How the private sectors can benefit from the IORA

by Firdaus Dahlan, Director of IORA
29 September 2016
Regional Cooperation: Opportunities & Challenges

Opportunities:
1. Huge market (+2.5 Billion people)
2. 70% world container traffic in petroleum
3. 55% world oil reserve + 40% world gas reserve
4. 1/3 world tuna production
5. Accumulation of mineral resources

Challenges:
1. Economic diversity
2. Poverty
3. Illegal Fishing
4. Drug Smuggling
5. Over Fishing
6. Human Trafficking
7. Exploitation of Resources
8. Security of Food
9. Cultural Differences
Main Objective of IORA

“To promote the sustained growth and balanced development of the region and of the Member States, and to create common ground for regional economic co-operation”

Through: trade liberalization, remove impediments and lower barriers towards a freer and enhanced flow of goods, services, investment, and technology in the IOR
6 Priority Areas of Cooperation:

i. Maritime Safety and Security
ii. Trade and Investment Facilitation
iii. Fisheries Management
iv. Disaster Risk Management
v. Academic and Science & Technology Cooperation
vi. Tourism Promotion and Cultural Exchanges

&

Blue Economy + Women Empowerment
IORA Organizational Structure:

- Council of Ministerial Meeting (COM)
- Committee of Senior Official (CSO)

**Working Groups:**

1. Trade & Investment (WGTI) | G to G
2. Indian Ocean Rim Business Forum (IORBF) | B to B
3. Indian Ocean Rim Academic Group (IORAG)
4. Head of Mission (WGHM)
How can the Private Sectors benefit from IORA?

Participate at:
1. Indian Ocean Rim Business Forum (IORBF)
2. IORA Trade Expo, B2B, etc
3. Economic & Business Conference (EBC)

Flagship projects:
1. IORA Business Travel Card (in process)
2. *IORA Comprehensive economic Partnership Agreement – ICEPA* (under consideration)
3. Regional Projects
Indian Ocean Rim Business Forum (IORBF) & related events

- IORA Business Forum, Jakarta 13 October 2016
- Trade Expo and B2B, Jakarta, 12 – 16 October 2016
- The First IORA Summit, 6 March 2017
Main Objective:

“To facilitate increased interaction and free movement of private sectors in Indian Ocean region”

To explore new business opportunity

To promote intra trade & investment among Member States

To conduct trade and investment activities

To attend trade promotion meetings

To develop business tourism, culture, etc
## IORA Trade Volume by 2025

<table>
<thead>
<tr>
<th></th>
<th>'00</th>
<th>'12</th>
<th>'25</th>
<th>Growth ratio '12→'25</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>510</td>
<td>1,059</td>
<td>1,734</td>
<td>160%</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>18</td>
<td>37</td>
<td>145</td>
<td>390%</td>
</tr>
<tr>
<td>India</td>
<td>286</td>
<td>683</td>
<td>2,510</td>
<td>370%</td>
</tr>
<tr>
<td>Indonesia</td>
<td>284</td>
<td>725</td>
<td>1,915</td>
<td>260%</td>
</tr>
<tr>
<td>Iran</td>
<td>163</td>
<td>222</td>
<td>271</td>
<td>120%</td>
</tr>
<tr>
<td>Kenya</td>
<td>6</td>
<td>14</td>
<td>20</td>
<td>150%</td>
</tr>
<tr>
<td>Madagascar</td>
<td>2</td>
<td>4</td>
<td>4</td>
<td>110%</td>
</tr>
<tr>
<td>Malaysia</td>
<td>107</td>
<td>245</td>
<td>541</td>
<td>220%</td>
</tr>
<tr>
<td>Mauritius</td>
<td>4</td>
<td>4</td>
<td>5</td>
<td>110%</td>
</tr>
<tr>
<td>Mozambique</td>
<td>1</td>
<td>21</td>
<td>29</td>
<td>140%</td>
</tr>
<tr>
<td>Myanmar</td>
<td>13</td>
<td>21</td>
<td>36</td>
<td>180%</td>
</tr>
<tr>
<td>Oman</td>
<td>5</td>
<td>35</td>
<td>48</td>
<td>140%</td>
</tr>
<tr>
<td>Pakistan</td>
<td>35</td>
<td>122</td>
<td>298</td>
<td>240%</td>
</tr>
<tr>
<td>Singapore</td>
<td>327</td>
<td>332</td>
<td>614</td>
<td>180%</td>
</tr>
<tr>
<td>South Africa</td>
<td>168</td>
<td>227</td>
<td>400</td>
<td>180%</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>11</td>
<td>20</td>
<td>45</td>
<td>220%</td>
</tr>
<tr>
<td>Tanzania</td>
<td>3</td>
<td>12</td>
<td>19</td>
<td>160%</td>
</tr>
<tr>
<td>Thailand</td>
<td>138</td>
<td>200</td>
<td>396</td>
<td>200%</td>
</tr>
<tr>
<td>Yemen</td>
<td>7</td>
<td>23</td>
<td>31</td>
<td>130%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>2,088</td>
<td>4,005</td>
<td>9,061</td>
<td>230%</td>
</tr>
</tbody>
</table>

Source: UN population forecast, World Bank, Oxford, Comtrade and JRI estimation
Trade value among IOR countries

Trade value in 2000

Trade value in 2012

Source: UN Comtrade database and JRI analysis
Proposal: IORA Comprehensive Economic Partnership Agreement (ICEPA)

Objectives:

- To expand intra-trade and Investment among MS in the IORA region
- To create a greater Market Access in IORA Member States
- Promoting Industrialization in IORA
- Create regional value chain
- Freer flow of goods, services, investments, and People movement

IORA Summit
7 March 2017
Trade Expo and B2B
12 – 16 October 2016, Jakarta-Indonesia
Thank you