

**SPEECH BY  
THE HONOURABLE DATO SERI ABDULLAH AHMAD BADAWI  
AT THE OFFICIAL LAUNCH OF THE WORLD ISLAMIC ECONOMIC FORUM  
FOUNDATION AT KUALA LUMPUR  
7 JUNE 2006**

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ASSALAMUALAIKUM,  
AND A VERY GOOD EVENING TO ALL OF YOU.

EXCELLENCIES,  
DISTINGUISHED GUESTS,  
LADIES AND GENTLEMEN.

I FEEL VERY HONOURED TO BE HERE THIS EVENING, TO CELEBRATE THE COMING INTO BEING OF AN INSTITUTION WHICH I HOPE WILL GROW TO BECOME A VERY PROMINENT FEATURE OF CONTEMPORARY HISTORY OF THE ISLAMIC WORLD, INSHALLAH. I KNOW THAT THE EVENT WE ARE WITNESSING THIS EVENING REPRESENTS THE CULMINATION OF A LOT OF HARD WORK BY THE FOUNDING CHAIRMAN, TUN MUSA HITAM, THE INTERNATIONAL ADVISORY PANEL, AND NOT LEAST THE ASIAN STRATEGY & LEADERSHIP INSTITUTE. I WISH TO COMMEND ALL OF THEM FOR HAVING TAKEN THE INITIATIVE, AND FOR HAVING NURTURED THIS PROJECT, THAT WE ARE ABLE TONIGHT TO SEE THE REALIZATION OF THE WORLD ISLAMIC ECONOMIC FORUM FOUNDATION.

2. THREE YEARS AGO IN 2003, MALAYSIA HOSTED THE FIRST O.I.C BUSINESS FORUM, WHICH BROUGHT TOGETHER GOVERNMENT LEADERS, CAPTAINS OF INDUSTRY, REGIONAL EXPERTS, PROFESSIONALS AND CORPORATE PERSONALITIES. IT WAS A DELIBERATE EFFORT TO FOSTER GREATER COLLABORATION IN BUSINESS AND SMART PARTNERSHIPS AMONG O.I.C MEMBER COUNTRIES. THE EFFORT PROVED POPULAR AND SUCCESSFUL, THAT WE WERE ABLE TO RECONVENE THE FORUM IN 2004 AND 2005.

3. ENCOURAGED BY THE ENTHUSIASTIC RESPONSE FROM THE PARTICIPANTS, AND IN ORDER TO STRENGTHEN THE INITIATIVE WITH A MUCH BROADER THRUST AND FOCUS, WE DECIDED TO RENAME THE ANNUAL GATHERING AS THE WORLD ISLAMIC ECONOMIC FORUM. IT WAS ALSO INTENDED THAT THE NAME CHANGE BE AN INCENTIVE FOR AN EVEN WIDER PARTICIPATION OF ACADEMICIANS, BUSINESS PEOPLE AND N.G.O.S, TO INCLUDE MUSLIMS WHO LIVE AND WORK IN NON-O.I.C COUNTRIES.

LADIES AND GENTLEMEN,

4. IT IS A FACT THAT THE MORE PROSPEROUS O.I.C MEMBER COUNTRIES TRADE MORE AND HAVE LARGER ECONOMIC TIES WITH COUNTRIES OTHER THAN ISLAMIC

COUNTRIES. THE CHALLENGE FOR THE WORLD ISLAMIC ECONOMIC FORUM IS TO GENERATE GREATER ECONOMIC AND TRADE INTERACTIONS AMONG ISLAMIC COUNTRIES. THIS IS ABSOLUTELY NECESSARY BECAUSE THERE IS SO MUCH POVERTY AND DEPRIVATION AMONG MANY MUSLIMS ALL OVER THE WORLD. THEY LIVE IN ABJECT POVERTY AND DEPLORABLE CONDITIONS. THE AVERAGE PER CAPITA INCOME OF THOSE LIVING IN ISLAMIC COUNTRIES NOW IS MERELY \$1,100, COMPARED TO THE REST OF THE WORLD AVERAGE WHICH IS \$5,133. ABOUT 50% OF THE POPULATION OF ISLAMIC COUNTRIES LIVE ON LESS THAN \$2 A DAY, AN AMOUNT BARELY SUFFICIENT FOR SUBSISTENCE LIVING. POVERTY FOR MANY IN THE ISLAMIC WORLD HAS CREATED OTHER PROBLEMS SUCH AS ILLITERACY, MALNUTRITION, DISEASE AND CRIME. THE VICIOUS CIRCLE MUST BE BROKEN. WE CANNOT EXPECT OTHERS TO TAKE THE LEAD. IT IS THE DUTY OF ISLAMIC COUNTRIES TO HELP EACH OTHER, SO THAT THEY CAN SHARE THE PROSPERITY, NOT THE POVERTY.

5. INDEED, THE WORLD ISLAMIC ECONOMIC FORUM SHOULD BE THE PLATFORM FOR A SYNERGISTIC INTERACTION BETWEEN GOVERNMENT LEADERS, CIVIL SOCIETY AND BUSINESS PLAYERS OF THE MUSLIM UMMAH. THE FORUM SHOULD EXPLORE AND IDENTIFY NEW AND INNOVATIVE MEANS OF STRENGTHENING COOPERATION BETWEEN ISLAMIC COUNTRIES. IT SHOULD TAKE THE LEAD IN REINVENTING OURSELVES IN THIS INCREASINGLY COMPETITIVE GLOBALIZED ENVIRONMENT.

6. THE FORUM SHOULD BE THE VENUE FOR IDENTIFYING AND PROMOTING BUSINESS AND INVESTMENT OPPORTUNITIES. IT SHOULD ENGAGE IN DIALOGUES AND TRADING OF IDEAS NOT ONLY WITH MUSLIMS BUT ALSO WITH NON-MUSLIM ENTREPRENEURS. IT SHOULD PROVIDE THE NETWORKING FOR LEADING INTERNATIONAL BUSINESS EXECUTIVES AND POLITICAL LEADERS. THE PRIVATE SECTOR CAN TAKE ADVANTAGE OF THE FORUM TO VOICE CONCERNS AND PUT FORTH PROPOSALS TO TOP LEADERS AND DECISION-MAKERS IN AN INFORMAL SETTING. IT SHOULD BE A MARKET-PLACE FOR KNOWLEDGE AND INFORMATION ABOUT ECONOMIC AND SOCIAL PRIORITIES, INCLUDING DEVELOPMENT PLANS OF RESPECTIVE ISLAMIC COUNTRIES. ABOVE ALL, THE FORUM SHOULD ALSO MAKE ITS CONTRIBUTION TOWARDS STRENGTHENING THE MUSLIM BROTHERHOOD AT THE SAME TIME AS IT PROMOTES VIABLE JOINT-VENTURES AND SMART PARTNERSHIPS.

LADIES AND GENTLEMEN,

7. IN THE AREA OF INTERNATIONAL TRADE AND INVESTMENT, THERE IS A SPECIAL NICHE MARKET FOR HALAL PRODUCTS AND SERVICES WHICH ISLAMIC COUNTRIES SHOULD TAKE THE LEAD IN SECURING. BASED ON SIMPLE CALCULATION AND BY LOOKING AT THE PER CAPITA EXPENDITURE ON FOOD AMONG THE MUSLIM POPULATION AROUND THE WORLD, IT IS ESTIMATED THAT THE HALAL FOOD MARKET IS WORTH AT LEAST U.S.D 580 BILLION A YEAR. THIS AMOUNT DOES NOT INCLUDE THE LIKES OF LOGISTICS AND OTHER NON-FOOD ASPECTS OF THE INDUSTRY, WHICH IF ADDED ON, WOULD BE A MUCH BIGGER AND STAGGERING FIGURE. AS YOU MAY BE AWARE, MALAYSIA HAS ESTABLISHED THE HALAL INDUSTRY DEVELOPMENT CORPORATION, TO PLAY THE LEADING ROLE IN

DEVELOPING THE HALAL INDUSTRY IN MALAYSIA. IT IS THE INTENTION OF THE GOVERNMENT TO MAKE MALAYSIA A HALAL HUB FOR THE PRODUCTION AND DISTRIBUTION OF HALAL PRODUCTS AND SERVICES.

8. MALAYSIA HAS FURTHERMORE ESTABLISHED THE STANDARD MS1500:2004 AS AN INTERNATIONAL BENCHMARK FOR THE CERTIFICATION OF HALAL PRODUCTS. THE WORLD ISLAMIC ECONOMIC FORUM CAN ASSIST TO POPULARIZE THE ADOPTION OF THIS STANDARD. SUCH A STANDARDIZATION WOULD HELP IN ESTABLISHING THE CREDIBILITY AND ACCEPTABILITY OF SUCH PRODUCTS GLOBALLY.

9. THE ISLAMIC FINANCIAL SERVICES INDUSTRY IS ANOTHER AREA THAT MUSLIM COUNTRIES SHOULD CAPITALIZE UPON AND SPEARHEAD ITS GROWTH AND DEVELOPMENT. WITH 1.8 BILLION MUSLIMS AROUND THE GLOBE, THERE IS A READY MARKET FOR ISLAMIC FINANCIAL SERVICES IN COMMERCIAL ACTIVITIES. MALAYSIA HAS SEEN STEADY PROGRESS IN THIS FIELD. THERE IS DEFINITELY MUCH PROSPECT FOR ITS FURTHER GROWTH THROUGHOUT THE WORLD. IT WAS FIRST DEVELOPED AS AN ALTERNATIVE FORM OF FINANCING. HOWEVER, WITHIN A SPAN OF 40 YEARS IT HAS NOW GROWN INTO A VIABLE AND VIBRANT TOOL OF FINANCING. ALREADY, IT IS BEING PRACTISED IN OVER 60 COUNTRIES, INCLUDING THE MAJOR WORLD ECONOMIES.

10. YOU MIGHT ALSO BE AWARE THAT MALAYSIA HAS ESTABLISHED THE INTERNATIONAL CENTRE FOR EDUCATION IN ISLAMIC BANKING (INCEIF) IN MARCH THIS YEAR WITH A TWO-PRONG OBJECTIVE, NAMELY:

- TO PRODUCE ISLAMIC FINANCE PROFESSIONALS AND EXPERTISE IN ORDER TO ADDRESS THE HUMAN CAPITAL NEEDS OF A RAPIDLY EXPANDING INDUSTRY; AND
- TO BE AT THE FOREFRONT IN DEVELOPING INNOVATIVE ISLAMIC FINANCIAL PRODUCTS.

THE WORLD ISLAMIC ECONOMIC FORUM WOULD BE AN APPROPRIATE FORUM TO PROMOTE ISLAMIC BANKING AND OTHER ISLAMIC FINANCIAL SERVICES WHICH CAN BENEFIT EVERYBODY, IN PARTICULAR THE UMMAH .

LADIES AND GENTLEMEN,

11. IN ORDER TO HAVE THE CAPACITY TO BE CREDIBLE PARTICIPANTS IN THE NETWORK OF INTERNATIONAL TRADE AND INVESTMENT, ISLAMIC COUNTRIES WOULD NEED TO DEVELOP THEIR ECONOMIC INFRASTRUCTURES AT HOME. DURING THE INAUGURAL SPEECH LAST YEAR, I HIGHLIGHTED FIVE KEY STRATEGIES NECESSARY TO ACHIEVE A MORE BALANCED ECONOMIC GROWTH AND DEVELOPMENT. IT MAY BE WORTH MY REPEATING THOSE POINTS TONIGHT.

12. FIRST, THERE MUST BE ADEQUATE PHYSICAL INFRASTRUCTURE TO FACILITATE ECONOMIC ACTIVITY AND EXPEDITE ECONOMIC GROWTH. THIS INCLUDE AN EFFECTIVE TRANSPORTATION SYSTEM AND RELIABLE PUBLIC UTILITIES SUCH AS TELECOMMUNICATION SERVICES. BUSINESSES CAN ONLY THRIVE WHEN THESE FACILITIES AND SERVICES ARE READILY AVAILABLE AND FUNCTIONING WELL.

13. SECOND, THERE MUST BE ADEQUATE INVESTMENT IN HUMAN CAPITAL DEVELOPMENT. A COMPETENT AND KNOWLEDGEABLE WORKFORCE IS NEEDED TO OPERATE AND MANAGE THE SYSTEMS, AND MAINTAIN COST EFFECTIVENESS. A SOUND EDUCATION AND TRAINING SYSTEM IS NEEDED TO BUILD A TALENTED, SKILLED AND WORLD-CLASS WORKFORCE CAPABLE OF TAKING ON CHALLENGING TASKS.

14. THIRD, THERE MUST BE ADEQUATE FACILITIES FOR THE PURSUIT AND SPREAD OF KNOWLEDGE. CREATIVITY AND INNOVATION MUST BE PROVIDED WITH AVENUES TO FLOURISH. AFTER ALL, THE HOLY QU'RAN REQUESTS HUMANS TO USE HIS OR HER INTELLECT, TO PONDER, TO THINK AND TO KNOW. CRITICAL AND ANALYTICAL THINKING IS ENCOURAGED AND EXHORTED IN ISLAM. THEREFORE THE NEED TO POSSESS ADEQUATE KNOWLEDGE IN ORDER TO MANAGE AND OPERATE MODERN-DAY ECONOMIES ARE NOT ONLY CONSISTENT WITH THE TEACHINGS AND TRADITIONS OF ISLAM; IT IS EXPECTED OF MUSLIMS THAT THEY BE KNOWLEDGEABLE.

15. FOURTH, THERE MUST BE DIVERSIFICATION OF THE SOURCES OF GROWTH. WHILE MANY ISLAMIC COUNTRIES ARE BLESSED WITH RICH NATURAL RESOURCES, PREDOMINANTLY OIL AND GAS, THE LONG-TERM CHALLENGE IS TO SUSTAIN ECONOMIC GROWTH BY EXPLORING OTHER SOURCES OF GROWTH. IN THIS REGARD, INFORMATION AND COMMUNICATIONS TECHNOLOGY OFFER VAST POSSIBILITIES FOR GENERATING ECONOMIC GROWTH AND PROVIDING EMPLOYMENT OPPORTUNITIES. WE MUST ALSO NOT IGNORE THE VAST POTENTIALS OF BIO TECHNOLOGY.

16. FIFTH, WE MUST DEVELOP EFFECTIVE STRATEGIES TO DEVELOP THE RURAL AREAS. THERE HAS BEEN AN OVER-RELIANCE ON THE URBAN AREAS FOR ECONOMIC GROWTH. A LARGE PROPORTION OF THE POPULATION OF MUSLIM COUNTRIES RESIDE IN RURAL AREAS. THEY MUST NOT BE FORGOTTEN. INSTEAD, THEY MUST CONSTITUTE AN IMPORTANT COMPONENT OF THE DEVELOPMENT STRATEGY. THE PROMOTION OF THE AGRICULTURE SECTOR AND AGRO-BASED INDUSTRIES WOULD BE APPROPRIATE FOR THE PURPOSE.

LADIES AND GENTLEMEN,

17. IT IS OF COURSE TRUE THAT NO PLAN OR STRATEGY CAN BE IMPLEMENTED IN A VACUUM. THERE IS AN URGENT NEED IN THE ISLAMIC WORLD TO ESTABLISH INSTITUTIONS THAT CAN FACILITATE THE IMPLEMENTATION OF PLANS AND STRATEGIES OF THE KIND THAT I HAVE JUST OUTLINED. IN THIS REGARD, A

RELATED AND KEY FACTOR IS THE ABILITY TO ATTRACT FOREIGN DIRECT INVESTMENT.

18. SUCH INSTITUTIONS MUST SERVE AS THE MEDIATOR FOR COMMERCIAL INTERACTIONS BETWEEN INTERNATIONAL BUSINESS ENTREPRENEURS AND GOVERNMENT LEADERS. THEY CAN HOST DIALOGUES, MAINTAIN DIRECTORIES OF POTENTIAL INVESTORS, CAPITAL PROVIDERS, RELIABLE AND TRUSTWORTHY ENTREPRENEURS. THEY CAN HOUSE A DATABASE OF DEVELOPMENT PLANS OF ISLAMIC COUNTRIES AND THEIR PRIORITIES. THEY CAN HELP DEVELOP A SET OF RULES OF ENGAGEMENT IN COMMERCIAL INTERACTIONS. THEY CAN CONTRIBUTE TO MUSLIM UNITY AND SOLIDARITY BY PROMOTING VARIOUS ACTIVITIES NOT ONLY IN THE ECONOMIC AND COMMERCIAL SECTORS BUT ALSO IN THE REALM OF CULTURAL AND ACADEMIC EXCHANGES.

19. THESE INSTITUTIONS CAN ALSO BE A VIBRANT PLATFORM FOR DIALOGUE BETWEEN THE WEST AND THE MUSLIM WORLD IN THESE TURBULENT TIMES. WE NEED TO BUILD NOT ONLY ECONOMIC AND TRADE BRIDGES BETWEEN THE TWO SIDES BUT ALSO, AND EVEN MORE IMPORTANTLY, ESTABLISH INSTITUTIONS AND PROVIDE FORUMS THAT ASSIST TO SPREAD GOODWILL AND TRUST BETWEEN THE TWO GREAT CIVILIZATIONS.

20. I HOPE THE WORLD ISLAMIC ECONOMIC FORUM FOUNDATION WILL EXCEL AS ONE OF THE FINEST OF THESE INSTITUTIONS. IN THE PAST, MUSLIMS EXCELLED IN VARIOUS FIELDS INCLUDING POLITICS, PHILOSOPHY, THE MILITARY, THE SCIENCES AND THE ARTS, AND HAD IN FACT DOMINATED THE WORLD TRADE SCENE. LET US PRAY AND HOPE THAT THE WORLD ISLAMIC ECONOMIC FORUM FOUNDATION WILL MAKE IMPORTANT CONTRIBUTIONS TO BRING BACK SOME OF THE GLORY OF THE PAST IN THE HISTORY OF ISLAM.

21. MAY THE FOUNDATION ALSO BE AN EFFECTIVE CATALYST FOR ECONOMIC DEVELOPMENT, PROGRESS AND PROSPERITY. MAY GOD BLESS OUR EFFORT AND MAKE IT A HUGE SUCCESS.

22. WE ARE ALL VERY PRIVILEGED TO BE PRESENT TONIGHT TO WITNESS THE BIRTH OF THIS INSTITUTION. I AM DELIGHTED TO ACCEPT THE INVITATION TO BE THE FOUNDATION'S HONORARY PATRON. IT IS NOW MY PLEASURE TO DECLARE THE W. I. E. F FOUNDATION OFFICIALLY LAUNCHED.

THANK YOU.