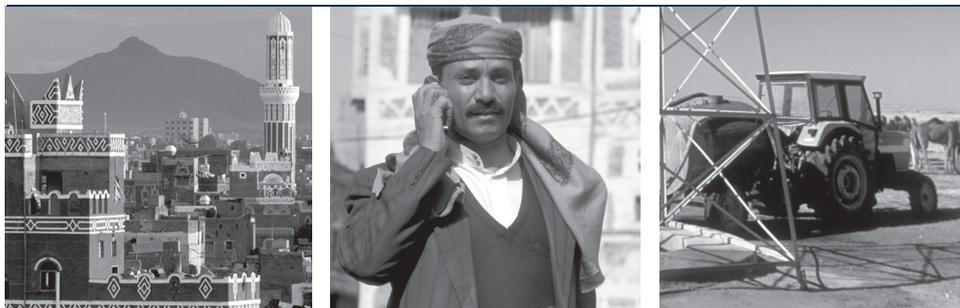


MIGA in the MIDDLE EAST and NORTH AFRICA



The Multilateral Investment Guarantee Agency (MIGA), a member of the World Bank Group, promotes foreign direct investment into developing countries by offering risk mitigation solutions. These include: political risk insurance (guarantees) for investors and lenders, mediation services for investment disputes, and investment promotion technical assistance services to help developing countries attract and retain foreign investment.

For many years, the Middle East and North Africa region has not attracted significant amounts of foreign direct investment, compared to other regions. As economic reforms increase the role of the private sector in the region, and as areas emerge from conflict, MIGA's risk mitigation solutions can be key in facilitating FDI and addressing the risk perceptions of investors and lenders. They can also promote trade and investment within the region, and help investors based in the Middle East compete in the global marketplace.

MIGA MEMBER COUNTRIES IN THE MIDDLE EAST AND NORTH AFRICA

Algeria, Bahrain, Egypt, Islamic Republic of Iran, Israel, Jordan, Kuwait, Lebanon, Libya, Malta, Morocco, Oman, Qatar, Saudi Arabia, Syrian Arab Republic, Tunisia, United Arab Emirates, Yemen



World Bank Group
Multilateral Investment
Guarantee Agency

Guarantees Highlights

PORTFOLIO AT A GLANCE

MIGA has issued over 700 guarantees for projects in 85 countries around the world, totaling more than \$13 billion in coverage. The agency's portfolio in the Middle East and North Africa region currently stands at \$154 million, representing about 3 percent of the agency's total outstanding portfolio.

MIGA's guarantees protect investors against the risks of:

- Currency transfer restriction and convertibility
- Expropriation
- War and civil disturbance
- Breach of contract

MIGA provides added value to investors through:

- Credit enhancement: Improved access to financing, increased tenors of capital, and often reduced capital and financing costs.
- Greater confidence: The World Bank Group "umbrella" has a deterrent effect against government actions that could disrupt investments. MIGA can also influence the resolution of potential disputes between investors and host governments, thereby preventing claims.
- Extensive knowledge: Clients are offered unparalleled knowledge of emerging economies through the extensive resources of the entire World Bank Group.

SELECTED PROJECTS

Telecoms in SYRIA

MIGA issued guarantees totaling \$75 million to **Investcom Holding S.A.** of Luxembourg (a subsidiary of **Investcom Lebanon**) and **Teleinvest Ltd.** of the Cayman Islands (a subsidiary of **Dallah Al Baraka Holding of Saudi Arabia**) for their \$83 million equity investment in **Spacotel Syria S.A.** The project addresses the acute need for improved telecommunications infrastructure in Syria. Spacotel expects to increase its GSM network capacity to meet demand from more than 4 million potential subscribers. It will also provide significant revenues to the government of Syria and increased employment opportunities. Improved mobile telecommunications have a wide impact on the economy, improving the efficiency of transactions, reducing the cost of telephony, and facilitating integration into the global economy.

Agribusiness in JORDAN

A \$39.1 million guarantee was provided by MIGA to **Kemira Danmark A/S** of Denmark to provide coverage for the company's investment in **Kemira Arab Potash Co., Ltd.** in Jordan. The project involves the construction of a new plant in Aqaba that will use minerals from the Dead Sea and Eshidiya region to produce and export specialty fertilizer and an animal feed supplement. Minerals will provide the primary product input. MIGA's coverage is for two shareholder counter-guaranties provided to the affiliate company, **Kemira Agro Oy** of Finland, for guaranties to the project financiers (the European Investment Bank and the Islamic Development Bank). MIGA is reinsured in the deal by **Finnvera**, the Finnish investment insurance agency. MIGA is protecting the investment against the risks of transfer restriction, expropriation, and war and civil disturbance.

Banking in ALGERIA

MIGA issued a guarantee for \$5.8 million to **Banque Natexis** of France for its equity investment in establishing a subsidiary branch in Algeria. The project enterprise, **Natexis Al Amana Banque-Groupe Banques Populaires**,

will be one of the first commercial banks in Algeria to specialize in trade and corporate finance for small- and medium-sized companies. It will provide financial services in corporate banking, trade finance, retail banking, and mergers and acquisitions.

Tourism in the WEST BANK AND GAZA

MIGA insured an investment by **Phoenix International Ltd.** of the United Kingdom for the establishment of a cultural center for tourism and business visitors to the West Bank and Gaza (WB&G). The project enterprise, **Solomon Pools Company**, located just south of Bethlehem, comprises several historically-significant archaeological sites dating back more than 2,000 years, and was designed to restore and enhance the historic and cultural significance of the site. The \$5.0 million coverage was issued through the West Bank and Gaza Investment Insurance Trust Fund, created by MIGA in 1997 to promote foreign investments in the WB&G and financed by the European Investment Bank, the Japanese government and the Palestinian National Authorities. This coverage is against the risks of transfer restriction, expropriation, and war and civil disturbance.

Solid Waste Management in EGYPT

Urbaser S.A. of Spain has received \$6.4 million in MIGA guarantees for its investment in **Enser SAE**, the project enterprise. The \$21.8 million project will improve the collection, treatment and disposal of solid waste in Cairo, helping address this urgent issue in the rapidly growing Egyptian capital. In addition to general health benefits from improved solid waste management (e.g., from reduced burning of waste), the project will also increase waste collection in low income areas, create more than 2000 new jobs, and improve the image of Cairo.

SELECTED MIGA PROJECTS IN THE MIDDLE EAST AND NORTH AFRICA

GUARANTEE HOLDER	INVESTOR COUNTRY/ NATIONALITY	SECTOR	HOST	GUARANTEED AMOUNT (US\$ M)
Phoenix International Ltd.	UK	Tourism	West Bank/Gaza	5.0
Banco Exterior de Espana, S.A.	Spain	Financial	Morocco	9.9
British Gas plc	UK	Oil and Gas	Tunisia	65.0
Guardian Glass Investments S.A.	Luxembourg	Manufacturing	Saudi Arabia	10.0
Harsco Investment Corporation	USA	Manufacturing	Egypt	2.2
Harsco Corporation	USA	Manufacturing	Bahrain	3.0
CESCE	Spain	Oil and Gas	Algeria	10.0
Natexis Banque	France	Financial	Algeria	5.8
Kemira Danmark A/S	Denmark	Manufacturing	Jordan	14.7
Kingdom 5KR	Saudi Arabia	Tourism	Syria	22.8
Investcom/Teleinvest	Lebanon/Saudi Arabia	Telecom	Syria	75.0

SELECTED MIGA PROJECTS FROM THE MIDDLE EAST AND NORTH AFRICA

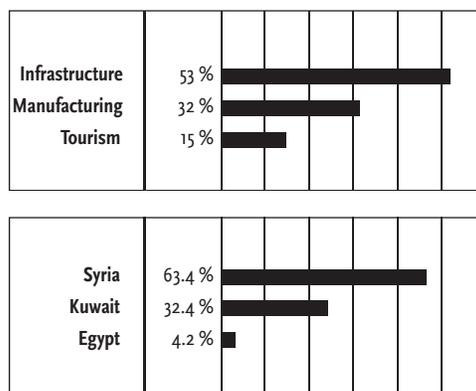
Investcom Holding SA	Lebanon	Telecom	Benin	8.1
Office National de Télécommunication and la Société Mauritano-Tunisienne des Télécommunications	Tunisia	Telecom	Mauritania	26.3
Orascom Telecom	Egypt	Telecom	Pakistan	79.0

Outward Investment: LEBANESE TELECOM COMPANY INTO BENIN

MIGA has provided \$8 million in guarantees to **Investcom Holding S.A.** of Luxembourg, and to its wholly owned subsidiary, **Investcom Global Ltd.** of the British Virgin Islands, to cover their \$9.9 million equity investment in, shareholder loan to, and loan guaranty benefiting **Spacetel Benin S.A.R.L.** Investcom is owned by Lebanese investors. The project involves the installation of a new GSM mobile telephone network in Benin, which suffers from a severe shortage of reliable telephone lines. The project will help increase teledensity and improve connections, voice quality and clarity, and is expected to be particularly beneficial to the local business community.

OUTSTANDING GUARANTEES PORTFOLIO IN THE MIDDLE EAST AND NORTH AFRICA

Gross exposure, by sector and country



Note: All figures in this brochure are as of Dec. 31, 2004.
All \$ amounts are current US dollars.

Technical Assistance Highlights

ACTIVITIES AT A GLANCE

MIGA's investment promotion services in the Middle East and North Africa are part of the World Bank Group's toolkit to promote private sector development. In countries that are reforming their economies to increase private investment and in states emerging from conflict, MIGA's services can play a key role in equipping investment promotion intermediaries with state-of-the-art tools to compete in the global FDI marketplace. Furthermore, our clients in MENA can benefit from the fact that MIGA is at the forefront of efforts to use new on-line technologies for investment promotion.

SELECTED ACTIVITIES

EGYPT

In 2003, MIGA conducted an institutional assessment of the General Authority of Free Zones and Investment (GAFI) to evaluate the country's ability to promote FDI. Following a recent restructuring of the Cabinet and GAFI, MIGA is now discussing with GAFI the institutional mechanisms to increase the awareness, consensus and mandate regarding investment promotion and to improve the investment climate by enhancing the role of investment promotion in the country's industrial development.

MOROCCO

In close collaboration with IFC's North African Enterprise Development facility (NAED), MIGA conducted an institutional assessment of the Tangier-Tetouan Region. Recommendations from the assessment included the creation of a regional investment promotion agency to proactively promote FDI to the region and further its economic development. MIGA is playing a key role in providing assistance in developing the region's strategic direction, competitive positioning and economic development. To complement this effort, leading edge investment promotion tools will be developed and implemented.

IRAQ

MIGA is contributing to the development of the World Bank Group strategy for Iraq. It is envisaged that during the post-conflict transition period, MIGA will play a role to develop institutional capacity for promoting foreign investment and economic growth through the development of promotional strategies, training, technical assistance, and information product tools and resources for policy makers. On-the-ground technical assistance and capacity-building will eventually form an integral part of the World Bank Group's assistance in this area.

REGIONAL COOPERATION

MIGA is currently preparing an enterprise benchmarking program for the region, with a view to providing concrete data on the competitiveness of specific sectors in various MENA countries. The data will be comparable across the region and globally. Importantly, the information is gathered directly from enterprises, rather than based on official statistics. The data should prove useful to investors, investment promotion agencies, and government officials for site selection, competitive positioning, outreach activities, and improvement of the legal and regulatory framework, respectively.

MIGA is cooperating with the Islamic Corporation for the Insurance of Investments and Export Credits (ICIEC) in the development of materials in Arabic for the FDI promotion center (www.fdipromotion.com). These best practice investment promotion resources and tools will be made available in the region and will contribute substantially to developing institutional capacity to attract investment. As part of this same effort, MIGA will host a staff exchange representative from the ICIEC during a two-year period in order to help develop regional expertise in this field.

Middle Eastern and North African countries on PrivatizationLink

Algeria, Bahrain, Egypt, Islamic Republic of Iran, Iraq, Jordan, Lebanon, Morocco, Oman, Qatar, Saudi Arabia, Tunisia, United Arab Emirates, and Yemen

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MIGA's technical assistance and advisory services:

- Strengthen the capacity of investment promotion intermediaries in developing member countries by equipping them with the tools, techniques, and skills to target and attract foreign direct investment.
- Provide information on investment opportunities, business operating conditions, and business partners through FDI Xchange, a customized free email service, IPAnet, the online investment marketplace, and Privatization Link, a web-based service on privatization opportunities.

www.fdiexchange.com
www.privatizationlink.com
www.ipanet.net
www.ipaworks.org