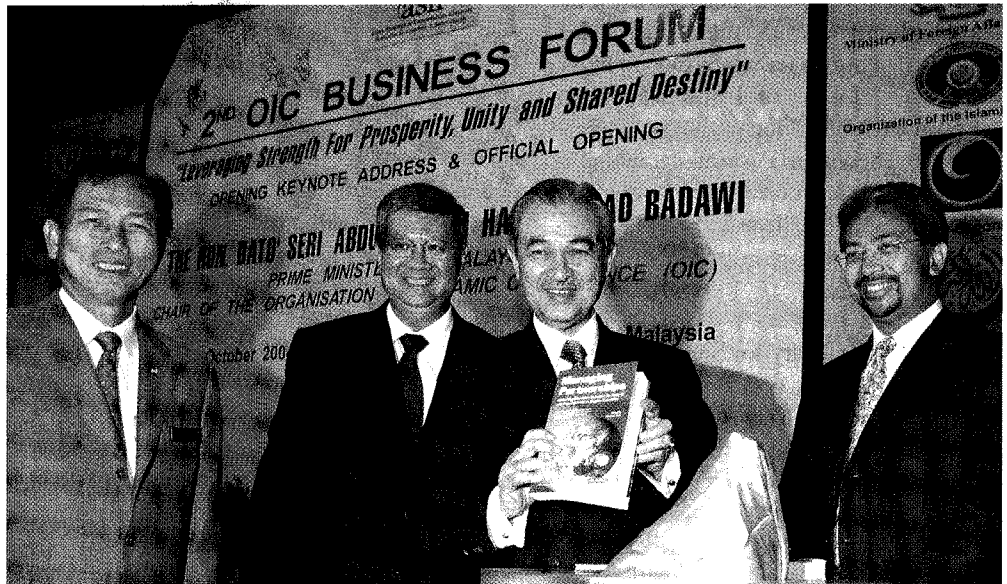


Come Together

The 'Second OIC Business Forum' is a step forward on the road to greater unity, prosperity and harmony.

By Bhupinder Singh



Prime Minister Datuk Seri Abdullah Ahmad Badawi at the opening of the forum with (left to right) Deputy Minister of Foreign Affairs Datuk Joseph Salang Gandum, Yeoh and Mirzan

THE NEED for a better business environment was the main theme of the 'Second Organisation of Islamic Conference (OIC) Business Forum' held recently in Kuala Lumpur.

While political decisions are based on national interests, OIC members know that trade issues could be the bond that brings greater unity among member states.

It is becoming increasingly important that political mileage is backed by economic force.

As such, the OIC Business Forum has become the platform for the organisation's businessmen and women to meet and offer views to increase trade and investment links.

The forum, themed *Leveraging Strength for Prosperity, Unity and Shared Destiny*, drew participants from over 40 member states, including government representatives. Mooted by Malaysia, which assumed the chairmanship of the OIC last October, the forum was not

overshadowed by pressing political problems in Afghanistan and Iraq, as was the case last year.

'There was greater focus on development and cooperation on small and medium-scale enterprises (SMEs), Islamic financial services, and greater cooperation in general among members,' said Datuk Dr Michael Yeoh, chief executive officer of Asian Strategy & Leadership Institute (ASLI), the organiser of the forum in association with the Ministry of Foreign Affairs Malaysia, Malaysia South-South Association (MASSA) and OIC.

The forum produced a 10-point declaration with constructive comments on diverse issues ranging from educational and business reforms to greater participation of women in economic activity (see table).

Taking a leaf from the benefits of the 'Malaysia Incorporated' business model, forum speakers called on members to engage the business community and work towards the establishment of the Islamic

common market in stages.

While the idea of a common market may not be feasible at this point of time due to the diverse geographical and development level, members were called to foster greater OIC regional and sub-regional cooperation to avoid marginalisation in world trade negotiations.

'The forum has proposed the creation of intra-OIC investments by facilitating the inflow of capital from capital-rich members to other OIC countries and further developing the Islamic capital market and financial instruments. We would also like to see further cooperation among stock exchanges of OIC member states,' Tan Sri Azman Hashim, the president of MASSA and chairman of the AmBank Group, tells *Malaysian Business* in a written reply.

ASLI chairman, Mirzan Mahathir, suggested in his welcoming remarks that the forum be renamed the 'World Islamic Economic Forum' to widen participation to include academics, Muslim

Main Resolutions in the Declaration Adopted at the 'Second OIC Business Forum'

1. OIC Governments and the private sector to continuously engage themselves with the goal of establishing the Islamic Common Market in stages. The OIC regional and sub-regional economic cooperation to be strengthened within a reasonable time bound process.

2. The relationship between the public and private sectors to be redefined to make it more relevant.

3. Reduce administrative bottlenecks, enhance labour laws, facilitate the movement of people and capital and ensure greater accountability and transparency. Muslim businessmen encouraged to uphold good business ethics and corporate governance.

4. Encourage greater intra-OIC investment by facilitating inflow of capital from surplus countries to deficit members, develop the Islamic capital markets and financial instruments and expedite cooperation between stock exchanges of member states.

5. Develop friendly investment promotion policies,

technology sharing and transfer, job creation, infrastructure development, and diversify export markets.

6. The Islamic Development Bank should further enhance its resource mobilisation and develop new financing instruments.

7. Form a global *halal* standards organisation to establish a common standard for certification and labeling.

8. Foster closer public and private sector participation in the development of SMEs in their respective countries and facilitate SME cooperation among OIC member states.

9. Accelerate the use of information and communications technology to facilitate trade and investment, place greater emphasis on research and development cooperation via technology transfer, human resource exchanges and technical assistance programmes. Establish an ICT working group within the forum.

10. Call upon member states to encourage and facilitate the participation of businesswomen in the economy.

communities from non-OIC countries and non-governmental organisations.

The OIC offers great trade and investment prospects. The 57-member organisation represents a huge market of some 1.3 billion people, and accounts for vast natural resources, including 50% of the world's oil production and 40% of raw material exports.

Even with such rich resources, in reality, the OIC remains a marginal economic entity. Total gross domestic product (GDP) of the OIC is less than 5% of world GDP, while total intra-trade volume stands at about US\$ 800 billion or 6% to 7% of total world trade, a figure that falls to less than 4% when oil exports are not taken into account.

The tantalising trade and investment prospects of the organisation, however, will depend on the member states' ability and willingness to preserve political stability and a friendly business environment.

For the remainder of its term as chair of the OIC, the Malaysian government, under Prime Minister Datuk Seri Abdullah Ahmad Badawi, has committed itself towards establishing Malaysia as a credible

conflict resolution centre for member states and the developing world.

In his keynote address at the forum, the Prime Minister voiced his commitment to make Malaysia a focal point for promoting more open and dynamic Islamic discourse, as well as making Malaysia take the lead in energising trade and services in the Muslim world.

'Malaysia is a trading nation, and we can use our specific experiences to promote trade between members states and countries like India and China. Being a multi-racial and multi-religious country, we can be an example to others to manage conflict and act as a platform to play a greater role in the OIC,' said Yeoh.

The ball is now in the OIC leaders' court.



Azman: We would like to see further cooperation among stock exchanges of OIC member states



Yeoh: Malaysia can be an example to others to manage conflict

Their business minds have spoken. The 10-point declaration issued at the end of the 'Second OIC Business Forum' will be submitted to the chairman of the OIC for the consideration of the 'OIC Economic Conference', scheduled to be held from Nov 23-27 in Istanbul, Turkey. The extent to which the advice is taken and implemented will set the benchmark for future forums. **mb**