

**KEYNOTE ADDRESS BY
YAB DATO' SERI ABDULLAH BIN HAJI AHMAD BADAWI
AT THE SEMINAR ON 10-YEAR MASTER PLAN FOR THE ISLAMIC FINANCIAL
SERVICES INDUSTRY AT MARRIOT, PUTRAJAYA
22 JUNE 2005**

"ECONOMIC DEVELOPMENT TOWARDS A PROGRESSIVE UMMAH"

BISMILLAHIR RAHMANIR RAHIM

ASSALAMUALAIKUM WARAHMATULLAHI WABARAKATUH AND GOOD MORNING

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PRESIDENT OF THE ISLAMIC DEVELOPMENT BANK

EXCELLENCIES

DISTINGUISHED GUESTS

LADIES AND GENTLEMEN

1. ALHAMDULILLAH, ALL PRAISE BE TO ALLAH, BY WHOSE GRACE AND BLESSINGS WE ARE GATHERED HERE TODAY IN PUTRAJAYA, MALAYSIA.

2. WE MEET TO DISCUSS A CRITICAL ELEMENT IN THE DEVELOPMENT OF THE UMMAH. WE ARE HERE TO CHART THE FUTURE DIRECTION OF THE ISLAMIC FINANCIAL SERVICES INDUSTRY, AS WE SEEK TO ENHANCE ECONOMIC COLLABORATION AND STRENGTHEN BUSINESS LINKAGES IN THE MUSLIM WORLD. WE KNOW THAT ISLAMIC FINANCIAL SERVICES MAY NOT BE AN EASY MATTER TO CONSIDER, GIVEN THE DIVERSITY OF OPINION, BUT WE UNDERSTAND THAT WE MUST COME TOGETHER TO AGREE ON THE WAY FORWARD. WE KNOW WE ARE AT AN HISTORIC POINT, ONE THAT MAY NOT REPEAT ITSELF IN THE FUTURE. WE ARE AWARE THAT POSTERITY WILL RECORD OUR DECISIONS HERE, WHETHER WE ROSE TO THE OCCASION TO SAFEGUARD AND ADVANCE THE WELL-BEING OF THE UMMAH, OR WHETHER WE FAILED TO HAVE THE INTERESTS OF MUSLIMS AT HEART. I HOPE WE WILL REMAIN STEADFAST TO OUR GOAL AND TRUE TO OUR DUTY. I ASK FOR GUIDANCE FROM ALLAH S.W.T., SO THAT THERE IS UNITY OF PURPOSE, CLARITY OF VISION, AND FIRMNESS OF ACTION IN PUTRAJAYA, FOR THE SAKE OF THE UMMAH.

3. I AM THEREFORE PLEASED TO SEE REPRESENTATIVES FROM MEMBER COUNTRIES OF THE ISLAMIC DEVELOPMENT BANK, AS WELL AS OTHER EXPERTS AND PRACTITIONERS, HERE TO PLAY A PART IN THIS IMPORTANT MEETING OF MINDS. EACH OF YOU BRINGS A UNIQUE PERSPECTIVE, AS WELL AS DEEP KNOWLEDGE AND INSIGHT, THAT WILL CONTRIBUTE TOWARDS THE COMMON

GOAL OF FORMULATING A COMPREHENSIVE MASTER PLAN FOR THE DEVELOPMENT OF THE GLOBAL ISLAMIC FINANCIAL SYSTEM OVER THE NEXT 10 YEARS.

4. I WOULD LIKE TO COMMEND BOTH THE ISLAMIC DEVELOPMENT BANK AND THE ISLAMIC FINANCIAL SERVICES BOARD FOR TAKING THE INITIATIVE TO FORMULATE THIS MASTER PLAN. INDEED, A STRONG AND VIBRANT FINANCIAL SYSTEM IS A PRECONDITION TO ACHIEVING SUSTAINABLE AND BALANCED ECONOMIC DEVELOPMENT. IT IS WITHIN THIS CONTEXT THAT THE MASTER PLAN FOR ISLAMIC FINANCIAL SERVICES INDUSTRY WILL BE FORMULATED, TO PROVIDE CLARITY AND DIRECTION, AS WELL AS TO OUTLINE THE STRATEGIES TO DEVELOP A GLOBAL ISLAMIC FINANCIAL SYSTEM THAT WILL MEET THE NEEDS AND PRIORITIES OF OUR RESPECTIVE ECONOMIES. WHILE ENVISIONING THE FUTURE PROVIDES THE STRATEGIC FOCUS AND THE COMMON GOAL, IT IS THE COLLECTIVE AND INDIVIDUAL ACTIONS OF MUSLIM NATIONS THAT WILL DETERMINE THE ACCOMPLISHMENT OF OUR VISION AND ASPIRATIONS.

EXCELLENCIES, LADIES AND GENTLEMEN

5. DURING THE GOLDEN AGE OF ISLAM, ECONOMIC STRENGTH AND PROSPERITY WAS A CRITICAL FORCE THAT SUPPORTED THE ACHIEVEMENTS OF MUSLIMS IN THE FIELDS OF SCIENCE, MATHEMATICS, MEDICINE, CULTURE AND LITERATURE. THE ECONOMIC SUCCESS THEN ACHIEVED CONTRIBUTED TOWARDS THE ESTABLISHMENT OF A PROGRESSIVE AND ADVANCED ISLAMIC CIVILISATION, RECOGNISED AND ACKNOWLEDGED THROUGHOUT THE WORLD.

6. IN CONTRAST, POVERTY AND INEQUITIES PREVAIL IN MANY PARTS OF THE MUSLIM WORLD TODAY, WITH HIGH RATES OF ILLITERACY, LACK OF HUMAN CAPITAL DEVELOPMENT AND POOR INFRASTRUCTURE COMMON IN MANY MUSLIM NATIONS. OF THE 57 O.I.C. COUNTRIES, 27 ARE CLASSIFIED BY THE WORLD BANK AS LOW-INCOME COUNTRIES, WITH PER CAPITA INCOME OF LESS THAN 765 U.S. DOLLARS. AT THE SAME TIME, 21 COUNTRIES ARE CLASSIFIED AS SEVERELY INDEBTED. SOME OF THE MUSLIM COUNTRIES ARE ALSO FACED WITH EXTREMELY DIFFICULT SOCIO-ECONOMIC PROBLEMS AND ARE OFTEN FORCED TO RELY ON INTERNATIONAL AID AND ASSISTANCE.

7. THESE DIFFICULT CONDITIONS NOTWITHSTANDING, THE PRESENT CHALLENGES CONFRONTING THE MUSLIM WORLD ARE CERTAINLY NOT INSURMOUNTABLE. A KEY SOLUTION TO THE MAJOR PROBLEMS FACED BY MUSLIM NATIONS TODAY IS TO PROMOTE SUSTAINABLE AND BALANCED ECONOMIC DEVELOPMENT. I BELIEVE THAT WE CAN ADDRESS THE PROBLEMS OF EXTREMISM AND TERRORISM BY DELIVERING BETTER AND MORE WIDESPREAD DEVELOPMENT. IT IS ONLY BY PROMOTING ECONOMIC PROGRESS AND BY ENSURING THE FRUITS OF DEVELOPMENT ARE SHARED BY ALL, THAT WE CAN MAKE ADVANCEMENTS IN POLITICAL, SOCIAL, CULTURAL AND RELIGIOUS FIELDS. ECONOMIC SUCCESS IS A MAJOR FACTOR IN RAISING THE STATURE AND DIGNITY OF THE MUSLIM WORLD, AND IN UPLIFTING OUR POLITICAL STANDING AND VOICE AT THE GLOBAL LEVEL.

8. I SEE MANY BRIGHT SPOTS IN THE MUSLIM WORLD THAT GIVE RISE TO GREAT OPTIMISM. THE REVIVAL OF THE ECONOMIES OF SOME MUSLIM COUNTRIES IS TAKING PLACE AS WE SPEAK. CONSCIOUS EFFORTS ARE BEING TAKEN TO ADDRESS THE CHALLENGES FACED BY THE UMMAH IN MANY PARTS OF THE WORLD. GREATER EMPHASIS IS BEING PLACED ON DEVELOPING INFRASTRUCTURE AS WELL AS IN PROMOTING HUMAN DEVELOPMENT AND EDUCATION. TOGETHER, I BELIEVE THAT WE CAN WORK TO ENSURE THAT EFFORTS TO STRENGTHEN THE LEVEL OF ECONOMIC DEVELOPMENT IN MANY MUSLIM COUNTRIES CAN SUCCEED AND BE SUSTAINED.

EXCELLENCIES, LADIES AND GENTLEMEN

9. ISLAM'S VISION OF ECONOMIC DEVELOPMENT ACCORDS PRIMARY IMPORTANCE TO THE ACHIEVEMENT OF SOCIO-ECONOMIC JUSTICE AND THE WELL-BEING OF ALL SEGMENTS OF SOCIETY. A BALANCED APPROACH IS ADVOCATED, WITH EMPHASIS PLACED ON BOTH THE MATERIAL AND SPIRITUAL ASPECTS OF LIFE. WHILE ECONOMIC DEVELOPMENT IS INDISPENSABLE, IT IS NOT SUFFICIENT IN ITSELF. THE ISLAMIC VISION IS NOT TO MAXIMISE ECONOMIC GROWTH AND WEALTH AT ALL COSTS, BUT RATHER TO CREATE A SOCIETY WHERE MATERIAL PROSPERITY IS ACCOMPANIED BY SPIRITUAL ADVANCEMENT, SOCIAL HARMONY, SOCIO-ECONOMIC JUSTICE AND ULTIMATELY, THE WELL BEING OF ALL.

10. KEY IN ALL THIS IS TO PROMOTE BALANCED AND COMPREHENSIVE ECONOMIC DEVELOPMENT. THE BENEFITS OF ECONOMIC DEVELOPMENT AND PROSPERITY MUST BE EQUITABLY EXTENDED TO ALL SEGMENTS OF SOCIETY. ONLY THROUGH THIS CAN GROWTH AND DEVELOPMENT BE SUSTAINED. WHILE MANY MUSLIM COUNTRIES ARE MAKING PROGRESS ON THIS FRONT, THE SITUATION IN OTHERS SUGGESTS THAT THE PROMOTION OF ECONOMIC GROWTH AND DEVELOPMENT WILL REQUIRE COMPREHENSIVE AND SUSTAINED EFFORTS IN ENHANCING THE EFFICIENCY AND COMPETITIVENESS OF THE COUNTRIES CONCERNED.

11. ALLOW ME TO BRIEFLY OUTLINE WHAT I BELIEVE TO BE SOME OF THE KEY STRATEGIES NECESSARY TO ACHIEVE BALANCED AND COMPREHENSIVE ECONOMIC DEVELOPMENT IN THE WORLD TODAY.

12. FIRST, AN IMPORTANT PREREQUISITE TO ECONOMIC GROWTH IS THE AVAILABILITY OF AN ENABLING PHYSICAL INFRASTRUCTURE THAT PROVIDES A CONDUCIVE ENVIRONMENT FOR ECONOMIC ACTIVITIES TO TAKE PLACE. THE TRANSPORTATION SYSTEM, PUBLIC UTILITIES AND TELECOMMUNICATION FACILITIES CONSTITUTE THE BACKBONE OF DEVELOPMENT, AND NEED TO BE TRANSFORMED TO ENHANCE EFFICIENCY AND TO SUPPORT BUSINESSES. IT IS NOTEWORTHY THAT ISLAMIC COUNTRIES ARE INVESTING BILLIONS OF DOLLARS TO BUILD THE NECESSARY INFRASTRUCTURE AND THAT THE ISLAMIC DEVELOPMENT BANK HAS THROUGHOUT THE YEARS BEEN ACTIVELY ASSISTING ISLAMIC COUNTRIES IN THIS ENDEAVOUR.

13. THIS IS, HOWEVER, NOT SUFFICIENT. WHILE PHYSICAL INFRASTRUCTURE IS IMPORTANT TO ECONOMIC DEVELOPMENT, IT NEEDS TO BE COMPLEMENTED BY THE "SOFT" INFRASTRUCTURE. THIS INCLUDES HAVING IN PLACE A ROBUST INSTITUTIONAL AND LEGAL FRAMEWORK THAT PROMOTES ENTREPRENEURSHIP AND BUSINESS DEVELOPMENT, A COMPETENT CIVIL SERVICE AND, AS I MENTIONED EARLIER, A STRONG AND VIBRANT FINANCIAL SYSTEM.

14. THE SECOND PREREQUISITE IS INVESTMENT IN HUMAN CAPITAL AND EDUCATION. A HIGHLY TALENTED AND SKILLED LABOUR FORCE IS ESSENTIAL TO MAXIMISE THE OPPORTUNITIES PRESENTED BY THE EVOLVING ECONOMIC ENVIRONMENT. IN THIS REGARD, EDUCATION IS KEY TO ENHANCING THE CAPACITY OF HUMAN RESOURCES. THE FULL RANGE OF LEARNING OPPORTUNITIES MUST BE DEPLOYED TO ENSURE COMPREHENSIVE DEVELOPMENT OF HUMAN CAPITAL, INCLUDING TO GROUPS SUCH AS WOMEN AND MINORITIES THAT TRADITIONALLY WERE NOT GIVEN SUCH OPPORTUNITIES. FURTHERMORE, EDUCATION IS A KEY STEP IN ANY PROGRAM TO BREAK THE VICIOUS CYCLE OF POVERTY.

15. CLOSELY RELATED TO HUMAN CAPITAL DEVELOPMENT IS THE THIRD PREREQUISITE, THAT IS, THE QUEST FOR KNOWLEDGE. AS WE ENTER INTO THE ERA OF THE KNOWLEDGE-BASED ECONOMY, KNOWLEDGE HAS BECOME A KEY INGREDIENT TO BOTH HUMAN AND ECONOMIC DEVELOPMENT. THE POSITIVE RELATIONSHIP BETWEEN ISLAM AND THE QUEST FOR KNOWLEDGE IS WELL ESTABLISHED IN ISLAMIC INJUNCTIONS, AS EVIDENCED FROM PAST ISLAMIC CIVILISATIONS. DURING THE GOLDEN AGE OF ISLAM, MUSLIM SOCIETIES LED THE WORLD IN SCIENCE, PHILOSOPHY, COMMERCE AND CULTURE. MUSLIM LANDS BECAME SYNONYMOUS WITH ENLIGHTENMENT AND THE PURSUIT OF KNOWLEDGE. TODAY, AS THE GLOBAL ECONOMIC ENVIRONMENT BECOMES INCREASINGLY CHALLENGING AND COMPLEX, WE ARE NOT ABLE TO COMPETE AND PROSPER WITHOUT ENRICHING OUR KNOWLEDGE BASE. KNOWLEDGE HAS BECOME THE MAIN DRIVER OF ECONOMIC GROWTH.

16. THE FOURTH PREREQUISITE CALLS FOR THE DIVERSIFICATION OF SOURCES OF GROWTH. MANY ISLAMIC COUNTRIES ARE BLESSED WITH RICH NATURAL RESOURCES, PREDOMINANTLY OIL AND GAS. WHILE THE EXPLOITATION AND EXPORT OF THESE NATURAL RESOURCES HAVE CONTRIBUTED TO ECONOMIC DEVELOPMENT IN MANY MUSLIM COUNTRIES, THE CHALLENGE TO SUSTAIN ECONOMIC GROWTH AND PROGRESS REQUIRES MUSLIM COUNTRIES TO REDUCE THEIR OVER-RELIANCE ON THESE RESOURCES AND EXPLORE OTHER SOURCES OF GROWTH. INCREASINGLY, THE SERVICES SECTOR, INCLUDING INFORMATION AND COMMUNICATIONS TECHNOLOGY (I.C.T.) AS WELL AS FINANCIAL SERVICES, OFFERS VAST OPPORTUNITIES FOR GENERATING ECONOMIC DEVELOPMENT AND PROVIDING EMPLOYMENT OPPORTUNITIES.

17. THE FIFTH PREREQUISITE RELATES TO RURAL DEVELOPMENT. AS A LARGE PROPORTION OF THE POPULATION OF MUSLIM COUNTRIES LIVES IN RURAL AREAS, RURAL DEVELOPMENT SHOULD BE GIVEN SOME PRIORITY TOWARDS ACHIEVING BALANCED AND COMPREHENSIVE DEVELOPMENT. EFFORTS NEED TO BE DIRECTED

AT GENERATING ECONOMIC ACTIVITIES AND CREATING EMPLOYMENT OPPORTUNITIES FOR PEOPLE IN THE RURAL AREAS. IN THIS REGARD, THE PROMOTION OF THE AGRICULTURE SECTOR AND AGRO-BASED INDUSTRIES, AS WELL AS THE DEVELOPMENT OF SMALL AND MEDIUM ENTERPRISES, WOULD OFFER A SOLUTION TO REDUCING POVERTY AND BRINGING PROGRESS AND DEVELOPMENT TO PEOPLE IN THE RURAL AREAS.

EXCELLENCIES, LADIES AND GENTLEMEN

18. THE STRATEGIES THAT I HAVE JUST OUTLINED ARE BASED TO A LARGE EXTENT ON THE EXPERIENCE OF MALAYSIA. WHILE THE MALAYSIAN EXPERIENCE IS UNIQUE AND MAY NOT LEND ITSELF TO REPLICATION, THERE ARE PERHAPS USEFUL LESSONS FOR SOME OF US – THE MOST IMPORTANT BEING THE NEED TO ALWAYS REINVENT OURSELVES IN THIS INCREASINGLY COMPETITIVE GLOBAL ENVIRONMENT. OVER THE PAST FOUR DECADES, MALAYSIA HAS BEEN TRANSFORMED FROM AN AGRICULTURE-BASED ECONOMY, INTO AN INCREASINGLY INDUSTRIALISED ECONOMY. WITH THE RISE OF LOW COST PRODUCERS SUCH AS CHINA AND INDIA, HOWEVER, WE HAVE HAD TO ADJUST AND MOVE UP TO HIGHER VALUE-ADDED ACTIVITIES IN THE INDUSTRIAL, SERVICES AND AGRICULTURE SECTORS. STRATEGIES ARE BEING PUT IN PLACE TO FACILITATE OUR ECONOMIC TRANSITION TOWARDS MORE PRODUCTIVITY-DRIVEN AND KNOWLEDGE-INTENSIVE ECONOMIC ACTIVITIES IN ORDER TO SUSTAIN OUR ECONOMIC DEVELOPMENT.

19. THROUGHOUT THIS ECONOMIC TRANSFORMATION, WE HAVE FACED SIGNIFICANT CHALLENGES AND HURDLES. BUT WE STAYED THE COURSE AND PERSEVERED. THE GOVERNMENT REMAINED FOCUSED ON DEVELOPING INFRASTRUCTURE AND INVESTED HEAVILY IN EDUCATION AND HUMAN RESOURCE DEVELOPMENT. DEVELOPMENT EXPENDITURE, INCLUDING FOR PHYSICAL INFRASTRUCTURE AND EDUCATION, ALWAYS CONSTITUTES THE BULK OF THE ANNUAL BUDGET ALLOCATION. IN THE PERIOD OF THREE DECADES, WE HAVE REDUCED THE POVERTY LEVEL FROM ABOUT 50 PERCENT IN 1970 TO ABOUT 5 PERCENT NOW, WHILE PER CAPITA INCOME HAS INCREASED FROM 300 U.S. DOLLARS IN 1970 TO 4,352 U.S. DOLLARS IN 2004. IN ALL THIS, IT IS NOTEWORTHY THAT THROUGH OUR EFFORTS IN EDUCATION AND HUMAN RESOURCE DEVELOPMENT, WE HAVE ALSO SUCCEEDED IN CREATING A LARGE PROFESSIONAL AND MIDDLE-INCOME CLASS IN MALAYSIA TODAY.

EXCELLENCIES, LADIES AND GENTLEMEN

20. THE PURSUIT OF BALANCED AND COMPREHENSIVE ECONOMIC DEVELOPMENT CAN BE ACHIEVED BY WORKING TOGETHER. THERE IS TREMENDOUS POTENTIAL IN THE MUSLIM WORLD THAT CAN AND SHOULD BE HARNESSSED. WHILE THE 1.4 BILLION MUSLIM UMMAH TODAY ACCOUNTS FOR ABOUT 20 PERCENT OF THE WORLD'S POPULATION, MUSLIM COUNTRIES CONTRIBUTE ONLY 5 PERCENT OF THE WORLD'S INCOME.

21. WE ALSO DO NOT TRADE ENOUGH BETWEEN OURSELVES. INTRA-REGIONAL TRADE AMONG MUSLIM COUNTRIES ONLY ACCOUNTS FOR ABOUT 10 PERCENT OF THE TOTAL TRADE OF MUSLIM COUNTRIES, WHILE THE BALANCE IS TRADE WITH NON-MUSLIM COUNTRIES. A SIMILAR SITUATION ALSO EXISTS IN TERMS OF INVESTMENT FLOWS. A LARGE PROPORTION OF WEALTH GENERATED IN A NUMBER OF MUSLIM COUNTRIES DO NOT GET INVESTED IN OTHER MUSLIM COUNTRIES IN NEED OF FINANCIAL RESOURCES TO PURSUE ECONOMIC AND SOCIAL DEVELOPMENT.

22. MUSLIMS COUNTRIES ALSO HAVE DIVERSE ECONOMIC ACTIVITIES. WHILE THERE ARE AREAS OF COMPETITION, THERE IS POTENTIAL FOR FOCUSING ON COOPERATION AND ON COMPLEMENTING EACH OTHER. COLLABORATION AMONG THE MUSLIM COUNTRIES WILL ALSO ALLOW MEMBER COUNTRIES TO LEVERAGE ON THE STRENGTHS AND EXPERTISE OF FELLOW MUSLIM COUNTRIES IN A WIDE RANGE OF AREAS, FROM ECONOMIC MANAGEMENT TO HUMAN RESOURCE DEVELOPMENT AND INSTITUTIONAL REFORMS.

23. IN SHORT, THERE IS SIGNIFICANT SCOPE AND POTENTIAL TO INCREASE ECONOMIC COOPERATION TO PROMOTE TRADE AND INVESTMENT AMONG MUSLIM COUNTRIES. BARRIERS TO SUCH CO-OPERATION MUST BE REMOVED TO ALLOW FOR MUTUAL ECONOMIC AND FINANCIAL COLLABORATION, PROGRESSIVE TRADE RELATIONS AND THE DEVELOPMENT OF ECONOMIC INFRASTRUCTURE. AREAS THAT MUSLIM COUNTRIES CAN LOOK AT IN ORDER TO FACILITATE TRADE AND INVESTMENT FLOWS INCLUDE GREATER HARMONISATION OF REGULATIONS AND RULES, AS WELL AS SIMPLIFICATION OF ARRANGEMENTS FOR TRADE. SUCH EFFORTS SHOULD ALSO EXTEND TO INCLUDE CAPACITY BUILDING INITIATIVES, INCLUDING THE SHARING OF RELEVANT INFORMATION AND EXPERTISE.

EXCELLENCIES, LADIES AND GENTLEMEN

24. PERHAPS ONE OF THE MOST IMPORTANT AREAS FOR MUSLIM COUNTRIES TO COLLABORATE ON IS IN DEVELOPING A COMPREHENSIVE ISLAMIC FINANCIAL SYSTEM. ISLAMIC FINANCE HAS GAINED GLOBAL ACCEPTANCE. THERE HAS BEEN SIGNIFICANT GROWTH IN ISLAMIC FINANCE, PARTICULARLY IN BANKING, CAPITAL MARKET AS WELL AS TAKAFUL ACTIVITIES. ISLAMIC FINANCE PROVIDES A VIABLE MEANS FOR MUSLIMS TO SAVE, INVEST AND OBTAIN FINANCING IN CONFORMITY WITH THE SHARIAH REQUIREMENTS. THE ISLAMIC FINANCIAL SYSTEM PROMOTES PROFIT SHARING BETWEEN PROVIDERS OF FUNDS AND ENTREPRENEURS, THUS CONTRIBUTING TOWARDS EQUITABLE ECONOMIC DEVELOPMENT. GLOBALLY, THE ISLAMIC FINANCIAL SYSTEM WILL FURTHER FACILITATE AND PROMOTE THE STRENGTHENING OF TRADE AND INVESTMENT TIES AMONG MUSLIM COUNTRIES. IN ADDITION, THROUGH A WELL-ESTABLISHED GLOBAL ISLAMIC FINANCIAL SYSTEM, RICH MUSLIM COUNTRIES CAN PROVIDE FUNDS TO POOR MUSLIM NATIONS MORE EFFICIENTLY.

25. THE GROWTH POTENTIAL OF ISLAMIC FINANCE IS TREMENDOUS. TO ACHIEVE THIS POTENTIAL, MUSLIM COUNTRIES MUST WORK TOGETHER TO ENSURE THAT THE NECESSARY BUILDING BLOCKS FOR A SUCCESSFUL AND CREDIBLE ISLAMIC FINANCIAL SYSTEM ARE PUT IN PLACE. THESE INCLUDE ESTABLISHING THE LEGAL, REGULATORY AND SUPERVISORY FRAMEWORKS, AS WELL AS HAVING IN PLACE A COMPREHENSIVE ISLAMIC FINANCIAL SYSTEM THAT ENCOMPASSES THE WHOLE SPECTRUM OF FINANCIAL SERVICES FROM BANKING, TAKAFUL, CAPITAL MARKETS TO FUND MANAGEMENT.

26. ISLAMIC FINANCE SHOULD NOT BE VIEWED AS EXCLUSIVELY FOR MUSLIMS AND MUSLIM COUNTRIES ALONE. TO REALISE OUR VISION OF HAVING A COMPREHENSIVE AND ACCEPTED ISLAMIC FINANCIAL INDUSTRY AT THE GLOBAL LEVEL, IT IS IMPERATIVE TO ENSURE THAT ISLAMIC FINANCE IS INTEGRATED INTO THE INTERNATIONAL FINANCIAL SYSTEM AND MARKETS. WHERE APPROPRIATE, WE SHOULD WORK TOGETHER WITH THE INTERNATIONAL FINANCIAL COMMUNITY AND WITH REGULATORS TO STRENGTHEN THE ISLAMIC FINANCIAL SYSTEM AND TO INCREASE ITS ACCEPTANCE AT THE GLOBAL LEVEL.

27. I AM PLEASED TO NOTE THAT THERE ARE ALREADY SEVERAL INITIATIVES AT THE GLOBAL LEVEL TO SPEARHEAD THE DEVELOPMENT OF THE ISLAMIC FINANCIAL SERVICES INDUSTRY. THE ESTABLISHMENT OF THE ISLAMIC FINANCIAL SERVICES BOARD, THE ACCOUNTING AND AUDITING ORGANISATION FOR ISLAMIC FINANCIAL INSTITUTIONS, AND THE INTERNATIONAL ISLAMIC FINANCIAL MARKET HAVE STRENGTHENED THE EFFORTS TO CREATE A SUSTAINABLE AND COMPREHENSIVE ISLAMIC FINANCIAL SYSTEM. THESE INITIATIVES TOGETHER WITH THE ROLES PLAYED BY OTHER ISLAMIC TRANSNATIONAL BODIES SUCH AS THE ISLAMIC DEVELOPMENT BANK AND THE ORGANISATION OF THE ISLAMIC CONFERENCE HAVE STRENGTHENED THE SOLIDARITY AND COOPERATION AMONG MUSLIM COUNTRIES.

28. AS SUCH, THE FORMULATION OF THE 10-YEAR MASTER PLAN FOR ISLAMIC FINANCIAL SERVICES INDUSTRY IS TIMELY AND RELEVANT, AS WE ACCELERATE THE DEVELOPMENT OF ISLAMIC FINANCE IN THE WORLD. THIS PLAN WILL PROVIDE A SHARED VISION AND A COMMON GOAL TO BE ACHIEVED OVER THE NEXT 10 YEARS. MORE IMPORTANTLY, THE MASTER PLAN WOULD PROVIDE A GUIDED AND SEQUENCED APPROACH TO ALLOW US TO FOCUS OUR ENERGY AND EFFORTS TOWARDS ACHIEVING THE VISION. THE MASTER PLAN IS EXPECTED TO COVER FOUR BROAD ASPECTS OF THE ISLAMIC FINANCIAL SYSTEM, NAMELY, BANKING, TAKAFUL, CAPITAL MARKET, AS WELL AS ISLAMIC FINANCIAL ARCHITECTURE AND INFRASTRUCTURE.

29. IN FORMULATING THE MASTER PLAN, IT IS IMPORTANT TO HAVE SHORT AND MEDIUM-TERM GOALS TO ENSURE THAT ANY INITIATIVES UNDERTAKEN ARE CONSISTENT WITH THE LONG TERM-OBJECTIVES. WHILE THE MASTER PLAN CHARTS A ROADMAP FOR THE NEXT DECADE OF ISLAMIC FINANCIAL SECTOR DEVELOPMENT, WE MUST ALSO REMAIN READY TO REALIGN OUR STRATEGIES AND ACTIONS WHEN FACED WITH CHANGING ECONOMIC AND FINANCIAL CONDITIONS. ABOVE ALL ELSE, WE SHOULD NOT LOSE SIGHT OF OUR ULTIMATE OBJECTIVE OF ACHIEVING BALANCED AND COMPREHENSIVE ECONOMIC DEVELOPMENT.

30. IMPLEMENTING THE MASTER PLAN REQUIRES THE COMBINED EFFORTS OF ALL THE STAKEHOLDERS, ESPECIALLY THE MEMBER COUNTRIES OF THE I.D.B. THEMSELVES, TO ENSURE THAT THE DESIRED OUTCOMES ARE ACHIEVED. I WOULD LIKE TO TAKE THIS OPPORTUNITY TO CALL UPON ALL MUSLIM COUNTRIES TO CONTRIBUTE TOWARDS THE FORMULATION OF THE MASTER PLAN. IT IS IMPORTANT THAT WE RESIST THE IMPULSE TO GO IT ALONE AND INSTEAD TO WORK TOGETHER IN PARTNERSHIP TO DRAW UP THE PLANS, NOT LEAST BECAUSE THERE IS MUCH TO DO FOR THE ISLAMIC FINANCIAL SYSTEM TO CATCH UP AND KEEP PACE WITH THE CONVENTIONAL FINANCIAL SYSTEM. INDEED, WORKING TOGETHER IS NOT ONLY DESIRABLE, BUT NECESSARY IN THIS DEMANDING AND HIGHLY COMPETITIVE WORLD.

31. YOUR PRESENCE HERE TODAY IS THE FIRST STEP TOWARDS REALISING OUR SHARED VISION FOR ISLAMIC FINANCE. I LOOK FORWARD TO SEEING THE OUTCOME OF YOUR DELIBERATIONS ON OPTIONS TO CLOSE THE GAP AND TO BUILD BRIDGES TOWARDS GREATER ECONOMIC PROSPERITY FOR OUR COUNTRIES AND FOR FUTURE GENERATIONS.

32. ON THAT NOTE, I WISH ALL OF YOU A SUCCESSFUL AND PRODUCTIVE SEMINAR. MAY ALLAH SHOWER US WITH HIS GRACE AND BLESSINGS, AS WE WORK ON HIS PATH TO A BETTER WORLD FOR ALL.

THANK YOU.