

# **Symposium on Trade Networking Among Cooperatives**

## **Trade Promotion Strategy of Iran Central Chamber of Cooperatives (ICC)**

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First of all allow me to sincerely thank the organizers of this event, i.e. the International Cooperative Alliance and Indonesian Co-operative Council (DEKOPIN) for giving me this privilege of taking an active part in this important event.

With the goal of settling social justice and creating equal opportunities for human sublimity and development, the economic system of the Islamic Republic of Iran in the Constitution is based on three sections: governmental, private and cooperative.

Iran Central Chamber of Cooperatives is the apex cooperative organization and the non-governmental representative for the cooperative sector and is considered as the last link between the cooperatives and governing systems and others. ICC's scope of authorities in the cooperative sector is the same as the scope of authorities of Iran Chamber of Commerce, Industries and Mines in the private sector.

Considering the importance of the cooperative sector in the economy of the country, Iran Central Chamber of Cooperatives (ICC) vindicates the interests, expectations and claims of the cooperative sector through an effective presence in the macro-economic decision making and decision taking processes by membership in high Councils and assemblies of the

country in which the president and ministers present or are a member of them. Some of them are as below:

1. Non-oil Export Promotion High Council
2. Money and Credit Council
3. Stock Exchange High Council
4. Iran Trade Promotion Organization Policymaking Council
5. Foreign Economic Relations Coordination Headquarter
6. The Assembly of Iranian International Exhibition Company

After passing the difficulties of post revolution victory and the imposed war which made the governmental economy a necessary option, and by starting the economic stability and planning for using the market mechanisms and demand-supply system, and preparing for the wide range involvement of the cooperative and private sectors in the economy of the country, the non-governmental sector activities have been subjected to attention more than ever.

As mentioned above, the cooperative sector in the Constitution of the Islamic Republic of Iran has been provided as one of the three economic sectors.

Based on the recent governmental policies by which the governmental obligations and responsibilities must be dramatically allocated to the cooperative and private sectors (which in this regard, the priority is given to the cooperative sector, and this policy is being seriously followed up by the high ranking authorities of the country in the format of the Article 44 of the Constitution).

Therefore, for enacting the cooperative sector development policies, Iran Central Chamber of Cooperatives (ICC) has planned to follow up the following measures:

- Increasing the cooperative sector share in the economy of the country from current 5% to 25% within next 10 years,
- As the government has given the priority of allocating its economic enterprises to the cooperative sector, by following this policy, Iran Central Chamber of Cooperatives is trying to possibly absorb the enterprises which (from the point of view of economic efficiency and financial power) are more profit-making for the cooperative sector.
- As government wants both cooperative and private sectors to become more active for liberalizing their economy and to gain more share in the national economy, ICC tries to create the necessary balance in gaining shares of the national economy in comparison with the private sector through constantly presenting in above mentioned decision making assemblies. In such a way that, through healthy competition, it can play role beside the private sector in the economy of the country.
- Another one of the strategies taken by ICC for trade promotion is utilizing tax exempt and discounts through legal ways and enacting the necessary laws and regulations.
- As in order to settling social justice and in line with the liberalization policy, the government of the Islamic Republic of Iran planned to give a portion of the governmental enterprises shares to the low income people, ICC pioneered in this regard and tried to organize the rural and other peoples' shares who are considered as low income people through establishing large cooperatives. For achieving this goal, ICC tries to receive their shares from the government through the large cooperatives and pay the profit of

these shares to these people after managing the profit-making of these shares

- One of the other development strategies of ICC is arranging for establishing the Cooperative Development Bank, and this is a step taken by ICC toward the development of the cooperative sector.

In the current sensitive period of time, using the experiences of the cooperatives and thanks to the positive and active relations with ICA, through strengthening the cooperatives ICC as the non-governmental representative of the cooperative sector tries to further prepare the conditions for cooperatives to further participate in the economic activities. Also by changing the potential advantages into actual ones, tries to make the required capacities for completing this heavy duty which is owned by the cooperative sector.

For instance, ICC helps developing cooperative products and services export, with the goal of finding a suitable place in global markets through holding international exhibitions in the country and holding exclusive exhibitions in target countries. ICC has held 12 exhibitions up to now in the country and other countries such as Kenya, Algeria, Dubai, Senegal, Uganda, Djibouti, etc.

Also other measures have been taken by ICC as:

- Sending trade and economic delegation for studying the target markets,
- Holding training seminars and workshops.

In order to compile and collect small but numerous facilities of the cooperatives using the existing laws, Iran Central Chamber of Cooperatives has planned to establish large holding companies.

A non-governmental exports development fund also will be established by ICC in the form of a cooperative with a wide participation of the

cooperatives. In fact, under the supports of the government this large economic enterprise will prepare the ground for a strong presence of the cooperatives in the global market.

Besides, Iranian cooperative sector will involve insurance activities for the first time; in other words, ICC has planned to establish a large insurance company with the participation of the cooperatives.

Through holding forums, with the goal of helping to create and strengthen the spirit of cooperation among cooperatives, Iran Central Chamber of Cooperatives makes every effort to expand cooperation among manufacturing, distribution and service cooperatives and could supply the final products of the cooperative sector to the members with a reasonable price.

In a constructive interaction with the decision making centers especially the parliament, Iran Central Chamber of Cooperatives has created a strong parliamentary fraction with 140 members and could consider its interests, expectations and ideas, such as the bills for facilitating cooperative trade and receiving legal advantages for supporting trade activities of the cooperative sector including income tax exemption in the ratified laws in the parliament by the support and help of the members of this fraction.

Through holding international exclusive cooperative exhibitions and seminars related to the trade development in Iran and participating the in international cooperative exhibitions and seminars held by other companies through sending cooperative expert delegations, ICC tries to share its experiences with cooperative organizations of other countries and also aims to take part in cooperative development both in Iran and in other countries. A good example for these measures is holding International Cooperative Trade Fare and the Symposium on Trade

Networking among Cooperatives in Iran on October 2006 and taking part in this event.

However, the availability of young and educated people in Iranian society, which form a large proportion of the Iranian population and most of them are talented for creativity and entrepreneurship, has created a suitable ground for organizing them in short-term-income and small economic cooperative enterprises which are under the governmental support. For developing the activities of the cooperative sector and achieving the 25% shares of the national economy, ICC seriously follows up this project in the different fields such as agro-processing industries, fisheries, carpets, handicrafts, technical and engineering services, transportation, housing, etc. ICC will help and support the organized youths in these cooperative enterprises for receiving the required credits and providing production projects. ICC's goal for this effort is job creation and increasing production which is closely related to the development strategy.

Finally, once again I appreciate the organizers of this great event and everyone who involved in this event, for their efforts to develop the cooperation among cooperatives, and also I appreciate them for providing this valuable opportunity for me to introduce ICC's strategies for trade promotion.

Thank you!