



**37th SESSION OF THE STANDING COMMITTEE FOR
ECONOMIC AND COMMERCIAL COOPERATION OF
THE ORGANIZATION OF ISLAMIC COOPERATION
(COMCEC)**

ICIEC's Brief Performance 2020

In 2020, ICIEC faced a very challenging business environment, amid the demand and supply chain disruptions of global trade and economic environment, brought about by the COVID-19 pandemic. Trade disruptions, debt vulnerabilities and limited scope of monetary policy manoeuvres kept the global economy under severe strain undermined by the COVID-19 pandemic. This was particularly pronounced at a time of high global indebtedness. Tightening global liquidity and financial market fallouts made debt rollovers difficult and limited new debt and FDI flows.

The limited mobility and work disruptions have led to marked declines in consumption, squeezing multinational companies in several sectors including aviation, education, infrastructure, tourism, entertainment, hospitality, electronics, consumer, and luxury goods.

Large-scale quarantines, travel restrictions, and social-distancing measures drove a sharp fall in consumer and business spending, producing a recession. The self-reinforcing dynamics of a recession have kicked in and could prolong the slump, as consumers stay home, businesses lose revenue and lay off workers, and unemployment levels rise sharply.

During the period, the Corporation took many important initiatives to lessen the impact of the coronavirus, particularly on its member countries. These initiatives include the ICIEC-ISFD Emergency Response Initiative (ICERI) and the COVID Guarantee Facility (CGF). ICIEC also tightened its underwriting and risk management tools, increased its support to regional projects and enhanced its collaboration and relationships with like-minded multilateral institutions.

ICIEC continues to be proactive in helping OIC Member Countries in mitigating risks associated with the difficulties and challenging economic, political, and financial conditions in the global environment. Exporters in the OIC, along with companies looking to expand into OIC member countries, were faced with the reality of an economic landscape riddled with uncertainties in the face of the pandemic.

During 2020, the Corporation continued to strive not only to sustain its growth, but also strengthened its commitment to delivering on its mandate of promoting cross-border trade and investment in our member countries. ICIEC facilitated trade with and between our member countries, as well as investment into our member countries, through the provision of our export credit and investment insurance services.

In 2020, the volume of business insured declined by 9.21% to stand at USD 9.86 billion compared to USD 10.86 billion in 2019. This brings our cumulative amount of business insured since inception to USD 73.86 billion. The corporation's business in 2020 was impacted by the overall deceleration in global trade undermined by the supply and demand chain disruptions of the COVID-19 pandemic and the challenging trade environment as a result of the China-USA trade dispute.

In response to the increased risk environment, ICIEC have put in place a number of internal procedures to protect its business and strengthen its capacity, including to adopt a more conservative underwriting approach, close monitoring and frequent reviews of the existing portfolio and a proactive action plan.

With respect to intra-OIC trade, ICIEC's business insured in 2020 stood at USD 4.468 billion, involving 46 Member Countries of the OIC, compared to USD 4.385 billion and 45 OIC Member Countries involved in 2019. By reaching the figure of USD 28.519 billion as cumulative intra-OIC trade business insured by ICIEC since inception till the end of 2020, the Corporation continues to demonstrate its determination to support intra-OIC business and to contribute to the achievement of the OIC's goal of reaching a 25% intra-OIC trade share by 2025. Our trade and investment facilitation efforts in this sphere continue to bring sustainable development, prosperity, and greater unity to the entire Muslim Ummah.

ICIEC's strong volume of business would not have been possible without the formidable network of partners we have worked with to expand since the inception of the Corporation. Our relationships with financial institutions, National Export Credit Agencies (ECAs) and international credit and political risk insurers have been critical to our sustained growth.

ICIEC understands that not all development is equal, and that not all growth is sustainable. The Corporation is dedicated to facilitating projects and transactions that produce sustainable development in its member countries. The United Nations Sustainable Development Goals (SDGs) have been a central tenet of ICIEC's operations since they were introduced in 2015. ICIEC firmly believes that the facilitation of trade and investment is an effective vehicle to achieve the SDGs.

The Corporation's dedication to supporting sustainable development, is shown through the projects and transactions ICIEC elects to insure, the events the Corporation participates in, through the corporate initiatives it pursues, and through the products and services it provides. ICIEC ensures that its commitment to reaching the SDGs is thoroughly embedded in everything it does, both internally and externally. The Corporation most prominently supports six SDGs with its activities, namely SDGs 2, 3, 7, 8, 9 and 17.

To conclude, it is important to touch upon ICIEC's efforts in implementing the initiative for development of the OIC Business Intelligence Center (OBIC), a state-of-the-art business intelligence ecosystem for OIC countries. Given the fact that ICIEC is in a data-driven business, it is able to realize the importance and the need for having a reliable credit information database that fills the gap and will help bolster trade with and FDI into OIC member countries. In this respect, ICIEC and the Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC) are taking together the necessary technical actions towards the implementation of the initiative and launching the OBIC, in the light of the Resolutions issued by the Ministerial Sessions of the COMCEC.



Draft Resolutions

- **Take note** with appreciation the initiatives taken by ICIEC to lessen the impact of the COVID-19 pandemic on the Member Countries, specifically, launching of the ICIEC-ISFD Emergency Response Initiative (ICERI) and the COVID Guarantee Facility (CGF).
- **Recall** with appreciation the outstanding performance of ICIEC operations during 2020, which resulted in the amount of **USD 9.86 billion** as business insured, bringing the cumulative amount of business insured since inception to **USD 73.86 billion**.
- **Acknowledge** ICIEC's role in supporting **USD 4.468 billion of Intra-OIC business insured in 2020**, bringing the Intra-OIC cumulative business insured since inception till the end of 2020 to **USD 28.519 billion** and involving **46 OIC Member Countries**.
- **Congratulate** ICIEC in achieving six SDGs; namely **SDG 2, SDG3, SDG7, SDG 8, SDG9, SDG 17**.
- **Acknowledge** ICIEC's efforts for establishing the OIC Business Intelligence Center (OBIC) and the work and steps taken in collaboration with SESRIC towards the implementation of the initiative and launching the OBIC.