TIJARIS

THE INTERNATIONAL AND INTRA-OIC TRADE AND INVESTMENT MAGAZINE

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Cooperation between investment will attract higher quality and sustainable foreign investment.

COP 27 promises green investment to the MENA region

Malaysia a Promising Gateway to Southeast Asia

The Islamic Centre for Development of Trade (ICDT)
is the subsidiary organ of the Organisation of Islamic Cooperation,
which has been entrusted with trade promotion among the OIC Member States.

Its main objectives are as follows :

- To encourage regular trade exchanges among Member States ;
- To promote investments likely to develop trade flows ;
- To contribute to the promotion of Member states› products and encourage access to foreign markets ;
- To promote trade information ;
- To assist Member States in the fields of Trade Promotion and international negotiations ;
- To extend assistance to enterprises and economic operators.
- To participate in the trade fairs organised by ICDT.

Trade Promotion :

- To promote contacts between Member States› Businessmen ;
- To ensure the promotion of Member States› production by regularly holding the Islamic Trade Fair and specialised showrooms ;
- To assist Member States with creating and organising Export Promotion Centres ;
- To extend consultancy and expert services to Member States in the field of trade promotion.

Trade Information :

- To collect and disseminate trade information ;
- To Develop Trade data bases and facilitate their remote access ;
- To Assist Member states with setting up and organising documentation and information centres and Trade Information Networks.

Investment Promotion :

- To encourage intra-O.I.C investments ;
- To promote foreign investments in the O.I.C Member States ;
- To encourage partnership between Member States› economic operators ;
- To provide consultancy and expert services to Member States in the area of investments promotion and in particular export oriented investments.

Studies and research :

- To publish an annual report on Intra-OIC Trade ;
- To undertake sectorial product and market studies ;
- To examine the ways and means likely to alleviate obstacles to trade among Member States.

Training :

- To organise seminars and training sessions ;
- To help Member States establish expert groups in the various fields of trade development.

International Negotiations :

- Assist Member States in trade negotiations ;
- Prepare and organize the Intra-OIC Trade negotiations.

EDITORIAL

ON THE IMPORTANCE OF FDI IN THE DEVELOPMENT OF INTRA-OIC ECONOMIC COOPERATION

today's economic, geopolitical, health and climate challenges require a renewed commitment on several levels and from all stakeholders, including public institutions and private companies. However, we need to turn challenges into great transformational opportunities. The current context is rich of growth potential given the evolving market dynamics, supply chain issues, unprecedented technology adoption, and the transition to a cleaner future. The lack of financing remains one of the major hurdles to long-term development.

FDI can help OIC countries develop their economic plans if they unleash this potential and ensure that FDI flows are sustainably directed towards sectors that offer vital opportunities for economic development. Indeed, there is a need to increase the share of FDI in the external financing flows of the OIC countries› economies, which did not exceed 23% in the last decade.

The improvement of FDI attractiveness requires a proactive policy involving several sectors, including the establishment of an incentive regulation for businesses, technical and financial assistance to enterprises, the development of reception infrastructures, the adoption of the principles of good public governance, and the creation of a clear and transparent judicial system. These actions must be supported by smart FDI promotion strategies, able to respond to the rapid evolution of the global economy and technological innovations. The Investment Promotion Agencies (IPAs) should adapt to the new requirements of the current context by adopting innovative management methods. In fact, the digitalization of governance processes is one of the means to streamline the exchange of information and simplify procedures for the development of investment projects.

For nearly four decades, the Islamic Centre for Development of Trade (ICDT) has been striving to facilitate trade and investment among OIC countries. This includes the promotion of products and investment incentives specific to each country, the development of partnerships and strategic alliances among stakeholders in Member States, the dissemination of best practices and the sharing of information on intra-OIC supply and demand. In these uncertain times, these initiatives are vitally important to promote cooperation and strengthen the intra-OIC economy for a stronger sustainable development.

Therefore, all Member States are invited to coordinate their actions in order to promote inclusive growth and increase the OIC share in the trade and investment ecosystem with a sense of determination. Through its recent Study on the Investment Climate in the OIC Space, ICDT aims at inspiring and motivating OIC government entities, industries and investors to increase the share of intra-OIC trade and investment. Undoubtedly, promoting capacity building, increasing production competitiveness, and encouraging partnerships fortify economic resilience and help all member states of the OIC network to achieve a strong and sustainable economic growth. Along with its role as an incubator for every new intra-OIC initiative aimed at enhancing FDI, ICDT will pursue the organization of capacity building programs, exhibitions, forums, sectoral analysis for the benefit of OIC Member States.

Once and for all, we strongly believe that economic growth is sustainable only when it is inclusive.

Latifa Elbouabdellaoui
Directrice Generale of CIDC

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SOMMAIRE

MORE THAN 31,900 VISITORS ATTENDED THE 9TH EDITION OF THE OIC HALAL EXPO, ISTANBUL - REPUBLIC OF TÜRKIYE

Under the auspices of the Presidency of the Republic of Türkiye, the Islamic Centre for Development of Trade (ICDT) and the Standards and Metrology Institute for Islamic Countries (SMIIC) jointly organized the 9th edition of the OIC Member States Halal Products Exhibition from 24th to 27th November 2022 in «Istanbul Expo Center». This edition was held in tandem with the 8th World Halal Summit 2022 under the theme: «For a sustainable business: exploring all aspects of the growing global Halal industry». This exhibition presented various opportunities to companies and actors of the Halal industry. It enabled them to promote their products and services, to exchange on ways and means to increase intra-OIC trade, and to network with different economic actors and investors from OIC countries. It served also as a platform for meeting and exchange between economic stakeholders in order to achieve the economic expansion of all participating countries and to build partnerships between private operators.

The present edition welcomed 31,905 visitors and recorded the participation of 447 exhibitors from the following OIC Member States: Afghanistan, Algeria, Azerbaijan, Bangladesh, Bahrain, Cote d'Ivoire, Cameroon, The Gambia, Qatar, Indonesia, Morocco, Palestine, Iraq, Iran, Qatar, Libya, Somalia, Kuwait, Lebanon, Maldives, Malaysia, Egypt, Pakistan, Kazakhstan, Senegal, Sudan, Türkiye , Tunisia, Turkmenistan, Uganda, Uzbekistan, Jordan and Yemen as well as the participation of the OIC observer countries (Russian Federation, Bosnia-Herzegovina, Thailand, Turkish Cypriot State) and Muslim communities in non-OIC countries (USA, Netherlands, France, Kosovo, Moldavia, Greece, South Africa, Brazil, Great Britain, Spain, Germany, Congo, India).

ICDT LAUNCHES ITS FIRST ANNUAL REPORT ON THE HALAL ECONOMY

On the side-lines of the 38th Standing Committee for Economic and Commercial Cooperation of the Organization of Islamic Cooperation, ICDT launched its first annual report on the Halal economy in the OIC Member States.

The report encompasses an index of trade and investment in the Halal economy. The latter ranks the global and intra-OIC trade activity of member countries in Halal sectors, as well as the attractiveness of the country to investors. It is based on 61 indicators classified into five categories relating to each of the eight sectors of the Islamic economy: Islamic finance, Halal food, Islamic travel, modest fashion, media/entertainment, Halal pharmaceuticals and Halal cosmetics. The top five leading countries ranked on this index are: Malaysia, United Arab Emirates, Saudi Arabia, Türkiye and Bahrain.

The report identifies 20 actionable strategies that OIC organs and member states are encouraged to consider and implement, such as building national economic resilience, intra-OIC/South-South cooperation, promoting and raising awareness of the Halal economy, and attracting and facilitating investment.

38TH MINISTRY SESSION OF THE COMCEC.

The Islamic Centre for Development of Trade participated in the 38th Ministerial Session of the COMCEC held in Istanbul, Republic of Türkiye from 26 to 29 November 2022.
The Session was attended by 45 OIC Member States, 3 Observer Countries and 23 OIC, regional and international organizations and was inaugurated by H.E. Mr. Recep Tayyip ERDOĞAN, President of the Republic of Türkiye and Chairman of the COMCEC, who welcomed the participants and emphasized the economic and commercial cooperation as well as the solidarity among the Member States in the era of economic and social turmoil prevailing in the world.
This session was an opportunity for the General Directorate of ICDT to present all the efforts made in the organization of trade fairs and other activities for the promotion of trade and investments of the OIC Member States as well as the activities related to the WTO, and the capacity building program (forums, seminars, training).

ICDT SUPPORTS THE DIGITALIZATION OF IPAs

In collaboration with the Islamic Development Bank (IsDB), ICDT organized a workshop on the digitalization of services in the promotion of investments in the OIC countries in Casablanca, Kingdom of Morocco, on 19th and 20th December 2022.
This workshop aims at enhancing the digitalization of the services provided by the Investment Promotion Agencies (IPAs) of the OIC Member States, sharing the experiences and best practices of the Member States, and presenting the technical assistance program provided by the following international institutions: UNCTAD, WAIPA, SESRIC, ICCIA, ICIEC, IsDB and ICDT.
Furthermore, the workshop included the presentation of the joint ICDT-IsDB report on the climate and investment opportunities of the OIC Countries 2022.
On this occasion, the participants recommended to organize an annual meeting of the OIC IPAs and to develop in this sense a network platform of the OIC IPAs to facilitate the exchange of experiences.
The organization of investment forums at national or regional levels in the OIC area constitutes another collaboration avenue.

ICDT PROMOTES THE DEVELOPMENT OF HEALTH TOURISM

Within the framework of their joint tourism development programs, ICDT and SESRIC organized a training webinar on « Perspectives of Health Tourism in the OIC Countries» on 8th -9th November 2022».
This training aims at emphasizing the potential of Health Tourism and the existing challenges faced by the OIC countries. It also aims at fortifying the stakeholders' resilience in this sector and sharing their experiences and highlighting the new post-pandemic opportunities.

On this occasion, the participants were introduced to the latest marketing and branding tools in order to improve the competitiveness of their countries in the health tourism market which is known to be very promising yet extremely competitive.

6^{TH} ANNUAL MEETING OF THE OIC INSTITUTIONS, IN JEDDAH, SAUDI ARABIA

ICDT took part in the 6th Annual Meeting of the OIC Institutions (ACMOI), organized under the auspices of H.E. Mr. Hissein Brahim Taha, Secretary General of the OIC. On this occasion, the Director General of ICDT presented the 2022-2023 activity program of the Trade and Investment Sub-Committee (TISC) regarding Trade Promotion, Halal Industry and Tourism Development; Trade Facilitation including TPS-OIC, Regional Integration and Investment Promotion.

The participants emphasized the importance of boosting South-South cooperation and supporting SMEs and LDCs in the area of food security, entrepreneurship and private sector involvement.

The present meeting has witnessed the participation of the following institutions: OIC Economic Affairs Department, COMCEC, ICDT, SESRIC, ICCIA, SMIIC, ICYF, IOFS, ISFD, IsDB Cooperation and Capacity Building Department, IsDB Agriculture Department as well as the OIC Missions in New York, Brussels and Geneva.

On the side-lines of this meeting, the Director General held a meeting with the Secretary General of the OIC and presented the activities of ICDT.

ICDT PARTICIPATES IN A FORUM ON THE REDUCTION OF TRADE AND INVESTMENT RISKS FOR AFRICAN MSMES

The Islamic Centre for Development of Trade took part in the proceedings of the Forum on Reducing Investment and Trade Risks for African Micro, Small and Medium Enterprises (MSMEs) held in Niamey on 21st -22nd November 2022.

The Forum was organized on the side-lines of the African Union Summit on «Industrialization and Economic Diversification» by the Arab Bank for Economic Development in Africa (BADEA) in partnership with the Government of the Republic of Niger and various African guarantee institutions.

The participants discussed the possible ways and means to improve the business climate in Africa and to develop the African free trade area for MSMEs. Indeed, this Forum was endorsed by the «Niamey Declaration» through which African financial guarantee institutions reaffirmed their full commitment to facilitate access to finance for African MSMEs.

In the same vein, participants agreed to facilitate the mobilization of one billion US dollars over the next twelve months to support African MSMEs, as a first instalment of financial facilities to support this business network.

THIRD FORUM OF INDUSTRIAL ZONES IN TANGIERS

ICDT took part in the Third Industrial Zones Forum in Tangiers, Kingdom of Morocco on November 15th and 16th 2022, under the theme « The importance of industrial zones in national development in the context of global economic transformations «. Organized under the high patronage of His Majesty King Mohammed VI, may God bless him, in partnership with the Ministry of Industry and Trade, the Moroccan Agency for the Development of Investment, Exports and Industrial Zones Tanger Med, the Islamic Centre for Development of Trade and the United Nations Industrial Development Organization, this forum aims at creating an opportunity for dialogue, discussion and exchange of expertise and experiences on issues related to the development of industrial zones.

In addition to bilateral business meetings and field visits to several industrial units and zones in the region of Tangier, the forum's activities presented an opportunity to exchange on the most effective approaches to meet the various challenges raised by the current international situation, as well as on the development and enhancement of exports.

SAUDI ARABIA, THE NEW GLOBAL ENTERTAINMENT DESTINATION

Saudi Arabia is emerging as a Middle Eastern hub for cultural events, art exhibitions and film screenings.

This prosperous ambition stems from Vision 2030 initiated by Crown Prince Mohammed bin Salmane in 2016. The entertainment sector is indeed one of the drivers of the social and economic changes ushering Saudi Arabia into the world.

With the allocation of over 8 billion in investment support, Vision 2030 aims at increasing Saudi household spending on cultural and entertainment activities within the Kingdom to 6%. Saudi Arabia is characterized by one of the largest populations in the Middle East; the half of which is under the age of 30. Therefore, there is a large and fast-growing desire for entertainment. A 2021 study conducted by Research and Markets, a U.S.-based consulting firm, estimates that the entertainment market in Saudi Arabia is expected to grow from $23.77 million in 2020 to $1.17 billion by the end of 2030, an estimated annual growth rate of 47.65%.

In the same spirit, the state's Public Investment Fund (PIF) has been entrusted with investing in businesses and developing a series of «Giga Projects» aimed at stimulating growth in non-oil sectors and expanding entertainment and tourism offers for Saudi nationals and foreign visitors. In fact, the kingdom is planning to invest $64 billion for the next 10 years.

Powered by Saudi Entertainment Ventures (SEVEN), a wholly-owned subsidiary of the Public Investment Fund (PIF), more than 21 entertainment destinations with over 150 attractions will be developed in no less than 14 cities across Saudi Arabia in partnership with leading international brands.

It is worth mentioning that the kingdom signed a specific first agreement with Warner Bros. Discovery, a global leader in live entertainment. The latter will bring specially designed indoor adventure centers to the Kingdom. According to Abdullah Al Dawood, President of SEVEN, «The arrival of Warner Bros Discovery as a key partner to develop exclusive indoor adventure centers marks a new milestone in the evolution of entertainment in Saudi Arabia and it reinforces the Kingdom's position as a leader in the entertainment industry.

The first entertainment destination in Al Hamra worth an investment value of more than $800 million, and it is expected to attract six million visitors per year by offering world-class entertainment attractions. It will feature several iconic entertainment experiences, including an indoor hubless wheel, Wave House indoor surfing area, 10-lane bowling alley, indoor skydiving, indoor go-kart track, as well as cinemas, restaurants, coffeeshops, international retail outlets and a fitness center.

Building on significant investments in entertainment, Saudi Arabia's tourism infrastructure and exploitation of its diverse natural beauty will make tourism an engine of job creation and commercial growth. Consequently, it will boost the Kingdom's international reputation while preserving its national identity. More than 3,500 tourism investment licenses have been issued in Saudi Arabia to date, and the sector is expected to contribute up to 10% of the national GDP. Moreover, the Jeddah 2019 season alone has created 5,000 job opportunities for young Saudis

This strategy should be rewarded by hosting the 2029 Asian Winter Games on October 4, 2022 in Trojena. Scheduled for completion in 2026, the $500 billion desert city will have all-year-round skiing, an artificial freshwater lake, chalets, villas and ultra-luxury hotels. Actually, it is expected to be home to up to 9 million people by 2045. Saudi Arabia will be the first country in West Asia to host the Asian Winter Games, which were launched in 1986 and hosted four times by Japan, twice by China and once each by South Korea and Kazakhstan.

The inauguration of the Motech Museum is another accomplishment. This space, in line with Saudi Arabia's Vision 2030, is expected to open soon. More than a mere museum, this ambitious project will be a unique amalgam of digital and virtual worlds. It will provide a multi-sensory experience with immersive installations to help people visualize the world from a whole new perspective. Thanks to a blend of sensory and digital experiences, Motech Museum will change the way people appreciate art in a gallery or museum.

COP 27 PROMISES GREEN INVESTMENT TO THE MENA REGION

Despite all the goodwill and resolutions of the annual UN Conference of the Parties on Climate Change (COP), climate change remains the greatest threat to the world.

In fact, MENA countries are among the most exposed 60% of their population are living in areas with severe water stress. In North Africa in particular, rising sea levels and desertification could force more than 20 million people into exile.

In this context, the 27th edition of the COP took place in Sharm el-Sheikh in Egypt while the COP 28 will be held in the United Arab Emirates (UAE). This event is a golden opportunity for the Middle East and North Africa (MENA) region to boost international action on climate change and to shed light on the financing and assistance needs of its countries.

Currently, the MENA region receives the lowest amount of resources for climate change mitigation. According to the Climate Policy Initiative report, this amount is estimated at 16 billion dollars per year, yet the financing needs are estimated at 186 billion dollars.

It is worth mentioning that the issue of financing was already raised during the COP 26 held in Glasgow in the United King-

dom in 2021. The MENA region was promised an increased investment value in climate mitigation solutions.

The Glasgow Financial Alliance for Net Zero (GFANZ) announced that more than $130 trillion of private capital would be allocated to transform the economy towards net zero. In fact, half of GFANZ's funding commitment comes from UNEP FI's Net Zero Banking Alliance ($66 trillion).

These funds provide vital support to strengthen people's capacity to adapt to climate change and facilitate a green transition, as illustrated by the following examples. In Yemen, portable solar panels are providing access to energy for nearly 100,000 households and more than 500 schools, health centers, and other facilities, while in Egypt, an air pollution control program in Cairo is expected to reduce emissions from public transportation by 23 percent. In Morocco, 200,000 food producers and entrepreneurs are receiving financial incentives to switch to climate-smart agricultural practices.

In the same vein, Morocco is leading the trend with the creation of a Climate Change Competence Center of Morocco (4C Morocco). This center provides the technical assistance needed by the African Climate Commissions and the development banks selected to host the Blue Fund's financing lines along with the Sahel Climate Fund. Besides, it supports capacity building and exchange of experience and expertise through study visits to Morocco.

Furthermore, COP 27 presented an opportunity to strengthen intra-OIC cooperation as several framework agreements were signed between companies and governments of member countries. For example, the UAE company AMEA Power recently signed a framework agreement with the Egyptian government. This substantially boosts the AMEA Power's portfolio, particularly when the Moroccan Agency for Sustainable Energy (MASEN) has announced that the Emirati company has won two solar power plant projects of 36 MW each, following an international call for tenders.

The Kingdom of Morocco is considered for several years as one of the pioneers of renewable energy thanks to the enormous potential of the Kingdom for the development of green energy in general and green hydrogen in particular. Morocco, which continues to attract major investors, is considered by many observers a new Eldorado for green hydrogen energy. Green hydrogen is expected to account for 12% of global energy consumption and 10% of carbon dioxide emission reductions by 2050, given the urgency of climate change and countries' commitments to net zero emissions.

In conclusion, COP27 endeavours to change the perceptions held by citizens about climate change and to enrich current environmental debates in the region. Several opinion surveys have revealed that while there is broad support for increased government action in response to climate change, perceptions about human impacts on the environment are primarily viewed in terms of water and waste management.

" BY PARTNERING AND OFFERING BEST PRACTICES THE RELEVANT PARTIES CAN WORK TOGETHER TO LAY THE FOUNDATION FOR MORE AND BETTER FDI."

Légende photo
H.E. Mr. İsmail Erşahin
Directeur executif - a.i.
Worldwide Association of Investment Promotion Agencies (WAIPA)

Founded by UNCTAD & 50 other IPAs, WAIPA is today gathering and connecting Worldwide Investment Promotion Agencies (IPAs), to cooperate and share their experiences and expertise among each other.
Considered as major catalyst to both macroeconomic and microeconomic growth, FDI allows, besides of that, the transfer of technology and promote competition in the domestic input market.

Tijaris 1: Your Excellency, one of the main objectives of WAIPA is to strengthen information gathering systems, promote the efficient use of information and facilitate access to data sources. To what extent digitalisation of IPAs can rise these challenges, at what level and how?

This can be answered in two ways. On the one hand the world turns increasingly digital. IPAs are hence aiming to attract investments, so speak they aim to attract these investments to use chances interlinked and offered by digital economy. On the other hand, digitisation for the agencies themselves play an important role, e.g. using innovative tools to monitor investments or to simplify processes will play an ever-increasing role.

Tijaris 2: Recipients of Foreign Direct Investments (FDI) often gain employee training in the course of operating the new businesses, which contributes to human capital development in the host country. Profits generated by FDI contributes also to corporate tax revenues in the host country. Does Your Excellency think that attracting FDis shall be LDC's main focus?

Attracting FDI has numerous benefits. FDI can spur growth, create jobs etc. but above all we often see a spill over effect and knowledge transfer. This helps particularly LDCs to leapfrog. At WAIPA we do place a high importance on LDC IPAs. We have several programs funded and supported by the Enhanced Integrated Framework of the WTO as well as the IsDB on enhancing the capacities of LDC IPAs and similar bodies to be able to attract particularly sustainable investments. Just last week we finished our Module «Effective investment promotion and partnerships for sustainable development and Covid-19 adaptation» in the IPA Executive College. The Executive IPA College, which is a multi-agency initiative to build capacity in investment promotion agencies (IPAs) from least developed countries (LDCs) through an online platform funded by EIF. And we see that these initiatives work and help the IPAs to in the end offer better services.

Tijaris 3: Your Excellency served as Chief Project Director at The Republic of Türkiye Prime Ministry Investment Support and Promotion Agency (ISPAT). Obviously, Your Excellency is well informed of the Intra-OIC Investment flows as well as ICDT' s action in favour of the promotion of these. What additional measures should be taken to strengthen this type of capital flow and how can W AIP A and ICDT collaborate on them?

The essential item is knowledge-sharing. That is why meetings such as the one ICDT organizes is so important. At WAIPA capacity building and technical assistance for members as well as a regular exchange of knowledge are some of our key pillars as well. By partnering and offering best practices the relevant parties can work together to lay the foundation for more and better FDI. The SDGs for example offer an enormous chance, but the agencies need to be equipped with the right skillsets to attract and facilitate them. That is why international organizations and associations of peers play such an important role in interacting with IPAs and other related bodies that are mandated to attract investments.

ISMAIL ERSAHIN

Ismail Ersahin jouit de plus de 20 ans d'expérience en relations internationales, promotion des investissements, facilitation et développement des affaires. Il a occupé divers postes de direction pour le secteur privé, le gouvernement turc et l'Association mondiale des agences de promotion des investissements (WAIPA). Son travail s'étend sur plusieurs pays et secteurs. Après ses fonctions dans le commerce, le textile et le tourisme, il a travaillé pour l'un des plus grands groupes automobiles turques. Sa compréhension de l'écosystéme de l'entreprise lui a permis de mieux appréhender son travail dans le domaine de la promotion et de la facilitation des investissements. Il a rejoint Invest in Türkiye, l'agence d'investissement de la Turquie, en 2008 en tant que directeur de projet pendant la phase d'établissement de l'agence. Il a été nommé directeur exécutif ad interim en 2014, directeur exécutif adjoint de la WAIPA en 2015 et directeur exécutif ad interim en 2021 par le comité directeur de la WAIPA. Il a dévoilé la nouvelle stratégie de la WAIPA en 2014 et a établi le bureau de représentation de la WAIPA à Istanbul en 2015.

Tijaris 4: Foreign Direct Investment has proved to be resilient during Covid 19 and Ukrainian crises as it has provided new opportunities for insertion in the global value chains and diversified production activities and exports. At a time when the need for substantial progress has never been more urgent or more important, to what extent international investment can play a critical role in this context?

The current crises, and with current we can say that for the past almost three years already, showed that IPAs are critical bodies in their governments. They fulfil active roles in being the crucial link between the investor and the government. What particularly the COVID crisis has shown is that seeking the positive effects of digitization to support resilient, sustainable and inclusive growth is of the utmost importance. Hence the workshop that the ICDT is organizing comes exactly at the right moment in time.

Tijaris 5: In partnership with UNCTAD, WAIPA has launched the World Investment for Development Alliance at the World Economic Forum, to promote sustainable and inclusive investment. this alliance is committed to help governments identify priorities for reforms to attract and retain more private investment. In which way, does this alliance can help IPAs to prioritise high-quality investment, and better monitor and evaluate its impact, particularly in OIC Member Countries?

WIDA's mission is to promote sustainable and inclusive investment through an open and structured network of multiple stakeholders drawn from the whole range of the investment-for-development community. By working together, the involved stakeholders will create a transformational partnership that will jointly identify, define, and address key investment challenges and opportunities, and foster and accelerate sustainable transformational development impact. In fact, we created a website (https://www.widalliance.org/) where interested parties can find a plethora of resources collected from all partnering agencies.

KAZAKHSTAN,
POSITIONS ITSELF AS THE BREADBASKET OF CENTRAL ASIA

The pandemic and the Ukrainian crisis have caused serious disruptions in the global value chains of Central Asia as well as in the rest of the world. Consequently, these disruptions have had a significant impact on the food security of the region.

Since then, Kazakhstan - the world's 7th largest wheat exporter - has taken a central role in the supply of this staple crop. The country exports an increasing amount of wheat. It is now the main supplier of its neighbours: Uzbekistan, Tajikistan and Afghanistan, all of which are OIC member states.

Kazakhstan's grain exports reach 1 billion dollars to Central Asia, including 662 million for Uzbekistan and 261 million for Tajikistan.

Wheat is the country's largest crop in terms of cultivated area, accounting for 80% of grain production. In addition, Kazakhstan produces barley, cotton, sunflower seeds and rice. Besides, the country is the largest exporter of flour in the region, shipping mainly to other Central Asian countries and Afghanistan. Wheat production has risen to 11.8 million tons in 2021 and will continue to grow in the coming years thanks to the expansion of the cultivated land. Concerning the production of barley, it reached 3.7 million tons in 2021. Most of Kazakhstan's cereals are produced in the three northern regions: Akmola, North Kazakhstan, and Kostanay, while large-scale production takes place in eastern Kazakhstan, in Abai and Pavlodar. Farms in these regions can be large, with some reaching 500,000 hectares or more. Producers in these regions rely on farming machinery, refined seed varieties, and multiple fertilizer and pesticide treatments to maintain production. However, production in the south tends to be limited.

To ensure food security, the Republic of Kazakhstan is working to modernize its agriculture thanks to the efforts of the state-owned company KazAgroFinance JSC. The latter, a subsidiary of Agrarian Credit Corporation since July 2022, provides leasing and financing services to the agricultural sector. It is worth mentioning that more than half of all agricultural machinery imported into Kazakhstan has been financially supported by KazAgroFinance. In order to increase cooperation and facilitate access to information on local and foreign producers of agricultural equipment, KazAgroFinance has created the electronic supplier database that links the local agricultural sector with international equipment suppliers. The database includes more than 350 suppliers and over 10,000 supported projects.

Being aware of Kazakhstan's role as the breadbasket of Central Asia, the UNDP has also brought together a number of agricultural experts to improve the climate resilience of Kazakh wheat. In case of drought, wheat production decreases four times.

The OIC, through the IOFS, its organ dedicated to food security, is working to preserve this role. Kazakhstan will host one of the centres for the creation of a plant and animal gene bank to increase its competitiveness.

Today the World Bank and the International Finance Corporation point out that wheat is the largest non-extractive industry commodity that Kazakhstan produces in terms of value. This grain is essential to finally fulfil the country's ambitions to diversify the economy away from oil and gas.

MALAYSIA, A PROMISING GATEWAY TO SOUTHEAST ASIA

Southeast Asia enjoys a great ethnic and cultural diversity. It was influenced by an amalgam of cultures, notably Indian, Chinese and Arab-Muslim.

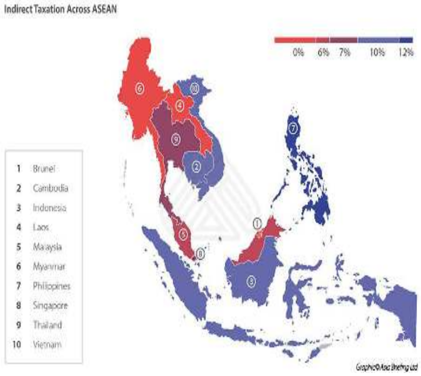
In the context of the Cold War, the countries of this region have established the Association of Southeast Asian Nations (ASEAN), a regional grouping founded in 1967 in Bangkok (Thailand) to stimulate economic development. It is a cooperative zone with a free trade market, aiming to meet common challenges around economic integration, security, endogenous development, environmental protection...

Depicting a real example of diversity, Malaysia represents a gateway to the ASEAN space. The population of this country is composed of 50% Malays, 20% Chinese and 7% Indians in addition to local populations. Malaysia is a Muslim country with Buddhist, Hindu and Christian minorities. This religious diversity has given rise to a cultural mix, a source of socio-economic dynamism driven mainly by the Chinese population widely involved in the business sector.

Malaysia is one of the most developed countries in ASEAN, with a very high Human Development Index and one of the highest GDP per capita in the region, USD 11,371.10 (2021). Thanks to its strategic position on international trade routes across the Strait of Malacca, the country has developed an industrialized and diversified economy. It has the largest power company in ASEAN, making it a major producer of energy and automobiles. In addition to being the world's largest exporter of palm oil, Malaysia is one of the leading exporters of semiconductors, information technology and communications. In addition, Malaysia is emerging as a hub for education and new technologies thanks to a highly sophisticated infrastructure.

The encouraging investment climate makes Malaysia a production and export platform in the ASEAN market of around 620 million consumers. It offers free trade access to this large market, characterized by political stability and openness to international trade within a growing regional environment driven by domestic consumption.

Malaysia's membership in the Organization of Islamic Cooperation (OIC) contributes to its international economic influence. It is considered as one of the pioneers of the «Halal» economy, including Islamic finance. The Malaysian development model can be a source of inspiration for other OIC countries.



MOZAMBIQUE'S GAS RESERVES PORTEND A REVIVAL OF ECONOMIC GROWTH

Endowed with one of the world's largest gas reserves, Mozambique is gearing up to become one of the major players in the future of energy. Despite being a gas producer since 2004 with commercial gas production at the onshore Pande gas field, Coral Sul represents the country's first offshore development and LNG export, albeit amid a global turmoil in the gas market.

Indeed, such disruption of global gas supply chains generates significant export revenues for Mozambique that could help boost the country's industrialization and socio-economic growth. The country expects to record an estimated $96 billion in revenue during the lifespan of the Rovuma gas reserves, about five times the country's current GDP.

It is worth mentioning that these forecasts have reassured the Executive Board of the International Monetary Fund (IMF), and it announced that it has completed its first review of Mozambique's Extended Credit Facility (ECF) arrangement. The latter will grant the country access to $45.44 million in special drawing rights, raising the total of disbursements to Mozambique under the ECF arrangement to $150 million. The three-year grant will be allocated to support economic recovery, reduce public debt, finance vulnerabilities, and promote stronger and more inclusive growth through structural reforms. In addition to financial receipts, the offshore exploitation of its reserves is expected to usher in a new era of national growth stemming partly from the specific local content requirements imposed on multinationals operating in the gas fields. To enhance capacity building and skills and technology transfer, the Government of Mozambique has ensured that the development will result in tangible employment opportunities for the local population, with the creation of hundreds of direct, indirect, and induced jobs over the life of the project.

Agriculture, the country's main sector with more than 25.6% of the country's GDP in 2020, should also benefit from this bonanza. The executive has allocated US$46 million to the Institute of Agricultural Research (IIAM) over the next three years. Therefore, to stimulate the country's agricultural production, this budget should mainly be allocated to finance the improvement and renovation of infrastructure dedicated to animal vaccine research and the production of certified seeds.

Nonetheless, the government estimates that only 9% of Mozambican farmers use certified seeds for their production.

OIC

AND ITS INSTITUTIONS AT A GLANCE

SENEGAL,
ADOPTS A NEW INDUSTRIAL POLICY

According to Mr. Moustapha Diop, Minister of Industrial Development and Small and Medium Industries, Senegal has developed a new industrial policy that presents an optimal strategy to substitute imports and promote exports and develop the country's internal resources.

This new policy was presented during the plenary session of the National Assembly devoted to voting on the 2023 budget. It consists of four major pillars: the first is devoted to the processing of agricultural, forestry and fisheries raw materials; the second focuses on the industrial transformation of mineral resources and hydrocarbons; the third concerns the development of the pharmaceutical industry and the pharmacopoeia; and the last covers the development of industries with high technical and innovation standards.

In the same vein, the competitiveness of Senegalese industry is also one of the major objectives of this new strategy. In fact, the first project to strengthen the role of the Diamniadio Industrial Park has already been launched by the ministry in charge. The second project concerns the establishment of competitive innovation clusters by accelerating the development of technology parks and facilitating access to technologies such as cloud computing, the Internet of Things, blockchain and artificial intelligence.

This new strategy takes into account the various implications arising from the pandemic and regional conflicts on the one hand, and the strong regional integration on the other hand (African Continental Free Trade Area - ACFTA). The strategy is supported operationally and financially by the African Development Bank.

FIRST AFCFTA CERTIFICATE OF ORIGIN MAKES FREE TRADE PROJECT A REALITY.

On October 6, Cameroon's customs administration issued the first AfCFTA certificate of origin to a local SME for its products bound for Ghana. This first exportation is part of the «Guided Trade Initiative» which aims to facilitate free trade for 96 products, including tea, coffee, processed cattle products, sugar and dried fruits.

Launched by the AfCFTA Secretariat, the initiative is expected to serve as operational, legal and institutional preparation for the wider rollout by 2023 of a threefold increase in the volume of products traded. And this, as the number of countries involved increases.

Indeed, eight pilot countries have so far been selected for the implementation of the AfCFTA: Cameroon, Ghana, Tanzania, Kenya, Egypt, Rwanda, Morocco and Mauritius. These countries are set to implement the AfCFTA 's bold agenda of eliminating 90% of tariffs on goods and services and increasing intra-regional trade to at least 33% over the next decade.

Intra-African trade is indeed a potential windfall: it is expected to increase by $9.2 billion through the reduction of tariffs between African countries and by another $21.9 billion through the removal of other trade barriers, according to figures from the United Nations Conference on Trade and Development (UNCTAD).

The latest partnership signed between the AfCFTA and Equity Group, worth $6 billion, is evidence of this. This agreement will, among other things, support the creation of 50 million jobs by 2025, and 5 million SMEs will receive loans to develop, using the tools of the AfCFTA.

FAIR TRADE, A CONCRETE WAY TO INCREASE SUBSISTENCE WAGES

Headquartered in Kampala - Uganda, Hamwe aims to bridging the gap between farmers and the new digital economy. Thanks to guiding farmers as to the best agricultural practices, and connecting them to the mobile economy through apps and digital economy, Hamwe plays a major role in the development of food-processing agriculture in Uganda and neighbouring countries

Tijaris 1: Mrs. Lugalambi, through digital marketplace where all the players in the value chain meet, Hamwe is connecting the farmers to the world. Which part of generated trade is made with OIC Member countries? what is the current turnover in this market? Have you faced obstacles to export articles to OIC Countries? and if yes which ones and how did you overcome it?

Thanks for this interview. We have so far worked only in east Africa but have been trying to get to other countries in OIC member countries. The general obstacles have been having a proper resource center where information can easily be gotten and in the near future I would suggest a digital market place where the requirements and available products are listed.

Mrs. Stella N. Lugalambi
Co-founder / Director Business
HAMWE

Tijaris 2: Through assisting producers in gaining certification and market opportunities, Hawme aims to ensure that all farmers earn a living income. This is in line with UN Sustainable Development Goals and consumers concerns in terms of trust and ethic. Is sustainable economy and fair trading, the lifeline and the safety net for Africans farmers?

Yes Thanks for bringing this question up, several things come to mind when we have this blanket approach, at Hamwe we try to use digitization of farming records and have a traceability platform that then shows the whole produce journey from farm to market, i.e showing what agro inputs where used etc, this helps simplify the certification process because its all-digital, so does this need fair trading? definitely and can it lead to a sustainable economy, sure.

Tijaris 3: You have a vast experience in the Mobile value-added services sector from which Hamwe took advantage. Is mobile payment the right solution to connect cooperative to the mobile economy and insert them in worldwide chain value?

Yes! It's a combination of a good digital solution and the mobile payment system, this can enable financial inclusion and a quick fix for the lack of "brick and water", commercial banks that aren't available in the last mile smallholder farmer locations. It enables registration of smallholder farmers, it also has an option to update farmer lists as well as enabling mobile money agents to access and app and device with GPS coordinates to register smallholder farmers and their farms. Making it easier to give small loans using mobile money payments.

Tijaris 4: Today, Hamwe's contribution to the economy is widely recognized. Thanks to it, many agricultural workers earn a living wage. Is such experience can be shared and duplicated in other OIC Countries? is there a necessity to create a fairtrade label specific to OIC Member Countries?

Yes. This can be duplicated in all countries, what Hamwe has done is to digitize the agricultural value chain, this enables to fully engage smallholder farmers to use digital solutions in farmer records onboarding, farmer procurement and farmer digital payments. The digital agricultural solution facilitates the transition of agribusinesses to digital technologies in the food chain with focus in procurement from farmers; real time communication using sms, digital payments and records plus transparency. This in turn helps to develop a farmer economic identity that allows access to financial instruments and income generating assets (digital farmer profiles = customized financial services.) If duplicated across all OIC countries it would definitely increase the smallholder farmer living wages, and this can only be done using fair trade level specific to OIC member countries.

Tijaris 5: Mrs. Lugalambi, you hold high positions and have always campaigned for a better economic empowerment of African women. Can you tell us about the strategies and actions undertaken or to be undertaken for a better integration of women in the Ugandan and African economy? What do you have to say to all the young African girls who dream of a career like yours?

To be persistent. Some of these things are said a lot so it may seem cliché but as an entrepreneur it's one of the most important fundamentals. I personally have been through extremely low lows as a business owner, moments where anyone would insist on giving up and letting everything go but I didn't let any of that put me off my path to what I want to achieve for my business. To the girl child I would advise that they work a little bit harder because as women we have different social expectations which we may not always be able to put aside. For example, I'm a mother, a wife, a big sister and a business owner. I have to it all with smile. So I wish all the girls out there to work as hard as they can.

ABOUT STELLA N. LUGALAMBI

Stella N. Lugalambi is the co-founder and business development manager of Hamwe East Africa Ltd since 2013. Currently, Hamwe is implementing a digital agricultural value chain traceability system supported by UNCDF. The system serves as a catalyst for farmers to improve aggregation and pooling, access to information and markets, and farmer loyalty.

Previously, Stella has led her team to the top prize in the Coffee Value Chain Traceability Challenge by UNCDF; they were recognized by the National ICT Initiatives Support Program (NIISP) for their agritech innovations in Uganda; and were among the top 12 winners of the Disruptive Agricultural Technology Challenge (DAT) by the Ministry of Agriculture, Animal Industry and Fisheries as well as the World Bank. Before founding Hamwe, Stella was involved in the creation and management of Mtech Communications in Uganda and the management of DMark Mobile, two leading players in the mobile value-added services (VAS) industry.

A RISING INVESTMENT CLIMATE IN OIC COUNTRIES

The role of FDI for sustainable development has been emphasized in the 2030 Agenda for Sustainable Development and the Addis Ababa Action Agenda on Development Financing. Under the auspices of the World Trade Organization, in December 2021, 28 OIC countries contributed to the negotiations on a multilateral agreement relating to the facilitation of investment for development.

In fact, most OIC countries place great importance on international investment agreements. As of March 2021, OIC countries were party to 1,087 bilateral investment treaties (BITs) in force.

OIC countries recorded a breakthrough in FDI flows in 2021

In 2021, all OIC Member States recorded no less than 132 billion dollars of FDI, the highest level since 2012, resulting in an increase of more than 36% compared to the previous year.

All groups of countries have taken part in this growth, namely the African group which has recorded an increase of 53.7%. The Arab and Asian groups of the OIC have also experienced respective increases of 42.1% and 27.4%.

In 2020, the year of the pandemic, FDI inflows had indeed recorded a decline of 16.2% to reach nearly $97 billion, compared to the data of 2019.

Observed in more than 46 OIC countries, several paradigms specific to the nature of FDI itself (equity, reinvested earnings, and inter-company loans) support this new upward trend.

The main trend in FDI inflows to OIC countries is the share of profit reinvestment that has increased significantly in recent years from 9% in 2015 to 29% in 2020. This reflects a growing increase in this type of financing instead of resorting to new foreign capital.

In terms of the two main sub-categories of equity capital, namely greenfield FDI projects and cross- border mergers and acquisitions (M&A), OIC countries are notably more attractive for the first sub- category. In 2021, the estimated value of such projects was 2.6 times higher than the net cross-border M&A transactions targeting the same countries.

The Asian group is particularly active in this sense as their economic activity is scrutinized abroad throughout 2021. On the other hand, it is rather the Arab countries that record the most cross-border mergers and acquisitions from 2015 to 2021.

The OIC countries enjoy a larger FDI inflow stock

The stock of inward FDI of the OIC countries has increased considerably over the last three decades. It has now reached nearly $2.22 trillion in 2021, compared to $113 billion in 1992, despite a downturn in performance resulting in a decline in the share of OIC countries in the global FDI stock from 7.1% in 2012 to 4.9% in 2021.

Saudi Arabia represents the most important FDI target among the OIC countries, with an FDI stock of 261.1 billion dollars in 2021, representing 11.8% of the OIC inward FDI stock. Indonesia occupies the second place with an FDI stock of more than 259.3 billion dollars in 2021, representing 11.7% of the OIC Stock. Malaysia ranks the third with 187.4 billion dollars, followed by the United Arab Emirates (171.6 billion dollars) and Kazakhstan (152 billion dollars).

In 2020, the top five investors of the OIC countries' inward FDI stocks were the Netherlands ($188.2 billion), the United States ($165.3 billion), Singapore ($104.8 billion), the United Kingdom ($80.2 billion) and France ($70.2 billion).

The services sector, the main beneficiary of FDI in the OIC space

From 2016 to 2020, FDI targeting the services sector of the OIC countries increased, a fact that indicates their growth in the region. However, this increase has not covered all types of services; some types have benefited less than others.

This applies to the tourism sector, which was severely affected by the Covid-19 pandemic and the unprecedented closure of borders worldwide. However, this downward trend in FDI in tourism may be countered by the need for digitalization and automation imposed by the health crisis.

The largest share of FDI in services is directed towards the financial, insurance and trade sectors. Nevertheless, due to the worldwide restrictions imposed by Covid-19 and the rise of E-commerce, more importance is being accorded to the telecommunications and IT services sector, which is expected to attract more FDI in the coming years.

Several FDIs are dedicated to the Energy industry, focusing on renewable energies. The same applies to the primary sector given the country's abundant natural resources. The manufacturing industry, a source of inward FDI, shows that many OIC countries are relatively highly integrated into global production chains. However, most of the FDI is devoted to the import of high value-added goods such as new technologies necessary for the modernization of the economy.

OIC countries are net importers of capital

Most of the OIC countries have never been in the business of promoting outward investment; however, no measures have been taken to prevent it.

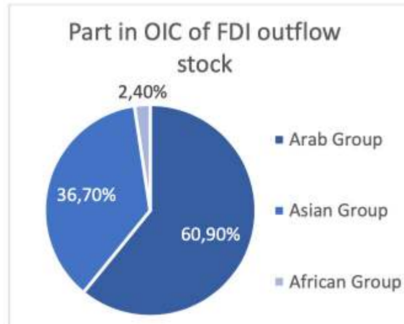
Therefore, since 2003, the total outward FDI flows of OIC countries have started to grow significantly. In 2013, it reached a historical value of 72.7 billion dollars. A downward trend is visible since then but the total value of OIC outward investment flows accounted for $69.8 billion in 2021. The outward FDI stock of the OIC countries has increased from 47.3 billion dollars in 2000 to 903.8 billion dollars in 2021.

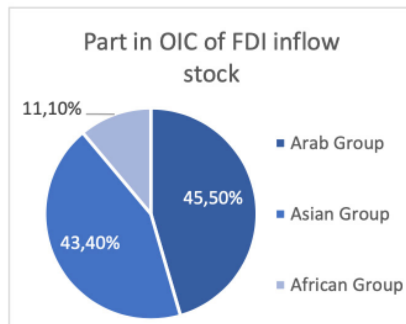
In this respect, the OIC countries are net capital importers (Inward FDI flows > Outward FDI flows). From 1992 to 2020, the inflows of FDI into OIC countries have been higher than their outflows every year. However, some countries stand out over the last decade, Kuwait, Qatar and, after 2015, Azerbaijan, Malaysia and the United Arab Emirates have shown an upward trend in FDI outflows, gradually shifting from being net recipients of FDI to being net sources of foreign investment.

Intra-OIC investments have gained greater visibility

The stock of intra-OIC FDI inflows in 50 OIC countries (corresponding to 96% of the OIC GDP) increased by $36.7 billion between 2018 and 2020, reaching $242 billion and accounting for 29% of the total inward FDI stock of OIC countries.

In 2020, 56% ($134.8 billion) of the intra-OIC FDI stock was accumulated in the OIC Arab group while the Asian and African groups held 37% ($89.7 billion) and 7% ($17.5





billion) respectively.

The largest investor in the OIC countries is the United Arab Emirates. In 2020, this country contributed to intra-OIC investments with an estimated amount of $70.9 billion, representing 29% of the total intra-OIC FDI stock. Qatar holds the second largest share of intra-OIC FDI stocks at 18% in 2020, or about $43.5 billion with a large preference for Türkiye where Qatari investments are focused. Saudi Arabia concludes the list with an intra-OIC FDI stock of about $27.6 billion, equivalent to 11.4 percent. Other relatively larger investors in OIC countries are Kuwait, Malaysia and Türkiye. In total, the 5 largest contributors in terms of FDI account for 83% of the intra-OIC FDI stock.

Despite the Covid-19 pandemic, the number of intra-OIC cross-border M&A transactions remained stable in 2020 compared to 2019. It increased significantly from 49 transactions in 2020 to 82 transactions in 2021. From 2018 to 2021, the UAE topped the list of intra-OIC cross-border mergers and acquisitions, with 80 deals targeting other OIC countries. The second place is occupied by Saudi Arabia, with 34 transactions from 2018 to 2021.

On the need to improve the investment climate

Over the past two decades, OIC countries have undertaken numerous incentives to attract more FDI. However, there is still considerable room for improvement. Several OIC Member States need to provide free and open investment regimes by removing barriers to investment, facilitating the free flow of factors of production, and pursuing policies and actions that support the inflow of FDI in an increasingly dynamic and flexible manner.

Out of the 57 OIC Member States, only 45 countries have agencies exclusively dedicated to investment promotion and FDI attraction. While in the rest of the countries, the same investment promotion agencies have other mandates such as export promotion and regional development.

In addition, several challenges limit the scope of these agencies. The limited number of staff, lack of capacity to participate in international promotion events and governance issues are some of the challenges faced by IPAs in many OIC countries.

Besides, capacity building of human capital operating in IPAs is also required to sharpen their skills and increase their knowledge of investment policies and strategies.

Regarding the single windows that could greatly facilitate the establishment of new investors, only 23 OIC member states had established portals by 2021.

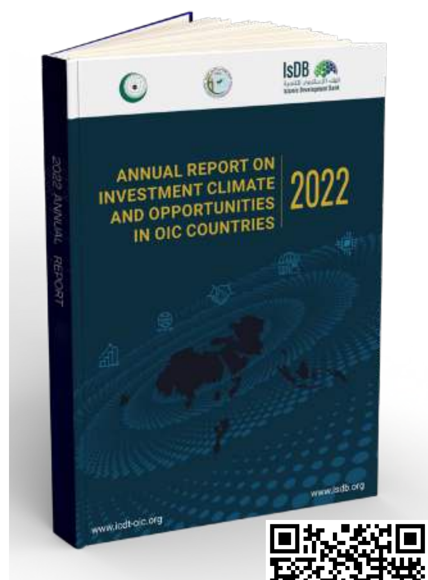
Benin, Iraq, Kazakhstan, Oman, Togo and Uzbekistan are among the countries with the best single windows in the world, according to the UNCTAD/Global Entrepreneurship Network ranking.

The same source ranked the business registration information portals of Algeria, Benin, Burkina Faso, Cameroon, Comoros, Guinea-Bissau, Iraq, Libya, Mali and Togo among the best in the world.

Investment opportunities in OIC countries are flourishing

There are many opportunities and untapped potential to increase intra-OIC investments. Information on investment opportunities in the countries could be monitored through IPAs' websites. Agriculture, tourism, infrastructure, services, and energy related activities appear to be the most frequently promoted sectors by OIC IPAs.

Almost all OIC countries offer various incentives to foreign investors. These may include exemptions from import duties, income tax, VAT, sales tax, and reduced permit and license requirements. OIC countries tend to provide additional incentives to foreign investors in special economic and industrial zones. In addition, some existing investment opportunities and related policies offer the potential for increased intra-OIC FDI.



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The websites of the OIC and the Institutions relating to it

NAME OF INSTITUTIONS	WEBSITES
GENERAL SECRETARIAT OF THE ORGANISATION OF ISLAMIC COOPERATION (OIC)	www.oic-oci.org
SUBSIDIARY ORGANS	
Statistical, Economic, Social Research and Training Center for Islamic Countries (SESRIC)	www.sesrtcic.org
Research Center for Islamic History, Art and Culture (IRCICA)	www.ircica.org
Islamic University of Technology (IUT)	www.iutoic-dhaka.edu
Islamic Centre for Development of Trade (ICDT)	www.icdt-oic.org
International Islamic Fiqh Academy	www.fiqhacademy.org
Islamic Solidarity Fund (ISF) and its WAQF	www.isf-fsi.org / www.isf-fsi.com
The Real Estate Union in Islamic States (REUIS)	www.reuis.org
SPECIALIZED INSTITUTIONS	
Islamic Development Bank (IDB)	www.isdb.org
Islamic Educational, Scientific and Cultural Organization (ISESCO)	www.isesco.org.ma
Islamic Broadcasting Union (IBU)	www.isboo.org
International Islamic News Agency (IINA)	www.islamicnews.org.sa
Islamic Committee of the International Crescent (ICIC)	www.icic.oic.org
The Science, Technology and Innovation Organization (STIO)	www.stio.comstech.org
Islamic Organization for Food Security	www.oicfso.org
AFFILIATED INSTITUTIONS	
Islamic Chamber of Commerce, Industry and Agriculture (ICCIA)	www.icciaonline;com
Organization of Islamic Capitals and Cities (OICC)	www.oicc.org
Islamic Solidarity Sports Federation (ISSF)	www.awalnet.net.sa
Organization of the Islamic Shipowners Association (OISA)	www.oisaonline.com
World Federation of Arabo-Islamic International Schools (WFAIIS)	www.wfais.org
Islamic Conference Youth Forum for Dialogue and Cooperation (ICYF-DC)	www.icyf.com
International Union of Muslim Scouts (IUMS)	www.iums.net
Federation of Consultants from Islamic Countries (FCIC)	www.fcic-org.com
Islamic World Academy of Sciences (IAS)	www.ias-worldwide.org
OIC Computer Emergency Response Team (OIC-CERT)	www.oic-cet.org
Standards and Metrology Institute for Islamic Countries (SMIIC)	www.smiic.org
International Islamic University Malaysia (IIUM)	www.iium.edu.my
Association of Tax Authorities of Islamic Countries (ATAIC)	-
Organization of Islamic Cooperation Broadcasting Regulatory Authorities Forum (IBRAF)	www.rtuk.org.tr
STANDING COMMITTEES	
Alquds Committee	www.bmaq.org/eng/page/al-quds-committee
Bayt Mal Alquds Agency	www.bmaq.org
Standing Committee for Information and Cultural Affairs (COMIAC)	-
Standing Committee for Economic and Commercial Cooperation (COMCEC)	www.comcec.org
Standing Committee for Scientific & Technological Coopration (COMSTECH)	www.comstech.org
ISLAMIC UNIVERSITIES SPONSORED BY THE OIC	
Islamic University of Technology (IUT)	www.iuiu.ac.ug
Islamic University in Uganda (IUIU)	www.universite-say.ne
Islamic University Niger (IUN)	www.universite_say.ne
International Islamic university Malaysia (IIUM)	www.iium.edu.my

2022 ANNUAL OIC HALAL ECONOMY REPORT EXECUTIVE SUMMARY

The world has witnessed a diverse set of challenges in the last two years. The impact of the COVID-19 pandemic and a crisis in Eastern Europe—which caused fluctuations in energy prices and impacted global supply chains—have left economies in the balance. Adding a potential global recession, inflation, and climatic changes to the mix suggests that the imminent future, at the very least, is uncertain.

Despite macroeconomic challenges, the global Halal economy presents an area of unique opportunity for the Organization of Islamic Cooperation (OIC) Member Countries. This is underpinned by key factors, including an expanding Muslim consumer base, keenness among them to make choices aligned with Islamic values, and the growing popularity of Halal products and services. However, opportunities presented by the Halal economy ecosystem remain relatively untapped by OIC Countries.

The 2022 Annual OIC Halal Economy Report aims to inspire and empower OIC government entities, industries, and investors to grow the OIC's share in Halal trade and investments with integrity. Fostering capacity building, increasing production competitiveness, encouraging partnerships, and localizing Halal production are some initiatives that will underpin economic resilience building and help achieve economic growth for all Member States across the OIC network.

The 2022 Annual OIC Halal Economy Report identified that the OIC Member States recorded a trade deficit of US$63 billion for Halal economy products, covering food, fashion, pharmaceuticals and cosmetics, with exports equaling US$275 billion and imports totaling US$338 billion. Only 18% of these imports were sourced from other OIC Member States, while only three OIC Countries (Türkiye, Indonesia, and Malaysia) made it to the top 20 exporters of Halal economy products.

Meanwhile, in terms of investments, OIC Member States received a total of 180 investments across the eight sectors of the Halal economy, with 120 disclosed deals worth US$7.9 billion.

OIC Member States imported US$232.61 billion worth of food products in 2021, with exports equaling US$163.57 billion, making them net importers with a negative trade balance of US$69 billion. Meanwhile, Muslim spend on food by consumers in OIC Countries was valued at US$1.07 trillion in 2021, forecasted to equal US$1.5 trillion by 2026. This presents a strong window of opportunity for OIC Countries to ramp up production, leverage growing consumer demand for healthy and organic food products, and adopt digitalization across the industry.

OIC Countries are fairly reliant on imports of cosmetics products to meet consumer demands, having imported US$13.65 billion in cosmetics in 2021, while exports stood at US$4.4 billion, presenting a negative trade balance of US$9.26 billion. OIC Countries can increase their share of exports to other Member States and potentially source products from other OIC Nations. For instance, Indonesia imports 12% of odoriferous substances from the US, which can be sourced from Egypt. In terms of market size, OIC-based Muslim consumers spent US$47 billion on cosmetics in 2021, which is expected to reach US$69 billion by 2026.

OIC Countries were net importers of pharmaceuticals as well, with imports totaling US$56.93 billion in 2021 and exports amounting to US$5.31 billion, posting a negative trade balance of US$51.62 billion, the highest net import in the last five years. However, OIC Countries are improving their local manufacturing capabilities in vaccines and medicines to achieve self-reliance. Overall, Muslim consumers in OIC Countries spent US$66 billion on pharmaceuticals in 2021, which is forecasted to reach US$96 billion by 2026.

However, in the case of the fashion sector, OIC Countries are net exporters of fashion products (apparel and footwear), having exported products worth US$101.94 billion in 2021, while imports equaled US$34.96 billion, resulting in a positive trade balance of US$66.98 billion. OIC Member States can source several products from other Member

States. For instance, Saudi Arabia imports 12% of t-shirts from India, which can alternatively be sourced from Bangladesh. Meanwhile, OIC-based Muslim consumers spent US$239 billion on fashion products in 2021, which is forecasted to reach US$361 billion by 2026.

Islamic finance assets in OIC Countries were worth US$3.32 trillion in 2020 and are forecasted to reach US$4.82 trillion by 2025, at a CAGR of 7.8%.In 2021, deals in finance constituted 23% of all transactions in OIC Countries. However, key opportunities exist, with Member States standing to gain from the recent technological disruption.

Travel was one of the sectors most affected by the COVID-19 pandemic. However, disruptions caused by the health crisis not only encouraged travel companies to diversify into other services but propelled domestic and regional tourism. OIC governments also offered support to tourism companies to boost the industry. For example, the Moroccan government pledged US$220 million to back tourism businesses affected by the pandemic. Meanwhile, Muslim travelers from OIC Countries spent a total of US$86 billion in 2021, forecasted to reach US$211 billion by 2026.

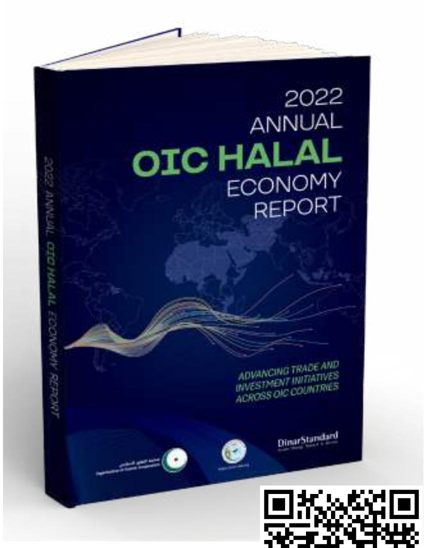
OIC member Countries made up six of the top 10 global markets for Muslim consumer spend on media and recreation in 2021. However, there is potential for further growth amid the demand for original content in native languages. Streaming platforms for motion pictures and music have also gained traction, with subscribers increasing steadily. Muslim consumers from OIC Member Countries spent an estimated US$141 billion on media and recreation in 2021, forecasted to reach US$231 billion by 2026.

Islamic higher education is transitioning beyond doctrinal and social sciences to include modern topics such as fintech and sustainability. Overall, Islamic education is a critical enabler of the Halal economy and is essential to educate industry and Halal supply chain players. Muslim consumers from OIC Countries spent US$15 billion on tertiary education in 2021, with the top three markets being Saudi Arabia, Türkiye, and Indonesia. This spend is forecasted to reach US$19 billion by 2026.

This report identifies 20 actionable items for OIC organs and Member States to explore and implement, grouped into five strategic categories. These categories consist of national economic resilience building, which includes localizing Halal production and launching accelerator programs; intra-OIC/south-south cooperation, which entails establishing economic partnerships and facilitating Halal certifications; research and innovation, which focuses on emerging technologies and capacity building; Halal economy promotion and awareness, which includes supporting SMEs and conducting trade shows; and investment attraction and facilitation, which comprises establishing investment promotion agencies and stakeholder collaboration. Additionally, sector-specific strategic and tactical recommendations for industry stakeholders and investors have been detailed within each chapter.

While Muslims are a vital consumer force, this report identifies key challenges to overcome and opportunities to leverage for OIC Member States to achieve economic resilience and growth.

The organization of capacity building, trade facilitation, investment promotion, forums and expos in Halal domain will increase the intra-OIC Trade and Investment by exploiting the opportunities in various sector of Halal under the auspices of OIC and implementation of ICDT and other sister organs. The operationalization of Halal Dashboard and Halal Economy reports and OIC Halal Expos of ICDT will boost trade and investment flows among Member States.



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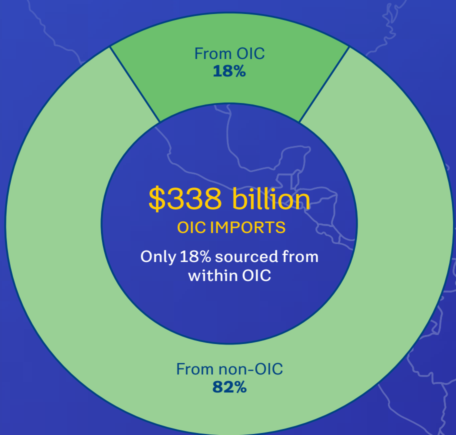
OIC countries to address US$63 billion trade deficit

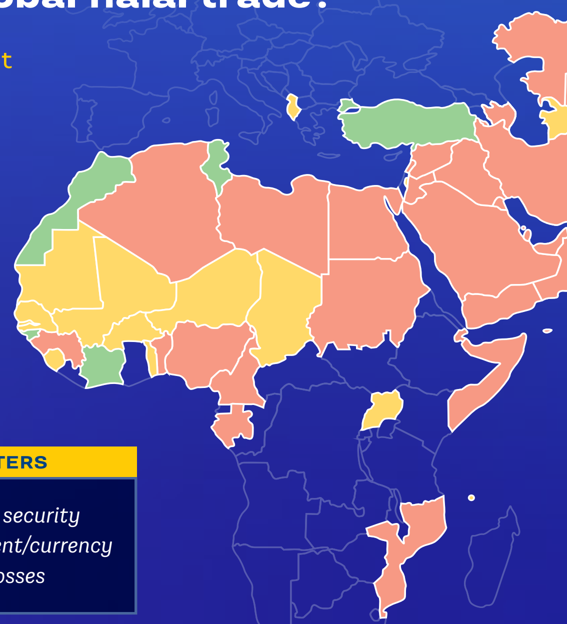
Where do OIC countries stand in the global halal trade?

1. OIC countries have a halal economy products trade deficit of US$63 billion in 2021



KEY

- OIC Net Importer (>$1 billion net imports)
- OIC Net Importer (<$1 billion net imports)
- OIC Net Exporter



WHY IT MATTERS

- *Food/medicinal security*
- *External payment/currency pressures; job losses*

2. Only 3 OIC countries are among the top 20 exporters of halal economy products in 2021

US$ BILLION

OIC countries

$32 billion TÜRKIYE, INDONESIA AND MALAYSIA EXPORT TO OIC

WHY IT MATTERS

- *Long trade routes add to supply chain risks and challenges*

TOP CATEGORIES IMPORTED BY OIC

Medicaments (for retail use)	(HS 3004)
Vaccines; Human and animal blood	(HS 3002)
Wheat and meslin	(HS 1001)
Palm oil	(HS 1511)
Cane or beet sugar	(HS 1701)
Maize/corn	(HS 1005)
Rice	(HS 1006)
Soya beans	(HS 1201)
Oilcake	(HS 2304)
Milk and cream	(HS 0402)

All estimates by DinarStandard Research & Advisory except for Islamic Finance sector provided by Refinitiv Islamic Finance Development Indicator 2021 data. Muslim consumer spend estimates & analysis by DinarStandard leveraging World Bank's ICP 2017 consumer data as baseline reference. Halal economy products trade include food, fashion, pharma and cosmetics products, based on ITC Trademap 2021 data. Projections are baselined on data from IMF Outlook from April 2021. Investments (figures and individual deals) are based on a detailed scan of databases from CapitalQ, Crunchbase and DinarStandard analysis from 1st January 2021 to 31st December 2021. See appendix for detailed methodology.

OIC Organization of Islamic Cooperation, 57 mostly Muslim-majority member countries.

What are OIC countries' strengths?

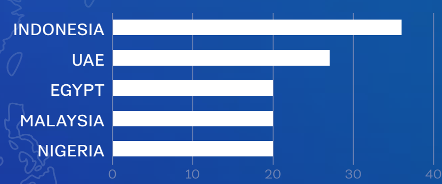
1. OIC halal lifestyle consumer demand ($1.7 trillion) in 2021 is 79% of the global spend ($2.1 trillion)

US$ BILLION

	Education	Cosmetics	Pharma	Travel	Media	Fashion	Food	Islamic Finance (assets)
MARKET SIZE (2021)	15	47	66	86	141	239	1,068	
MARKET SIZE (2020)								3,320
CAGR% (2021-26)	5.4	8.2	7.8	19.7	11.9	8.7	7.1	
CAGR% (2020-25)								7.8

2. $7.9 billion in OIC halal product investments anchoring growth

TOP 5 COUNTRIES BY NUMBER OF RECORDED M&A, VC AND PE DEALS IN 2021



3. Major OIC-based brands poised to champion growth

Food	Almarai, Indofood
Pharma	DuoPharma Biotech, Abdi Ibrahim
Cosmetics	Mikyajy, Iba Halal Care
Fashion	Hijup, Modanisa
Education	INCEIF University, Al-Azhar University
Travel	Emirates Group, Traveloka
Media	Durioo+, Muslim Kids TV
Finance	Lotus Capital, CIMB Islamic

4. Malaysia, UAE and Saudi Arabia leading the OIC Halal Economy Trade and Investment Index

	ISLAMIC FINANCE	FOOD	TRAVEL	FASHION	MEDIA	PHARMA	COSMETICS	EDUCATION
1. MALAYSIA	1	1	5	6	3	3	5	4
2. UAE	4	5	2	4	5	2	1	1
3. SAUDI ARABIA	2	4	6	3	7	5	2	5
4. TÜRKIYE	9	3	3	1	4	1	3	3
5. BAHRAIN	5	16	1	27	2	18	15	15
6. INDONESIA	10	2	18	5	8	6	6	12
7. EGYPT	16	7	12	9	1	7	4	10
8. IRAN	3	40	15	55	25	11	22	32
9. MOROCCO	8	8	10	8	11	14	7	16
10. KAZAKHSTAN	12	11	11	7	16	9	12	6

How can OIC countries achieve the opportunity?

ECONOMIC RESILIENCE

Food safety programs

Accelerator programs

Localizing halal production

INTRA-OIC / SOUTH-SOUTH COOPERATION

Economic partnerships

Harmonized halal standards

RESEARCH & INNOVATION

Emerging technologies

Production competitiveness

PROMOTION & AWARENESS

Trade shows

Supporting SMEs

INVESTMENT ATTRACTION & FACILITATION

Investment promotion agencies

Stakeholder collaboration

HEALTH TOURISM : CHALLENGES AND OPPORTUNITIES IN THE OIC MEMBER STATES.

Health tourism combines travelling to another country to seek medical and wellness services. It comprises all types of medical care and treatments as well as holistic activities aiming at enhancing one's health status and well-being.

Among the main reasons a person seeks for medical care or wellness services overseas, we can quote the advanced technologies in the host country, the seek for a better quality of medical treatments, the existence of longer waiting period in home country and low medical costs in the host country.

Initially, Medical tourism has been from lower to higher income countries with better medical facilities and more highly trained and qualified professionals. However, this trend has started to reverse and most recently hubs of medical excellence have emerged and attract people in many regions. Today many countries participate in medical tourism as importers, exporters or both.

Following the COVID-19 pandemic, many countries have started to develop policies to protect health and improve the well-being of their populations. These policies have increasingly been placed as a priority among public interventions.

Within the OIC region, several Member countries are today featured in the list of top Health Tourism destinations worldwide while populations in other countries are still dependent of foreign countries to benefit from medical treatments and wellness services. Among OIC countries that have registered success stories in this area, we can quote Azerbaijan, Indonesia, Iran, Jordan, Malaysia, Morocco, Türkiye and the United Arab Emirates. Those countries are known to be very competitive on Health tourism market thanks to their affordable prices, well-developed healthcare facilities and high skilled workforce. This makes Health tourism in OIC countries a major market that could accelerate the development of health care services within the region. Among the strengths of OIC countries in the area, one can quote a well-educated staff, a large number of hospitals and clinics and rich spa and wellness centres. As for the weaknesses, they are related to lack of coordination, insufficient marketing and investment and a limited number of products and service while the threats are the existence of a growing competition on the market, the lack of an OIC level guidance and social security systems that need to be reinforced.

-Throughout the years, ICDT has increased its activities towards developing a competitive and sustainable Tourism sector in OIC countries and upon the request of the OIC General Secretariat, the Center also provided its assistance towards the implementation of the « Regional Project on Sustainable Tourism Development in a Network of Cross-Border Parks and protected Areas in West Africa », initiated by 10 African countries Members of the OIC under the assistance of the OIC General Secretariat and the UNWTO.

Following the negative effects of Covid-19, ICDT elaborated a Program of assistance in the Tourism area (TOURDEV) within the framework of its new Strategy 2022-2025, to reinforce the resilience of dedicated institutions in OIC countries. It consists in organizing tourism related events such as training workshops aiming at promoting new tourism niche markets and also includes the conduct of studies relating to Sustainable, Health and Gastronomy tourism.

Within the framework of the TOURDEV program, ICDT and SESRIC recently organized a Training Webinar on the "Prospects of Health Tourism in OIC Countries", on 8-9 November 2022.

The objective of this training is to highlight the potential of Health tourism and existing challenges in OIC Countries, contribute to the strengthening of the resilience of the actors evolving in this sector and share experiences while highlighting new post-pandemic opportunities.

On this occasion, participants were also familiarized with the latest marketing and branding tools to better position themselves on the Health Tourism market which is known to be very promising but extremely competitive.

ICDT in collaboration with OIC countries and Institutions and International organizations will continue providing its assistance to Member countries with a view to reinforcing Member countries capacities in the Tourism area; diversifying their touristic offers and promoting intra-OIC Tourism.

CALENDAR

Activité	Date	Lieu
1ère rencontre OCI sur la café '1st OIC Coffee Meet'	7-8 Mars 2023	Kampala, République d'Uganda
Forum d'investissement OCI / Côte d'Ivoire	16-17 mars 2023	Abidjan, République de Côte d'Ivoire
Bahrain Halal Expo	4-6 Mai 2023	Région de Sakhir – Royaume du Bahreïn
10ème Salon des Produits Halal des Etats Membres de l'OCI	31Mai – 4 Juin 2023	Tunis, République de Tunisie
18ème édition de la Foire Commerciale des Etats Membre de l'OCI	16-18 Juin 2023	Lahore, République Islamique du Pakistan
5ème Salon de la santé des Etats Membres l'OCI « 5th OIC Health Expo »	28 Juin – 02 Juillet 2023	Dakar, République du Sénégal
2ème Salon du Coton, Textile et Habillement des Etats Membres de l'OCI	19-22 Juillet 2023	Abidjan, République de Côte d'Ivoire

WAIPA

World Association of Investment Promotion Agencies