

KEYNOTE ADDRESS AT THE 12TH WORLD ISLAMIC ECONOMIC FORUM

By : YAB. DATO' SRI MOHD NAJIB BIN TUN HAJI ABDUL RAZAK, PERDANA
MENTERI MALAYSIA

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Ladies and Gentlemen,

Bismillahirrahmanirrahim.

Assalamualaikum Warahmatullahi Wabarakatuh and a very good morning.

1. It is a great pleasure for me to be in Jakarta for this 12th World Islamic Economic Forum, and I am delighted to see so many distinguished guests and leaders here with us today.
2. I wish to thank His Excellency President Joko Widodo and the Government of the Republic of Indonesia for hosting the Forum, and for Indonesia's continuing support of the WIEF.

Now, ladies and gentlemen,

3. I know that this is an economic forum, but let me make one related point first.
4. Without political stability, there can be no economic progress. And there has been far too much turmoil in the Muslim world in recent years.

5. The invasion of Iraq in particular set in motion a disastrous chain of events. Chaos, destruction, and the possible break-up of nation states are spectres that have been visited on countries such as Iraq, Syria and Libya.
6. The so-called Arab Spring yielded a harvest of instability across the region. Thousands have paid with their lives, while terrorists and other armed militias now roam freely over once secure lands. A Pandora's Box of sectarian conflict has been unleashed.
7. Foreign interventions in Muslim countries have led to intended and unintended consequences - which are still being felt today.
8. By comparison, majority-Muslim countries such as Malaysia and Indonesia, which have not been subject to foreign intervention, are oases of peace and stability.
9. This is why the leaders here today must work to solve our problems and issues together. I have always been a proponent of openness to the world and collaboration. But we must insist on respect for our own sovereignty, our own laws, and our own democratically elected governments.
10. For we have seen the devastating results of foreign intervention in the Muslim world, often based on incomplete, wrong or partisan information. We must make clear that we reject it. And reject those who, out of political motivation, call for foreign powers to intervene in their own country. We, as the ummah, will take responsibility for ourselves, and we pray for guidance to do so.

Ladies and Gentlemen,

11. The theme of WIEF this year, “Decentralising Growth, Empowering Future Business” is certainly apt, considering the multiple political, economic and security challenges the world faces today, including new developments such as the British referendum to leave the European Union.
12. While it is not for us to comment on the internal political matters of another nation, and of course we respect the will of the British people, there is broad agreement that the UK’s decision to leave the EU is likely to have a knock-on effect on Europe and the global economy.
13. Many members of the EU have yet to fully recover from the 2008 global economic crisis. Now there are new uncertainties they must be prepared to adapt to.
14. However, there are also causes for optimism.
15. According to recent reports, the world’s Muslim economy grew at almost double the global rate in 2014/2015, and Muslim consumer spending is set to reach US\$2.6 trillion in 2020.
16. And, taking ASEAN as a whole, GDP growth was robust at 4.5 per cent last year. In fact, despite the prevailing global uncertainty, it is even expected to grow marginally higher in 2016.
17. Why is the European scenario so different from that of ASEAN and the global Muslim economy? There are several reasons for this.
18. Firstly, the pace of recovery in Europe since 2008 has been sluggish and the Eurozone GDP is still below its pre-crisis rate. The Euro weakened when the

European Central Bank pressed ahead with quantitative easing to create more money after introducing negative interest rates in June 2014.

19. Secondly, in contrast, ASEAN's economic growth has been rapid and stable since 2000. It recorded a combined GDP of US\$2.6 trillion in 2015, making it collectively the seventh largest economy in the world.
20. The region has become a major global hub for manufacturing and trade, and it is also one of the fastest growing consumer markets in the world.
21. And thirdly, the global Islamic economy is thriving. More Muslims are becoming increasingly active as investors and manufacturers, bankers and traders, competitors and suppliers.
22. Muslim consumer spending is also rising as demand increases for ethical finance, investment and insurance services, halal food, modest fashion and halal tourism. Even non-Muslims are attracted to the Islamic economy's underlying socially-conscious ethos. There's an opening here for dialogue with the West, which longs in some sectors for a more just and compassionate economy of its own.
23. I am glad to say that in Malaysia, since 2009 we have created 1.8 million jobs, increased Gross National Income by nearly 50 percent, kept inflation low and boosted FDI to record levels.
24. Our national transformation programmes have helped Malaysia remain resilient during the global financial turmoil, and we continue to record good economic growth, despite the steep drops in the prices of oil and commodities.

Now, ladies and gentlemen,

25. It is true that the Muslim world has some very serious issues to address. Education, poverty and barriers to female participation in the workforce remain challenges in many Organization of Islamic Cooperation member states, and too low a percentage of GDP is spent on research and development.
26. All this, despite the fact that collectively the OIC holds 70 percent of the world's energy resources and 40 percent of global natural resources.
27. We also face the scourge of Daesh, the terrorists who blaspheme our religion by falsely claiming the mantle of an Islamic State. There is nothing Islamic about a group that practises such barbarities, and it is crucial that Muslim-majority countries take the lead in condemning them.
28. We must fight their lies with the truth about Islam. We must oppose with all our might their attempts to indoctrinate our young people, and to take advantage of those on the margins or who have lost their way.
29. And we must ensure that appropriate legislation is in place to let our security and police forces take all measures necessary to stop attacks before they take place, and to root out those who would spread fear and chaos in our lands.
30. Malaysia stands firmly against Daesh and their accomplices, both at home and abroad. This is why we have set up a Regional Digital Counter-Messaging Communications Centre just outside Kuala Lumpur.

31. It is soon to be operational, and we will gladly share our expertise in preventing radicalisation, and in helping to deradicalise men and women who have fallen for the deceits of this wicked, and un-Islamic, group. We will be steadfast in this fight - for it concerns us all.

But, ladies and gentlemen,

32. While it is right that we should recognise the challenges that face the ummah, we should also reflect on our achievements.

33. Islamic finance, for instance, is rapidly gaining traction not just in Muslim-majority nations but also in international financial centres such as London and Hong Kong.

34. Increasing numbers of people are recognising that it can be a model for socially responsible and sustainable investment, and a more secure way of supporting the world's financial system.

35. Malaysia's USD1.7 trillion Islamic capital market has more than tripled in size over the last ten years, and is strengthening its status as the premier destination for Shariah-compliant businesses and transactions.

36. Malaysia continues to be the global leader in the sukuk market, commanding 54.3 percent of the global sukuk outstanding at the end of 2015, while total assets under management of our Islamic fund management industry remains the world's second largest.

37. Going forward, we have identified Islamic wealth management as a new growth area. And we look forward to opportunities to collaborate with other jurisdictions, as well as with industry and academia, to expand international

connectivity, strengthen talent and capabilities, and grow the global Islamic capital market for the benefit of all.

Ladies and gentlemen,

38. While we acknowledge the issues we must address, I believe it is also important to state clearly that this gathering, and the discussions you are going to have, represent the true face of the Muslim world. For authentic Islam means moderate Islam.

39. I am happy to see that the 12th WIEF is going to focus on vital topics relating to sukuk, infrastructure development, halal industries, female empowerment and disruptive technology, to name a few. We must encourage more merit-based economic opportunities in the Muslim world.

40. We seek a world that includes all of our citizens, and shares the proceeds of growth with all. One that educates all of our children; one that supports all our entrepreneurs and small and medium sized businesses; one that prizes knowledge and innovation; and one that appreciates that our diversity is our joy and our strength.

41. As it says in the Quran: “Oh mankind! We have made you into nations and tribes, that you may know each other.”

42. With that, I wish this Forum every success, and I am sure that you are all going to have a very productive and enjoyable three days.

Thank you.

Wabillahi Taufik Walhidayah Wassalamualaikum Warahmatullahi Wabarakatuhi

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