

## 13th Carthage Rendez-vous: Insurance still key to economy

The capacities of the insurance sector could back institutional investments, and there should also be a suitable investment environment to encourage better utilisation of Arab resources, said speakers at 13th Insurance and Reinsurance Carthage Meeting.

By Osama Noor

**T**he insurance sector has a big role to play in activating long-term institutional investments, which will boost private investments and thereby improve developmental efforts, said Mr Lassaad Zarrouk, President of the Tunisian Federation of Insurance Companies (FTUSA) and Chairman of STAR Assurance, at the opening of the 13th Insurance and Reinsurance Carthage Meeting in Tunis.



Mr Lassaad Zarrouk

He said that the potential capacities of the insurance sector, if given proper attention, could provide backing to institutional investments at low costs, as well as support the safety net for investors and financial and economic institutions. Mr Zarrouk also noted that developing life and savings products is a shared responsibility between the authorities and insurers.

### Insurers need to strengthen developmental role

The time is ripe for Arab investors with financial and political power to establish an effective Arab investment bank similar to the European Investment Bank, and insurers should play a more active role in this initiative, said Dr Sabri Moh'd Al Dissi, outgoing President of Jordan Europe



Dr Sabri Moh'd Al Dissi

Business Association.

The insurance industry should go beyond its traditional role of protecting assets and individuals in the region, particularly by supporting venture capital to encourage new projects and assist businesses in seizing opportunities which involve higher degrees of risks, he said. Dr Dissi noted that insurers should also give their support by becoming involved in other activities, such as helping investors conduct feasibility studies and providing financial guidelines.

As the region is rich in natural and economic resources, he also called on Arab governments and private institutions to work on achieving comprehensive economic integration, adding that it is a strategic imperative for countries in the region to rationalise unproductive competition which drains the region's resources.

### Investments in the Arab world

Mr Abdul Khaliq R Khalil, Secretary General of the General Arab Insurance Federation (GAIF), stressed the importance of creating a suitable investment environment to encourage better utilisation of Arab resources. He said political developments in the region have negatively affected the flow of investments to the Arab countries and this requires states to ease their investment procedures and movement



Mr Abdul Khaliq R Khalil







capital to achieve sustainable development. "It is important not only to get investors into the market, but more important to retain them," he commented. Mr Khalil called on Arab governments to enhance the regulatory framework to organise the market and support the role of insurance companies in the local arena. He called for the role of insurance associations to be strengthened, and for members to work on creating large entities capable of facing foreign competition. Mrs Suheila Chabchoub, Chairwoman of Tunisia's credit insurer Cotunace, said the insurance industry has backed commercial activities by offering the necessary covers for various companies to be financially protected in their transactions.



Mrs Suheila Chabchoub

## Developments in Tunisia and Sub-Saharan Africa

Mr Ridha Ben Mosbah, Counsellor for Economic Affairs, Government of Tunisia, said that the government in Tunisia is paying special attention to the insurance sector, which is translated into various reforms and studies to ensure renewed dynamism. He added that for the sector to occupy a stronger position in the national financial system, the Tunisian regulator, the Comité General des Assurances (CGA, General Insurance Committee), has developed a reform programme over the next five years (2016-2020) following the results of a study to develop the insurance sector. The five aims to strengthen the structure of the sector to help its players operate in line with international standards.



Mr Ridha Ben Mosbah

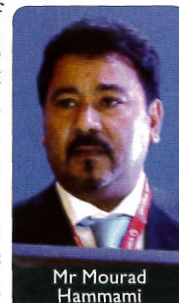
Providing an overview and outlook of the insurance industry in Sub-Saharan Africa, Mr Samir El-Mouaffek, General Manager, Trust Re Morocco, said the African markets are profitable in most lines of business, and noted that continued government investments in infrastructure, as well as foreign investments, are expected to raise middle-class income, GDP and consequently, growth and demand for (re)insurance.



Mr Samir El-Mouaffek

Citing the findings of a Trust Re survey, Mr Mouaffek said that change is needed in the insurance markets in terms of creating better and more effective regulations, and implementing structural reforms in the fields of capital requirements, transparency and compulsory insurance, and localisation of insurance.

Mr Mourad Hammami, Head of Compliance & Money Laundering Reporting Officer, Trust Re, said that money from laundering activities is estimated at around US\$1 trillion annually, most of it through the drug and weapons trade and other criminal activities, mainly from countries with high GDP and tax-free systems. He added the insurance industry is at risk of being used for money laundering and terrorism purposes due to its international nature as well as the savings and investment features of some products, and because insurance is broadly used by individuals and corporates.



Mr Mourad Hammami

With the theme "Insurance, Investment and Development", the biennial Carthage Meeting this year attracted over 400 delegates and was organised by the FTUSA, in cooperation with GAIF and Tunis Re.