

A Cutting-Edge Platform to Drive Economic Transformation



OIC BUSINESS INTELLIGENCE CENTRE (OBIC)

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Dr. Cem Tintin,
SESRIC

Investment Outlook in the OIC Countries

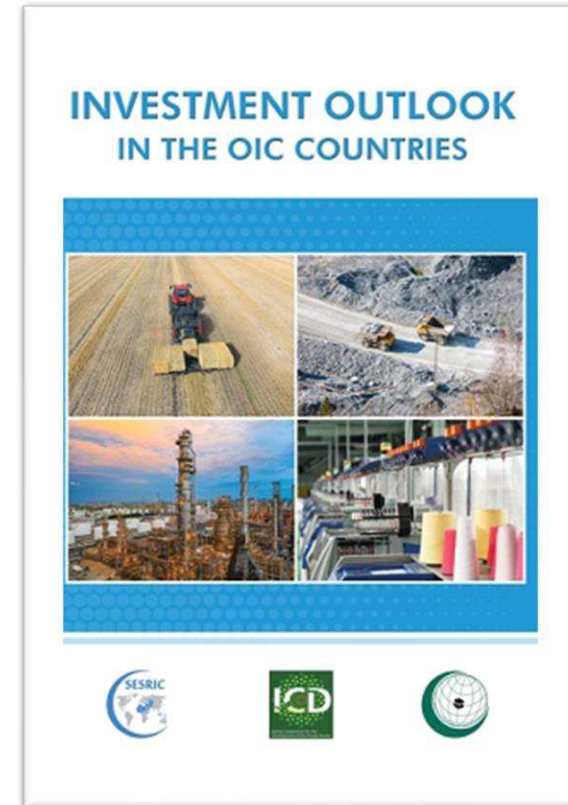
OUTLINE

Part I: Investment in the OIC Countries

Part II: Investment Priorities and Opportunities in the Selected Sectors

Part III: Investment Funds for Development

Part IV: Conclusion and Policy Implications



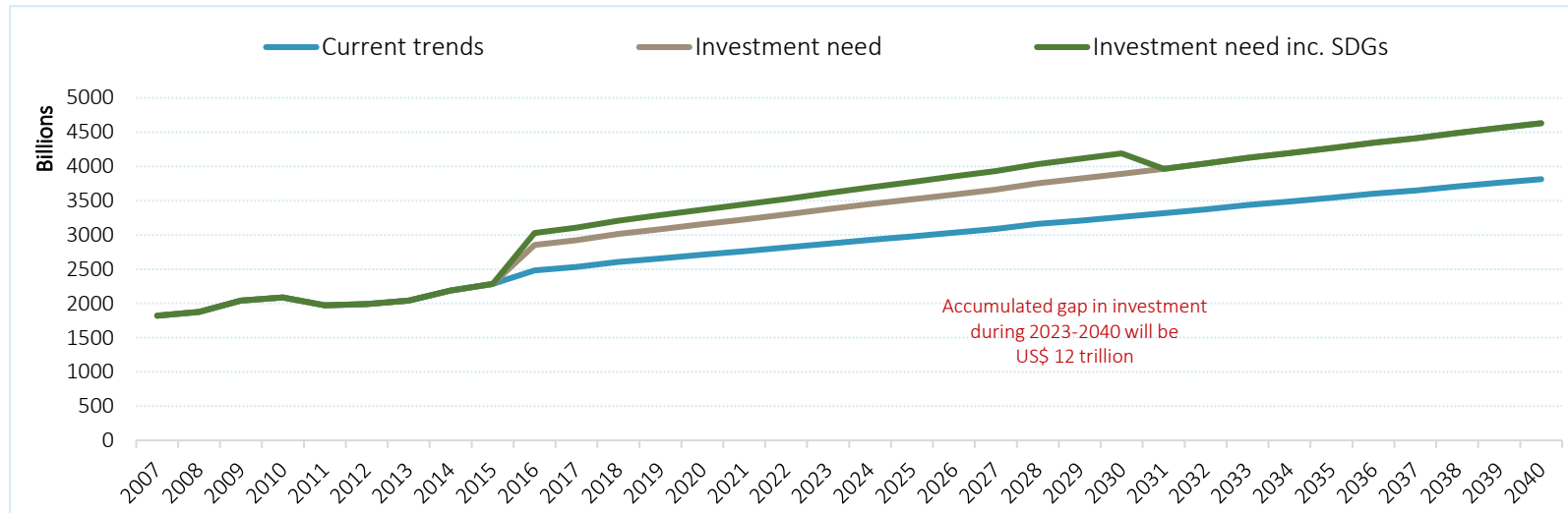
Part I: Investment in the OIC Countries

Snapshot of Part I

PART I INVESTMENT IN THE OIC COUNTRIES	1		
2. State of Investment in the OIC Countries.....	1	3. Investment Ecosystem in the OIC Countries	48
2.1 Public Investment	2	3.1 Determinant Factors of Investment	48
2.1.1 Public Investment Trends and Capital Stocks	2	3.2 Entrepreneurship	49
2.1.2 Improving Investment Quality and Efficiency	2	3.3 Competitiveness	51
2.1.4 Public Investment during Post-Pandemic Recovery	2	3.4 Country Risks	53
2.2 Private Investment.....	2	3.5 Cost of Financing	55
2.2.1 Private Investment Trends and Capital Stocks.....	2	3.6 The Ease of Doing Business	56
2.2.2 Private Participation in Infrastructure Investment	3		
2.2.3 Stimulating Investment for Sustainable Development	3		
2.3 Foreign Direct Investment (FDI).....	3		
2.3.1 Inward FDI Trends	3		
2.3.2 Greenfield Investments.....	4		
2.3.3 Outward FDI Trends	4		
2.3.4 Intra-OIC FDI Trends.....	4		
2.3.5 Sectoral FDI Trends	4		

Global Investment

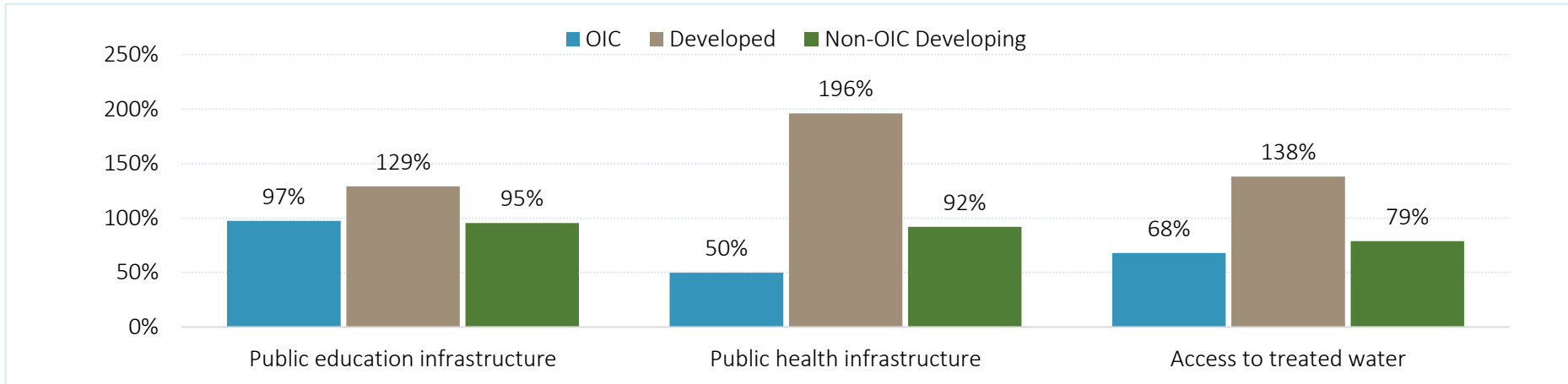
Figure 2.1: Global Investment Trends, US\$ Billion (2007-2040)



Source: Global Infrastructure Outlook database, available at <https://outlook.gihub.org/>.

Infrastructure Gap in the OIC

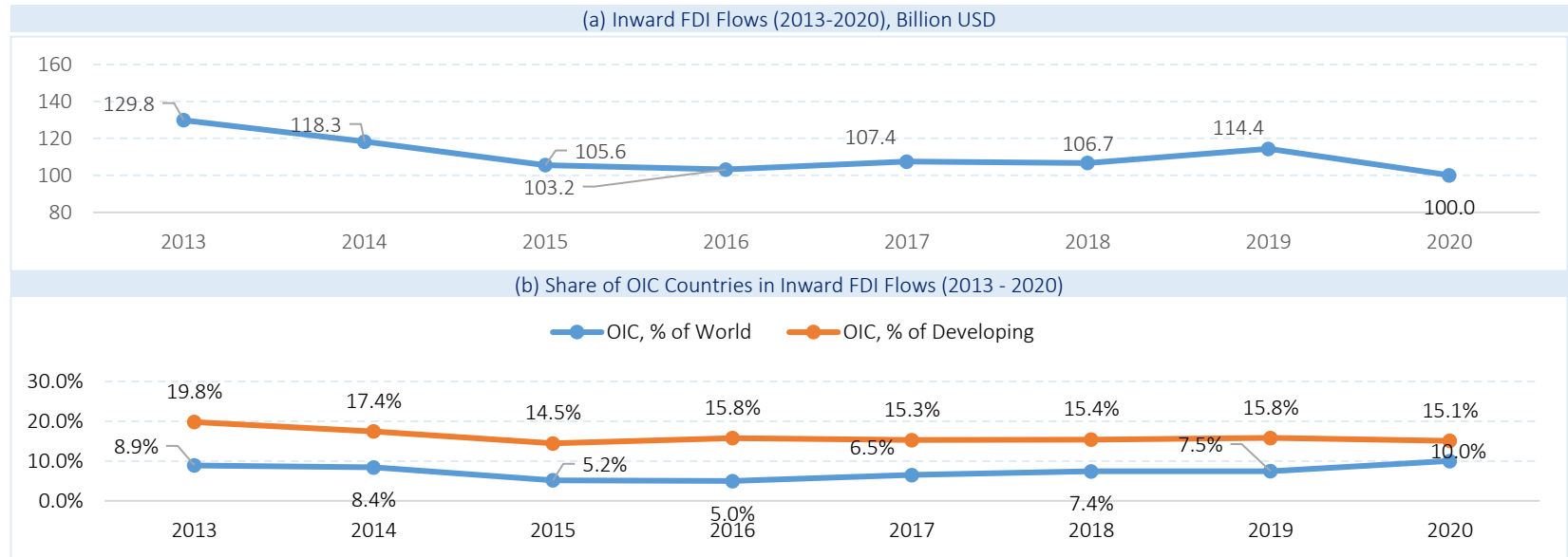
Figure 2.7: Selected Indicators of Infrastructure Gap (Relative to the world average)



Source: World Development Indicators, World Bank. Based on latest data available after 2015. Country coverage may vary across indicators. Group performances are relative to the world average. Following Barhoumi et al. (2018), public education infrastructure is measured as secondary teachers per 1,000 persons; public health infrastructure as hospital beds per 1,000 persons; and access to treated water is measured as % of population.

FDI in the OIC

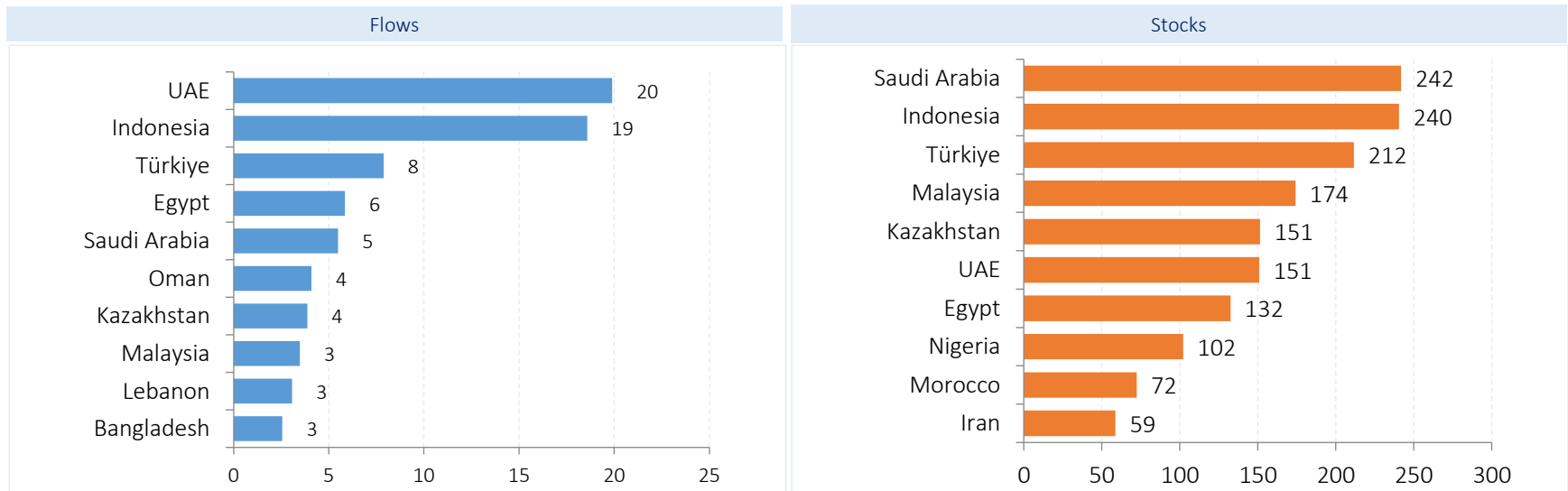
Figure 2.26: Inward FDI Flows and Stocks in OIC Countries



Source: UNCTAD WIR 2021

FDI in the OIC

Figure 2.27: Top 10 Hosts of Inward FDI Flows and Stocks (2020, USD Billion)



Source: UNCTAD WIR 2021.

Investment Ecosystem in the OIC

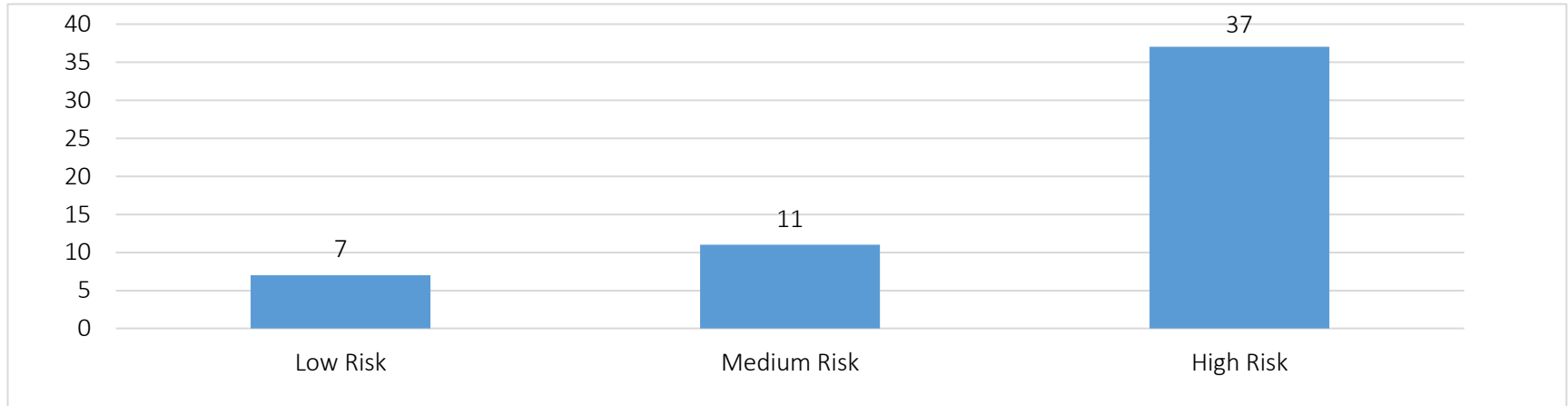
Table 3.1: Global Competitiveness Index 4.0 Scores by Pillars, 2019

<u>Dimension I.</u> <u>Enabling Environment</u>					<u>Dimension II.</u> <u>Human Capital</u>	
<i>Pillars</i>	<i>Institutions</i>	<i>Infrastructure</i>	<i>ICT Adoption</i>	<i>Macroeconomic Stability</i>	<i>Health</i>	<i>Skills</i>
OIC	50.7	58.2	46.4	72.9	66.5	53.6
Non-OIC	49.6	59.5	49.4	74.7	71.0	56.7
Developed World	69.8	84.0	75.9	97.7	93.1	78.0
World	55.1	65.4	55.3	80.1	75.4	61.3
<u>Dimension III.</u> <u>Markets</u>					<u>Dimension IV.</u> <u>Innovation Ecosystem</u>	
<i>Pillars</i>	<i>Product market</i>	<i>Labour market</i>	<i>Financial system</i>	<i>Market size</i>	<i>Business dynamism</i>	<i>Innovation capability</i>
OIC	53.1	54.9	55.1	52.8	56.2	34.8
Non-OIC	51.8	57.7	58.6	50.1	55.3	34.8
Developed World	64.0	69.7	77.5	64.6	72.5	67.0
World	55.3	60.0	62.4	54.5	60.0	43.0

Source: World Economic Forum, 2019. Note: Distance-to-frontier values are used in calculations and a higher score means a better performance in the certain segment

Country Risks

Figure 3.7: OIC Countries by the OECD Country Risk Scores, 2022

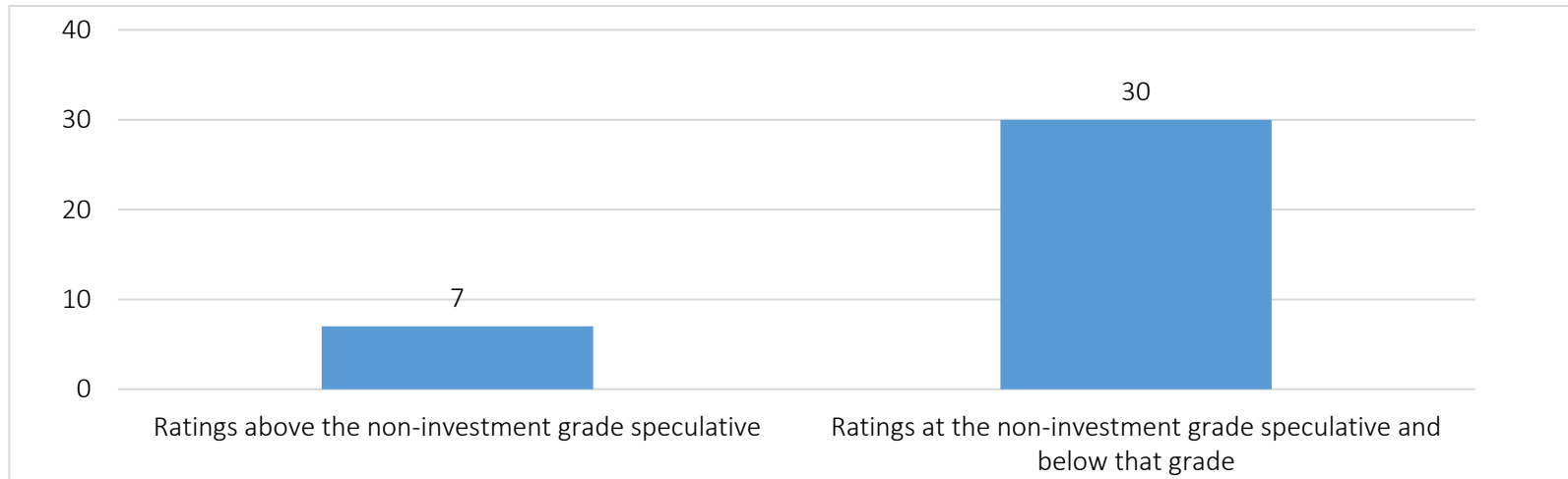


Source: OECD, 2022 (as of March 2022)

Note: Low risk category: scores of 2 and 3; Medium risk category: scores of 4 and 5; High risk category: scores of 6 and 7

Country Risks

Figure 3.9: Moody's Long-term Sovereign Ratings of OIC Countries, 2022 (number of countries)



Source: Author's construction based on data obtained from damodaran.com

Reforms to Ease Doing Business in the OIC

Table 3.2: Top Reformer OIC Countries in Subcategories of the Doing Business Index, 2005-2019

Sub-indices of Doing Business Index	Top Reformer OIC Countries
Starting a Business:	Indonesia (10)
Dealing with Construction Permits:	UAE (5) and Côte d'Ivoire (5)
Getting Electricity:	UAE (6)
Registering Property:	Senegal (7)
Getting Credit:	Azerbaijan (8) and Indonesia (8)
Protecting Minority Investors:	Egypt (7)
Paying Taxes:	Albania (8), Indonesia (8), Uzbekistan (8)
Trading across Borders:	Pakistan (7) and Uganda (7)
Enforcing Contracts:	Kazakhstan (6)
Resolving Insolvency:	Kazakhstan (4)

Source: World Bank, Doing Business database Note: The number of reforms are shown in brackets. Countries with the highest number of reforms are shown in the table



Part II: Investment Priorities and Opportunities in the Selected Sectors



Identified Priority Sectors for Investment

- **The Petrochemical Sector**
- **Textile and Apparel Sector**
- **Agriculture and Food Sector**
- **Mining and Construction Sectors**

Part III: Investment Funds for Development

Part IV: Conclusion and Policy Implications

- Boosting Public Investment in OIC Countries
- Stimulating Private Investment in OIC Countries
- Attracting More FDI to OIC Countries
- Improving Investment Ecosystem in OIC Countries
- Mapping Priority Sectors for Investment in OIC Countries
- Mobilizing Investment Funds in Addressing Investment Gaps in OIC countries

OBIC COULD PLAY AN IMPORTANT ROLE:

Improve
Business
Intelligence

Guide
Investors

Better Quality
Investment
Data and
Statistics

Intra-OIC
Cooperation

OBIC PARTNERS





Thank you