

**Islamic Finance Can Be Further Develop, Says Najib
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JOHOR BAHRU, Dec 4 (Bernama) -- The Islamic finance, which continues to gain recognition from outside the Muslim world, has tremendous potential to be developed further, Prime Minister Datuk Seri Najib Tun Razak said Tuesday.

He said Islamic finance was more reflective of the real economy, less speculative, provides a long-term partnership and stability and was a good source of financing.

"Well, it is not used as much as compared to conventional financing, so the scope to develop Islamic finance is simply enormous and today, you can see there's recognition," Najib, who is also Finance Minister, told a press conference in conjunction with the Eighth World Islamic Economic Forum (WIEF) 2012.

Najib was responding to a question on how Malaysia can elevate the status of Islamic finance especially with its role as the leading global Islamic finance players.

He also cited Singapore Deputy Prime Minister Tharman Shanmugaratnam's special address earlier saying that Islamic finance has a very bright future.

Earlier, Shanmugaratnam said the next 10-15 years would offer significant opportunities for the growth and diversification of Islamic finance.

He said the Islamic finance has much potential to diversify into new growth areas such as trade and infrastructure financing in Asia and the emerging market.

"These new areas will allow Islamic banks to reduce their exposure to the real estate sector and to take advantage of the stronger growth potential of the emerging market economies," said Shanmugaratnam, who is also Finance Minister.

He said there were gaps to be filled in structured trade finance and in funding for infrastructural projects as the emerging markets grew and as global finance consolidated.

However, Islamic finance will have to overcome a few important challenges in order to grow its share in global finance and contribute to cross-border finance, he added.

The special address by the leaders also saw the participation of Comoros' President Dr Ikililou Dhoinine, Moro Islamic Liberation Front's Chairman Al-Haj Murad Ebrahim and President of Islamic Bank Dr Ahmad Mohamed Ali.

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