

## International Financial Institutions in North Africa and the Middle East

*International financial institutions (IFIs) are valuable sources of commercial prospects and partnerships for Canadian exporters and investors. In addition to the World Bank and the African Development Bank, Canadian firms can draw on several Arab and Islamic funds, including the Arab Investment Company and various Kuwaiti funds.*

### **Arab and Islamic Financial Institutions**

Islamic banking and its creative approaches to financial markets can be of significant advantage for Canadian businesses. Some 140 Islamic financial institutions, with total assets of over US\$110 billion and capital of US\$5 billion, operate in more than 40 countries. The largest, in terms of assets, are concentrated in Bahrain, Kuwait and Saudi Arabia — Bahrain alone is the base for 11 Islamic financial institutions, including one set up by Citibank. Several Western financial institutions have also followed suit by offering Islamic mutual funds and other investment products. In North Africa, the Islamic Development Bank maintains a regional office in Rabat.

For a copy of *Arab and Islamic Development Funds and Financial Institutions: A Guide for Canadian Business*, visit [www.dfait-maeci.gc.ca/ifinet/bgguide-e.asp](http://www.dfait-maeci.gc.ca/ifinet/bgguide-e.asp).

### **African Development Bank Group**

The African Development Bank Group ([www.afdb.org](http://www.afdb.org)) is an international development organization

supported by 77 member nations and 24 non-regional shareholders, including Canada. With headquarters in Abidjan, Côte d'Ivoire, the Bank Group covers Africa exclusively.

### **Preparation Vital to Accessing IFI Sources**

Canadian companies must have a thorough understanding of the structures, mechanisms and procedures inherent in these financial institutions. And, as with all commercial activities in these regions, it is important to network, partner and form strategic alliances with local firms or individuals. Personal contact and long-term relationships are key to developing a solid business base in the region.

Generally, IFIs and funds do not exclude participation by foreign

firms. *In theory*, eligibility for financial support is not restricted to Arab or Islamic countries. *In practice*, however, institutions and funds tend to prefer regional companies. This is why it is necessary for Canadian businesses to team up with local partners.

Canadian firms can benefit by lobbying local executing agencies, particularly in francophone countries, where Canada's presence and expertise are well established. Many institutions and funds have lists of Canadian companies with whom they have worked and most of these firms are more than willing to work with Canadian partners.

Find out about IFI-financed projects through DFAIT's IFInet system at [www.dfait-maeci.gc.ca/ifinet](http://www.dfait-maeci.gc.ca/ifinet).

### **Regions Share more than Sun, Sand, Spices and Oil**

*The countries of the Middle East, Arabian Peninsula and North Africa have much in common — culture, heritage and, of course, geography. For the Canadian exporter, the three secrets to success in this part of the world are price, patience and perseverance.*

*We encourage you to read the three CanadExport supplements on this region.*

*The November 1, 1999 issue discussed trade opportunities in the Middle East and highlighted the government and private sector organizations active in this region. The November 15 issue focused on the Arabian Peninsula and on promising sectoral opportunities there. This issue covers North Africa and the international financial institutions that fund projects throughout the region.*

*Additional copies of these three issues are available by calling (613) 944-6994, or through the Internet at <http://www.dfait-maeci.gc.ca>. The Department of Foreign Affairs and International Trade's site also contains valuable information on travelling to and doing business with North African and Middle East countries.*