

ECOWAS dialogue focuses on Islamic finance, among others



THE IVORY COAST

By Abbas Cherif

On the 27th-28th September 2018, Making Finance Work for Africa, an initiative to support the development of African financial sectors, organized the ECOWAS [Economic Community of West African States] Financial Sector Policy Dialogue in Abidjan in the Ivory Coast. During the dialogue, participants at this high-level meeting took stock of ongoing reforms and identified priority actions that will form the basis of a road map for financial sector development initiatives within the ECOWAS region. The dialogue focused on identifying financial and non-financial instruments that have catalytic effects on the real economy of member countries.

The first session was titled 'ECOWAS Financial Sector High-Level Landscaping' where panelists including the executive governor of the Central Bank of Liberia presented an overview of the regional financial sector with,

among other things, the contribution of Islamic finance.

The second session was 'Strengthening Regional Integration through the Financial Sector' where Fatou Gueye Dieng, the deputy director of financial inclusion at the Central Bank of West African States, gave a brilliant presentation on the efforts of the central bank for the interoperability of the information systems. This initiative could be very profitable for the Islamic finance industry in terms of increasing access to financial products in the West African Economic and Monetary Union (WAEMU) region. Panelists also spoke about how realistic the task force deadline is for the ECOWAS single currency project.

The third session was 'Digital Session' and once again, Gueye Dieng presented the challenges and opportunities of digital finance. She concluded her speech by sharing some important figures about the state of financial transactions in the WAEMU region. The cost of banking solutions was pointed

out as a critical challenge for Islamic microfinance institutions as well.

The last session on the first day was 'Mobilizing for climate change' where green Sukuk were presented as a wonderful instrument for supporting actions against climate change. On the second day, the focus was on 'Scaling up insurance markets for growth' where Fransady Konde, the executive secretary of the Federation of African National Insurance Companies, revealed that his institution, in collaboration with the Inter-African Conference of Insurance Markets, is working on a Takaful regulation framework which will definitely unlock the potential of the market in the region.

A wrap-up session focused on the ECOWAS financial sector by showing the most appropriate financial instruments and the way forward with a note on the potential of Islamic finance. ☺

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Back to school, back to the markets



QATAR

By Amjad Hussain

The relatively quieter summer period has now given way to much activity in Doha. This is typically the season of conferences and announcements and this year promises to be the same.

Yousuf Al-Jaida, CEO of the Qatar Financial Centre, recently announced that Islamic financing remains a core focus area for both the State of Qatar and the Qatar Financial Centre. The Qatari authority has been developing its ties with Muslim countries in the Southeast Asian region, particularly Pakistan and Bangladesh. The Qatar Financial Centre has also announced it will be spending US\$2 billion to create a leading financial services hub that will rival any in the region.

The markets were further uplifted by Moody's Investors Service's upgrade of Qatar's banking sector outlook to stable from negative. This is a reflection of the

substantial efforts that have been put in place to ensure that the local market is resilient during the ongoing regional geopolitical issues.

Qatar Central Bank has also announced a new initiative. It is going to launch a banking service platform before the end of 2018 to support and promote the fast-growing fintech sector. The bank's objective is to help support the transfer of Qatar into a knowledge-based society and enable the country to emerge as a regional hub for innovative financial technology and services, particularly fintech companies.

Qatar National Bank (QNB) and Qatar Islamic Bank (QIB) have raised a combined US\$1.3 billion in privately placed bonds. QNB raised US\$1 billion at the end of September with Standard Chartered arranging the issuance. QIB raised US\$300 million earlier this month, also with Standard Chartered as the arranger. Some of the investors in the private placements were said to be based in Asia, with Malaysia and Indonesia

accounting for a substantial number of investors in QIB's issuance.

The Tunisian subsidiary of Qatar's Majda Group has closed a deal to acquire the Tunisian state's stake in Zitouna Islamic Bank (67%) and Zitouna Takaful Insurance (70%) for US\$131.64 million. The deal shows the appetite of Qatari investors to enter the Tunisian market, where the authorities have been keen to develop Islamic products.

We understand that the Commercial Bank of Qatar aims to raise US\$750 million through a syndicated loan to refinance existing facilities by the end of the year. Also, Qatar National Bank is rumored to be planning to refinance a EUR2.25 billion (US\$2.61 billion) facility due in May 2019. This is likely to further spur the Islamic banking sector in Qatar as further liquidity and confidence return to the markets. ☺

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