

SBP AND ICIEC SIGN MoU TO PROMOTE TRADE AND INVESTMENT IN PAKISTAN

The State Bank of Pakistan (SBP) and the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC), a member of the Islamic Development Bank (IDB) Group, have signed a Memorandum of Understanding (MoU) to cooperate in promoting trade and investment in Pakistan.

The MoU, which was signed by Mr. Yaseen Anwar, Governor, State Bank of Pakistan and Dr. Abdul Rehman Taha, Chief Executive Officer (CEO), ICIEC at a simple but impressive ceremony held at SBP, Karachi today, is aimed at establishing a basis for the exchange of information between the two entities on banking industry's condition and operating performance and ICIEC exposures on the banks operating in the country.

Under the MoU, both the parties shall cooperate for the purpose of promoting and supporting the flow of trade and investment to and from Pakistan, in accordance with the prevalent laws and regulations. SBP shall endeavour to provide/share banking industry wide (not of individual bank) information and its reports, papers etc on foreign investment environment in Pakistan with ICIEC as and when desired by it (ICIEC).

The ICIEC operations in Pakistan, among others, would include provision of Shariah compliant insurance coverage to Letters of Credit (LC) issuing banks in Pakistan, which will help them in getting their LCs confirmed at competitive rates.

Earlier, Dr. Abdul Rehman Taha called on the State Bank Governor, Mr. Yaseen Anwar and discussed his plans to expand ICIEC operations in Pakistan. Mr. Anwar welcomed him and appreciated the interests of ICIEC in Pakistan and assured State Bank's complete support to ICIEC for the promotion of trade and investment in the country.

Dr. Taha said the signing of MoU comes within the framework of the role of ICIEC in supporting financial institutions in its member countries to enable them to provide export finance to their customers. 'I am confident that signing the MoU with SBP will greatly enhance ICIEC's ability to support Pakistan's international trade, particularly with OIC member countries', he added.

Headquartered in Jeddah, Saudi Arabia, ICIEC is the only multilateral Shariah Compliant ECA in the world providing credit and political risk insurance (Takaful) services. ICIEC's risk mitigating instruments help its clients (exporters, banks and investors) in its member countries in expanding their business volumes in a risk and cost effective manner.

Since its inception in 1995, ICIEC has provided insurance commitments in excess of USD 11 billion. Over 17 years in business, ICIEC has carefully nurtured professional relationship with leading exporters, ECAs, reinsurers and banks. ICIEC is now a name which is trusted by its partners worldwide. ICIEC's shareholders include 40 countries from the Organization of Islamic Cooperation (OIC). Its main shareholder, Islamic Development Bank (IDB) owns 67% of the capital and is rated AAA by the three global rating agencies (S&P, Moody's & Fitch). ICIEC is rated by Moody's as Aa3 with a stable outlook on a stand-alone basis.
