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Resilient economies key to stability: Najib

> WIEF participants urged to address inequalities in wealth distribution

KUALA LUMPUR: Building high resilience economies and businesses is important for preserving stability and promoting equitable growth, said Prime Minister Datuk Seri Najib Abdul Razak.

"None of us can totally shield ourselves from the vagaries and uncertainties of rapidly changing markets and currency fluctuations.

"It is, therefore, more important than ever that we build economies and businesses with high resilience to preserve stability and promote equitable growth," he said in a keynote address at the ninth World Islamic Economic Forum's (WIEF) opening session here yesterday.

Najib is the patron of the WIEF Foundation and the forum is making a return to Kuala Lumpur following its founding in 2005.

He said the theme, "Building Resilience for Equitable Growth", is appropriate, given the challenges facing the global economy.

The three-day ninth WIEF will see the participation of 3,069 delegates comprising global leaders, ministers, speakers, exhibitors and artists from 98 countries across five continents.

Najib said the participants must address inequalities in the distribution of wealth, both across and within nations, to safeguard social stability and promote an agenda of global inclusion, peace and prosperity.

He said there are millions of small and medium enterprises (SMEs) thriving in communities across the Islamic world today.

"Moving forward, we need to provide them with greater opportunities to expand and be able to compete in wider markets. In this mission, these SMEs face the same challenge as all those worldwide, that is, a lack of funding," he added.

He said there is a financing gap of up to US\$13 billion (RM55.9 billion) for SME Islamic financing in the Middle East and the North Africa region.

He said Islamic finance, which is gaining greater visibility, is in a better position to assist the SME industry.

For example, he said, as of last year, Malaysia's total SME financing exposure to Islamic finance grew by 40.5% year-on-year to more than US\$10 billion (RM43 billion).

"Islamic finance, with its equity-based partnership schemes, offers a truly workable alternative to conventional banking.

"It is also a partnership that embeds the participating financial institution as a provider of advice and consultancy.

"With the sharing of risks and rewards, the Islamic requirement for fairness and equity is served," Najib said.

He praised Gameen Bank in Bangladesh for its effort to lend primarily to women.

"By helping women in SMEs, we can raise the economic capacity of entire communities and societies," he said, adding that ensuring opportunities for youth in SMEs is also supposed to be another area of focus.

He said as chair of Asean this year, Malaysia is also taking the



Najib with Bosnia-Herzegovina President Dr Dragan Covic and other WIEF participants at the KLCC yesterday.

lead in enhancing the role SMEs can play in the io-nation group's continued development.

"Through the establishment by year-end of the Asean Economic Community, member states will work to expand the regional SME sector through five strategies - allowing SMEs to

gain access to a larger and more extensive marketplace, lowering regulatory barriers to trade, strengthening connectivity, improving SME-specific policies, and enhancing Asean's strategic economic linkages with greater Asia and other parts of the world," Najib added. - Bemama