

“A Cutting-Edge Platform to Drive Economic Transformation”

OIC BUSINESS INTELLIGENCE CENTRE (OBIC)

**Presentation on
The OIC Business Intelligence Center (OBIC)
Istanbul - Republic of Türkiye (26-28 September 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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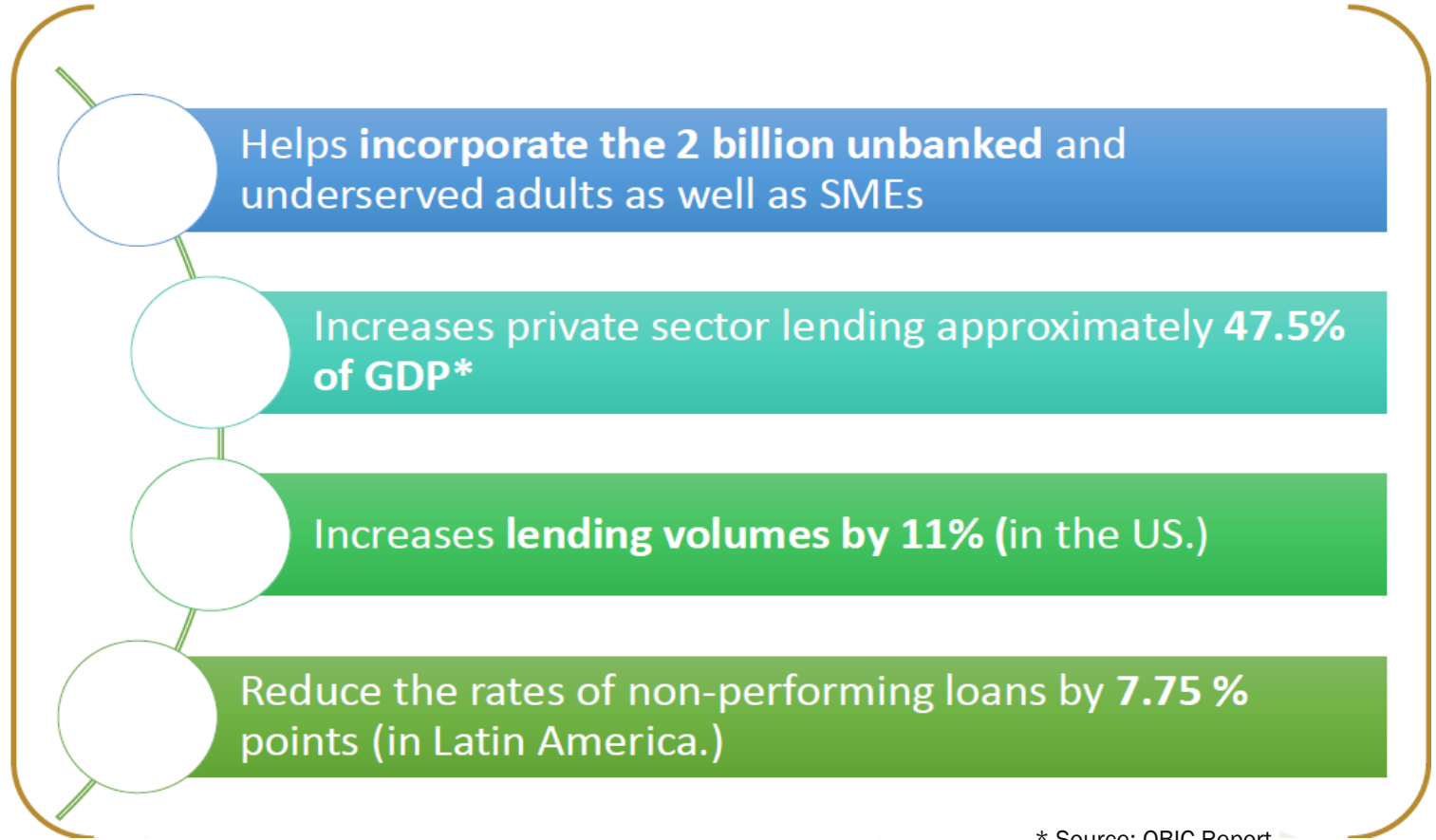
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Credit Intelligence

Credit Intelligence Role in **Socio- Economic Growth**



* Source: OBIC Report

Global Data/Intelligence Value Chain

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 are not registered formally or properly, which may lead to **inaccurate credit records**.



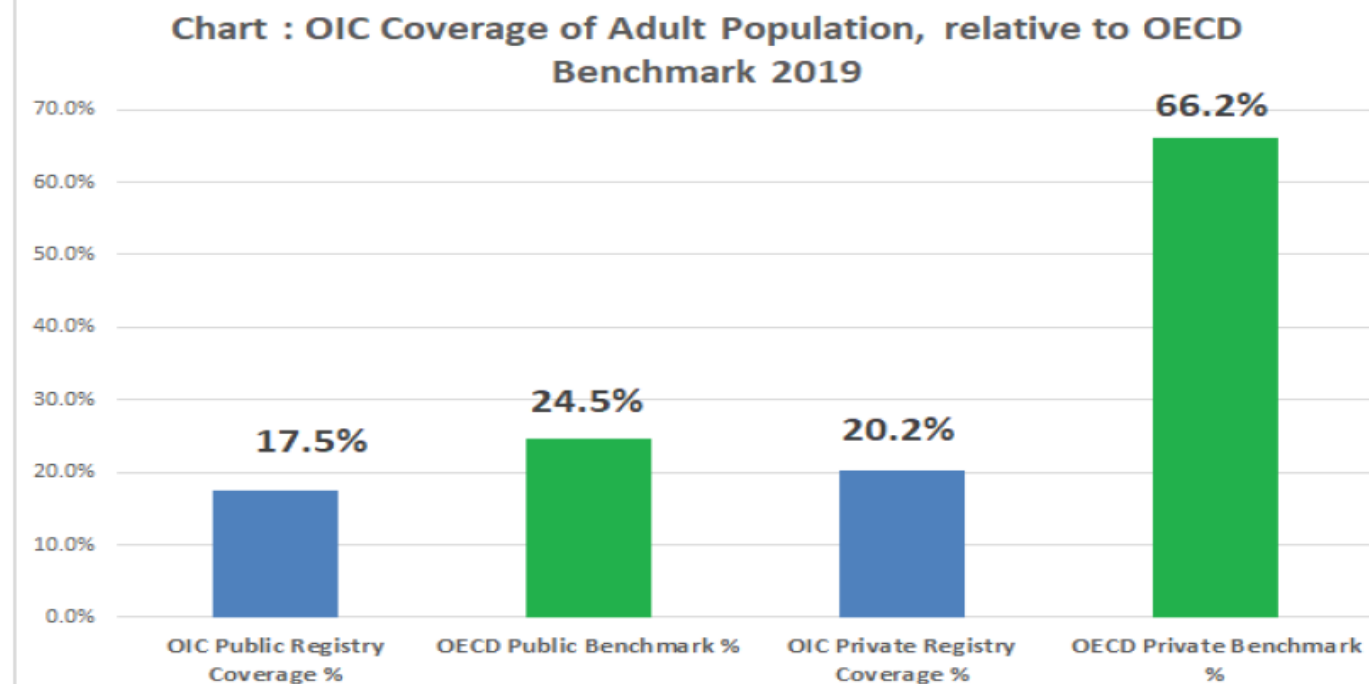
Furthermore, most of our OIC MCs do recognize they do possess **an inadequate credit reporting system** or none at all.



Thus, the **need for reliable, innovative Business Intelligence** Centers superseded the need for basic credit reporting systems.

OIC Markets Behind

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

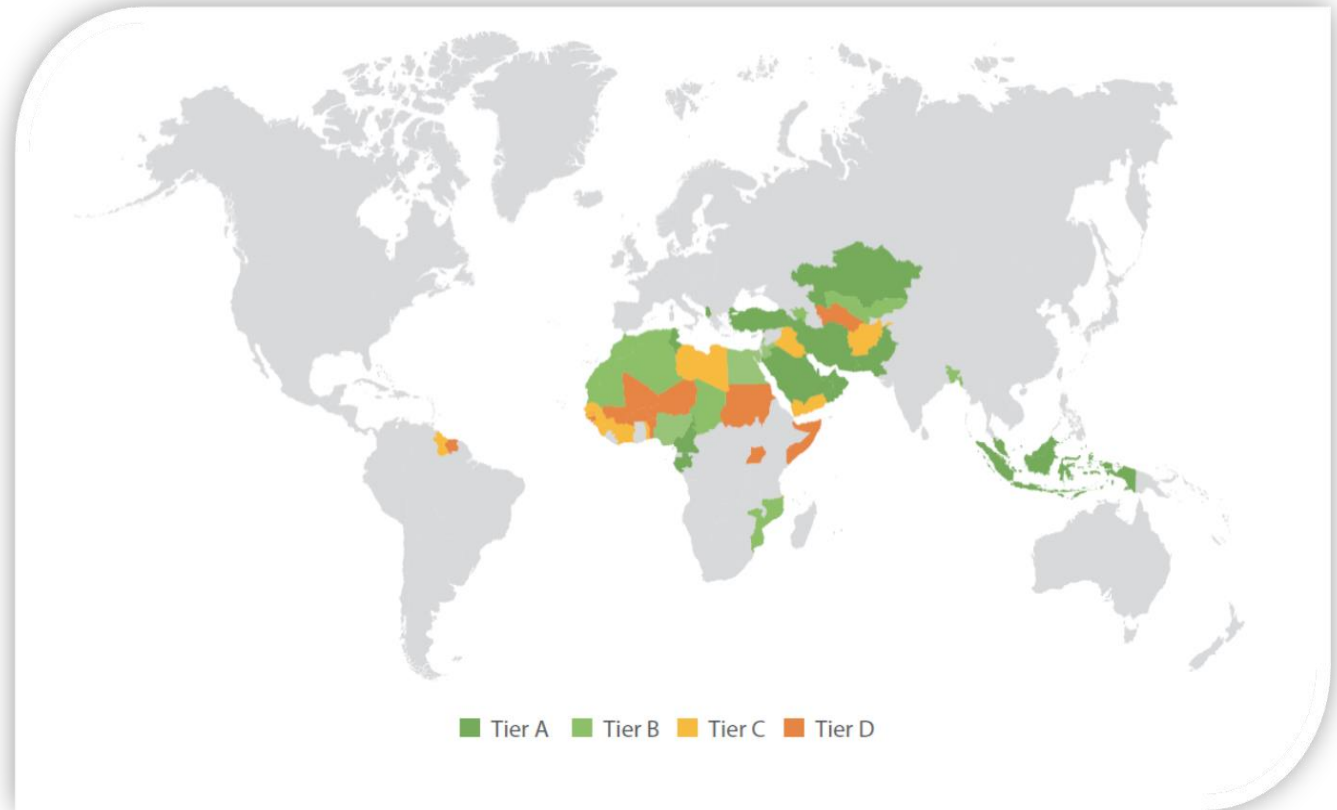


* Source: OBIC Report

OIC Member Segmentation

Four-quadrant segmentation of the different OIC markets Maturity Levels

Based on OIC Countries' adoption of Credit Registries and Credit Bureaus, a **four-quadrant segmentation** of the different OIC markets' maturity levels was identified.



* Source: OBIC Report

OIC Member Country Segmentation

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

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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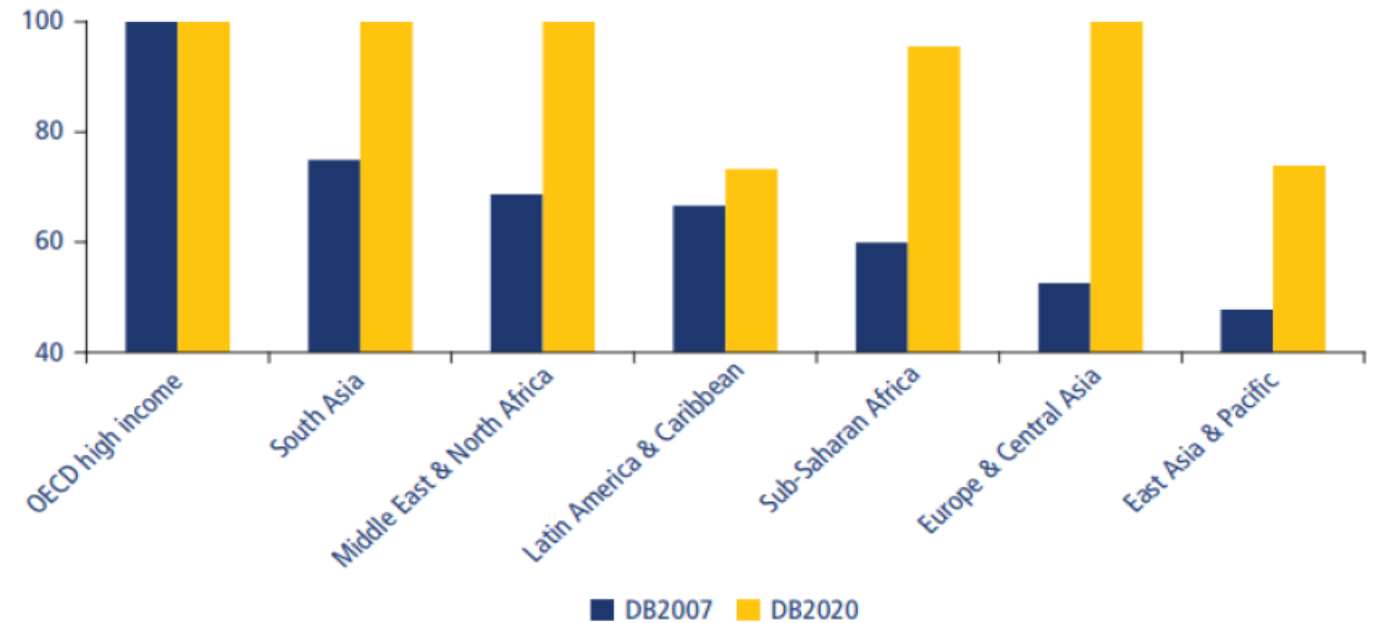
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Credit Intelligence Traction

Credit Intelligence
has Gained
Significant Traction
Since 2005 / 2006

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

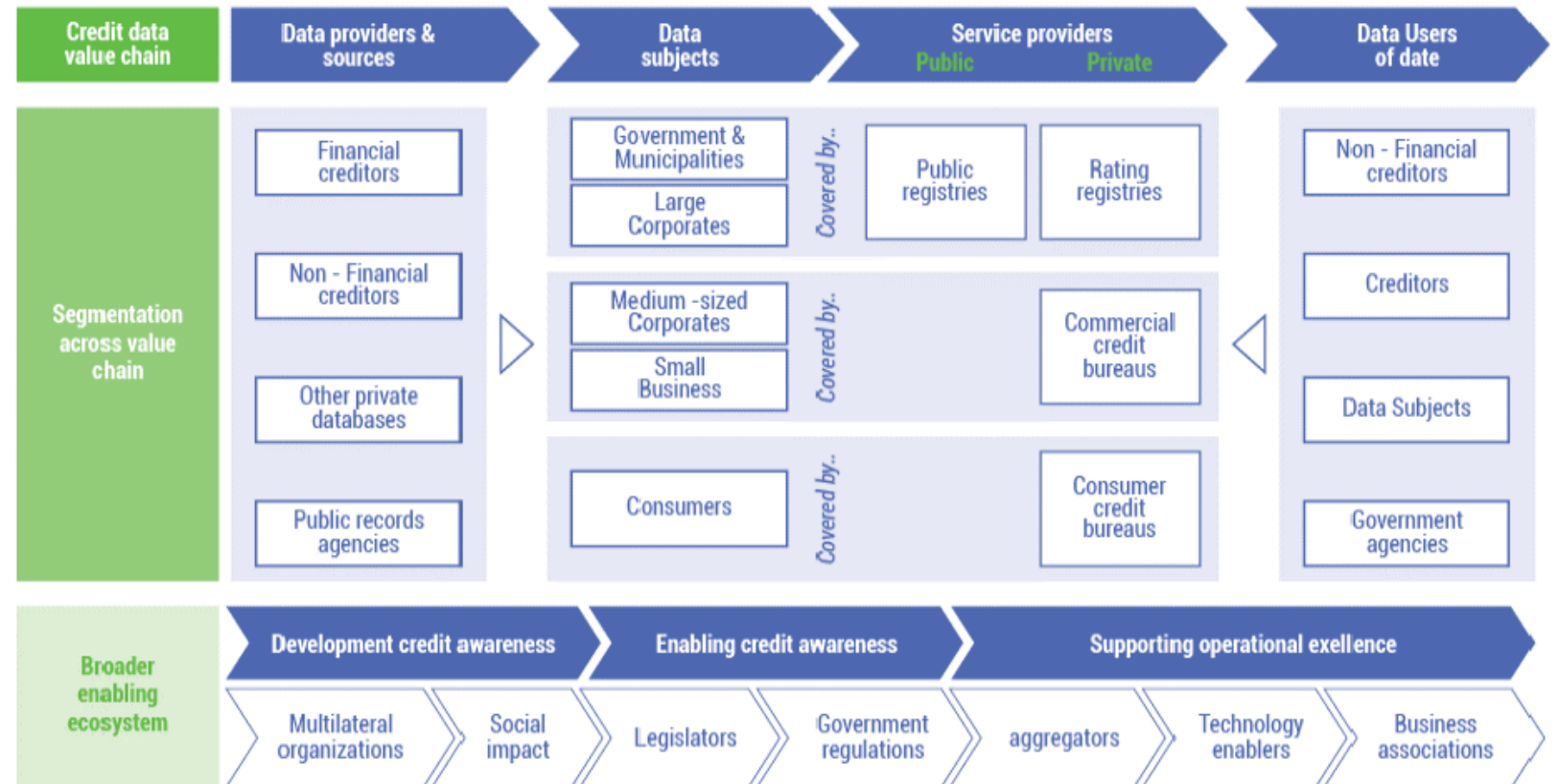


Source: Doing Business database.

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

Global Credit Ecosystem

Yet, many are early
in Global Credit
Ecosystem
Maturity



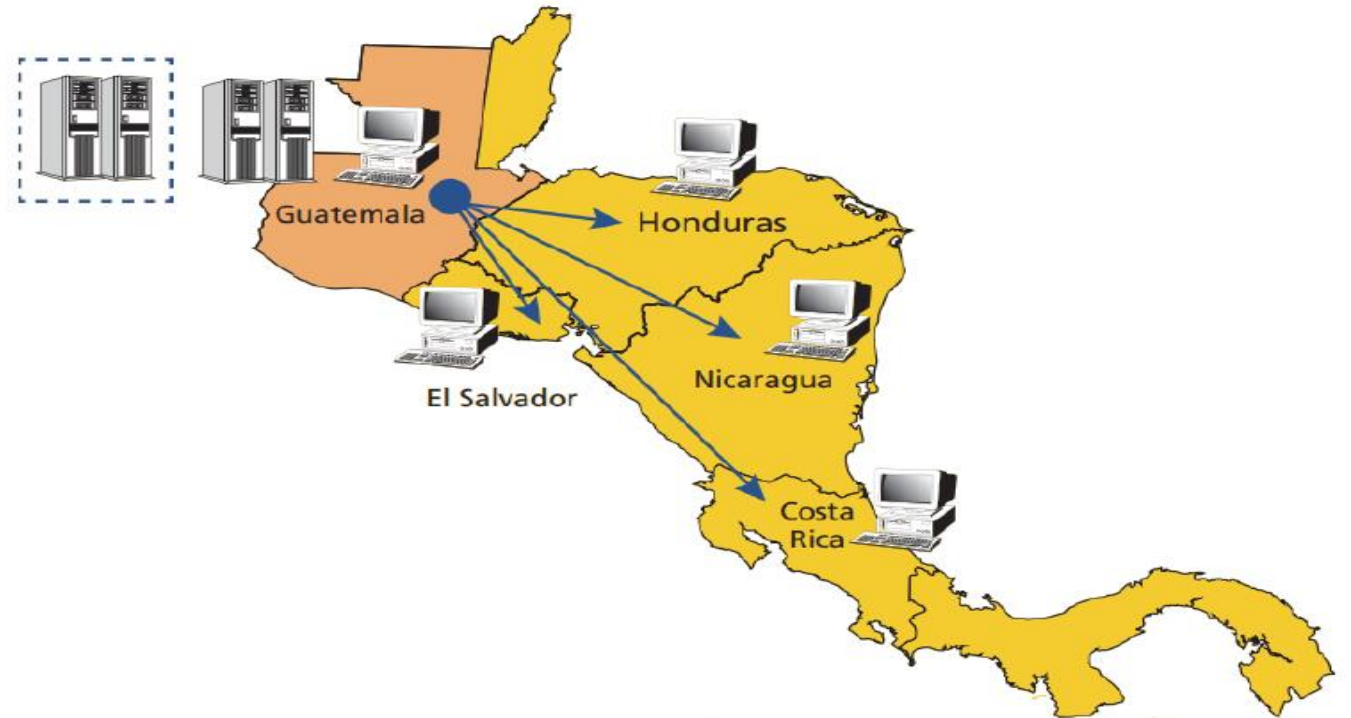
Source: World Bank², IFC³, DinarStandard analysis and synthesis

* Source: OBIC Report

Hub and Spoke Model

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

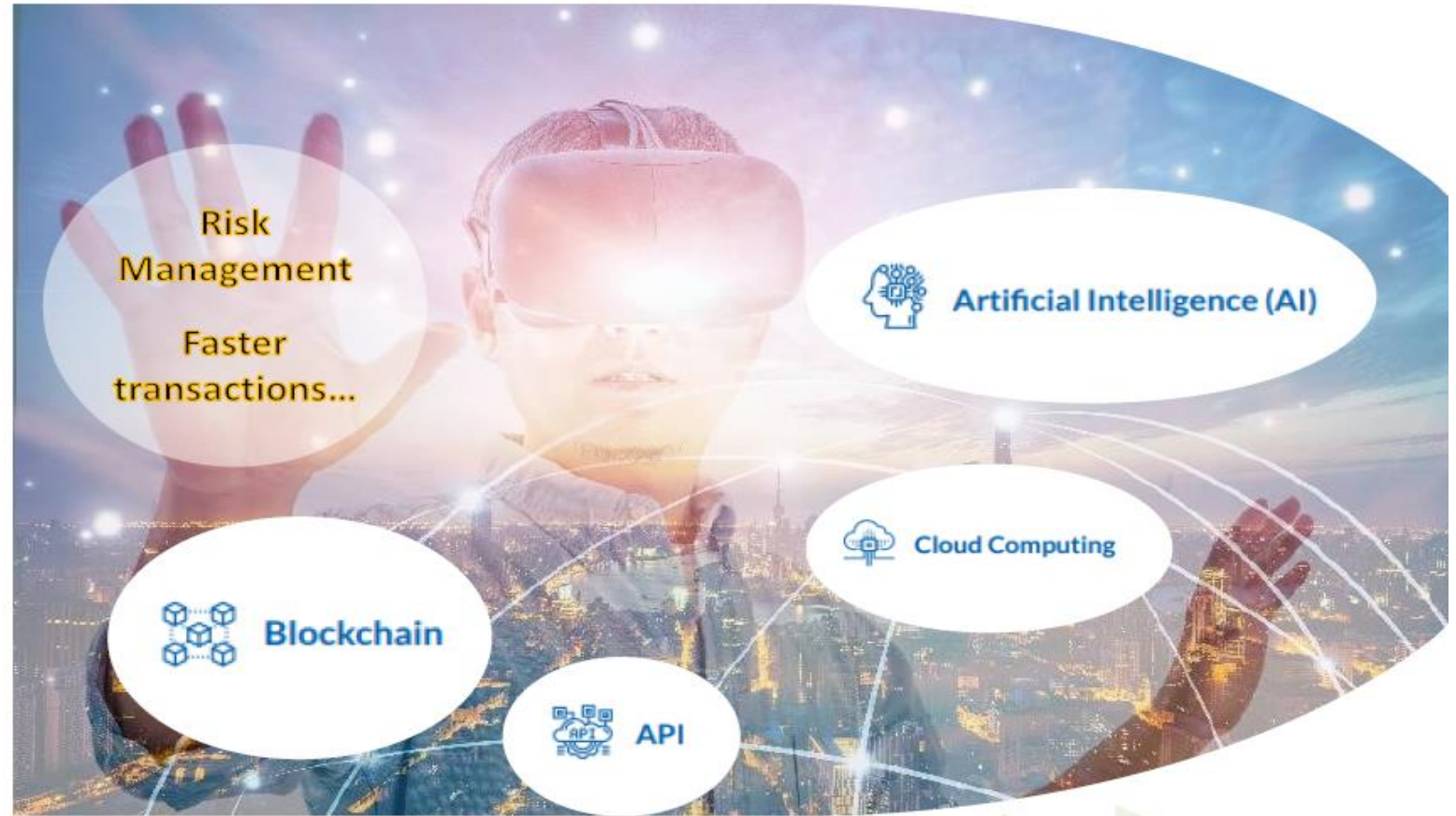
Hub and spoke model in Central America



* Source: OBIC Report

The 4th Industrial Revolution

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



Global Trends of 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

Big Data



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

Data Revolution Architecture

DATA MINING



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



INTELLIGENCE

AI-Powered Analytics Advantages

These new AI-powered analytics not only predict what will happen but also provide a clear rationale for predictions.



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



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

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

Alignment of SDGs with Data Revolution

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 privacy and data
rights



Public data should be “open by default”

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OBIC Journey



AMAN UNION

The Long Road from Aman Union to OBIC

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

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

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

OBIC Journey

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".

OBIC Journey

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.

OBIC Journey

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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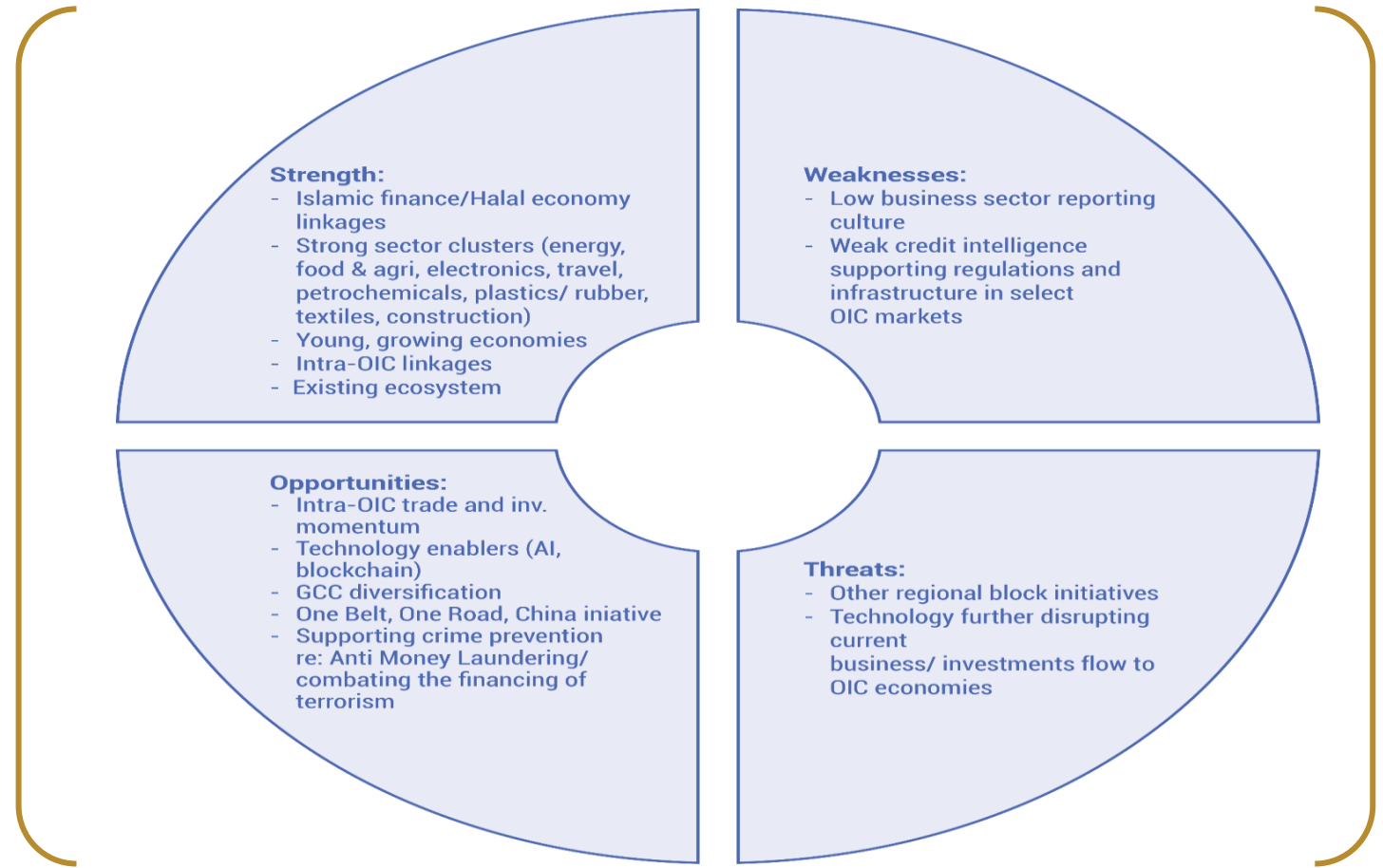
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OBIC Strategy & Solution

OIC Credit Intelligence SWOT

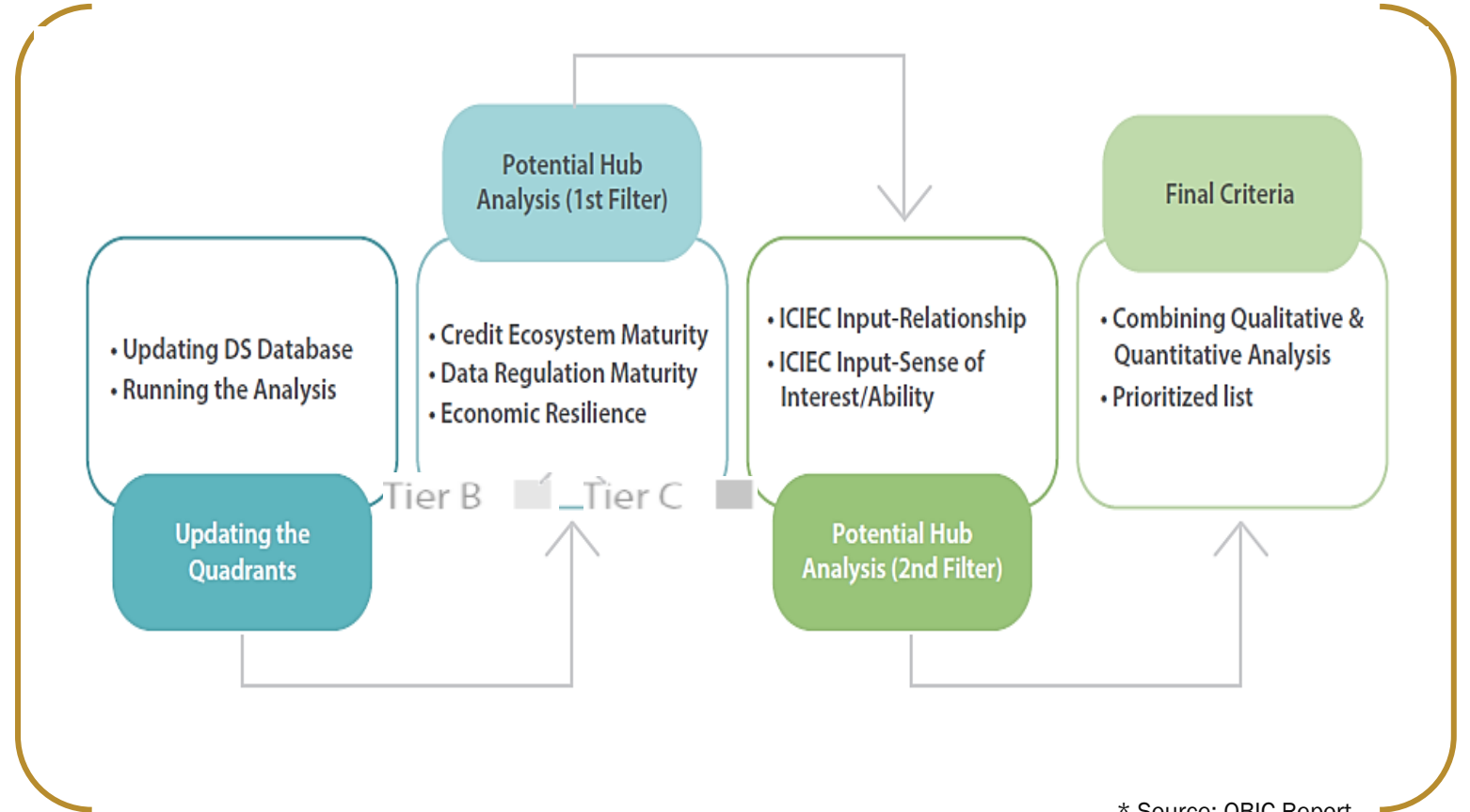
There is a strong need
to build **an OIC credit
intelligence ecosystem
and capabilities.**



* Source: OBIC Report

OBIC Strategy & Solution

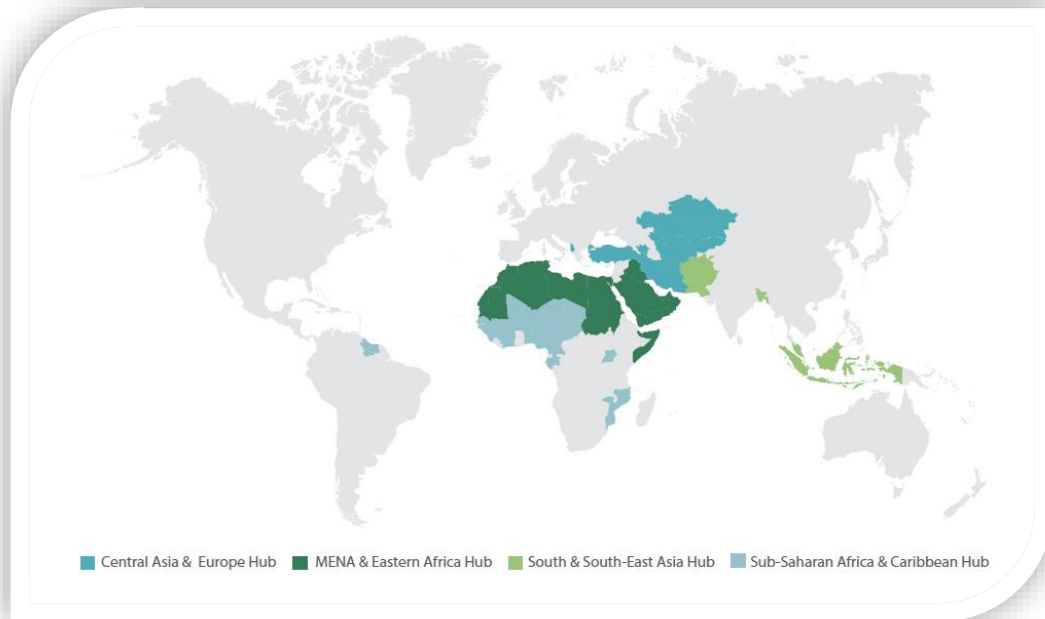
Given the **Diversity of Needs of OIC Countries**, the Hub & Spoke Model is considered



* Source: OBIC Report

OBIC Strategy & Solution

Top 15-Hub Potential Countries

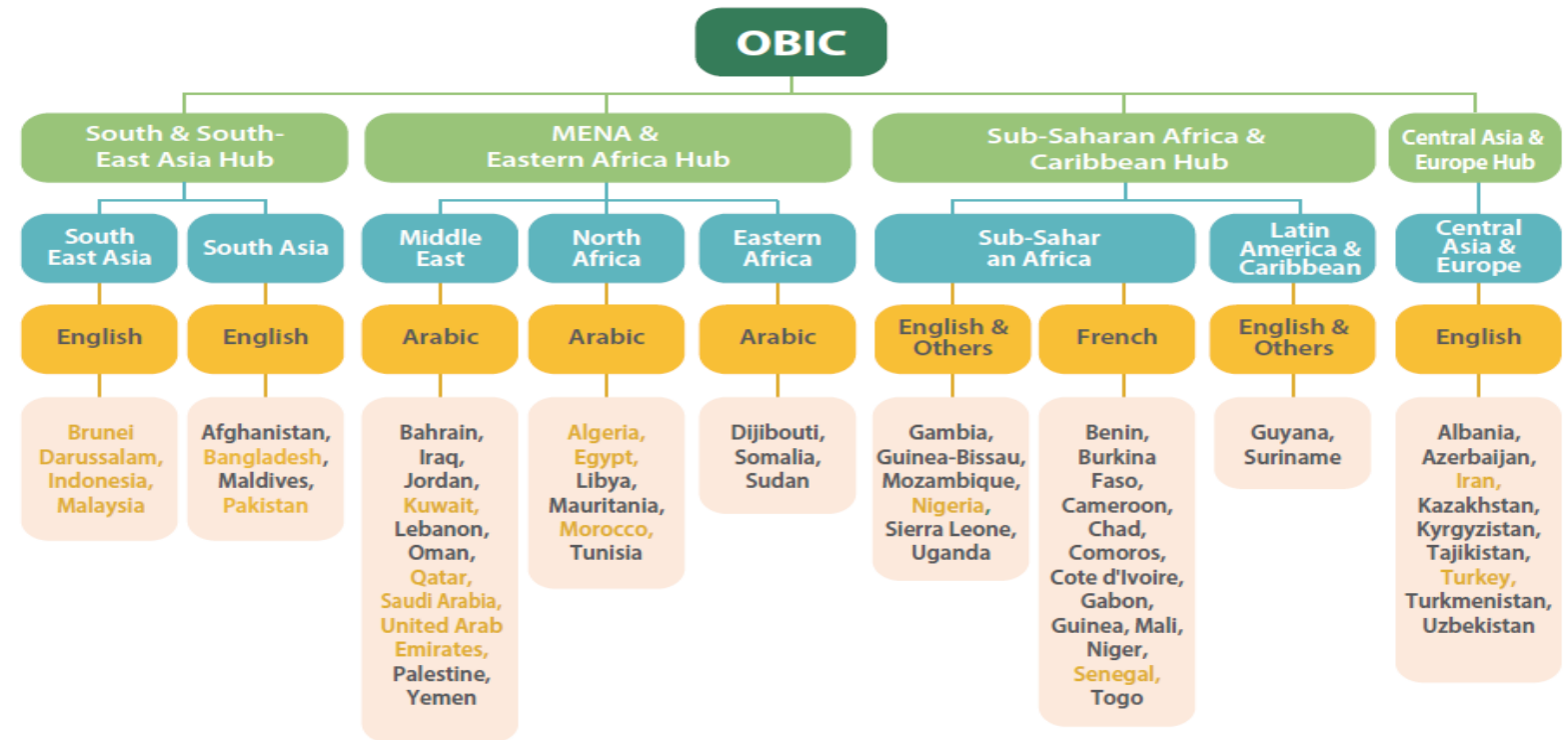


Country Name	Credit Ecosystem Maturity Tier	Hub Attractiveness (Percentile Score)	ICIEC FIT #1 - Relationship Strength (Percentile Score)	ICIEC FIT #2 - Able, expressed interest (Percentile Score)
Malaysia	Tier A	100.00%	89.29%	94.64%
United Arab Emirates	Tier A	96.43%	89.29%	87.50%
Brunei	Tier A	94.64%	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%

* Source: OBIC Report

OBIC Strategy & Solution

OBIC Hub Coverage



* Source: OBIC Report

OBIC Strategy & Solution

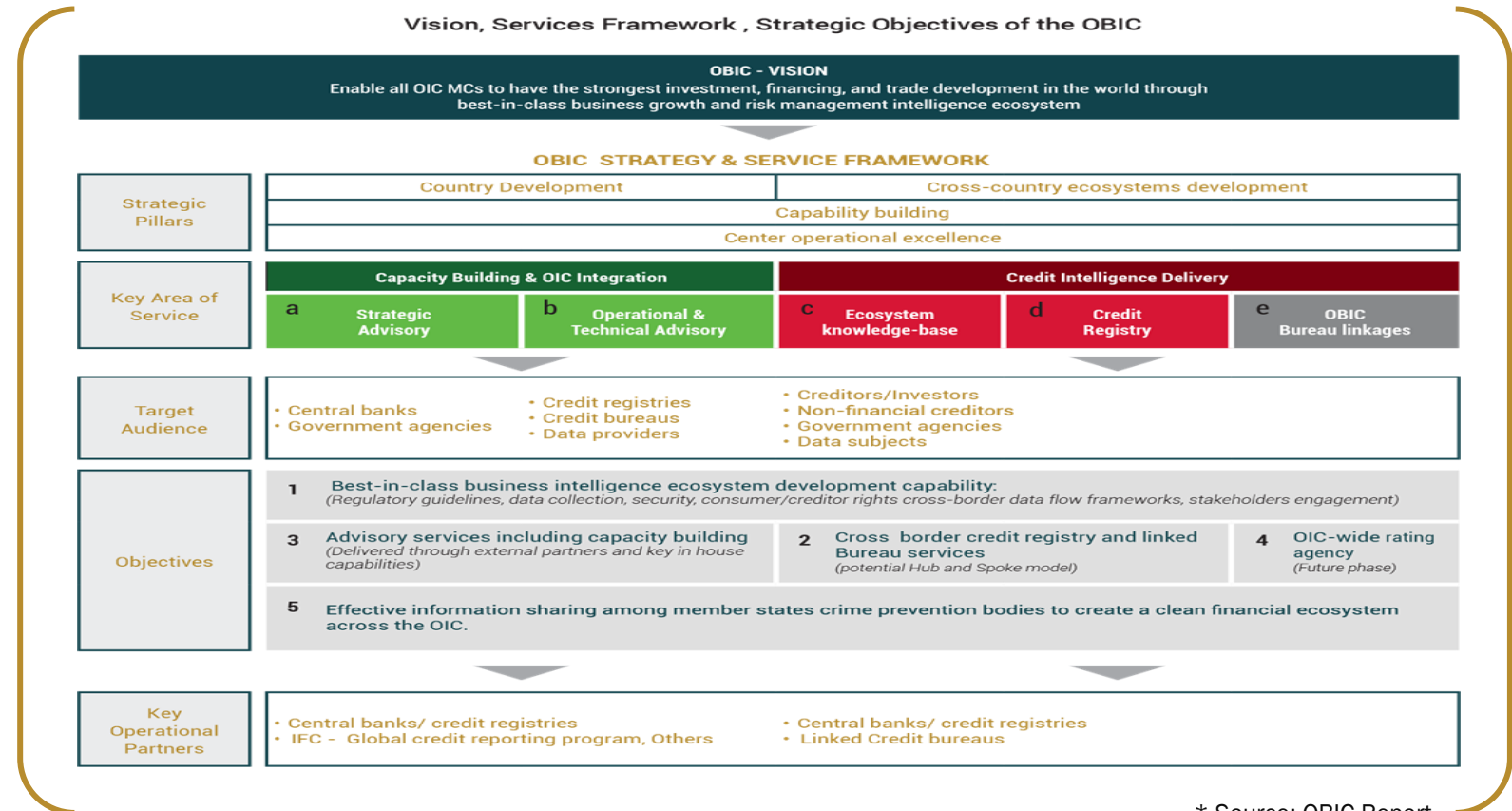
OBIC Vision &
Strategic Pillars to
Drive Exponential
Improvement in OIC
Credit Intelligence
Ecosystem



* Source: OBIC Report

OBIC Strategy & Solution

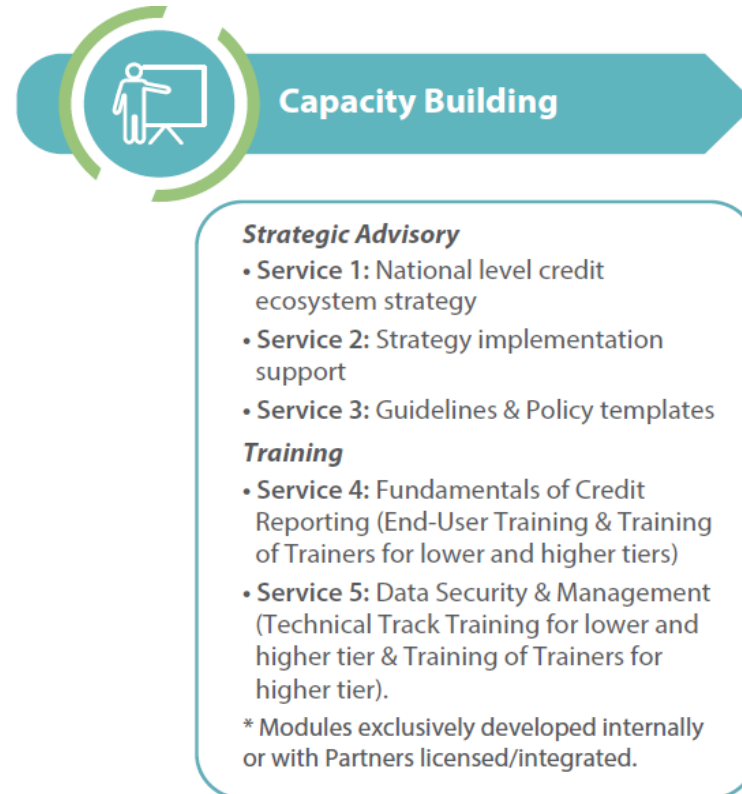
OBIC Solution Framework will provide **five core** areas of services



* Source: OBIC Report

OBIC Strategy & Solution

OBIC Solution Bundle
consists of **two inter-
related categories**



* Source: OBIC Report

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OBIC Impact

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 a low cost.



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



OBIC Impact

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

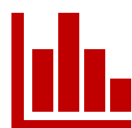
* Source: OBIC Report

OBIC Impact

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**



The 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.



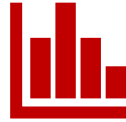
Helps incorporate the **2 billion** unbanked and underserved adults as well as SMEs.

OBIC Impact

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

* Source: OBIC Report

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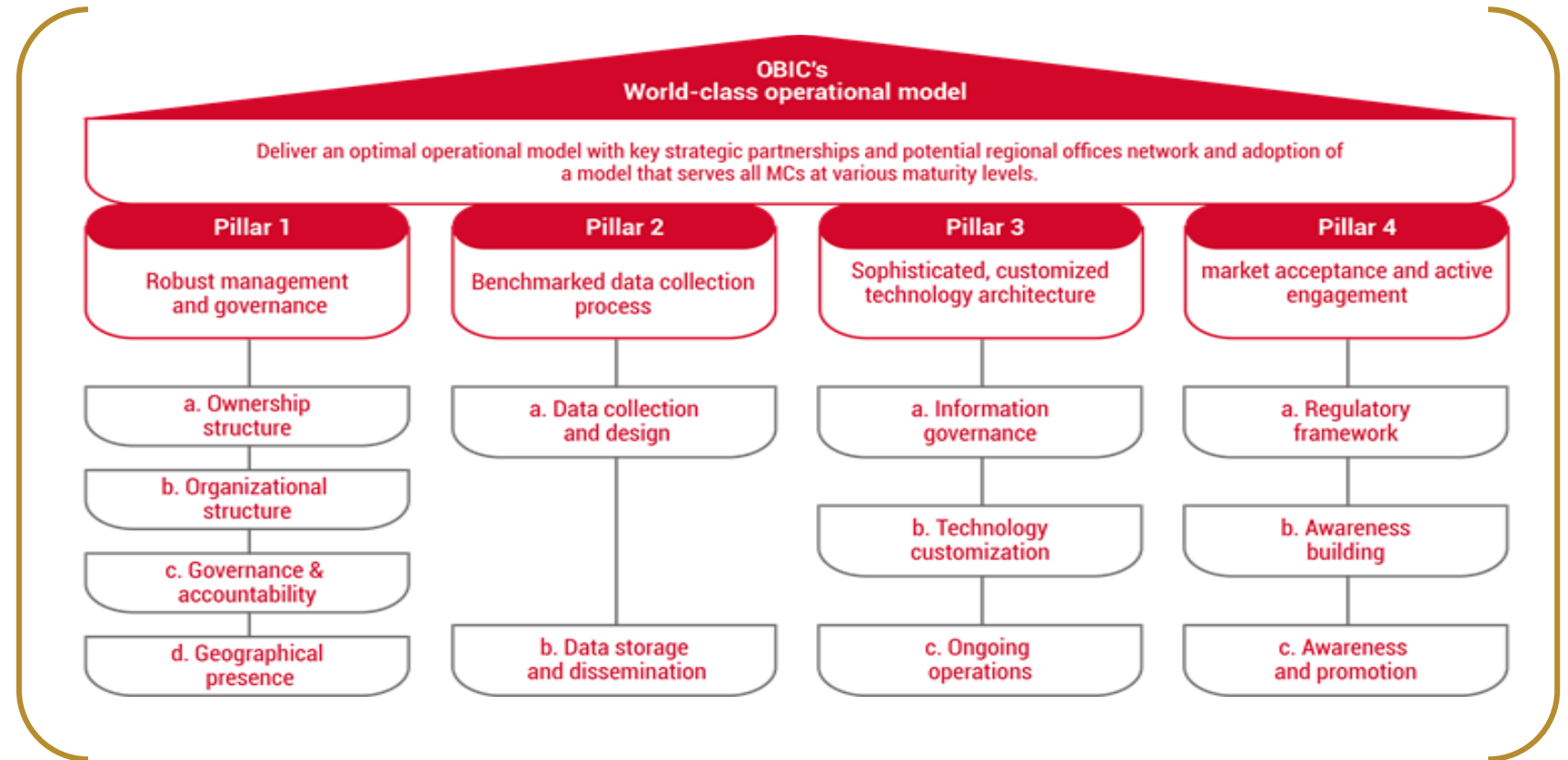
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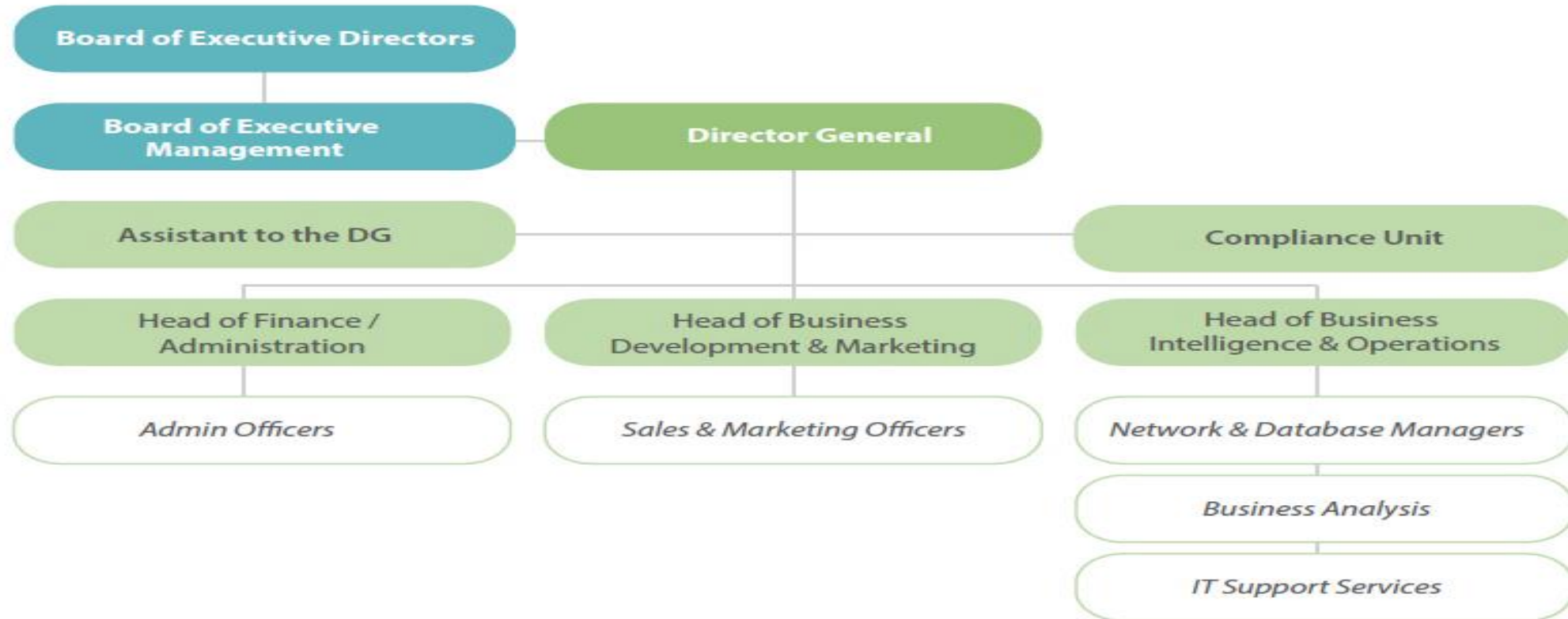
OBIC Operational Model

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



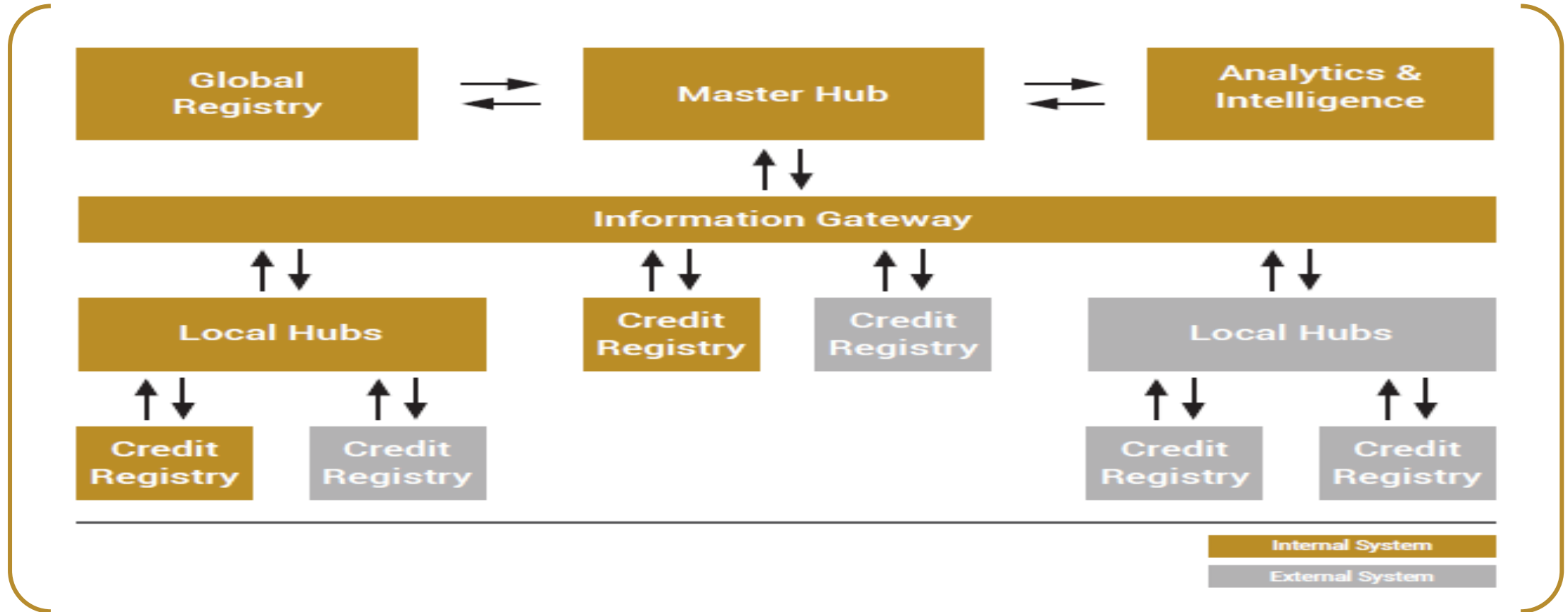
* Source: OBIC Report

OBIC Organizational Structure



* Source: OBIC Report

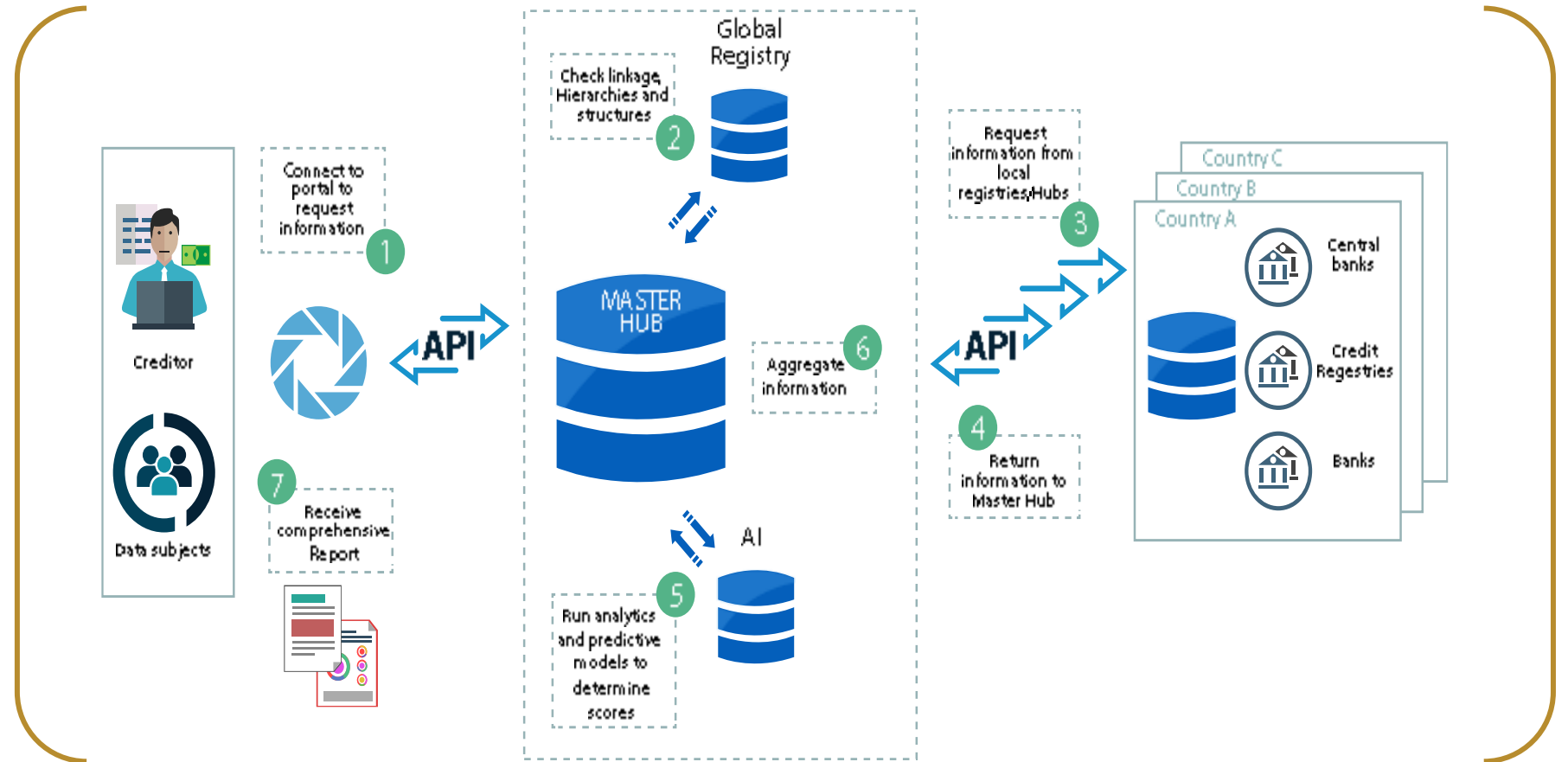
OBIC Business Architecture



* Source: OBIC Report

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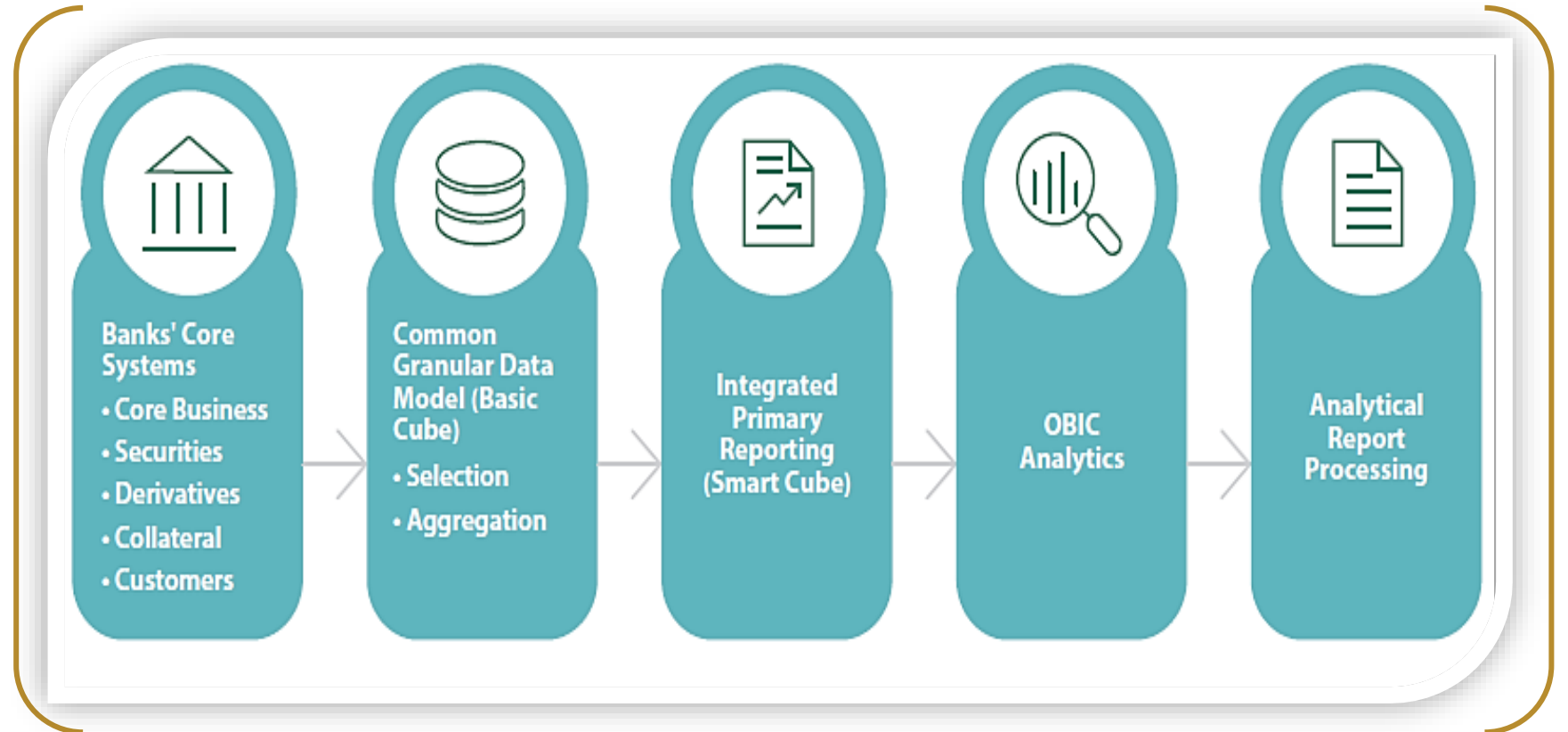
Information Architecture



* Source: OBIC Report

OBIC Operations

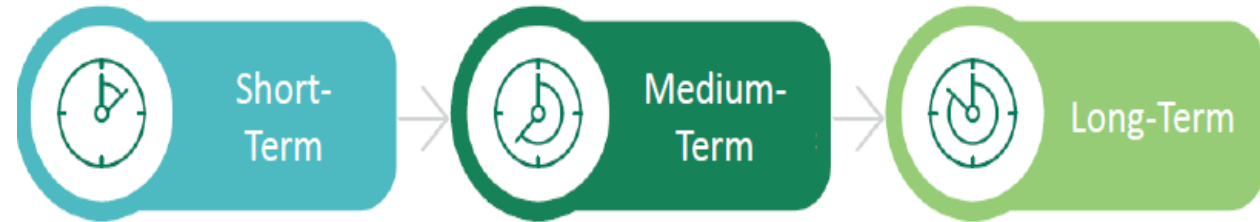
Reporting Data Flow



* Source: OBIC Report

OBIC Implementation Plan

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

* Source: OBIC Report

For Additional Information on OBIC

Brief Video on OBIC (full screen)



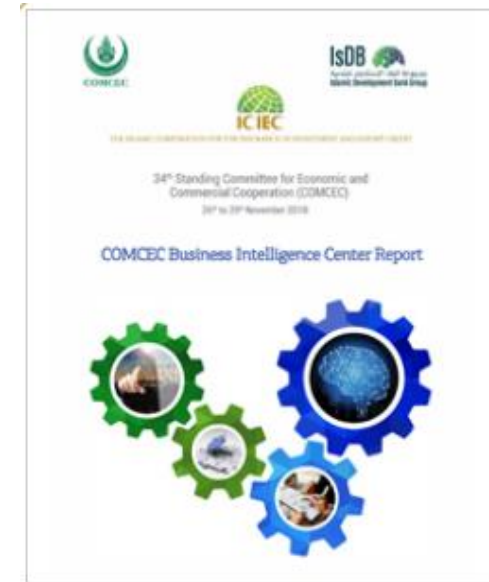
OBIC Reports



October 2021



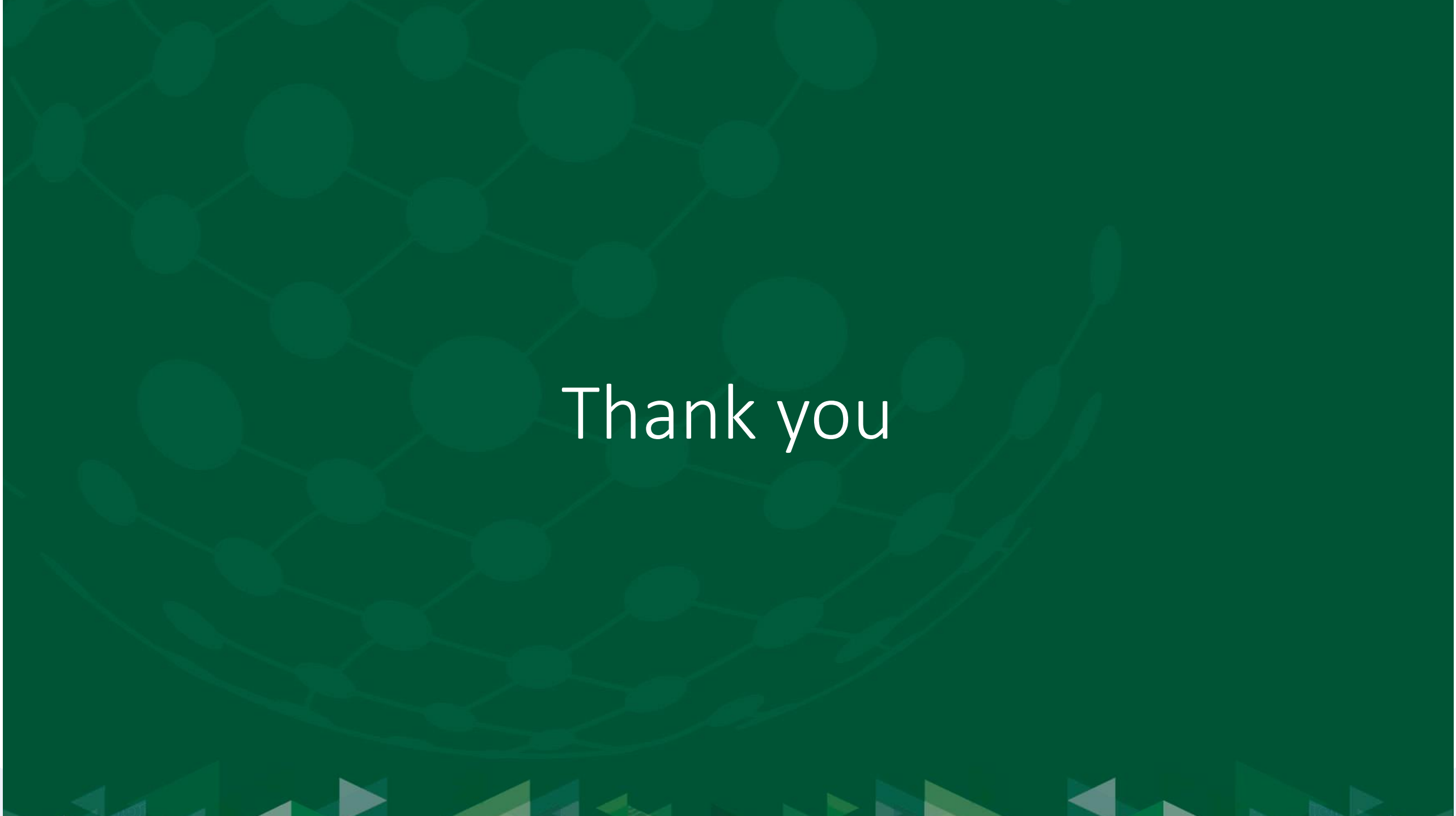
November 2019



November 2018

OBIC PARTNERS





Thank you