

Malaysians Get Invite To Venture Into Kazakhstan's Islamic Finance & Halal Business
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KUALA LUMPUR, Dec 19 (Bernama) -- Kazakhstan, where Muslims make up over 70 per cent of its 16-million population, has invited Malaysians to invest in the country's Islamic finance and halal food sectors which are set to thrive.

Manager of National Export and Investment Agency of Kazakhstan (KAZNEX INVEST), Abilkair Bolatbayev, said these sectors offered huge opportunities for Malaysian investors.

He said currently, eight Kazakhstan firms were involved in the Islamic finance sector.

"The companies in the halal sector also have huge opportunities because our people, the Muslims, wish to have halal meat, food, services and everything halal but they cannot reach them," he told Bernama today.

KAZNEX INVEST helps to diversify the economy by creating more favourable conditions for the development and promotion of the country's non-commodity exports and attracting foreign direct investment in the priority sectors.

Abilkair said KAZNEX INVEST would assist in the development of these two sectors because its aim was to attract about US\$50 billion (US\$1=RM3.14) in investment into Kazakhstan.

"We would like to see Islamic finance as a good part of this amount," he said.

In the first quarter of next year, Kazakhstan would see another phase in the development of its Islamic finance sector following the approval of its President on Islamic finance activities, he said.

"President Nursultan Nazarbayev has signed an order to activate Islamic finance activities two months ago and this would spur the growth of the sector.

"The amendments have also been made to the country's Islamic law to enable national and private firms to issue sukuk.

"This augurs well with Kazakhstan's aspiration to become a regional hub for Islamic finance in central Asia and the Commonwealth of Independent States (CIS) countries," he said.

Kazakhstan was also the first country in the CIS that adopted law in Islamic finance in 2009, he said.

He said currently, there was only one full-fledged Islamic bank operating in the country.

Abilkair said the country's first Islamic bank, Al-Hilal Bank of United Arab Emirates, was set up two years ago.

"There are ample opportunities in our Islamic finance sector.

"In the first quarter of next year, plans on Islamic finance will be elaborated and approved by the President.

"After this, we are anticipating good and better development of Islamic finance, InsyaAllah.

"There is also the Association for Development of Islamic Finance in Kazakhstan that promotes interest of the sector at the legislative bodies of the country," he said.

He said Malaysia's Amanah Raya Bhd, Kazakhstan-based Fattah Finance and state development institute, Kazakhstan Development Bank, had been working on establishing a second Islamic bank in the country.

"Amanah Raya is also working on a halal hub establishment in Kazakhstan," he added.

He said representatives of Malaysia-based takaful companies had also voiced interest in the expansion of their operations in the Islamic finance sector in Kazakhstan.

"The lack of Islamic banking infrastructure before the new amendments on the Islamic law was passed, could be the reason for the slow development of the sector in the country.

"Another factor is that many are not aware of the syariah-based finance and do not understand the concept," he said.

Abilkair said there was also stiff competition from the 38 conventional banks operating in the country and serving large companies and government-based entities.

"There were some legislative issues that perhaps have been hindering the development of Islamic finance in the country. InsyaAllah, we are anticipating better development of the Islamic finance with this approval," he said.

He said the state programme for accelerated industrial and innovative development planned to attract US\$50 billion for five years from 2010 until 2014.

"More than 100 projects, of which some are still under elaborations, are available for investors," he said.

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