

ICIEC Newsletter

Quarterly Publication of The Islamic Corporation for the Insurance of Investment and Export Credit
(An affiliate of The Islamic Development Bank)



Islamic Corporation for the Insurance of Investment and Export Credit
(Member of IDB Group, Jeddah)

ICIEC, rated Aa3 by Moody's with a stable outlook, is a multilateral export credit and political risk insurer. ICIEC was established in 1994 by the IDB and member countries of the Organization of Islamic Conference (OIC), with an objective to encourage exports from Member Countries and to facilitate the flow of foreign investment into them by providing and encouraging the use of the principles of Shariah export credit and investment insurance/reinsurance.

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**Preliminary
Operation Results
for 1431H (2010)**

Business Insured

\$1.97 billion **91%**

New insurance commitments

\$3.25 billion **52%**

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Eying a More Active Role in the Muslim Community's Intra-Trade: Malaysian Trade Minister Holds Talks with IDB Group Chairman



From left to right: Dr. Abdel Rahman El-Tayeb Taha, Dr. Ahmad Mohamed Ali, and Dato Sri Mustapa Bin Mohamed

Dr. Ahmad Mohamed Ali, the Chairman of IDB Group met and conferred with Dato Sri Mustapa Bin Mohamed, Malaysian Minister of International

Trade and Industry in his offices at the IDB Headquarters in Jeddah, in the presence of Dr. Abdel Rahman Taha, the Chief Executive Officer of ICIEC.

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“MIGA's future strategy places a great deal of importance on the MENA region, which makes collaboration with ICIEC not only imperative but also inevitable.”
MIGA Executive VP
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“The BOD approval to increase the capital resources of ICIEC will significantly enhance the insurance capacity of the Corporation and enable it to meet the huge demand ICIEC's credit and country risk insurance services from exports and investors in Member Countries”
CEO of ICIEC
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Editorial

Globalization is a phenomenon that has convinced investors to believe that Political Risk was an issue of the past. However, the recent events unfolding at a rapid pace in the MENA region (home to several Member Countries (MCs)) have sparked a need to revisit the old concept. The need for PR Insurance has increased significantly, bringing pressure on underwriting capacity and pricing. This situation, coupled with the rebound of global trade, has resulted in an increased demand for ICIEC's services.

The 1431H (2010) preliminary operation results of the Corporation showed a remarkable increase in the volume of business insured, reaching \$1.97 billion, and reflecting an annual increase of 91%. At the same time, the new commitment witnessed a growth, reaching \$3.25 billion and reflecting an annual increase of 52%.

Cognizant of the importance of Political Risk Insurance and Export Credit Insurance for exporters, investors and banks of its Member Countries (MCs), especially in times of crises, ICIEC stepped up its preparedness to enhance its services to its MCs. However, ICIEC relatively small capital base, has become a serious impediment to its ability to respond effectively to the expanding demand for its services. To solve the problem, a proposal was forwarded to the Board of Directors (BOD) to consider an increase of ICIEC's capital. The BOD has agreed to recommend the Board of Governors to significantly increase ICIEC's capital which will expand its insurance capacity, enabling it to play an expanded role in the development of its MCs.

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

Business Highlights

BOD Recommends Increasing Capital of ICIEC

Under the chairmanship of Dr. Ahmed Mohamed Ali, the Chairman of IDB Group, the Board of Directors (BOD) of ICIEC held its 62nd Meeting on 28th February 2011 at the IDB Headquarters in Jeddah. The BOD approved the proposal regarding the increase of the ICIEC capital resources from

ID 150 million (\$240 million) to ID 400 million (\$640 million), This will finally be adopted subject to the approval of the forthcoming 18th Annual Meeting Board of Governors of ICIEC which will be held on June 30 in Sana'a, Yemen. The Board also recommended allowing the participation of financial institutions and business enterprises in

Member Countries (MCs) to participate in the capital of the Corporation through a special class of shares.

Commenting on the BOD approval, Dr. Abdel Rahman El-Tayeb Taha, the CEO of ICIEC said "The BOD approval to increase the capital resources of ICIEC will significantly enhance the insurance capacity of the Corporation and enable it to meet the huge demand for ICIEC's credit and country risk insurance services from exports and investors in MCs.

The Board also considered the preliminary operation results for 1431H (2010). The report showed a remarkable increase of 91% in business insured which reached \$1.97 billion and a large increase of 52% in new insurance commitments which reached growth \$3.25 billion, and there was no claim paid during the year of 1431H. The Board commended the management on the excellent operations results.



Dr. Ahmad Mohamed Ali, The Chairman of the Board and Dr. Abdel Rahman Taha, The CEO of ICIEC, during the 62nd BOD meeting Feb. 28th, 2011

ICIEC Signs a DCIP of USD 110m with Al Baraka Bank Tunisia

In January 2011, ICIEC issued its first Documentary Credit Insurance Policy (DCIP) in Tunisia and in the African Continent with Al Baraka Bank Tunisia. Under this Policy ICIEC will cover the Letter of Credits (LCs) confirmed by Al Baraka Bank Tunisia. This Policy will help Al Baraka Bank Tunisia to extend its capacity for confirming LCs issued by overseas banks.

Al Baraka Bank Tunisia was established on June 15, 1983, as a public company under the

Tunisian Legislation. It was established as part of the Tunisian Government's policy aiming to encourage Arab and Islamic investment in Tunisia and to develop socioeconomic relations between Arab and Islamic countries.

It has a capital of USD 50 million, distributed between the Tunisian State, Republic of Tunisia (10%), National Social Security Office of Tunisia, a state-owned agency (10%) and Al Baraka Banking Group (ABG), Bahrain (78.4%).



Eying a More Active Role in the Muslim Community's Intra-trade: Malaysian Trade Minister holds talks with IDB Group President



... continued from page 1. During the meeting, the Minister expressed his country's willingness in designating an IDB Group Partnership Day in Kuala Lumpur which would focus on the participation of investors from the IDB Group Member Countries in South East Asia in discovering their existing trade and investment opportunities while underlining Malaysia's continued interest and

efforts in developing and elevating the volume of intra-trade and private-sector investment amongst all MCs of the Bank.

The Chairman of the IDB Group, meanwhile, highlighted the ongoing fruitful cooperation between the Bank and Malaysia, emphasizing that the IDB Group would welcome organizing such an important occasion.



“The IDB Group would do its utmost to promote cooperation amongst its Member Countries”
IDB Group Chairman.

Testimony

Capitalizing on Malaysia Advanced Economic Growth

According to the 2010 World Competitiveness Yearbook (WCY) published recently by the Swiss-based Institute for Management Development (IMD), for the first time a member of the OIC Group, Malaysia, has earned a position among the 10 most competitive countries in the world. The other top 10 ranking most competitive countries in the world are Singapore, Hong Kong, the United States, Switzerland, Australia, Sweden, Canada, Taiwan and Norway.

This achievement is extremely meaningful for Malaysia in particular and OIC Member Countries in general as it is a breakthrough by a Member Country to penetrate and be among the top 10 most competitive countries in the world. This is encouraging and we hope more Member Countries of the OIC Group will follow through and achieve the same or a better economic feat as Malaysia in future.

It is heartening to note that Malaysia's export recorded a significant growth in March, 2010 at 36.4% year-on-year.

It is believed Malaysia is expected to achieve the target of 6% growth for the year 2010.

This significant achievement is made possible by the buoyant economic activities and programs spearheaded by Malaysia External Trade Development Corporation (MATRADE), EXIM Bank and many other government trade agencies.

ICIEC, being the only shariah-compliant export credit and political risk insurer in the world, is certainly in a great position to capitalize on this new economic development in Malaysia and position itself as a point of reference to the exporters and lending banks for trading risk reduction and capacity enhancement, especially for intra-OIC trade activities.

On this note, there are numerous activities/programs and seminars lined-up by MATRADE (www.matrade.gov.my) and EXIM Bank (www.exim.com.my) for the year 2011 that may be useful for ICIEC in which to partake and market itself among many exporters and business owners in Malaysia.



Dato' Mohd Yussuf Fadzli was a former Chairman of ICIEC Consultative Committee. He started his career in broadcasting with Radio Malaysia and joined British Broadcasting Corporation, United Kingdom from 1970 to 1976. Appointed as the Head of Marketing for Bank Bumiputra (M) Berhad from 1976 to 1981, he joined Malaysian National Insurance Sdn. Bhd. as the Deputy GM. He later joined Bank Islam Malaysia Berhad as GM in 1984 specifically to set up the first Malaysian takaful operation. He then served as CEO and Director for Syarikat Takaful Malaysia Berhad until September 2005. He is a member of the Board of Trustees, Sultan Mizan Royal Foundation. He is also a member of the Islamic Religious Affairs Council Negeri Sembilan.

Technical Note

International Trade in Basel III

Leading Banks involved in International Trade, Bankers' Association for Finance and Trade, MDBs (World Bank, IFC, ADB), ECAs, Bern Union and other stake-holders are actively lobbying with the BIS to carefully analyze the impact of the new capital rules on international trade and carve out a fair solution for international trade. While there is a general appreciation for enhancements of the capital ratios, some aspects are considered limiting for the international trade. The criticism is based on the expectation that implementing Basel III would negatively influence international trade by decreasing the availability of credit and increasing the cost of credit. The result would be a significant decline in the international trade volumes both in terms

of volume and value. This view is based on the following:

- To back trade finance business, banks would be forced to hold five times the amount of capital – 100% of a lending commitment, up from the existing 20% as per Basel II framework
- Liquidity and leverage rules could pose problems. For instance the strict definition of high quality financial instruments would not include those issued by the ECA/ EXIM banks
- Low-risk trade finance could unjustly push leverage ratios higher as leverage ratios take no account of the risk profile of a loan

There are contrary opinions to the claim that Basel III implementation would cause a significant reduction in economic growth. OECD believes this reduction, at best, would be quite tolerable and manageable through monetary and fiscal policies.

BIS has already acknowledged the criticism and it is expected that it would seriously consider the concerns of the stake-holders. The Basel III implementation phases would run from 2013 to 2018 and the national regulators would monitor implementation of Basel III during this time.

By Syed H. Shahbaz, CFA, FRM
Division Head, Risk Management, ICIEC

Partners' Cooperation

TASDEER Will Spur Qatar's Foreign Trade: Qatar launches "TASDEER" the Export Credit Insurance Agency

Wholly owned by the Government of Qatar, TASDEER (Qatar Export Development Agency), a development finance institution and business unit of Qatar Development Bank (QDB), was inaugurated by HH The Heir Apparent Sheikh Tamim bin Hamad Al Thani in January 2011 at the Doha Exhibition Centre where the 'Made in Qatar' expo also opened.

Commenting on the occasion, Hon. Mr. Ismail Omar Al-Dafa, the Director of International

Relations and Finance Dept. in the Ministry of Finance and member of the Board of Directors of ICIEC/IDB said "TASDEER has been established to support Qatari companies in increasing their exports worldwide. We are sure ICIEC will be extremely helpful in developing the technical capabilities of TASDEER." "By offering credit-insurance based financial solutions to Qatar companies, we aim at enabling them to expand the global reach of their products and services in a secure way. The Agency will spur the country's foreign trade and economic growth." he added.

Dr. Abdel Rahman El-Tayeb Taha, the CEO of ICIEC who attended the opening ceremony, congratulated the CEO of QDB, Mansoor Ibrahim Al-Mahmoud on the creation of TASDEER and commented 'I am confident that TASDEER will play an important role in encouraging and facilitating Qatar's exports... ICIEC is ready to support the new agency by providing technical assistance, credit information and especially an



inward reinsurance program which is developed to support Export Credit Agencies in ICIEC Member Countries."



"TASDEER may Market ICIEC's unique Shariah-compliant products"
Hon. Ismail Dafa, member of ICIEC BOD

"I am confident that TASDEER will play a fundamental role in boosting Qatar's economic growth and diversification."

Dr. Abdel Rahman Taha, The CEO of ICIEC



MIGA Executive Vice President Holds Talks with IDB Group Chairman and ICIEC CEO



From left to right: Khemais El-Gazzah (ICIEC), Nabil Fawas (MIGA), Mrs. Izumi Kobayashi (MIGA), Dr. Abdel Rahman Taha, (ICIEC), and Walid Alurshed (IFC Saudi Arabia) in IDB HQ.

Dr. Abdel Rahman Taha, the CEO of ICIEC received in his Office Ms. Izumi Kobayashi, the Executive Vice President of the Multilateral Investment Guarantee Agency (MIGA) of the World Bank.

During the meeting, Ms. Kobayashi and Dr. Taha discussed a number of issues that are of common interest to the two institutions, including the modalities of strengthening their existing fruitful relationship.

Dr. Taha praised the close relationship between the two sides, stressing the need to further develop the relationship for the benefit of common ICIEC and MIGA Member Countries.

Ms. Kobayashi later held a meeting with Dr. Ahmed Mohamed Ali, The Chairman of the IDB Group. Dr. Ali stressed the importance of cooperation and unification of efforts between the two institutions, especially with regard to facilitating the flow of investment to the Bank's African Member Countries.

Ms. Kobayashi, on her part, indicated MIGA's desire to work closely with ICIEC in various matters, including supporting investments into MENA and Africa. She briefed the Chairman about the Conflict-Affected and Fragile Economies Facility (CAFEF), a new MIGA initiative that seeks to support investments into and exports from post-conflict and economically-challenged Member Countries.



ICIEC-Platus: A Workshop in Paris for French Investors, Exporters and banks.

A workshop was organized on the January 19, 2011 in Paris in coordination with Platus, a French broker specializing in managing political and commercial risks. The workshop was attended by more than 50 participants coming from large French companies evolving in different sectors (contractors, bankers, exporters, and investors) who have interest in covering projects and transactions in ICIEC's Member Countries. The workshop was a good opportunity to explain the different services that ICIEC can provide to French companies, especially concerning insuring foreign investments in ICIEC Member Countries and also French exports of capital goods to ICIEC Member Countries. The participants showed particular interest in these services and a number of them contacted ICIEC later on to discuss some projects and transactions that they have in the pipeline.

Under the Auspices of the President of the ATO ICIEC and ATO Sign a Local Agency Agreement



On Saturday, January 15, 2011, ICIEC and the Arab Tourism Organization (ATO), an affiliate of the Arab League Countries, signed a Local Agency Agreement at ATO headquarters in Jeddah.

On behalf of ICIEC the agreement was signed by Dr. Abdel Rahman El-Tayeb Taha, the Chief Executive Officer of ICIEC, and on behalf of ATO by H.E. the Ambassador Syed Mokhtar Ould Mohamed Hadrami, General Secretary of ATO. This was done under the auspices of H.E. Dr. Bandar Bin Fahd Al Fahaid, President of the ATO.



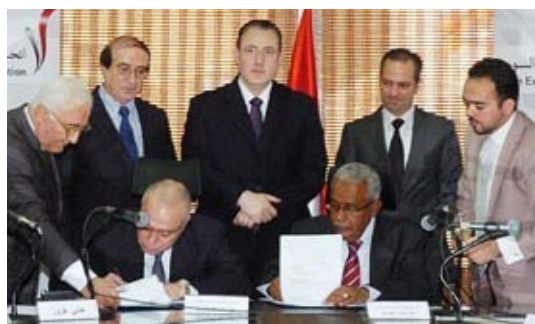
The Secretary-General in Charge of ATO and the CEO of ICIEC sign the Agency Agreement

It is worth mentioning that the Arab Tourism Organization is an independent body set up by the Arab League of Nations to further the development of the tourism sector throughout its Member Countries. ATO aims to support and promote the tourism sector and touristic sites in the Arab countries.

Under the terms of the agreement, the ATO is appointed as an agent to promote ICIEC services to investors and financiers involved in the tourism sector in Arab countries.

ICIEC, SEF to Launch Cooperation to Provide Export Credit Insurance to Exporters in Syria

اتحاد المصدرين السوري
Syrian Exporters Federation



Hani Azzouz, Chairman of SEF and Dr. Abdel Rahman Taha, sign the Agreement

On Wednesday, January 15, ICIEC and Syrian Exporters Federation (SEF) signed a Local Agency contract in Syria at the SEF headquarters in Damascus. The agreement was signed on behalf of ICIEC by CEO Dr. Abdel Rahman El-Tayeb Taha and on behalf of SEF by Chairman Mr Hani Azzouz in the presence of Deputy Prime Minister for Economic Affairs, Mr. Abdullah Al-Dardari. The contract will provide export credit insurance services for exporters through the Corporation Office at the Union

Headquarters in Damascus in addition to establishing another office in Aleppo.

In his speech delivered on the occasion, Dr. Taha emphasized the important role of export insurance in obtaining finance, and highlighted the role of ICIEC in supporting exports from Member Countries and facilitating the flow of foreign direct investment to these countries through insurance covering trade risks and providing export credit services.

In a press conference on this occasion, Deputy Prime Minister for Economic Affairs, Mr. Abdullah Al-Dardari said the Syrian government works on providing investment and export credit insurance services due to the great contribution of these two fields to Syria's national economy. He added that export development needs an integrated environment including funds, promotion, advertisement and quality, referring to preliminary estimates that indicate 12% increase in Syrian exports and foreign investments that hit USD 2.5 billion in 2010.

"Export credit insurance (ECI) allows facilitations for foreign customers, strengthens the competitiveness of exporters and guarantees their rights, expecting 12% increase in the Syrian exports by 2012," said Mr Hani Azzouz commented.

“ECI allows for facilitations for investors and strengthens the competitiveness of exporters”
Hani Azzouz, Chairman of SEF

News in Brief

ICIEC participated in the 3rd Meeting of "The Consultative Group for Enhancing Intra-OIC Trade"- Casablanca, Feb. 3-4, 2011, arranged by the Islamic Center for the Development of Trade (ICDT), a subsidiary organ of the OIC based in Casablanca. ICIEC was represented by Lotfi Zairi, Assistant CEO.

February 7, 2011, Dr. Abdel Rahman El-Tayeb Taha, the CEO of ICIEC received in his office the New Ethiopian Consul General H.E. Ambassador Marwan Bedri. The CEO briefed the new diplomat on the excellent relationship between Ethiopia and the IDB Group, highlighting ICIEC's involvement in facilitating exports from Member Countries to Ethiopia in developing the rural electrification program. H.E. Ambassador promised to build on the already fruitful relationship with ICIEC and strengthen it further.

ICIEC represented the IDB Group in the Working Group (WG) on Risk Management for Takaful Operations which organized by the IFSB in Maldives on Feb 11, 2011.

ICIEC participated in the seminar arranged by IFSB and Central Bank of UAE in Abu Dhabi on 17-18 January 2011. The ICIEC team gave two presentations; the first one covered general information on the IDB Group and ICIEC in particular; the second covered the technical aspects of the ECA's credit risk mitigation services and their acceptance under the Basel II framework. The ICIEC team urged IFSB to coordinate with its member Central Banks to acknowledge the role ECI and PRI can play in managing the risk of banks under their supervision.

During January 17 and 18, 2011, ICIEC attended Coface Country Risk Conference, and Credit Alliance Annual Meeting in Paris. The meeting gathered participants from a number of credit information providers and export credit insurance companies. The meeting discussed the recent developments and some new initiatives in the credit insurance industry.

On Tuesday 1st, 2011, the CEO of the Corporation received in his office H.E Mr. Nazir Haldeda, the Deputy Minister of Finance and the Governor of IDB/ ICIEC for the Republic of Albania. The CEO briefed the Governor on ICIEC's role as multilateral export credit insurance. Albania joined ICIEC recently and the Governor mentioned that this will open opportunities for Albanian exporters and banks as well foreign investors interested in Albania. The two sides underlined the role that ITAP (an investment promotion program run by ICIEC on behalf of IDB) can play in assisting Albania's newly founded Investment Promotion Agency, AIDA, the successor of Albinvest.

Country Development

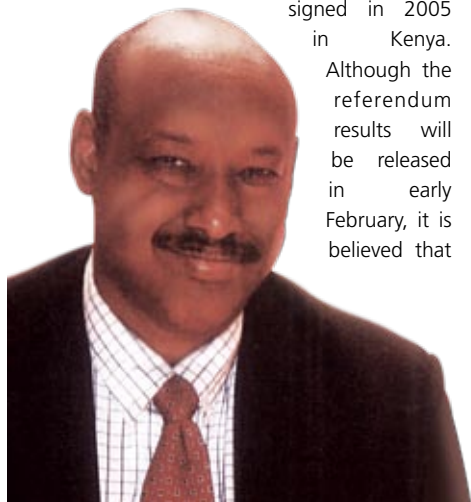
Separation of Sudan – A Win-Win Outcome?



The world is about to deal with two Sudanese states soon, Sudan and South Sudan. This is the end of a long journey that started several decades ago but reached its crescendo on the week of January 9, 2011 when the people of South Sudan voted to choose between separation and unity in line with the Comprehensive Peace

Agreement (CPA) signed in 2005 in Kenya.

Although the referendum results will be released in early February, it is believed that



By Hussein Jama
Head Country Risk Analysis, ICIEC

secession is a foregone conclusion. The peaceful conclusion was not only due to the efforts of the Government of Sudan (GoS) and Government of South Sudan (GoSS) but also that of the international community who put an overwhelming weight on the process and its logistics.

Although the outcome of the vote will not be surprising, the peaceful means by which the whole affair was conducted and the mutual collaboration of the GoS and the GoSS has taken pessimists off-guard. Now the focus is on post-referendum dynamics. With the GoS confirming its endorsement of the expected outcome, the key issues are now centered on negotiating the economic resources, particularly oil and the infrastructure. The Abyie referendum, now pushed to the backburner, is a tough nut to crack, and will need difficult compromises from both camps. Border demarcation and other issues can linger till after July 9 when GoSS is to be declared.

The other most likely risk is that of political instability in the South, where governance is at a primordial stage. The onus is on the leadership of the South to consolidate rule of law in a country where rebellion has been the rule. The challenge

for the north is to steer the economy without the oil revenues, most of which are expected to go to the South. In this regard, a financial crunch that may lead to shortage of foreign exchange should be expected at least for the short term. At the medium and long term, the economy will adjust to the new environment, with non-oil economy already coming back to the mold.

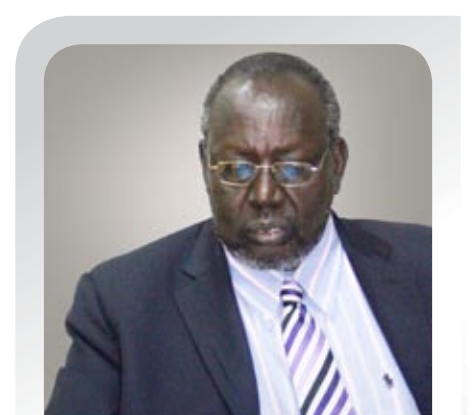
The huge unserviced external debt will probably be inherited by GoS, and may finally end up being cancelled. In addition, the GoS authorities may obtain other benefits from the smooth transition of the referendum, if we are to believe the statements of the Western world. The latter is reportedly very satisfied with the manner in which the referendum was conducted.

Overall, the peace dividend will augur well for both parties. It will be the first time for a long period that Sudanese people (north/south) will wake up to a morning without war clouds hanging over them. The economy is equally likely to benefit from a sustainable peace in many ways. In a nutshell, separating Sudan, which seemed a negative development few months ago, now seems a win-win situation; the best case scenario indeed.

Sudanese Minister of Petroleum Holds Discussions with ICIEC Managements

H.E. Dr. Lual Achuil Deng, the Minister of Petroleum, led a Sudanese delegation's visit to IDB on January 04, 2011. The delegation held a meeting with the ICIEC Management team led by its CEO Dr. Abdel Rahman El-Tayeb Taha at the ICIEC Headquarters, where he briefed the delegation on ICIEC's services and the support provided to its Member Countries.

The two sides pondered on how ICIEC and South Sudan would cooperate in the event of Separation. The CEO expressed how ICIEC is interested in doing its level best in cooperating with South Sudan as far as its regulations allow. From his side, the Minister assured ICIEC that there will be good prospects for future cooperation especially when the business climate improves.



“ I hope the two sides of Sudan will come back together one day in the future. ”

Dr. Lual Achuil Deng, Sudanese Minister of Petroleum

ITAP, SIA and Beat Al Khebrah Sign a Consultancy Agreement



On January 12, 2011, ITAP signed a Consultancy Services Agreement with Beat Al Khebrah for Economic Studies and Consultations of Syria and the Syrian Investment Agency. The agreement was signed on behalf of ITAP by Chief Executive Officer of the Corporation, Dr. Abdel Rahman El-Tayeb Taha, on behalf of SIA by the General Manager Dr. Ahmad A. Aziz, and on behalf of Beat Al Khebrah by the General Manager,

Dr. Sohail Al Hamdan. According to the Agreement, which constitutes one of the components of ITAP's investment promotion technical assistance program for Syria, Beat Al Khebrah will prepare 100 project profiles of investment opportunities in Syria to be used as a marketing tool to attract FDI to Syria.



From left to right: Dr. Abdel-Rahman Taha, ICIEC's CEO, Dr. Ahmad Abdulzaiz Aziz, SIA GM, and Dr. Sohail Al Hamdan, GM of Beat Al Khebrah

ITAP Partner in Focus: The Union of Chambers and Commodity Exchanges of Turkey



The Union of Chambers and Commodity Exchanges of Turkey (TOBB) is the highest legal entity in Turkey representing the private sector. TOBB has 365 members in the form of local chambers of commerce, industry, commerce and industry, maritime commerce and commodity exchanges. TOBB, in its capacity as the official representative of more than million businessmen, has a wide national and international network.

On February 5, 2009, IDB signed an MOU with TOBB to foster and facilitate collaboration and

cooperation between both entities in matters of common interest such as the development and implementation of a Business Support Program that will sustain private sector development in selected IDB MCs, development of training and capacity building programs, and sharing and transferring know-how.

Within the framework of the MOU, ITAP and TOBB organized three familiarization and training programs in Turkey for representatives of Investment Promotion Agencies from IDB Member Countries.

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Doing Business 2011: Making a Difference for Entrepreneurs Review of the Stand of IDB Member Countries



By Dalla Sonbol
Investment Promotion Officer, ITAP

In January 2011, the World Bank and the International Finance Corporation (IFC) published Doing Business 2011, the eighth in a series of annual reports. The theme for this issue is Making a Difference for Entrepreneurs. The Report ranks and analyzes 183

economies on key aspects of business regulation that apply to an economy's businesses during their life cycle, including start-up and operations, trading across borders, paying taxes, and closing a business. It monitors the ease/difficulty of implementing investment projects in these countries and also compares the legislative requirements, as well as the time and cost for providing government services in these countries.

According to the Report, in the past year alone governments in 117 economies carried out 216 regulatory reforms aimed at making it easier to start and operate a business, strengthening transparency and property rights, and improving the efficiency of commercial dispute resolution and bankruptcy procedures. The Report notes that the readiness of governments to continue making reforms during tough economic times boosts the prospects for a strong global recovery.

According to the Report, among the top 10 most improved economies regarding ease in doing business, three are IDB Member Countries (Brunei, Kazakhstan, and Tajikistan). Mozambique and Sierra Leone updated their company laws following global best practices. Rather than modifying a few provisions, policy makers adopted entirely new laws and more developments are expected. Uganda is also developing new commercial laws to improve corporate governance. Also, for CIS countries, Tajikistan is among the economies that has shown the most improvement in the area of the ease of doing business in two consecutive years. Tajikistan has improved in three of the nine areas measured by the Report. Kazakhstan has also shown the most improvement in business regulation for local entrepreneurs in the past year.

Focusing on Member Countries of IDB, Saudi Arabia maintained its rank for ease of doing business at number 11 globally, followed by Malaysia at 21, while Bahrain came in third amongst IDB Member Countries at 28 globally. There appears to be an immense chasm in ranking between IDB Member Countries on a global perspective. Positioning ranges from rank 11 to 183 where Chad showed the least progress amongst Member Countries.

Noting its importance of indicating progress in doing business, the Report has some limitation.

Ranking of Top 10 IDB Member Countries - Doing Business Index				
Rank	Country	World Bank 2010	World Bank 2011	Change
1	Saudi Arabia	12	11	1 ↑
2	Malaysia	23	21	2 ↑
3	Bahrain	25	28	-3 ↓
4	United Arab Emirates	37	40	-3 ↓
5	Kyrgyzstan	47	44	3 ↑
6	Qatar	39	50	-11 ↓
7	Azerbaijan	55	54	1 ↑
8	Tunisia	58	55	3 ↑
9	Oman	57	57	0 →
10	Kazakhstan	75	59	15 ↑

Source: World Bank

Doing Business 2011 as a report is narrow in scope to some degree. It does not quantify all aspects of the business environment that is of interest to firms and investors. For example, it does not measure macroeconomic stability, security and corruption or the potency of financial systems. Its intent is simply to provide business leaders and policy makers with a fact base and to present open data for research on how business regulations and institutions affect business creation. Nonetheless, there is still much to be done in IDB Member Countries to make things easier for local entrepreneurs. Businesses in low-income countries struggle with twice the burden of regulation as those in high-income countries. The Report, optimistic as it may be, is a reminder of the big strides that still remain to be made in getting business regulations right in many IDB Member Countries.

Community News

ICIEC Welcomes New IDB Executive Director for Iran



Hon. Dr. Asghar Abolhasani Hastiani has been appointed by the Islamic Republic of Iran as Executive Director for Iran in the IDB Board of Executive Directors, and as ICIEC's Board of Directors to replace Hon. Dr. Seyed Hamid Pour Mohammadi.

Hon. Dr. Hastiani is the Vice Minister for Economic Affairs and Finance. He holds a PhD in Managerial Economics.

He has served various positions in his country, as the member of Insurance High Council, and as the member of the Board of Bank Saderat Iran since 2007. He was also the Managing Director of Bank Sarmaye (Bank Capital) in 2009.

The CEO of ICIEC, Dr. Abdel Rahman El-Tayeb Taha welcomes Hon. Dr. Hastiani and wishes him success in his mission as representative of Iran.

ICIEC participates in Dr. Marwan Seif-eddine's Farewell Party

Dr. Ahmed Mohamed Ali, IDB Group Chairman recently participated with senior management of IDB in the farewell party organized for Dr. Marwan Hassan Seif-eddine the Adviser of the President of the occasion of his retirement from IDB, after serving the Group for several years, during which he held various positions.

On behalf of the ICIEC family, Dr. Abdel Rahman Taha, the CEO of the Corporation took the opportunity to bid farewell to Dr. Marwan Seif-eddine, and highlighted his contribution in the development of the Islamic financial industry and his sincerity and dedication during his service period and wished him a healthy and happy retirement.

During the gathering Dr. Marwan Seif-eddine expressed his satisfaction at being able to play a part in the IDB Group's role of promoting comprehensive human development in IDB Member Countries.



The Chairman of IDB Group recognises the contribution of Dr. Marwan Seif-eddine

“Every entity of the IDB Group benefited greatly from the expertise and guidance of Br. Marwan during his tenure with the Group”

Dr. Taha, The CEO of ICIEC

The CEO meets with Young Professionals



Recently, four new Young Professionals (YP) in the Young Professionals Program (YPP) have joined Islamic Development Bank Group. These young professionals will undergo job rotations for six months each in three different departments of the IDB Group, for a total period of eighteen months.

Dr. Abdel Rahman Taha, CEO of ICIEC met with the new YPs and provided them with an overview of ICIEC's departments/units. Dr. Taha expressed his hope that the YPs will contribute positively to the growth and development of the IDB Group.

Ansarullah Ridwan Mohammed, one of the YPs who attended the meeting, has expressed his willingness to perform his first rotation in ICIEC and is now in the Risk Management Department. Commenting on this, Ridwan said, "As a new YP I was introduced to ICIEC during a very comprehensive orientation session put together by the various directors/managers of the organization. I believe I can

contribute to ICIEC's operations, since insurance is a field in which I feel at home. I saw an opportunity to use my actuarial tool kit to enhance the technical aspects of ICIEC in the core areas of underwriting and risk management."

The four Young Professionals to join IDB group are:

Ansarullah Ridwan Mohammed is from an island in the Caribbean called Trinidad & Tobago and holds a Master of Mathematics in Actuarial Science from the University of Waterloo in Canada.

Mohamed Ali Chatti, a Tunisian National, holds a PhD in Islamic Finance.

Abdihamid Mohamed Mao, a Canadian national, holds a Masters in Finance and has specialized in Governance and Accountability.

Moustafa Mohamed Abdalla, an Egyptian/British national, holds a Master's Degree in Public Health and Community Medicine from Oxford Medical School, University of London.

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