

PM: Venture capital fund can drive Muslims ahead

NST- 29/5/2007

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KUALA LUMPUR: The prime minister has proposed a venture capital fund to boost business and innovation in a Muslim world beset by economic stagnation.

Datuk Seri Abdullah Ahmad Badawi urged delegates at the third World Islamic Economic Forum yesterday to use the occasion to think about the establishment of a Muslim venture capital industry, which he described as a pillar of modern enterprise.

"For the Muslim *ummah*, the lesson is clear: We need to unleash innovation by ensuring that our entrepreneurs have access to the capital they need to succeed," he said in his opening address to the forum.

He said the Muslim world need-

ed to pool its resources and that the interaction and networking afforded by the forum had, in the past, shown results, such as in the formation of various working groups.

Abdullah outlined a way forward for the global Islamic community to emerge from the doldrums by making the most out of its untapped potential.

"Firstly, we need to build the foundation for innovation by rebuilding our understanding of Islam. Secondly, we need to promote innovation by creating an ecosystem for knowledge and enterprise.

"Finally, we need to sustain innovation by building and developing platforms for co-operation and sharing ideas among the *ummah*," he said.

Abdullah, who is also finance

minister, said innovation was central to the future of Muslims.

"The world is becoming more globalised and more knowledge-based, and Muslims must learn to innovate or be left behind."

He said the level of innovation among the *ummah* was low. Of the top 15 countries which have submitted international applications under the Patent Co-operation Treaty, none were Muslim countries.

Abdullah said a mindset change was the necessary first step if the *ummah* was to progress and develop.

"We must break the rigidity and dogma that currently shackle Islam. We must go beyond rituals and ceremonies in Islam."

Abdullah said if Muslims adopted the principles of Islam Hadhari and became more open and pro-

gressive, the fortunes of the *ummah* could be turned around, and the structures of Muslim innovation rebuilt.

"In order to create an ecosystem that promotes innovation, we also need to create a business environment that provides the resources for innovation."

Abdullah also called on Muslim countries to step up investments in education and human capital development.

He said that while the Organisation of the Islamic Conference counted many oil-rich countries as members, only 3.7 per cent of gross domestic product was devoted to education between 2002 and 2004, compared with an average of five per cent invested by the Organisation for Economic Co-operation and Development countries in 2004.