



ICIEC's Brief Performance 2021

Submitted to:

**38th MEETING OF THE FOLLOW UP COMMITTEE OF THE
STANDING COMMITTEE FOR ECONOMIC AND
COMMERCIAL COOPERATION OF THE ORGANIZATION
OF ISLAMIC COOPERATION (COMCEC)**



In 2021, ICIEC continued to face a volatile and uncertain business environment, emanating from the lingering negative impact of the COVID-19 pandemic and the attendant demand and supply chain disruptions of global trade. Trade disruptions, debt vulnerabilities, and limited fiscal policy space kept the global economy under tremendous pressure. These developments resulted in the level of indebtedness of many countries, especially low-income countries increasing substantially. While tightening global liquidity and financial market fallouts made debt rollovers difficult and limited new debt and FDI flows.

Consumer spending in most countries is yet to recover to the pre-pandemic levels, 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 have started to be relaxed gradually in many countries during the year. However, with the lingering impact of the Coronavirus and the vaccine divide that is affecting many member countries, the self-reinforcing dynamics of a recession seem to have kicked in and could prolong the slump.

In 2021, the Corporation continued pursuing 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.

In 2021, the Corporation continued to strive not only to sustain its growth but also to strengthen 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 2021, the volume of business insured declined by 0.6% to stand at USD 9.79 billion compared to USD 9.86 billion in 2020. This brings our cumulative amount of business insured since inception to USD 83.31 billion. The Corporation's business in 2021 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.

With respect to intra-OIC trade, ICIEC's business insured in 2021 stood at USD 4.49 billion, involving 40 member countries of the OIC, compared to USD 5.06 billion involving 38 countries in 2020, representing a decline of about 11.26%. 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.

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 the 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, the Statistical, Economic, and Social Research and Training Centre for Islamic Countries (SESRIC), and the Islamic Centre for the Development of Trade (ICDT), are taking together the necessary technical actions toward the implementation of the initiative and launching the OBIC, in the light of the Resolutions issued by the Ministerial Sessions of the COMCEC. In this respect, preparations are ongoing to implement the 1st step in the implementation plan of the initiative which is the Capacity Building Programme for the End Users of the Centre, and it is planned to be organized in June 2022 in Cairo, Egypt, and with involvement of specialized experts from the IFC of the World Bank Group, in addition to contributions from ICIEC, SESRIC, and ICDT.

Draft Resolutions

- **Take note** with appreciation of the initiatives taken by ICIEC to lessen the impact of the COVID-19 pandemic on the Member Countries, specifically, the 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 2021, which resulted in the amount of **USD 9.79 billion** as business insured, bringing the cumulative amount of business insured since inception to **USD 83.31 billion**.
- **Acknowledge** ICIEC's role in supporting **USD 4.49 billion of Intra-OIC business insured, involving 40 countries**.
- **Congratulate ICIEC on achieving six SDGs; namely SDG 2, SDG3, SDG7, SDG 8, SDG9, and SDG 17.**
- **Acknowledge** ICIEC's efforts for establishing the OIC Business Intelligence Center (OBIC) and the work and steps taken in collaboration with SESRIC and ICDT towards the implementation of the initiative and launching the OBIC.