



THE ISLAMIC CORPORATION FOR
THE INSURANCE OF INVESTMENT
AND EXPORT CREDIT



STATISTICAL, ECONOMIC AND
SOCIAL RESEARCH AND TRAINING
CENTRE FOR ISLAMIC COUNTRIES

IOC Business Intelligence Center (OBIC)

A Cutting-Edge Platform to Drive Economic Transformation



مجموعة البنك الإسلامي للتنمية
Islamic Development Bank Group





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What is OBIC

The OIC Business Intelligence Center (OBIC) aims to provide accessible and affordable information and credit data on businesses across the Organization of Islamic Cooperation (OIC).

The OBIC is the initiative of the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC). In 2017, ICIEC presented the First Concept Note on the initiative to the 33rd Ministerial Session of the Standing Committee for Economic and Commercial Cooperation of the OIC (COMCEC), which has endorsed by the Session. Furthermore, the 34th COMCEC Ministerial Meeting (29 November 2018) adopted a Resolution that has taken note with appreciation of the IDB Group's initiative called "OIC Business Intelligence Center" led by the ICIEC and requests the IDB Group, in particular the ICIEC, to start operationalization of this initiative as an OIC Program under one of the IDB Regional Hub, in close partnership with The Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC) and other relevant OIC institutions as required.

The OBIC objective is to create a shared platform throughout the OIC member countries, provide a cross-border credit registry and linked credit bureau services, compile and coordinate data in the process, and offer advisory and Capacity Training Programmes services while efficiently adopting modern systems of credit reporting.

The vision for the OBIC is to provide OIC member countries with best-in-class business growth and risk management

intelligence ecosystem. Coordination with private and public stakeholders ensures the legal framework governing the collection, treatment and sharing of business data.

The OBIC aims to accelerate trade with and investment into OIC countries by providing businesses with a detailed picture of OIC business performance and creditworthiness, helping them make informed decisions and allocate capital with confidence.

The OBIC four strategic pillars support OIC countries in developing and enhancing their credit reporting ecosystems, building a comprehensive OIC-wide business intelligence infrastructure, developing OIC countries' capacity related to credit reporting, and catalyzing a sustainable business model for itself.



Country-level credit reporting ecosystem development;



Cross-OIC credit data infrastructure;



Capacity building and development; and



Operational excellence with a sustainable business model.



The Importance of **Business Intelligence and Credit Information**

Access to accurate and reliable business information is the prerequisite of trade and investment.

In an increasingly data-driven world, business intelligence is the technology that allows businesses to turn data into actionable insights that inform business decisions and credit information central to doing business.

The availability of business and credit information is crucial for ensuring that credit and capital markets, as well as financial systems more generally, are efficient and robust. From the perspective of a trade partner, company or investor, uncertainty is the enemy of commerce, resulting from a lack of information.

Robust credit reporting reduces information asymmetries between lenders and borrowers. This asymmetry is particularly prominent in countries with limited credit and business information. In these environments, business intelligence and credit data act as a compass in the deal-making process and fuel economic growth.

Without the necessary data to make informed decisions, many potential trade partners, companies, and investors may not have the confidence to do business in a region with a perception of geopolitical risk. Credit data on companies, particularly micro, small and medium-sized enterprises (MSMEs), or industries can help drive trade, boost revenues, and drive foreign companies to

invest and set up operations abroad.

For the banking and insurance industries, precise and available data is required for such institutions to minimize risk and operate effectively. Without a solid financial and insurance industry, access to financing is impaired, cutting off a much-needed ingredient for growth in affected regions.

In addition, modern business intelligence and credit reporting systems play an integral role in fortifying financial systems by reducing transaction costs, enhancing portfolio quality, and increasing competition. By extension, this allows financial systems to manage risk better and for the demand side of the lending equation to gain access to capital.

A robust business intelligence ecosystem and access to reliable credit information are crucial for a strong economy and give companies, lenders, and trade partners alike a clearer roadmap for allocating their assets.

The Business Intelligence Gap in the OIC

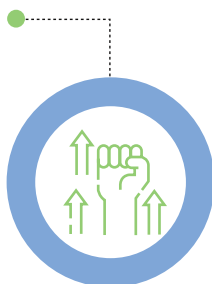
OIC Credit Intelligence SWOT

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

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Strengths

- Islamic finance/Halal economy linkages
- Strong sector clusters (energy, food & agri, electronics, travel, petrochemicals, plastics/rubber, textiles, construction)
- Young, growing economies
- Intra-OIC linkages
- Existing ecosystem



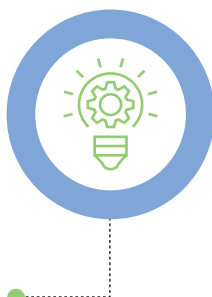
Weaknesses:

- Low business sector reporting culture
- Weak credit intelligence Supporting regulations and Infrastructure in select OIC markets



Opportunities

- Intra-OIC trade and inv. momentum
- Technology enables (AI blockchain)
- GCC diversification One Belt, One Road, China initiative
- Supporting crime prevention re: Anti Money Laundering/combating the financing



Threats

- Other regional block initiatives
- Technology further disrupting current business / investments flow to OIC economics

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 MCs OIC 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.



ICIEC Strategic Initiative for **Establishing the OBIC**



ICIEC Strategic Initiative OBIC

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ICIEC mandate as stipulated in its Articles of Agreement "The objective of the Corporation is to enlarge the scope of trade transactions and flow of investments among Member Countries"

ICIEC has initiated activities to create an OIC Credit Information Bureau with the main goal to expand the intra trade and promote FDIs



ICIEC has taken the initiative to propose to widen the initial scope of Credit Information to include the setting up of an OIC Business Intelligence Centre to tackle the deficiencies of available Business Intelligence Data across the OIC region



OBIC - Vision & Strategic Pillars

There is a clear need to drive exponential improvement in OIC credit intelligence ecosystem, which has been acknowledged and supported by stakeholders. Accordingly, we have laid out the vision and strategic pillars that underpin OBIC establishment.

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, in particular in empowering the growth of SMEs, and supports trade and activates enhanced economic growth all the OIC



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

The Long Road from **Aman Union to OBIC**



AMAN UNION

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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.



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 operational could boost private-sector lending in the least developed OIC member states by increasing an estimated \$670 billion a year





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