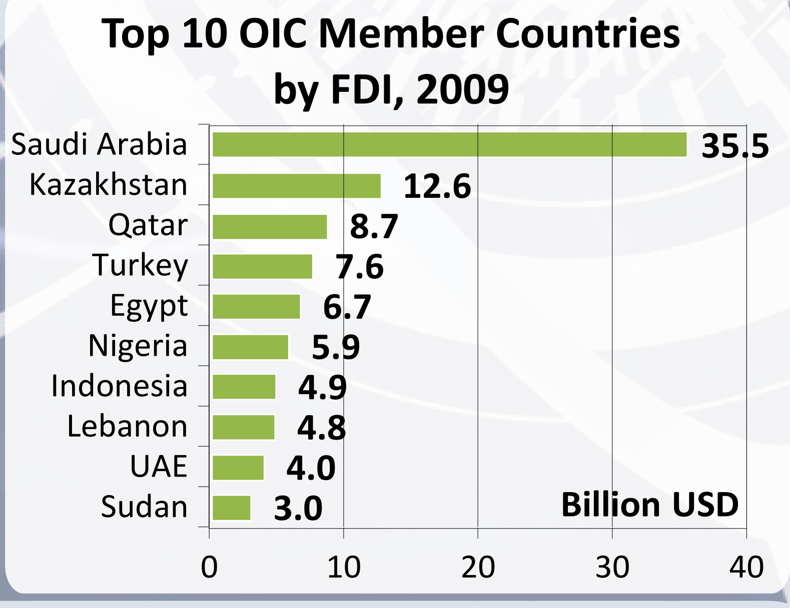
OIC Countries attract more and more investment from abroad



Total FDI flows into OIC Countries increased steadily since 2000 and reached a peak of US$ 171 billion in 2008. Yet, due to global financial crisis in 2009, FDI flows decreased to US$ 127 billion, corresponding to a decline by 26.9%.

The share of OIC Countries in world FDI flows reached 11.3% in 2009 compared to only 1% in 2000, and their share in total FDI flows into developing countries was 26.7% in 2009 compared to only 5% in 2000.

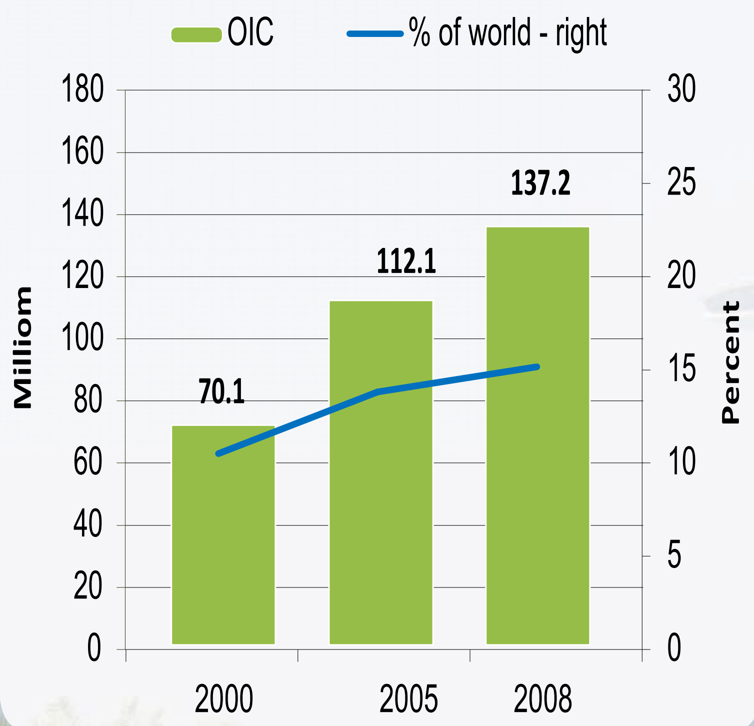
Increasing share of OIC Countries in world total FDI inflows indicates growing attractiveness of OIC Countries for foreign investors and improvement in economic and regulatory institutions.



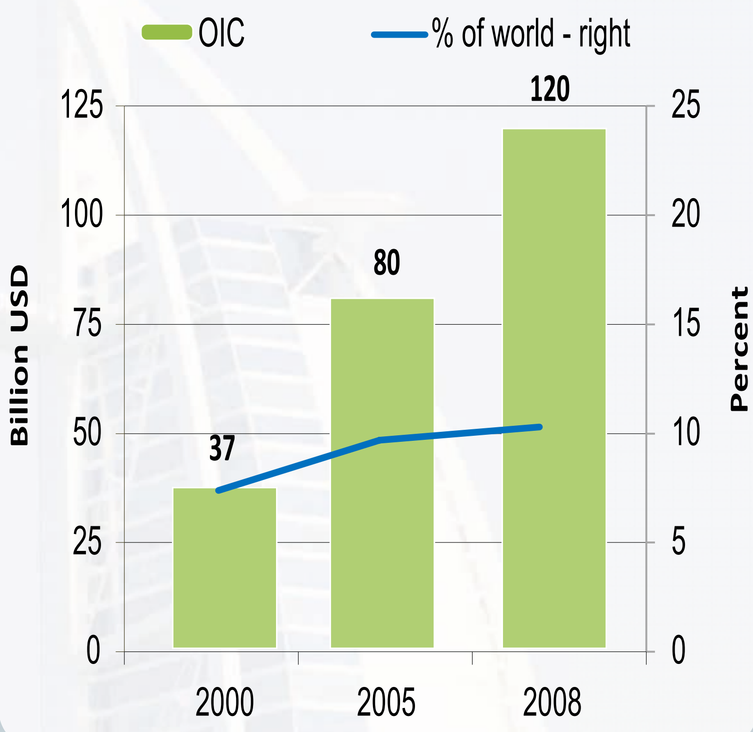
In 2009, only 10 countries attracted more than 74% of the total FDI flows into OIC Countries; of which only 4 countries namely, Saudi Arabia, Kazakhstan, Qatar and Turkey, accounted for more than 50%. With US$ 35.5 billion, Saudi Arabia was the top performer.

Tourist arrivals and revenues are increasing

Number of Tourist Arrivals, 2000-2008, (Million)



Tourism Receipts, 2000-2008, (Billion USD)



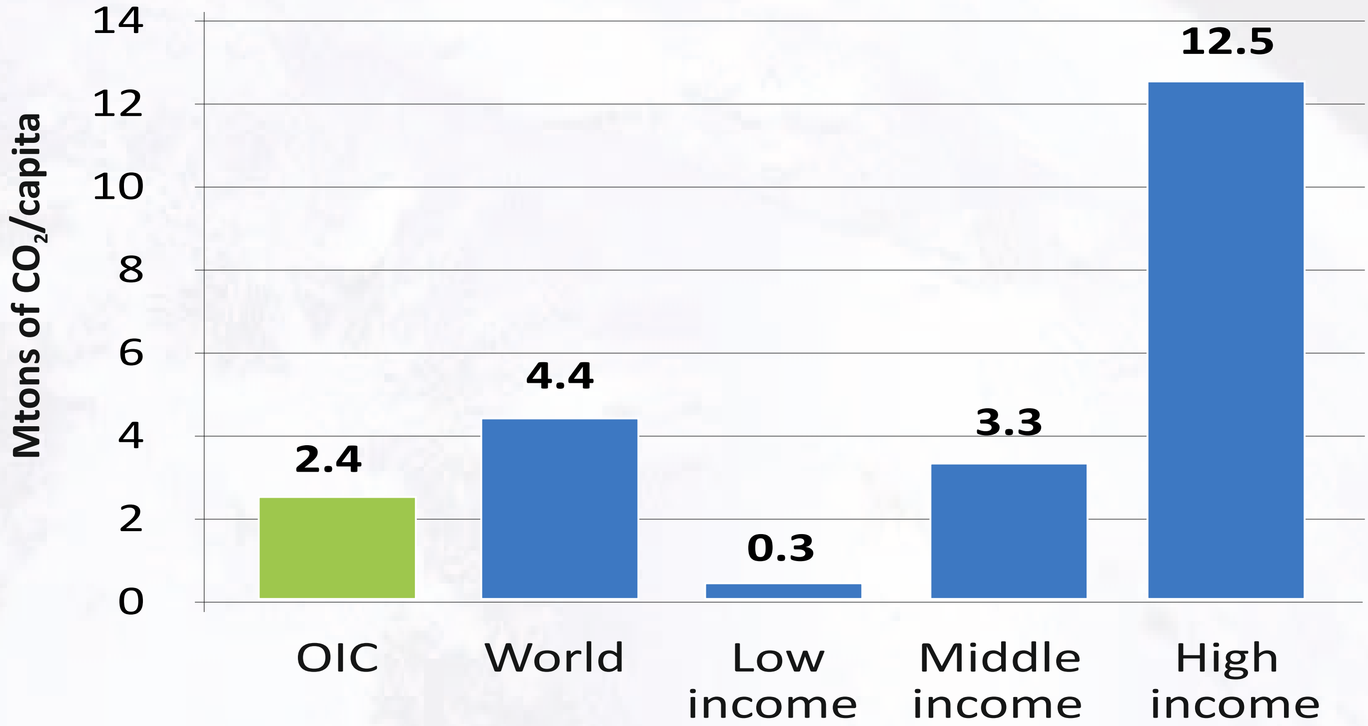
The number of tourist arrivals in the OIC Countries increased steadily since 2000 and reached 137.2 million in 2008, corresponding to 14.8% of the world's total tourist arrivals.

Tourism receipts earned by OIC Countries are estimated at US$ 120 billion in 2008, corresponding to 10.9% of the world's tourism receipts.

Increasing number of tourists is an opportunity for OIC Countries as tourism not only brings revenues but also leads to new employment opportunities and improves services sector and other related industries.

Higher responsibility in protection of global commons

Carbon Dioxide Emissions, Per Capita
Mtons of CO_2/Capita, 2007

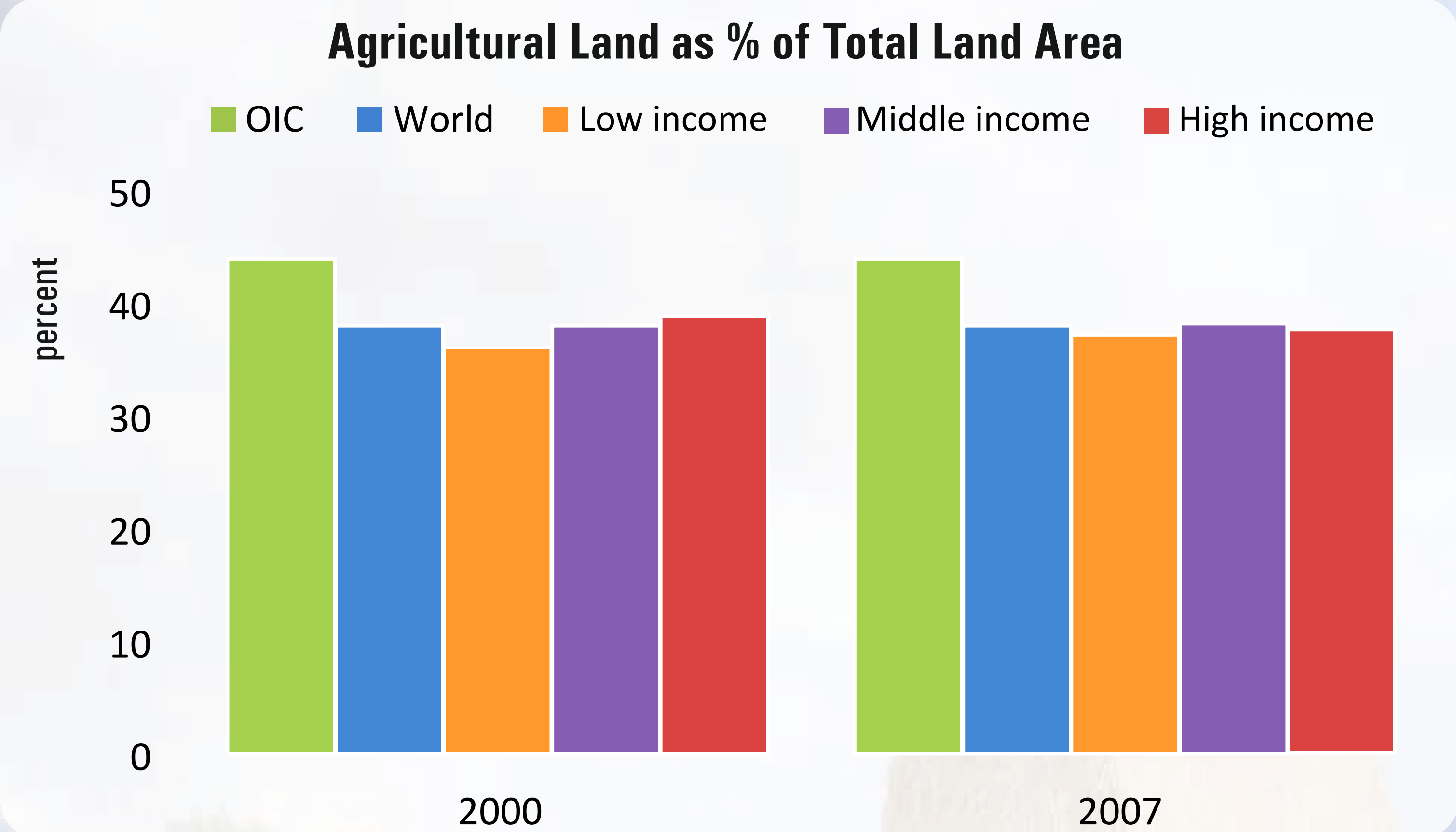


In 2007, the average CO_2 emissions per capita in the OIC Countries was 2.4 MTons, a level which is lower than the world average and the averages of both the high income and the middle income country groups.

OIC Countries are in a better position in terms of CO_2 emissions. Climate change concerns are also not as much a restriction to be taken into account in industrialization of OIC Countries. Less contribution of OIC Countries to climate change so far is an opportunity for them to have a strong position in future negotiations on global commons.

Agricultural land constitutes a significant part of total land area

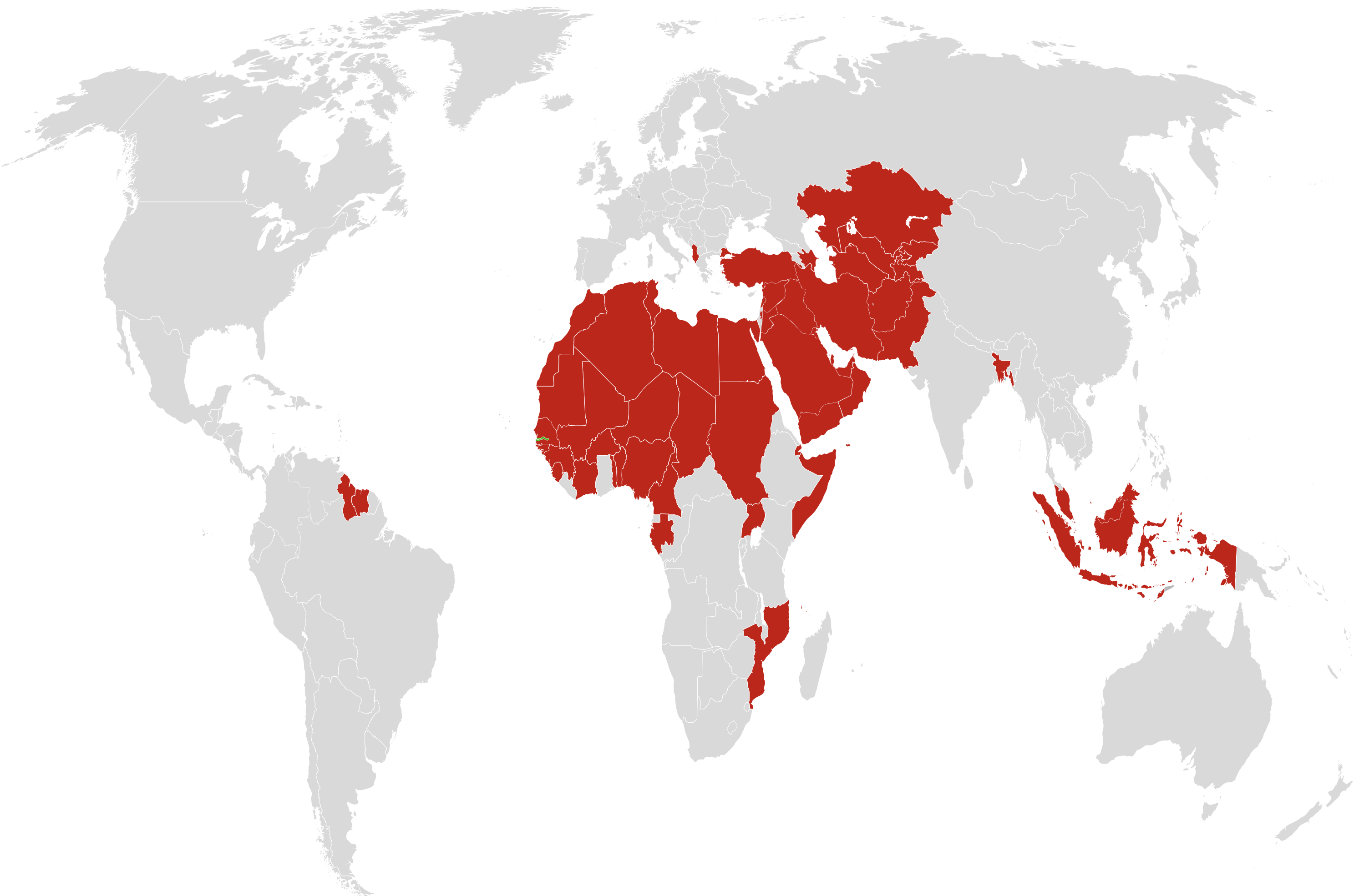
44.6
percent
Agricultural land area in the total land of **OIC** in 2007



Agricultural land in OIC Countries averaged at 44.6% of total land area in 2007, which was higher than the world average and the averages of other income-groups of countries.

The potential of agricultural land in OIC Countries should be utilized by transforming more of those lands into arable lands through, inter alia, encouraging investment in water management systems and irrigation techniques.

OIC Countries should maximize the utilization of their opportunities with a view to achieving higher levels of welfare and socio-economic development.

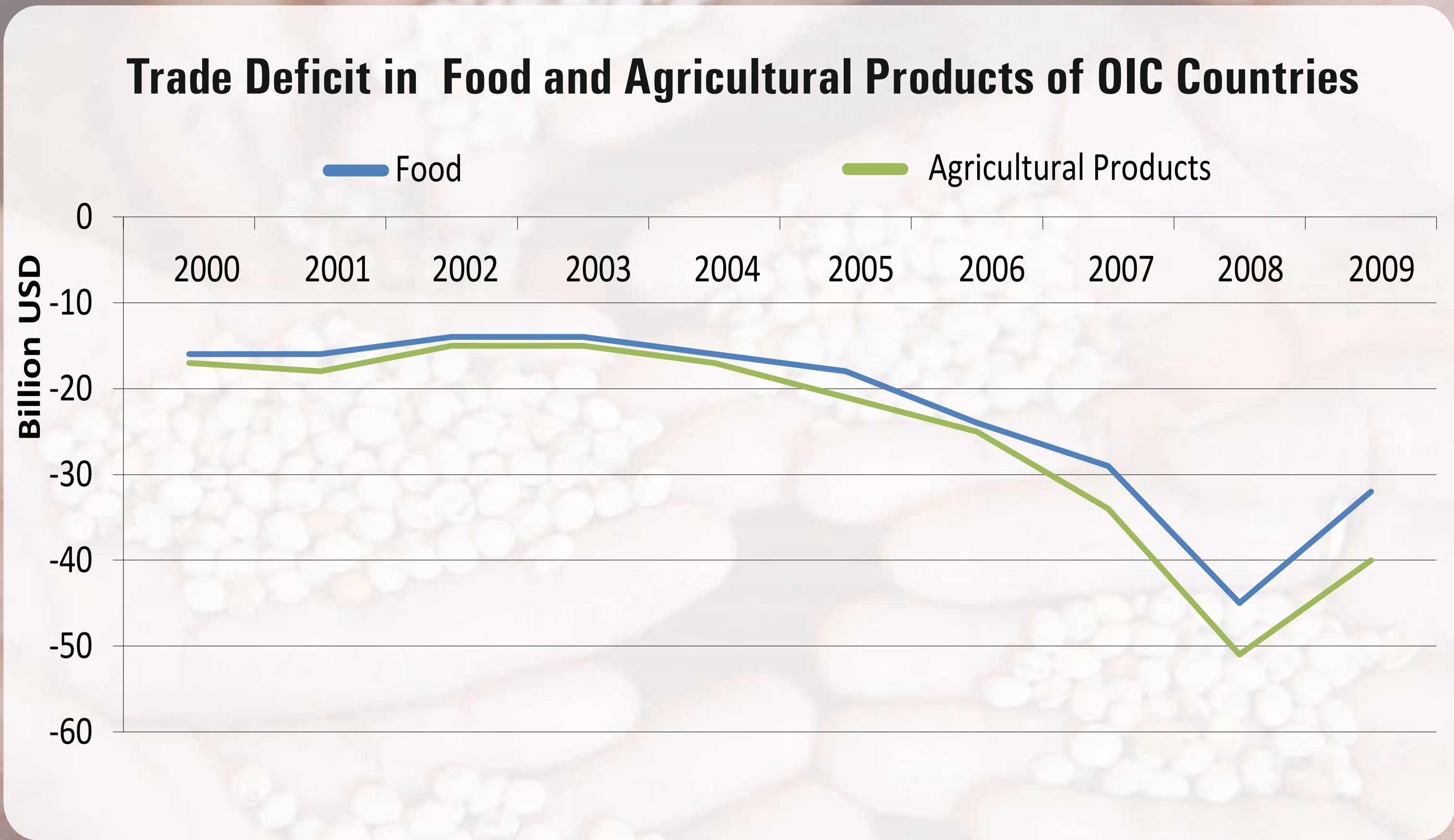


THREATS

Food and agricultural trade deficit is now much higher

2 times

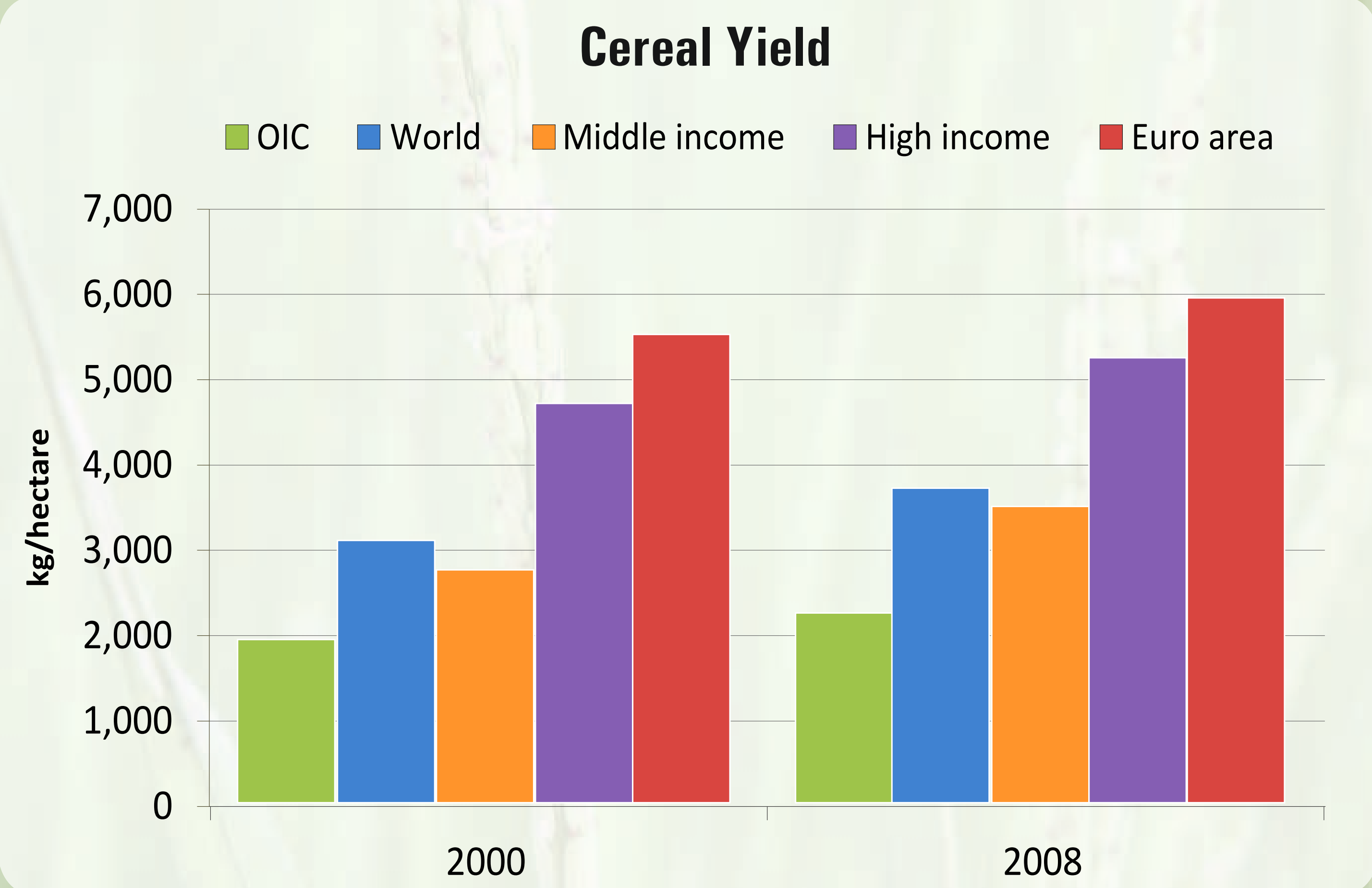
Higher trade deficit in food and agricultural products in OIC countries from 2004 to 2009



Food trade deficit in the OIC countries has increased significantly in second half of the last decade, where, in terms of US$, it has been doubled from 16 billion in 2004 to 32 billion in 2009. A similar trend has also been observed for trade deficit of 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 constitutes a serious threat for OIC Countries in the future. This necessitates urgent strategies towards higher productivity in the agricultural sector.

Productivity in cereal production is low



Although the average cereal yield in the OIC countries increased from 1895 kg/hectare in 2000 to 2250 kg/hectare in 2008, it was still significantly lower than the world average and the averages of other groups of countries.

Low level of cereal production per hectare reflects the insufficient use of land and agricultural technology in producing food, imposing a serious threat for OIC Countries in the long run considering their increasing population.

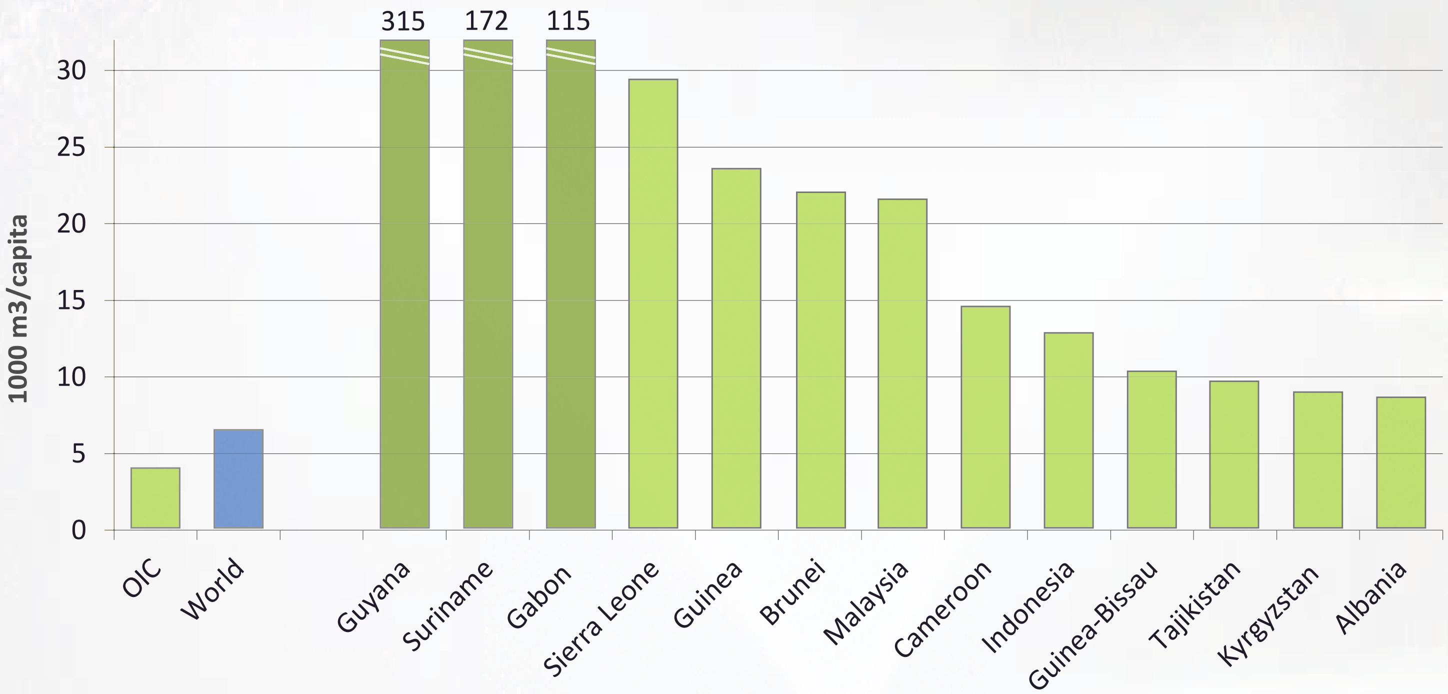
Water is scarce

Only 13

OIC Countries

have higher renewable internal freshwater resources per capita than the world average in 2007

Renewable Internal Freshwater Resources per Capita, 2007



In 2007, the average renewable internal freshwater resources per capita for OIC countries was 4107 m^3 compared to the world average of 6615 m^3.

The renewable internal freshwater resources per capita was higher than the world average in only thirteen OIC countries, namely Guyana, Suriname, Gabon, Sierra Leone, Guinea, Brunei, Malaysia, Cameroon, Indonesia, Guinea-Bissau, Tajikistan, Kyrgyzstan and Albania.

The scarcity of water resources in the majority of OIC Countries, most of which are located in world's driest regions, constitutes a serious challenge and threat, urging these countries to adopt long-term prudent water management policies and strategies.

Access to improved water and sanitation is lagging

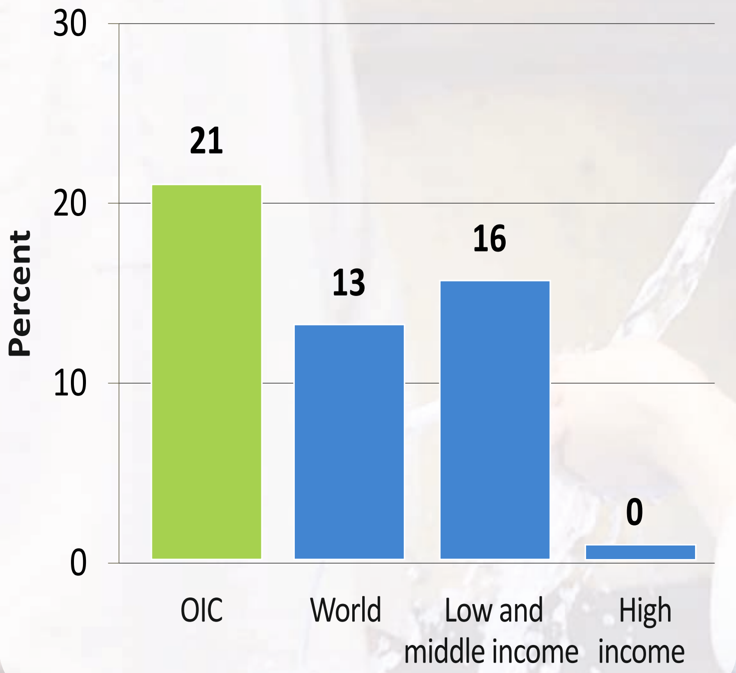
21 percent

OIC population without access to improved sanitation facilities in 2008

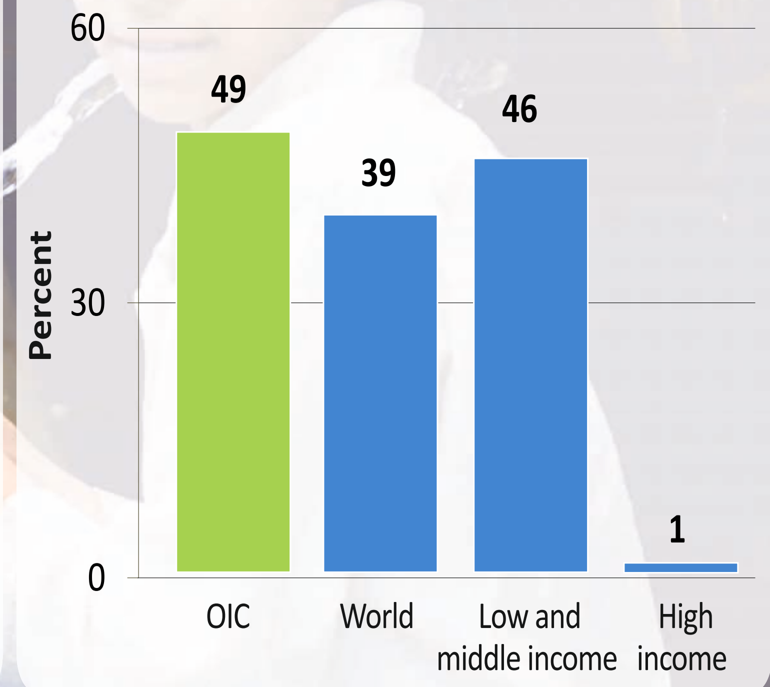
49 percent

OIC population without access to improved water resources in 2008

% of population without access to improved water resources, 2008



% of population without access to improved sanitation facilities, 2008



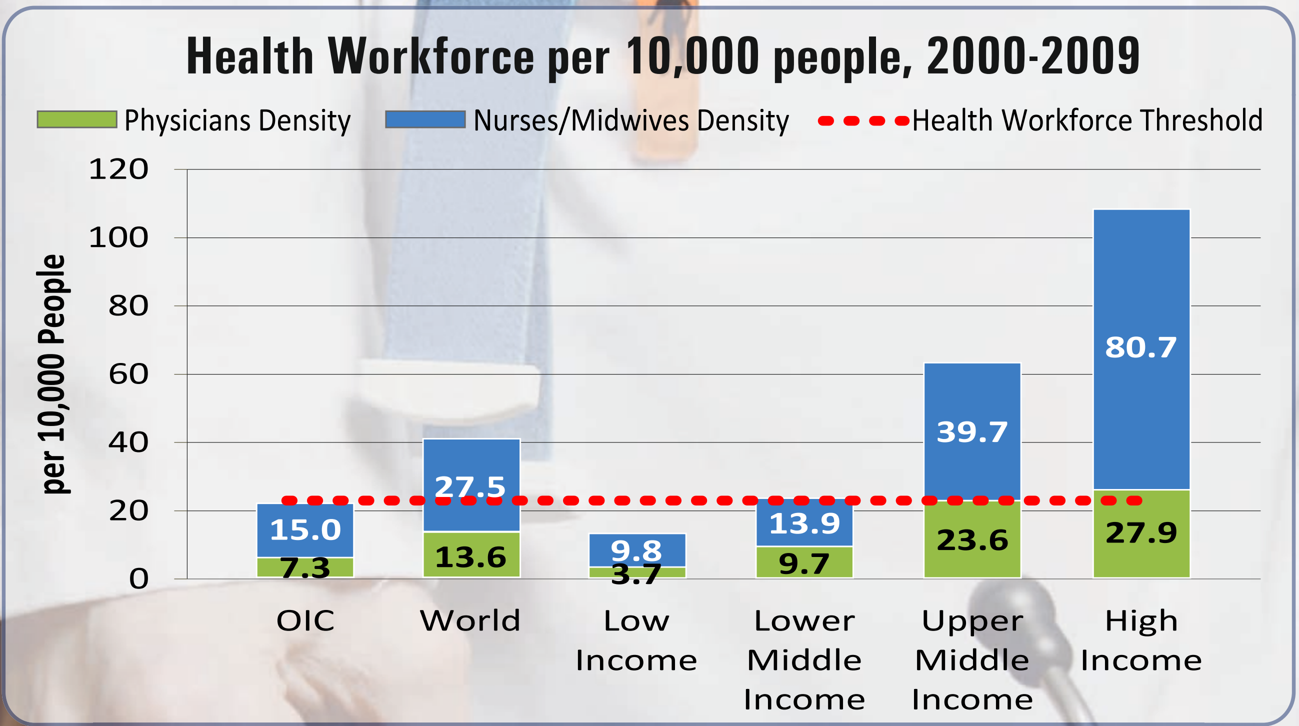
In 2008, the average percentages of population without access to improved water resources and improved sanitation facilities in OIC Countries were, respectively, 21% and 49% which are both above the world average and the averages of even the low and middle income group.

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.

Health workforce is insufficient

22.3
health workers
per 10,000 people in the **OIC Countries** in 2000-2009

15
physicians
per 10,000 people in the **OIC Countries** in 2000-2009



During the period 2000-2009, the number of health workers (doctors, nurses, midwives) per 10,000 people in the OIC Countries was, on average, 22.3; which is below the 23 threshold level for considering a country to be facing a health workforce crisis.

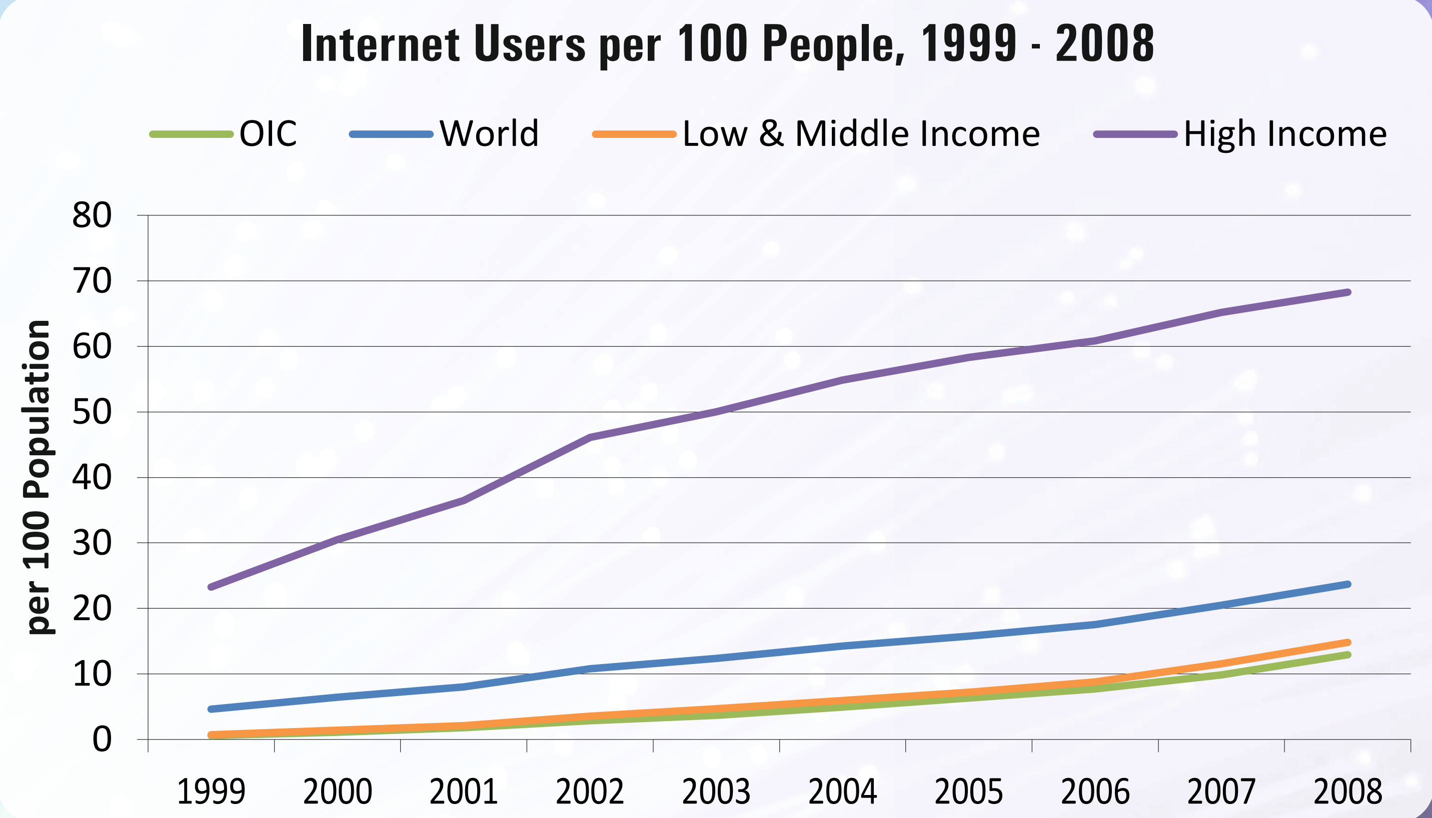
During the same period, on average, the numbers of physicians and nurses/midwifes per 10,000 people in the OIC Countries were only 7.3 and 15, respectively, compared to the world averages of 13.6 and 27.5.

According to 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.

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

Access to information is limited

13
internet users
per 100 people in the **OIC Countries** in 2008



On average, only 13 out of 100 people in OIC Countries were using internet in 2008, a number which was still significantly lower than the world average of 24 and even the average of the low & middle income group of 15.

The gap with the high income countries has critically widened over time, making it more difficult for OIC Countries to catch up with these countries.

Limited access to internet is still a major challenge for OIC Countries as the availability of and easy access to information is a crucial element in economic and social development in today's world. Promoting a wider use of the internet is thus an urgent need in OIC Countries.

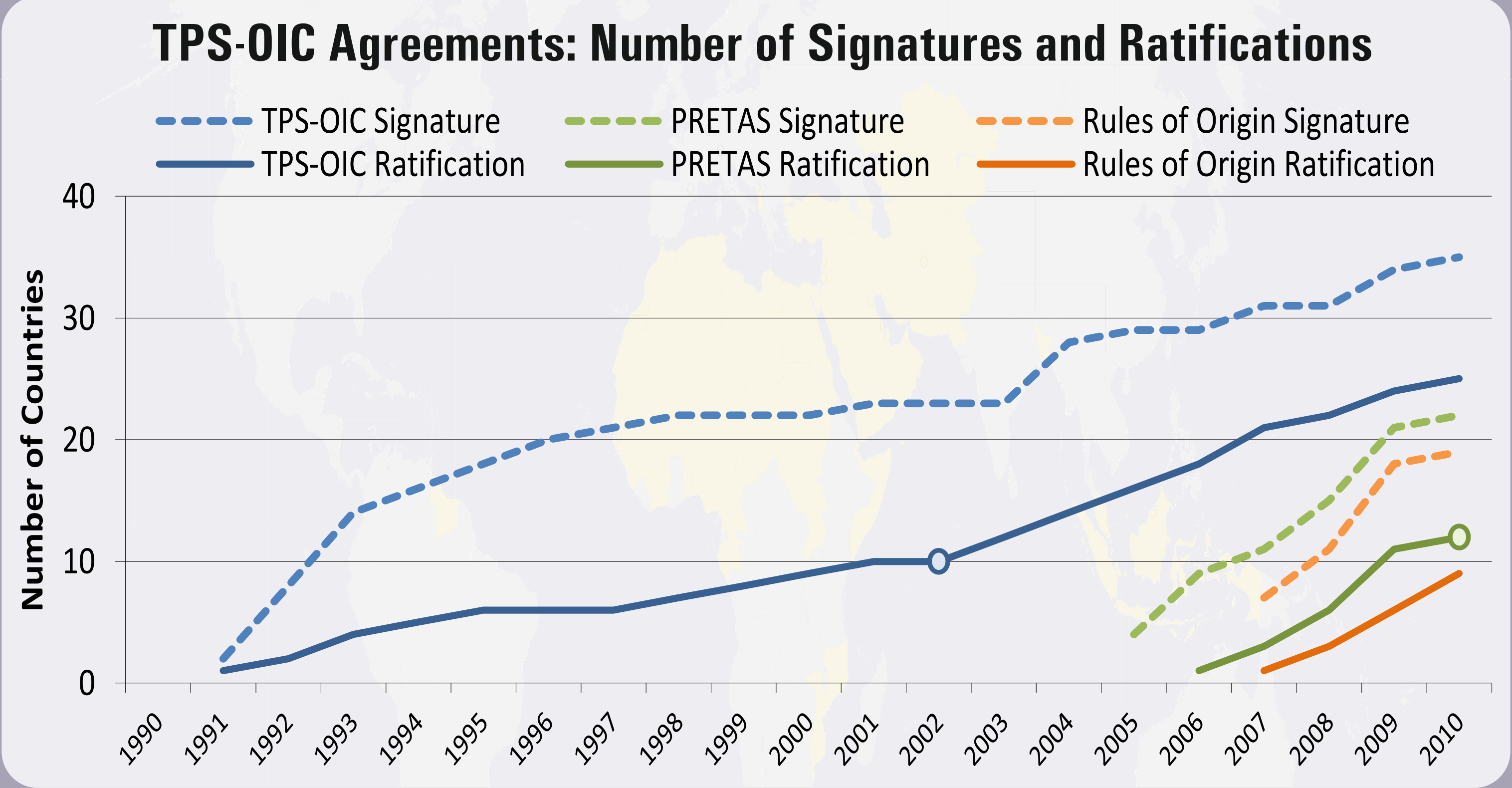
Slow progress towards economic cooperation and integration

20 years

passed since the adoption of the Framework Agreement on TPS-OIC

25

of the **OIC ountries** ratified the Framework Agreement on TPS-OIC



Though it has been adopted in 1990, the Framework Agreement on TPS-OIC entered into force in 2002. So far, it has been signed by 35 members and ratified by 25 members.

Adopted in 2005, the Protocol on the Preferential Tariff Scheme (PRETAS) entered into force in 2010. So far, it has been signed by 22 members and ratified by 12 members.

Adopted in 2007, the TPS-OIC Rules of Origin has been so far signed by 19 members and ratified by 9 of them. It is still waiting for one more ratification to enter into force.

The slow pace of ratification of the Trade Preferential System (TPS-OIC) by the member countries during the last two decades is a clear indication of lack of the political will that is necessary for any economic cooperation and integration schemes.

OIC Countries should undertake the necessary countermeasures in a timely manner to safeguard against the threats they are facing.

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