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Editorial

ICIEC makes further strides in supporting its Member Countries

In conjunction with the 35th IDB Annual Meeting, ICIEC held its 17th Annual Meeting of Board of Governors (BOG) in Baku, Azerbaijan. During the meeting the BOG approved the Corporation's 1430H (2009) results.

I am proud to note that ICIEC has continued to provide strong support for exports from and investments into its Member Countries. ICIEC's insurance commitments stood at over US\$2 billion at the end of 1430H, an increase of 25% compared to 1429H. ICIEC's business insured during the year reduced by 29%, a consequence of reduced trade and investment flows on the back of the global financial crisis.

This year's BOG meeting marked an important milestone in the expansion of ICIEC's mandate. The BOG has approved a resolution amending ICIEC's Articles of Agreement which will allow the Corporation to provide export credit insurance cover to non-member country exporters of capital equipment, infrastructure items, and food security related items, exporting to member countries.

As the financial crisis has made clear, there are risks in cross-border trade that member country exporters are not equipped to handle. The role of export credit and political risk insurance in general, and ICIEC in particular, will continue to become more crucial in our member countries. In such a scenario, an increase in the capital resources of the Corporation is a must. The Articles of Agreement of the Corporation also need to be made more flexible, in order to allow ICIEC to respond more quickly and efficiently to the needs of its stakeholders.

Dr. Abdel-Rahman Taha,
ICIEC's Chief Executive Officer

BOG Re-elects Dr. Ahmad Mohamed Ali as President

H.E. Dr. Ahmad Mohamed Ali re-elected by the Board of Governors (BOG) as the President of the Islamic Development Bank (IDB) Group for the next 5 years, during the 35th Annual Meeting held on June, 2010 in Baku, Azerbaijan.

The BOG expressed its sincere appreciations for the efforts and noble services rendered by H.E. Dr. Ahmad Mohamed Ali to the IDB since its inception, and through it to the Ummah. The Board also expressed its admiration of the high capabilities with which Dr. Ali has managed the IDB and led the Group to a highly successful path making it one of the most important international development institutions in area of improving socio- economic development in member countries.

On this occasion, The CEO and staff of ICIEC expressed their heartfelt congratulations to Dr. Ahmed Mohammed Ali and renewed their allegiance and loyalty to the bank under his leadership.



BOG of ICIEC Approves Amendments to the Articles Expanding its Mandate.

The Board of Governors (BOG) of ICIEC held its 17th Annual Meeting in conjunction with the 35th IDB Annual Meeting in Baku, Azerbaijan under the patronage of the President of Azerbaijan, Ilham Aliyev. The meeting was also attended by the Ministers of Finance, Economic Affairs and Planning of the 56 member countries of IDB, in addition to about 950 more participants who were involved in various functions of the meeting.

During the event, The BOG approved the annual report and financial results of the corporation for 1430H (2009). Insurance commitments provided by ICIEC to its member countries' investors and exporters stood at over US\$2 billion by the end of 1429H (2009), an increase of 25% compared to the previous year, whereas the insured business in 2009 reduced by 29% to stand at about US\$1 billion, reflecting the impact of the global financial crisis. The indemnity paid by ICIEC to its clients amounted to US\$1.6 million, while recoveries were at US\$1.9 million. (more on: page 2)

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"I am proud to note that ICIEC has continued to provide strong support for exports from and investments into its Member Countries"

ICIEC's CEO said.

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(Continued from page 1)

BOG of ICIEC Approves Amendments to the Articles Expanding its Mandate.



ICIEC's 17th BOG Annual Meeting in Baku, Azerbaijan – 23-24 June 2010

Commenting on these results the CEO of ICIEC, Dr. Abdel-Rahman Eltayeb Taha, said that this is "a good achievement considering the global financial crisis and the subsequent economic recession that caused a world-wide decline in trade and investment flows. He added that it was a natural consequence that the credit risk insurance industry should suffer from these developments". The recession resulted in an exponential rise in claims paid by big international insurance companies to their customers, leading to huge financial losses".

The BOG also approved a resolution to amend ICIEC's Articles of Agreement, which allows it to cover domestic sales of exporters in its member countries, insuring the import of capital goods and production inputs from non-member countries in support of development related activities in its member countries, and to provide full insurance cover, for transaction secured by sovereign or bank guarantees, on exceptional basis.

Commenting on these amendments Dr. Abdel Rahman Taha said, "these amendments will further enhance the development impact of ICIEC insurance services." He added, "of particular importance is the amendment enabling ICIEC to provide credit risk insurance for the imports of capital goods and essential commodities from non-member countries. This service should help importers in our member countries, both public and private, to avail themselves of credit facilities from regional and international financial markets on good credit terms." "These new insurance services are developed within the context of

the Islamic Development Bank Group efforts to support its Members Countries to counter the impact of the current global recession." "With most ICIEC member countries being net importers of capital equipment, these amendments will enable member countries buyers to benefit from attractive credit terms in transactions insured by ICIEC." He pointed out.

On the sidelines of the event, the International Islamic Trade Finance Corporation (ITFC) organized a meeting to develop the Road Map for enhancing Intra-OIC trade. The meeting was inaugurated by H.E Shahin Mustayev, Minister of Economic Development of Azerbaijan Republic, Chairman of IDB Group BOG, in the presence of H.E Dr. Ahmad Mohammad Ali, President of IDB Group, H.E Sheikh Saleh Kamel, Chairman of the Islamic

Chamber of Commerce and Industry (ICCI), Dr. Waleed Al-Wohaib, ITFC's CEO, and Dr. Abdel Rahman Taha, ICIEC's CEO.

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“These new insurance services are developed within the context of the Islamic Development Bank Group efforts to support its Members Countries to counter the impact of the current global recession,”

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ICIEC's CEO participates in ITFC's organized seminar during the IDB Group Annual Meeting Events, Baku, Azerbaijan, June 2010

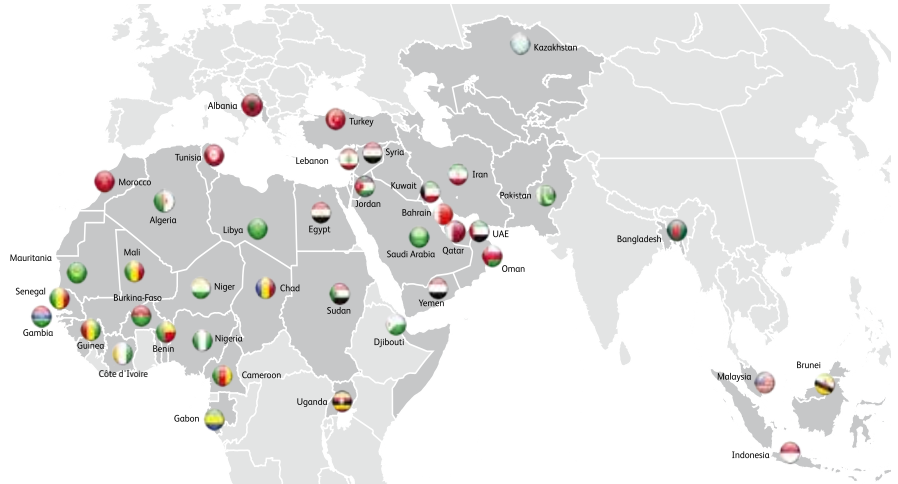
Cote d'Ivoire Joins ICIEC



ICIEC's Member Countries as of end of September 2010

The Republic of Cote d'Ivoire has recently joined to the membership of ICIEC. This brings the number of member countries to 40.

Dr. Abdel Rahman Taha, ICIEC's CEO said "The Republic of Cote d'Ivoire's membership opens the door for its private and public sectors to benefit from risk mitigation services offered by ICIEC. Likewise, it also allows exporters, banks and investors from other member countries, to cover risks related to their operations in Cote d'Ivoire and invited business entities in all member countries, including those in Cote d'Ivoire, to benefit from the services it offers for management of commercial and political risk".



Moody's Affirms "Aaa" LT/P-1 ST issuer Rating For IDB

Moody's investors Service reaffirmed on 26 July 2010 for a fifth consecutive year the Islamic Development Banks' "Aaa" long term and P-1 short term foreign currency issuer rating with a "stable" outlook.

Moody's stated that the IDB's rating is strongly supported by the commitment of its member countries, and highlighted that the capital base of the Bank is strong; its operational assets continue to perform well, it enjoys a high level of liquidity and a very low level of debt. Moody's concluded

that the bank's risk profile is likely to remain healthy over the

medium term.



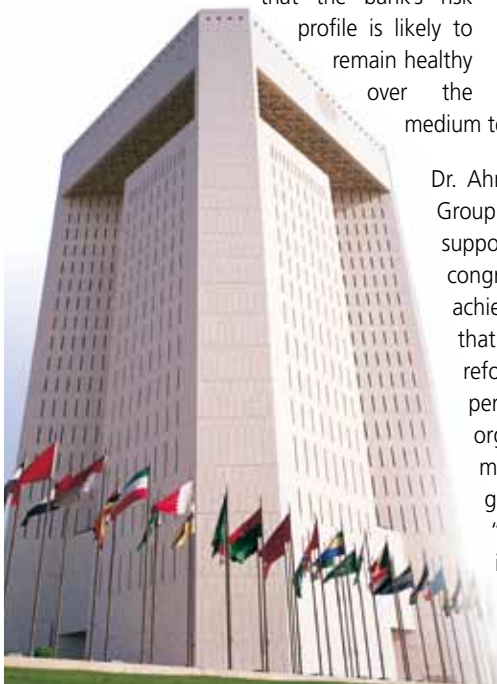
Dr. Ahmed Mohamed Ali, President of the IDB Group has praised the strong and generous support of the member countries and congratulated the staff of the IDB Group for achievements. The President highlighted that during the past year, IDB continued its reform efforts with the view to strengthen performance through a more appropriated organization structure, more competent managerial capabilities, and stronger governance. "This will help" in his words "achieve greater developmental impact in consonance with the "Year 2020 Vision with the ultimate goal of making IDB a customer and quality-focused organization.

Brainstorming Session Sets ICIEC's 1432H Plan

To kick-off the 1432H annual planning exercise, ICIEC organized a brainstorming session. The event was attended by ICIEC staff and representatives from Islamic Corporation Development for Private Sector (ICD), OPSD, Country Department, GSPD as well as the Adviser to the President, Sheikh Brahim Fall.

Presentations were given by ICIEC and GSPD on the subject matter, providing insights into the topic as well as giving the audience a chance to acquaint themselves with the exercise, which paved the way for various ideas, suggestions, and comments emerge during the session amongst all the participants. ICIEC also took the opportunity of learning from existing practices carried out by these entities to improve its overall Business Plan exercise. The session was considered a great success, with the inclusion of various new ideas to enhance the plan parameters.

The session was concluded with a small speech by ICIEC's Chairman, Dr. Ahmed Ali. The Chairman expressed his delight on the role of ICIEC in promoting synergy within the IDB Group via the initiation of this brainstorm exercise. He hoped that such initiatives can be replicated in other institutions in the future.



AMAN Union Member in Focus

Dhaman, more than 35 years in insuring exporters, investors & financial institutions



The Arab Investment & Export Credit Guarantee Corporation (Dhaman) is a pan Arab regional organization which encompasses the membership of all Arab Countries. It commenced its operations in April 1974. Dhaman is rated AA, stable outlook, by Standard & Pooors'.

Dhaman aims at promoting the flow of investments within the Arab countries and enhancing Arab trade. To achieve its goals, Dhaman provides:

- Insurance against non commercial risks for Arab and non-Arab investments in Arab countries,
- Insurance against both commercial and non-commercial risks for Arab exports worldwide,
- Insurance against commercial risks for domestic trade in Arab countries,
- Insurance against commercial and non commercial risks for cross border leasing and factoring transactions,



Mr. Fabad Rashid Al Ibrahim, Director General of Dhaman Signs the Agreement of Aman Union, Beirut – October 2009

- Reinsurance cover to Arab export credit agencies both on facultative and quota share basis.

Dhaman and ICIEC have developed over the years mutually beneficial relationships which include reciprocal facultative reinsurance for export credit and investment transactions, providing reinsurance on facultative and quota share basis for member ECAs, the organization of joint seminars and the exchange of expertise in several areas of common interest. Both Corporations launched in October 2009 Aman Union, a union of commercial and non-commercial risks insurers in Member countries.

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اتحاد المصدرين السوري
Syrian Exporters Federation

ICIEC and Syrian Exports Federation signs an MOU

ICIEC and the Syrian Exports Federation (SEF) signed a Memorandum of Understanding on July 18th. 2010. The MoU was signed on behalf of the Corporation by Eng. Yasser Alaki, Head of Sales Division, and Mr. Hani Azouz, the Chairman of SEF.

Under the terms of the MoU, the SEF will apply for a local Agency agreement to represent ICIEC in the Syrian Market which allows the Federation to promote ICIEC services to companies operating in Syria.

Berne Union covers 10% of the world's total export trade in 2009,



Ms Kimberly Wiehl, Secretary General of the Berne Union.

The Berne Union – the association of the world's leading export credit and investment insurance agencies, held its Spring Meeting hosted by Finnvera plc in Helsinki, Finland between 27-30 June 2010. ICIEC

was represented by its CEO Dr. Abdel Rahman El-Tayeb Taha, accompanied by Khemais El-Gazze, ICIEC's Short Term Insurance Director.

The Berne Union closed its recent semi-annual meeting on a tone of cautious optimism for global trade and investment, where the discussion were dominated by the issue of how to find out the way to maintain market capacity to support clients' members. The discussions at the

berneunion  75
1934 → 2009

meeting also included a focus on the global economy, with particular emphasis on specific countries.

Ms Kimberly Wiehl, Secretary General of the Berne Union said "In 2009, our members (49 members) provided \$1.4 trillion of credit and investment insurance support, which was a remarkable achievement, and was given the sharp fall in global trade volumes, but at the same time we experienced a significant jump in claims to \$5.4 billion. Now it appears that claims are leveling off and we anticipate that business volumes will increase in 2010".

It is worth mentioning that ICIEC joined the Berne Union as an observer in October 2007, and was confirmed as a permanent member two years later.

ICIEC's Clients Snapshot




ALBA - Utilizes ICIEC services to expand its export sales

Aluminum Bahrain (ALBA), a closed joint stock company, established in Manama, kingdom of Bahrain, owned by the Government of Bahrain (77%), the Saudi Public Investment Fund (20%), and Breton Investments (3%),

The company was incorporated in 1986. Today, with a volume of production of more than 500,000 tonnes per annum and exports to 25 countries all over the world, ALBA is one of the largest aluminum smelters in the world, and one of the biggest industrial entities in the GCC countries.

The relation between ICIEC and ALBA started recently, but with promising potential for insuring Alba's exports worldwide under ICIEC's comprehensive export credit insurance policy (CSTP).





Cristal - A global leader in the titanium dioxide business

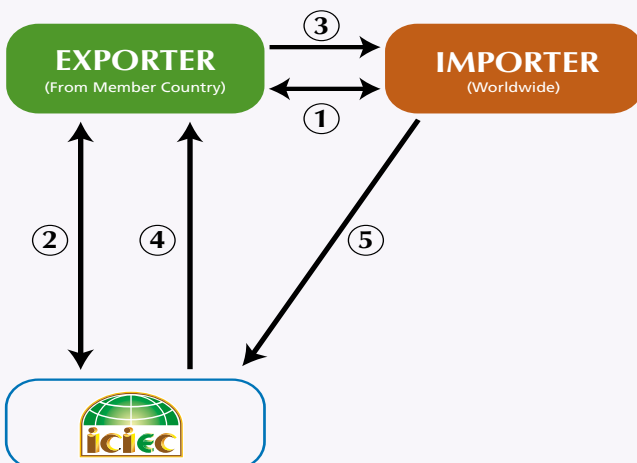


Cristal Global is a Saudi Limited Liability Company established in Jeddah in 1989, owned by Saudi and GCC nationals. It is the second largest Titanium Dioxide producer in the world, the largest producer of merchant titanium chemicals, and the leading manufacturer of specialty titanium products. It provides numerous products and services for a variety of industries around the world.

Cristal Global now directs the operations of eight TiO₂ manufacturing plants on five continents, with locations in Ashtabula, Ohio; Baltimore, Maryland; Salvador, Bahia; Stallingborough, UK; Thann, France; Yanbu, Saudi Arabia; Bunbury, Australia; and a mine site in Paraiba, Brazil.

Cristal is one of the major clients of ICIEC. The relation between ICIEC, as a credit insurance provider and Cristal Global as one of the major Saudi Exporting companies, started in July 2008 through ICIEC's Comprehensive Short Term Insurance Policy. ICIEC is committed do cover over USD 100 million worth Cristal exports to over 200 buyers located across the world

How does Comprehensive Short Term Insurance Policy (CSTP) work?



1. Exporter enters into a Sale Contract with an importer.
2. The Exporter concludes an Insurance Contract with ICIEC.
3. The Exporter ships the goods to the buyer and declares the shipment to ICIEC, pays premium.
4. In case the buyer fails to pay, the exporter submits a claim to ICIEC, which indemnifies the exporter up to 90% of the contract value.
5. ICIEC recovers from the buyer and returns 10% share to the buyers.

Technical Note

The importance of Receivables management

More than ever, during this difficult period, Credit Managers must be on all fronts at once.

- Collect information to select customers.
- Define the payment terms for everyone.
- Monitor buyers' economic situation on a daily basis.
- Verify collections and bank rejections on a daily basis.
- Detect late payments every day.
- Implement appropriate follow-up for customers, their habits and their solvency.
- If necessary, launch more severe procedures...

It is best to be rigorous, organized and proactive to carry out all these functions and transform an invoice follow-up into an efficient collection.

The stakes?

- The company's direct results
- The revenues that have to be generated to cover the lost profit: with an 8% margin rate, you have to generate \$152,000 of additional revenue to cover a 10,000 bad debt.
- The cash flow and the company's survival: on quarter of bankruptcies are due to unpaid debts!

So many elements that should prompt companies to be extremely vigilant, to act immediately and to do everything to collect their accounts receivable.

Do everything ...but do it better...

An efficient collection is based on three key factors: time, determination and know-how. Time works AGAINST the creditor and FOR the debtor because the rate of collection drops with the oldness of the trade receivables.

Time counts double during a crisis since a few weeks can be enough for a company to be faced with bankruptcy proceedings. It takes determination and perseverance to stay on top of the time and not let it slip away. It is vital to thing to collect and account receivable, even a modest one, as soon as the due date has passed. By showing firmness and rigour on a late payment, you demonstrate that you don't accept not being paid and that you will be just as resolved for any other late payment. As a result, if one day the debtor is forced to prioritize his payments, he will naturally turn to the creditor that has followed up the best. In the future, he will take the habit of paying this creditor on time. Know-how is important to collect efficiently. It is based on three pillars: you have to be proactive (follow-up as soon as the due date is past without waiting for the company's solvency to deteriorate), organized (to follow-up on the given day) and be credible (i.e.; apply threats early on). Thus you should have a team devoted to collections se no past due debts are set aside.

Conversely, a company that doesn't act in time on its customer's late payment, that neglects its follow-ups, that waits

before turning its trade receivables over to a professional or that only follows-up periodically because collection is not one of the company's priority tasks, will probably never collect its funds.

Therefore, it is important to act quickly and thoroughly...

Efficient collection also means subcontracting

If a company follows up internally more than two or three times, its threats lose their force and impact. Transferring the file to a third party can reinvigorate it... but the time lost can't be recovered...

Therefore, it is crucial to select the service provider that is capable of being forceful and whose reputation constitutes an incentive to pay. Moreover, it often happens that the intervention of a known third party generates contacts that, until then, had not been established, and payments.

Perrine des Roches de Chassay

Client Relationships and Marketing Department, Coface

Credit Insurance Terminology !

Claim (Notice of claim) : An application by the insured for indemnification of a loss under the policy.

Claims waiting period (Claim filing waiting period, Waiting period) : The period, usually starting from the due date of payment or intervention order, after the expiry of which a claim may be submitted and the loss is assessed.

Recoveries (Salvage) : Proceeds received from the buyer or a third party, whether before or after a claim has been indemnified..



Agenda Updates

Event	Date	Venue
26th Session of the COMCEC,	5th - 8th Oct.	Halic Convention Center, Istanbul Turkey
14th International Business Forum (IBF) CONGRESS	6th Oct.	Istanbul - Turkey
13th MUSIAD International Trade Fair	7th – 10th Oct.	CNR Expo .Center, Istanbul - Turkey
ADFIMI	5th Oct.	Sheraton Hotel, Istanbul, Turkey
5th MIDA-ITAP Capacity Building Program	7th -13th Nov.	Legend Hotel, Kuala Lumpur, Malaysia
IMF Annual Meeting	6th Oct.	World Bank IMF HQ , Washington DC,
Berne Union Annual General Meeting 2010	8th -12th Nov.	Cape Town, South Africa
Aman Union Annual Meeting	23rd Nov.	Hotel Concorde - Lac Palace , Tunisia



IDB Group Investment Promotion Technical Assistance Program

ICIEC, UNCTAD Strengthen Collaboration for Investment Promotion



Dr. Abdel Rahman Taba, ICIEC CEO, signs the MOU with the MoU Petko Draganov, Deputy Secretary- General of UNCTAD

A meeting between ICIEC and UNCTAD's Division on Investment and Enterprise (DIAE) took place on June 25, 2010 in Geneva with the aim of strengthening cooperation between the two organizations in the area of investment. At the end of the meeting, a Memorandum of Understanding (MoU) was signed between UNCTAD and ICIEC/IDB.

Mr. Petko Draganov, Deputy Secretary- General of UNCTAD, and Dr. Abdel Rahman Taha, ICIEC CEO, signed the MoU.

The purpose of the MoU is to provide a general framework to facilitate cooperation between the two institutions in promoting foreign and domestic investments so as to contribute to the effective economic and social development of their member states.

Cooperation between UNCTAD and ICIEC dates back to 2007, since then the two institutions launched a series of workshops on investment promotion and protection.

ITAP Conducts Second Program in Cooperation with JIB

After the successful program in Jordan organized on March 2010 for Al-Anbar Investment Commission of Iraq, ITAP conducted its second program in cooperation with the Jordan Investment Board (JIB) for 13 staff of the provinces of Nineveh, Salahuddin and Al-Anbar Investment Commissions of the Republic of Iraq during the period June 22- July 5, 2010,

The key objective of the program was to expose these newly Iraqi Investment Commissions to the successful Jordanian experience in attracting foreign direct investment.

The program included extensive training sessions besides several field visits to Jordan's different investment and development entities that were selected in alignment with the developmental needs and priorities of these newly established Iraqi investment commissions.

ITAP partners in focus



Agence nationale de Promotion des Investissements et du Grand Travaux - Senegal



The Senegal Investment Promotion Agency (APIX) is an autonomous agency founded in July 2000. Its main purpose is to assist the Senegalese President in conceiving and implementing the policy regarding the promotion of investment and major projects. In this regard, APIX has the following objectives:

- Improving the Senegalese business environment
- Promoting Senegal, as an investment destination
- Researching and identifying national and foreign investors
- Follow-up of contacts and evaluation of investment projects
- Providing economic, business-related and technological information on a permanent basis
- Welcoming and supporting investors all throughout the investment chain
- Supporting investors for the formalities of registration and for obtaining the various administrative authorizations
- Directing towards financing structures/ Providing assistance in the search for partnership;
- Solving of administrative problems;
- Issuing in 10 days the certification to the Investment Code and providing the exemption certificate for the customs formalities
- Issuing in 21 days the certificate to the status of an off-shore export company
- Carrying out within 48 hours formalities for administrative registration.
- APIX can also make suggestions regarding the reorganisation of the administrative structures involved in the promotion of investments

APIX

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New Staff Join ICIEC

Warm Welcome for Manager of ICIEC Representative Office in Dubai



Abdullah Jama Al-Guaizi
Manager of ICIEC' Representative Office in Dubai

Abdullah Jama Al-Guaizi,, an Emarati National, was appointed as Manager of ICIEC' Representative Office in Dubai, on July 11th, 2010. Al-Guaizi holds a Bachelor degree in Public Administration from the University of Puget Sound (UPS), Tcoma, Washigton.

Prior to joining ICIEC, he was Assistant Undersecretary of Properties and Procurement in the Ministry of Finance, UAE, where he held several positions since December 1982.

He served as an Alternative Member in the Board of Governor of The OPEC Fund for International Development, and as a Country Representative in the Board of Arab Pharmaceutical Manufacturing Company.

Dubai office is expected to promote and increase ICIEC market share while also boosting awareness of the Corporations Services in export credit insurance and foreign investments, particularly in the Emirates and neighboring counties.



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Community News

ICIEC Honors its Staff

After the successful 17th Annual Meeting of ICIEC in Baku, the Corporation organized a social gathering on 6th July 2010, in Rosewood hotel at Corniche Jeddah. The event was attended by ICIEC's staff as well as Senior Management of IDB Group and some external guests.

During the function, Dr Abdel-Rahman Taha, CEO of ICIEC gave a speech on the achievements of the corporation during 1430H (2009). He also highlighted the 1431H half year performance of ICIEC. The CEO used the occasion, to honored several Staff of the Corporation in appreciation for their excellent performance.



The CEO of ICIEC honoring the 1430H Task Force members

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