

## **13TH WORLD ISLAMIC ECONOMIC FORUM**

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**November 21, 2017**

The Honourable Datuk Patinggi (Dr.) Abang Haji Abdul Rahman Zohari bin Tun Datuk  
Abang Haji Openg,

Chief Minister of Sarawak;

The Honourable Tun Abdullah Ahmad Badawi,

Founder Patron, WIEF Foundation;

The Honourable Tun Musa Hitam,

Chairman, WIEF Foundation;

Distinguished Leaders,

Excellencies,

Ladies and Gentlemen,

Bismillahirrahmanirrahim.

Assalamualaikum Warahmatullahi Wabarakatuh and a very good morning.

1. It gives me great pleasure to join you at this 13th World Islamic Economic Forum. Since its inception in 2003, the forum has gone from strength to strength, and I am delighted to see so many leaders and guests present here this morning.

2. Let me firstly thank Datuk Patinggi Abang Johari Tun Openg, Chief Minister of Sarawak, for supporting the Federal government in hosting this year's Forum in Kuching, and for the hospitality extended to all the leaders and participants attending over the coming days.

3. The theme for this year's Forum – "Disruptive change: impact and challenges" – is a topical one. I know that in the context of this Forum it refers to the business, technology and economy landscape, and the role that science and new ideas are playing in an increasingly fast changing world.

4. But having just returned from the APEC and ASEAN summits – where amongst a very wide range of issues, we did discuss the challenges of the Fourth Industrial Revolution – I can't help but think of how the term "disruptive change" applies to what has been happening in many parts of the Muslim world.

5. We have witnessed continued death and destruction in Iraq and Syria, the temporary occupation of Marawi by terrorists linked to Daesh, and a humanitarian tragedy of the highest order in Rakhine State. The scale of suffering and strife that has taken place cannot be allowed to go unchecked.

6. All of us, across the international community and indeed the Islamic World, have a role to play and I am pleased to see that Malaysia's efforts on behalf of the Rohingya have begun to yield positive results.

7. At the 31st ASEAN Summit in Manila, which concluded just over a week ago, Myanmar State Counsellor Aung San Suu Kyi gave her word that she was committed to finding a solution to the crisis in Rakhine – measures she would not commit to at the previous summit in April.

8. Furthermore, following the ASEAN-US summit which also concluded recently, the nations present committed ourselves to curtailing the threat of terrorism and violent extremism through information sharing and law enforcement cooperation. These are measures Malaysia has long called for, and I am pleased that our efforts at fighting Daesh have been recognised around the world.

9. I am firm in my view that we must be relentless in dealing with these challenges. As Muslims, we are enjoined to fight injustice and evil, and this is a sacred duty that we are tasked with.

But, ladies and gentlemen,

10. There are also causes for optimism. According to the Thomson Reuters report on the State of the Global Islamic Economy 2016/2017, the Islamic Economy – which it defines as consisting of Halal food, Islamic finance, Halal travel, Modest fashion, Halal media and recreation, and Halal pharmaceuticals and cosmetics – is projected to reach a massive USD3 trillion by 2021.

11. The report also says that Islamic finance assets are projected to have a market size of USD3.5 trillion by the same year. Furthermore, in the period up to 2021, it predicts growth in the Organisation of Islamic Conference countries to be more than double that of the advanced economies.

12. In the report, they also took a survey of Islamic economy industry participants, and the results were encouraging. 69 percent said the sector's performance was either good or excellent, and 86 percent said they were either optimistic or very optimistic about its future prospects.

13. When you consider that 83 percent also said that religion was very important to them, it is obvious that this is a sector that offers huge opportunities, and it is one that none of us should neglect.

14. Here in Malaysia, as recognised by the report, we have made a deliberate and strategic effort to capitalise on these opportunities. In their Global Islamic Economy Indicator, which measures a total of 73 countries, Malaysia was awarded first place, with a score 50 percent higher than the second placed country (the UAE).

15. In their six sub sections, Malaysia was also first placed for Islamic finance, and second placed for Halal travel and Halal pharmaceuticals and cosmetics. Malaysia was recognised as the “best developed ecosystem for Islamic finance” and having “the strongest regulatory framework”.

16. The report also cites a Pew Research Centre study that projects the world's Muslim population to grow at around twice the rate of the non-Muslim population, meaning that by

2030, 29 percent of the world's youth will be Muslims. This is a very significant percentage of the young consumers market, and we must ensure that we reap this demographic dividend.

17. In order to do so, governments will have to be responsible, and responsive to disruptive change. Sometimes that will mean instigating it – as you could say that Malaysia did, when we introduced our Goods and Services Tax.

18. It would have been easier not to do so, as what appears to be a new tax – even though it simply replaced an old one – can seem to be a disruption. We knew it wouldn't be popular. But it would have been irresponsible not to have brought in GST.

19. It's not just that we needed to widen the tax base, which is one reason why over 160 countries around the world have a form of GST. It is also that with the plunge in the price of oil, GST saved us.

20. Those in the opposition who say they want to get rid of GST are deceiving the people and deploying fantasy economics. In the 21st century, governments and countries cannot just stand still and carry on doing things the old way. Responsible governments must change policies as circumstances change for the wellbeing of the people.

21. If we do not adjust our policies, our nation loses its competitive edge and gets overtaken by other countries. We cannot—and must not—allow that. We knew that if we are to achieve our goal of becoming a high-income status nation by 2020, we had to make changes. That is true leadership.

Now, ladies and gentlemen,

22. Some people might say that we've already made plenty of changes and that we are seeing the results.

23. Hasn't the Economic Transformation Programme, which we introduced in 2010, already brought 2.26 million new jobs, raised Gross National Income by nearly 50 percent, kept inflation and unemployment low, and put us on the path to reducing the deficit from 6.7 percent in 2009 to 3 percent this year?

24. It has, along with the efforts of millions of hard-working Malaysians, indeed it has done so. But as I say: even though we have registered years of healthy growth – and our third quarter GDP growth has just come in at 6.2 percent – we cannot stand still. For what we face now is the disruptive change of the Fourth Industrial Revolution.

25. In order to benefit and be at the forefront of that, our education system must be revamped to prepare for what will swiftly be a very different world. We must equip our young people with higher order thinking skills, so that they are open-minded, creative and innovative, and ready to adapt to the jobs that aren't yet even in existence.

26. Sadly, much of the Muslim world lacks investment in the right kind of quality education. Indeed, there is a vast amount of people who don't even have access to basic necessities, like water, healthcare, even basic education.

27. This is a huge challenge for the Umma, and reminds us that we must always put our peoples at the heart of our policies.

28. In Malaysia we are fortunate. Because of the peace and stability we have long enjoyed, and because of the Government's long-term planning, we are ready for disruptive change.

29. That is why, in line with our aim of becoming one of the top 20 economies in the world by 2050 through our national development initiative, Transformasi Nasional or TN50, the Government is placing a special focus on innovation and creativity; and why we have championed science, technology, engineering and maths, coding and computer science and technical and vocational training.

30. That is why we formulated the Malaysia Digital Policy, as we know that the digital economy is a key driver of our growth, and we aim for it to contribute 20 percent of our GDP by 2020, if not earlier.

31. And that is why we have recently become the first country in the world outside China to establish a Digital Free Trade Zone. This will provide physical and virtual zones to

facilitate SMEs to capitalise on the exponential growth that we are seeing in the internet economy and in cross border e-commerce.

32. As it is, Malaysia has risen to become one of the leading e-commerce markets, generating revenues of USD2.3 billion last year alone. But our ultimate aim is for the Digital Free Trade Zone to help transform Malaysia into the regional e-commerce hub.

33. At the same time, we must not be complacent. We too have some way to go. The crux is the right kind of education, and we must never lose sight of the necessity to adequately prepare our youth for a world which is transforming faster than we could ever have imagined.

Ladies and gentlemen,

34. Disruptive change is coming. We cannot avoid it. In fact, we must embrace it. But we should also recognise that periods of major change are not easy for everyone.

35. It is incumbent on us to ensure that as we change, and as our economies grow, these transformations are conducted in an inclusive way. As we speak of the fourth revolution, I'm reminded of the fourth successor of our Prophet Muhammad, Imam Ali, who instructed the Muslims, "Rear your children for a time different from your own."

36. We heed this teaching by providing support and training for those whose jobs may be displaced by new technology, and by providing assistance for those who, through no fault of their own, may be in danger of being left behind.

37. Our eagerness to build the societies and cities of the future must be matched by our compassion – for we, as Muslims, should know above all the importance of community, and our duties to our fellow men and women.

Ladies and gentlemen,

38. While discussing the advent of the Fourth Industrial Revolution and disruptive change, Malaysia recognises the need to preserve the sustainability of the environment for future generations.

39. We strongly support the notion of a green economy as being integral to our development. Economic growth and development must not be at the expense of the precious ecosystems we are charged by the Creator Himself with looking after. As His khalifas, God appointed us as custodians of the earth. There should be no debate on this Divine mandate—especially on this beautiful island of Borneo.

40. I propose that it is high time for efforts to be stepped up by the three countries that share this island – namely Indonesia, Brunei and Malaysia – and for us to enhance collaboration in promoting the green economy, including green technology and wildlife conservation.

41. Malaysia would be very happy to facilitate further discussions on this proposal within the framework of an appropriate forum involving the countries concerned. I am confident that our collective efforts would be applauded domestically and by the international community.

42. With that, Ladies and Gentlemen, I wish you all a very productive Forum, and with Bismillahirrahmanirahim, I have great pleasure in declaring the Forum open.

Thank you.

WabillahiTaufik Walhidayah Wassalamualaikum Warahmatullahi Wabarakatuh.

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