



**35th MEETING OF THE FOLLOW UP COMMITTEE OF THE
STANDING COMMITTEE FOR ECONOMIC AND COMMERCIAL
COOPERATION OF THE ORGANIZATION OF ISLAMIC
COOPERATION (COMCEC)**

ICIEC's Brief Performance 2018

**Ankara
24-25 May 2019**

Since inception 25 years ago, ICIEC's mandate to provide Takaful credit and investment insurance services has uniquely positioned it to *enlarge the scope of trade transactions and investment flow among member countries*. While this has led ICIEC to be an impactful Multilateral financial institution, it has also put the Corporation at the cross-road of many global challenges.

Confronted with the fluctuating global economic landscape and structural reforms made to mitigate the impact of the global financial crisis, ICIEC's role to facilitate trade and investment is even more relevant. Global flows of foreign direct investment and cross-border investment in 2018 have recorded a modest recovery at the global level with a negative note for most developing countries in general, and for the OIC region specifically.

In addition, perception of risk by the business community has remained relatively high. Stagnant global financial conditions, implications of rising global trade tensions for the economy, political instability combined with a rise in the number of conflicts in our MCs, have culminated to bringing ICIEC to the forefront by shielding its clients from economic and political risks due to global trade and investment environment.

Guided by our mandate, while working in a challenging global economic climate, ICIEC has navigated the 2018 business year with very ambitious operational Key Performance Indicators (KPIs) derived from our 10-Year Business Plan and Strategy. To achieve the targets, it was necessary to implement a series of strategic initiatives; including fine-tuning the Organizational Structure while introducing important enhancements in functions like underwriting, re-insurance, risk management, technical reserving, and internal audit. We have also sought to make improvements across the organization from staffing, planning, monitoring and evaluation, to the development of a robust IT infrastructure. As a result, we were able to shorten response time to clients and increase market penetration, sectorial and country risk coverage by scaling up the mobilization of private investment flows via private banking systems and through highly rated private re-insurance capacity.

For ICIEC to improve access to its services given the geographic of its membership, a regional zoning approach for the business development function was implemented. Each 'region' — Middle East & North Africa, Sub-Saharan Africa & Europe, and Asia — is now managed from ICIEC's respective global representative offices with oversight from the Headquarters in Jeddah. Through our new decentralized approach, we seek to better serve our new and existing clients through our strong network of local and international partners which includes the National ECAs, international credit and political risks insurers & reinsurers and international financial institutions.

During 2018, ICIEC was able to increase its business insured by 20% to USD 9.03 billion compared to USD 7.53 billion during 2017. Trade related business insured reached USD 6.19

billion compared to USD 5,81 billion in 2017 marking an increase by 7%; while Investment business insured remarkably increased by 65% reaching USD 2.84 billion compared to USD 1.72 billion.

As a result, the impact of ICIEC services translated into the support worth of USD 4.91 billion for member countries' exports, USD 4.28 billion for member countries' imports, USD 2.84 billion for inward foreign direct investments into member countries and USD 1.19 billion for outward foreign direct investments from member countries. In addition, the Corporation supported a volume of USD 8.5 billion of Intra-OIC business involving 35 countries.

ICIEC was able for the 11th consecutive year, to maintain its Aa3 standalone Rating by Moody's. This does not only position ICIEC at par with key international players in the commercial and political risk insurance industry but more importantly underlines the financial health of the Corporation and sustainability of its operations.

ICIEC's strong and reliable partnerships with numerous national, regional and international financial institutions and organizations are essential to fulfilling our mandate and a prerequisite to business development, knowledge sharing, co-insurance and reinsurance. From this perspective, ICIEC continues to build on its success in this area. Additionally, for the purpose of meeting its mandate in supporting national export credit agencies in member countries, ICIEC worked to both strengthen existing relationships (i.e. Indonesia Exim Bank, Etihad Credit Insurance (UAE), and Saudi Export Program) and forging new relationships in the international reinsurance market. On the global scale, ICIEC continued to benefit from its membership in the Berne Union through valuable networking, capacity building and knowledge sharing.

Aman Union, the professional forum assembling insurers and reinsurers of commercial and political risks in OIC member countries, represents one of the important initiatives established by ICIEC and the Arab Investment and Export Credit Guarantee Corporation (DHAMAN). ICIEC actively contributes to the development of member ECAs in the Union and assumes management of the Union in collaboration with DHAMAN and Turk Exim Bank.

A major initiative for ICIEC in 2018 was formulating a study to establish an OIC Business Information Centre (OBIC) aiming to develop a best-in-class business intelligence ecosystem covering credit information, rating, advisory and capacity building to OIC member countries.

During the 34th Ministerial Meeting of COMCEC held in November 2018; the meeting expressed appreciation for the initiative led by the ICIEC and requested the IsDB Group to start operationalization of the initiative as an OIC Program under one of the IsDB Regional Hubs in close partnership with SESRIC and other relevant OIC institutions.



ICIEC has come a long way. Its path is marked by numerous achievements over the last 25 years. All of this would not have been possible without the hard work and dedication of the team that we have assembled at the Corporation.

Draft Resolutions

- **Congratulate** ICIEC for its **25th Anniversary** as a unique Multilateral providing Takaful credit and investment insurance services with the mandate to enlarge the scope of trade transactions and investment flows among OIC Member Countries.
- **Acknowledge** ICIEC’s role in supporting **USD 8.5 billion of Intra-OIC business involving 35 countries** with a cumulative insurance approval since inception which has reached USD 41.5 billion to end-2018; with business insured exceeding **USD 52 billion**.
- **Recall** with appreciation the outstanding performance of ICIEC operations which has grown significantly during **2018** with business insured increasing **by 20% to USD 9 billion**.
- **Commend** ICIEC for the **two prestigious awards** at the recent **Project Finance International Awards**; one of the most distinguished events that brings together the world’s project finance industry to celebrate excellence.
- **Take note** with appreciation the launching of new edition of the **Annual Development Effectiveness Report (ADER)** which encompass the ICIEC performance throughout the last 25 years and **congratulate ICIEC in achieving six SDGs**; namely SDG 2, SDG3, SDG7, SDG 8, SDG9, SDG 17 for a total amount of **USD 30 Billion**.