

“A Cutting-Edge Platform to Drive Economic Transformation”

OIC BUSINESS INTELLIGENCE CENTRE (OBIC)

**Workshop on
OIC Business Intelligence Center (OBIC)
Jeddah, Saudi Arabia (20-22 March 2023)**

Storyline >>



1. The Why –

- Credit Intelligence Role in Socio-Economic Growth
- State of OIC Markets – Segmented View

2. The How

- Global Business & Credit Intelligence Context for Best Practices

3. The What

- OBIC – Journey
- OBIC – Strategy & Solution
- OBIC – Impact (Macro-Economic, Banking & Finance Sector, IPA's)
- OBIC – Operations, Financials & Implementation Plan

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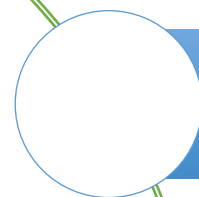
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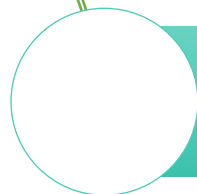
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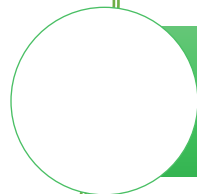
Credit Intelligence Major Role in Socio- Economic Growth



Helps incorporate the 2 billion unbanked and underserved adults as well as SMEs



Increases private sector lending approximately 47.5% of GDP*



Increases lending volumes by 11% (in the US.)



Reduce the rates of non-performing loans by 7.75 % points (in Latin America.)

Global Data/ Intelligence Value Chain includes Credit Intelligence

In most of the developed countries across the globe, **credit-reporting institutions among other providers of Data, are considered important pillars in the data value chain.**

Their value, however, is often **overlooked or under-appreciated.**

Accordingly, **capturing and interpreting data is instrumental in supporting vibrant economies, playing a critical role in facilitating financing activities needed to support a thriving economy;**

Consequently, the **availability of an authentic credit reporting system is one of the predominant factors to consider when assessing a country's readiness for doing business.**

Credit information in the OIC MCs



The Organization of the Islamic Cooperation (OIC) market of credit information remains generally **underdeveloped** with the lowest levels of credit penetration in the world.



In the majority of the economies of the OIC member countries, many companies that are not registered formally or properly, which may lead to **inaccurate credit records**.



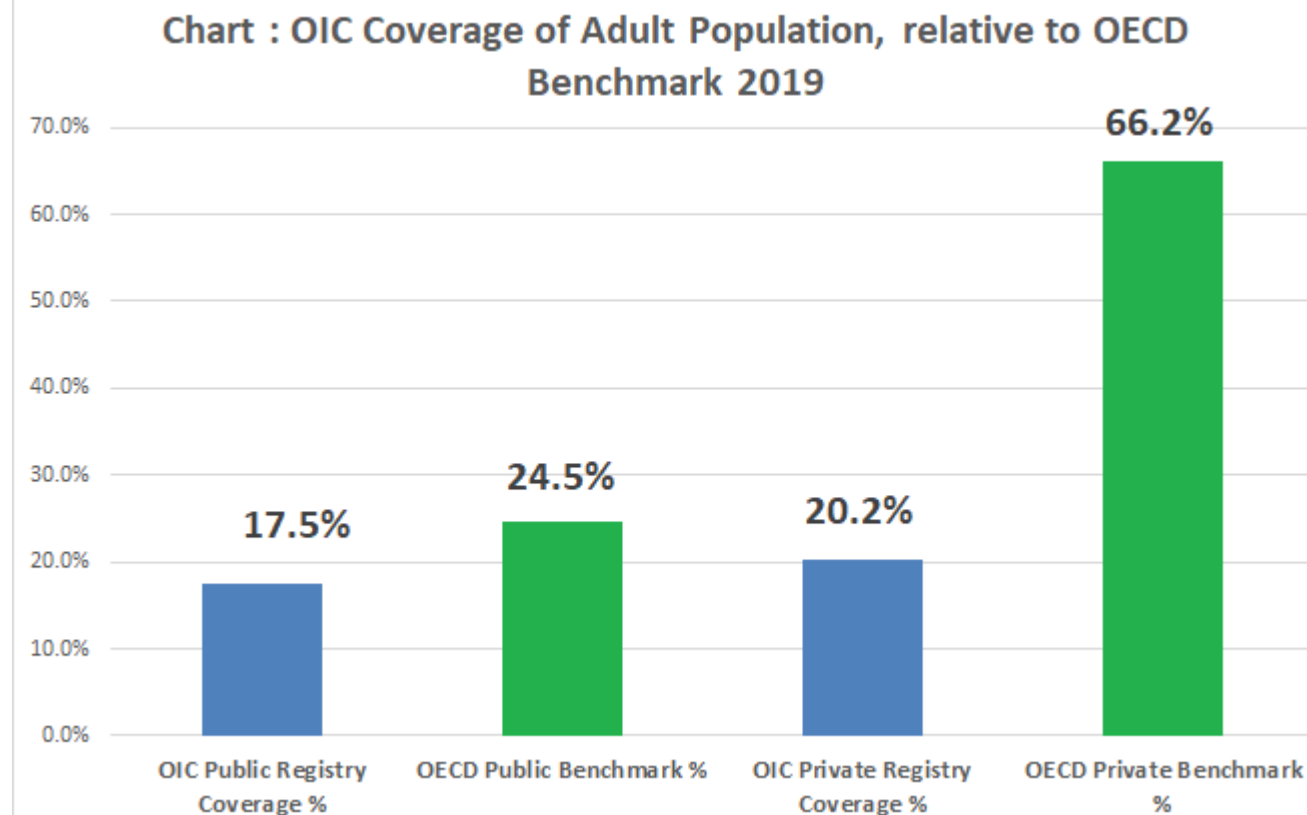
Furthermore, most of our OIC MCs do recognize they do possess **an inadequate credit reporting system** or none at all.



Thus, the **need for reliable, innovative Business Intelligence** Centers superseded the need for basic credit reporting systems.

OIC Markets Behind

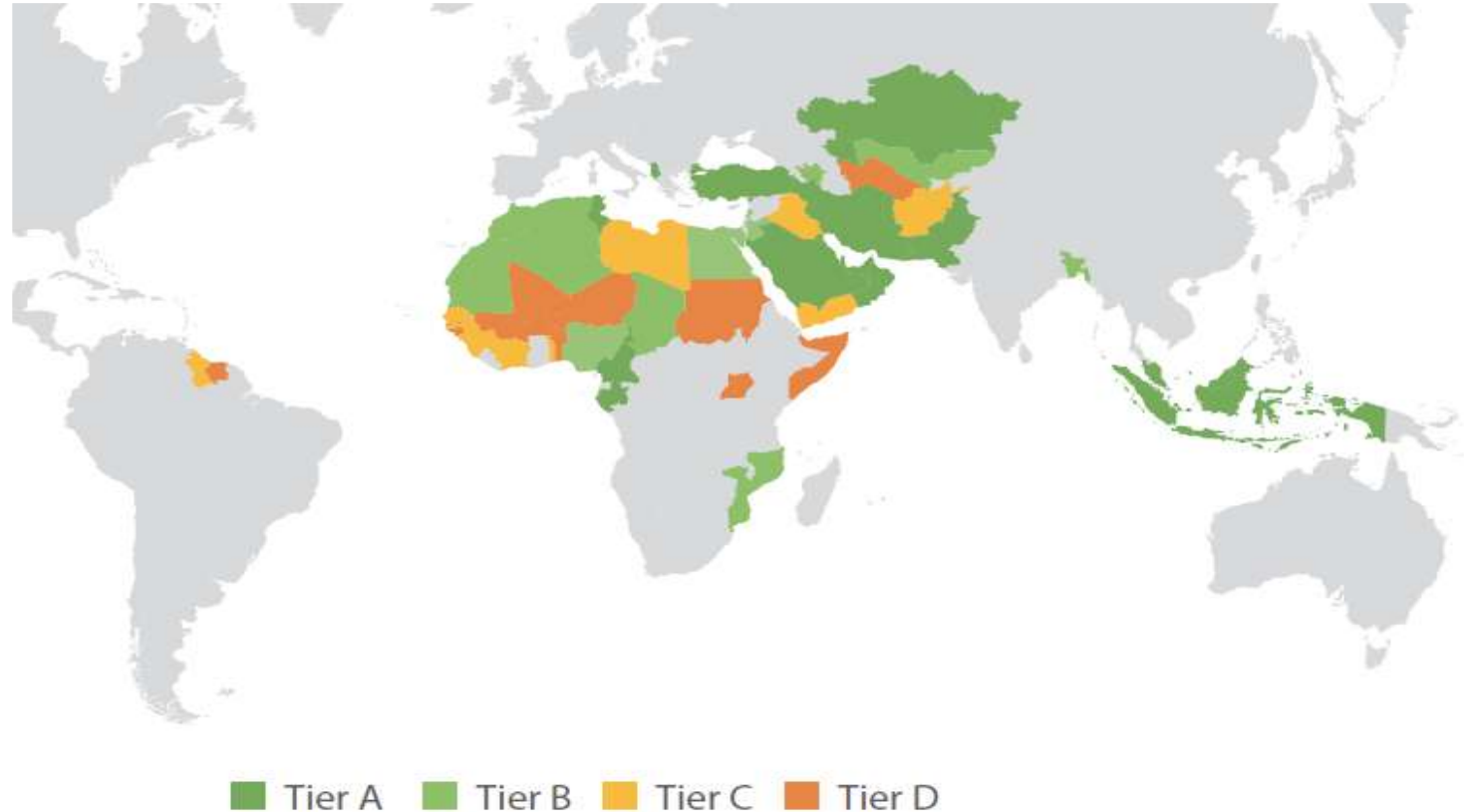
When it comes to the private involvement, the **OIC regions private registry coverage is at only 20.2%** of the adult population in 2019, relative to **66.2% coverage across the OECD.**



OIC Member Country Segmentation

Based on OIC countries adoption of credit registries and credit bureaus, a four-quadrant segmentation of the different OIC markets maturity levels were identified

Four-quadrant segmentation of the different OIC markets maturity levels:



OIC Member Country Segmentation

- Tier A represents countries with >50% population covered in public registry or private bureaus.
- Tier B represents 10%-50%.
- Tier C represents 1%-9%.
- Tier D represents 0%.

Four-quadrant segmentation of the different OIC markets maturity levels:

Tier A	Tier B	Tier C	Tier D
Albania	Algeria	Afghanistan	Benin
Brunei Darussalam	Azerbaijan	Cote d'Ivoire	Burkina Faso
Cameroon	Bahrain	Djibouti	Gambia
Comoros	Bangladesh	Guinea	Guinea-Bissau
Gabon	Chad	Guyana	Mali
Indonesia	Egypt	Iraq	Niger
Iran	Jordan	Libya	Somalia
Kazakhstan	Kyrgyz Republic	Senegal	Sudan
Kuwait	Mauritania	Sierra Leone	Suriname
Lebanon	Morocco	Togo	Turkmenistan
Malaysia	Mozambique	Yemen	Uganda
Maldives	Nigeria		
Oman	Tajikistan		
Pakistan	Uzbekistan		
Palestine			
Qatar			
Saudi Arabia			
Tunisia			
Turkey			
United Arab Emirates			

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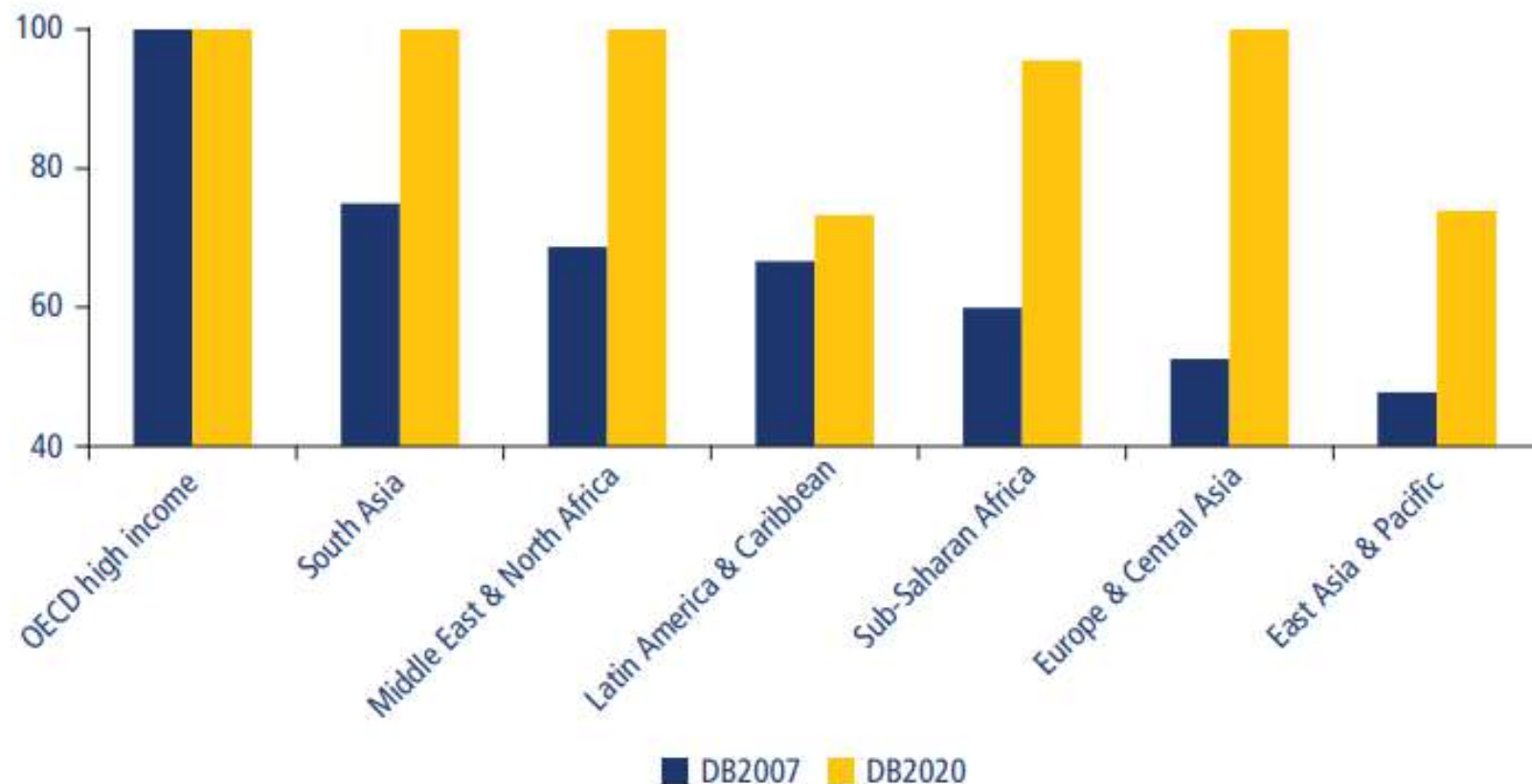
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Credit Intelligence has Gained Significant Traction Since 2005/06

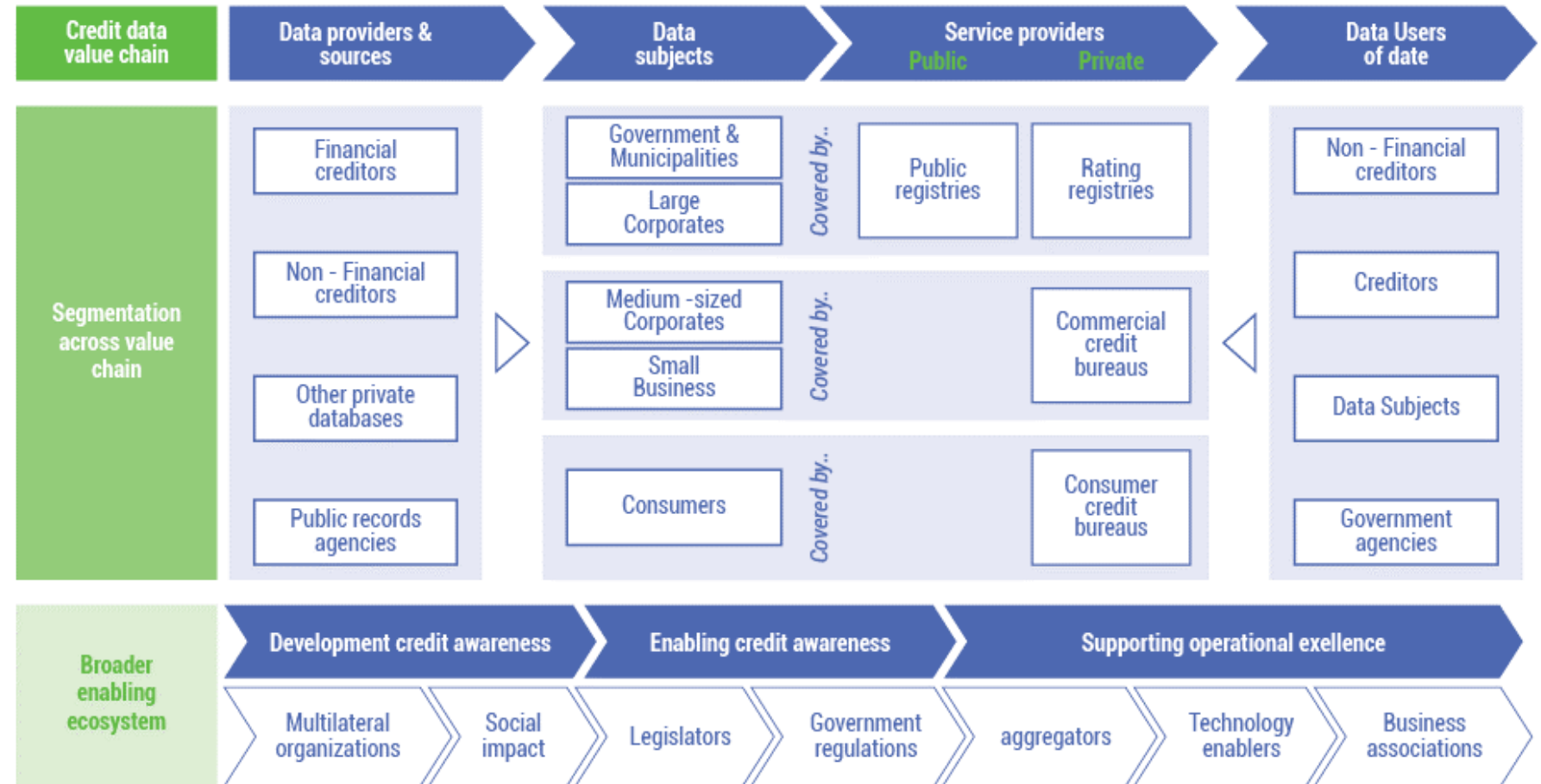
Share of economies with a credit reporting service provider (%)



Source: Doing Business database.

Note: The sample includes 174 economies with data available back to Doing Business 2007.

Yet, many are early in Global Credit Ecosystem Maturity

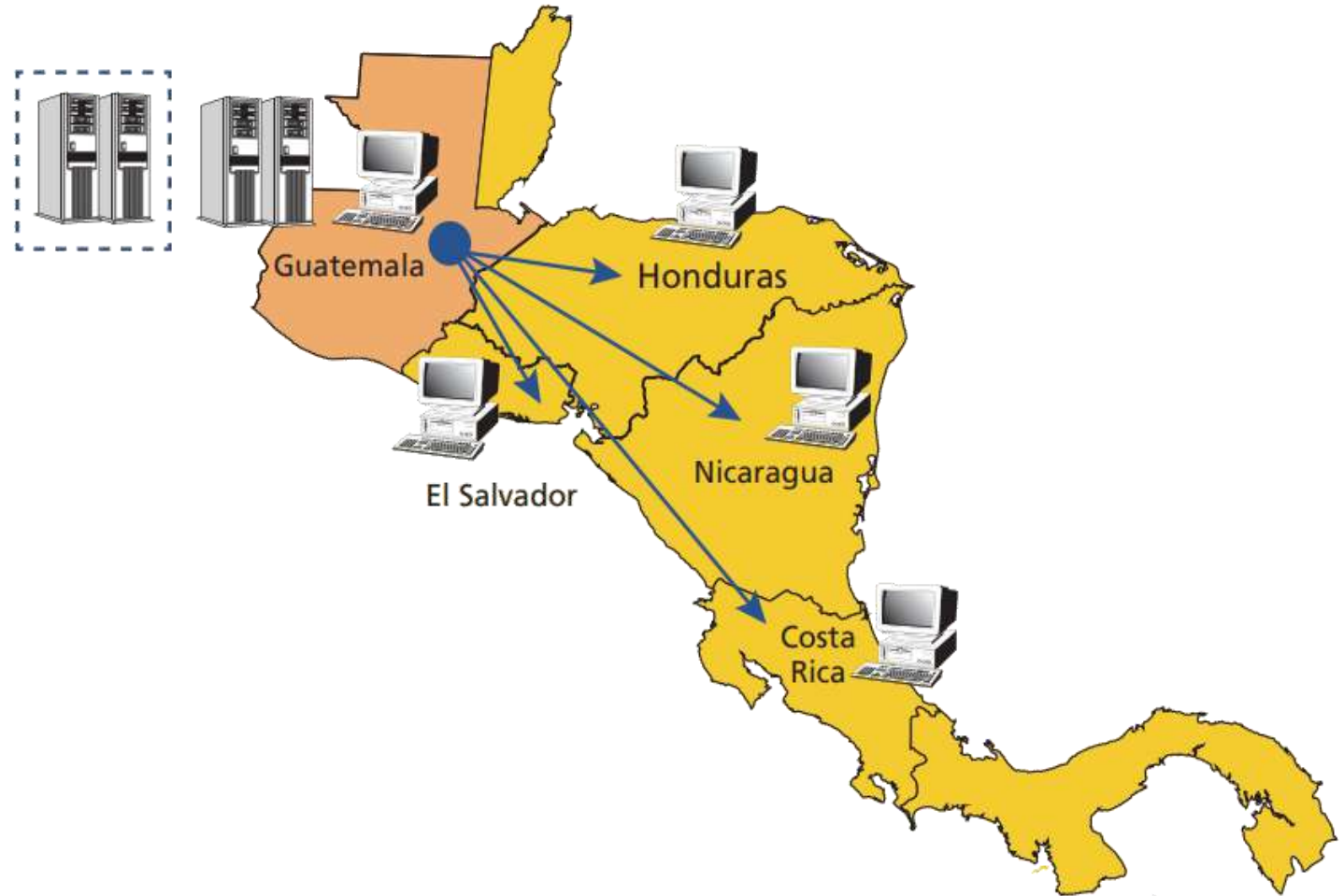


Source: World Bank², IFC³, DinarStandard analysis and synthesis

* Source: OBIC Report

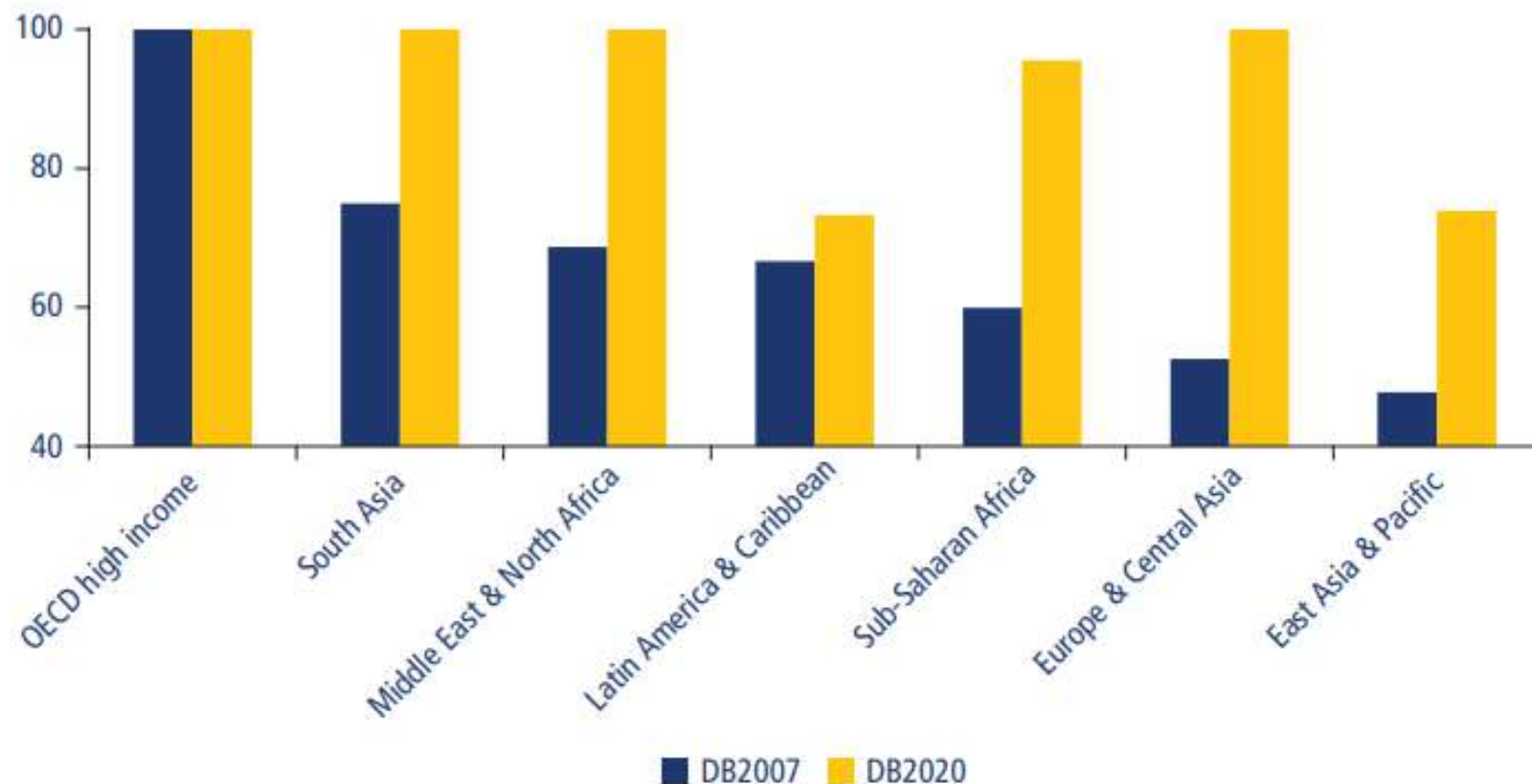
Across the
global best-
practices, the
“hub and
spoke” model is
relevant to
Cross-OIC and
Less-Developed
MC
Developments

Hub and spoke model in Central America



Credit Intelligence has Gained Significant Traction Since 2005/06

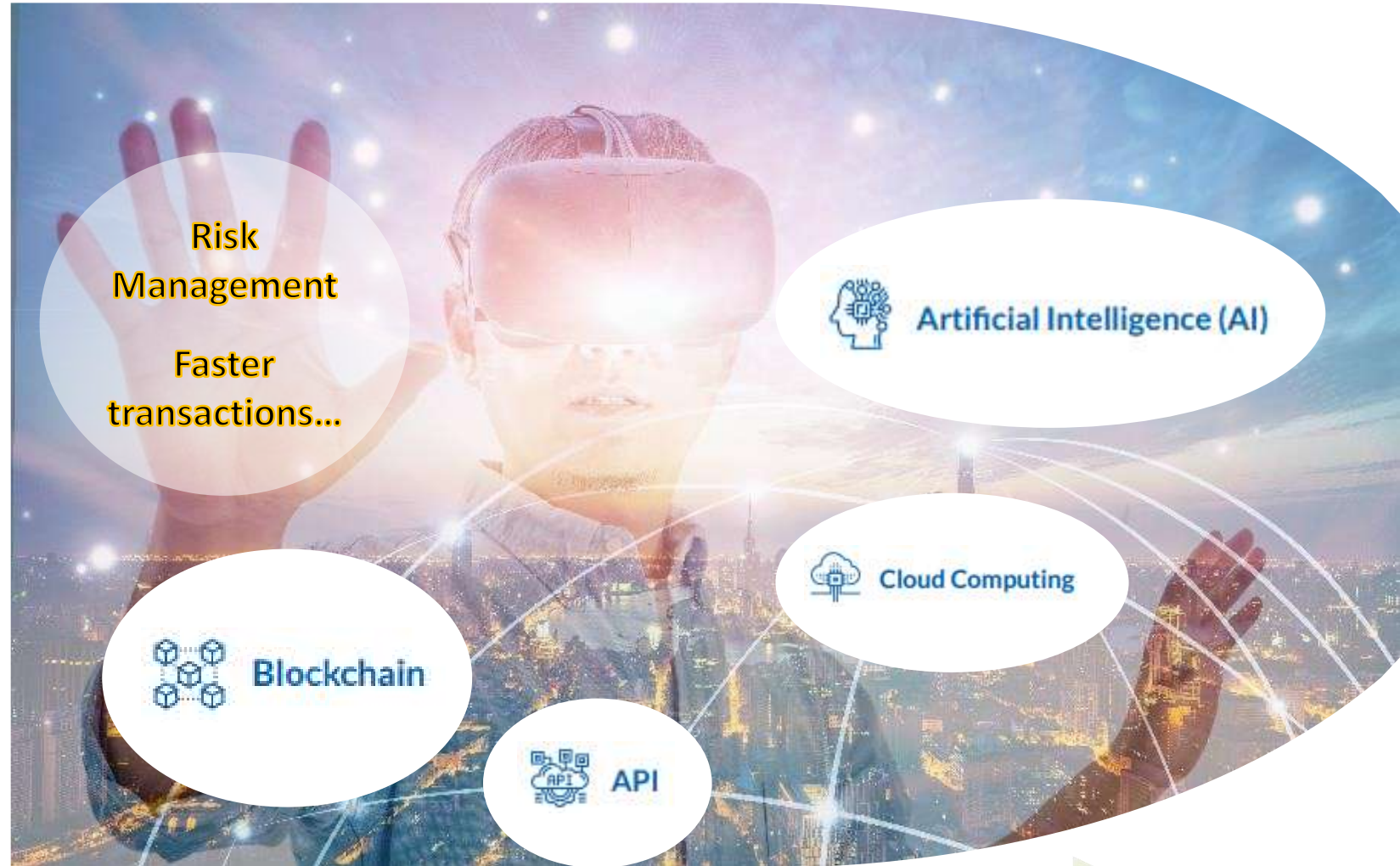
Share of economies with a credit reporting service provider (%)



Source: Doing Business database.

Note: The sample includes 174 economies with data available back to Doing Business 2007.

Banking, Finance and Credit Insurance industries at the heart of the 4th Industrial Revolution



Global trends of Big Data

1) Rapidly increasing the
amount of data available



2) Accelerating data storage capacity and
computing power at low cost



3) Evolution in Machine Learning approach to
analyze convoluted datasets :
- Accessible AI
- Rise in Predictive analytics

The Data Revolution Architecture in the World

DATA MINING



- Statistical modeling BI (learn from data sourcing)
- ML (Machine Learning) METHODS DATA



INTELLIGENCE

AI-powered analytics advantages

These new AI-powered analytics do not only predict what will happen, but they also provide clear rationale for predictions



The enormous progression in analytics and BI tools indicates that businesses are still requiring more mature decision-making supporting tools. Recent developments in business digitization is driving the development of prescriptive analytics



AI-powered BI systems will certainly transform business data into simple, accurate, real-time narratives and reports.

Big Data.....



* Adapted from Laney 2001, www.oracle.com and www.sas.com

SDGs.....



The integration of new data with traditional data for more **quality, detailed, timely and relevant** information;



Greater **openness and transparency**, without invasion of privacy and abuse of human rights



Minimizing inequality in production, access to and use of data;



More empowered people, **better policies, and decisions**, participation and accountability

The UN approach toward alignment of the SDGs with the Data revolution “A world that counts leaves nobody behind”

Build data, capacity and statistical literacy



Strengthen independence and trust in National Statistical Offices(NSOs) that can stay relevant in a changing world

Communicate / Visualize data



Bringing public and private providers regularly together ('World Forum on Data')

Regulate for privacy and data rights



Public data should be 'open by default'

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AMAN UNION

The Long road from Aman Union to OBIC

The cross-OIC database credit registry and infrastructure will be a hallmark of the Centers offerings, providing both the technology platform as well as credit data infrastructure that can be leveraged at a country level

Building on the Aman Union success story, was an important first step in establishing an OIC-wide business intelligence ecosystem, established for the benefit of national export credit insurance agencies in the region.

OBIC project will enable member Export Credit Agencies (ECAs) to obtain valid, timely and cost-effective credit information.

34th Session of the Standing Committee for Economic and Commercial Cooperation (COMCEC)

The COMCEC Business Intelligence Center's (CBIC) First Concept Note was officially endorsed by the Senior Officials and Ministers of Trade during the 33rd Session of the Standing Committee for Economic and Commercial Cooperation of the Organization of Islamic Cooperation (COMCEC) (19-24 November 2017. Istanbul, TÜRKİYE).

During the 34th Ministerial Session of the COMCEC, the resolution 68 was adopted: Takes note with appreciation of the IsDB Group's initiative called "OIC Business Intelligence Center" led by the ICIEC and requests the IsDB Group, in particular the ICIEC, to start operationalization of this initiative as an OIC Program under one of the IsDB Regional Hub, in close partnership with SESRIC and other relevant OIC institutions as required".

35th COMCEC Follow-Up Committee- 75 & 76 Resolutions - 24 & 25 April 2019, Ankara (TÜRKİYE)

75. The Committee welcomed the mutual arrangement between IsDB Group, in particular ICIEC and SESRIC regarding the allocation of space location and other relevant resources by SESRIC for technical instruments for the OIC Business Intelligence Programme.

76. The Committee also welcomed the IsDB Group's endeavors to further the OIC Business Intelligence Programme with the necessary financial resources and process towards its implementation with the completion of studies including SWOT analysis, benchmarking study, operational processes and stakeholder expectations as well as market segmentation analysis.

38th Session of the COMCEC - 72 & 73 Resolutions - 26 - 29 November 2022, Istanbul (TÜRKİYE)

72. **Takes note** of the Progress and the Implementation Plan Reports prepared by ICIEC on OIC Business Intelligence Programme and **requests** the ICIEC and SESRIC to complete the technical preparations for launching the Programme at the earliest.

73. Also takes note of the Proposal prepared by ICIEC, SESRIC, ICCIA, and ICDT for organizing a Capacity Building Activities for potential beneficiaries of the programme and requests the ICIEC, SESRIC, ICDT, and ICCIA to implement the Capacity Building activities at the earliest.

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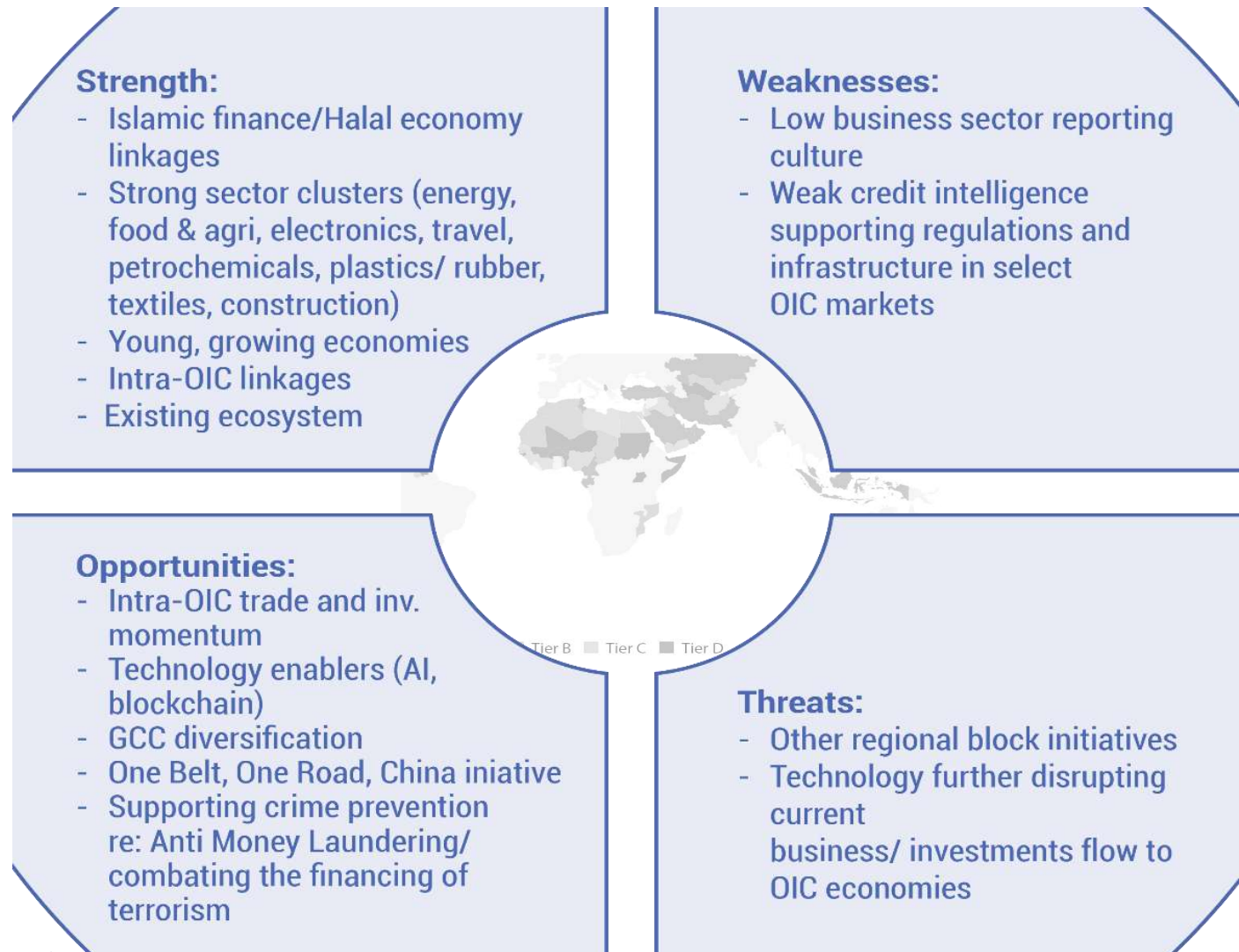
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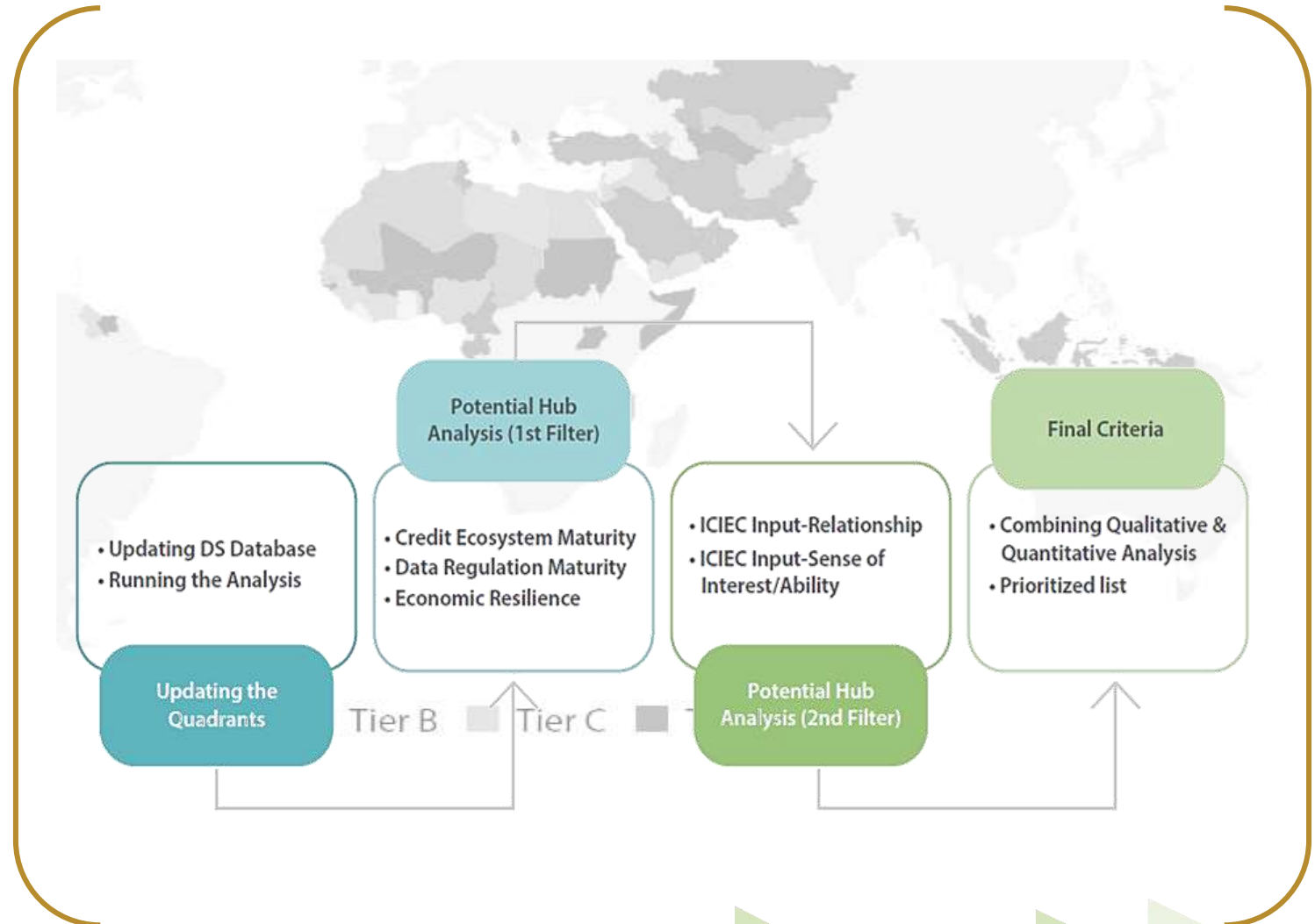
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OIC Credit Intelligence SWOT

There is a strong need to build an OIC credit intelligence ecosystem, and capabilities based on its SWOT



Given the Diversity of Needs of OIC Countries, the Hub & Spoke Model is Considered



Top 15-Hub Potential Countries

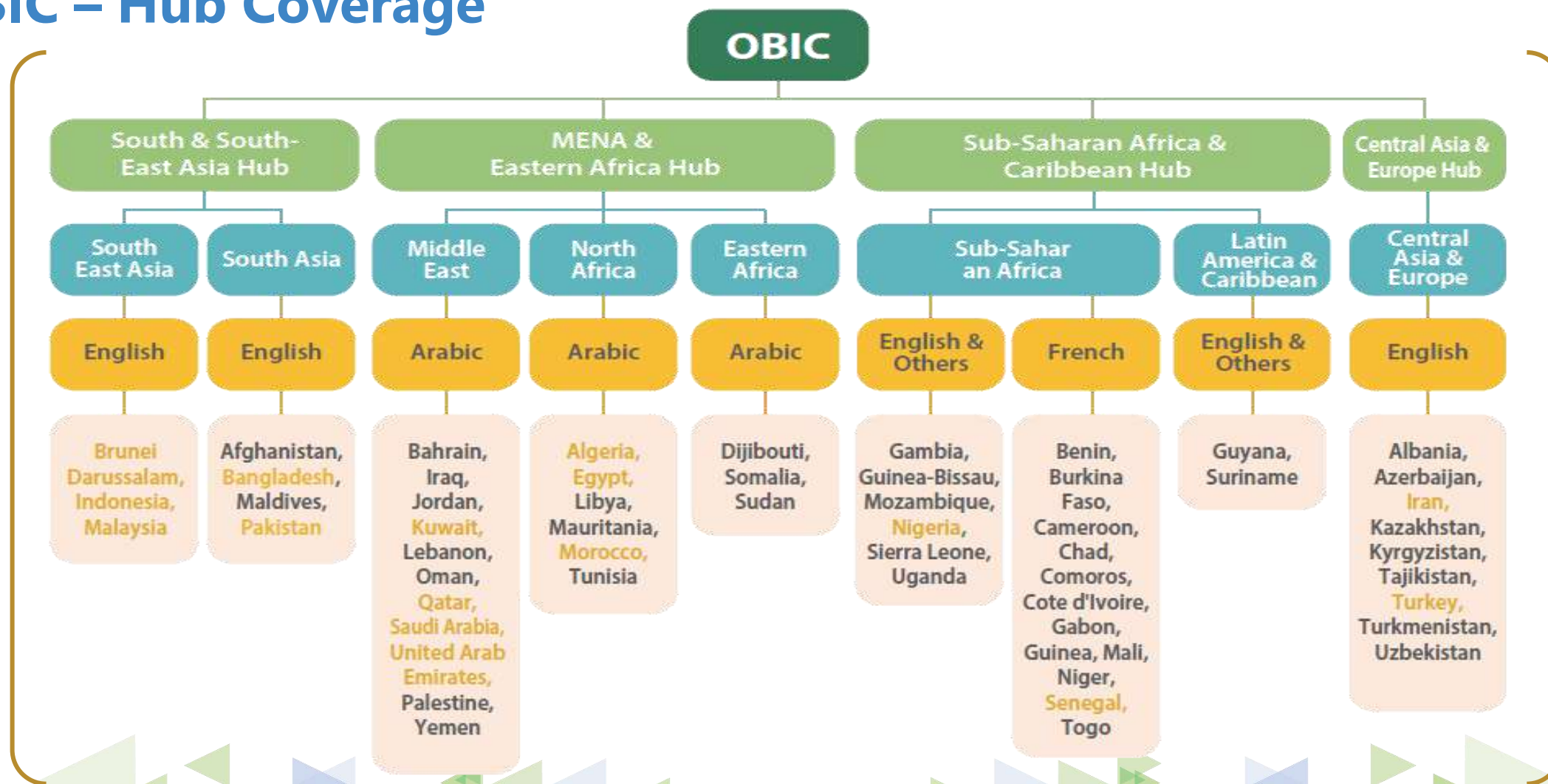


Country Name	Credit Ecosystem Maturity Tier	Hub Attractiveness (Percentile Score)	ICIEC FIT #1 - Relationship Strength (Percentile Score)	ICIEC FIT #2 - Able, expressed interest (Percentile Score)
Malaysia	Tier A	100.00%	89.29%	94.64%
United Arab Emirates	Tier A	96.43%	89.29%	87.50%
Brunei	Tier A	94.64%	82.14%	94.64%
Indonesia	Tier A	98.21%	89.29%	73.21%
Turkey	Tier A	67.86%	89.29%	94.64%
Egypt	Tier B	92.86%	82.14%	73.21%
Pakistan	Tier A	60.71%	89.29%	87.50%
Saudi Arabia	Tier A	51.79%	89.29%	94.64%
Senegal	Tier C	57.14%	89.29%	87.50%
Iran	Tier A	83.93%	57.14%	73.21%
Kuwait	Tier A	82.14%	57.14%	73.21%
Nigeria	Tier B	42.86%	82.14%	87.50%
Bangladesh	Tier B	78.57%	57.14%	73.21%
Qatar	Tier A	75.00%	57.14%	73.21%
Morocco	Tier B	53.57%	82.14%	57.14%

■ Central Asia & Europe Hub
 ■ MENA & Eastern Africa Hub
 ■ South & South-East Asia Hub
 ■ Sub-Saharan Africa & Caribbean Hub

* Source: OBIC Report

OBIC – Hub Coverage



OBIC - Vision & Strategic Pillars to drive exponential improvement in OIC credit intelligence ecosystem

OBIC - VISION



Enable all OIC MCs to have the strongest investment, financing, and trade development in the world through best-in-class business growth and risk management intelligence ecosystem



OBIC - MISSION



To deliver the vision set out, establish a pan -OIC coordination business intelligence center that drives credit maturity in each of the OIC MCs



STRATEGIC PILLARS

Country Development:

Driving credit maturity within each MC

Cross-Country:

Driving pan-OIC credit accountability and trade

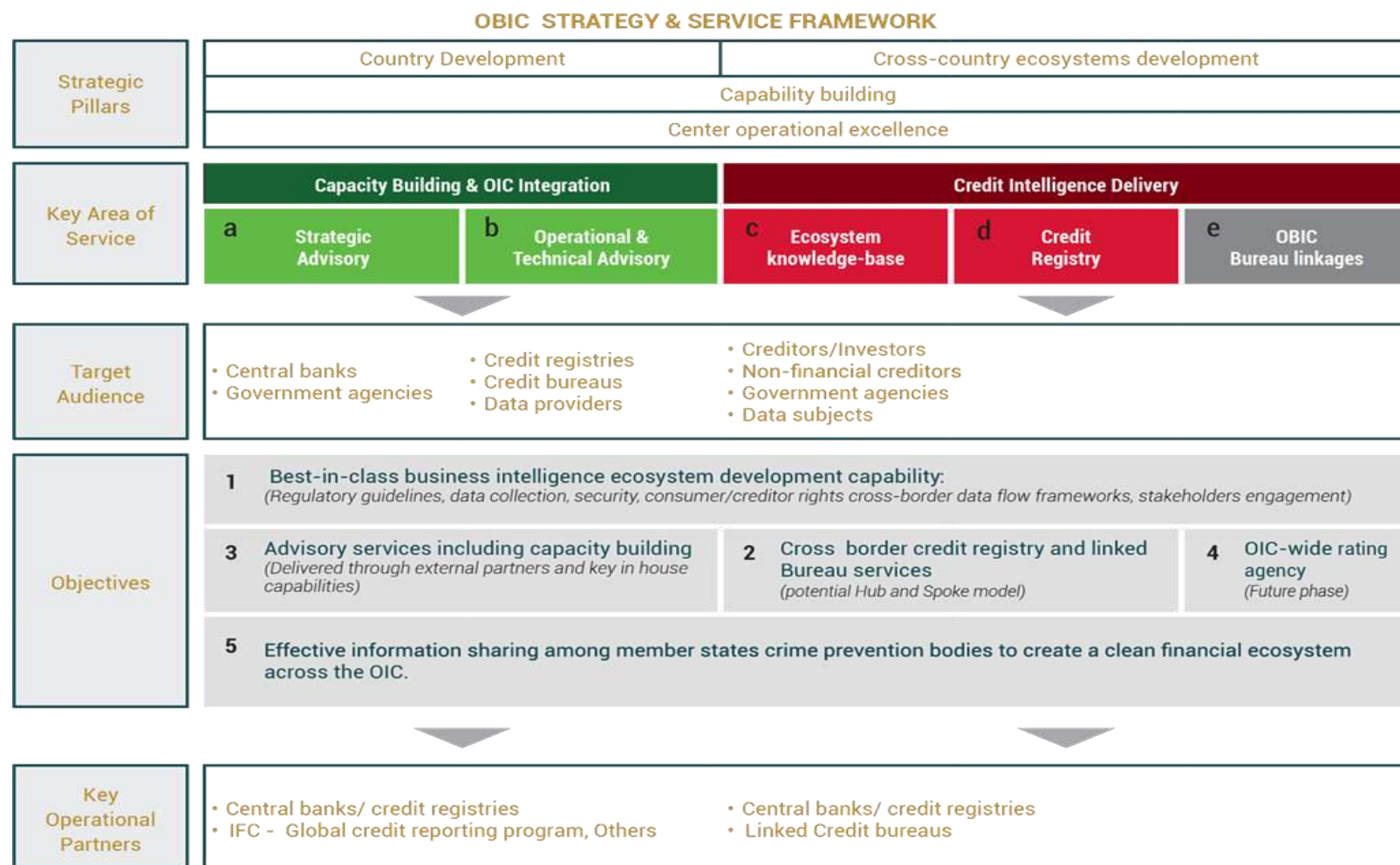
Operational excellence:

Creating a leading operational model

capability building:

Creating the best practice tools for effective self-governance

OBIC – Solution Framework provide five core areas of services



OBIC Solution Bundle consists of 2 Categories (Inter-Related)



Capacity Building

Strategic Advisory

- Service 1: National level credit ecosystem strategy
- Service 2: Strategy implementation support
- Service 3: Guidelines & Policy templates

Training

- Service 4: Fundamentals of Credit Reporting (End-User Training & Training of Trainers for lower and higher tiers)
- Service 5: Data Security & Management (Technical Track Training for lower and higher tier & Training of Trainers for higher tier).

* Modules exclusively developed internally or with Partners licensed/integrated.



Credit Intelligence Delivery

Credit registry infrastructure

- Service 6: Stand Alone Integrator (Tier C/D) *Partner platform customized for client country
- Service 7: Sharing the local database (Tier C/D)
- Service 8: Analytics & intelligence (All Tiers) *.Modules exclusively developed internally or with Partners licensed/integrated

Cross-OIC credit registry

- Service 9: Global Hub (All Tiers)
- Service 10: Regional Master Hub (All Tiers)

At the MCs level, OBIC will:

Provide deeper support to selected OIC countries with very limited credit reporting capabilities to set up, and in select cases, operate, credit registries, with the help of external partners.



Develop the technology and credit data infrastructure that can be copied and shared with smaller OIC countries to implement at low cost.



Deliver cost-effective advance and adapted Technology for select countries, where the cost of having a standalone operation is not feasible,



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Impact of the OBIC on the Economic and Commercial Development of the MCs

Credit information systems boost lending by up to 50% of GDP, reduce costs substantially and can financially assimilate the USD 2 billion unbanked, with an observable impact on FDI.

OBIC once it is operational could boost private-sector lending in the least developed OIC member states by increasing an estimated \$670 bill a year

OIC MCs Benefits of OBIC to Banking & Finance Sectors



Effective credit reporting systems have been empirically shown to increase private sector lending by approximately 47.5% of GDP



Availability of comprehensive credit information can increase lending volumes by 11%, based on empirical evidence in the US



Reduce the rates of non-performing loans by 7.75 percentage points, based on empirical evidence in Latin America.



High 97% correlation between foreign direct investment and financial market development.



Helps incorporate the 2 billion unbanked and underserved adults as well as SMEs.

OIC MCs Benefits of OBIC to Investment Promotion Agencies



The availability of comprehensive data on the different sectors of business in OIC MCs



The availability of comprehensive data on the investment climate in OIC MCs



The availability of comprehensive data on the investment laws and regulations relating to investing, and national investment plans of OIC MCs



The availability of country profiles on all OIC MCs for promoting them as destinations for Foreign Direct Investment



Capacity-building, knowledge-sharing and exchange of experience among IPAs in OIC MCs and the International IPAs

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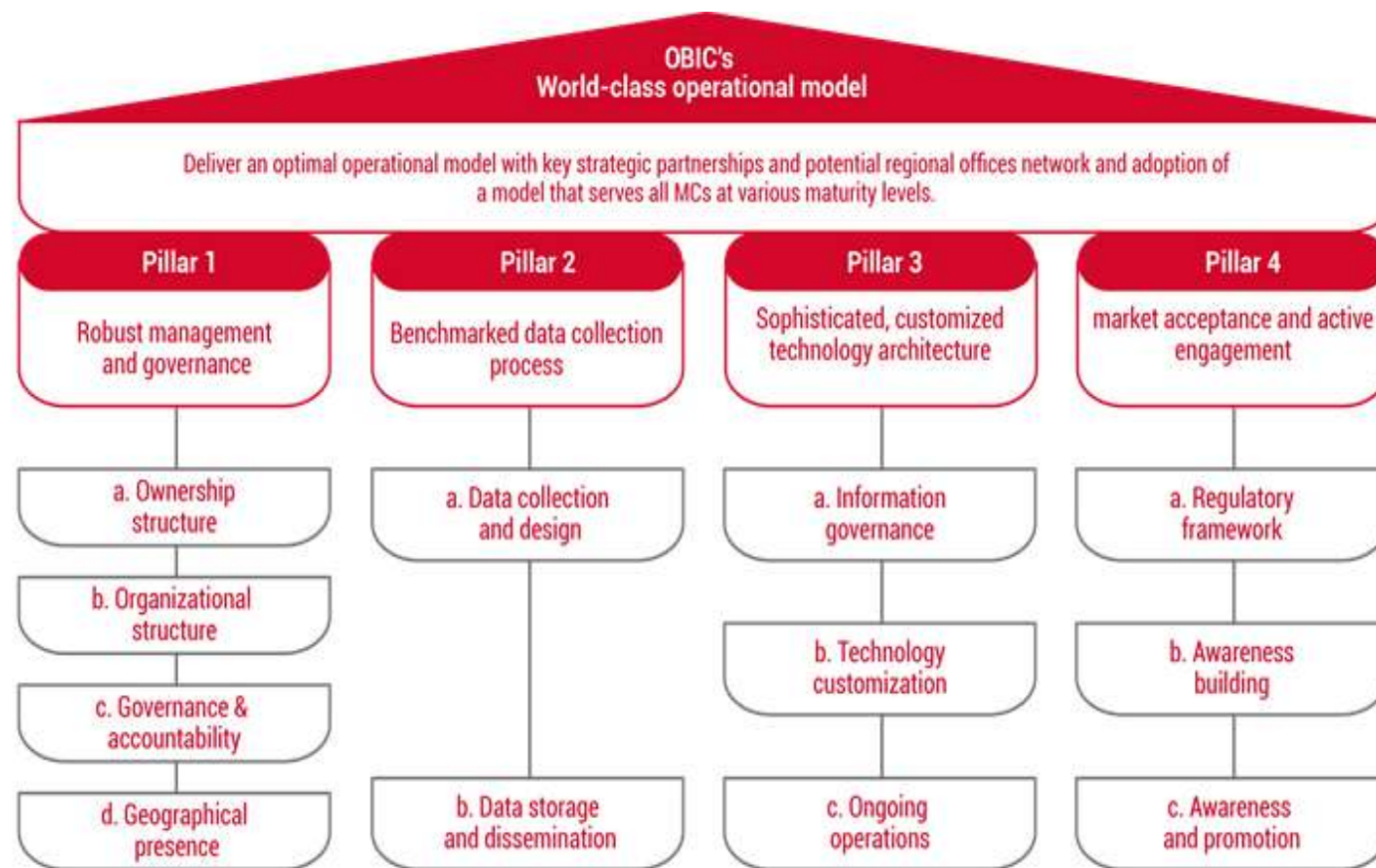
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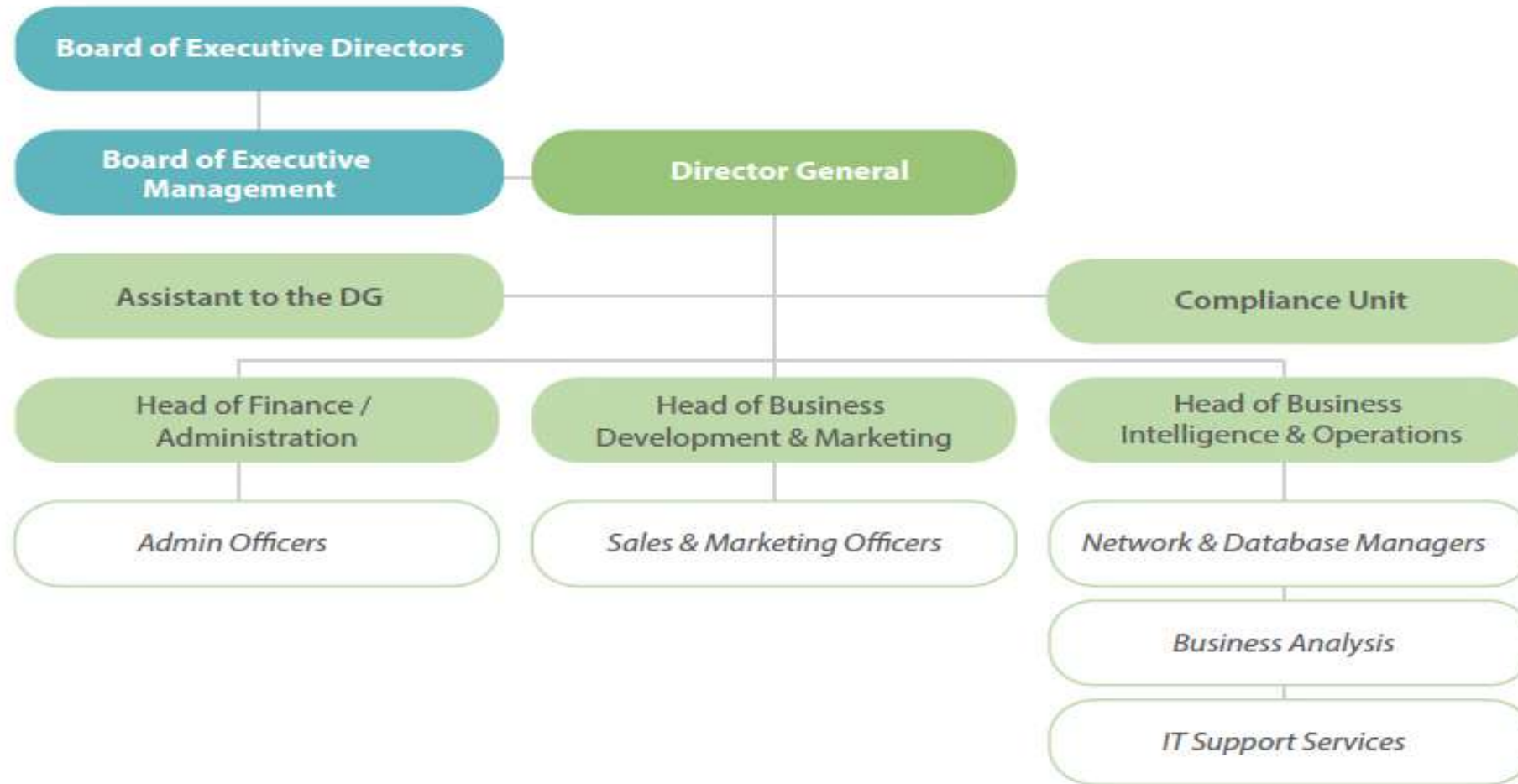
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OBIC Operational Model

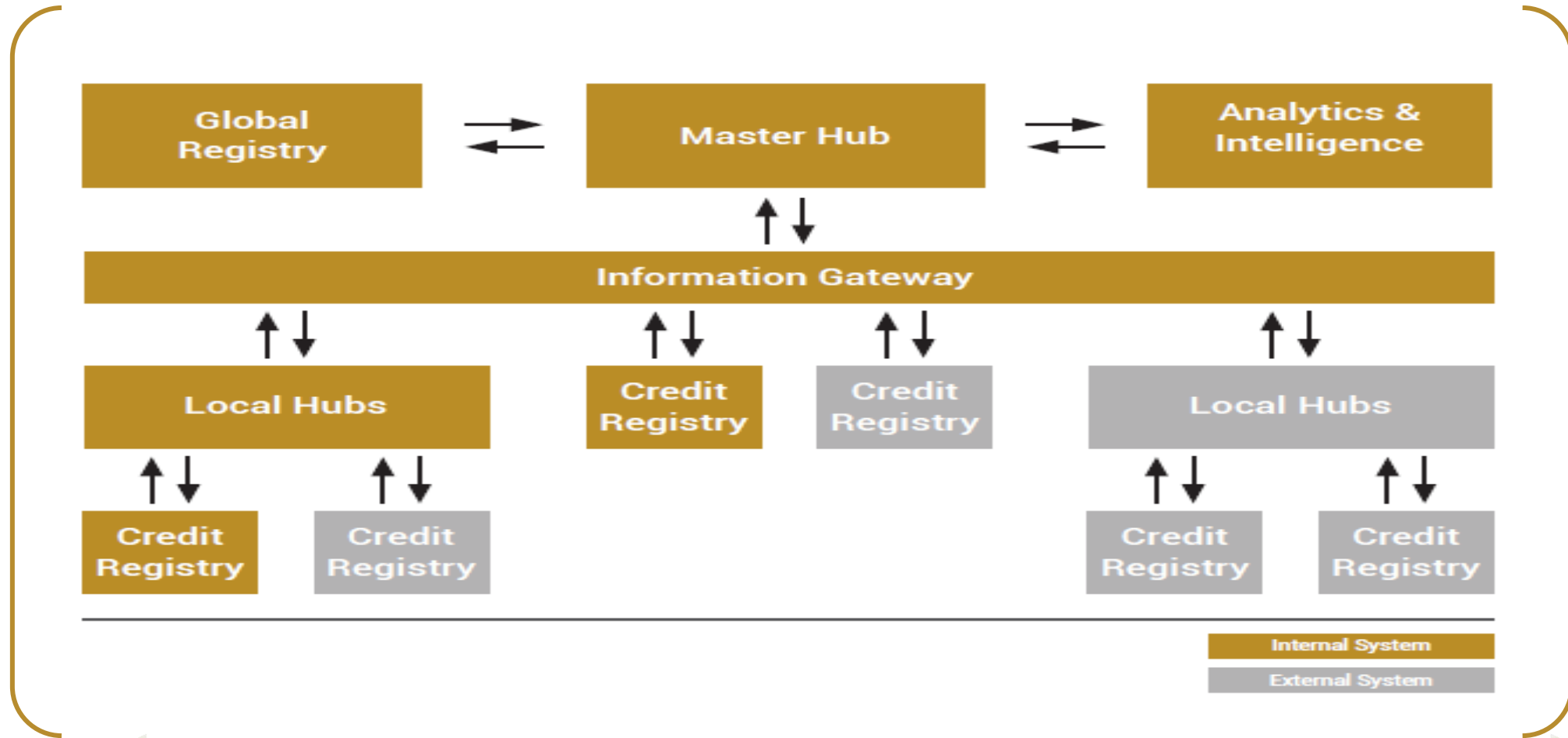
OBIC operational model is based on **four key pillars** that will enable the Centre to deliver **world-class BI offerings**



OBIC – Organizational Structure



OBIC – Business Architecture



OBIC- a powerful IT Platform Solution aims to combines AI, Blockchain, Data Driven...for Critical Decision Makers

Data science

has continued to make rapid advances, particularly on the frontiers of machine learning and deep learning.

Organizations now have trove of **raw data combined w/ sophisticated analytics** tools to gain insights that can improve operational performance and create new market opportunities.

Data scientists now have **unprecedented computing power** at their disposal, and they are devising ever more sophisticated algorithms.

Center will use advanced Technology and **Artificial Intelligence** solutions is speeding up credit information, with **blockchain potential**

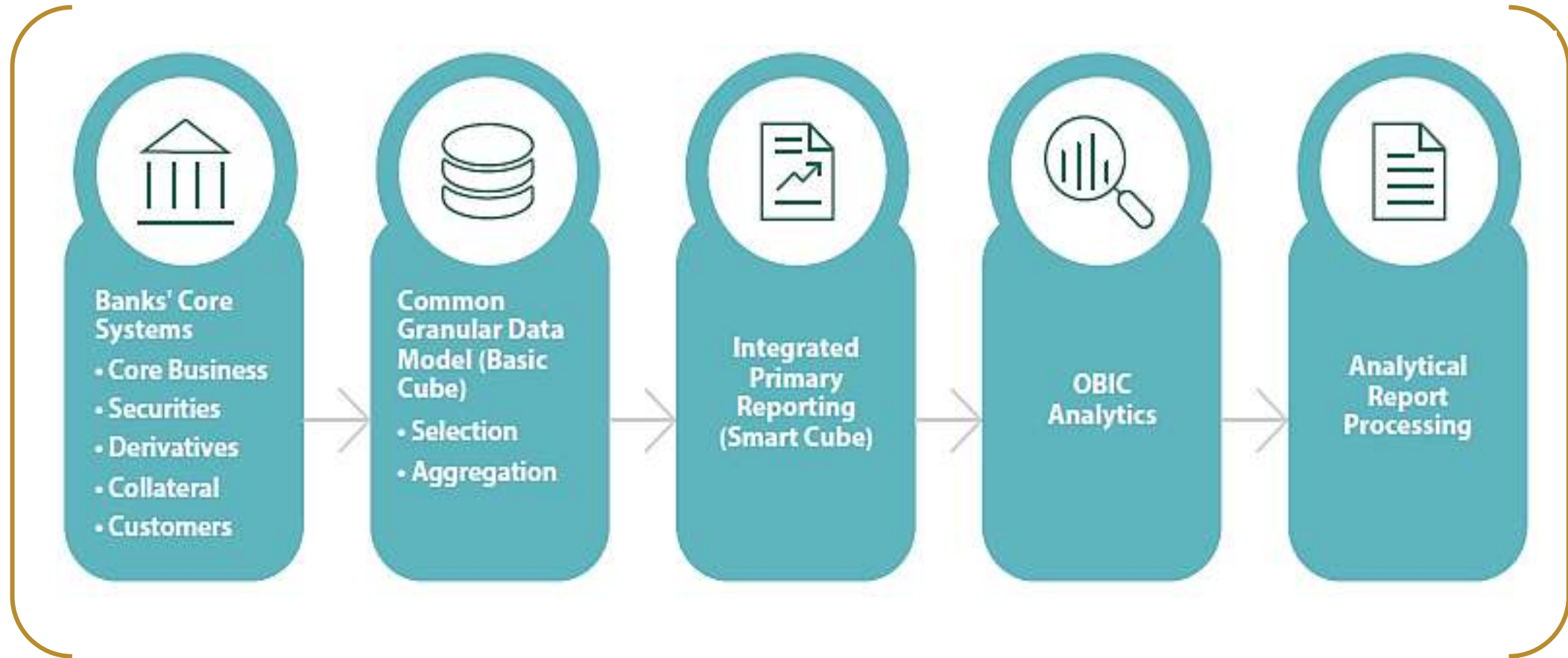
OBIC will benefit from the Blockchain IT solutions which will tackle through the innovative solutions that disaggregate private data, with a high potential to benefit startup that **seeks to migrate lenders onto its platform.**

Technological Drivers Solutions

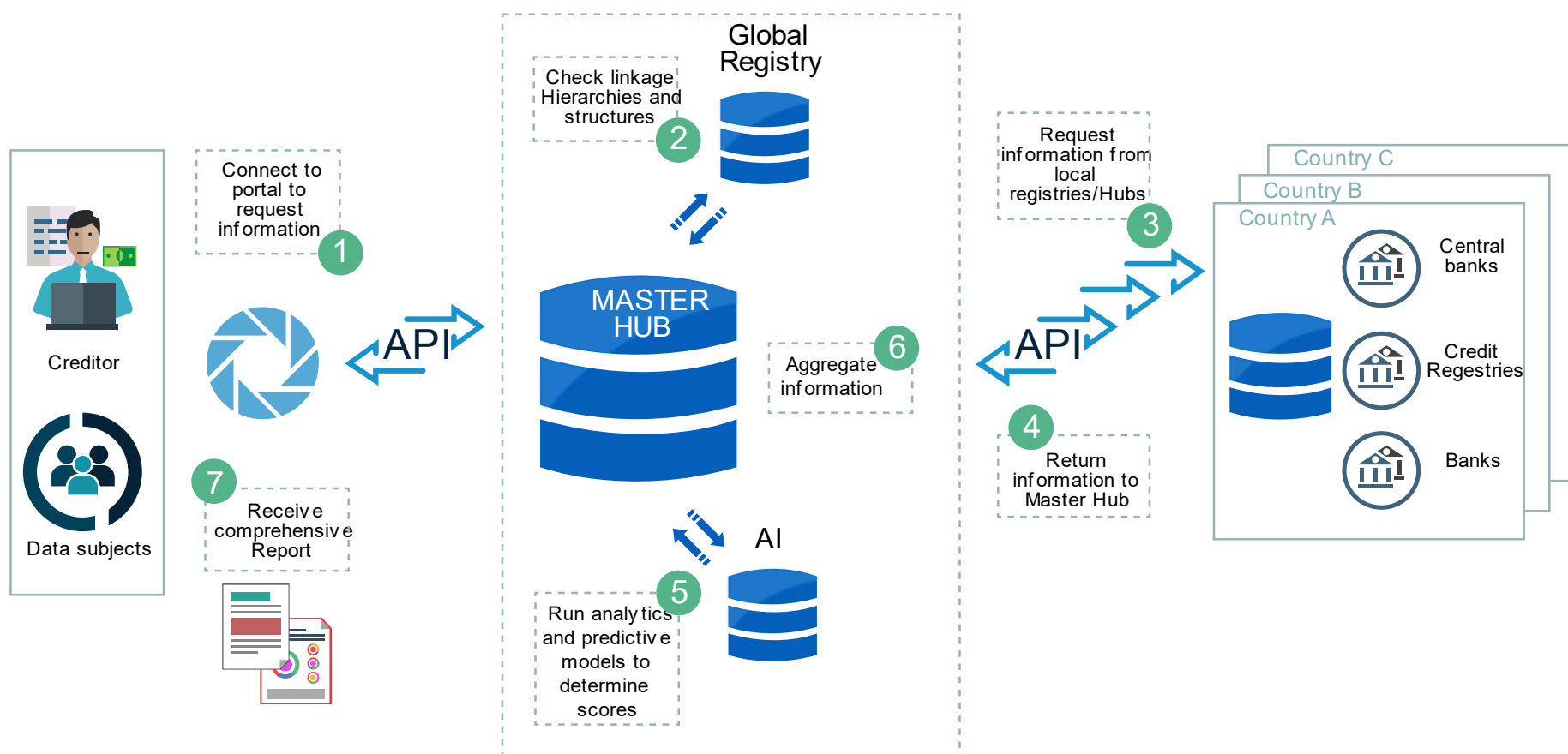
In collecting and packaging relevant data from various sources, OBIC will perform the following activities:

- **Data collection and design**
 - Legal protocol
 - Data collection and sanitization:
- **Data packaging**
- **Data storage and dissemination**
 - Data storage and accuracy
 - Dissemination
 - Disputes
- **Information governance**
- **Technology customization**
 - Database scale
 - Data security and next-generation capabilities

OBIC – Reporting Data Flow

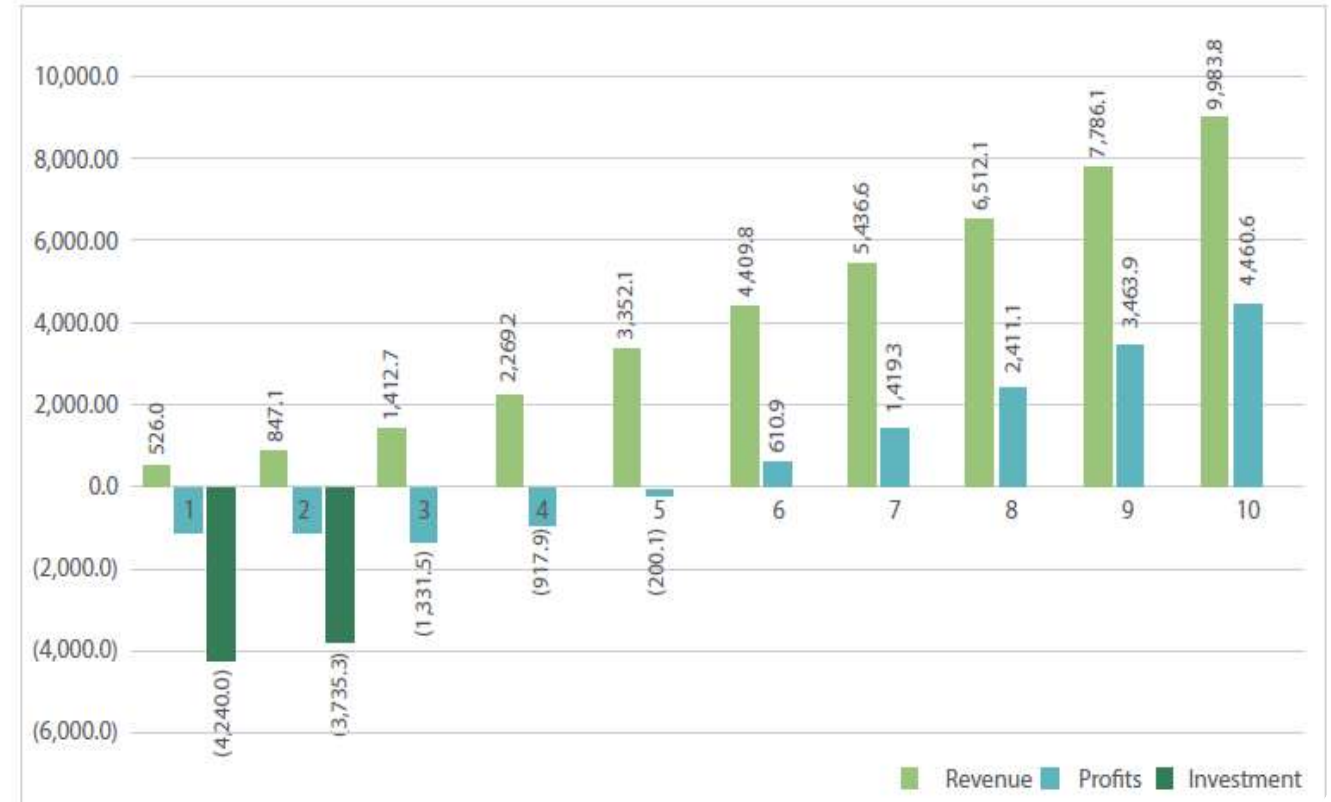


OBIC – Information Architecture



OBIC – Financial Overview

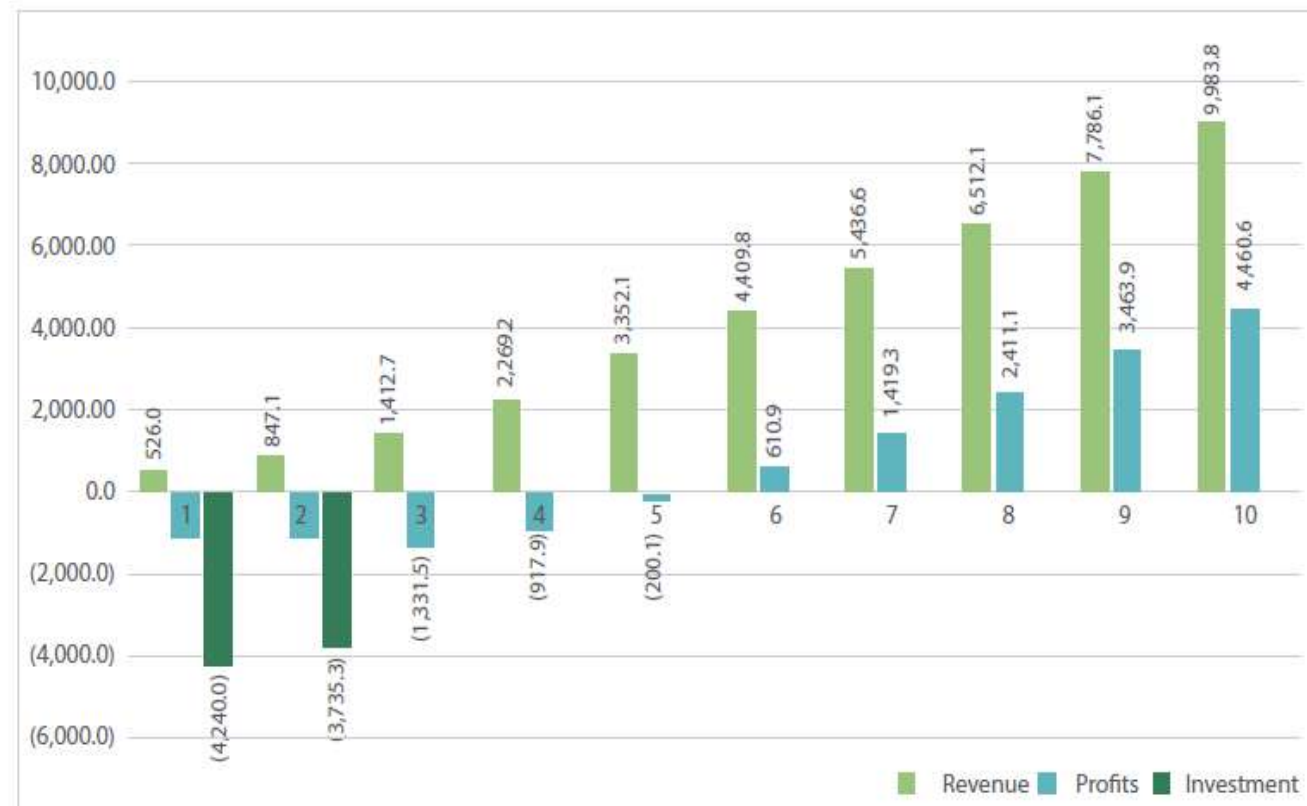
OBIC will require an estimated \$7.97 million in investment capital, out of which \$4.24 million will be required to launch the project, with additional \$3.73 million requiring within the first year of operations.



* Source: OBIC Report

OBIC – Financial Overview

The center is expected to generate an operating profit in year 6 and revenue reaching \$4.40 million



* Source: OBIC Report

OBIC – Source of Funding

Financing can come from

- Host countries on a quid pro quo basis where they cover part of the costs and expenses in exchange for their financial institutions to get OBIC services for a discount
- IsDB Group, OIC member countries in exchange for shares in the business intelligence center

As OBIC is launched, and reaches a substantial scale, the working capital can be generated from its own revenue streams



OBIC – A Pragmatic Implementation Plan Has Been Initiated



Focus is on:

- pilot projects
- shortlist for hub selection
- securing the funding.

Focus is on:

- finalizing the hubs,
- the main composition of OBIC,
- extended drive
- to secure the funding if not met in Phase 1.

Focus is on:

- creation of a database for credit bureau,
- producing a manual of procedures for the operation of the registry

For Additional Information on OBIC

Brief Video on OBIC (full screen)



OBIC Reports



October 2021



November 2019



November 2018

OBIC PARTNERS





Thank you