

was established, and a rating agency in Bahrain was created by the Arab Monetary Fund to provide ratings for Arab financial institutions.

These initiatives were accompanied by reforms for developing Arab financial markets and linking them together, improving investment codes and incentives, diversifying revenue bases (Bahrain is becoming a major financial centre in the region, UAE and Oman are developing gradually their tourism sector), liberalizing interest and exchange rate policies, and adopting privatization programs. These developments illustrate a regional commitment to liberalizing inter-Arab trade, fostering growth and accelerating some degree of Pan-Arab economic integration. There is a growing awareness of the Arab regional group's financial clout, and its determination to use revenues as investments to develop their respective economies, and also its desire to look ahead to a future with a more solid and diversified investment base and source of income.

Interestingly, the majority of Arab and Islamic development funds and regional financial institutions are based in three Gulf countries: Saudi Arabia, Kuwait and the Arab Emirates, with the exception of the BADEA (Banque arabe pour le développement économique en Afrique) and AAAID (Arab Authority for Agricultural Investment and Development), based in Sudan. Several private and religious charitable organizations complete the vast amount of financial resources made available for development assistance or for Arab economic integration and development.

Implications for Canadian business

The collective developmental and financial activities of Arab financial institutions represent substantial sources of financing for projects worldwide. These in turn translate into major business opportunities for Canadian firms, suppliers and consultants, provided they have a thorough understanding of the mechanisms, structure, and procedures inherent to each institution. Furthermore, they must be made to realize the importance of networking, partnering, forming strategic alliances with local firms or individuals. Personal contact and long-term relationships are the key to developing a solid business base in the region. In most instances, the operation and mandates of these funds are not designed to exclude international involvement, and do not entail particular impediments to greater participation by Canadian firms. Counter to some beliefs, recipient country eligibility is not restricted to Arab or Islamic countries, with the exception of