

## Hitakumana a Maputo

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“Special Cover”

# Mozambique

Mozambique is one of the fastest growing economies, with subsistence agriculture employing the majority of Mozambique’s workforce. However, there is tremendous growth in the extractive industry, with aluminum and coal beginning to contribute significantly to the GDP.

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**Eng. Hani Salem Sonbol**  
The Acting Chief Executive  
Officer, ICIEC



## Editorial

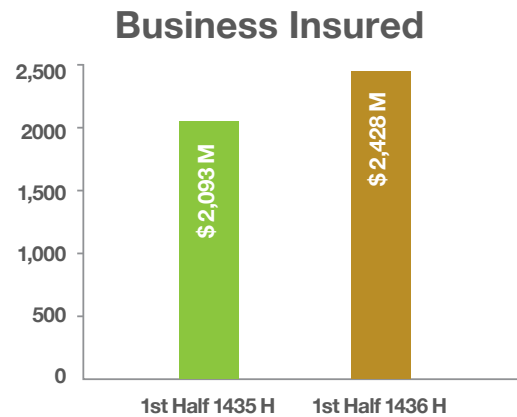
In conjunction with the 40th Annual Meeting of the Islamic Development Bank (IDB), ICIEC will be holding its 22nd Board of Governors' Annual Meeting in Maputo, Mozambique. This meeting comes as a watershed in the history of the Corporation, since it marks the beginning of a new era. A new ten-year strategy will be adopted as part of the IDB Group strategy, at the meeting and it will be rolled out immediately afterwards.

Moreover, the venue of the Annual Meeting this time around has a special significance. The ten-year strategy aims at reinforcing ICIEC's interventions in Sub-Saharan Africa, where a good number of its member states, including the host state, Mozambique, are located.

The importance of the role of ICIEC (and similar institutions') in Sub-Saharan Africa, especially in facilitating trade and foreign direct investment (FDI) is plain and simple. For instance, the gap in infrastructure investments in Sub-Saharan Africa has been recently estimated at over US\$90 billion per year. It is reckoned that this gap can only be filled through the mobilization of resources from the global private sector. The private sector, in turn, needs the support of multilateral credit and political risk insurance organizations such as ICIEC.

In that regard, ICIEC will be an active part of the Private Sector Forum of the IDB Group in Maputo to showcase its achievements in Africa, and to build partnerships as well as interact with the business community in Mozambique and other Sub-Saharan African member countries.

## ICIEC's First Half Results 1436H (2015)



The first six-month report of the Corporation shows that insured business registered an increase from US\$2,093 million to US\$2,428 million compared to the same period last year, which represents a rise of 16%. This indicates an achievement of 92% of half years target.

In terms of premium and fees, ICIEC has invoiced during the 1st half of 1436H a total premium of US\$10.50 million compared to US\$5.41 million during the same period last year, showing an increase of 94% and achievement of 101% of the period's target.

ICIEC's representatives in Dubai and Dakar succeeded to generate new business in Documentary Credit Insurance Policy (DCIP) Medium-term Specific Transaction Policy to client in Kuwait, UAE, and banks in Europe covering Letter of Credit issued by banks in ICIEC's African Member countries; most of these transactions are related to import of equipment for construction of a beverage manufacturing food.

It is noteworthy that during the first half of 1436H no claims were paid, and that was also the case during the same period of last year. On the other hand, the total recoveries made during the 1st half of 1436H reached US\$ 267,708 compared to US\$102,003 during the same period of last year, which a rise of 162%.

**16%**

**Insured  
business  
increase**

## ICIEC and Atradius support infrastructure projects in KSA and Egypt

### **Riyadh Metro project**

ICIEC has reinsured Atradius Dutch State Business N.V. – one of the leading Export Credit Agencies in the World – in supporting a Dutch contractor – Strukton Civiel Projecten B.V. - for the construction of a metro project in Riyadh, Saudi Arabia. ICIEC has provided reinsurance support worth USD 306 million for this project. The project involves the construction of six metro lines with a total length of 176 km in Riyadh.

Strukton, as part of FAST Consortium, signed a contract with The High Commission for the Development of Arriyadh for the construction of three lines.

The new project aims to reduce traffic congestion in Riyadh and is expected to have a positive impact on the quality of life in the city as its residents will have access to a modern and efficient public transportation system. From an economic point of view, the project will generate substantial employment during the construction period by employing over 30,000 people.

“We are very pleased to partner with Atradius in covering landmark developmental projects in our Member Countries.”



**Bessem Soua**  
Lead Underwriter



ICIEC's partnership with Atradius in both transactions is in line with its business model to work in partnership with global players in order to maximize its support to Member Countries.

### **Suez Canal project**

Furthermore, ICIEC partnered with Atradius in insuring the new Suez Canal project in Egypt for two Dutch dredging companies – Boskalis Westminster Dredging BV and Van Oord Dredging and Marine Contractors BV - for the dredging of the New Suez Canal in Egypt. ICIEC's reinsurance support in this large deal amounts to USD 250 million.

The New Suez canal project aims to increase the capacity of the Suez canal by creating a 35 km by pass and by broadening and deepening of the existing canal over a stretch of 37 km enabling ships to navigate freely in two directions and to allow large ships (with draft of 66 feet) to transit. Furthermore, the project is part of the Suez Canal Corridor development project to transform the Canal area into a transport and industrial hub.



Dredging works at the new Suez Canal

# MOZAMBIQUE

The Republic of Mozambique is located in the southeastern part of Africa, bordered by Swaziland, Zambia, South Africa, Tanzania, Zimbabwe and Malawi. Mozambique's strategic coastline position serves as a gateway to global markets for some of these neighboring landlocked countries.

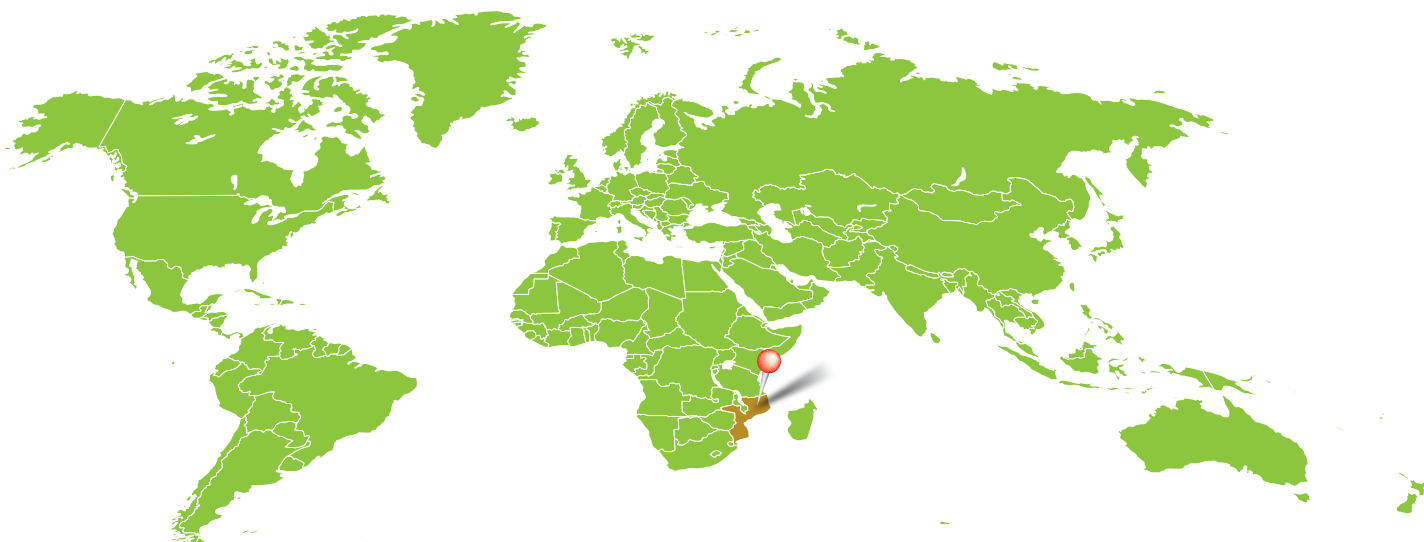
Mozambique is one of the fastest growing economies, with subsistence agriculture employing the majority of Mozambique's workforce. However, there is tremendous growth in the extractive industry, with aluminum and coal beginning to contribute significantly to the GDP.

The main export commodities are aluminum, prawns, cashews, cotton, sugar, citrus, timber, and bulk electricity. The key exports markets are Netherlands, South Africa, Portugal, Spain and China. The country's major trading partners are South Africa, Belgium, China, Italy, Spain, India, China, Portugal, and Australia.

Mozambique exported its first batch of coal in 2011 and expects to become the world's largest coal exporter. It is also spending about US\$50 billion in infrastructure projects to access its coal reserves. Mozambique is also reported to have the fourth largest natural gas reserves in the world after Russia, Iran and Qatar.

In Mozambique around 200,000 families have grown cotton on an estimated land of 135,000 hectares in the current season which is about to end, and the provinces of Nampula, Cabo Delgado, Niassa, Sofala and Tete are estimated to have the highest production in the country.

Mozambique is best known for its beach holidays. Its long, palm-fringed beaches with sand so fine that it squeaks underfoot, remarkable deltas, shady mangrove forests and freshwater lagoons are such an amazing wonder. Moreover, the country's coastline and islands are surrounded by turquoise waters teeming with iridescent fish that swim amongst pristine coral.



## ICIEC's Board of Governors to Meet in Mozambique

Between 7 and 11 June 2015, Maputo will host the 22nd Annual Meeting of the Board of Governors of the Islamic Corporation for the Insurance of Investments and Export Credit (ICIEC), in conjunction with the 40th Annual Meeting of the Board of Governors of the Islamic Development Bank (IDB).

During the meeting, the Board of Governors will approve the Annual Report and the financial results of the Corporation for 1435H (2014). Moreover, the Governors will approve the selection of the external auditors for the financial year 1437H (2016G).

Annual meetings are statutory occasions for Governors of IDB Group members, most of whom are finance ministers representing ICIEC member countries, to provide guidance on IDB administrative, financial, and as well as strategic operational directions.

In line with the official event, various activities will be organized on June 7 - 8, 2015, one of which is a private sector forum where ICIEC will present the importance of export credit and investment insurance in Africa.



Maputo, in the south, is Mozambique's capital. It was founded in the late 18th century and named by a Portuguese trader. Now it's a vibrant, modern African city where the roads are lined with makeshift stalls, old colonial buildings and modern offices. More complex trips around Mozambique may occasionally require a night's stop here to make the flight connections work. Maputo is a melting pot of several cultures. The Bantu and Portuguese cultures dominate, but the influence of Arab, Indian, and Chinese cultures is also felt.



“We urge those who believe in Africa's potentials to join hands to make it the best business destination.”

Eng. Yasser Alaki  
Acting Director  
Business Development Department

## Mozambique Key Figures

Official Name	Republic of Mozambique
Capital and Largest City	Maputo
Provinces	Cabo Delgado, Niassa, Nampula, Tete, Zambezia, Manica, Sofala, Inhambane, Gaza, Maputo
Official Language	Portuguese
National Currency	Mozambican metical (MZN)
National Holiday	June 25 (Independence Day)
GDP Per Capita	\$1,169
Population Estimate	25.727.911 (2015)
Area	801,590 km <sup>2</sup> , 309,496 sq mi
Climate	Inter-tropical (from south to north)
Natural Resources	Hydroelectric Power, Gas, Coal, Minerals, Wood
Date of Joining IDB	1995
Subscribed Capital in IDB	25,840,000 ID (Islamic Dinar)
Date of Joining ICIEC	16/08/2013
Subscribed Capital in ICIEC	250,000 ID (Islamic Dinar)
Major Exports	Aluminum, coal, bulk electricity, lumber, cotton, prawns, cashews, sugar, citrus
Major Imports	Fuel, chemicals, machinery, vehicles, metal products, textiles, food
Major Trading Partners	South Africa, Belgium, China, Italy, Spain, India, China, Portugal, Australia

## Atradius vows sustained cooperation with ICIEC

Mr. Bert Bruning, Managing Director of Atradius Dutch State Business N.V. (Atradius) – one of the leading export credit agencies in the world – paid a business visit to the headquarters in Jeddah, Saudi Arabia on April 13, 2015. During the visit, the two institutions exchanged ideas on enhancing the cooperation between them in order to support business between the Netherlands and ICIEC's member countries.

It worth to note that Atradius and ICIEC have covered joint projects in the last two years, infrastructure projects in Saudi Arabia and Egypt with high developmental impact have benefited from the ICIEC-Atradius partnership. The two institutions commit sustained cooperation for the benefit of projects in other member countries in the near future.

Bert Bruning of Atradius states: "Atradius Dutch State Business is very pleased to cooperate with its strategic partner ICIEC to support the New Suez project. The broad knowledge and experience of ICIEC is an important and valuable element of our ability to support such large transactions."



The Managing Director of Atradius receives a Souvenir from ICIEC's COO at ICIEC premises

## K-sure & ICIEC sign MOU to bolster cross-border trade and investments

ICIEC and Korea Trade Insurance Corporation (K-sure) concluded an MOU to support cross border projects between South Korea and ICIEC's member countries.

The MOU aims to promote the cooperation between ICIEC and K-sure through reinsurance, co-insurance and/or fronting to facilitate the access of ICIEC's member countries to capital goods, high technology and the flow of investments from South Korea into ICIEC's member countries. The agreement aims also to facilitate the exchange of information in the respective markets of the two institutions.

Mr. Kim Young-hak, President of K-sure, said "Korea and the Middle East are partners that share a history of over 50 years of economic relations. Both K-sure and ICIEC will explore areas of cooperation, in addition to the additional ones including energy and construction sectors." He was optimistic for K-sure to build a "trade finance highway" that would take Korean firms to ICIEC's member countries markets by working with multilateral Islamic financial institutions such as ICIEC.



Khemais El-Gazzah, ICIEC's COO and Kim Young-hak, President of K-sure sign a cooperation agreement at ICIEC premises

## ICIEC delegation engages in COFACE annual event

ICIEC participated at the "Country Risk Conference" held in Paris, France, organized by "COFACE", the global leaders of B2B trade receivables and credit insurers, offering companies solutions. This year's event theme of the conference was "Innovation & Technologies". The event was attended by over 1,200 participants. ICIEC delegation was comprised of the Acting CEO Eng. Hani Salem Sonbol, Khemais El Gazzah, COO and Zishan Iqbal, Business Development Manager.

During the conference, from country risk analysis perspective, China and Russia were discussed in depth. The conference was indeed helpful for the people holding key managerial positions in organizations related to world trade and investments and it can help them fine-tune their business strategies to penetrate into challenging markets with the right risk solutions.

ICIEC has also attended the COFACE Annual Partners Meeting in its Head Office, where Zishan delivered a presentation to COFACE global partners and its senior management from different regions.

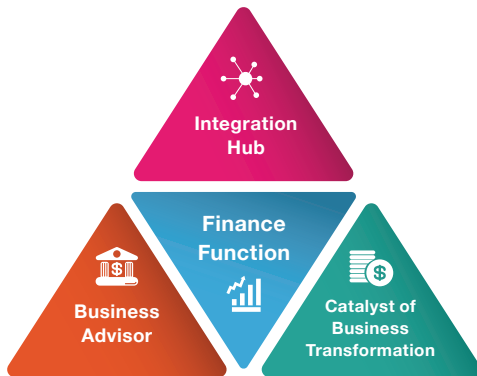
It is worth to note that COFACE is among the global leaders of B2B trade receivables and credit insurers, offering companies solutions – such as credit insurance, business information, debt collection and Invoice management – to protect them against the risk of financial default of their clients, both on the domestic market and for export.



Zishan intervening during the conference

## Finance Function Evolving Role

The role of finance function is evolving. Finance function is now required to go beyond the traditional role of balancing the books to a much broader role of aligning corporate strategy components, optimizing business decisions and maintaining shareholders' confidence.



As transformations take place to drive efficiencies in finance operations, finance function ensures greater governance and control, and provides the organization with financial insights to support superior business decision-making.

### Adding value criteria

Today's Finance team is expected to add value well beyond the traditional roles of cost management, toward controls and acting as the conscience of the organization. These roles are challenging enough and requires to work with full collaboration with all stakeholders, by serving as the integration hub for key business processes, as a catalyst for change including business transformation, and as a consultant or trusted business advisor in helping to create sustainable growth.

Deploying the technology in implementing the concept of adding value will mean less time on recording and verifying the numbers, and more time making the data connections and explaining the number implications to the business – applying the finance lens on decision making.

Analytics takes business intelligence one step further. It involves not just querying data and reporting on required information, but regressing, correlating, forecasting and predicting future business scenarios through connecting the data points. For example, when analyzing products profitability, business intelligence will identify which products are the most profitable, while analytics will answer why they are.

**“Finance aspire to Integrate business as an enabler hub.”**



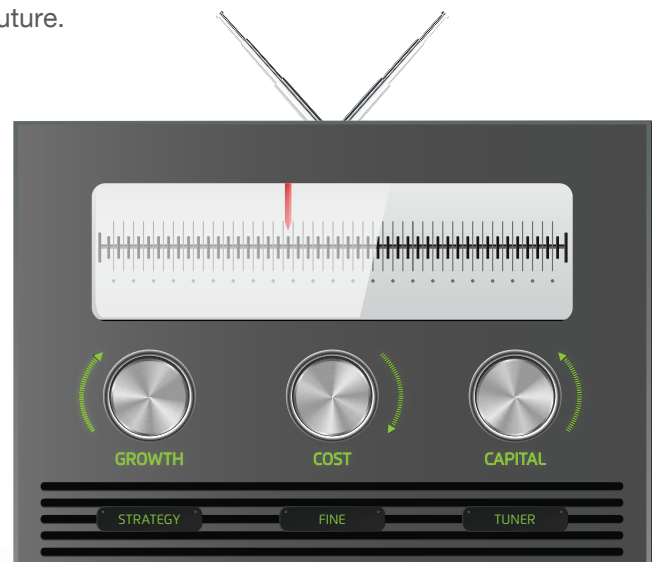
By: Suleiman Abutayeh  
Head, Accounting & Finance Division

### Strategy Architecture fine-tuner

The first thing you learn is that there is always something to do. The hardest part is choosing what you are not going to do. You have to be clear on the top organizational strategic priorities from the top management, then you can figure out how finance can best support the organization.

One of the major challenges with any large organizations is that its ambitions are often not aligned. One ambition maybe cost reduction, another growth, a third using less capital, and so on. Finance Function in this type of environment is very difficult because it means you have non-alignment of goals.'

The responsibility for formulation of business strategy typically rests with the broader executive team, with Finance function team playing their role as key members of the board. This would be the trend to continue in the future.



# ICIEC Transformation Resetting our Priorities, Aligning our Competencies

*By: Azmi Bachok,  
Human Resources Manager*

In 1436H ICIEC has developed a 10-years Strategy primarily to ensure long-term sustainability and optimum returns on investment. This strategy is the new roadmap on ICIEC’s business model and how we shall face the challenges in years to come.

Therefore, ICIEC has partnered with Aon Hewitt (AH) – one of the world’s leading HR consulting firms – to exploit their expertise in ensuring that ICIEC adopts best-in-class people practices. It started with the launch of the Employee Engagement Survey (EES) aimed at understanding the needs and concerns of ICIEC employees. The employee’s inputs have formed the foundation of the HR Action Plans and have provided inputs for designing the guidelines and principles of all critical HR processes subject to best practices benchmarking such as:

- a) Designing the ICIEC Competency Model (including the behavioral and technical competencies);
- b) Developing the Job Descriptions & Applying Standardized Job Evaluation;
- c) Creating the Individual Performance and Development Review (iPDR) system;
- d) Streamlining the Grading and Benefits Structure based on IDB Group;
- e) Implementing the Strategic Workforce Planning Model;
- f) Applying the Leadership Assessment Framework
- g) Enhancing the HR Manual

In addition to the design of critical HR process, the intervention includes a robust and detailed knowledge transfer component, which focuses on improving the capability of the ICIEC’s HR team. Now, ICIEC is entering the most difficult phase of ICIEC Transformation – we need to reset the workforce and realign our talent profiles & skill sets.

The new organizational structure will require an extensive mapping of the competencies of ICIEC employees to the new structure and functions. The new structure was further refined through a hardwiring exercise to determine the staff requirements in terms of numbers and skill mix in each department. With the structure in place, the next step is to map the current staff to the hardwired positions by matching skills, qualification, experience, abilities and past performance against job requirements.

This process will provide the opportunity to fully capitalize on ICIEC human resources by ensuring that the right people are matched to the right jobs. As an outcome of this exercise, there will inevitably be staff that have not been mapped to a position within their current department. Through this transformation journey, these staff members will be given the opportunity to explore the possibilities of employment in other department of ICIEC where their talents can be better utilized. The outcome of the transformation project will be a better alignment of business and talent needs which will be directly translated into higher productivity and performance.

## New staff join ICIEC

**MOHAMMED KAMAL**, an Egyptian national, joined ICIEC on 4th of March 2015, as an Investment Promotion Specialist at ITAP. Prior to joining IDB, Mohammed worked for almost ten years as a Business Development and Investment Manager at the Australian Trade Commission in the Australian Embassy in Riyadh in addition to working for about six years in the private sector in both Egypt and Saudi Arabia. He holds a Bachelor of Arts from Cairo University and is studying an MSc International Development at University of Birmingham.



**GAMZE SARIOGLU**, a Turkish national, joined ICIEC on 18 March 2015, as Country Manager, ICIEC’s representative office in Turkey. She holds a Bachelor’s degree in Business Administration, Ankara University. Gamze has gained rich experiences from several companies and financial institutions in Turkey where she previously worked such as Sakurabank A.Ş., WestLB AG, Garanti Faktoring A.Ş. Before joining ICIEC, Gamza worked at Burgan Bank A.S. of Turkey as Head of Trade Finance Sales and Yapi Ve Kredi Bankasi A.S. as Head of Trade Finance Sales.



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